

	FORM Purchasing Order Terms & Quality Clause Conditions	FRM 034
		Rev: 3
Department / s: Procurement / Quality		Effective Date: 06/18/2019


CD&M -01: TERMS	<p>This Purchase Order is neither an expression of acceptance of any offer made to Buyer by Seller nor a confirmation of any contract between Buyer and Seller. This purchase order is an offer to the Seller to contract on the terms set forth herein, and such offer expressly limits acceptance by Seller to the terms set forth herein. Any additional or different terms proposed by Seller are specifically rejected, unless otherwise expressly agreed to in a writing signed by an authorized representative of Buyer. Acceptance of this order by Seller shall create a binding Contract subject to the terms and conditions herein.</p> <p>1. Acceptance. Any of the following acts by Seller shall constitute acceptance of this Purchase Order and all its terms and conditions: (a) signing and returning a copy of this Purchase Order; (b) returning Seller's own form of acknowledgement; (c) delivery of any of the items ordered, or (d) commencement of performance pursuant to this Purchase Order. The terms of this Purchase Order may not be modified, superseded, waived or amended except in a writing signed by an authorized representative of Buyer. Each shipment received by Buyer shall only be upon the terms of this Purchase Order, notwithstanding any terms contained in any quotation, acknowledgment, invoice or other form of Seller, or Buyer's acceptance of, or payment for, any shipment or any other act.</p> <p>2. Time. Time is of the essence in the performance of this Purchase Order. If delivery of the Goods or Services is delayed for any reason beyond the time indicated herein, Buyer reserves the right without liability (in addition to its other rights and remedies) to cancel this order.</p> <p>3. Delivery. Any claim for non-conforming parts or discrepant counts must be presented to Seller in writing within 30 calendar days of receipt of product. Failure of Buyer to do so shall exempt Seller from any claims against the delivered product. Delivery shall be made strictly in accordance with the terms of this Purchase Order. Unless otherwise specifically agreed to by Buyer, any provision for delivery of the Goods or Services in installments shall not be construed as making the obligations of Seller severable.</p> <p>4. Shipment of Goods. Shipment shall be in accordance with instructions specified in this order. Products shall be properly packed and delivered by CMCE driver or shipped by a licensed carrier over the least expensive route, unless otherwise instructed. No charge shall be made for boxing, crating, packing, storage, drayage, or other costs unless incorporated on the face of this order. Seller shall notify Buyer at the time of shipping of the Goods, together with a copy of the bill of lading or shipping document and the packing list applicable hereto. Buyer's order numbers must be plainly marked on all invoices, packages, bills of lading and shipping orders.</p> <p>5. Price and Payment. Prices or billing amounts shall not exceed the prices stated on the Purchase Order without the prior written consent of Buyer. The prices stated include packing, crating and transportation to F.O.B. point shown. Seller agrees that any price reduction applicable to the ordered Goods or Services subsequent to the order date but prior to delivery will be applicable to this Purchase Order. Except for charges to taxes as provided herein below, Buyer will not be responsible for any charge not shown on the face of this Purchase Order without Buyer's prior written consent to such charges in advance.</p> <p>6. Termination. Buyer may, at any time, and for its convenience, terminate this Purchase Order, in whole or in part, by written notice or verbal notice confirmed in writing to Seller. If so terminated, any claim of Seller shall be settled on the basis of and limited to the reasonable cost incurred by Seller prior to Buyer's notice.</p> <p>7. Intellectual Property Rights. Seller warrants that the Goods or Services provided pursuant to this Purchase Order do not infringe upon or constitute an unauthorized use of any trademark, patent, trade secret, copyright or other intellectual property right.