

## **1. General:**

- (a) As a supplier to OTM, it is understood that your organization agrees to meet the following stipulations which also include current **ISO 9001:2015**, requirements. OTM will describe the product to be purchased on Purchase Orders.
- (b) Supplier shall inspect products prior to shipment to OTM. Supplier is responsible for all tests and inspections of the product during receiving, manufacture, and supplier's final inspection.
- (c) Non-conforming material will not be shipped to OTM without prior written consent. OTM must be immediately notified by the supplier when determine that product shipped to OTM is non-conforming.
- (d) If requested by OTM purchasing or quality representative, the supplier shall provide corrective action on failures or non-conformances of supplier's product.
- (e) The supplier of **Special Processes** must process all recurring product in the same manner as the initial order, Special Processes certification (Heat Treating, NDT, Coatings, etc.) are required which certify that processes were conducted in conformance with the purchase order and referenced data, Special processes suppliers are required to be **NADCAP accredited**. No technical changes can be made without the OTM's consent. The supplier is obliged to give OTM prior notice of any transfer of production, use of a new tool or a new process. Any of such changes will result in the repetition of the sampling procedure; this must be clearly communicated to OTM as a change in writing.
- (f) OTM may use **Supplier Scorecard Report, corrective action requests, and or quality audits** as the primary methods of monitoring suppliers. The need for quality audits is dependent upon the kind of product, the impact of supplied product on the quality of final product, and where applicable, on the quality reports or quality records previously used to demonstrate the capability and performance of the supplier.

## **2. Acceptance:**

- (a) This General Terms and Conditions agreement is part of the purchase order established with the supplier. Supplier's acknowledgement, acceptance of payment, or commencement of performance shall constitute Supplier's unqualified acceptance of OTM, Terms and Conditions. The acceptance of the purchase order indicates acknowledgement and automatically places supplier in agreement with all pricing and quantities.

## **3. Official communication between supplier and OTM:**

- (a) Only the Authorized Purchasing Agent has the authority to make a change to the Purchase Order via a revised purchase order. The supplier will notify OTM of changes in product and/or process definition and, where required, obtain organization approval.

## **4. Quality System:**

- (a) Suppliers whose product or service is subject to an approved Quality Systems shall meet current **ISO 9001:2015 Requirements** and are obliged to provide copies of their quality certificates to OTM, as part of supplier approval process.

(b) The Supplier's Quality Management System is subject to initial survey and approval by Buyer. **Surveys or audit** Including Sub-tier suppliers and processors may be conducted before or after issuance of a Purchase Order. The Supplier shall be notified of deficiencies and shall follow up and ensure that deficiencies are promptly corrected. Corrective Action shall be subject to review and approval.

(c) Supplier will deliver to OTM, upon request, first samples of the product, together with the sampling documentation required (technical documentation and purchase order), for every new product and in other cases where this is agreed.

(d) The supplier is **fully responsible** for his product, including the financial aspects related to any product irregularities or imperfections and their consequences. In the event of issues related to the quality of the product, or any other issues. Suppliers will provide the final solution, including a root cause analysis and systematic problem solving.

(e) The organization shall ensure the adequacy of specified purchase requirements prior to their communication to the supplier.

(f) The Supplier and any applicable sub-tier suppliers should maintain a documented Quality System manual and make it available upon request by OTM. This documented Quality System must include provisions for the supplier to manage the competence, awareness, and training of all personnel where required.

(g) Supplier must prevent the use of counterfeit parts.

(h) Retain documented information, including retention periods and disposition requirements.

(i) Supplier must ensure that persons are aware of: their contribution to product or service conformity, their contribution to product safety, the importance of ethical behaviour.

#### **5. Right of Entry:**

(a) Acceptance of this purchase order reserves the Right of Entry into premises by OTM Quality Representatives and the OTM's Purchasing Representatives for conducting audits and inspections to confirm quality acceptance.

#### **6. Flow down Requirements:**

(a) When the Purchase Order specifies the requirements for an Original Equipment Manufacturer (OEM) special process or an approved process source. Supplier shall ensure that all manufacturing and/or special processing meets industry recognized standards, or an OEM specification is carried out by only qualified personnel.

#### **7. Delivery:**

(a) Supplier shall strictly adhere to the shipment, delivery or completion schedules specified in the purchase order. In the event of any anticipated or actual delay supplier shall promptly notify OTM, stating the reasons for the delay and the actions being taken to overcome and minimize the delay, and provide OTM with a recovery schedule.

#### **8. Supplier Evaluation:**

(a) OTM maintains an **Approved Supplier List**. The evaluation and selection of suppliers shall be dependent upon their ability to supply the required parts, materials, and adhere to the quality requirements and services. Selection preference shall be given to suppliers with accredited third party certified quality management systems. Suppliers will be subject to evaluation according to **Supplier Scorecard report**. First evaluation of suppliers not listed on the Approved Supplier List will be made prior to final nomination. Approved suppliers will be subject to re-evaluation on a yearly basis.

#### **9. Confidentiality statement**

(a) The supplier is obliged to treat any commercial, technical and other information, made available and communicated to him at the time of business co-operation with due care and respect under the terms of the confidentiality clause; furthermore, he is obliged to protect all the confidential information from the public access as well as from the misuse by the third parties.