

Doc#: QF-PR13 Rev: 5 Approved date: 6/19/2019	 <b>Supplier Terms and Conditions</b>	Approved By: Vince Ho
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The purchase order, together with these terms and conditions, and any attachments and exhibits, **specifications, drawings**, notes, instructions and other information, whether physically attached or incorporated by reference (collectively the “Purchase Order”), constitutes the entire and exclusive agreement between the I-TECH E-SERVICES (“I-Tech”) and the supplier (the “Supplier”) identified in the Purchase Order. Supplier’s electronic acceptance, via fax or email, acknowledgement of this Purchase Order constitutes Supplier’s acceptance of these terms and conditions. The Purchase Order does not constitute a firm offer and may be revoked at any time prior to such acceptance. Notwithstanding the foregoing, if a master agreement covering procurement of the Work described in the Purchase Order exists between Supplier and I-TECH E-SERVICES, the terms of such master agreement shall prevail over any inconsistent terms herein.

### **1. DELIVERY**

Time is of the essence in Supplier’s performance of its obligations of the Purchase Order. Supplier will immediately notify I-TECH E-SERVICES if Supplier’s timely performance under the Purchase Order is delayed or is likely to be delayed. I-TECH E-SERVICES’s acceptance of Supplier’s notice will not constitute I-TECH E-SERVICES’s waiver of any of Supplier’s obligations.

If Supplier delivers any product/materials after the Delivery Date, I-TECH E-SERVICES may reject such Work. Supplier may, at its sole discretion, deliver product/materials up to 5 (five) days prior to requested delivery date.

Supplier will preserve, pack, package and handle the Deliverables and Products so as to protect the Deliverables and Products from loss or damage and in accordance with best commercial practices in the absence of any specifications I-TECH E-SERVICES may provide.

Supplier will include with each delivery of Products a packing list identifying the Purchase Order number, the I-TECH E-SERVICES part number for each of the Products (if applicable), a description and the quantity of each of the Products, and the date of shipment.

### **2. INSPECTION, ACCEPTANCE AND NONCONFORMANCE**

I-TECH E-SERVICES may reject any or all of the product/material which does not conform to the applicable requirements within 10 business days of Supplier’s delivery.

Supplier is required to notify I-TECH E-SERVICES as soon as possible of any nonconforming product/material and obtain the written approval from I-TECH E-SERVICES for the disposition of any nonconforming product/material.

At I-TECH E-SERVICES’s option, I-TECH E-SERVICES may (i) return the nonconforming Work to Supplier for a refund or credit; (ii) requires Supplier to replace the non-conforming Work; or (iii) repair the non-conforming Work so that it meets the requirements. Supplier is responsible for product lost or damaged prior to delivery to I-TECH E-SERVICES.

### **3. COUNTERFEIT PARTS**

I-TECH E-SERVICES requires its suppliers to take steps to eliminate the risk of introducing counterfeit electronic parts as well as non-electronic parts and materials. We define Counterfeit Work as items that are, or contain, unlawful or unauthorized reproductions, substitutions or alterations that have been knowingly mismarked, misidentified or

otherwise misrepresented to be an authentic, unmodified part from the original manufacturer or a source with the express written authority of the original manufacturer or the current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used items represented as new or the false identification of grade, serial number, lot number and date code or performance characteristics.

Suppliers of raw materials/components shall insure that only new and authentic materials/components are used fulfilling POs to I-TECH E-SERVICES. Distributors may only purchase materials/components directly from original

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manufacturers.

#### **4. RECORDS RETENTION**

Records of inspection, test, purchased materials, special processing, engineering changes, serial numbers and other quality assurance activities shall be maintained and available for review by I-TECH E-SERVICES personnel, our customers and/or regulatory agencies. Such records shall be stored for not less than (10) ten years after completion of the PO unless otherwise stated on the PO.

