

Per these terms and condition the Buyer is Metal Motion and its customers, the seller is the facility the Purchase Order is issued to. All terms and conditions apply unless otherwise stated in the pertinent clause or specified on the contract/PO.

## TERMS AND CONDITIONS:

- 1. RIGHT OF ENTRY:** The Buyer, and regulatory agencies shall have the right of access to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable orders during normal business hours, with no more than 48 hours' notice necessary.
- 2. DELAY:** Time is of the essence in performing this Order. Should the Seller experience or anticipate any delay in performing to schedule, the Seller shall immediately notify Buyer of delay, the expected duration and the reasons thereof. Neither such notification nor an acknowledgement by Buyer shall constitute a waiver of the Orders delivery schedule. The delivery schedule shall not be modified unless the parties do so in writing. Seller shall be liable for any direct or consequential damages resulting from a delay unless the delay is excusable. Seller shall be liable for any direct or consequential damages to Buyer resulting from any failure of Seller to give immediate notice of any anticipated or actual delay.
- 3. SUBCONTRACT:** Seller agrees it will not enter into a subcontract, or purchase order, for the procurement of the items covered by this order unless it is to procure processing or raw material. If processing or raw materials are required, the contract/order for the processing or materials must flow down the Buyers specifications and requirements. Example: Boeing product, must use D1-4426 approved processors, Cessna product must use CQRS processors, Bombardier product must use BAPS processors. Buyer requires notification prior to outsourcing, and when outsourcing is used, reference the subcontractor on the sellers COC, as well as include copies of any subcontractors COC with shipment. Refer to form# F-740-009 Purchase Order, for applicable requirements including any special customer requirements.
- 4. WORK TRANSFERS:** Sellers shall obtain Buyer permission/approval before any work transfers.
- 5. COMPLIANCE WITH LAWS:** Seller shall comply with all federal, state, and local laws, executive regulations and Orders. Seller shall indemnify and hold Buyer harmless to the full extent of any loss, damage or expense, including lost profit, attorney's fees and court costs, for any failure or alleged failure of Seller to comply with the requirements of this paragraph.
- 6. ENTIRE AGREEMENT, AMENDMENT:** Provisions contained herein constitute the entire agreement and supersede all previous communications, representation, either verbal or written, between the parties hereto with respect to the subject matter hereof. This agreement may not be changed, altered, supplemented or added to at any time except by supplemental written contract.
- 7. RIGHTS REMEDIES AND WAIVER:** The rights and remedies provided by the Buyer herein shall be cumulative, and in addition to any other rights and remedies provided by law or equity. A waiver of a breach of any provision hereof shall not constitute a waiver of any other breach. The laws of the state shown in Buyers address, printed on the face of this Order, shall apply in the construction hereof.
- 8. SYSTEM AND MANAGEMENT CHANGES –** Seller shall inform Buyer of any changes in facility location, product and/or processes, changes of suppliers, added facilities, changes in quality system and/or changes in management by written notice within 5 days of change.

