

- ✓ Buyer's purchase order number must be placed on the outside of all packages, boxes, kegs, barrels or other types of containers.
- ✓ All shipments must contain packing list giving description of material quantity and purchase order number. The Buyer's count shall be accepted as final on all shipments not accompanied by a packing list.
- ✓ Invoice in duplicate accompanied by one copy of bill of lading to be mailed on date of shipment. Separate invoices must be mailed on each purchase order. Any applicable Sales or Use of Federal excise tax must be shown separately on the invoice.
- ✓ No charges for boxing, crating, special packaging will be allowed unless specified on this order.
- ✓ No over-shipments allowed. Over-shipments will only be accepted at no charge. Under-shipments must be cleared by DMI purchasing.
- ✓ No agreement or other understanding in any way modifying the terms and conditions hereof will be binding upon the Buyer unless made in writing and signed by an authorized representative of the Buyer.
- ✓ Specifications: Standard industry specifications must be to the latest revision unless otherwise specified.
- ✓ Manufacturers & Distributors – Quality management system in conformance with MIL-1-45208, AC7004, ISO 9001, AS9100 or equivalent.
- ✓ External providers performance will be monitored to ensure minimum 90% quality acceptance rate and 80% on-time delivery rating requirements are met.
- ✓ Special Processes –Process certification by Nadcap unless otherwise approved by DMI.
- ✓ Inspection: All materials or articles ordered will be subject to final inspection and acceptance at destination by Buyer, not withstanding any prior payment and acceptance which Buyer may have made. Buyer reserves the right to reject and hold at Seller's expense, subject to Seller's disposal, all materials or articles not conforming to the applicable drawings and specifications.
- ✓ Goods returned as defective are to be replaced without an order.
- ✓ Termination and Cancellation - Buyer shall have the right to terminate this order in whole or in part any time by written or telegraphic notice effective upon receipt by Seller even though Seller is not in breach of any obligation hereunder. Upon receipt of notice of termination, seller shall immediately discontinue performance and shall comply with Buyers instructions concerning disposition of completed and partially completed goods, work in progress and materials acquired pursuant to this order. In the event of such termination, Seller shall be paid an amount in settlement to be mutually agreed upon by the parties, which shall cover Seller's reasonable costs of performance incurred prior to termination in connection with the goods for which this order is terminated plus a reasonable profit based on such costs. In no event, however, shall the said payment exceed the price specified herein for such goods. In the event of such termination, Buyer's only liability to Seller shall be Seller's reasonable costs of performance incurred prior to termination in connection with completed and partially completed goods, work in process and raw materials in Seller's possession at the time of termination plus Seller's profit, all which Seller shall have the burden of proof.
- ✓ Buyer reserves the right to cancel this order without expense to himself if any deliveries are not made in accordance with the schedule shown unless mutually changed and agreed upon writing, providing, however, in the event the Seller suffers delays in performance due to an act of God or of the public enemy, act of government or any agency thereof, act of the Buyer, fire, flood, strike, sabotage or other causes beyond the Seller's control, the time of delivery shall be extended a period of time equal to the period of such delay if the Seller gives the Buyer notice in writing of such delays within ten days from the beginning thereof.
- ✓ Should Seller at any time refuse, neglect or fail to prosecute the work with promptness and diligence, or be in default hereunder Buyer may terminate all work hereunder.
- ✓ All articles paid for by the Buyer as a result of cancellation shall become the property of the Buyer to be disposed of in accordance with Buyer's instruction.
- ✓ Seller agrees to safeguard all materials and processes of a confidential nature and not to divulge any such materials or processes, which may be disclosed to or developed by the Buyer in connection with the work under this purchase order. The Seller is required to obtain similar agreements of all his suppliers and agents to whom any work or duty relating to this purchase order may be allotted.
- ✓ Seller agrees to be responsible in matters within its control for the safeguard of all secret, confidential or restricted matters that may be disclosed or that may be developed in connection with the work under this order. It is understood that disclosure of information relating to the work under this order to any person not entitled to receive it, or failure to safeguard all secret, confidential and restricted matter that may come to the Seller or any person under its control in connection with the work under this order, may subject the Seller, its agents, employees and subcontractors to criminal liability under the laws of the United States. If any articles included in this purchase order are made according to Buyer's designs, specifications or blueprints, or by means of any patterns, tools or dies paid for directly or indirectly by the Buyer or furnished by the Buyer, the Seller agrees that the said articles or parts will not be furnished to any other person without Buyer's written consent, nor will Seller use said designs, specifications or blueprints in the manufacture or design of any other article or materials for any other purchaser.
- ✓ Any instance of Buyer's waiver of strict compliance with any of the terms of this order shall not be deemed a waiver of the Buyer's right to insist upon strict compliance thereafter.
- ✓ Seller warrants the articles supplied hereunder to be free from defects in materials and workmanship.
- ✓ The Seller will not assign this contract or subcontract any work called for by this contract without the expressed permission of the Buyer.
- ✓ Changes-Buyer may at any time, by written order of notice and without notice to the sureties or assignees, if any, make changes within the general scope of this order in any one or more of the following: (1) drawings, designs or specifications; (2) method of shipping or packaging; (3) place of delivery; (4) delivery schedule; (5) amount of Buyer furnished materials. Should any change cause an increase or decrease in the cost or the time required for performance of this order, equitable adjustment may be made in the price or delivery schedule or both. Any claim by Seller for adjustment under this paragraph must be asserted within sixty (60) days from date of receipt by Seller of notification of such change. Nothing contained in this clause shall relieve Seller from proceeding without delay with the performance of this order as changed or modified. No purported change will bind Buyer unless in writing and signed by Buyer's duly constituted agent.
