



PROCESSING SUPPLIER - TERMS AND CONDITIONS

Document Control Number: PFM-843-10

Revision: I 2/16/2024

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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. Any Process Specification revisions noted herein are considered to be the most current issue. **SUPPLIER** must notify **AUSTIN MACHINE** if a more current revision is known or in processor's possession.
3. **SUPPLIER** acknowledges that customer approved sources must be utilized to perform special processes when required. Unauthorized material substitutions are not permitted.
4. **SUPPLIERS** used by **AUSTIN MACHINE** to calibrate inspection, measuring, and test equipment, shall provide certifications and reports traceable to the recognized International & National Institute of Standards and Technology (NIST) or American Standard of Testing & Measuring (ASTM).
5. When sampling inspection is used as a means of product acceptance, the sampling plan will be established from recognized statistical principles and the sampling plan matched to the criticality of the part.
6. **SUPPLIER** will notify **AUSTIN MACHINE** of any nonconforming products within 72 hours upon discovery or notification. **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.
7. **SUPPLIER** is to flow down all applicable information to any sub-tier suppliers including critical items and any key characteristics.
8. **SUPPLIER** will notify **AUSTIN MACHINE** of any changes to **SUPPLIERS**, changes of manufacturing facility location, changes in certification/approvals. **SUPPLIER** will notify **AUSTIN MACHINE** of any changes in processing operations that potentially affect form, fit or function, and where required, obtain organization approval.
9. **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.
10. **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.
11. 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

12. Customer property/special tooling is handled in accordance with **CUSTOMER** requirements as well as **AUSTIN MACHINE** requirements. It is the responsibility of **SUPPLIER** to identify, verify, protect and safeguard customer property/special tooling against loss, theft, damage and deterioration. In cases of nonconforming customer property/special tooling, **AUSTIN MACHINE** shall be contacted for disposition. Special tooling should be handled by trained personnel only. Customer property/special tooling will be verified when received that it is consistent with engineering documentation, production planning and control operations. **AUSTIN MACHINE** is contacted for tooling disposition any time that tooling is damaged, lost, or becomes unusable. Modification or rework to customer property/special tooling will not be accomplished without the written authorization from the **CUSTOMER** or **AUSTIN MACHINE**. Nonconforming customer property/tooling is identified, controlled and contained to prevent its unintended use. Customer property/special tooling discrepancies potentially impacting delivered products shall be reported to **AUSTIN MACHINE** via Notice of Escape.
13. **SUPPLIERS** in possession of customer owned tooling shall allow the **CUSTOMER, REGULATORY AUTHORITIES** and **AUSTIN MACHINE** access to their facility for the purposes of reviewing, inspecting and evaluating their property management plan, systems, procedures, records, and supporting documentation pertaining to **CUSTOMER** owned tooling. **SUPPLIERS** will adhere to all **CUSTOMER'S** accountability requirements. Requirements can be obtained by contacting **AUSTIN MACHINE** procurement personnel.
14. The **SUPPLIER** shall not disclose, without obtaining written consent from **AUSTIN MACHINE**, in any manner advertise the fact that the **SUPPLIER** has contracted with **AUSTIN MACHINE** to furnish goods. For failure to observe the provision, **AUSTIN MACHINE** retains the right to cancel the contract resulting from acceptance of this order, without any further liability.
15. **SUPPLIER** shall keep confidential all information, drawings, specifications, or data furnished by **AUSTIN MACHINE**, or prepared by **SUPPLIER** specifically in connection with the performance of this Purchase Order and not divulge or use such information, drawings, specifications or data to or for the benefit of any other party. Goods covered by the Purchase Order are to be manufactured to design or technical data furnished by **AUSTIN MACHINE**, and the **SUPPLIER** shall not manufacture any such goods except for and in the performance of this Purchase Order. **SUPPLIER** agrees to enter into agreement by signing a Non-Disclosure agreement with **AUSTIN MACHINE** in the performance of all orders place by **AUSTIN MACHINE**.
16. 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.
17. 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.

- 18. 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.
- 19. 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)"***
- 20.** 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.****