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- 9. USE.** The Articles are understood to be for the use of the Buyer, its suppliers or its customers, and deliveries and shipments shall be made as directed by the Buyer in its absolute discretion; all Articles contracted for may be subjected to further processes of manufacture, combined with other Articles, or put to any use whatsoever, by the Buyer, its suppliers or its customers as it or they may elect; and in no event shall any claim for royalty or other additional compensation be made by the Seller, by reason of such manufacture, combination or use. Any information which Seller may disclose to Buyer with respect to the design, manufacture, sale or use of the Articles covered by this Article shall be deemed to have been disclosed as part of the consideration for this Order and Seller shall not assert any claim against Buyer by reason of Buyer's use thereof.
- 10. MATERIAL OR FUNCTIONAL TEST REPORT RETENTION REQUIREMENT:** Material and/or functional test reports for this purchase order shall be maintained by the Seller for a period of 11 years. Unless extended retention is required by Federal, Government Buyers requirements. Upon lapse of required retention period Seller shall notify Buyer and provide the Buyer the option to retain the reports for a further period.
- 11. RECORD RETENTION:** The Seller shall maintain on file at the Seller's facility, quality records traceable to the conformance of product/ part numbers delivered to Buyer. Seller shall retain such records for a period of not less than (11) eleven years from the date of shipment under each applicable order for all product/ part number unless otherwise specified on the order. At the expiration of such period, Buyer reserves the right to request delivery of such records. In the event Buyer chooses to exercise this right, Seller shall promptly deliver such records to Buyer at no additional cost on media agreed to by both parties.
- 12. SPECIFICATION:** Unless otherwise directed in this Order, Seller shall manufacture the Articles in accordance with the Buyers current specifications, drawings and designs. Seller is responsible for validating the Order's specifications and/or drawings are the current revision. If Seller determines any of the specifications and/or drawings are not the most current revision, Seller shall notify Buyer immediately.
- 13. PURCHASE ORDER NUMBER:** The Order number must appear on all shipments, certificates of conformity, packing sheets, bills of lading, invoices, certifications and First Article Reports.
- 14. CERTIFICATE OF CONFORMANCE/COMPLIANCE:** Any of the work, process, manufacturing, fabrication or assembly applicable to the items ordered (including processes or military specifications) and/or referenced on the purchase order must be certified by a statement of conformance. The Certificate of Conformance should be worded in effect as follows "This is to certify the work performed as required by Metal Motion purchase order number \_\_\_\_\_ was performed in accordance with the requirements of the specifications and purchase order instructions" or a similar statement. The C of C must be signed by authorized personnel. The signed certificate of conformance/compliance must accompany all items shipped under this purchase order.
- 15. OVER SHIPMENT:** In the event Buyer owned raw material is supplied only the quantity of product stated on the purchase order may be produced regardless if excess material is supplied. In the event more than the purchase order quantity is produced, Seller shall notify Buyer purchasing of the over production. At the discretion of Buyers purchasing a revised purchase order may be made if the Buyer wishes to buy the over production. If Buyer does not wish to provide a purchase order change the overage will be return to Buyer and the quantity shall be destroyed. Any cost associated with the loss of raw material shall be charged to the Seller.
- 16. PACKING:** The Articles shall be packed and shipped by Seller in accordance with Buyer's instructions and good commercial practice, so as to insure so that no damage shall result from handling, weather or transportation. If Articles are tendered to a common carrier for delivery, packing also shall conform to

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packing requirements applicable to such carrier. The cost of such packing and shipment shall be included in the price of the Articles. Damage to any Articles resulting from improper packing and any consequential damages will be charged to Seller. Packing sheets must accompany each shipment. No charge shall be made for transportation, cartons, wrapping, packing, boxing, crating, drayage or other costs, unless authority for such charge is expressly incorporated in this order. The use of Styrofoam packaging or similar small particle packaging is strictly prohibited.

**17. INVOICES:** Invoices should be mailed in duplicate at time of shipping.

**18. CONTROL AND MONITORING:** Sellers are required to maintain delivery and quality performances of 75% or better during a single month of deliveries. Failure to meet on time delivery or quality performance expectations may result in a corrective action, audit, onsite visit/inspection or loss of contract. Failure to respond to requests for corrective action, onsite inspection, or audit findings in a timely fashion may also be cause for loss of contract.

**19. PRODUCT TRACEABILITY-** The Seller shall maintain the traceability of all product through all stages of production. The Seller's process shall ensure traceability of product from the raw material used to the finished product. The Seller shall ensure that the product will be identified with a unique traceability number at all stages of manufacturing process. Identification and traceability of the individual lot, batch, heat number, etc., shall be maintained from time of receipt by Seller, from Seller's sub-tier sources, to delivery to Buyer.

**20. CONTROL OF MONITORING AND MEASURING EQUIPMENT:** All equipment used to verify or validate the conformance of product must be calibrated. All calibrated equipment shall be traceable to the National Institute of Standards Technology (NIST) or a National or International equivalent standard.

**21. FIRST ARTICLE:** When a purchase order states First Article Report required, a First Article Inspection of all requirements regarding dimensional, processes, and/or raw material. This is recommended to be in an AS9102 format.

