



# **Purchase order Terms & Conditions**

## **1.0 ACCEPTANCE OF PURCHASE ORDER**

A Purchase order is the Buyers acceptance of the Sellers offer of material, service, or work performed. Purchase orders shall become a contract on the terms and conditions stated herein when seller accepts a purchase order by acknowledgement made by seller. No change, modifications, or revisions of a purchase order shall be valid unless in writing signed by the buyer.

## **2.0 SURVEILLANCE**

During the Purchase Order performance, **the buyer reserves the right of access by the Organization, their customers, and authorities to all facilities involved in the order and to all applicable records.** The Buyers' representative(s) and or Customer, or Government Representative may audit the product, the Quality/Inspection System, and all applicable records to determine compliance with quality and/or purchase requirements. Whenever possible, advanced notification of such visits will be made to avoid schedule disruptions.

## **3.0 QUALITY**

The seller is cautioned to examine carefully all referenced documentation that in total describes the product or service, the quality, the records and the controls that are required in order to ensure compliance to the supplemental quality notes as stated in the purchase order.

## **4.0 PACKAGING AND SHIPPING**

All items must be suitably prepared (best way) for shipment to ensure product to be free of damage due to normal handling and to secure lowest transportation rates and comply with carrier regulations, otherwise the difference in packing, crating and carriage, as the case may be, will be charged to the seller. No charges will be paid by the buyer for packing, crating or carriage unless stated in the order. Shipments to be forwarded on one day via one route must be consolidated. Economical shipping is expected. Premium shipment requests shall be in writing or stated on purchase order.

## **5.0 DELIVERY**

Deliveries shall be in accordance with the order schedule and in exact quantities unless specified. If seller's deliveries will not meet schedule, buyer may request seller to ship via routing necessary to meet schedule or recover time lost by non-delivery on schedule; the difference between revised routing and order routing costs shall be paid by the seller. Failure by seller to complete the delivery within the time specified shall, in addition to buyers other rights and remedies, relieve Buyer of obligation to accept and pay for material or work.

## **6.0 WARRANTIES/MERCHANTABILITY**

Seller warrants:

1. all items delivered under this order will be free of defects in material and workmanship, will conform to all applicable specifications and drawings and, to the extent such items are not manufactured pursuant to detailed designs furnished by the Buyer, will be free from defects in design and suitable for the intended purpose.

2. Unless otherwise stated on the face of the Purchase Order, all items delivered under PO(s) are new, have not been previously used and are not former Government or surplus property.
3. all materials herein described and the sale thereof do not, and the use of the same for their intended purposes will not constitute infringement or contributory infringement of any patent, copyright or trademark, or violation of any trade secret; and
4. In the performance of Purchase Orders, seller has complied or will comply with all applicable Federal, State and local laws and ordinances and all lawful orders, rules and regulations there under. These warranties are in addition to and shall not be construed as restricting or limiting any warranties of Seller, expressed or operation of law. The warranties of Seller and those flowed-up to the Seller, together with its service warranties and guarantees, if any, shall run to Buyer and its customers.
5. **Seller agrees that Buyer shall have the right, without incurring any liability to the Seller, to withhold payment of any invoices, should Seller fail to materially comply with the applicable Federal, State or local laws, regulations, ordinances, rules and regulations or the terms and conditions contained within.**
6. **Supplier shall provide notification immediately (not to exceed 24 hours) to Organization (AAI) of Nonconforming product;**
7. **Supplier shall not ship nonconforming product without prior approval by buyer. 8D analysis in compliance with AS13000 may be required prior to shipment.**
7. **Seller must notify the Organization of changes in product and/or Process definition and, where required, obtain organization approval prior to executing this purchase order.**
- 8 **Seller is Required to flow down to all sub-tier suppliers the requirements in the purchasing documents, including key characteristics where required. Seller must also notify what process will be sub-contracted and gain approval from the buyer prior to the work being performed.**
- 9 **Seller must provide notification of any change in quality, process, and or change in their Certification, Registration, or Accreditation within 48 hours of notification of change.**
- 10 **Seller must have a Counterfeit prevention measure in place that is compliant with either AS5553 (Electronic) or AS6174 (non-electronic) as applicable.**
- 11 **Seller must comply with ROHS directive and also provide when directed a completed Conflict Minerals Reporting Template (CMRT) and minimize the use of these minerals.**
- 12 **Seller also warrants safety of the product and any other flow down requirements on the purchase order provided.**

## 7.0 INSPECTION

Items are subject to final inspection/acceptance by Buyer at destination, notwithstanding any prior payment or inspection at source, and such inspection shall be within a reasonable time after delivery. Acceptance of items shall not be deemed to alter obligations of Seller or the rights of Buyer and its inspection sites must be in writing with buyer's concurrence. Further more Seller agrees to supply the following if requested.

