

## EXTERNAL PROVIDERS TERMS & CONDITIONS

### 1. DEFINITIONS:

- (a) "Article(s)" – Good(s) and service(s) described in the Order
- (b) "Buyer" – the legal entity issuing the Order
- (c) "External Provider" – Person or company providing the Article, aka "supplier" "vendor" "seller"
- (d) "Manufacturing Materials" – supplies, materials, samples, tooling, dies, jigs, fixtures, plans, designs, specifications, software, drawings, technical information, and contract rights.
- (e) "Order" – purchase order, change order, subcontract or contract for the Article(s)
- (f) "Parties" – Buyer and External Provider collectively

### 2. INTELLECTUAL PROPERTY RIGHTS & INDEMNITY:

Unless otherwise specified by the individual purchase order, contract, or non-disclosure agreement, any copyright, trademark, trade secret, software, data, idea, concept, process, formula, invention, system, report or other intellectual property resulting from any seller work performed for the Order:

- (a) Derived from or based on information supplied by Buyer or conceived or reduced to practice by external provider using Buyer's funds, will be owned by the Buyer.
- (b) Derived from or based on information supplied by Seller or conceived or reduced to practice by external provider using external provider's funds, will be owned by the supplier.

### 3. PACKING & SHIPPING:

External provider shall prepare and package product for Fairmount Technologies to prevent damage and deterioration during shipping.

### 4. SHIPMENT & DELIVERY:

Shipments or deliveries, as specified in a Fairmount Technologies Purchase Order, shall be in accordance with the specified quantities and the specified schedules. Seller is requested to notify Fairmount Technologies of any anticipated or actual delay.

### 5. FAIRMOUNT TECHNOLOGIES FURNISHED MATERIALS:

All Manufacturing Materials furnished by Buyer are to be returned with the product upon completion of the order unless other arrangements have been made.

### 6. SPECIAL PROCESSES

FT requires that all special processes required by this PO must be performed by competent and qualified personnel. FT reserves the right to approve or specify any special requirements, critical items, or key characteristics.

### 7. SUBCONTRACTING & APPROVED SUPPLIERS:

Any Fairmount Technologies supplier may subcontract

Fairmount Technologies' work to another supplier provided that Fairmount Technologies is provided with the same rights and protection as contained in the Right of Entry clause. Prior to subcontracting, Fairmount Technologies must be contacted for approval. FT reserves the rights to require the external provider to use customer-designated or approved external providers, including special processes. All applicable requirements in PO, including customer requirements must be flowed down the supply chain and include key characteristics where required.

### 8. RIGHT OF ENTRY.

Supplier shall allow Fairmount Technologies representatives, Fairmount Technologies customers, and regulatory agencies right of entry into the all Supplier's facilities at all level of supply chain to determine and verify product, process, records, personnel, material, procedures and systems and validate them. FT reserves the right to designate requirements for verification or validation activities that we or our customer intend to perform at the external providers premises.

FT reserves the right to monitor external provider's performance, including: supplier risk, quality of product or service delivered and on-time delivery of product or service. FT has the right to identify requirements for interaction with supplier including: email, interactive documentation and documented confirmation methods of verbal communications.

### 9. TERMINATIONS:

Buyer has the right to terminate the whole or any part of the Order for its convenience. In the event that the Seller has a claim for adjustment, it will be handled in accordance with the dispute clauses herein.

### 10. CHANGE:

External providers are required to notify FT of changes in product and/or process, changes of suppliers, changes of manufacturing facility location. Ft reserves the right to approve such changes as they may affect customer requirements.

### 11. QUALITY:

FT reserves the right to require the need from suppliers to implement a QMS. Buyer also reserves the right to review and approve the supplier's QMS. External provider shall provide and maintain an inspection system which will assure that all delivered products conform to PO requirements, whether manufactured or processed by the supplier or a sub-tier supplier. Supplier shall maintain controls and perform all inspections and tests required to substantiate product conformance to drawings, specifications and other PO requirements. FT requires that the external provider maintains the proper identification and revision status of all drawings, specifications, process requirements, inspection and verification instructions and other relevant technical data as of the date of the Purchase Order.

FT reserves the right to require and request evidence that the external provider ensure that their personnel are aware of: their contribution to product or service conformity; their contribution to product safety; and the importance of ethical behavior.

reserves the right of final approval of products and services, methods, processes, and equipment, and the final release of products and services. When applicable, FT reserves the right to require external providers to show evidence of processes to prevent the use of counterfeit products.

**12. WARRANTIES:**

- (a) Buyer shall specify required warranty period to Seller in Order and Seller shall include such Warranty in its price.
- (b) Defective Article(s) will be returned to Seller at Seller's expense for repair or replacement. Seller will be responsible for actual freight charges and costs incurred both from and to the Buyer.

**18. FOREIGN OBJECT DEBRIS & DAMAGE:** Supplier shall develop and maintain a Foreign Object Debris/Damage (FOD) Prevention Program to prevent introduction of foreign objects into any item delivered under this purchase order.

**13. DISPUTES:** Any dispute between Buyer and External Provider will be settled by agreement by appropriate levels of management as determined by the Parties.

**19. FIRST ARTICLE INSPECTION:** If required by Fairmount Technologies on the Purchase Order, first article inspections are to be recorded on form AS9102, current revision. Any other format used must be compliant with AS9102 and approved by Fairmount Technologies prior to use.

**14. INSPECTION, TESTING, VERIFICATION:** FT reserves the right to require supplier to provide test specimens for design approval, inspection/verification, investigation or auditing. Supplier shall maintain inspection and test equipment to assure calibration traceable to a known national or international standard. Calibration records must be maintained and made accessible to Fairmount Technologies, if required. FT reserves the right to approve or specify any test, inspection, and verification (including production process verification.) FT has the right to approve any designs, tests, inspection plans, verifications, criteria for design and development required by our organization from an external provider.

**20. CALIBRATION SERVICES ONLY:** Calibration of inspection equipment shall be performed traceable to National Institute of Standards and Technology (NIST) or other national or international standards. Certificates of Calibration shall be provided with each calibration.

**15. RECORDS:** The Supplier shall maintain records of work performed for Fairmount Technologies. Records shall include the certificate provided to Fairmount Technologies as well as all records that substantiate the certificate. These records shall be maintained in any format for a minimum of ten (10) years. Our organization requires the disposition of such documents is to be controlled in accordance with the requirements of the applicable QMS.

**21. MATERIAL:** Suppliers shall provide evidence of compliance to ITAR, ROHAS, DFAR when applicable.

**16. NON-CONFORMING MATERIAL:** Supplier must notify Fairmount Technologies of any nonconforming product and make arrangements for approval to submit nonconforming product. Supplier needs to get approval for any disposition of material or products from Fairmount Technologies.

**22. FLOW DOWN:** This clause requires suppliers to follow and flow down the supply chain, the applicable requirements, including customer requirements appropriate to the product or process. Refer to the PO, Contract, or Terms & Conditions for additional specific requirements of end item customer. This clause requires suppliers to comply with and flow down the supply chain applicable DOD requirements, specifically including: FAR 52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance and DFARS 252.204-7018 Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services.

**23. INVOICING:** Supplier will not invoice before shipping date. Payment terms are NET 30 after invoice date.

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**If you have any questions or concerns, contact:**

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