



## PRISM GROUP PURCHASE ORDER TERMS AND CONDITIONS

THE FOLLOWING <b>GENERAL TERMS AND CONDITIONS (GT&amp;C)</b> APPLY TO ALL PRISM GROUP PURCHASE ORDERS AND CONTRACTS, UNLESS OTHERWISE NOTED. SPECIFIC PRISM GROUP QUALITY REQUIREMENTS (PQR) CLAUSES APPLY WHEN NOTED ON THE PO.		Revision & Date: Rev. O (Date: 01/08/2018)
GT&C	<b>RIGHT OF ENTRY.</b> The buyer and buyer's customer, and their customers, or any applicable regulatory agency will have the right to enter the seller's facility to perform inspection or ensure compliance to the contract.	
GT&C	<b>ACCEPTANCE</b> of this order, or the initiating of any process, or the furnishing of any product, or the acceptance of payment, constitutes unconditional acceptance by the seller.	
GT&C	<b>AMENDMENTS</b> to this order, or PRISM Group Terms and Conditions shall be set forth in writing, via Purchase Order Change Notice, and /or revisions to the Purchase Order Terms and Conditions. PRISM Group will consider sellers request to modification of, or exception to, only if such request is made in writing, prior to the acceptance of the order (ref. acceptance clause)	
GT&C	<b>PRICE</b> as stated on this order covers all goods and services to be provided by the seller as specified in the order. these prices also cover all charges for packaging, containers, and transportation, unless specifically depicted otherwise on the face of the order	
GT&C	<b>SHIPMENT</b> of goods and services under this order shall be F.O.B. as set forth on the face of the order. Seller shall follow buyer's instructions regarding method of shipment, except where buyer has so stated on the face of the order.	
GT&C	<b>SCHEDULE</b> for delivery will be the responsibility of the seller. The seller shall not be held liable for damages in respect to delivery delay due to causes beyond seller's reasonable control. However, if the seller does not meet the delivery date as depicted on the face of the order, the buyer may approve a revised delivery schedule, or terminate the order without liability for such termination.	
GT&C	<b>HAZARDOUS MATERIAL</b> Seller agrees to furnish the applicable material safety data (MSDS) sheet(s) with each shipment, for products designated by industry, state, or federal agencies as hazardous material.	
GT&C	<b>PACKAGING AND PROTECTION</b> of the product shipped shall be in accordance with the PRISM Group P/O or best commercial practice to protect product from damage and/or deterioration.	
GT&C	<b>CANCELLATION</b> shall remain the right of the buyer and may be initiated at any time.	
GT&C	<b>TOOLING</b> furnished by PRISM Group shall be maintained indoors, the seller is responsible to ensure adequate care is utilized within their facility, to maintain the tooling in good working condition. Any damages to this tooling, while in the care of the seller shall be reported to the PRISM Group buyer in writing. PRISM Group shall disposition damaged tooling prior to further processing by the seller. Seller rework of PRISM Group furnished tooling shall be authorized in writing.	
GT&C	<b>QUALITY ASSURANCE.</b> The supplier shall comply with the PRISM Group Quality System requirements as specified by the PRISM Group Supplier Survey or Purchase Order. Supplier agrees to implement and maintain the Quality or Inspection System during the performance of this contract. An authorized Certificate of Conformance is required with each shipment. Process suppliers shall furnish a complete Certificate of Conformance with each shipment indicating the PO number, specification number and revision, name of supplier and quantities accepted and rejected. Material suppliers shall furnish chemical/physical test reports with each shipment identifying the applicable specification and revision, actual chemical composition and physical properties, melt, heat, batch, or lot. Additional PRISM Group Quality Requirements (PQR clauses) apply when referenced by P/O. The supplier is not authorized to perform Material Review action of nonconforming material. <u>Note:</u> This clause does not apply to contracts for PRISM Group non-deliverable goods or services.	
GT&C	<b>NONCONFORMANCES</b> Upon acceptance of a PRISM Group Purchase Order, the supplier agrees that PRISM Group is entitled to reimbursement of PRISM Group labor and material costs associated with seller responsible nonconformances and damages.	
GT&C	<b>RECORD RETENTION</b> All suppliers shall maintain documents for not less than 10 years, or as required by PO	
GT&C	<b>CHANGES IN PRODUCT &amp; PROCESSES</b> All suppliers will notify PRISM Group of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval.	
GT&C	The supplier shall maintain FOD Prevention program in accordance with NAS-412, Foreign Object Damage / Foreign Object Debris Prevention	
GT&C	All suppliers agree and shall ensure that Counterfeit Parts are not delivered to Prism Group per PRISM Group Procedure QP 7.0 Para 5.5 Section A-F and per AS5553 / AS6174	
GT&C	All suppliers to include pertinent Prism Group Purchase Order on documentation.	
PQR 2	The supplier shall implement a Quality System in compliance with ISO9001 or SAE AS9100 or applicable industrial standard.	
PQR 3	The supplier and supplier subcontractors shall meet and maintain a Calibration System in compliance with Calibration System Requirements of ISO10012 or ANSI Z540.3-2006, ISO9001-ISO17025.	
PQR 4	PRISM Group Source Inspection and/ or Customer Verification are required at supplier facility prior to shipment. PRISM Group will place an Inspection Stamp on the supplier shipper to indicate PRISM Group acceptance. Contact PRISM Group at least 48 hours prior to shipment from supplier facility.	
PQR 5	Government Source Inspection is required at supplier facility prior to shipment. Supplier shall contact PRISM Group and applicable Government Representative to arrange for Government acceptance prior to shipment from supplier facility.	
PQR 6	The supplier shall perform and document a complete First Article Inspection Report (FAIR), per the requirements of AS9102, including 100% of ALL engineering and specification requirements. One copy of supplier FAIR will be furnished to PRISM Group along with the first shipment for this PO/Contract.	
PQR 7	The supplier shall implement and maintain a Key Characteristics (KC) control program acceptable to PRISM Group and/or its customers.	
PQR 8	The supplier shall provide an Inspection Report (IR) identifying engineering requirements and actuals. Use of AS9102 Form 3 or equivalent, supplier or PRISM Group inspection form is acceptable. One copy of the IR shall be furnished to PRISM Group representing each manufacturing lot.	
PQR 9	The supplier shall perform 100% inspection of all engineering requirements, a record of the inspection results (AS9102 Form 3 or equivalent) shall be provided to PRISM Group with every delivery, sampling inspection is not allowed.	
PQR 10	The supplier shall comply with the PRISM Group Special Quality Requirement noted (As defined by PRISM Group QA).	