</p> <p>8. Warranty. SELLER EXPRESSLY WARRANTS THAT ALL GOODS, SERVICES, MATERIAL AND WORK DELIVERED PURSUANT TO THIS PURCHASE ORDER WILL CONFORM TO THE SPECIFICATIONS, DRAWINGS, SAMPLES, OR OTHER DESCRIPTION FURNISHED OR SPECIFIED BY BUYER AND WILL BE MERCHANTABILITY, OF GOOD QUALITY AND WORKMANSHIP, AND FREE FROM DEFECT. SELLER EXPRESSLY WARRANTS THAT ALL GOODS, SERVICES, MATERIALS AND WORK DELIVED HEREUNDER SHALL BE FIT FOR THEIR INTENDED PURPOSE.</p> <p>9. Defective Goods. If any of the Goods fail to comply with any term of this Purchase Order, Seller shall promptly correct such discrepancy or replace such Goods at Seller's expense following notice of such discrepancy from Buyer.</p> <p>10. Excess Goods. This purchase order is issued to cover the purchases of the item or items described hereon. Buyer will have no liability for payment for material or items delivered to Buyer that are in excess of quantities specified in this purchase order. Any quantity of Goods in excess of the amount ordered need not be accepted, and such excess goods may be received, held and returned to Seller by Buyer at Seller's risk and expense.</p> <p>11. Inspection and Acceptance. All Goods are subject to Buyer's inspection, testing and approval, both at Seller's plant and at Buyer's point of destination. Acceptance, payment, use or resale of the Goods by Buyer shall not release Seller of any Seller's obligations, representations or warranties hereunder. Payment for any Goods shall not be deemed an acceptance thereof. Any claim for non-conforming parts or discrepant counts must be presented to Seller in writing within 30 calendar days of receipt of product. Failure of Buyer to do so shall exempt Seller from any claims against the delivered product.</p> <p>12. Fabrication and Material Commitment. Buyer shall not be responsible for any of Seller's commitments for materials or fabrication in advance of the time necessary to meet delivery dates specified herein unless agreed to by Buyer in writing in advance.</p> <p>13. Compliance with Law. Seller agrees that in the manufacture and sale of Goods or Services to Buyer, Seller shall comply with the provisions of all applicable federal, state and local laws, regulations, rules and ordinances applicable to this Purchase Order, including, without limitation, any fair labor standards or statutes and any regulation regulating occupational safety and health.</p>
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	<p>14. Buyer's Property. Unless otherwise agreed in writing, all drawings, specifications, tools, dies, molds, jigs, patterns, machinery, fixtures, equipment, software and any other property furnished to Seller by Buyer or paid for by Buyer for use in the performance of this Purchase Order shall be and remain the sole property of Buyer, subject to removal upon Buyer's instruction, used only in filling orders from Buyer, held at Seller's risk, and kept insured by Seller while in Seller's custody or control.</p> <p>15. Taxes. Except as otherwise provided, the prices stated do not include sales, use, excise or similar taxes applicable to the Goods or Services furnished hereunder or to the materials used in the manufacture hereof. Buyer holds a direct sales tax payment permit and agrees to pay the State of California all California sales or use taxes due by reason of purchase.</p> <p>16. Assignment. Seller shall not delegate any duties nor assign any rights or claims under this Purchase Order without the express prior written consent of Buyer. Any assignment or delegation made without Buyer's consent shall be null and void.</p> <p>17. Remedies. The individual rights and remedies reserved herein shall be cumulative and additional to any other or further remedies provided in law or equity or in this purchase order. All claims for monies due or to become due from Buyer shall be subject to deduction by Buyer for set off or counterclaim arising out of this or any other of Buyer's Purchase Orders to Seller. No waiver of any breach of any provision of this purchase order shall constitute a waiver of any other breach or of such provision.</p> <p>18. Governing Law. The Contract resulting from the acceptance of this order shall be construed according to the laws of the State of California, and the State of California shall have jurisdiction of the parties and subject matter of this Contract.</p> <p>19. Indemnification and Insurance. Seller agrees to indemnify, defend, and hold harmless Buyer, its officers, employees, and agents, from and against any and all claims and demands of any nature arising out of injury to, or death of, any person, or damage to property of any kind by whomsoever owned, caused in whole or in part by the act or omission of the Seller, its agents or employees.</p>
