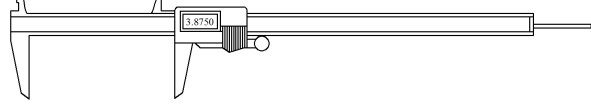


**ADVANCED
CARBIDE
GRINDING**

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(724) 694-1122 Fax
www.advancedcarbidegrinding.com



Supplier Terms and Conditions Agreement

General: These requirements are considered as terms and conditions to all purchases.

1. Where required on the Advanced Carbide Grinding, Inc. Purchase Order, its suppliers must use Advanced Carbide Grinding, Inc.'s customer-approved special process sources.
2. Suppliers shall ensure appropriate competence of its personnel, including any required qualifications, when applicable, to provide additional confidence of the conformance of purchases.
3. Suppliers shall ensure its personnel are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.
4. Advanced Carbide Grinding, Inc. monitors supplier performance, including both on-time delivery, and quality of purchases, and may react accordingly based on performance concerns.
5. Advanced Carbide Grinding, Inc. is to be contacted (by the supplier) in the event of nonconforming product/material. Arrangements for the approval of supplier nonconforming product/material must be as directed by an Advanced Carbide Grinding, Inc.'s authorized manager or designee.
6. Advanced Carbide Grinding, Inc. performs inspection activities to ensure that purchased product meets purchase requirements. They may include Receiving inspections (of supplier products / services / documents) may be / are performed by a designated employee. Advanced Carbide Grinding, Inc. verifies the authenticity of the appropriate certificate of conformity, material certificates, etc. and other accompanying documentation by review and comparison (as is appropriate) to the drawing and/or industry specifications or by other means. When necessary, Advanced Carbide Grinding, Inc. may inspect or audit at the supplier's facility. Furthermore, products are inspected to ensure they meet requirements (dimensions, etc.) and the results are recorded (as appropriate).
7. When Advanced Carbide Grinding, Inc. or its customer intends to perform verification at the supplier's premises; Advanced Carbide Grinding, Inc. will first state the intended verification arrangements and the method of product release. This information will be communicated on the Advanced Carbide Grinding, Inc. Purchase Order or via another acceptable purchasing arrangement.