

# CONDITIONS OF PURCHASE

## QUALITY CONTROL

The seller will insure that material furnished on this order complies with all specification requirements set forth on the purchase order. All product and materials shall be inspected and accepted in accordance with this agreement with records maintained. When specified on the purchase order, a first piece inspection shall be performed and accepted by SMCO. A SMCO first piece inspection must be performed prior to any operation that will render a feature uninspectable. All products and services provided shall be subject to final customer acceptance.

## \*NONCONFORMING PRODUCT\*

The seller shall notify SMCO of nonconforming product prior to delivery for disposition, or upon detection for product already delivered. Product rejected for inferior quality or workmanship will be returned at the sellers' expense. At the discretion of Stevens Mfg President, suppliers may incur total cost of replacement in the event that nonconforming items are non-reworkable. In the event a corrective action is issued, a 60 day time-frame is given for a response. In the event a corrective action is past due and no response has been submitted, ALL PAYMENTS WILL BE PLACED ON HOLD UNTIL SAID CORRECTIVE ACTION IS ANSWERED.

## LIENS: SET OFF

Seller shall not permit the filing of any mechanic's, materialman's or other lien or claim of any kind against Buyer's lands or improvements on account of labor, materials, fixtures, tools, machinery, equipment or any other thing furnished in connection with this purchase order. Buyer shall have the right to withhold final payment to Seller until such time as Seller delivers to Buyer lien waivers or releases and proof of payment in such form and at such times as Buyer shall specify. Buyer shall have the right to set off against Seller for any amount due or to become due to Buyer from Seller against any amount owed by Buyer to Seller.

## PACKAGING & PRICES

Items are to be packaged in a way that prevents damages from occurring during transit. No charges for packaging or shipping will be accepted unless previously agreed upon.

## FLOW DOWN

The seller is to flow down to sub-tier suppliers the applicable requirements including customer requirements (where applicable).

## RECORD RETENTION

Quality Records retained by the seller shall remain legible, readily identifiable and retrievable for a period of 10 years, and for Flight Safety Parts 40 years.

## CALIBRATION

The supplier's calibration system must meet the requirements of ANSI Z540-1 or ISO 17025 or ISO 10012. Supplier is financially responsible for any damages incurred to a loaned gage.

## DELIVERY & CANCELLATION

Time is of the essence of this order and SMCO reserves the right to cancel the order if it is not filled within a reasonable time or if any sections of the order are violated. Exceptions will be made for causes beyond the seller's control.

## INVOICES

The Stevens Manufacturing Co., Inc. (SMCO) purchase order number and part number must appear on all packages, bills of lading, and invoices. A packing slip must accompany each shipment.

## PATENTS AND COMPLIANCE

The seller shall comply with all applicable laws, regulations, and directives, Federal, State and Local, and the seller agrees to hold the purchaser harmless from all claims of actual or alleged patent infringement.

## GOVERNMENT CONTRACTS

When the end user is identified as the United States Government or when other indications denote the material being purchased is in connection with a government contract, this purchase order shall be deemed a subcontract and all applicable provisions required by Federal law, Executive order, Armed Services procurement regulations, and the prime contract are hereby incorporated herein by reference.

## RIGHT OF ENTRY

SMCO or SMCO designated representatives retains the right of entry into a subcontractor's facility for verification of quality and product conformity and all applicable records. Delegated representatives may include SMCO customers or regulatory agencies.

## NONDISCLOSURE

All final customer or OEM documentation and/or information provided with this contract are to be considered proprietary and shall be subject to nondisclosure.

## PART CONFIGURATION

Seller agrees NOT to make any change in materials or design detail which would affect the part or any component part thereof with regard to (A) Part number identification, (B) Physical or functional interchangeability, and (C) Repair and overhaul procedures and processes and material changes which affect these procedures without prior written approval of the customer, and without revising the part numbers and the originals of all drawings and data.

Any additional requirements/specification will be stated on the actual purchase order.