

Southwest Waterjet Corp.

Purchasing Terms and Conditions

Clauses:

1. Supplier notification is required in cases of nonconforming product, including arrangements for Southwest Waterjet Corp. approval of supplier nonconforming material.

2. Supplier notification is required for changes in product and/or process definition including, where required, Southwest Waterjet Corp. approval.

3. The supplier will flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key Characteristics.

4. Certification(s) of Compliance to all applicable specifications is required if required per customer PO, and shall include material description, alloy/temper, size if applicable, and mill test reports with lot traceability data if applicable.

5. Right of Entry shall be granted to Southwest Waterjet Corp., its customers, and regulatory authorities, to all facilities involved in the order and to all applicable records, for the purpose of monitoring product quality.

6. Records resulting from the processing of this order shall be retained for a minimum of seven (7) years after completion of Southwest Waterjet Corp.'s customer's contract, or as otherwise required by that customer.

7. Supplier responsible for Lost or Damaged Product

8. AS9100/ISO 9001 Quality Management System or equivalent preferred.