

# GENERAL TERMS & CONDITION CLAUSES

## General Clauses for all Suppliers

THE FOLLOWING GENERAL TERMS AND CONDITIONS (GTC) APPLY TO ALL LOUTECH PURCHASE ORDERS AND CONTRACTS, UNLESS OTHERWISE NOTED. ADDITIONAL REQUIREMENTS MAY BE ANNOTATED ON THE PURCHASE ORDER ISSUED TO THE SUPPLIER.		Date / Revision:  06/20/2019
GTC-1	<b><u>RIGHT OF ENTRY</u></b> THE BUYER AND BUYERS CUSTOMER, AND THEIR CUSTOMERS, OR ANY APPLICABLE REGULATORY AGENCY WILL HAVE THE RIGHT TO ENTER THE SUPPLIER'S FACILITY TO PERFORM INSPECTION OR ENSURE COMPLIANCE TO THE CONTRACT.	
GTC-2	<b><u>ACCEPTANCE</u></b> 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 SUPPLIER. THE SUPPLIER SHALL ENSURE THAT PERSONS PROVIDING SUPPORT FOR THE PURCHASE ORDER ARE AWARE OF THEIR CONTRIBUTION TO PRODUCT OR SERVICE CONFORMITY; THEIR CONTRIBUTION TO PRODUCT SAFETY; AND THE IMPORTANCE OF ETHICAL BEHAVIOR.	
GTC-3	<b><u>AMENDMENTS</u></b> TO THIS ORDER, OR LOUTECH TERMS AND CONDITIONS SHALL BE SET FORTH IN WRITING, VIA PURCHASE ORDER CHANGE NOTICE, AND /OR REVISIONS TO THE PURCHASE ORDER TERMS AND CONDITIONS. LOUTECH WILL CONSIDER SUPPLIER'S 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-4	<b><u>PRICE</u></b> AS STATED ON THIS ORDER COVERS ALL GOODS AND SERVICES TO BE PROVIDED BY THE SUPPLIER 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-5	<b><u>SHIPMENT</u></b> OF GOODS AND SERVICES UNDER THIS ORDER SHALL BE F.O.B AS SET FORTH ON THE FACE OF THE ORDER. SUPPLIER SHALL FOLLOW BUYERS INSTRUCTIONS REGARDING METHOD OF SHIPMENT, EXCEPT WHERE BUYER HAS SO STATED ON THE FACE OF THE ORDER.	
GTC-6	<b><u>SCHEDULE</u></b> 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 SUPPLIER'S REASONABLE CONTROL. HOWEVER, IF THE SUPPLIER 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-7	<b><u>HAZARDOUS MATERIAL</u></b> SUPPLIER 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-8	<b><u>PACKAGING AND PROTECTION</u></b> OF THE PRODUCT SHIPPED SHALL BE IN ACCORDANCE WITH THE LOUTECH PO OR BEST COMMERCIAL PRACTICE TO PROTECT PRODUCT FROM DAMAGE AND/OR DETERIORATION.	
GTC-9	<b><u>CHANGE NOTIFICATION</u></b> WHERE APPROPRIATE, SUPPLIER SHALL NOTIFY LOUTECH OF CHANGES IN PRODUCT AND/OR PROCESS DEFINITION WHERE FIT FORM OR FUNCTION MAY BE AFFECTED. <b><u>CANCELLATION</u></b> SHALL REMAIN THE RIGHT OF THE BUYER AND MAY BE INITIATED AT ANY TIME.	
GTC-10	<b><u>TEST SPECIMENS</u></b> SHALL BE REQUIRED WHEN THERE IS A DESIGN APPROVAL FROM A LOUTECH CUSTOMER, INSPECTION, INVESTIGATION OR AUDITING .	