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PQR 11	When work accomplished in performance of this Purchase Order is directly related to a Lockheed Martin Aeronautics Company P/O, it must be accomplished in accordance with the process specification on the Purchase Order and Lockheed Martin Aeronautics Company Appendix QJ.
PQR 12	When work accomplished in performance of this Purchase Order is directly related to a Boeing P/O and in reference to D1-4426, it must be accomplished in accordance with D1-4426 User instructions and Appendix D.
PQR 13	Prism Group must be notified of any nonconforming material/product and approval from Prism Group must be obtained prior to delivery.
PQR 14	Vendor <b>MUST</b> notify Prism Group of any nonconforming Material or Product discovered after delivery to Prism Group within 48 Hrs. of discovery. Notification <b>MUST</b> include details of Nonconformance, Quantity delivered, Containment, Prism Group PO number and vendors certification or report number.
PQR 15	Materials and hardware to be used for NASA and other space programs <b>MUST</b> have complete traceability from raw material stage to all subsequent operations that change the product and transfer of ownership through vendor supplying goods to Prism Group.
PQR 16	Supplier shall establish and maintain a Counterfeit Parts/Materials Control Plan using Industry Standards AS5553 & AS6174 as guidelines, as applicable. The purpose of this document shall be to prevent the delivery of a counterfeit parts & materials and to control parts & materials suspected to be or identified as counterfeit. The plan shall include methods to report parts & materials suspected to be or identified as counterfeit via GIDEP.
PQR 17	The supplier shall plan, implement, and control the processes needed <b>to assure product safety</b> during the entire product life cycle, as appropriate to its organization and the product such as: Assessing hazards and management of associated risks, management of safety critical items, analyzation and reporting of any occurred events affecting safety of the product, communication of these events and training of personelle. Supplier shall be aware of the importance of <b>ethical behavior</b> and maintain an Ethics Policy for employees as it relates to their contribution to product or service conformity and product safety.