

Titanium Metal Supply, Inc.

Purchase Order Terms and Conditions/Quality Clauses

THE FOLLOWING GENERAL TERMS AND CONDITIONS (GTC) APPLY TO ALL TMS PURCHASE ORDERS AND CONTRACTS, UNLESS OTHERWISE NOTED. SPECIFIC TMS QUALITY REQUIREMENTS (TMSQR) CLAUSES APPLY WHEN NOTED ON THE PO.	
GTC	RIGHT OF ENTRY. RIGHT OF ENTRY FOR TITANIUM METAL SUPPLY, THEIR CUSTOMER AND REGULATORY AUTHORITIES TO APPLICABLE AREAS OF ALL FACILITIES, AT ANY LEVEL OF THE SUPPLY CHAIN INVOLVED IN THE ORDER AND TO ALL APPLICABLE RECORDS.
GTC	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.
GTC	AMENDMENTS TO THIS ORDER, OR TMS TERMS AND CONDITIONS SHALL BE SET FORTH IN WRITING, VIA PURCHASE ORDER CHANGE NOTICE, AND/OR REVISIONS TO THE PURCHASE ORDER TERMS AND CONDITIONS. TMS 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)
GTC	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
GTC	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.
GTC	SCHEDULE FOR DELIVERY WILL BE THE RESPONSIBILITY OF THE SUPPLIER. THE SUPPLIER 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.
GTC	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.
GTC	PACKAGING AND PROTECTION OF THE PRODUCT SHIPPED SHALL BE IN ACCORDANCE WITH THE TMS PO OR BEST COMMERCIAL PRACTICE TO PROTECT PRODUCT FROM DAMAGE AND/OR DETERIORATION.
GTC	CHANGE NOTIFICATION WHERE APPROPRIATE, SUPPLIER SHALL NOTIFY TMS OF CHANGES IN PRODUCT AND/OR PROCESS DEFINITION WHERE FIT FORM OR FUNCTION MAY BE AFFECTED.
GTC	CANCELLATION SHALL REMAIN THE RIGHT OF THE BUYER AND MAY BE INITIATED AT ANY TIME.
GTC	TOOLING FURNISHED BY TMS 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 SUPPLIER SHALL BE REPORTED TO THE TMS BUYER IN WRITING. TMS SHALL DISPOSITION DAMAGED TOOLING PRIOR TO FURTHER PROCESSING BY THE SELLER. SELLER REWORK OF TMS FURNISHED TOOLING SHALL BE AUTHORIZED IN WRITING.
GTC	QUALITY ASSURANCE. The supplier shall comply with the TMS Quality System requirements as specified by the TMS Supplier Survey or purchase order. Supplier agrees to implement and maintain the Quality or Inspection System during the performance of this contract. <u>An authorized Certificate of Conformance is required with each shipment. Process suppliers shall furnish a complete Certificate of Conformance with each shipment indicating the PO 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.</u> Additional TMS Quality Requirements (TMSQR clauses) apply when referenced by TMS PO. The supplier is not authorized to perform Material Review action for nonconforming material.
GTC	NONCONFORMANCES Upon acceptance of a TMS purchase order, the supplier agrees that TMS is entitled to reimbursement of TMS labor and material costs associated with seller responsible nonconformances and damages. Any/All non-conforming parts must be clearly identified, documented and segregated.
GTC	RECORDS RETENTION The supplier must retain copies of certifications, test data, chemical and/or Physical test reports, lot control data, inspection records and other pertinent Data requirements. These results and records are to be maintained by the supplier and made available to TMS or TMS's Customer Representative upon request, for a minimum period of seven (7) years after shipment to TMS, or as specified on the face of the P.O., whenever unique record retention requirements are imposed.
TMSQR1	The supplier shall implement a Quality System in compliance with ISO9001:2008 (Design and Servicing excluded)
TMSQR2	The supplier shall implement a Quality System in compliance with SAE AS9100 (Design and Servicing excluded)
TMSQR3	The supplier and supplier subcontractors shall meet and maintain a Calibration System in compliance with Calibration System Requirements of ISO10012 or ANSI Z540-1.
TMSQR4	The supplier shall perform 100% inspection of the TMS noted characteristics, a record of the inspection results shall be provided to TMS, sampling inspection is not allowed.
TMSQR5	The supplier shall implement and maintain a Key Characteristics (KC) control program acceptable to TMS
TMSQR6	The supplier shall perform and document a complete First Article Inspection Report (FAIR) 100% of B/P or specification requirements. One copy of supplier FAIR will be furnished to TMS Inc. along with the first shipment for this PO/contract.
TMSQR7	The supplier shall provide an Inspection Report (IR) identifying engineering requirements and actuals. Format will include design characteristics included in AS9102 FAI documentation. Use of supplier or TMS IR is acceptable if all AS9102 elements are included on report. One copy of the IR shall be furnished to TMS representing each manufacturing lot.