

<b>ATM</b>	<b>Advanced Technology Metals, Inc.</b> 1300 NW 65 <sup>th</sup> Place Fort Lauderdale, FL 33309	Document approved by:  General Manager Management Representative	Revision:  <b>NC</b>
Document No.:  <b>QF-10</b>	<b>TERMS AND CONDITIONS</b>		PAGE 1 OF 1

**GENERAL REQUIREMENTS:** Unless otherwise specified in the purchase order, the following general requirements apply to the purchase.

**PROHIBITED PRACTICES:** Unauthorized repairs: without ATM's approval: seller will not repair by welding, brazing soldering, adhesive or any method any parts nonconforming, damaged or found to be faulty during fabrication. Defects in castings or forgings will not be repaired by any method unless authorized by ATM in writing.

**CHANGE IN APPROVED PROCESS, MATERIALS OR PROCEDURES:** Seller will not change any process, material or procedure without prior approval from ATM.

**UNAUTHORIZED SUBMITTAL OF PRODUCTION PARTS:** when the purchase order requires acceptance of a first article, Seller will not submit parts from a production run for inspection prior to ATM acceptance of such first article, unless authorized by ATM in writing.

**IMPROPER RESUBMITTAL:** articles rejected by the ATM, and subsequently resubmitted to the ATM will be clearly and properly identified as resubmitted articles. Seller's shipping document will contain a statement that articles are replacement or are reworked articles and also will refer to the ATM's rejection document.

**BARRIERS:** The seller will not procure items or service from suppliers, such supplier is approved in advanced by ATM in writing. The seller is required to flow down the requirements to all supplier to allow "Right of Access", to notify ATM of any product/process changes, notification of nonconformances, and records retention requirements as called out in these terms and conditions

**RESPONSIBILITY FOR CONFORMANCE:** Neither surveillance, inspection and or tests made by the ATM or his representatives, at either the Seller's or ATM's facility will relieve the seller of the responsibility to furnish items which conform to the requirements of the Purchase Order.

**DOCUMENTATION:** The ATM may refuse to accept items delivered under the purchase order if the seller fails to submit the certification, documentation, test data or reports as specified in the purchase order. Documentation includes source inspection record when source inspection is performed.

**LOT SAMPLING:** The ATM reserves the right to use MIL-STD-105 or applicable inspection plan for the acceptance or rejection of supplies. Final acceptance is at ATM.

**CORRECTIVE ACTION REQUEST:** When a Quality problem exists, the ATM will request Corrective action from the seller. Such request require timely responses and will include the following information: Analysis of the cause of the problem, statement of the action taken, and the effectiveness of the action.

**NONCONFORMING MATERIAL CONTROL:** The seller will maintain an effective, documented system for control of nonconforming materials, which include identification, segregation, review and processing of nonconforming articles.

The seller will not accept nonconforming articles, other than the Seller's proprietary products, unless authority to conduct Material Review activities has been granted by ATM. Seller's of proprietary products will

not conduct Material Review action or discrepancies that will result in a departure from the requirements of ATM or customer specifications.

Seller will submit nonconformances to ATM within two (2) working days, by phone from the date of the discovery and within seven (7) working days by letter.

**RIGHT OF ACCESS:** The seller will permit ATM, ATM's customer, and cognizant Government agencies to conduct such inspections and audits at suppliers facilities as may be required to verify compliance with ATM Purchase Order requirements. Such facilities and assistance as may be reasonably required to accomplish these inspections will be furnished by the seller without cost to ATM or its customer.

**WARRANTY:** Seller expressly warrants that all work, including articles, material and designs, supplied by seller, will conform to the specifications, drawings, samples or other descriptions set forth in order or furnished by ATM and will be good material and workmanship and free from defect. All work is subject to final inspection and acceptance at ATM plant, it being understood that payment therefore shall not constitute acceptance. Any work which is found to be defective either before or after acceptance may be rejected and returned to seller at seller's risk and expense for repair or replacement, or if seller cannot make the repair or replacement in the time required by the ATM to meet its delivery schedules, for credit at ATM's option. If ATM finds it impractical to return defective work for rework, repair or replacement within a reasonable time, it may perform necessary repairs and charge the reasonable cost therefore to seller. Any payments made on any rejected work shall be immediately refunded to ATM.

**DELIVERY:** Should Seller fail to deliver material within the time specified, ATM may terminate this order in whole or part and may buy elsewhere and charge Seller any additional expense incurred thereby. ATM expressly retains all its rights and remedies provide by law in case of such a default, and no action on the part of ATM shall constitute a waiver of any right or remedy. Seller shall not be liable by reason of any failure to deliver or delay in delivery due to any cause beyond Seller's reasonable control and with out fault or negligence of ATM.

**PACKING:** No charge will be allowed for packing, boxing, or cartage, unless agreed upon at the time of purchase, but damage to any material not packed to ensure proper protection will be charged to Seller. Each package must contain a memorandum showing Shipper's name, contents of package and purchase order number of ATM.

**RECORD RETENTION:** Supplier will retain all records pertaining to this order for a period of 7 years. If the supplier can not do this for any reason the supplier is to forward all records to ACAS.