



## Purchase Order Terms and Conditions

ACCEPTANCE of this order, or the initiating of any process, or the furnishing of any product, or the acceptance of payment, constitutes unconditional acceptance of this order and applicable Terms and Conditions.

AMMENDMENTS to this order, changes to product or process definition, or Supplier logistics, which alters strict compliance with this P.O., or changes and/or exceptions to these Terms and Conditions will be set forth in writing via Purchase Order Change Notices once approved by Max Industries after requests of such changes are presented to Max Industries in writing, prior to the acceptance of the order.

SCHEDULE for delivery of all goods or completion of services shall be the responsibility of the Supplier. Max Industries may approve revised scheduling, once provided by Supplier in writing to Max Industries, if there is a delay outside the control of the Supplier to furnish product or services in accordance with schedule on P.O. However if the Supplier does not meet the schedule on the accepted P.O., Max Industries reserves the right to terminate the order without liability for such termination.

CANCELLATION shall remain the right of Max Industries and may be initiated at any time and shall be free of liability to Max Industries prior to the receipt of goods or completion of services. Processing and general services may have cost prorated to evaluate liability amount if cancellation occurs after commencement of work in accordance with accepted P.O. This cost will not exceed previously accepted P.O. amount and shall be amended via P.O. change notice prior to final invoicing.

PACKAGING AND PROTECTION of the product shipped shall be completed in accordance with Max Industries P.O. or best commercial practice in order to prevent damage or deterioration to the product and will be free of Foreign Object Debris (FOD). The following documentation will be provided at a minimum: Supplier Company name and location, contact information, shipper number, date, Max Industries P.O. number, part name (if applicable), quantity, unit of measure, Mill Test Reports, compliant Specifications and Revision (if applicable), Test and/or Inspection Data (If applicable), and Certifications (if applicable). A signed and dated statement of Quality, from an authorized representative stating that all methods and/or materials used to procure order are in accordance with P.O. instructions and that all required inspections and/or tests have been successfully completed.



## Purchase Order Terms and Conditions (Cont.)

NONCONFORMING PRODUCT may be returned to the Supplier for rework or credit and will be sole financial responsibility of the Supplier. Nonconforming product found to be scrapped out due to Supplier failure to process per Max Industries P.O. instructions will be sole financial responsibility of the Supplier and recovery cost thereof may be determined by sum of material, pre-existing manufacturing and processing costs. The Supplier shall provide prompt, written notification to Max Industries when nonconforming material or products, affecting Purchase Order or specification requirement issues are discovered. The Supplier shall not ship such nonconforming material or product until authorization to ship has been obtained from Max Industries Quality Manager. Upon authorization to ship, all documentation related to nonconforming product shall accompany product shipment.

QUALITY SYSTEM shall be maintained by the Supplier that meets or exceeds industry standards and ensures adequate product conformance and appropriate objective evidence to meet usual business responsibilities. It is preferable that Suppliers are able to maintain a Quality System that meets or exceeds ISO 9001 (current revision) or AS9100 (current revision). Buyer must be notified within two working days if any of the ISO/AS certifications are revoked or upgraded. If a Supplier does not have a Quality System, they will be evaluated on an individual basis by Max Industries to determine supplier eligibility. Max Industries will not be held liable for our changes that may affect the supplier performance to meet our requirements as long as we notify the Supplier by e-mail of these changes.

QUALITY REQUIREMENTS for suppliers of Max Industries, as an AS9100 certified organization, monitors the performance of its external providers' performance using the following as goals:

- 1) On-time Delivery: Max Industries requires at least 90% on-time delivery. On-time delivery is defined as delivery on or before the date mutually agreed by Max Industries and the Supplier, and is documented in the Purchase Order.
- 2) Delivered Product and Service Conformance: Max industries requires that Suppliers provide goods and services that meet requirements at least 95% of the time. When requirements are not met, Max Industries will generate an Supplier Nonconformance. Failure to respond to a Supplier Nonconformance can result in the disapproval of a Supplier.

SUPPLIER SELECTION, MONITORING, AND APPROVAL for suppliers is based on the following additional criteria not listed:

- 1) Max Industries requires its suppliers to notify Max whenever there are changes to processes, products, or services, including changes to the Suppliers location of manufacture. Max Industries must approve of these changes prior to delivery of the product or service.
- 2) Max Industries requires its suppliers to, when requested, provide test specimens for design approval, inspection/verification, investigation, or auditing;



### **Purchase Order Terms and Conditions (Cont.)**

**COUNTERFEIT PART AWARENESS:** The vendor shall have in place methods and procedures for preventing counterfeit parts. Those methods and procedures shall conform to industry standards for best practices. Max Industries requires its suppliers to prevent the use of counterfeit parts.

**ETHICAL BEHAVIOR:** Vendor shall provide a work environment that is free of unethical behavior. Unethical behavior includes but is not limited too; harassment, discrimination, bribery, & illegal sales.

**SUBCONTRACTING** work by the Supplier shall not be conducted on any article to be supplied under Max Industries P.O. without prior written approval of Buyer. Upon approval, all requirements which are invoked or applied to Max Industries's purchasing document shall be flowed down to the Seller's subcontracted supplier(s). Max Industries requires suppliers to use customer-designated or approved external providers. Max Industries requires its suppliers to flow down to external providers applicable requirements including Max Industries and customer requirements.

**CALIBRATION** of all equipment utilized shall be maintained by the Supplier when performing all inspections and tests. It is preferred that Calibration service providers or test laboratories be traceable to N.I.S.T. (National Institute of Standards and Technology) and accredited to ISO 17025.

**RIGHT OF ACCESS** shall be granted to Max Industries, Max Industries' customers and their customers, or any applicable regulatory agency to all facilities involved in the order at any level of the supply chain and to all applicable records.

**RECORDS RETENTION** of quality and purchase shall be conducted by the Supplier for all associated product shipped to Max Industries for a minimum of seven years unless otherwise specified.