



## Purchase Order Terms and Conditions and Quality Clauses

1. INVOICES AND SHIPMENTS - rejections, delivery delays, errors and omissions will be considered just cause for withholding settlement without losing cash discount privilege. Invoices shall be mailed immediately after shipping date. SELLER agrees to allow BUYER ten days from receipt of material and invoices in which to make payment without losing cash discount privileges. Shipment in whole or in part must not be made prior to the date or dates specified on the original of this order without BUYER'S approval. Delay in delivery beyond the agreed schedule shall be cause for termination of this order unless such delay is mutually agreed to in writing by both BUYER and SELLER.
2. FURNISHED MATERIAL - If BUYER furnishes material to SELLER, BUYER will provide quantity of material needed plus normal spoilage allowance as noted on the face of the order. IF due to abnormal spoilage, additional material will be borne by SELLER, NO material sold or furnished by BUYER to SELLER will be diverted to uses other than the performance of this order without written permission of the BUYER, Jaco Engineering BUYER is to be notified within 24 hours of any scrappage of Jaco Engineering furnished material.
3. FURNISHED BOEING / GOVERNMENT TOOLING / GAGES: Acceptance of tooling, supplier acknowledges and accepts the requirements and responsibilities defined by Boeing Doc. D950-11059-1. Jaco and Boeing reserve the right to conduct surveillance at the supplier's facility to determine supplier's compliance to the requirements.
4. INSPECTION AND REJECTION - All articles are subject to inspection by BUYER at destination. Rejected material will be held at Seller's risk, subject to Seller's disposal. Inspection Records are required from the Seller and must accompany each shipment.
5. CHANGES - BUYER shall have the right to make changes in drawings and/or specifications relating to this order. Upon such change, proper adjustment in the price and in the delivery schedule shall be made. Claim for adjustment shall be made within thirty days.
6. CHANGES IN SCHEDULE- Changes in delivery schedule may be made by Buyer at any time and for an indefinite period at no cost to Buyer.
7. VARIATION IN QUANTITY - Quantity variation will be zero unless otherwise stated on the purchase order.
8. DELIVERY - SELLER shall not be liable for delay in delivery due to cause beyond SELLER'S control and without SELLER'S fault or negligence, provided SELLER exercises due diligence in promptly notifying BUYER of conditions which will result in delay.
9. WARRANTIES - The SELLER warrants that all articles or materials delivered hereunder shall be free from defects or material or workmanship, and guarantees all parts furnished will conform to specifications and/or drawings. The warranties of the SELLER together with its service warranties and guarantees, if any, shall run to BUYER and/or its customers.
10. TERMINATION FOR CAUSE OR FOR CONVENIENCE OF BUYER - BUYER reserves the right to terminate this order if not filled in accordance with delivery schedule and specifications. In the event of any suspension of payment or the institution of any proceedings by or against either party, voluntary or involuntary in bankruptcy or insolvency, or under the provisions of the United States Bankruptcy Act, as amended, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors or for the appointment of a receiver or trustee or an assignee for the benefit of creditors of either party, or in the event of a breach of any of the terms hereof, including warranties of SELLER, the other party shall be entitled to terminate this order forthwith.
11. CANCELLATION - Buyer may cancel any Purchase order at any time without cost to Buyer in the event that Jaco Engineering's requirements are cancelled with our customer, or if Quality disqualifies the Seller for any reason.
12. COMPLIANCE WITH LAWS - SELLER agrees in accepting this order that the same is subject to and that SELLER has complied with or will comply with all applicable local, State and Federal laws, regulations, and executive orders as to labor, origin and procurement of material, national security, fixation of prices, profit limitations, price re-negotiation and price re-determination.
13. NON-DISCRIMINATION - In connection with the performance of work under this order, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, creed, age, sex, color, or national origin; and further agrees to insert the foregoing provision in all subcontracts hereunder except subcontracts for standard commercial supplies or for raw materials. (Not applicable if order is for standard commercial supplies or for raw materials.)
14. Seller must operate under a Quality Management System that is approved by Jaco Engineering. Any changes to QMS status such as NADCAP approval must be reported to Jaco Engineering. Pre-authorization from Jaco Engineering is required before any changes to product, processes, or services provided to Jaco Engineering. Quality records on file at supplier must be retained a minimum 10 yrs.
15. RETURNABLE CONTAINERS ARE TO BE RETURNED TO JACO ENGINEERING.
16. RIGHT OF ENTRY - The Buyer and its representatives are afforded the right to verify at the Seller's premises the quality of work, records and materials. Such verification by buyer shall not absolve the seller of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the Buyer. Right of Entry is also extended to the buyer's representatives, customers, the buyer's customer's customers and applicable regulatory agencies. Seller shall be notified within a reasonable amount of time (typically no less than five working days) by the Buyer to host such events.
17. SUBCONTRACT WORK - Seller may not further subcontract work without written authorization from Jaco Engineering.
18. SPECIAL PROCESSES - Seller must only perform and certify applicable processes such as nondestructive testing using only approved, qualified, authorized, certified facilities, equipment and personnel.
19. NON CONFORMANCE NOTIFICATION - Supplier will provide immediate written notification to Jaco procurement representative when known or suspect defective / nonconformance parts, materials, components, software, or vendor items have been delivered to Jaco or Jaco customers. The report shall contain a detailed description of the non-conformance, lot and / or serial number traceability, along with supplier corrective / preventative actions taken place to preclude recurrence.
20. CUSTOMER RIGHT OF ACCESS - The supplier shall provide right of access to Jaco Engineering, 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.