<u>CD&M -02:</u> <u>SCHEDULE</u>	<p>For delivery will be the responsibility of the Supplier. The Supplier shall not be held liable for damages in respect to delivery delay due to clause beyond supplier's reasonable control. However, if the supplier does not meet the delivery date as depicted on the face of the order, The Buyer may approve a revised delivery date schedule, or terminate the order without liability for such termination.</p> <p>Priority ratings per DPAS: Critical to national defense all (DX & DO) rated orders have equal priority and take preference over unrated orders. (based on ship schedule)</p>
<u>CD&M -03:</u> <u>QUALITY</u> <u>MANAGEMENT</u> <u>SYSTEM</u>	<p>The supplier shall have a Quality Management System that meet the requirement of AS9100. As a minimum, the following must be meet:</p> <ul style="list-style-type: none"> • Contract / Purchased Order Review • Data Document Control • Procurement Control • Calibration Control • Stamp Control • Corrective/Preventative Action Control • Record Retention • Production Control • Non-Conforming Product Control
<u>CD&M-04:</u> <u>SUPPLIER</u> <u>SURVEY</u>	<p>The Supplier's QMS is subject to initial survey and approval by Buyer. Surveys or audit Including Sub-tier suppliers and processors may be conducted before or after issuance of a Purchase Order. The Supplier shall be notified of deficiencies and shall follow up and ensure that deficiencies are promptly corrected. Corrective Action shall be subject to review and approval by.</p>
<u>CD&M-05:</u> <u>SUPPLIER</u> <u>PROCESS</u> <u>APPROVAL</u>	<p>Manufacturing and Inspection special process used in the performance of this Purchase Order must be approved by Buyer.</p>

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<u>CD&M-06: Manufacturing Process Approval:</u>	Manufacturing routing document must be submitted to Buyer for approval prior to start of work. Subsequent change to approved routing documented must be submitted to Crenshaw for approval prior to implementation of change. A Change is defined as any change including sequence, equipment, material, tooling, certified personnel, etc
<u>CD&M-07: CERTIFICATE OF CONFORMANCE:</u>	Supplier Certification of Conformance is required with this Purchase Order. A legible and reproducible Certificate of Conformance or Seller's statement of quality will accompany each shipment. Certifications must show the part number, quantity, specification, and revision number, and have a legible printed and signed signature and title of responsible person signing the certification. This certifies the material / services provided by the seller meet all drawing and / or specifications requirements. Records supporting this certification shall be on file and shall be provided to Buyer upon request at no cost to Buyer.
<u>CD&M -08: MATERIAL AND SPECIAL PROCESSING CERTIFICATIONS</u>	Actual Material Certifications are required for all Seller provided material. All Certifications must be traceable to the original Mill Lot and Heat Number. Processing Certifications are required for all Sellers providing processing. All certifications must indicate that the process has been performed to drawing requirements. Parts are subject to rejection without correct documentation. All certifications must show the part number, quantity, process being performed, specification, revision number, and have a legible printed and signed signature and title of responsible person signing the certification. Supplier shall notify the undersigned prior to shipment if specification has been replaced / superseded / updated. List specification as show on drawing, and then list the replacement specification with current revision.
<u>CD&M -09: FIRST ARTICLE INSPECTION</u>	First Article Inspection shall be performed per AS9102 on the first part Produced for new parts, or change the tools, NC tapes, configuration or processes.
<u>CD&M -10: RUN MATERIAL</u>	The run material shall meet the requirements of industry Specification AMSQQ-A-250A (workmanship) and the requirement of the specific alloy specification(s) detailed on the Purchase Order. If at risk of corrosion or damage, material shall be oiled/preserved and full surface area interleaved after manufacture and whilst in storage/transportation, packaged/protected. All material furnished against the above Purchase Order were produced in conformance with all applicable specification and drawings as referenced therein.
