

# FORM: TERMS AND CONDITIONS

1. Advanced Ceramics reserves the right of final approval of products and services, methods, processes and equipment, and the release of products and services.
2. Advanced Ceramics reserves the right to approve or specify any designs, tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items including key characteristics.
3. Advanced Ceramics must be notified immediately if the required due date is likely to be missed.
4. All processes required by the Purchase Order must be performed by qualified personnel.
5. Advanced Ceramics reserves the right to monitor vendor's performance including: 1. Supplier Risk 2. Quality of product or service delivered 3. On time delivery of product or service.
6. Advanced Ceramics reserves the right to designate requirements for verification or validation activities that we or our customer, intend to perform at the external providers' premises.
7. Supplier must use the latest revision for all specifications unless otherwise stated on the Purchase Order.
8. A Quality Management System must be implemented, and we reserve the right to review for compliance to AS9100 Rev D.
9. Whenever applicable supplier must use customer-designated or Advanced Ceramics' approved external providers, including process sources (special processes).
10. Advanced Ceramics must be notified if there is non-conforming product. Obtain Advanced Ceramics approval for nonconforming product disposition.
11. Advanced Ceramics must be notified of changes in product and/or process, changes of suppliers, and changes of manufacturing facility locations. Any changes to the production process after an approved FAIR must be communicated prior to any shipment of parts. Advanced Ceramics will determine if a delta FAIR is required, in which case it must be submitted for review. Shipments can only be received after the delta FAIR is accepted.
12. Supplier shall flow down all applicable requirements of these Terms and Conditions down to its sub-tier supply chain suppliers. Advanced Ceramics must be notified of any intended outsourcing and upon Advanced Ceramics' approval flow down all applicable requirements of these Terms and Conditions previously contracted to.
13. Supplier shall provide copies of signed Certificates of Conformance, Inspection Reports, Test Reports, and all applicable verification and validation records with each shipment. Devices used for verification must be calibrated according to established processes to ensure accuracy of the verification and validation performed.
14. Supplier shall provide test specimens for design approval, inspection/verification, investigation or auditing, as required by the Purchase Order.
15. Supplier shall provide root cause analysis and effective corrective action in response to non-conformities, as requested.
16. Supplier shall maintain quality records including, but not limited to, Quality and Engineering records/data for life of program or at least 20 years, whichever is greater.
17. Counterfeit Prevention program must be in place, in accordance with AS6174, and Advanced Ceramics reserves the right to require evidence of processes to prevent the use of counterfeit parts.
18. Foreign Object Damage (FOD) prevention program must be in place in accordance with AS9146 (or equivalent), including periodic FOD prevention awareness training. Evidence of such a program should be made available upon request.
19. Suppliers must be aware of the importance of their contribution to product and service conformity, their contribution to product safety, and the importance of ethical behavior, including consequences for their actions.