

# Northwest Metalcraft Terms and Conditions

## **Definitions:**

“Buyer” means Northwest Metalcraft (NWM). “Seller” means the business entity to which this purchase order is addressed, including Seller’s principal if Seller is acting as a broker or agent. “Order” means this purchase order, including all terms and conditions of this document, and all specifications, quality requirements and drawings referenced herein or issued hereunder. “Goods” means those parts, materials, data or other property or services that are subject to this order.

## **Inspection of Goods, Rejection of Goods and Revocation of Acceptance:**

All goods and related facilities are subject to test and inspection by Buyer, Buyer’s customers, and any applicable government agencies at all places and all times, including during the period of manufacture. Government inspection release of product prior to shipment is not required unless otherwise notified. A copy of this order will be furnished to your representative upon request. Seller will provide, at no cost, all reasonable facilities and assistance required for any such inspections or tests conducted at Seller’s premises. Representatives of NWM, their customers, and regulatory agencies reserve the right to enter Seller’s facility to determine product status, perform source inspection, or as required by contract.

Buyer’s action in paying for or accepting any goods will not constitute a waiver of any rights or remedies of Buyer, including Buyer’s right to revoke acceptance and return nonconforming goods or the right to make a claim for damages caused by the failure of the goods to conform to this order. For all nonconforming goods, Seller will provide Buyer, at Buyer’s election, a full refund or replacement of the goods, at Seller’s risk and expense, including all transportation costs. Buyer may, at its option, purchase substitute goods in lieu of nonconforming goods, and Seller will be liable for the difference in costs, less expenses saved by Buyer. Buyer’s rights herein will be in addition to all other rights of Buyer under applicable law.

Foreign objects and Debris (FOD) found on/in parts delivered to Buyer is grounds for rejection of the entire lot delivered.

## **Quality/Warranties:**

Seller warrants that all goods delivered will strictly conform to the order and all applicable specifications, quality documents and drawings (as noted or mentioned on P.O. or applicable references on drawings, departures/changes, parts lists, and data lists). Additionally, Seller warrants all goods delivered will be merchantable and fit for their intended purpose and will meet all applicable industrial and governmental standards. Seller further warrants that Seller will have title to and the right to sell such goods at the time of delivery and that all such goods will be new, unless

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otherwise specified in the purchase order, at the time of delivery. Seller will also transfer to Buyer the warranties on goods and services incorporated into goods. All warranties will survive any inspections, delivery, acceptance, or payment by Buyer, and will run to Buyer, its successors, assigns, customers and users of goods. Seller will repair or replace, without cost to Buyer, all defective or nonconforming goods, and pay for all other resulting damage, loss or claims arising out of defective or nonconforming goods. Seller's warranties with respect to repaired or replaced goods will be the same as the warranties given with respect to original goods. No approval of Seller's designs, drawings, samples, test results, procedures, processes, schedules, or other items by Buyer under this order will in any way limit or diminish Seller's warranties hereunder.

## **Tooling:**

Buyer will be the owner of any equipment, tooling or fixturing furnished or paid for by Buyer (collectively "Buyer tooling"). Seller will, to the extent feasible, identify Buyer tooling as Buyer directs and will dispose of Buyer tooling only in accordance with Buyer's written instructions. Seller assumes complete liability for any Buyer tooling and Seller agrees to pay for all repair, maintenance, and replacement of Buyer tooling. Unless otherwise authorized in writing by Buyer, Seller will use Buyer's tooling solely in the performance of orders for Buyer.

