



## PURCHASE ORDER TERMS AND CONDITIONS

### PURCHASE ORDER STANDARD TERMS AND CONDITIONS

1. **Acceptance:** The order shall be accepted in writing by supplier within the time specified on the face of the order or, if not so specified, within a reasonable time of supplier's receipt hereof. If supplier fails to deliver a written acceptance of the order, SMC, at SMC's election, may treat any of the following as an unqualified acceptance by supplier of the order and the terms and conditions hereof: shipment by supplier of any products (or lots thereof) ordered hereby, furnishing or commencing any services called for hereunder (including preparation for manufacture), acceptance of any payment by supplier hereunder, or any other conduct by supplier that recognizes the existence of a contract pertaining to the subject matter hereof. If the order is issued by SMC in response to an offer by supplier and if any of the terms herein are additional to or different from any terms of supplier's offer, then the issuance of the order shall constitute an acceptance of such offer only with respect to the description of products or services, quantity and price, and SMC's acceptance is otherwise subject to the express condition that supplier assent to all terms of the order and that the order constitutes the entire agreement between SMC and supplier with respect to the subject matter hereof.
2. **Terms and Conditions:** The terms and conditions of the order shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties and shall apply to each shipment received by SMC from supplier hereunder, and such terms and conditions may hereafter be modified only by written instrument executed by an authorized representative of SMC's purchasing department and an authorized representative of the supplier. Any terms and conditions countered-offered by supplier in its acceptance, acknowledgment, invoice, or in any other manner are hereby rejected. Supplier expressly acknowledges that it accepts the terms and conditions of the order regardless of SMC's subsequent rejection of any counteroffer from supplier.
3. **Quality System:** The supplier shall maintain an effective quality system in accordance with customer requirements. The system shall be documented and provided for; control and identification of material throughout the processing cycle, detection and control of non-conforming product, control of measuring and test equipment, and appropriate inspection and testing of product and process. The supplier shall retain, for a minimum of 10 years, record pertaining to the product and those records essential to the effective operation of the quality system.
4. **Quality Assurance:** The supplier shall, at SMC's request, perform physical and functional configuration audits of products, supplies or items required to be delivered under the purchase order at no cost to SMC. Supplier shall at its own expense correct all discrepancies to the requirements of the purchase order.
5. **Inspection –** Product furnished by the supplier to shall be inspected per the required specification prior to delivery to SMC. All product furnished under this order is also subject to the inspection and approval of SMC. Where applicable, inspection shall be conducted using calibrated equipment in accordance with appropriate standards/test requirements. First Piece Inspection Report will be retained by the supplier and SMC will be furnished a copy with the shipment of product.
6. **Right of Access:** Acceptance of order by supplier gives right of unconditional access of entry in the supplier's and their sub tiers manufacturing/ servicing facility where any work is being performed. SMC, its customers and regulatory authorities shall be provided unrestricted access to the applicable areas of all facilities involved in the order and to all applicable records.
7. **Changes:** The supplier shall notify SMC of any changes in product or process definition, including changes of their external providers or location of manufacture. The supplier shall obtain prior approval when there is deviation from the purchase order, product or process requirements. No substitutions of any nature will be allowed except by amendment to the purchase order.
8. **Facility Change Notification:** The supplier shall notify SMC of any change in facility location where work is performed.
9. **Non-Conforming Product:** Supplier shall tag non-conforming parts with complete description and identification. Non-conforming parts must be segregated. Supplier must contact SMC for disposition instructions and approval. Any costs incurred by SMC and/or their customers associate with non-conforming product that is directly attributable to the supplier shall be the liability of the supplier.
10. **Configuration Control:** Supplier shall comply with the requirements set forth in the order for controlling the configuration of products, supplies or items required under the purchase order.
11. **Certification:** Supplier shall comply with providing certification on company's letter head as required by contracting officer when specified on SMC Purchase Order.
12. **Certification of Conformance –** A certification of conformance for specified product shall be provided by supplier along with the statement certifying that the product meets all the SMC requirements as per the purchase order, to the specified drawing rev level, specifications, inspection and test results/data, manufacturing process sheet, special processes certifications, shipping and other relevant documents if any. All pertaining documents will be kept on records and to be made available to SMC within the reasonable time of notification. Certification of conformance shall be duly signed and dated by quality manager or his designated responsible agent.
13. **Flow down:** Supplier shall not subcontract work or services to their sub tiers without obtaining prior written permission from SMC. SMC requirements or those of its customers as specified in the purchase order or associated documents shall also be applicable to any sub-tier suppliers utilized in the production of this order. This includes a requirement to use only those sources approved and authorized by SMC and or/its customers when specified. The supplier shall maintain a system that ensures that SMC's requirements are transmitted to the appropriate purchasing documents to appropriately flow-down quality and product requirements to the sub-tier supplier.
14. **Product Serialization Requirements:** If products on this purchase order are serialized, the supplier is responsible to maintain serialization integrity while the product is at their facility. Any loss of serial number integrity shall be reported immediately to SMC.
15. **Delivery & Price:** It shall be the responsibility of the supplier to adhere to the time and location of delivery as specified in the purchase order. The order must not be filled at a higher price than last charged or quoted without advance notice to SMC. Any costs incurred by SMC and/or their customers associate with delayed delivery that is directly attributable to the supplier shall be the liability of the supplier. If supplier does not deliver