- ✓ Compliance with laws-The Seller agrees to comply with all applicable state, federal and local laws and with executive orders and regulations issued pursuant thereto and agrees to indemnify Buyer against any damages by reason of Seller's violation.
- ✓ Equal Employment Opportunity-The materials or services delivered or furnished hereunder may be necessary to the performance of a contract with an agency of the government of the United States; therefore, as applicable, the Equal Opportunity clause contained in Section 202 of executive Order 11245 of September 24, 1965, as amended, is hereby incorporated herein by reference, in accordance with rules, regulations, and order of the Secretary of Labor pursuant to said Order.
- ✓ Affirmative Action for Handicapped Workers-The materials or services delivered or furnished hereunder may be necessary to the performance of a contract with an agency of the government of the United States; therefore, the applicable clause as titled above, and contained in Part 60-741 of Title 41 of the Code of Federal Regulations, as amended, is hereby incorporated herein by reference.
- ✓ The supplier shall provide immediate notice to Buyer in the event of being suspended, debarred, or declared ineligible by any department or other federal agency, or upon receipt of a notice of proposed debarment from a DOD agency or convicted of violating federal laws, during the performance of this purchase order.
- ✓ SURVEYS AND SURVEILLANCE – buyer may conduct a survey and/or perform surveillance of the Supplier's quality control system to evaluate the degree of ability to comply with these and other applicable requirements, or assist in the resolution of quality problems. As necessary, a Buyer's Customer may accompany the Buyer's Quality Control Representative.
- ✓ GOVERNMENT SOURCE INSPECTION – If the Purchase Order specifies a requirement for Government inspection at the Supplier's plant, it shall be the responsibility of the Supplier to notify the Government inspector and provide him with pertinent specifications and any necessary facilities and assistance.
- ✓ RECORDS – The supplier shall maintain adequate records of inspections, tests and other quality control activities. Records shall provide objective evidence of the quality control operations performed, the results obtained, and corrective actions taken. Such records shall be available to the Buyer. Where such records are traceable by serial or the designation to material supplied to Buyer, they shall be retained for a period of at least 10 years and properly destroy (i.e. shred) documented information after retention period. For material designated as Critical, Flight Safety, or Airworthiness/Product Safety Critical, retention of these records shall be indefinite.
- ✓ PROCUREMENT BY THE SUPPLIER – The Supplier shall maintain a system to assure that Supplier-procured supplies and services conform to drawing and specification requirements including customer requirements. Applicable quality control requirements shall be conveyed to Suppliers in every tier. Apply appropriate controls to their direct and sub-tier external providers, to ensure that requirements are met. The implementation of such controls shall be subject to surveillance by the Buyer.
- ✓ INSPECTION – The Supplier shall perform inspection and/or test on end items covered by the Purchase Order prior to submission to Buyer or prior to delivery. Inspection/test of supplies, which cannot be readily examined in the completed products, must be performed at the appropriate in-process stages of manufacturing. Adequate records of inspection/tests must be maintained by the Supplier. Any statistical sampling procedures used in final inspection/test may be subject to disapproval by Buyer.
- ✓ MEASURING AND TEST EQUIPMENT CALIBRATION SYSTEM – The Supplier shall provide and maintain suitable gages, instruments, and test equipment to measure and test all supplies for conformance to Buyer's requirements. The Supplier shall also provide a system, including written procedures, to assure inspection and evaluation of measuring and test equipment, whether Supplier-owned or supplied by Buyer or another agency. This system shall assure that inherent accuracy of the equipment is comparable with requirements of units being tested, and that required measurements are adequately preformed. Quality management system in conformance with ISO 17025, ANSI/INCSL Z540-1 or ISO 10012.
- ✓ When a supplier suspects that unauthorized non-conforming product has been shipped, the supplier must notify the DMI buyer immediately. The notification shall include the part number, quantity, date of shipment and any other pertinent information necessary to locate the suspect product.
- ✓ Changes by the supplier that may affect quality must be documented and communicated to the DMI buyer. Examples of changes: Ownership, Manufacturing location, Process or inspection techniques, changing sub-tier process source (i.e. heat treat, plating, etc.).
- ✓ Right of access by DMI 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.
- ✓ Must perform due diligence to prevent the use of any conflict minerals (tin, tantalum, tungsten & gold) in the manufacturing or processing of furnished products.
- ✓ Perform due diligence to prevent, detect, and remove foreign objects.
- ✓ Ensure that persons are aware of their contribution to product and service conformity, product safety, and the importance of ethical behavior.
- ✓ Counterfeit Parts Prevention: For purposes of this clause, Counterfeit Work consists of those parts delivered under this Contract that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). "Counterfeit Work" means Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair, but is altered and misrepresented as acceptable. (b) SELLER agrees and shall ensure that Counterfeit Work is not delivered to DMI. (c) SELLER shall only purchase products to be delivered or incorporated as Work to DMI directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by DMI. (d) SELLER shall immediately notify DMI with the pertinent facts if SELLER becomes aware or suspects that it has furnished Counterfeit Work. When requested by DMI, SELLER shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM. (e) In the event that Work delivered under this Contract constitutes or includes Counterfeit Work, SELLER shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Contract. Notwithstanding any other provision in this Contract, SELLER shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation DMI's costs of removing Counterfeit Work, of reinserting replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies DMI may have at law, equity or under other provisions of this Contract. The purpose of this flow down is to prevent entry into the supply chain, to prevent the use of counterfeit products, the delivery of counterfeit products and to control products identified as counterfeit.