

## **Keystone Powdered Metal Company**

### **Supplemental Terms and Conditions**

The terms and conditions that follow apply to:

- Vendors quoting or supplying component parts or
- Subcontractors quoting or performing secondary work, which includes, but is not limited to, machining, assembly, heat treating, steam treating, plating, etc.

Any information disclosed to vendor for quotation, or to perform work, constitutes and includes confidential, proprietary, and trade secret information of Keystone Powdered Metal Co. (Keystone) and/or its customers. This information is of a unique and extraordinary nature, disclosure of which to unauthorized persons would cause serious damage and harm to Keystone and/or its customers. By accepting and receiving this information, vendor acknowledges the proprietary and sensitive nature of this information and agrees not to, directly or indirectly, use, disclose or disseminate such information except as authorized in writing by a duly authorized representative of Keystone. All specifications, documents, and prototype articles delivered by Keystone in connection with the performance of a quotation or order are the property of Keystone. They shall be returned or disposed of as Keystone may direct.

Third party ISO certification is a requirement for selection. A copy of vendor's certification should be sent with the quotation.

Keystone Powdered Metal Company's requirements on parts may include, but not be limited to:

- Special Gauging Requirements
- Special Tooling Requirements
- Critical Dimensions
- PPAP requirements

Quotations must include any separate costs for tooling, gages, or equipment needed to perform the work being quoted. Unless otherwise stated, the tooling purchased is the property of Keystone Powdered Metal and can not be used to produce parts for anyone else.

Adherence to quoted lead time is essential. Keystone requires 100% on time delivery. Premium freight charges of goods from vendor to Keystone or from Keystone to its customer resulting from vendor's late delivery will be the responsibility of vendor. PPAP requirements will be addressed at the time the business is awarded. Once PPAP approval is granted, no process changes are permitted without written consent from Keystone's Quality Assurance Manager.

All PPAP's will require a Vendor IMDS Compliance Number. Vendors are required to input necessary data into the IMDS database under Keystone Powdered Metal Company's IMDS number.

Vendors performing secondary operations to products supplied to vendor by Keystone, will be permitted a maximum scrap rate of 1.5% with a goal of 0%. If the percentage of scrap on an order exceeds 1.5%, vendor shall bear the responsibility for the cost of the scrap in excess of that amount. If defective parts reach our customer and are rejected due to vendor's error, the vendor may be responsible for the costs of 100% inspection at the customer's site, the cost of the parts and any costs associated with the rejection.

Hazardous Materials: Vendor shall supply written notice to buyer upon receipt of an order if the goods furnished, or products used in processing, are subject to the laws and regulations relating to hazardous or toxic substances, or when disposed of, to regulations governing hazardous waste, or to any other environmental or safety or health regulations. Vendor shall furnish all appropriate shipping certifications and any notices, forms or other information required to be supplied to a purchaser or user of hazardous or toxic substances pursuant to applicable laws or regulations, and instructions for shipping, safety, handling, exposure and disposal in a form sufficiently clear for use by Keystone personnel and sufficiently specific to identify all action which the user must take concerning the material.

Parts and services should be quoted F.O.B. Keystone's Facility (St. Marys, PA - Lewis Run, PA - Cherryville, NC)

Base prices quoted will be firm for the life of the part. Quotes must contain the base pricing for raw materials, plus any additions that can be tied to a recognized raw material index. Examples could be: Copper - Comex (Commodity Exchange), Nickel - LME (London Metal Exchange). Quantities quoted are a reasonable expectation and are based on information supplied by Keystone's customer or prospective customer. They are not guaranteed quantities. Quantities ordered will be scheduled to ship in release quantities. If minimum release quantities apply, they must be noted on the quotation. Unless otherwise stated, after PPAP approval is received, all pricing will be at production quantity levels.

Suppliers are responsible to conduct a self-assessment to Chrysler's "**Elements of Manufacturing Basics**" at least one time per year. The requirements can be found at <http://www.iaatfglobaloversight.org/context.aspx?page=ChryslerOEMCustomer-SpecificRequirements> (Keystone has incorporated the requirements of Chrysler's

“Elements of Manufacturing Basics” into our own self-assessment. Suppliers are free to choose between the two.)

Keystone may elect to transmit purchase order and release data by Electronic Data Exchange. Any quotations should state your EDI capabilities.

Keystone’s standard payment terms are net 60 days.

All parts are to be clean and free from contamination and packed in mutually agreeable containers.

These are supplemental terms and conditions. Other special requirements or conditions that arise will be covered by the purchase order. In addition, Keystone’s Purchase Terms and Conditions apply to all purchase orders unless expressly noted otherwise on the Purchase Order. Keystone’s Purchase Terms and Conditions can be reviewed on the back of all purchase orders or at the Company’s website ( [www.keystonepm.com](http://www.keystonepm.com) ). And finally, all vendors must comply with the provisions of Keystone’s Supplier Quality Manual which can also be found on Keystone’s website ( [www.keystonepm.com](http://www.keystonepm.com) ).

**REVISED 3/10/10**