## PURCHASE ORDER TERMS AND CONDITIONS

by the specified due date SMC may purchase the quantity of the product or services from another supplier without regard to the existence of any requirements provisions in any contract between SMC and supplier.

16. **Packing, preservation and handling requirements:** The supplier shall package products in a manner as to prevent damage during the course of shipment and subsequent storage and/or usage at SMC. All parts shall be shipped (F.O.D) Foreign Object Damage free. All parts shall be packaged and shipped in such a way that there will be no metal to metal contact. There is exception to this rule only to rough casting and forging supplier. Machined parts shall be preserved unless otherwise specified. De-burred parts shall be cleaned and dried prior to shipment
17. **Record Retention:** The supplier shall maintain records regarding SMC's purchase order, specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data. Records shall be maintained by the supplier for a minimum of ten years, unless otherwise specified.
18. **Cancellation:** Cancellation shall remain the right of the SMC and may be initiated at any time.
19. **ITAR/EAR:** All suppliers shall be aware that acceptance of SMC purchase order invokes requirements of ITAR/EAR and are fully applicable.
20. **Eligibility:** Supplier's acceptance of the order, performance in furtherance of the order, or its acceptance of payment under the order constitutes a certification that the supplier is not ineligible for the award of contracts. Supplier shall promptly notify SMC if supplier is suspended, debarred, or proposed for suspension or debarment from doing business with SMC or its customer or is listed as a "blocked person," "specially designated national," or "specially designated terrorist" for U.S. export administration purposes.
21. **Performance:** The specifications applicable to the order are performance type specifications, and supplier shall define in detail the work required and the method of performance within the overall scope of the specifications. Supplier's price for products shall include supplier's costs for the design of the product, unless the order specifically allows for Non-Recurring Expenses. Supplier shall comply with all specifications and drawings set forth in, or appended to, the order and with all specifications wherever and however incorporated, including by reference or otherwise. In the event of a conflict in specifications, supplier shall comply with the most stringent specification. Supplier shall exercise due diligence to discover and bring to the attention of SMC any ambiguities, discrepancies, inconsistencies or conflicts in or between any specifications, drawings, or other documents incorporated by reference herein.
22. **Material Certification** – A certification of specified material conformance, if applicable, shall be provided by the supplier along with the shipment and must consist of the purchase order number and applicable specification number along with, all the elements within the specified value limits of specification and if material is heat treated, providing specified values. Mills provide original mill certification if supplied by distributor or agent provide a copy of the original certification on their record.
23. **Special Process certification** – A certification of specified special processes, if applicable, shall be provided by supplier consisting of purchase order number, drawing number and revision level, process specification with revision level, quantity of part or assembly, quantity accepted or rejected and serialized parts with serial numbers. Certification must be duly signed and dated by Processor or his/her supervisor.
24. **Shelf life certification** – A certification of shelf life for product containing shelf life limit, if applicable, shall be provided by the supplier along with the statement certifying that product meets the shelf life as required by purchase order/ drawing or specification stating manufacturer's batch code, date code and at least with the 2/3 of remaining shelf life intact.
25. **Calibration Services:** The following apply specifically for suppliers providing calibration services.
  - 25A. Suppliers providing calibration services shall comply with ANSI/NCSS Z540-1-1994, ISO 10012-1 or relevant standards.
  - 25B. As-found conditions must be reported as part of the certificate of calibration or as accompanying data.
  - 25C. Where relevant, a statement of the estimated uncertainty of the calibration result shall be reported.
  - 25D. Calibration service Suppliers must provide recall labeling and a certificate of calibration with traceability to NIST.
26. **First Article Inspection Report** – The supplier shall, if applicable, perform a 100% inspection of all drawing characteristics and notes. An inspection report shall be submitted identifying each characteristic noted on the engineering drawing. The inspector shall stamp or sign for each characteristic/drawing note indicating acceptance status. A certification statement referencing the Purchase Order number, part number, revision level, serial number (if applicable), and quantity inspected shall accompany the First Article Inspection Report. The supplier shall, at its own expense, make any necessary changes, modification and repairs to products to successfully complete First Article Testing.
27. **Counterfeit Part Prevention:** Suppliers must plan, implement, and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part.
28. **Awareness/Ethics:** Suppliers must ensure **all personnel in their organizations** are aware of **their contribution to product and service conformity**, product safety and the importance of ethical behavior.