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QC01	Quality System	Supplier shall establish and maintain a quality control system acceptable to Jaco Engineering, for the goods and/or services purchased under this purchase order. As a minimum, the supplier's quality system must meet the requirements of MIL-I-45208 or better
QC02	AS9100 Compliant	As a minimum, the supplier shall establish and maintain a quality management system acceptable to AS9100 or better for the goods and / or services purchased under this purchase order. The supplier must have a process in place to: <ul style="list-style-type: none"> <li>• Make employees aware of contribution to product quality.</li> <li>• Their contribution to product safety.</li> <li>• Importance of ethical behavior.</li> </ul>
QC03	NADCAP Approval	Special processing NADCAP approval is required. The special process in question will be listed on the actual purchase order.
QC04	Supplier Furnished Material	Supplier shall submit Chemical and Physical test reports in accordance with the latest material specifications. Distributors must provide a certification verifying the material tractability to the Mill test reports when supplied.
QC05	Sub-Contractor Flow Down	Supplier is required to flow down the requirements of this purchase order, including terms and conditions to the Supplier's subcontractors. Flow down of key characteristics is required when specified on the face of purchase order. Supplier is to notify JE of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval.
QC06	Record Retention	As a minimum, the Supplier is to retain records for at least 10 years. In special circumstances, the purchase order will identify the actual required number of years that the records should be maintained.
QC07	Calibration	The Supplier's equipment shall be calibrated in accordance with ANSI/NCLSL Z540-1-1994, ISO 10012-1:1992(E), MIL STD-45662
QC08	JE Furnished Property	Supplier is to return all furnished property to JE at the completion of the purchase order. Furnished property may include but not be limited to the following: drawings, mylars, process specification, tooling, fixtures, and excess raw material.
QC09	Parts Identification	The Supplier is to identify parts in accordance with purchase order requirements.
QC10	Nonconformance/Corrective Action	The Supplier is to notify JE of a Nonconformance prior to shipping parts. In addition, the Supplier will maintain a system of handling nonconformance's and corrective actions.
QC11	Special Processing Approval	The Supplier is to perform a special process on this purchase order. Special processing may include one of the following processes: heat-treating, stress relieving or Nondestructive testing. JE will have identified the specific process specification and the end user on the purchase order. The Supplier should maintain its special process approval with the end user in question. If the Supplier is not currently approved for the process in question, it is the Supplier's responsibility to notify JE immediately.
QC12	Dimensional Inspection Report	The Supplier is to document an actual dimensional inspection report and submit it to JE at the completion of the purchase order.
QC13	First Article Inspection	The Supplier will submit a First Article with this purchase order. It should identify all of the process specifications and dimensional data.
QC14	Measuring & Test Equipment	All measuring and test equipment should be calibrated in accordance with industry and process specification standards.

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QC15	Packaging Protection	Supplier is to package parts in a manner to protect parts from damages. No metal to metal contact is ever allowed. In special circumstances, the purchase order may specify the manner the parts are to be packaged.
QC16	Part Number Serialization	All parts should have unique serial numbers assigned. Supplier is to maintain traceability throughout the production and/or processing stage.
QC17	Certificate of Conformance	A certification is required, stating that all of the products or services meet the contractual or purchase order requirements. The certificate must list the part number and all of the applicable process specifications, including up to date revision levels.
QC18	The Boeing Company Approved Process	The Supplier is to maintain a special method process approval from The Boeing Company on this purchase order.
QC19	Key Characteristics Data Required	This purchase order deals with the drawing that identifies key characteristics. Both the Supplier and JE should have established a control plan prior to the placement of this purchase order.
QC20	Prohibition of Foreign Material	Supplier and /or raw material vendor is prohibited from using or supplying foreign material throughout the manufacturing process. For example Boeing's H900 Clause.
QC21	Right of Entry	Jaco Engineering, our customers, and/or any applicable regulatory authority reserve the right to access the supplier's applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records. Reason for access may include inspection of the item on order, status of the item, or reviewing quality records pertaining to the purchase order in question.
QC22	CRITICAL ITEMS Data Requirement	This purchase order deals with the drawing that identifies CRITICAL characteristics. Both the Supplier and JE should have established a control plan prior to the placement of this purchase order. (Examples of Critical Items include Safety Critical Items, Fracture Critical Items, Mission Critical Items, etc.)
QC23	MERCURY FREE CERTIFICATION	A mercury free certification must accompany all shipments made to Jaco Engineering. The mercury free statement may be made directly on the test report, certificate of conformance or may be a separate certification. The statement shall certify that during the manufacturing process, materials furnished did not come in contact with mercury or its compound or any mercury containing devices with a single boundary of containment. Failure to provide this certification could delay acceptance and/or payment.
QC24	Guarantee of Material Source(s)	The seller shall ensure that only new and authentic materials are used in materiel delivered to Jaco Engineering. The Seller may only purchase MATERIAL/PRODUCT directly from original manufacturers, manufacturer franchised distributors, or authorized aftermarket manufacturers. Use of materiel that was not provided by these sources is not authorized unless first approved in writing by Jaco Engineering. The seller must present compelling support for its request (e.g., original manufacturer documentation that authenticates traceability of the materiel to the original manufacturer), and include in its request all actions to ensure the materiel thus procured is authentic and conforming.