

Purchase Order Terms and Conditions

ACCEPTANCE of this order, or the initiating of any process, or the furnishing of any product, or the acceptance of payment, constitutes unconditional acceptance of this order and applicable Terms and Conditions.

AMMENDMENTS to this order, changes to product or process definition, or Supplier logistics, which alters strict compliance with this P.O., or changes and/or exceptions to these Terms and Conditions will be set forth in writing via Purchase Order Change Notices once approved by International Metal Source after requests of such changes are presented to International Metal Source in writing, prior to the acceptance of the order.

SCHEDULE for delivery of all goods or completion of services shall be the responsibility of the Supplier. International Metal Source may approve revised scheduling, once provided by Supplier in writing to International Metal Source, if there is a delay outside the control of the Supplier to furnish product or services in accordance with schedule on P.O. However if the Supplier does not meet the schedule on the accepted P.O., International Metal Source reserves the right to terminate the order without liability for such termination.

CANCELLATION shall remain the right of International Metal Source and may be initiated at any time and shall be free of liability to International Metal Source prior to the receipt of goods or completion of services. Processing and general services may have cost prorated to evaluate liability amount if cancellation occurs after commencement of work in accordance with accepted P.O. This cost will not exceed previously accepted P.O. amount and shall be amended via P.O. change notice prior to final invoicing.

PACKAGING AND PROTECTION of the product shipped shall be completed in accordance with International Metal Source P.O. or best commercial practice in order to prevent damage or deterioration to the product and will be free of Foreign Object Debris (FOD). The following documentation will be provided at a minimum: Supplier Company name and location, contact information, shipper number, date, International Metal Source P.O. number, part name (if applicable), quantity, unit of measure, Mill Test Reports, compliant Specifications and Revision (if applicable), Test and/or Inspection Data (If applicable), and Certifications (if applicable). A signed and dated statement of Quality, from an authorized representative stating that all methods and/or materials used to procure order are in accordance with P.O. instructions and that all required inspections and/or tests have been successfully completed.

NONCONFORMING PRODUCT may be returned to the Supplier for rework or credit and will be sole financial responsibility of the Supplier. Nonconforming product found to be scrapped out due to Supplier failure to process per International Metal Source P.O. instructions will be sole financial responsibility of the Supplier and recovery cost thereof may be determined by sum of material, pre-existing manufacturing and processing costs. The Supplier shall provide prompt, written notification to International Metal Source when nonconforming material or products, affecting Purchase Order or specification requirement issues are discovered. The Supplier shall not ship such nonconforming material or product until authorization to ship has been obtained from International Metal Source Quality Manager. Upon authorization to ship, all documentation related to nonconforming product shall accompany product shipment.

Purchase Order Terms and Conditions (Cont.)

QUALITY SYSTEM shall be maintained by the Supplier that meets or exceeds industry standards and ensures adequate product conformance and appropriate objective evidence to meet usual business responsibilities. It is preferable that Suppliers are able to maintain a Quality System that meets or exceeds ISO 9001 (current revision) or AS9100 (current revision). Buyer must be notified within two working days if any of the ISO/AS certifications are revoked or upgraded. If a Supplier does not have a Quality System, they will be evaluated on an individual basis by International Metal Source to determine supplier eligibility. International Metal Source will not be held liable for our changes that may affect the supplier performance to meet our requirements as long as we notify the Supplier by e-mail of these changes.

COUNTERFEIT PART AWARENESS: The vendor shall have in place methods and procedures for preventing counterfeit parts. Those methods and procedures shall conform to industry standards for best practices.

ETHICAL BEHAVIOR: Vendor shall provide a work environment that is free of unethical behavior. Unethical behavior includes but is not limited too; harassment, discrimination, bribery, & illegal sales.

SUBCONTRACTING work by the Supplier shall not be conducted on any article to be supplied under International Metal Source P.O. without prior written approval of Buyer. Upon approval, all requirements which are invoked or applied to International Metal Source's purchasing document shall be flowed down to the Seller's subcontracted supplier(s).

CALIBRATION of all equipment utilized shall be maintained by the Supplier when performing all inspections and tests. It is preferred that Calibration service providers or test laboratories be traceable to N.I.S.T. (National Institute of Standards and Technology) and accredited to ISO 17025.

RIGHT OF ACCESS shall be granted to International Metal Source, International Metal Source's customers and their customers, or any applicable regulatory agency to all facilities involved in the order at any level of the supply chain and to all applicable records.

RECORDS RETENTION of quality and purchase shall be conducted by the Supplier for all associated product shipped to International Metal Source for a minimum of seven years unless otherwise specified.