## **Materials:**

If Buyer furnishes any material for fabrication then: (A) Seller will not substitute any other material without Buyer's written consent; (B) Buyer's title to such materials shall not be affected by incorporation into or attachment to any other property; (C) Seller will maintain strict accountability to ensure positive individual lot integrity of finished product; and (D) all such material, except that which becomes normal industrial waste or is replaced at Seller's expense, will be returned in the form of product or unused material to Buyer. Inaccuracies of tolerance conditions or inadequacies in quality of materials accepted by Seller will not excuse performance in strict accordance with the applicable specifications, quality documents and drawings. Any industrial waste/scrap from Buyer-furnished material will, if requested by Buyer, be owned by Buyer, and collected and segregated by Seller for pick-up by Buyer. Any industrial waste/scrap from Buyer-furnished material in excess of the allowance specified by Buyer will result in Seller being debited for the cost of the excess materials plus appropriate labor and overhead burdens. If seller is furnishing material, all applicable clauses of AS6174 (all appendices) are hereby incorporated.

## **Buyer's Property, Confidentiality:**

Buyer retains title and ownership of all information, material and intellectual property furnished to Seller in connection with performance of this order, and the same will be; (i) treated as Buyer's confidential information, segregated from Seller's property, and individually marked and identified as Buyer's property; (ii) used by Seller exclusively for the purpose of completing this order; and (iii) returned to Buyer at Buyer's direction or upon completion, termination or cancellation of this order, along with all copies or reproductions, unless otherwise agreed to in writing by Buyer.

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## **Assignment, Subcontracting:**

Seller may not assign its rights or obligations under this order, either voluntarily or by operation of law, without prior written consent of Buyer. Seller may not subcontract all or any substantial portion of this order without prior written consent of Buyer. Any consent of Buyer will not relieve Seller of its contractual obligations under this order.

## **Mandatory Flow Downs:**

Seller and its subcontractors shall comply with all mandatory flow down clauses, whether pursuant to a U.S. government contract or otherwise, applicable to Buyer for goods that are the subject of this order.

Seller's Quality System shall assure that only subcontracting sources currently approved by Buyer or Buyer's customers are used to procure products or services. The use of specified subcontractors does not relieve Seller of responsibility for compliance to all product technical and quality requirements.

Seller shall maintain traceability to Buyer's order number through all stages of production. Buyer's order number must appear on all documents.

Seller shall notify Buyer of nonconforming product and present such product to Buyer for disposition.

Seller shall disclose to Buyer all failures, defects or nonconformances which would affect previously delivered product. This disclosure shall be in letter form, signed by an officer of the company and transmitted to Buyer immediately after identification of the escapement. As a minimum, the letter will define the nature of escapement, including Seller's Corrective Action. In addition, the disclosure shall identify the order number, quantity, pack slip number and ship date of the escaped shipment(s).

Seller shall furnish all certifications, issued by Seller or Seller's subcontractors, for all processes controlled by specification.

By inference, all applicable clauses of AS6174 (including all appendices) is hereby a flow down requirement of all purchasing documents.

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Seller is responsible that their personnel are made aware of:

- their contribution to product or service conformity.
- their contribution to product safety.
- the importance of ethical behavior.

## **First Article Inspection:**

When required, Seller shall perform First Article Inspection in accordance with AS9102, latest revision. If Seller's quality system does not support the above-mentioned requirement, an AS9102 form, and a bubbled drawing will be made available to the Seller to complete and send with goods supplied.

## **Retention of Records:**

Seller shall maintain records for a period of ten (10) years minimum after the date of the last shipment on the order. Buyer shall be notified prior to records purge for first right of refusal on all records.

## **Shipping / Packaging:**

Unless otherwise negotiated, Seller will be responsible for the cost of shipping goods to Buyer. Package all goods appropriately to protect from damage during handling / shipment. Damage incurred during shipment will be the Seller's responsibility.

## **Payment Terms:**

Our Purchase Order number must appear on all invoices, packages, pack sheets etc. Notify Buyer immediately if you are unable to ship complete order by the date specified. Unless otherwise negotiated, payment terms are Net 30 Days.

## **Returns:**

All parts being returned to NWM must be accompanied with a "Returned Merchandise Authorization" (RMA) number assigned by NWM Quality Assurance group. Materials returned without an RMA will be returned at the sender's expense.