



UNITED  
PRECISION  
PRODUCTS

Purchase Order Terms & Conditions

DOC #: QF0037

REVISED: 5/15/18

**General:**

As a supplier to United Precision Products Company, Inc. (UPP), it is understood that when accepting our purchase orders, your organization agrees to meet the following AS9100/customer requirements. These requirements are, therefore, to be considered as terms and conditions to all purchases:

1. Supplier shall establish and maintain procedures for review and approval of contracts in accordance with specified contract requirements (i.e. Contract review) and maintain qualification of same.
2. Supplier shall establish and maintain procedures to notify UPP prior to implementation any changes that would impact product quality, including process changes, location changes and changes to key personnel and to obtain approval from an authorized UPP representative when applicable.
3. Supplier shall establish and maintain procedures to notify UPP in a timely manner, of any internal non-conformances that would impact product quality delivered or to be delivered to UPP and to obtain approval from an authorized UPP representative when applicable. UPP may require corrective actions when applicable.
4. Supplier shall demonstrate the ability to control all incoming lots (including customer provided material) in a manner consistent with UPP's requirements through inspection procedures considered adequate to ensure acceptable contract terms and conditions.
5. The AS9100 standard requires that all applicable customer/regulatory/AS9100 requirements for the supplier to flow-down to sub-tier suppliers (includes requirements in the purchasing documents and key characteristics where required).
6. It is the responsibility of the supplier to notify UPP prior to use of any foreign supplier's material, products or services.
7. Supplier shall provide certification or test reports, where applicable, which clearly indicate conformance to all contract requirements.
  - a. UPP performs inspection activities to ensure that purchased product meets purchase requirements. These activities may include: Receiving inspections (of supplier products / services / documents) may be / are performed by a designated employee. UPP verifies the authenticity of the appropriate certificate of conformity, material certificates, process certificates, etc. and other accompanying documentation by review and comparison (as is



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appropriate) to the drawing and/or industry specifications or by other means. When necessary, UPP may inspect or audit at the supplier's facility.

- b. Furthermore, products are inspected to ensure they meet requirements (dimensions, etc.) and the results are recorded (as appropriate). All special processes (anodizing, heat treat etc.) where the compliance cannot be verified by inspections will require a Certificate of Conformity.
8. When UPP or its customer intends to perform verification at the supplier's premises; UPP will first state the intended verification arrangements and the method of product release. This information will be communicated on the UPP Purchase Order or via another acceptable purchasing arrangement.
9. Where specified in the contract, UPP's customer or customer's representative will be afforded the right to verify at the supplier's premises and UPP's premises that subcontracted product conforms to specified requirements. Verification by the customer is not used by UPP as evidence of effective control of quality by the supplier and shall not absolve UPP or its supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.
10. To prevent the purchase of counterfeit or suspect/unapproved products and to ensure product identification and traceability (and for other reasons), UPP will institute controls that include the requirement of Material Certificates, Certificates of Conformity, and/or other supporting documentation from its suppliers as is appropriate. These requirements may be specified on UPP Purchase Order or may otherwise be communicated to the supplier.
11. Supplier warrants that, to its knowledge, no tantalum, tin, tungsten and/or gold ("Conflict Minerals"), contained in any products subject to this order, originated from the Democratic Republic of the Congo or an adjoining country, unless the Conflict Minerals were processed by a facility listed as compliant pursuant to the CFSI Conflict-Free Smelter Program. Supplier agrees to abide by the terms and conditions in Purchaser's Conflict Minerals Policy, and to communicate to its sub-suppliers its own commitment to responsible sourcing and legal compliance. Supplier agrees to cooperate and work with its sub-suppliers in an attempt to ensure traceability of Conflict Minerals at least to smelter or refiner level, to maintain and record all Conflict Minerals traceability documentation for five years, and to provide such documentation to UPP upon request.
12. Records are retained and are available for review by customers and regulatory authorities in accordance with customer/regulatory/AS9100 requirements.



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13. UPP expects 100% on time delivery. If the agreed upon delivery cannot be met, the appropriate UPP representative must be notified in advance. If UPP's supplier evaluation identifies a supplier with an on-time delivery rate of 85% or less, a corrective action can be issued.
14. UPP requires that products provided by it's Approved Suppliers be correct and free of defect per the supplied Purchase Order. If UPP's supplier evaluation identifies a supplier with a scrap/rework rate that exceeds 10% of their UPP work orders, a corrective action can be issued.
15. In the interest of awareness and open communication with our suppliers, we want you to be assured of UPP's expectations in the area of ethical behavior and product safety. We expect and encourage all efforts on your part to act in an ethical and safe manner, in full compliance with all applicable laws, regulations and industry standards including the following, but not limited to:
  - a. Integrity with respect to your customers, suppliers, communities and supplier employees.
  - b. Avoiding conduct or activity that may raise questions as to the supplier's honesty, impartiality, and reputation.
  - c. A commitment not to discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.
  - d. A commitment to treat others with respect and refraining from any type of harassment, including sexual harassment.
  - e. Avoidance of any activity that might create a conflict of interest.
  - f. Assessing hazards and managing associated risk(s).
  - g. Managing, analysis and reporting of safety critical items and events.
  - h. Communication and training regarding these events.
  - i. Ensuring persons are aware of the contribution to product safety.

Revision History

Rev-5/15/18 – added statements regrading ethical behavior and product safety.