#### **5. CHANGE CONTROL (Supplier Changes)**

The supplier shall not make any changes to the approved PO of the product or service to specified requirements and/or specified manufacturing location, unless I-TECH E-SERVICES provides, in writing, official revised documentation. Supplier shall maintain a change control system to ensure all changes to drawings, **specifications and/or test methods** are incorporated per I-TECH E-SERVICES requirements. When the Supplier's drawing number and revision change level are specified on an I-TECH E-SERVICES or I-TECH E-SERVICES Customer drawing, **products** must conform to both Supplier's and I-TECH E-SERVICES or I-TECH E-SERVICES Customer's drawings at the revision change levels shown. Supplier's requested changes to drawings and **process**

**es** must be transmitted to I-TECH E-SERVICES with **sufficient data** to enable a complete evaluation of the request. Changes shall not be incorporated until authorized, in writing, by I-TECH E-SERVICES.

Supplier have to notify the organization of changes in the purchased product prior to implementation of any changes that affect the ability of the purchased product to meet specified purchase requirements

#### **6. FLOW DOWN REQUIREMENTS**

All specifications flowed out to the supplier are to be interpreted to the most current revisions unless otherwise specified. Customer specific specifications on specific **processes** will be detailed on the PO and/or drawing. The supplier will flow down to sub tier suppliers the applicable requirements in the purchasing documents, including key characteristics.

#### **7. SOURCE INSPECTION AND RIGHT OF ACCESS**

I-TECH E-SERVICES's quality and operations personnel shall have the right to inspect product and all applicable records at Supplier's facility as part of, or in addition to, it's incoming inspection activity. Acceptance of parts by source inspection does not preclude subsequent return of the product if further inspection detects nonconformance's. I-TECH E-SERVICES shall notify Supplier no less than 24 hours prior to a source inspection request. I-TECH E-SERVICES, its Customers and/or regulatory authorities, shall have **the right of access**, to the applicable areas of all facilities, **at any level of the supply chain**, involved in the order and to all its applicable records.

#### **8. REQUIREMENTS FOR QUALIFICATION OF PERSONNEL**

Where applicable, only qualified/certified personnel, properly trained in product safety, shall be used based on process specification requirements. Records shall be maintained of the personnel qualifications and certifications.

Supplier represents and warrants that (i) services will be performed with all reasonable care and skill by suitably qualified personnel in accordance with best industry practice and (ii) all goods and services provided will be (a) in accordance with the Agreement, (b) free from defects in design, materials, workmanship and manufacture, (c) of

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satisfactory quality, (d) fit for the purposes communicated by I-TECH E-SERVICES or if not communicated by I-TECH E-SERVICES fit for the purposes as can be reasonably deemed, and (e) in conformance with specifications

## **9. QUALITY MANAGEMENT SYSTEM**

Suppliers that do not meet ISO 9001:2015 and/or AS9100D may be approved if they meet minimum levels for measurable Items related to I-Tech's quality policy. Items such as On-Time delivery, Customer Satisfaction, product quality, low defect rates, continual improvement, and positive customer service feedback may be used as performance indicators and justification for low risk supplier approval ratings. **If I-Tech customers require that specific standards be met for any contractual agreement, suppliers would have to meet specific thresholds and must be pre-approved by the customer before procuring any parts or materials.** Objective evidence such as written approvals, certificates, or other tangible evidence must be documented to validate the approval process.

Distributors shall maintain a management system to ensure the **products** or services they provide meet the requirements of the Purchase Order. Raw material and/or certification from the manufacturer shall be maintained by the distributor for at least three (3) years and shall be made available to I-TECH E-SERVICES upon request.

Each shipment shall contain a Certificate of Compliance indicating that the product and/or material have been manufactured, inspected, and/or tested, and meet the requirements of the Purchase Order. The minimum information on the Certificate of Compliance shall include the following: 1) date, 2) purchase order number, 3) supplier's name, 4) part number, drawing number, and/or specification number including revision. A copy of a Certificate of Conformance from the distributor specifying date code, lot/batch code or serial number(s) and the manufacturer's name shall be shipped with each order.

