

# Stevens Manufacturing Co. Inc.

## Purchase Order Terms and Conditions

The following are the standard purchase orders terms and conditions for Stevens Manufacturing Co. Inc (referred to as SMCO in all clauses of this document).

1. **Acceptance-Entire Agreement** - Acceptance of a SMCO purchase order will be unqualified, unconditional, and subject to and expressly limited by the Terms and Conditions hereon. Vendor shall be deemed to have agreed to be bound by such terms by accepting the Purchase Order, commencement of work on the good or services, delivering the goods or services. These Terms may be modified only by a written document signed by duly authorized representatives of Purchaser and Seller.
2. **Performance Monitoring:** In accordance with our AS9100-based management system, all suppliers of goods or services to SMCO will be monitored for quality and delivery performance. Suppliers failing to meet SMCO requirements/expectations will be requested to take corrective action. Suppliers that continually fail to meet requirements/expectations may be removed from our approved list.
3. **Confidential Information:** All supplies, blueprints, sketches and other technical information furnished by SMCO shall be deemed the confidential information of SMCO (or our customer). Such information shall not be reproduced, given to or disclosed to any third party without SMCO's express written consent.
4. **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.
5. **RoHS** – Where requested a Certificate of RoHS Compliance must be provided that demonstrate products meet the requirements of the current EU RoHS Directive 2011/65/EU, and do not contain the substances listed or exceed the respective Maximum Concentration Value (MCV) per the RoHS requirement.
6. **ITAR/EAR Export Controls/Technical Data:** Where drawings and/or POs indicate Export Controls apply, any related information (aka Technical Data) shall be handled as per controls enumerated through the *Export Administration Regulations (EAR)*, implemented by the Department of Commerce for items that have both a commercial and potential military use, and the *International Traffic in Arms Regulations (ITAR)*, implemented by the Department of State. Failure to secure such data may be subject to both criminal and administrative penalties. Fines for export violations, including anti-boycott violations, can reach up to \$1,000,000 per violation in criminal cases, and \$250,000 per violation in most administrative cases.
7. **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.
8. **DPAS:** Any purchase made referencing Defense Priorities Allocation System (DPAS) DO or DX Ratings shall be handled per *15 CFR Part 700* in accordance with the Department of Defense (DoD) property management system to assure these orders are scheduled and processed ahead of any commercial jobs so as to assure their timely delivery.
9. **Flow-down of requirements:** SMCO requires that you adhere to any/all customer requirements flowed on the PO, drawing, or by other means, including any supplier quality manuals and/or related clauses, and to assure that you have the current revision of said documents. Additionally, as applicable, SMCO requires that you flow down all requirements to all interested parties internally and to any sub-tier suppliers performing work on this order.
10. **Right of entry:** SMCO, our customers and any applicable regulatory authorities maintain the right to access the supplier's facility and all applicable records associated with the order, during regular business hours, with limited notice.
11. **Nonconforming material/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 SMCO Management, 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.
12. **Part Configuration:** Seller agrees NOT to make any changes in regards to A) Materials, B) Processes, C) Design detail, D) Part Number Identification, E) Physical or functional interchangeability, F) Repair and/or overhaul procedures/processes, G) or any other changes which would affect the part or any component thereof without prior written approval from SMCO.
13. **Change of Process or Product:** SMCO must be informed of *and must approve* any change in processes, product or supplier made in the performance of the PO.
14. **Certification, Inspection, etc.:** SMCO may require certifications of compliance, inspection records and/or test specimens as part of this purchase order. Failure to provide these items may result in the rejection of the shipment. Where certificates (such as C of Cs) are required, the certificate will reference SMCO's PO number, Part number and revision, customer name or end-use (where indicated) and a statement of compliance.
15. **Quality Control:** The seller will ensure 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 requirements

for a 1st piece is specified on the purchase order an 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.

16. **Qualification of Personnel:** SMCO suppliers and any sub-contractors will assure the competency of any/all personnel involved in activities performed on behalf of SMCO or our customer. Where special certification of personnel is required, this should be made available to SMCO or our customers upon request.
17. **Counterfeit Parts:** The Supplier shall certify that only new and authentic materials are used in products or goods delivered to SMCO and that the products/goods delivered contain no Counterfeit Parts. No substitutions, reworked or refurbished parts/materials shall be acceptable under the terms of this purchase. Any product supplied must have OEM traceability disclosed with every shipment. All MFR certs with Lot# are required and all distributors' certs in supply chain as well. Certifications from each intermediary in the supply chain (if any) must be supplied.
18. **Foreign Object Debris/Damage.** Supplier is required to establish and maintain a Foreign Object Debris/Damage (FOD) prevention program appropriate to the nature of the product/service provided, that employs appropriate housekeeping practices to assure timely detection and removal of residue/debris generated, during operations and normal daily tasks.
19. **Packaging and Handling:** As a minimum, the Supplier shall package all material in a manner that will ensure protection against corrosion, oxidation, deterioration and physical damage during shipment. In addition, when materials delivered are lot-controlled and multiple material lots are shipped, each lot shall be separately packaged and identified. Vendors are also responsible for handling damage that occurred at their location. No charges for packaging or shipping will be accepted unless previously agreed upon.
20. **Retention requirements:** Quality Records retained by the seller shall remain legible, readily identifiable and retrievable. Records, whether hard copy or in electronic format, including any test/retain samples, shall be retained for no less than 10 years and for Flight Safety Parts 40 years unless otherwise specified. Upon completion of the retention period, supplier will contact SMCO prior to disposal of records for approval.
21. **Revision levels/traceability:** As appropriate, any correspondences, including certifications relating this purchase, must reference, as applicable, current PO, Work Order, Part number, Drawing Revision, Batch Number, etc. Any product supplied must have OEM traceability disclosed with every shipment.
22. **Calibration & Testing Service Providers:** All such suppliers, unless they are the OEM, should maintain a calibration system in accordance with the requirements of ISO 17025, ISO 10012; ANSI Z-540-1, ANSI Z540-3, as appropriate. All Inspection Measuring & Test Equipment (M&TE) used by the Supplier during in-process and final inspection to make a compliance evaluation shall be calibrated against measurement Standards traceable to NIST or an equivalent NMI.
23. **Sampling:** Where sampling plans are used to accept product, all such plans shall be statistically valid and based on either MIL-105 E or ANSI Z-540 and shall yield no less than an AQL of 2.5 unless otherwise specified.
24. **Nondiscrimination:** The Seller, or its subcontractor, if any, shall not discriminate against any qualified employee or applicant for employment to be employed in the performance of this contract, with respect to hire, tenure, terms, conditions or privileges of employment because of race, color, sex, national origin or ancestry. The Seller, or its subcontractor, if any, agrees to comply with all the provisions contained in the Equal Opportunity Clause, quoted in Executive Order No. 11246 as amended and hereby incorporated in this Purchase Order by reference. As used therein the word "contractor" shall be deemed to mean "Seller," and the word "contract" shall refer to this Purchase Order. In addition, the Seller shall cause this Equal Opportunity Clause to be included in the subcontracts or purchase orders hereunder unless exempted by rules, regulations and orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246.
25. **Falsification:** The recoding of false, fictitious or fraudulent statements or entries on any paperwork used in the performance work related to a SMCO Purchase Order may be punished as a felony under federal statute.
26. **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.
27. **Delivery and 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.
28. **Invoices:** The SMCO purchase order number and part number must appear on all packages, bills of lading, and invoices. A packing slip must accompany each shipment.

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