- a) First Article Inspection Report per AS9102
- b) First Piece for verification Time and place to be predetermined to minimize down time.
- c) Evidence of a sampling plan that meets ANSI Z 1.4 or equivalent. If not, approval must be given ahead of time.

- d) Evidence that all measurement devices are in compliance to ANSI/NCSL Z540-3
- e) Gage calibration data if requested as it pertains to the measuring device used.
- f) Original Melt Certification. I.e. Mill that melted the Alloy as confirmation that material meets the requirements of DFAR material.

## 8.0 RAW MATERIAL

Seller supplied material;

- a) Seller to supply original mill certifications, if applicable any secondary certifications for independent testing and or secondary processing certification as required by the specification ordered. Buyer reserves the right to reject the material if it does not meet the specification ordered. Complete Chemical and Physical properties must be included. The term “capable of” is not permitted unless specified by the PO.
- b) Whenever possible raw material must be from one Heat Lot. In the event the Heat Lots come from separate sources the Heat lot must be easily and clearly evident in both marking and traceability. This may be in the form of part marking either on the part, if allowed by specification, blueprint, or PO conditions, or on the packaging of the product.

Aerospace Alloys, Inc. supplied material;

- a) In the event the seller was given material by Aerospace Alloys, Inc. for special process, Testing, and/or manufacturing, the seller will not substitute the material provided with any other material and or weld fill material unless allowed by Purchase Order.
- b) Seller will not subcontract work to another facility without the consent of the buyer for any processing of the material without prior approval of Aerospace Alloys, Inc.

## 9.0 RECORD RETENTION

- a) Supplier shall ensure all quality records are easily retrievable and deliverable within 48 hours of requests. Retention shall be as follows;
  - a. Traceable parts or materials
    - i. 50 Years
  - b. Non traceable or non-serialized parts or materials (non-Flight critical parts)
    - i. 10 Years
- b) Supplier shall upon termination of their business or been acquired by another business unit have a system in place to notify Aerospace Alloys Inc. of the change in business status and offer to supply any Records relevant to Aerospace Alloys Inc. purchases to either distribute all relevant records to Aerospace Alloys Inc. or to Company assuming New ownership.
- c) Records kept under new ownership must be also retrievable based on Aerospace Alloys, Inc. Purchase order or reference order number (Preferably material heat lot number)

## 10.0 CERTIFICATE OF CONFORMANCE

Seller shall furnish a completed Certificate of Conformance (C of C) with each shipment. The CofC, at minimum is to include the following.

Company (Seller)

PO # (Buyer(s))

Qty;

Material Traceability number if different from heat number

Part Number & Revision Level

Drawing Number & Revision Level (If Applicable)

Material/ Process Specification and Revision

Serial/Lot Number (If Applicable)

**An Exact Legible Copy of the Original Melt Mill Certification** (If Supplying Raw Material or any Finished Parts that the seller procured the Raw Material.)

## 11.0 CONFLICT MATERIALS

All parts and/or materials supplied must be free of conflict minerals originating in the Democratic Republic of the Congo or the adjoining countries of Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia (“Covered Countries”). Accordingly seller shall certify:

- a. Whether the parts and/or material supplied contain conflict minerals – tantalum, tin, tungsten or gold;
- b. If the parts and/or material contain conflict minerals:
  - a. The relevant identification number(s) of the parts and /or material that contain conflict minerals and which conflict materials are incorporated in each item;
  - b. That the conflict minerals did not originate in Covered Country;
  - c. The Supplier from which Seller obtained the conflict minerals; and
  - d. The smelter used to produce the conflict minerals.

Seller shall include this clause or equivalent provision in lower tier subcontracts for the delivery of the items that will be included in or furnished as work/goods to AAI.

## 12.0 CODE OF CONDUCT

**Buyer is committed to conducting its business fairly, impartially, and in an ethical and proper manner. Buyer’s expectation is that the Seller also will conduct its business fairly, impartially, and in an ethical and proper manner. Buyer’s further expectation is that the seller will have (or will develop) and adhere to a code of ethical standards, which will at least include:**

- **Requirement to comply with all laws and regulations**
- **Assurance of a safe and healthy work environment**
- **Prohibition on the use of child or forced labor**
- **Protection of the environment**
- **Prohibition on engagement in corrupt practices (e.g. facilitating, offering, paying or accepting any bribe)**