--- Below terms and conditions invoked on applicable POs only ---

29. **PW LCS Required** – Supplied to control parts/materials in accordance with PW MCL Manual, Section F-17. Part certification must state: "Parts/materials Controlled per PW Requirements for LCS per PW MCL Manual, Section F-17" and ASQR-01 (last revision).
30. **ESA Per PWA370 Required** – Supplier to control and maintain approvals for parts/materials in accordance with PWA370 Standard.
31. **GE S-1000 Required** – Supplier/subcontractor Quality System in accordance with GE S-1000 (latest revision).



## PURCHASE ORDER TERMS AND CONDITIONS

32. **Pratt & Whitney End Use** – Products delivered on this purchase order are intended for Pratt and Whitney. Adherence is required to all applicable Pratt and Whitney requirements including UTC's ASQR-01 and PWA-QA-6088 latest revision. All sub-tie suppliers used in conjunction with this order must be Pratt and Whitney source-approved. Certifications must reflect all PWA specifications listed on the face of the order.
33. **PWA MCL** – Materials delivered on this purchase order require certifications of testing to the applicable sections of the Pratt and Whitney Material Control Laboratory (MLC) Manual for laboratory control at source. The requirement of PWA 300 latest revision apply. LCS reports shall certify that parts and/or material have been controlled to P&W MCL Manual Section F-17.
34. **Pratt & Whitney Canada End Use** – Products delivered on this purchase order are intended for Pratt and Whitney. Adherence is required to all applicable Pratt and Whitney requirements including SQOP01-01 latest revision is required. All sub-tie suppliers used in conjunction with this order must be Pratt and Whitney source-approved. Certifications must reflect all PWA specifications listed on the face of the order.
35. **PWA MCL** – Materials delivered on this purchase order require certifications of testing to the applicable sections of the Pratt and Whitney Material Control Laboratory (MLC) Manual for laboratory control at source. The requirement of CPW-100 latest revision apply. LCS reports shall certify that parts and/or material have been controlled to P&W MCL Manual Section F-17.
36. **Rolls Royce End Use** – Products delivered on this purchase order are intended for Rolls Royce. Adherence is required to all applicable Rolls Royce requirements including RRES 90000 and SABRe latest revision. All sub-tie suppliers used in conjunction with this order must be Rolls Royce source-approved. Certifications must reflect all Rolls Royce specifications listed on the face of the order.
37. **Volvo End Use** – Products delivered on this purchase order are intended for Volvo Aerospace Corporation. Adherence is required to all applicable Volvo Aerospace Corporation requirements including VAC's SQAR 210 latest revision. All sub-tie suppliers used in conjunction with this order must be Volvo Aerospace Corporation source-approved. Certifications must reflect all Volvo specifications listed on the face of the order.
38. **Honeywell End Use** – Products delivered on this purchase order are intended for Honeywell. Adherence is required to all applicable Honeywell Engines and Systems requirements including applicable Honeywell Supplemental Purchase Order Conditions (SPOCs) is required. All sub-tie suppliers used in conjunction with this order must be Honeywell source-approved. Certifications must reflect all Honeywell specifications listed on the face of the order.
