

# *Preferred Machine Works, Inc.*

## **Purchase Order Terms and Conditions**

### **1. General**

- a) Preferred Machine Works, Inc (PMW) suggests and urges all external providers to implement a quality management system to control processes and ensure compliance to these Terms and Conditions.
- b) PMW Customer solely retains control over design and development of products, and no alterations or deviations shall be made.
- c) External Providers shall ensure proper competence of personnel, including necessary required qualification.
- d) External Providers shall do their part to prevent the use of counterfeit parts.
- e) External Providers shall retain documented information for a minimum of 10 years, unless specified differently by PMW customer. If specifications are made, this information will be flowed down (2a).
- f) External Providers shall ensure all persons are aware of: their contribution to product and service conformity, product safety, and the importance of ethical behavior.

### **2. Communication**

- a) PMW will communicate with External Providers its requirements for the processes, products, and services to be provided, including the identification of relevant technical data. Any special requirements, key characteristics, or other critical items will be specified by PMW.
- b) External providers shall maintain communication with PMW regarding product conformance and changes to process, products, or services. External Providers shall notify PMW of any nonconforming processes, products, or services and obtain approval for disposition.
- c) If products are found to be nonconforming once they have been delivered, PMW shall be notified within 72 hours of realization.
- d) Any changes to product or services that may affect quality, cost, or delivery shall be communicated immediately.

### **3. Monitoring Activities**

- a) PMW may apply control and monitoring activities if deemed necessary based on performance or risks.

- b) PMW will notify External provider of any necessary test, inspection, or verification activities.
- c) If any verification or validation activities are to be performed by PMW or their customer at the external providers' premises, external provider will be notified in advance.
- d) PMW, along with its customers and regulatory authorities have the right of access to applicable areas of facility and applicable documents.
- e) External Providers shall maintain control of the approval of products and services, methods, processes and equipment, and the release of such products and services.

### **4. Product Acceptance**

- a) Upon receipt at PMW, product acceptance may be based off of statistical techniques; acceptance activities will always include review of products or services, their adherence to PO requirements, and any shipping/certifying documents.
- b) When required by PMW, external providers shall provide test specimens for approval, inspection, verification, or other activities deemed necessary for acceptance.

### **5. Sub-Tier Suppliers**

- a) External Providers shall use only customer-designated or approved providers or notify PMW of their source of products or services when required.
- b) At all times, requirements set by PMW and their customers shall be flowed down to any sub-tier supplier.

### **6. Proprietary Information**

- a) All technical data (in the form of drawings, product, etc) provided to the External Provider by PMW or their customer shall be considered proprietary information. It is prohibited for any information received to be transmitted or shared with any other entity without written approval from PMW or their customer
- b) Export Control - By accepting a PO, External Provider shall understand that it may be receiving technical data (in the form of drawings, product, etc) that is controlled by various export control laws, including ITAR, AECA, and EAR. The release of any such data to any foreign entity, in any manner, is prohibited without proper licenses from the State Department.