

## Acro Machining Inc. (AMI) Purchase Order Terms and Conditions

### GENERAL ORDER REQUIREMENTS

#### **G1 PACKAGING**

No charges allowed for packaging or cartage unless noted on the face of this order. All goods must be so packed as to secure lowest possible freight rates and must be shipped by cheapest means possible unless otherwise noted. AMI shall be notified as soon as possible when shipments will be made. Articles shall be packaged in a manner as to prevent damage during transportation.

#### **G2 PATENT WARRANTY**

To the extent the articles to be furnished hereunder are not manufactured pursuant to design originated by AMI, the Seller, by accepting this order, warrants that the sale or use of any and all articles or materials delivered hereunder will not infringe any United States or Foreign patent and agrees that he will, at his sole cost and expense, defend and action, suit or claim in which a violation or patent rights is alleged with respect to the sale of use of any material or articles ordered hereby, and that he will hold AMI and its customers harmless for any loss, damage or liability incurred on account or any violation or alleged violation of patent rights with reference to the materials or articles ordered hereby.

#### **G3 COMPLIANCE WITH LAWS, RULES, & REGULATIONS**

Seller agrees to comply with all applicable State, federal, and local laws in the purchase, manufacture, processing, and delivery of the articles or materials ordered hereby. All pertinent Federal Regulations apply to this order to the extent applicable. If any of the work to be performed on the purchase order is performed in the United States the Supplier shall, at the request of AMI, Inc., certify that the Products or Services covered by the purchase order were produced in compliance with the Fair Labor Standards Act (29 U.S.C. 201-291), as amended, and the regulations and orders of the U.S. Department of Labor issued there under. In addition, the Supplier must also comply with the following FARs:

-FAR 52.222-26 "Equal Opportunity"

-FAR 52.222-35 "Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era"

-FAR 52.222-36 "Affirmative Action for Workers with Disabilities"

-FAR 52.247-64 "Preference for Privately Owned U.S. Flagged Commercial Vessels"

#### **G4 CHANGES**

No change or modification on the face of this order or by agreement or otherwise shall be binding upon AMI until accepted in writing by its authorized representative. If any such change causes any increase or decrease in the cost of said article or material, and equitable adjustment shall be made between AMI and Seller and the order modified in writing accordingly

#### **G5 ASSIGNMENT**

Neither this purchase order nor any interest therein shall be assigned or transferred without prior written approval of AMI.

## **G6 CANCELLATION**

AMI reserves the right to cancel this order without penalty if prices or deliveries specified by the Seller upon the acknowledgement copy of this order are unsatisfactory or if shipments are not made as promised and may consider such failure or non-compliance as a breach of this contract. AMI expressly retains all its rights and remedies provided by law in the case of such breach and no action by AMI shall constitute a waiver of any such right or remedy.

## **G7 PAYMENT**

Payment of Sellers invoice is subject to adjustment for any shortage or rejection.

## **G8 ACCEPTANCE**

This purchase order constitutes AMI's offer to Seller and becomes a binding contract on the terms set forth herein when it is accepted by seller either by acknowledgement or beginning performance.

## **MANAGEMENT SYSTEM REQUIREMENTS**

### **M1 MANAGEMENT SYSTEM REGISTRATIONS**

If Seller's management system is registered to an international standard such as ISO 9001, ISO 17025, or AS9100, we require that you provide us with a current copy of your registration certificate and to be notified in a timely manner if your registration lapses or is revoked.

### **M2 CORRECTIVE ACTION REQUESTS**

Seller shall respond to requests for corrective in a timely manner. This includes the prompt assessment, action to correct the immediate issue, and action to prevent the situation from reoccurrence.

### **M3 CONFIDENTIALITY**

All information about AMI, its customers, and their parts/products are to be kept confidential and may only be used in activities necessary for fulfillment of an order without written consent of AMI.

### **M4 ETHICAL BEHAVIOR**

Seller shall promote and communicate the importance of ethical behavior to its employees and suppliers.

### **M5 RIGHT OF ACCESS**

AMI, its customers, and Regulatory Agencies shall have the right to access Seller's facility and its supplier's facilities, and review operations and documentation to verify the quality of work, records, materials, and other relevant information. This requirement must be communicated to Sellers's suppliers.

**M6 RECORD RETENTION**

Seller shall retain records related to production and inspection activities for 10 years. Any records containing confidential or proprietary information shall be destroyed. This requirement must be communicated to Seller's suppliers.

**M7 CONFLICT MATERIALS**

Seller shall make every effort to use suppliers supportive of and compliant to the Dodd Frank Act, Section 1582, regarding Conflict Minerals and their use in products AMI's purchases. Seller agrees to submit all necessary reports to any government agency requiring them.

**M8 SUPPLIER REQUIREMENT FLOWDOWN**

In addition to requirements that are specifically cited in this document as being required to be communicated to Seller's suppliers, Seller shall communicate additional requirements to suppliers, as necessary to ensure order and product compliance.

**QUALITY REQUIREMENTS****Q1 CERTIFICATES OF CONFORMANCE OR ANALYSIS**

If Seller provides raw materials or part treatment services (such as heat treating, plating, or painting) we require that Certificates of Conformance be provided for each order. If AMI requires a Certificate of Analysis, this will be documented on the Purchase Order (or other order document format).

**Q3 MATERIAL, WORKMANSHIP, and SUBSTITUTIONS**

Seller represents, warrants, and guarantees that all articles or materials delivered hereunder shall be free from defects of material or workmanship and that such articles or materials when delivered will conform to specifications, drawings, and descriptions specified. No materials can be substituted for an order without expressed written consent from AMI.

**Q6 PRODUCTION CHANGES**

If at any time Seller makes changes that could have an effect on product quality or your ability to meet the requirements of the Purchase Order, we require to be notified in a timely manner and before any product is shipped or service provided. This includes, but is not limited to, changes of facilities, suppliers, personnel, material composition, product design, and production/service methods.

**Q8 INSPECTION**

AMI shall have the right to inspect all materials ordered in Seller's plant before shipment and in its own plant after delivery by Seller. AMI may reject all articles or materials not conforming to plans, specifications or descriptions. Such rejected material held by AMI, Inc. pending Sellers' disposition will be at Seller's risk. Delivery of defective material shall not be deemed to satisfy the delivery schedule required herein nor shall acceptance of any item be deemed to alter or affect the obligation of Seller or the rights of AMI.

**Q9 NONCONFORMING MATERIALS**

Seller shall notify AMI of any nonconforming materials provided by AMI or its customers. Seller shall obtain approval from Acro Machining Inc on the disposition of non-conforming product prior to shipment.

**Q9 COUNTERFEIT MATERIALS**

Seller must maintain a program to detect and prevent the provision of counterfeit parts and materials. This requirement must be communicated to Seller's suppliers.

**Q11 FOREIGN OBJECT DETECTION (FOD) AND PREVENTION**

Sellers providing finished parts to AMI must maintain a program to prevent, detect, and remove foreign objects from parts and shipments. This requirement must be communicated to Seller's suppliers.

**Q12 FIRST-ARTICLE**

If the order includes a requirement for a First-Article. Supplier shall comply with AS9102.

END OF DOCUMENT