



MATERIAL PROVIDER - TERMS AND CONDITIONS

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1. **SUPPLIER** or any of its sub-tier suppliers used in the performance of this order shall implement a quality management system that ensures competence and required qualifications of personnel performing work. Ensuring that personnel are aware of their contribution to product or service conformity, their contribution to product safety and the importance of ethical behavior.
2. **MUST BE USA/DOMESTIC MATERIAL OR DFARS APPROVED.** Unauthorized material substitutions are not permitted. Reference Material Substitution requirements per Boeing clause D607 or that it is available at <http://www.boeingsuppliers.com/>
3. Mill certs are required. Mill certs must be shipped with the material. Material will not be accepted without proper certification. Material certifications must contain the applicable material alloy, temper/condition, mechanical properties, tensile, fracture toughness, nondestructive testing results etc. Material certifications must contain the applicable form of the material being procured, Plate, Sheet, Bar, Hand Forging, Die Forging etc. and must be traceable to the ingot/heat lot.
4. **SUPPLIER** acknowledges that customer approved sources must be utilized to perform special processes, or in the procurement of raw materials when required by the customer.
5. **SUPPLIER** will notify **AUSTIN MACHINE** of any nonconforming products. **AUSTIN MACHINE** will be involved in the disposition of the nonconforming product. **SUPPLIER** is to submit Root Cause and Corrective Actions when it is determined the **SUPPLIER** is responsible for the root cause.
6. **SUPPLIER** is to flow down all applicable information to any sub-tier supplier used in the performance of this P.O. including critical items and any key characteristics.
7. **SUPPLIER** will notify **AUSTIN MACHINE** of any changes to suppliers, changes of manufacturing facility location, changes in certification/approvals and, where required, obtain organization approval.
8. **SUPPLIER** shall grant right of access by **AUSTIN MACHINE**, their **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.
9. **SUPPLIER** shall maintain records of inspections, tests, and process controls, etc. called for by this contract for a minimum of seven (7) years. At any time during the retention period, records shall be deliverable upon request at no additional cost.
The **SUPPLIER** shall plan and carry out production and service provision under controlled conditions. Controlled conditions shall include, as applicable, evidence that all production and inspection/verification operations have been completed as planned, or as otherwise documented and authorized. Evidence of completion of all production and inspection/verification operations is accomplished through the application of Acceptance Authority Media (AAM). Use of AAM must be understood within your organization and your supply chain that the application of AAM is a personal warranty of compliance and conformity.
10. The **SUPPLIER** or any of its sub-tier suppliers used in the performance of this order shall implement, manage, and execute an effective FOD Prevention Program necessary to reduce the risk of Foreign Objects, Foreign Object Debris, and Foreign Object Damage to **AUSTIN MACHINE** and or its **CUSTOMER'S** products under contract in this Purchase Order. Requirements can be found in NAS 412, the National Aviation, defense, and space Standard (NAS) baseline FOD prevention policy/procedure of the Aerospace Industries Association (AIA). NAS 412 supports AS/EN/JISQ 9100, the quality management system standard which requires suppliers to carry out a program for the prevention, detection, and removal of foreign objects from its products. For

additional resource tools see Supply Chain Management Handbook (SCMH) FOD Program Robustness Assessment Tool for further guidance at www.iaqg.org/scmh

11. All materials provided under this Purchase Order must be free of conflict minerals from Covered Countries in accordance with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. For suppliers who provide product containing Tantalum (and all its derivatives), Tin, Tungsten or Gold seller shall complete EICC Conflict Minerals Reporting Template (common survey) found at <http://www.conflictreesmelter.org> and perform due diligence on its supply chain in order to fulfill the reporting obligations of this article.

12. Counterfeit Parts Prevention: **(a)** For purposes of this clause, 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) SUPPLIER** agrees and shall ensure that Counterfeit Work is not delivered to **AUSTIN MACHINE** **(c) SUPPLIER** shall only purchase products to be delivered or incorporated as Work to **AUSTIN MACHINE** 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 **AUSTIN MACHINE**. **(d) SUPPLIER** shall immediately notify **AUSTIN MACHINE** with the pertinent facts if **SUPPLIER** becomes aware or suspects that it has furnished Counterfeit Work. When requested by **AUSTIN MACHINE**, **SUPPLIER** shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.

13. **WARNING:** Information Subject to Export Control Laws: This document may contain information subject to the International Traffic in Arms Regulation (ITAR) or the Export Administration Regulation (EAR) of 1979. This information may not be exported, released, or disclosed to Foreign Nationals outside the United States without first complying with the export license requirements of the ITAR and/or the EAR. A violation of the ITAR or EAR may be subject to a penalty of up to 10 years imprisonment and a fine of \$100,000 under 22 USC 2778 or section 2410 of the Export Administration Act of 1979. Include this notice with any reproduced portion of this document.

14. **DPAS Rated Purchase Orders - *This is a rated order certified for national defense use, and you are required to follow all provisions of the Defense Priorities and Allocations System regulation (15 CFR 700). (FAR 52.211-15)***

15. Please utilize good commercial practices to ensure protection in shipment. Any expense incurred by **AUSTIN MACHINE** as a result of improper preservation, packaging, packing, marking, or method of shipment shall be reimbursed by contractor.

If the Ship VIA portion of the Purchase Order states to ship UPS please ship on our UPS account. Do not declare a value and do not send as C.O.D. If the Ship VIA portion states to contact **AUSTIN MACHINE or if the order needs to move via freight, please email freight@austinmachine.net for shipping instructions.

If not shipped as stated vendor will be responsible for all shipping costs.