GTC-11	<b><u>TOOLING</u></b> FURNISHED BY LOUTECH SHALL BE MAINTAINED INDOORS, THE SUPPLIER 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 LOUTECH BUYER IN WRITING. LOUTECH SHALL DISPOSITION DAMAGED TOOLING PRIOR TO FURTHER PROCESSING BY THE SUPPLIER. SUPPLIER REWORK OF LOUTECH FURNISHED TOOLING SHALL BE AUTHORIZED IN WRITING.	
GTC-12	<b><u>QUALITY ASSURANCE</u></b> THE SUPPLIER SHALL COMPLY WITH THE LOUTECH QUALITY SYSTEM REQUIREMENTS AS SPECIFIED BY THE LOUTECH SUPPLIER SURVEY OR PURCHASE ORDER. SUPPLIER AGREES TO IMPLEMENT AND MAINTAIN THE QUALITY OR INSPECTION SYSTEM DURING THE PERFORMANCE OF THIS CONTRACT. <b><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.</u></b> 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 NUMBER(S). <b><u>TRACEABILITY</u></b> ALL PARTS / MATERIAL AND APPLICABLE DOCUMENTS MUST BE IDENTIFIED BY A MANUFACTURING LOT OR BATCH NUMBER BY THE SUPPLIER. <b><u>COMPETENCY &amp; AWARENESS</u></b> COMPETENCY; INCLUDING NECESSARY QUALIFICATIONS MUST BE DETERMINED AND IN PLACE. INCLUDING ENSURING PERSONNEL ARE AWARE OF THEIR CONTRIBUTION TO PRODUCT AND SERVICE CONFORMITY, PRODUCT SAFETY AND THE IMPORTANCE OF ETHICAL BEHAVIOR.	

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GTC-13	<p><b>NONCONFORMANCES</b> UPON ACCEPTANCE OF A LOUTECH PURCHASE ORDER, THE SUPPLIER AGREES THAT LOUTECH IS ENTITLED TO REIMBURSEMENT OF LOUTECH LABOR AND MATERIAL COSTS, AS WELL AS ALL PROCESSING COSTS ASSOCIATED WITH SUPPLIER RESPONSIBLE NONCONFORMANCES AND DAMAGES, INCLUDING CORECTIVE ACTION REQUEST DOCUMENTAION PROCESSING. THE SUPPLIER SHALL PROVIDE LOUTECH WRITTEN NOTIFICATION OF NONCONFORMANCES AND IS NOT AUTHORIZED, UNDER ANY CIRCUMSTANCE, TO PERFORM MATERIAL REVIEW ACTIVITIY WITHOUT LOUTECH APPROVAL.</p>
GTC-14	<p><b>AGE SENSITIVE MATERIAL</b> CERTIFICATE OF CONFORMANCE FOR AGE SENSITIVE MATERIAL SHALL CONTAIN THE FOLLOWING AS A MINIMUM. DATE OF MANUFACTURE, SHELF LIFE EXPIRATION DATE AND STORAGE CONDITIONS TO ACHIEVE SHELF LIFE, IF NOT STATED ON NORMAL PACKAGE. SHIPMENTS WITH LESS THAN 70% REMAINING SHELF LIFE IS NOT ACCEPTABLE.</p>
GTC-15	<p>WHEN SPECIFIED BY LOUTECH PURCHASE ORDER, SUPPLIERS SHALL IMPLEMENT AND MAINTAIN A QUALITY MANAGEMENT SYSTEM IN COMPLIANCE WITH EITHER AS9100 OR ISO 9001.</p>
