



## Purchase Order Terms & Conditions

Revised: 11/01/18

Terms & Conditions are subject to change without notice.

**EXTERNAL PROVIDER ENSURES, WITH THE ACCEPTANCE OF THIS PURCHASE ORDER, THAT PERSONS ARE AWARE OF THEIR CONTRIBUTION TO PRODUCT OR SERVICE CONFORMITY INCLUDING THEIR CONTRIBUTION TO PRODUCT SAFETY AND THE IMPORTANCE OF ETHICAL BEHAVIOR AND FURTHER AGREES TO THE FOLLOWING CONDITIONS AS SPECIFIED BY THE INTERNATIONAL STANDARD (AS9100/AS9120/AS9110) AND/OR CUSTOMER REQUIREMENTS WHICH INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING:**

The seller warrants that in the performance of this PO, seller shall comply with all applicable statutes, rules, regulations and orders of the Government and any of the state or political subdivision thereof, and agrees to indemnify our company against any loss, damage, cost or liability by seller's violation of this warranty.

Our organization reserves the right of final approval of product, procedures, processes and equipment. All special processes required by this PO must be performed by qualified personnel.

Key, critical and special characteristics are to be identified and controlled as noted on the PO or specification

### **RIGHT OF ACCESS**

Right of access by our organization, our customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records to include verification and validation on site, as defined on the PO and arranged with the supplier.

### **QUALITY MANAGEMENT SYSTEM**

External Provider including their sub-tier providers must have implemented a Quality Management System (QMS). Our organization reserves the right to review and approve the Quality Management System. Standard QMS Requirements Include:

Vendors providing calibration services must provide evidence of calibration traceable to NIST and maintain accreditation to ISO17025. Certificates must also identify "received" and "as left" conditions in whatever terminology deemed appropriate. Notification must be made if items are determined damaged or unable to calibrate as soon as possible for potential impact review.

Vendors providing special processing must maintain a system for validating processes similar to that of a NADCAP program.

Customer Directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer in question.

External providers are approved for use via Certification (ISO, AS9100, ISO 17025, AS9120, etc) must notify EulesAero of any changes to that certification.

The Vendor shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.

### **TEST SPECIMEN**

Our organization reserves the right to approve or specify any designs, tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items including key characteristics. Our organization reserves the right to designate requirements for test specimens for design approval, inspection/verification, investigation or auditing (where applicable).

Any statistical techniques used for inspection sampling must be pre-approved such as sample inspection plans.

### **NON-CONFORMING MATERIAL (OUTPUTS)**

External Provider shall notify our organization of non-conforming product within 24 hours of discovery of such non-conformity, regardless of whether it be prior, during, or after receipt off the product. We do not grant disposition authority from non-conforming product. No known non-conforming product shall be shipped to us without our written authorization.

External Provider shall communicate and receive written approval from EulesAero prior to delivery of the discrepant parts or materials. External provider must be willing to complete a Supplier Corrective Action Report (SCAR) including:

- Immediate correction and containment
- Root cause and evidence of root cause analysis
- Corrective Action

## **CHANGES**

External Provider shall notify our organization of changes in product and/or process, changes of suppliers, and changes of manufacturing facility locations within 24 hours.

## **FLOW DOWN**

Flow down to the supply chain the applicable requirements including all PO requirements to the supplier's vendors of any approved outsourced products or services id required.

## **SUPPLIER PERFORMANCE MONITORING**

Performance of suppliers is monitored through the use of metrics data that includes but not limited to Quality performance of parts and services and On-time delivery performance.

## **CORRECTIVE ACTIONS**

Corrective Actions flowed to the External Provider shall be completed and returned in a timely manner. External Provider is required to flow down corrective action requirements to sub-tier providers when it is determined that the sub-tier provider is responsible for the non-conformity.

## **RECORD RETENTION**

External Provider shall retain all Records including disposition requirements associated with the Purchase Order as required by contract for a minimum period of 10 years.

## **TRACEABILITY AND SERIALIZATION:**

Product traceability is a requirement. Vendor must provide unique identification of product batch number, lot number, or if required by the drawing, serial number. The batch, lot, or serial number must be traced to all raw material, manufacturing, and inspection records.

If raw material is supplied by EulesAero, you must assure parts are traceable by lot number and /or serial number to the raw material heat code or assigned traceable number.

If items supplied by EulesAero are serialized, you must assure that traceability is maintained during processing. If parts are serialized, vendor must provide with each shipment a list of serial numbers in the shipment either on the packing slip or the certification.

## **CERTIFICATIONS:**

Vendor must submit all certifications (raw material, special processes, etc.) and certified tests reports for each shipment. Certifications and certified tests report must include:

- EulesAero Purchase Order Number
- EulesAero PartNumber
- Drawing Number and Revision
- Parts List and Revision
- All manufactured or supplied are manufactured to the latest revision
- Process preformed or material provided, including type, class, grade, as applicable
- Specification number and revision as applicable
- Quantity shipped

Date shipped

Name and Title of authorized representative from the company that manufactured the material, or performed the process or tests

Unique traceability number (certification number, heat code number, batch number, etc.)

