

Purchase Order Terms and Conditions: **Froelicher Machine Inc. (FMI)**

GENERAL REQUIREMENTS: Unless otherwise specified in the purchase order, the following general requirements apply to the purchase.

ETHICAL BEHAVIOUR: External provider will assure that employees are aware of proper ethical behavior such as working relationships, fair treatment and confidential reporting of unfair practices.

PROHIBITED PRACTICES: Unauthorized repairs: without **FMI**'s approval: external provider will not repair by welding, brazing soldering, adhesive or by any method any parts nonconforming, damaged or found to be faulty during fabrication.

CHANGE IN APPROVED PROCESS, MATERIALS OR PROCEDURES: External provider will not change any process, material or procedure without prior written approval from **FMI**.

UNAUTHORIZED SUBMITTAL OF PRODUCTION PARTS: When the purchase order requires acceptance of a first article, external provider will not submit parts from a production run for inspection prior to **FMI** acceptance of such first article, unless authorized by **FMI** in writing.

IMPROPER RESUBMITTAL: Articles rejected by **FMI**, and subsequently resubmitted to **FMI** will be clearly and properly identified as resubmitted articles. External provider's shipping document will contain a statement that articles are replacement or are reworked articles and will refer to **FMI**'s rejection document.

EXTERNAL PROVIDERS: The external provider will not procure items or service from external providers, unless such external provider is approved in advanced by **FMI** in writing. When required on the purchase order, the external provider will use only customer approved sources. All requirements of these Terms and Conditions must be flowed down.

RESPONSIBILITY FOR CONFORMANCE: Neither surveillance, inspection and or tests made by **FMI** or his representatives, at either the external providers or **FMI**'s facility will relieve the external provider of the responsibility to furnish items which conform to the requirements of the Purchase Order.

DOCUMENTATION: **FMI** may refuse to accept items delivered under the purchase order if the external provider fails to submit the certification, documentation, test data or reports as specified in the purchase order. Documentation includes source inspection record when source inspection is performed. Certificate of Conformance (CofC) document signed by an authorized individual certifying that items or services meet the specified requirements of the Purchase Order. CofC must include at a minimum: Supplier Name and address, PO number, Part Number, Revision and Quantity.

CORRECTIVE ACTION REQUEST: When a Quality problem exists, **FMI** will request Corrective action from the external provider. Such requests require timely responses and will include the following information: Analysis of the cause of the problem, statement of the action taken, and the effectivity of the action.

NONCONFORMING MATERIAL CONTROL: The external provider will maintain an effective, documented system for control of nonconforming articles, which include identification, segregation, review and processing of nonconforming articles.

The external provider will not accept nonconforming articles, other than the external provider's proprietary products, unless authority to conduct Material Review activities has been granted by **FMI**. External providers of proprietary products will not conduct Material Review action or discrepancies that will result in a departure from the requirements of **FMI** or customer specifications. External provider will submit non-conformances to **FMI**'s Quality Manager within two (2) working days, by phone from the date of the discovery and within seven (7) working days by letter.

PRODUCT SAFETY: External providers will assure their contribution to product safety by being accountable, compliance to the process, attention to detail and having the knowledge of the product usage.

RIGHT OF ACCESS: The external provider will permit **FMI**, **FMI**'s customer, and cognizant Government agencies to conduct such inspections and audits at suppliers' facilities as may be required to verify compliance with **FMI** Purchase Order requirements, such facilities and assistance as may be reasonably required to accomplish these inspections will be furnished by the external provider without cost to **FMI** or its customer.

WARRANTY: External provider expressly warrants that all work, including articles, material and designs, supplied by external provider, will conform to the specifications, drawings, samples or other descriptions set forth in order or furnished by **FMI** and will be good material and workmanship and free from defect. All work is subject to final inspection and acceptance at **FMI**'s plant, it being understood that payment therefore shall not constitute acceptance. Any work which is found to be defective either before or after acceptance may be rejected and returned to external provider at external provider's risk and expense for repair or replacement, or if external provider cannot make the repair or replacement in the time required by the buyer to meet its delivery schedules, for credit at **FMI**'s option. If **FMI** find it impractical to return defective work for rework, repair or replacement within a reasonable time, it may perform necessary repairs and charge the reasonable cost therefore to external provider. Any payments made on any rejected work shall be immediately refunded to **FMI**.

DELIVERY: Should external provider fail to deliver material within the time specified, **FMI** may terminate this order in whole or part and may buy elsewhere and charge external provider any additional expense incurred thereby. **FMI** expressly retains all its rights and remedies provide by law in case of such a default, and no action on the part of **FMI** shall constitute a waiver of any right or remedy. External provider shall not be liable by reason of any failure to deliver or delay in delivery due to any cause beyond external provider's reasonable control and with out fault or negligence of **FMI**.

PACKING: No charge will be allowed for packing, boxing, or cartage, unless agreed upon at the time of purchase, but damage to any material not packed to ensure proper protection will be charged to external provider. Each package must contain a memorandum showing Shipper's name, contents of package and purchase order number of **FMI**.

RECORD RETENTION: Supplier will retain all records pertaining to this order for a period of 10 years. If the supplier can not do this for any reason the supplier is to forward all records to **FMI**. If **FMI** requires records to be retained longer than 10 years it will be stated on the purchase order. The supplier will contact **FMI** purchasing department before destroying any records for approval.

SHELF LIFE: No materials with a shelf-life date will be shipped to a **FMI** purchase order with less than 80% of the full shelf-life as determined by the original manufacturer unless previously approved in writing by **FMI**.

CALIBRATION: Calibration services providers shall have ANSI/ISO/IEC 17025 accreditation as evidenced by certification from an ILAC MRA signatory (e.g. NVLAP, A2LA or ACLASS). As-found out-of-tolerance conditions found during calibration shall be reported. Identification and documentation of IM&TE standards used in the services provided shall be reported.

CONFLICT MINERALS: AMERICAN CONSUMER PROTECTION (DODD-FRANK) ACT: Acceptance of this PO requires supplier's legal compliance, proper reporting and controls when purchasing or using Gold (Au), Tin (Sn), Tantalum (Ta), Tungsten (W) in products supplied to US. This requirement will be flowed down to suppliers sub-tier's also.

COUNTERFEIT PARTS: External provider represents and warrants that it has policies and procedures in place in compliance with AS5553 and AS6174 to ensure that none of the supplies or materials furnished under this Purchase Order are "suspect/counterfeit parts" and certifies, to the best of its knowledge and belief, that no such parts have been or are being furnished to Buyer by external provider. Any suspect/counterfeit parts received by **FMI** will be held in quarantine pending further investigation. **FMI** reserve the right to notify appropriate authorities for any confirmed counterfeit parts.