

Supplier Terms and Conditions

PURPOSE

To establish the minimum requirements for manufacturing facilities, material suppliers or special process suppliers supplying products or services to L&R Precision Tooling, Inc.

SCOPE

These requirements shall apply to all goods and services supplied to L&R.

REQUIREMENTS:

Acceptance and execution of any purchase order implies acceptance of L&R's terms and conditions.

Where applicable, suppliers will have systems in place to:

- Control L&R supplied specifications and confirm the proper revision specifications, drawings, process requirements, inspection/ verification, and other relevant technical data are available, flowed down the supply chain, and followed as listed on the purchase order.
- Create and maintain documentation and history of products produced to L&R specifications for a minimum of three years or as required by contract.
- Maintain all equipment used in the manufacturing process.
- Allow L&R, its customer's, and regulatory authorities' access to the applicable records and facilities utilized to perform any activities conducted on behalf of L&R.
- Ensure that suppliers use customer approved special process sources,
- Calibrate / control devices used to verify compliance to specifications when appropriate.
- Insure all manufacturing lots are uniquely identified and segregated where appropriate. Ensure non-conforming products are labeled and segregated during processing and shipping. If there is any reason to suspect counterfeit items could be included in a shipment to segregate and identify those items as well.
- Insure adequate instructions are in place to ensure consistency between lots.

- Clearly identify, label, and package product in a manner to protect it from damage during shipment.

Suppliers accept the responsibility for:

1. If there will be any disruption in delivery as related to the terms of the purchase order, then the supplier will immediately notify L&R of the issue so options can be explored to fulfill the customer requirements.
2. Notifying L&R if there is a significant change in the manufacturing process, suppliers, or controls. *A significant change includes, but is not limited to: Change of facility, Ownership, regulatory requirements, or changes in the management of the business.*
3. Conforming to the supplied specification and understand that deviations will not be allowed without prior written authorization. In the event of non-conforming product, supplier will notify L&R to obtain disposition instructions..
**Note: Only written deviations are to be considered authorized . Verbal instructions are not acceptable and may result in disqualification as an approved vendor.*
4. Any and all subcontractors utilized in manufacturing product to L&R's Specifications, at a minimum must ensure services will be performed to Industry Standard Specifications and when requested, a Certificate of Conformance, inspection documentation, testing records, and or Material Certifications will be provided. Additionally suppliers will be responsible for ensuring that persons are aware of; their contribution to product or service conformity, their contribution to product safety and the importance of ethical behavior.
Special process include: Passivation, Electropolish, Heat Treat, Welding, Coating / Plating, Painting, Non Destructive testing, etc.
5. Any notes or information added to a print or traveler must be initialed and dated with the company name indicated. The information will be written in ink and any correction should be crossed through with a single line in order to not obscure the original entry. For a copy of L&R's QMS, please contact Chris Coffey: V.P. of Bus. Development.
6. Conflict Free Minerals Policy- L&R will only purchase raw materials that do not contain or can be classified as "Conflict Minerals" from the Democratic Republic of the Congo or an adjoining country. These conflict minerals include Tin, Tungsten, Tantalum and / or Gold. As a responsible business, we ask our suppliers to give due diligence to ensuring their supply chain is free from any of these conflict minerals. L&R must be notified immediately if there is any question to the country of origin so appropriate steps can be taken to ensure L&R continues to voluntarily abide by the Dodd-Frank Act of 2010, section 1502. Please contact V.P. of Business Development: Chris Coffey if you have any questions or concerns.