<u>CD&M -11: NON-CONFORMING PRODUCT OR PROCESS:</u>	Any deviation to requirements set forth in this Purchase Order shall be documented and submitted to Buyer for disposition prior to shipment from Supplier's facility. In the event that product or material is received for processing in a nonconforming condition (i.e. damaged, paperwork/traceability issues, etc.), Supplier shall notify Seller Quality Assurance PRIOR to performing work. Note: When a nonconformance is discovered that may affect already delivered goods Seller shall notify Buyer promptly by a Seller generated Notification of Escapement (NoE) letter sent to the Buyer's authorized procurement Representative with a copy to the assigned Buyer's Supplier Quality Source Representative. Additionally, an electronic NoE shall be submitted via the Corrective Action Request System (CARS),
<u>CD&M -12: CORRECTIVE AND PREVENTATIVE ACTION</u>	Supplier shall establish and maintain documented procedures for Corrective and Preventive Action, which shall include: effective handling of customer complaints and reports, investigation of cause of non-conformance, determination of corrective action needed to eliminate cause, application of controls to ensure Corrective Action Effectiveness.
<u>CD&M -13: MONITORING AND MEASURING DEVICES</u>	All monitoring and measuring devices used in the performance of this Purchase Order shall be certified against a standard having greater accuracy. Random and systematic error in any article or material measurement process shall not exceed 10% of the tolerance of the parameter being measured. Random and systematic errors in any calibration measurement process shall not exceed 25% of the tolerance of the parameter being measured

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<u>PG-14: RECORD RETENTION:</u>	Quality Records shall be retained for a minimum of Seven (7) years after completion of Purchase Order, or as directed by Buyer Customer's Quality Requirements. Records shall be identified and stored in a manner that allows them to be easily retrievable and adequately protected.
<u>CD&M -15: TOOLING UTILIZATION AND MAINTENANCE:</u>	Supplier shall maintain and administer, in accordance with sound industrial practice, a program for the maintenance, calibration, repair, protection and preservation of Customer Owned Property to assure that it is used only in the performance of the purchase order. The Supplier is responsible for any loss, damage or destruction of customer owned property upon delivery to the Supplier. Supplier is required to document and report all lost/damaged customer property to Buyer. Tooling used as a media of inspection must be part of supplier calibration system and within 2/3 engineering tolerance.
<u>CD&M -16: PRESERVATION:</u>	In order to prevent corrosion, Supplier shall store all raw materials and work-in-process in a covered structure, except forgings, castings and extrusions from which subsequent machining requirements will remove 100% of the as forged, cast or extruded surface. Any corroded condition of such material after acceptance by the Supplier shall be the supplier's responsibility. <u>PACKAGING AND PROTECTION</u> Of the product shipped shall be in accordance with the Buyer. Purchase Order or best commercial practice to protect product from damage and /or deterioration. Supplier must take in to consideration <u>THE PREVENTIO OF FOD FOR ANY PRODUCT SHIPPED TO CRENSHAW.</u>
<u>CD&M -17: MATERIAL ACCOUNTABILITY:</u>	Supplier is to return all unused/scrap material to buyer for accountability. If Material is supplied by Buyer.
<u>CD&M -18: 100% TRACEABILITY</u>	Traceability to raw material must be maintained throughout the manufacturing process. Supplier is to maintain heat lot, work order and/or serial number traceability at all times.
<u>CD&M -19: TEMPORARY PART MARKING:</u>	If id required each individual article on this Purchase Order shall have temporary identification applied/maintained prior to shipment to buyer. Any one of the following methods of identification may be used: 1-Vibro-etching of part/serial number on tool tab, or in excess areas if no tool tab is present. 2-Tag tied to part indicating part/serial number. 3-Attach label to the outside of each individually wrapped, boxed or bagged part. 4-Lot tag indicating part number and quantity.
<u>CD&M -20: TRAINING /CERTIFICATION:</u>	Supplier shall conduct training, personnel certification and recertification as necessary to assure effective accomplishment of special processes and inspection operations.
