

Terms and Conditions of Purchase

This document establishes the general procurement terms and conditions issued to Seller (Vendor / Supplier) as referenced on all purchase orders issued **R.B. Packing & Seals Inc.** (Buyer)

1. General Requirements

- 1.1. All sellers shall have a quality system in place to meet the intent of one of the following quality standards, but not limited to *ISO9001*, and *AS9120*.
- 1.2. Seller's documented quality system shall provide for the review of purchase order (PO) to ensure that quality requirements are incorporated into manufacturing planning, and inspection and test instructions, as applicable, to ensure compliance with PO. Unless otherwise authorized by Buyer in writing, upon request by Buyer, Seller shall provide, reports, inspection and test results and other documentation

2. Certificate of Conformance

- 2.1. Orders may require a Certificate of Conformance to show that verification has occurred, and the lot meets all requirements. Identification and traceability for each lot must be maintained and linked to the Certificate of Conformance. If Seller is not the manufacturer, all paperwork necessary to provide "full traceability" back to the manufacturer must be confirmed available prior to accepting this PO. Records must be retained for at least ten (10) years

3. Nonconforming Product

- 3.1. Prior to shipment, Seller shall notify **Buyer** if non-conformance condition exists with the product and obtain approval for nonconforming product disposition. Seller shall evaluate each nonconformance for its potential to exist in previously produced or delivered products. If a nonconformance exists, Seller shall notify **Buyer**, in writing, as soon as possible
- 3.2. The seller shall have a procedure in place to prevent and mitigate the use of counterfeit parts. **Buyer** shall be notified if Seller becomes aware or suspects that is has furnished counterfeit work.
- 3.3. **Buyer** shall have the right to perform in-process inspection, audits, and system surveillance at Seller and Seller's subcontractors' facilities as part of verification of conformance to the requirements of PO.

- 3.4. Seller warrants that the products delivered hereunder will conform to specifications or other applicable description specified by Buyer and will be free from all defects, fit and sufficient for the purposes for which they were intended

4. Product changes

- 4.1. Seller shall notify **Buyer** of any decision to changes in processes, products, or services of the Seller, before implementation, changes of manufacturing location and where required, obtain organization approval.

5. Purchase order and forecasts

- 5.1. All purchases of the Product shall be made by written purchase orders submitted by the Buyer to the Seller.
- 5.2. Seller will be informed about Terms and Conditions of Purchase
- 5.3. A purchase order shall be binding on the Seller only upon the Seller's submission of a written confirmation of the purchase order to the Buyer
- 5.4. All purchase orders for the Product shall contain the following minimum information: date of purchase order, purchase order number, item number, quantity, price, delivery address, and delivery date.
- 5.5. Buyer may submit to the Seller a written forecast of the Buyer's anticipated requirements for the Product for month period. The forecast can be used for planning purposes only.

6. Delivery

- 6.1. Seller shall use Buyer approved method of shipment for the contract, which is stated in the Purchase Order from. If the order is unable to be shipped under the approved method, Seller shall notify Buyer for Buyer to determine a different shipping method
- 6.2. The Seller shall deliver the Product to the Buyer within a lead time establish from the receipt of the Buyer's purchase order
- 6.3. Seller shall maintain a (FOD) Foreign Object Debris/Damage prevention program to control any damage/contamination of foreign objects into any item delivered under the purchase order
- 6.4. All goods supplied shall be packaged to protect, marked, and shipped in accordance with industry best practice

7. Seller performance

- 7.1. Buyer approved supplier status is valid for 3 years from the date of approval unless otherwise revoked. Supplier initial approval and re-approval are dependent upon the receipt of the required documents, which include satisfactorily completed audit, vendor Survey and quality accreditation certificates.
- 7.2. Buyer monitors Seller's performance through Product Conformity and On Time Delivery. The seller must have a rating of 3.0 or higher based on the buyer-approved vendor assessment objective. A CAPA may be issued when Seller falls below rating 3.0.

8. Employee Awareness

- 8.1. Seller shall ensure that Seller's personnel are competent and aware of their contribution to product or service conformity, their contribution to product safety and the importance of ethical behavior.
- 8.2. The role they have in providing accurate and forthright information regarding the status of the product, plus reporting and not passing on defects or nonconformances respecting the laws, regulations, internal rules, regarding conflict of interest, export compliance regulations, intellectual property agreements.