

## Supplier Terms and Conditions

Acceptance of purchase order shall constitute supplier acceptance of F.K. Instrument Co., LLC (hereinafter FKI) supplier terms and conditions.

### Quality

Verification by FKI or its customer shall not be used as evidence of effective control of quality and shall not absolve the supplier of the responsibility to provide acceptable product or service, nor shall it preclude subsequent rejection by FKI or its customer.

### Nonconforming Product and Corrective Action

FKI shall be notified immediately when nonconforming product is identified by supplier prior to shipment. Product identified as nonconforming upon receipt shall be documented as a supplier nonconformance (NC) and dispositioned accordingly.

Corrective action (CA) shall be completed when issued to effectively identify and correct process deficiencies to prevent recurrence.

### Certificate of Conformance

Certificate of Conformance indicating all purchase order, drawing, and or specification requirements have been met is required for all orders.

Identification for each lot must be maintained and shall be traceable to the Certificate of Conformance. Records must be retained for at least 10 years.

Records that are no longer retained shall be destroyed.

### Delivery

Orders received before the purchase order due date will be considered on time, orders received after the purchase order due date are late. If the purchase order due date cannot be met or was not the agreed upon date, please contact FKI as late deliveries can negatively impact supplier performance ratings.

### Supplier Performance

Supplier nonconformance (25%), corrective action (25%), and on time delivery (50%) data are recorded and evaluated to determine supplier performance rating. Supplier performance ratings under 75% will result in a change of status from approved to not approved.

### Information security

FKI and customer supplied documented information, including but not limited to drawings, CAD models, specifications are confidential, any unauthorized review, use, disclosure, or distribution is prohibited.

### Process Changes

Changes to process or product shall require advanced written notification and approval by FKI. Some customers and government agencies require approval of changes per contract or law.

### Sub-Tier Suppliers

When the need to outsource work occurs (using sub-tier suppliers), FKI shall be notified in advance, including changes in sub-tier suppliers and changes in location of manufacture prior to making the change. This requirement applies to FKI and the suppliers contracted by FKI to perform work and services or provide products.

FKI and customer requirements shall flow down to any supplier's sub-tier suppliers, including any key characteristics. Service work (plating, coating, heat treatment, etc.) shall be to the applicable issue of the required specification(s).

### Right of Access

FKI, its customers, and government authorities have the right of access to all facilities involved in processing of FKI orders and all applicable documents and records. FKI, its customers, and customer's representative and government authorities intend to perform verification activities at supplier's premises when warranted and to assure product and services conform to specified requirements. Advance notification will be provided. This requirement shall flow down to all levels of the supply chain.

### Counterfeit Part Prevention

Suppliers shall not use counterfeit parts and shall have processes in place to prevent counterfeit part use and their inclusion in product delivered to the customer.

### Employee Awareness

Employees shall be made aware of their contribution to product and service quality, their contribution to product safety, and the importance of ethical behavior.