



## TERMS AND CONDITIONS OF PURCHASE

### PURCHASE ORDER TERMS & CONDITIONS

Supplier shall comply with the DELCO CORPORATION Quality System requirements as specified by the DELCO CORPORATION Supplier Survey or purchase order. Supplier agrees to implement & maintain the Quality / Inspection System during performance of this contract. CofC required with each shipment. Process suppliers shall furnish a complete CofC with each shipment indicating the PO #, specification number & revision, name of supplier and quantities accepted / rejected. Material suppliers shall furnish chemical/physical test reports with each shipment identifying the applicable specification and revision, actual chemical composition and physical properties, melt, heat, batch, or lot. Additional DELCO CORPORATION Quality Requirements (DELCO CORPORATION clauses) apply when referenced by PO. The supplier is not authorized to perform Material Review action of nonconforming material. This clause does not apply to contracts for non-deliverable goods or services. Acknowledge promptly upon receipt of order. No charges for packing or crating unless listed.

### GENERAL TERMS & CONDITIONS (GTC's)

**RIGHT OF ENTRY.** The buyer and buyers customer, and their customers, or any applicable regulatory agency will have the right to enter the sellers facility to perform inspection or ensure compliance to the contract at any level of the supply chain.

**ACCEPTANCE** of this order, or the initiating of any process, or the furnishing of any product, or the acceptance of payment, constitutes unconditional acceptance by the seller.

**AMENDMENTS** to this order, or DELCO CORPORATION terms and conditions shall be set forth in writing, via purchase order change notice, and /or revisions to the purchase order terms and conditions. DELCO CORPORATION will consider sellers 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)

**PRICE** as stated on this order covers all goods and services to be provided by the seller as specified in the order. These prices also cover all charges for packaging, containers, and transportation, unless specifically depicted otherwise on the face of the order

**SHIPMENT** of goods and services under this order shall be F.O.B. as set forth on the face of the order. Seller shall follow buyers instructions regarding method of shipment, except where buyer has so stated on the face of the order.

**SCHEDULE** 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 sellers reasonable control. However, if the seller does not meet the delivery date as depicted on the face of the order, the buyer may approve a revised delivery schedule, or terminate the order without liability for such termination.

**HAZARDOUS MATERIAL** seller agrees to furnish the applicable material safety data (MSDS) sheet(s) with each shipment, for products designated by industry, state, or federal agencies as hazardous material.

**PACKAGING AND PROTECTION** of the product shipped shall be in accordance with the DELCO CORPORATION P.O. or best commercial practice to protect product from damage and/or deterioration.

**CANCELLATION** shall remain the right of the buyer and may be initiated at any time.

**TOOLING** furnished by DELCO CORPORATION shall be maintained indoors, the seller is responsible to ensure adequate care is utilized within their facility, to maintain the tooling in good working condition. Any damages to this tooling, while in the care of the seller shall be reported to the DELCO CORPORATION buyer in writing. DELCO CORPORATION shall disposition damaged tooling prior to further processing by the seller. Seller rework of DELCO CORPORATION furnished tooling shall be authorized in writing.

**QUALITY ASSURANCE.** The supplier shall comply with the DELCO CORPORATION quality system requirements as specified by the DELCO CORPORATION supplier survey or purchase order. Supplier agrees to implement and maintain the quality or inspection system during the performance of this contract. An authorized certificate of conformance is required with each shipment. Process suppliers shall furnish a complete certificate of conformance with each shipment indicating the P.O. number, specification number and revision, name of supplier and quantities accepted and rejected. Material suppliers shall furnish chemical/physical test reports with each shipment identifying the applicable specification and revision, actual chemical composition and physical properties, melt, heat, batch, or lot. Additional DELCO CORPORATION quality requirements (DELCO CORPORATIONQR Clauses) apply when referenced by P.O.. The supplier is not authorized to perform material review action of nonconforming material. Note: this clause does not apply to contracts for DELCO CORPORATION non-deliverable goods or services.

**NONCONFORMANCE'S** upon acceptance of a DELCO CORPORATION purchase order, the supplier agrees that DELCO CORPORATION is entitled to reimbursement of DELCO CORPORATION labor and material costs associated with seller responsible nonconformances and damages. The Supplier agrees to notify DELCO CORPORATION of any non conforming product, the disposition of Non Conforming product such as rework or repair shall be approved by DELCO CORPORATION prior to shipment.

**PROCESS CHANGES-** The supplier agrees to notify DELCO CORPORATION of any changes in product and/or process, changes of suppliers, changes of manufacturing facility location and where required obtain organizational approval.

**SUPPLY CHAIN-** The supplier agrees to flow down to its supply chain any applicable requirements including customer requirements.

**RECORD RETENTION-** The supplier agrees to maintain records a minimum of 5 years or longer as specified in the purchase order. Examples of records are: Deliverable and non-deliverable software verification & validation, First article inspection reports, In process / final inspection & test records, Training records, Manufacturing / fabrication records (e.g., planning sheets, routers, etc.), Nonconforming material disposition, Procurement documents (supplier placed orders), Process control records (used as acceptance criteria), Radiographs, technique sheets and related acceptance reports, Receiving inspection records (e.g., test reports, material certifications, etc.)

### SPECIAL QUALITY REQUIREMENTS

- 1 The supplier shall implement a Quality System in compliance with ISO9001. (Section 4.2 and 4.19 excluded)
- 2 The supplier shall implement a Quality System in compliance with SAE AS9100. (Section 4.2 and 4.19 excluded)
- 3 The supplier and supplier subcontractors shall meet and maintain a Calibration System in compliance with Calibration System Requirements of ISO10012 or ANSI Z540-1.
- 4 DELCO CORPORATION Source Inspection and/ or Customer Verification is required at supplier facility prior to shipment. DELCO CORPORATION will place an Inspection Stamp on the supplier shipper to indicate DELCO CORPORATION acceptance. Contact DELCO CORPORATION at least 48 hours prior to shipment from supplier facility.



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5 Government Source Inspection is required at supplier facility prior to shipment. Supplier shall contact DELCO CORPORATION and applicable Government Representative to arrange for Government acceptance prior to shipment from supplier facility.

6 The supplier shall perform and document a complete First Article Inspection Report (FAIR) including 100% of B/P or specification requirements. One copy of supplier FAIR will be furnished to DELCO CORPORATION Inc. along with the first shipment for this PO/contract.

7 The supplier shall implement and maintain a Key Characteristics (KC) control program acceptable to DELCO CORPORATION.

8 The supplier shall provide an Inspection Report (IR) identifying engineering requirements and actuals. Use of supplier or DELCO CORPORATION inspection form is acceptable. One copy of the IR shall be furnished to DELCO CORPORATION representing each manufacturing lot.

9 The supplier shall perform 100% inspection of the DELCO CORPORATION noted characteristics, a record of the inspection results shall be provided to DELCO CORPORATION, sampling inspection is not allowed.

10 The supplier shall comply with the DELCO CORPORATION Special Quality Requirement noted (As defined by DELCO CORPORATION QA):