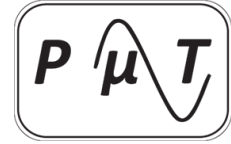


PRINCETON MICROWAVE TECHNOLOGY INC.
The SOURCE For High Performance Frequency Source



Terms and Conditions

PRINCETON MICROWAVE TECHNOLOGY INC.
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AS9100 Supplier Terms and Conditions Agreement

General: As a supplier to Princeton Microwave Technologies Inc. (PmT) it is understood that your organization agrees to meet the following stipulations / AS9100 requirements whenever a PmT purchase Order specifies that the order is for an aerospace application/job (or contains some similar aerospace/AS9100 reference). These requirements are, therefore, to be considered as terms and conditions to all aerospace purchases.

1. Where required on the PmT Purchase Order, its suppliers must use PmT customer-approved sources.
2. PmT 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 a PmT's authorized manager or designee.
3. Furthermore, the supplier is required to notify PmT of any changes to a product and/or process and to obtain approval from an authorized PmT Inc., Inc. manager or designee (if applicable).
4. PmT, their customers, and regulatory authorities retain the right of access to all supplier facilities involved in the aerospace order and to all applicable records.
5. The AS9100 standard requires that all applicable customer/regulatory/AS9100 requirements for the supplier to flow-down to sub-tier suppliers (includes requirements in the purchasing documents and key characteristics where required). However, PmT does not allow its aerospace suppliers to subcontract any product or process to a sub-tier supplier without PmT's expressed written consent.
6. PmT 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. PmT 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, PmT 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 appropriate, PmT. may delegate the inspection authority to one of its approved suppliers. PmT, will communicate the inspection requirements (including approved monitoring and measurement equipment/methods) and PmT will maintain a record of those approved to carry out such inspections.
8. When PmT or its customer intends to perform verification at the supplier's premises; PmT will first state the intended verification arrangements and the method of product release. This information will be communicated on the PmT Purchase Order or via another acceptable purchasing arrangement.
9. Where specified in the contract, the PmT's customer or customer's representative will be afforded the right to verify at the supplier's premises and Gaum, Inc.'s premises that subcontracted product conforms to specified requirements. Verification by the customer is not used by PmT as evidence of effective control of quality by the supplier and shall not absolve PmT or its supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.
10. To prevent the purchase of counterfeit or suspect/unapproved products and to ensure product identification and traceability (and for other reasons), PmT will institute controls that include the requirement of Material Certificates, Certificates of Conformity, and/or other supporting documentation from its suppliers as is appropriate. These requirements may be specified on PmT's Purchase Order or may otherwise be communicated to the supplier.
11. Records are available for review by customers and regulatory authorities in accordance with contract or regulatory requirements and should otherwise be kept confidential. Records will be maintained for indefinite period.
12. MT may also require specific actions where timely and/or effective corrective actions to a supplier issue(s) are not achieved. These actions may include but are not limited to any or all of the following: withholding payment until the issue is resolved, removal of the supplier from PmT's Approved Supplier List, and legal actions.
13. PmT reserves the right to verify product at the supplier's premises. [AS9100D 8.4.2]. This does not absolve PmT of our responsibility to provide acceptable product.
14. PmT requires suppliers to adhere to AS9100D 8.4.3 as per shown on PmT website.

AS91001) 8.4.3

8.4.3 Information for External Providers

The organization shall ensure the adequacy of requirements prior to their communication to the external provider.

The organization shall communicate to external providers its requirements for:

a. the processes, products, and services to be provided including the identification of relevant technical data (e.g., specifications, drawings, process requirements, work instructions);

b. the approval of:

1. products and services;
2. methods, processes, and equipment;
3. the release of products and services;

c. competence, including any required qualification of persons;

d. the external providers' interactions with the organization;

e. control and monitoring of the external providers' performance to be applied by the organization;

f. verification or validation activities that the organization, or its customer, intends to perform at the external providers' premises;

g. design and development control;

h. special requirements, critical items, or key characteristics;

i. test, inspection, and verification (including production process verification);

j. the use of statistical techniques for product acceptance and related instructions for acceptance by the organization;

k. the need to:

- implement a quality management system;
- use customer-designated or approved external providers, including process sources (e.g., special processes); notify the organization of nonconforming processes, products, or services and obtain approval for their disposition;
- prevent the use of counterfeit parts (see 8.1.4);
- notify the organization of changes to processes, products, or services, including changes of their external providers or location of manufacture, and obtain the organization's approval;
- flow down to external providers applicable requirements including customer requirements;
- provide test specimens for design approval, inspection/verification, investigation, or auditing;

— retain documented Information, Including retention periods and disposition requirements;

l. the right of access by the organization, their customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain;

m. ensuring that persons are aware of:

- their contribution to product or service conformity;
- their contribution to product safety;
- the importance of ethical behavior.