GTC-16	<p>LOUTECH SOURCE INSPECTION AND/ OR CUSTOMER VERIFICATION IS REQUIRED AT SUPPLIER FACILITY PRIOR TO SHIPMENT WHEN REQUESTED ON THE PURCHASE ORDER. LOUTECH WILL PLACE AN INSPECTION STAMP ON THE SUPPLIER SHIPPER TO INDICATE LOUTECH ACCEPTANCE. CONTACT LOUTECH AT LEAST 48 HOURS PRIOR TO SHIPMENT FROM SUPPLIER FACILITY.</p>
GTC-17	<p>GOVERNMENT SOURCE INSPECTION IS REQUIRED AT SUPPLIER FACILITY PRIOR TO SHIPMENT WHEN REQUESTED ON THE PURCHASE ORDER. SUPPLIER SHALL CONTACT LOUTECH AND APPLICABLE GOVERNMENT REPRESENTATIVE TO ARRANGE FOR GOVERNMENT ACCEPTANCE PRIOR TO SHIPMENT FROM SUPPLIER FACILITY.</p>
GTC-19	<p>THE SUPPLIER SHALL PERFORM 100% INSPECTION OF THE LOUTECH NOTED KEY CHARACTERISTICS, A RECORD OF THE INSPECTION RESULTS SHALL BE PROVIDED TO LOUTECH, SAMPLING INSPECTION IS NOT ALLOWED WHEN REQUESTED ON THE PURCHASE ORDER.</p>
GTC-20	<p><b>RECORD RETENTION</b> SUPPLIER SHALL RETAIN ALL RECORDS PERTAINING TO MATERIAL/ MFG PROCESS SPECIAL PROCESSES, TEST AND INSPECTION FOR A MINIMUM OF <b>10 YEARS</b> OR AS REQUIRED BY THE LOUTECH CUSTOMER, CHANGES TO THIS REQUIREMENT SHALL BE ADDRESSED ON THE PURCHASE ORDER. NOTIFY LOUTECH PRIOR TO DESTRUCTION. ADDITIONAL LOUTECH QUALITY REQUIREMENTS (LOUTECH QR CLAUSES) APPLY WHEN REFERENCED BY PO.</p>
GTC-21	<p>PRODUCT AND DOCUMENTS SHALL HAVE POSITIVE IDENTIFICATION RELATED TO THE PO SPECIFICTIONS, DRAWINGS, PROCESS REQUIREMENTS, INSPECTION INSTRUCTIONS AND OTHER RELEVANT TECHNICAL DATA.</p>
GTC-22	<p>ITAR REQUIREMENTS – THE SUPPLIER SHALL COMPLY TO AND FLOW DOWN TO ITS SUPPLIERS THE ITAR REQUIREMENT AS IDENTIFIED ON THE LOUTECH PURCHASE ORDER.</p>
GTC-23	<p>SUPPLIER MUST HAVE A COUNTERFEIT PART PREVENTION PROCESS AND COMMUNICATE THIS INTERNALLY TO ALL PARTIES DIRECTLY INVOLVED WITH THE PURCHASE ORDER. PARTS AND OR MATERIAL MUST BE TRACEABLE TO THE ORIGINAL OR AUTHORIZED MANUFACTURER.</p>
GTC-24	<p>THE COUNTERING AMERICA'S ADVERSARIES THROUGH SANCTIONS ACT (CAATSA) RESTRICTS ENTRY INTO THE US OF GOODS MADE WHOLLY OR IN PART BY NORTH KOREAN LABOR, WHEREVER LOCATED, AND IMPOSES PROPERTY-BLOCKING SANCTIONS ON NON-US PERSONS THAT KNOWINGLY EMPLOY NORTH KOREAN LABORERS, SUBJECT TO EXCEPTIONS. THE SUPPLIER SHALL MAKE REASONABLE EFFORT TO DETERMINE THAT NO NORTH KOREAN NATIONALS OR CITIZENS HAVE BEEN INVOLVED IN THE MINING, PRODUCTION, OR MANUFACTUIRNG, WHOLLY OR IN PART, OF ANY SIGNIFICANT GOODS, WARES, ARTICLES, AND MERCHANDISE (INCLUDING PARTS AND COMPONENTS.) THE SUPPLIER SHALL COMMUNICATE TO THE SUPPLY BASED THE RESTRICTIONS ON THE USE OF LABOR OF NORTH KOREAN CITIZENS OR NATIONALS.</p>