Serial number list, if applicable

Statement certifying that the parts covered by the certification are in compliance with the applicable purchase order number, drawing and specification requirements

Raw Material Certification must state material is in compliance with DFAR 252.225-7014 "Alternate 1"

## **PRESERVATION**

The Vendor is required to preserve the product in order to maintain conformity to requirements during delivery. The PO price includes cost of packaging.

## **FOREIGN OBJECT DEBRIS/DAMAGE (FOD) PREVENTION**

A) Seller shall maintain a FOD prevention Program. FOD program shall include the review of manufacturing process to identify and eliminate FOD entrapment areas through which foreign objects can migrate. Seller shall ensure work is accomplished in a manner to prevent FOD in deliverable items. Seller shall maintain work areas in a manner sufficient to preclude the risk of FOD incidents. Seller shall investigate each FOD incident and ensure elimination of its root cause. B) Buyer shall have the right to perform inspections to verify the FOD Program and audit the Seller's facility to ensure the effectiveness and documentation of sellers FOD Program. Seller shall identify a FOD control person responsible for the FOD Program. C) Seller shall have periodic self-assessment of its internal FOD practices for compliance to requirements and its effectiveness.

## **PREVENTION OF COUNTERFEIT PARTS**

External provider shall plan, implement and control their process for the prevention of counterfeit or suspect counterfeit parts from use or inclusion into the product in accordance with AS9100/AS9120/AS9110 clause 8.1.4 (Prevention of Counterfeit Parts)

## **CONFIDENTIAL INFORMATION; OWNERSHIP OF DOCUMENTS AND MATERIALS:**

Vendor will treat as confidential and not disclose any information received from EulesAero. Vendor will use such information only as necessary to fulfill its obligations under the Purchase Agreement. Upon termination of the Purchase Agreement, all such information will be destroyed by Vendor. Vendor will not make any announcement or release any information concerning the Purchase Agreement to any other person or entity, except as required by law, unless prior written consent is obtained from EulesAero.

## **ACCEPTANCE:**

This Purchase Order constitutes EulesAero's offer to purchase from Vendor the products/materials described herein upon the terms and conditions stated herein and shall become a binding Agreement when accepted by Vendor. Any variance or amendment to any part of this Purchase Order (including any supplements, specifications or other documents incorporated herein by reference) is hereby objected to and is void unless expressly accepted by in writing. shall not be deemed to have accepted any offer of Vendor and shall not be responsible for goods shipped to EulesAero under except in accordance with the terms and conditions.

## **CANCELLATION:**

EulesAero reserves the right to terminate the Purchase Order or any part thereof, by written notice, and to refuse to accept delivery, or at Vendors cost, to return goods already delivered if shipment is made later than the day specified or if Vendor breaches or anticipatorily breaches any of the terms and conditions or if any shipments are not in accordance with EulesAero purchase order, shipping instructions, including but not limited to specification of delivering carrier.

## **INVOICES:**

Vendor shall mail invoices in at the time of shipping, showing purchase order number, part number and description, whether articles are prepaid or collect point of shipment, method of shipment in accordance with instructions on page one of Purchase Order. EulesAero shall pay invoice in or before 30 days after receipt of an acceptable receipt of

conforming goods. On collect shipments, Vendor shall attach a copy of the Bill of Lading or transportation receipt to the invoice and retain the original copy of such documents on file. If the goods or the tender of delivery fail to conform to this Agreement, EulesAero may reject the goods in whole or in part without liability.

**CHARGES:**

No charges shall be made for cartons, wrapping, packing, boxing, crating, or other costs, unless written authority from EulesAero for such charges is expressly incorporated herein by EulesAero.

**PACKING REQUIREMENTS:**

All packaging must be of sufficient quality to carefully and safely transport the goods purchased and to assure lowest transportation costs. Material and/or goods incorrectly packaged where damage may or has occurred will be subject to rejection at no cost to EulesAero. Packing slips must accompany each shipment. Order number and part serial number shall appear on all shipping labels, packing slips, transport documents, invoices, and correspondence. EulesAero shall have the right to reject and ship back at Vendors expense shipments which do not meet EulesAero shipment requirements as specified herein.

**FAA INSPECTION:**

Vendor must be willing to allow Federal Aviation Administration (FAA) to perform an inspection at vendors' facility. During the performance of this order, Vendor's quality control or inspection system and manufacturing processes are subject to review, verification, and analysis by the Federal Aviation Administration (FAA). FAA inspection is not required unless you are otherwise notified.

**Inspection:** Product or material is not deemed accepted until they pass inspection. EulesAero shall have 10 days from actual date of delivery to inspect products and/or materials. If the product or material are rejected, in whole or part, they shall be returned to Vendor at the Vendors cost and the delivery shall not be considered to have been timely made. Payment of an invoice does not limit EulesAero remedies.