39. **Lockheed Martin End Use** – Products delivered on this purchase order are intended for Lockheed Martin Corp. Adherence is required to all applicable Lockheed Martin Corporation requirements including QCS-001 latest revision. All sub-tie suppliers used in conjunction with this order must be Lockheed Martin Corporation source-approved. Certifications must reflect all Lockheed Martin specifications listed on the face of the order.
40. **GEAE End Use** – Products delivered on this purchase order are intended for General Electric Aircraft Engines. Adherence is required to all applicable General Electric Aircraft Engines requirements including S-1000 latest revision. All sub-tie suppliers used in conjunction with this order must be General Electric Aircraft Engines source-approved. Certifications must reflect all General Electric Aircraft Engines specifications listed on the face of the order.
41. **Sikorsky End Use** – Products delivered on this purchase order are intended for Sikorsky. Adherence is required to all applicable Sikorsky requirements including S-2000 latest revision. All sub-tie suppliers used in conjunction with this order must be Sikorsky source-approved. Certifications must reflect all Sikorsky specifications listed on the face of the order.
42. **Boeing Aerospace and Defense End Use** – Products delivered on this purchase order are intended for Boeing Aerospace and Defense. Adherence is required to all applicable Boeing Aerospace and Defense requirements. All sub-tie suppliers used in conjunction with this order must be Boeing Aerospace and Defense source-approved. Certifications must reflect all Boeing Aerospace and Defense specifications listed on the face of the order.
43. **Hamilton Sundstrand End Use** – Products delivered on this purchase order are intended for Hamilton Sundstrand. Adherence is required to all applicable Hamilton Sundstrand requirements including UTC's ASQR-01 latest revision. All sub-tie suppliers used in conjunction with this order must be Hamilton Sundstrand source-approved. Certifications must reflect all Hamilton Sundstrand specifications listed on the face of the order.
44. **Mitsubishi Heavy Industries End Use (MS84519)** – Products delivered on this purchase order are intended for Mitsubishi Heavy Industries. Adherence is required to all applicable Mitsubishi Heavy Industries requirements including MS84519 latest revision. All sub-tie suppliers used in conjunction with this order must be Mitsubishi Heavy Industries source-approved. Certifications must reflect all Mitsubishi Heavy Industries specifications listed on the face of the order.
45. **Mitsubishi Heavy Industries End Use (MS84516)** – Products delivered on this purchase order are intended for Mitsubishi Heavy Industries. Adherence is required to all applicable Mitsubishi Heavy Industries requirements including MS84516 latest revision. All sub-tie suppliers used in conjunction with this order must be Mitsubishi Heavy Industries source-approved. Certifications must reflect all Mitsubishi Heavy Industries specifications listed on the face of the order.
46. **Defense Federal Acquisition Regulation (DFAR)** – Supplier must conform to all DFAR requirements in all respects regarding acquisition of material found in the Supplier's Deliverables.