Where the supplier supplies raw material directly to I-TECH E-SERVICES, the supplier shall assure that the material is manufactured and distributed by sources approved by I-TECH E-SERVICES and/or I-TECH E-SERVICES's customers. The supplier shall identify each item, package or container with the date of manufacture and shelf life expiration. In no case, shall material be supplied with less than 80% of its shelf life remaining without prior written approval from I-TECH E-SERVICES. I-TECH E-SERVICES Quality Assurance must approve any substitution of material, size and/or shape.

## **10. TRADE PRACTICES**

Supplier will, at all times, refrain from engaging in any illegal, unfair or deceptive trade practices or unethical business practices. Supplier shall at its expense obtain any and all permits, licenses, authorizations, and/or certificates that may be required in any jurisdiction or by any regulatory or administrative agency in connection with its activities hereunder. Supplier shall ensure that its employees are aware of:

- **their contribution to product or service conformity**
- **their contribution to product safety, and**
- **their contribution to the importance of ethical behavior**

## **11. CONFIDENTIALITY**

The parties will keep confidential any information (whether written or oral) of a confidential nature obtained under the Agreement and will not, without the written consent of the other party, disclose that information to any person (other than their employees or professional advisers). This provision will not apply to (a) any information which has been published other than through a breach of the Agreement; (b) information lawfully in the possession of the recipient before the disclosure under the Agreement took place; (c) information obtained from a third party who is free to disclose it; and (d) information which a party is requested to disclose and, if it did not, could be required by to do so by law.

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**12. PLEASE REFER TO: I-TECH'S EXTERNAL PROVIDER AS9100D REQUIREMENTS SUMMARY BELOW**

- a. the processes, products, and services to be provided *including the identification of relevant technical data (e.g., Specifications, drawings, process requirements, work instructions);*
- b. the approval of:
  - 1. products and services;
  - 2. methods, processes, and equipment;
  - 3. the release of products and services;
- c. competence, including any required qualification of persons;
- d. the external providers' interactions with the organization;
- e. control and monitoring of the external providers' performance to be applied by the organization;
- f. verification or validation activities that the organization, or its customer, intends to perform at the external providers' premises;
- g. design and development control;**
- h. special requirements, critical items, or key characteristics;**
- i. test, inspection, and verification (including production process verification);**
- j. the use of statistical techniques for product acceptance and related instructions for acceptance by the organization;**
- k. the need to:**
  - *implement a quality management system;*
  - *use customer-designated or approved external providers, including process sources (e.g., special processes);*
  - *notify the organization of nonconforming processes, products, or services and obtain approval for their disposition;*
  - *prevent the use of counterfeit parts (see 8.1.4);*
  - *notify the organization of changes to processes, products, or services, including changes of their external providers or location of manufacture, and obtain the organization's approval;*
  - *flow down to external providers applicable requirements including customer requirements;*
  - *provide test specimens for design approval, inspection/verification, investigation, or auditing;*
  - *retain documented information, including retention periods and disposition requirements;*
- l. the right of access by the organization, their customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain;**
- m. ensuring that persons are aware of:**
  - *their contribution to product or service conformity;*
  - *their contribution to product safety;*
  - the importance of ethical behavior.

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**Revision History**

Revision	Date	Responsible	Changes
1	2/7/2018	Dale Marcum	Initial Release
2	8/24/2018	Dale Marcum	Added " Supplier changes to be notified before implementation" under section "Change Control (Supplier Changes)
3	5/15/2019	Ben Hodges	Changed approval and Responsible people Header/Footer. Provided more clarity of quality system requirement for AS9100D 8.4.3 Information for External Providers. Applied number to sections, added 12.0 terms
4	5/17/2019	Ben Hodges	Updated section 12 requirements.
5	6/19/2019	Ben Hodges	Suppliers that do not meet ISO 9001:2015 and/or AS9100D may be approved if they meet minimum levels for measurable Items listed on I-Tech's quality policy