

# Kryler Corporation

## Purchase Order Terms and Conditions

The following General Terms and Conditions (GTC) and Quality Requirements (QR) affect all Kryler Purchase Orders and Contracts, as applicable.

<b>GTC 1</b>	<b>Right of Entry</b> The buyer and buyer's customer, and their customers, or any applicable agency will have the right to enter the seller's facility to perform inspection or ensure compliance to the contract.				
<b>GTC 2</b>	<b>Amendments</b> to this purchase order, or Kryler's terms and conditions shall be set forth in writing, via purchase order change notice, and/or revisions to the purchase order terms and conditions. Kryler will consider seller's request to modification of, or exception to, only if such request is made in writing, prior to the acceptance of the order (ref: acceptance clause)				
<b>GTC 3</b>	The supplier shall have in place a system/program that conforms to (as applicable): <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;"><b>Quality system / Program Requirements</b></td> <td style="width: 50%;"><b>Calibration system</b></td> </tr> <tr> <td>MIL-I-45208, AS9100 or ISO-9001</td> <td>ISO 10012-1 or ANSI Z 540-1</td> </tr> </table>	<b>Quality system / Program Requirements</b>	<b>Calibration system</b>	MIL-I-45208, AS9100 or ISO-9001	ISO 10012-1 or ANSI Z 540-1
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<b>GTC 4</b>	<b>Shipment</b> of goods and services under this order shall be f.o.b. as set forth on the purchase order. Seller shall follow buyer's instructions regarding method of shipment, except where buyer has so stated on the purchase order.				
<b>GTC 5</b>	<b>Schedule</b> for delivery will be the responsibility of the seller. The seller shall not be held liable for damages in respect to delivery delay due to causes beyond seller's reasonable control. However, if the seller does not meet the delivery date as depicted on the purchase order, the buyer may approve a revised delivery schedule, or terminate the order without liability for such termination.				
<b>GTC 6</b>	<b>Hazardous Material</b> Seller agrees to furnish the applicable Material Safety Data Sheet(s) (MSDS) with each shipment, for products designated by industry, state, or federal agencies as hazardous material.				
<b>GTC 7</b>	<b>Packaging and Protection</b> of the product shipped shall be in accordance with Kryler's purchase order or best practice to protect product from damage and/or deterioration.				
<b>GTC 8</b>	<b>Cancellation</b> shall remain the right of the buyer and may be initiated at any time.				
<b>GTC 9</b>	<b>Identification and Traceability</b> shall be applied and maintained by seller for all product/material shipped under this purchase order/contract in accordance with the applicable material/process specification and seller's quality system.				
<b>GTC 10</b>	<b>All drawings</b> accompanying the purchase order are proprietary and are not to be transferred to other parties without written authorization.				
<b>GTC 11</b>	<b>Certification of Conformance</b> Each shipment shall be accompanied by a dated certification signed by a responsible representative of the supplier, stating that the items were processed in conformance with the purchase order requirements, engineering drawing, revision and specification requirements including as a minimum the supplier name, purchase order, number, part number, quantities accepted and rejected. Additional quality requirements apply when referenced on the purchase order.				
<b>GTC 12</b>	<b>Quality Assurance</b> The supplier shall comply with the Kryler Corp. Quality System requirements as specified by the purchase order. Supplier agrees to implement and maintain the Quality and Inspection System during the performance of the contract. Suppliers shall furnish a complete Certification of Conformance with each shipment P.O.				
<b>GTC 13</b>	<b>The supplier is not authorized to perform Material Review action of nonconforming material.</b>				
<b>GTC 14</b>	<b>The supplier shall notify Kryler when product is out of tolerance or in an unacceptable condition.</b>				
<b>GTC 15</b>	Where applicable, only <b>qualified/certified personnel</b> shall be used based on process specification requirements. Records shall be maintained of the personnel qualifications/certifications.				
<b>GTC 16</b>	<b>Nonconformances</b> Upon acceptance of a Kryler purchase order, the supplier agrees that Kryler is entitled to reimbursement of Kryler labor and material costs associated with seller responsible nonconformances and damages.				
<b>GTC 17</b>	<b>Acceptance and Test Reports</b> Include with each shipment a copy, signed by an authorized agent of the seller, with results of the lot or item acceptance tests required by the applicable specification. The report shall indicate the actual values obtained. Test reports shall include control identity (e.g. job number, lot, serial number, etc.) of material/item tested. Seller is required to maintain inspection and test records as required by contract/purchase order.				
<b>GTC 18</b>	<b>Age Control and Limited Life Products</b> Seller records for control/ life limited products shall reflect useful life and when useful life will expire.				
<b>GTC 19</b>	<b>The supplier shall retain</b> their records for a minimum of seven years, unless otherwise indicated				
<b>GTC 20</b>	<b>Supplier must flow down</b> Kryler's Quality requirements to sub-tier contractors.				
<b>GTC 21</b>	<b>ITAR</b> When required and so noted on the purchase order, the product shall be processed under the ITAR requirements.				

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<b>QR 1</b>	The supplier shall perform and document a complete <b>First Article Inspection Report</b> (FAIR) including 100 % of B/P or specification requirements. One copy of supplier FAIR will be furnished to Kryler along with the first shipment for this purchase order/contract.
<b>QR 2</b>	The supplier shall provide an <b>Inspection Report</b> (IR) identifying requirements and actuals. One copy of the IR shall be furnished to Kryler representing each lot.
<b>QR 3</b>	The supplier shall perform <b>100% inspection</b> . A record of the inspection results shall be provided to Kryler, sampling inspection is not allowed.
<b>QR 4</b>	Government <b>Source Inspection</b> is required at supplier facility prior to shipment. Supplier shall contact Kryler and applicable Government Representative to arrange for Government acceptance prior to shipment from supplier facility.
<b>QR 5</b>	<b>Physical or Chemical Analysis</b> test reports which list actual chemical, mechanical values which state conformance to applicable material specifications shall be submitted on each shipment.
<b>QR 6</b>	<b>Raw Material</b> shall be accompanied with C of C's, chemical and / or physical test results. The seller shall certify to the specific requirements defined on the face of the purchase order. Each shipment shall be accompanied by a dated certification signed by a responsible representative of the supplier, stating that the items were produced from materials which the supplier has available for examination and objective evidence of conformance to the purchase order and applicable specification shall be listed, including the revision and date.