<u>CD&M-21: SAFETY</u>	Supplier shall maintain in Industrial Safety Program applicable to their operations, facilities and equipment. Industrial Safety includes identification, elimination and/or control of hazards in employee accident prevention and fire prevention/protection in accordance with Federal, State and local standards and regulation.
<u>CD&M -22: CERTIFIED TEST REPORT/RAW MATERIAL CERTIFICATION:</u>	Product or Material shall be supplied with Certified Test Report and Raw Material Traceability/Certification at all times unless noted by Buyer Purchase Order. <u>TEST SPECIMENTS</u> Shall be required when there is a design approval from Buyer, Inspection, Investigation or Audit. <u>MATERIAL SUBSTITUTION PROHIBITION</u> <u>A. Unauthorized Material Substitution (General)</u> Unauthorized material substitutions are not permitted on Buyer's Goods. Unauthorized material substitution includes any deviation from the engineering definition of a raw material.

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<u>CD&M -23:</u> <u>FOREIGN OBJECT</u> <u>DEBRIS (FOD) –</u>	Supplier shall have a written system for the prevention of FOD. This system must show evidence of a written practice, effective employee training and a corrective action system when FOD is detected. This system must demonstrate employee awareness and be audited on an on-going basis. Supplier shall certify in their Certificate of Conformance (C of C) that parts are free from FOD.
<u>CD&M – 24:</u> <u>Counterfeit parts</u> <u>prevention</u> <u>Program</u>	<p>To prevent the purchase of counterfeit or suspect/unapproved products and to ensure product identification and traceability (and for other reasons), Crenshaw will institute controls that include the requirement of Material Certificates, Certificates of Conformity, and/or other supporting documentation from its suppliers as is appropriate. These requirements may be specified on Crenshaw Purchase Order or may otherwise be communicated to the supplier.</p> <p>Seller shall meet the following additional requirements for raw material, parts, assemblies, paints , sealants, and electronic parts procured by or on behalf of Seller:</p> <ol style="list-style-type: none"> 1 Seller shall implement a counterfeit parts detection and avoidance system consistent with the requirements of the latest dated version of SAE standard AS5553 Electronics and AS6174 Material, as of the effective date of this contract. 2 Seller shall include the substance of this article, including this flow down requirement, in all subcontracts for electronic parts awarded by Seller for work under this Contract. 3 3 . Seller shall identify in its flow down the reporting to its customer the identification of counterfeit product The documented processes shall assure that all occurrences of counterfeit materiel are reported, as appropriate, to internal organizations, customers, government reporting organizations, industry supported reporting programs, and criminal investigative authorities. 4 Materiel Control The documented processes shall specify methods for manufacturers to: a. Control excess and nonconforming materiel to prevent it from entering the supply chain under fraudulent circumstances. b. Control/destroy any suspect or confirmed counterfeit materiel to preclude its use or reentry. c. Establish a process to ensure the supply chain is not compromised by any material being returned. Manufacturers/suppliers and their approved supply chain shall implement an effective returns process which segregates and assesses the returned items until validated as authentic and unused.
<u>CD&M – 25:</u> <u>Contribution to</u> <u>product or service</u> <u>conformity Safety</u> <u>product ethical</u> <u>behavior</u>	Our Organization reserves the right to require and request evidence of External Providers ensuring that their personal are aware of: – their contribution to product or service conformity; – their contribution to product safety; – the importance of ethical behavior
<u>CD&M – 26:</u> <u>Process change</u>	Furthermore, the supplier is required to notify Crenshaw of any changes to a product and/or process and to obtain approval from an authorized Crenshaw. Customer Service Engineer When applicable.
<u>CD&M – 27:</u> <u>RECORD</u> <u>RETENTION</u>	Quality Records shall be retained for a minimum of Fifteen (15) years after completion of purchase order, or as directed by IA. Customer’s Quality Requirements. Records shall be identified and stored in a manner that allows them to be easily retrievable and adequately protected.