**22. SAMPLING INSPECTION:** Seller shall perform 100% inspection for in-process and final inspection. Seller must submit statistical sampling plans to the Buyer for approval before Seller uses sampling plans. Buyer reserves the right to disallow a supplier's statistical methods for product acceptance for specific sites/ programs, parts or characteristics, and to conduct surveillance at Seller's facility to assess conformance to the requirements of 100% inspection

**23. APPLICATION OF ACCEPTANCE AUTHORITY MEDIA (AAM):** Seller shall comply with the AS/EN/JISQ 9100 requirements and 14CFR Part 21.2 regarding the application of the Acceptance Authority Media (AAM) requirements. Seller shall, within its organization and its supply chain, ensure that the use of AAM is clearly defined within its Quality Management System (QMS). Seller shall, upon Buyer request, be able to demonstrate evidence of communication to its employees and to its supply chain; use of AAM must be considered as a personal warranty of compliance and conformity.

**24. DOCUMENTATION REQUIREMENTS:** Upon request, the Seller shall grant the Buyer access to any quality documentation including the quality manual, procedures and records. All documentation shall be provided in English. Where a Seller is registered to AS91xx the Buyer shall be given access to the Sellers OASIS database information.

**25. SELLER AWARENESS:** Sellers employees shall be aware of their contribution to product or service conformity, their contribution to product safety and the importance of ethical behavior; individuals should be able to explain their own role, how they contribute to quality, quality basics (follow instructions, report events, maintain records ...) individuals know the use of the products and potential impact of failures

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**26. PREVENTION OF COUNTERFEIT PARTS:** Seller shall control processes as appropriate to the organization and sub-tier suppliers to prevent counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to Buyer. In the event any product provided to Buyer is suspect of any potential counterfeit or suspected counterfeit product Buyer must be contacted with the extent and which purchase orders are affected within one business day. In the event Buyer finds any unethical practices in relation to contracted work Buyer reserves the right to cancel any active orders.

**27. NONCONFORMING PRODUCT/ MATERIAL:** In the event material/ product supplied by the Seller to the Buyer is found to be nonconforming it shall immediately be identified as nonconforming. Upon return of Buyer's material/ product it must be physically identified as discrepant; the C of C must include a statement regarding the reason for the discrepancy. Any discrepant quantity must be stated on the shipping documentation. Any major failures in product must be immediately communicated to the Buyer's purchasing. Nonconformances detected or suspected after product or material delivery shall be communicated to the Buyer immediately upon detection or suspicion.

**28. UNAUTHORIZED WORK** – Seller shall not perform any rework or rework methods on product damaged or found to be discrepant during fabrication or processing, unless such reworks are able to bring the product back 100% to drawing compliance. Repairs and Use as Is dispositions are prohibited without Buyer written permission.

**29. CORRECTIVE ACTION:** In the event of any major process, system or product failures the Seller shall provide corrective action when requested within 30 days of request.

**30. CALIBRATION-** This clause only applies to suppliers performing calibrations. Supplier shall certify all calibrations of Measuring and Test Equipment comply with ANSI Z-540-1, ISO10012, or ISO17025 and must include the following on certification of calibration.

- A. Tool Identification number
- B. Date of calibration
- C. Recall Date
- D. Calibration Method (either internal or industry standard)
- E. Calibration standard(s) used for the calibration (N.I.S.T. traceable)
- F. Tools accuracy
- G. Compliant to ANSI Z-540-1, ISO10012 or ISO17025
- H. Instruments Condition in relation to calibration (Acceptable/ Rejected) Certification number
- I. As Found and As Left condition

Each Measuring and Test Equipment shall have a calibration sticker which at a minimum shall have the tool ID, the calibration date, the recall date, and identify the technician. It is acceptable to tag and bag tools too small to apply stickers directly. Thread gages, and Threaded ring gages will be sealed in wax.

### Revision Changes

Rev	Changes	Date/ Author
From F to G	Grammatical corrections and updates. Added right of entry with no more than 48 hours' notice, added subcontracts must be listed on COC and provide sub tier COC. Specified repairs and Use as is dispositions are not permitted. Added notification for post-delivery detected non conformances. Specified that small particle packing materials such as Styrofoam is prohibited. Updated record retention	3/23/20 Andrea Gemmer

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	<p>requirements from 10, to 11 years. Updated labeling requirements for calibration stickers. Added Seller performance expectations and consequences of failure to perform. Added Sampling inspection, AAM, Work Transfer, Documentation requirement, Seller awareness, control of Monitoring and measuring equipment sections. All sections were rearranged for better grouping and flow.</p>	
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