



**Prime Technological Services, LLC.** (PRIME) Quality Management System is based on the requirements of AS9100 in addition to the ISO9001 requirements. As an external provider (Supplier) to Prime Technological Services, LLC (PRIME), the Supplier acknowledges and agrees to the following Terms and Conditions of Purchase applicable to all orders unless otherwise stated on the body of the purchase order, hereafter referred to as the “Order”.

**Definitions** – For the purpose of this document, the terms and definitions given in ISO9001 and AS9100 shall apply.

**General Requirements** – PRIME, its customers, and regulatory authorities reserve the right to have access to applicable areas of supplier’s facilities, at any level of the supply chain involved in the order, and to all applicable records to ensure product conformance. PRIME reserves the right to cancel an order if shipment does not conform to the delivery method, delivery date, quantity or date codes indicated on its Purchase Order. Confirmation of this purchase order should be given via response to the buyer named on the purchase order. All suppliers providing calibration services must be certified to ISO17025 (or equivalent). All calibration certificates must identify standards used and must be traceable to NIST (National Institute of Standard Technology).

**Certified Personnel & Certifying Staff** – The Supplier shall ensure that all personnel are properly qualified to perform the work required to support the Order, including having the proper certification to perform special processes required by the purchase requirement. PRIME reserves the right to review all documentation supporting qualification of Suppliers and/or sub-tier personnel and Certifying Staff.

**Record Retention** – PRIME requires records to be retained for a minimum of 3 years (AS9100 Orders 7 years minimum or per Purchase Order).

**Requirements of Purchased Product** – All items shall be built per specifications provided using approved materials, procedures, equipment, and drawings and in accordance with government regulations, as applicable. All items shall be stored, packaged and handled in accordance with JEDEC J-STD-033 and ANSI/ESD S20.20 as applicable. No substitute product will be accepted. Any changes to product must be pre-approved by an authorized PRIME representative. PRIME will not accept components with manufacturer’s date codes older than 24 months at the time of shipment, unless authorized prior to shipment. Mixed date codes within reels, tubes, trays, etc. are not acceptable. Components ordered as cut tape must be supplied in one continuous strip. PRIME reserves the right to reject receipts of multiple cut strips unless specifically called out on the purchase order. Supplier shall provide a Certificate of Compliance referencing date code/lot code with each shipment (where applicable). Certificates of Compliance are mandatory for all custom-fabricated (build-to-print) items. Custom-fabricated items are ordered in the exact quantity required; therefore, it is unacceptable to ship short without prior approval from the PRIME buyer. If this order is for cable/wire assemblies, wire harnesses, custom cable assemblies, they shall be built in accordance with IPC-A-620 Class 2, unless otherwise indicated on purchase order.

**Shelf Life Material** – All incoming material with shelf life will be reviewed at Receiving, the material should at least have half of the shelf life remaining to be received. If the remaining shelf life is less than 50%, the material will be returned to the vendor.

**Supplier Performance** – Prime expects 100% on time delivery. If the agreed upon delivery cannot be met, the appropriate Prime buyer should be notified in advance. If Prime’s monthly supplier evaluation identifies a supplier with an on-time delivery rate less than 90% a corrective action request can be issued for supplier response. Prime requires products provided by its Approved Suppliers to be correct and free of defect. If Prime monthly supplier evaluation identifies a supplier with quality rejections exceeding 5% of their work orders; a corrective action request can be issued for supplier response.

**Test Requirements** – Test, inspection and audit criteria, when specified, must be adhered to. Test reports, statistical reports are to be furnished upon request.



**Changes Notification Requirement** – The Supplier shall notify PRIME of any changes to a product’s design, development, processes, manufacturers/suppliers, manufacturing location, product/part obsolescence or nonconformity upon discovery, and/or quality management system approval status. Supplier shall obtain written approval from PRIME’s Purchasing Representative for nonconforming product disposition.

**Counterfeit and Suspected Unapproved Parts** – To prevent the purchase of counterfeit or suspect/unapproved products and to ensure product identification and traceability (and for other reasons), PRIME implements controls that include the requirement of material verification and traceability to included, but not limited to Material Certificates, Certificates of Conformity, special tests and inspections and/or other supporting documentation from the Supplier as is appropriate, as specified in the Order. The Supplier agrees to use commercially reasonable practices to prevent counterfeit work from being delivered to PRIME. The Supplier shall only purchase new and authentic materials to be used in products to be delivered to PRIME directly from the Original Component Manufacturer (OCM) or Original Equipment Manufacturer (OEM). Product shall not be acquired from distributors or brokers unless approved in advance in writing by PRIME through PRIME’s Buyer. Items not meeting specifications will be returned for rework or replacement.

**AS9100 Requirements** – Suppliers shall maintain purchasing records for all procurement actions related to PRIME’s Order including, where appropriate, requirements for: **a)** a quality management system, **b)** identification and revision status of all technical documents, **c)** design, test, inspection, verification (including production process verification), **d)** use of statistical techniques for product acceptance, and related instructions for acceptance, and as applicable critical items including key characteristics, **e)** test specimens for approval, inspection/verification, investigation or auditing, **f)** regarding non-conforming product notification and disposition approvals, and **g)** notification of changes in product process, suppliers, manufacturing facility locations and for obtaining approvals thereof, and **h)** flow down of requirements to the sub-tier suppliers.

PRIME reserves the right to require and request evidence that Suppliers are ensuring their personnel are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.

**Counterfeit Component Policy:**

Seller agrees and shall ensure that counterfeit goods are not delivered to Buyer. Seller's counterfeit prevention procedures shall meet the requirements of SAE AS5553. Seller shall immediately notify Buyer with the pertinent facts if Seller becomes aware or suspects that it has furnished counterfeit goods. If suspect/counterfeit goods are furnished under this order or are found in any of the goods delivered hereunder, such items will be impounded by Buyer. Seller shall be required to disclose the source of the suspect/counterfeit goods to Buyer. Upon request of Buyer, Seller shall immediately provide documentation that authenticates traceability of the affected goods to the applicable OEM/OCM. Buyer may provide a sample batch to Seller for verification and authentication. Seller shall promptly replace such suspect/counterfeit goods with goods acceptable to Buyer. Seller shall be liable for all costs, including but not limited to Buyer’s internal and external costs relating to the removal and replacement of said goods and subsequent testing of said goods. Buyer reserves all contractual rights and remedies to address grievances and detrimental impacts caused by suspect/counterfeit goods. All occurrences of suspect counterfeit and/or counterfeit goods will be reported to ERAI and/or GIDEP by Buyer. Counterfeit components have zero value.

**Conflict Minerals Policy:**

PRIME recognizes the importance of preventing the use of conflict minerals from the DRC and adjoining countries and is taking steps to prepare for compliance with the Dodd-Frank Financial Reform Bill section 1502(b). It is our policy to refrain from purchasing from any known conflict sources and we expect that our suppliers adhere to the same standards and source materials only from socially responsible suppliers. We expect that our suppliers will comply with our requests to provide statements and perform due diligence about the source of any conflict minerals in the products supplied to us. As well as demanding proper due diligence from our direct suppliers, we ask them to set policies and supplier requirements of their own and pass those on into the supply chain. Suppliers who are non-compliant to these requirements risk the loss of future business.