

Portland Precision Manufacturing Company

Supplier Terms and Conditions

As a supplier to Portland Precision Mfg, acceptance of a purchase order is agreement of obligation to follow and flow down all requirements stated in these Terms and Conditions, and any requirements of the purchase order therein.

Formation of an Order: A purchase order is PPMfg's offer to purchase goods and services from the supplier. Supplier shall comply with all specifications or requirements listed within the purchase order.

Schedule: Supplier shall adhere to the shipment, delivery or completion schedules specified in the purchase order. In the event of anticipated or actual delay, Supplier shall notify PPMfg of the actions being taken to overcome or minimize the delay, and an estimate of the new date of completion.

Packing and Shipping: Supplier shall carefully package all goods to prevent damage and deterioration. PPMfg could charge Supplier for any damage incurred due to improper packaging of product. Supplier shall include a packing slip that lists at minimum; the purchase order number, part number, revision level, line-item number, quantity and description of goods, including any applicable specifications or requirements from the purchase order.

Certifications and Records: To prevent the purchase of counterfeit or suspect/unapproved products, and to ensure product identification and traceability, PPMfg requires all Suppliers to include a Certificate of Conformance for any products or services provided. Certificate of Conformance, Material certification, test results and any other supporting documentation must also be stored by Supplier and available for retrieval by PPMfg for 10 years from the time of processing. The disposal method after retention period expiration for electronic copies is permanent deletion, and hard copies must be shredded.

Acceptance and Rejection: Supplier shall contact PPMfg prior to products or services being delivered that may be deemed as non-conforming. Arrangements for the disposition and approval of Suppliers non-conforming product, material or service must be as directed by an authorized manager or designee of PPMfg and approved in writing. A copy of the written approval must be sent with the non-conforming material, and the material must be segregated from conforming products or materials.

Quality Control: Supplier shall establish and maintain a quality management system that is acceptable to PPMfg for the products or services that are supplied. Supplier shall permit PPMfg and their customers to review procedures, practices, processes and related documents and applicable records at any level of the supply chain to determine such acceptability. Verification of product by statistical technique for acceptance is important to PPMfg and should be kept as record by the Supplier, if applicable. Supplier shall inform PPMfg if they have been found to not conform to applicable requirements that affect PPMfg's products or services provided by the Supplier. As part of the quality management system, Supplier shall verify the competence of any person performing tasks related to products or services delivered to PPMfg, and ensure the awareness of their contribution to product service and conformity, product safety and the importance of ethical behavior.

PPMfg will evaluate Suppliers on a yearly basis based on on-time delivery and quality of product or service. Supplier will be notified in writing if they fall below the level of acceptance of PPMfg. PPMfg may also require specific actions where timely and/or effective corrective actions to a supplier issue are not achieved. These actions may include but are not limited to any or all the following: withholding payment until the issue is resolved, removal of the Supplier from the PPMfg Approved Suppliers list, and legal action. Verification and acceptance by PPMfg's customer is not used as evidence of effective control of quality by the Supplier, and shall not absolve PPMfg or its suppliers of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.

Changes: Supplier is required to notify and receive approval from PPMfg of any changes to location, process, product, or service that will have an effect on products or services of PPMfg or its customers.

Right of Access: PPMfg and its customers and regulatory authorities retain the right of access to all Supplier facilities involved in any product or service pertaining to purchase order. PPMfg and its customers and regulatory authorities have the right to perform inspection activities to ensure the purchased product or service meets production requirements. When PPMfg intends to perform on-site verification, PPMfg will communicate on the purchase order, or other acceptable form of agreement, the intended verification arrangements and the method of product release or service commencement/completion.

Confidential, Proprietary and Trade Secret Information and Materials: If products or services are provided by the Supplier with reference to PPMfg's or its customer's proprietary information, the Supplier agrees that it will not sell or offer such goods for sale to anyone other than PPMfg without prior written consent. Supplier shall keep confidential and protect from unauthorized use and disclosure all confidential, proprietary and/or trade information and any tangible items containing, conveying, or embodying such information.

Outsourcing: Where required, Supplier shall use PPMfg approved special process sources and PPMfg must be notified if sub-tier suppliers are used in the production of the products or services supplied.