

**ESSNER MANUFACTURING (“Purchaser”)**

**QUALITY ASSURANCE REQUIREMENT AND HEREIN TERMS & CONDITIONS TO BE COMPLIED WITH IN THIS ORDER**

1. The terms and conditions as stated on this order control any conflict with the printed terms of the Vendor's proposal, or the printed terms of the Vendor's acknowledgment of this order. The terms and conditions of this order may not be varied except in writing signed by the Purchaser.

2. It is a condition of this order, that the Vendor will be deemed to have agreed, that in the case any article sold or delivered to the Purchaser hereunder shall be protected by any patent or copyright, the Vendor will indemnify and save harmless the Purchaser from and against all suits, claims, and costs instituted or recovered against it by any person or persons whomsoever on account of the use or sale of such article by the Purchaser in violation of rights under such patent or copyright.

3. Time is of the essence to this contract, and the Purchaser reserves the right to cancel all, or part of this order, if delivery of all items is not made within the specified time.

4. This purchase order shall not be filled at prices higher than those last quoted and charged for the same articles, unless such increased prices shall have been authorized in writing by the purchasing agent of the Purchaser. If prices now in effect are reduced prior to the date of shipment or billing, this order will receive the benefit of such reductions.

5. No charge is to be made for patterns, pattern equipment, dies, jigs, fixtures, or special apparatus used in the manufacture of the articles shown on this order unless written order is received from Purchaser.

6. All writings, drawings, and photographs furnished by the Purchaser shall be treated as conditional documents and remain the exclusive property of Purchaser, and on fulfillment of this order, any such papers and any reproductions thereof shall be returned to Purchaser. Writings, drawings, and photographs loaned to the Vendor shall not be used to the detriment of the purchaser, and disclosure of information derived from such papers to third parties, unless express written consent given by Purchaser is in violation for the Non-Disclosure Agreement.

7. Vendor guarantees that all equipment or material delivered or work performed hereunder to be free from defects and guarantees all parts furnished will conform strictly to specifications and drawings. Vendor further expressly warrants the fitness of goods for their ultimate particular purposes. No examination, inspection or acceptance of goods made at any time by Purchaser shall constitute a waiver of said warranties, or of any defects whether latent or patent, or of any action against Vendor for damages arising from the failure of the material to conform with specifications. All material supplied must comply with DFARS Requirements; All material must be **U.S. Melt Products** or conform to the **below customer requirements without Exception**, unless otherwise noted by Essner Manufacturing Purchasing Manager or designee, and approved by the customer in writing.

**Acceptable Vendor Requirements include:**

- A. NADCAP – Special Process Applications
- B. AS9100 – All Aerospace applications
- C. ASQR-01 – United Technologies
- D. SSQR-01 – Sikorsky
- E. D1-4426 – Boeing
- F. QCS-001 – Lockheed Martin (including Appendix QX and QJ)

8. In the event any article sold or delivered hereunder shall be defective in any way whatsoever, Vendor agrees to defend, indemnify and hold harmless the Purchaser from all loss or the payment of all sums of money by reason of all accidents, injuries or damages to persons or property that happen to occur in connection with the use or sale of such articles and are contributed to by said defective condition.

9. This order shall be construed and governed according to the laws of the state from which this order issues as shown by the address of Purchaser on the face thereof. The parties agree that any dispute arising out of or relating to the Purchase Order shall be brought in state or federal court located in Fort Worth, Texas and that all parties waive any objection to lack of personal jurisdiction or inconvenient venue in Fort Worth, Texas. In the performance of this order, shall comply with the provisions of the Fair Labor Standards Act, as amended, Executive Order #11246, Section #202, Equal Employment opportunity laws and regulations and where all other applicable (ASPR) and all other applicable Federal, State and local laws, regulations, rules and ordinances, and agrees, upon request, to furnish Purchaser a certificate to such effect in such form as Purchaser may from time to time require. Vendor warrants that such laws shall not be violated in the performance of this order and, if such violation does occur, Vendor shall indemnify and hold harmless

Purchaser from all losses, claims, expenses (including attorneys' fees), penalties or payments on account of such violation.

10. Purchaser may at any time insist upon strict compliance with these terms and conditions, notwithstanding any previous custom, practice, or course of dealing to the contrary.

11. It is a further condition of this order, and by filling it the Vendor will be deemed to have agreed that the prices quoted or charged include all sales taxes and all Federal and State contributions, excises and taxes payable with respect to the wages of all employees, agents and subcontractors of the Vendor. In the event the Purchaser is required to pay any such taxes, the Vendor shall pay to the Purchaser upon demand the amount thereof, including penalties, if any. The Purchaser may withhold all or part of the purchase price until the Purchaser shall be satisfied that the Vendor has paid such taxes and penalties or has taken proper steps with respect thereto, under the law or laws.

12. In the event the Vendor, its employees, agents or subcontractors, enter premises occupied by or under control of the Purchaser or its customers in the performance of this order, the Vendor agrees that it will indemnify and hold harmless the Purchaser, its customers, and their officers and employees from any loss, cost, damages, expense or liability by reason of property damage or personal injury of whatever nature or kind arising out of, or as a result of, or in connection with such performance, occasioned in whole or in part by the actions or omissions of the Vendor, its employees, agents or subcontractors. The Vendor agrees to maintain public liability and property damage insurance in reasonable amounts covering the obligations set forth above, and will maintain proper worker's compensation insurance covering all employees performing this order. Vendor shall provide written evidence of such insurance upon request of the Purchaser.

13. Purchaser's Personnel, Customer/Customer Representative and/or any Regulatory Authorities shall be afforded the right of access by the organization to the Vendor's premises or Purchaser's premises (including applicable areas of all vendor facilities) to ensure that Vendor's product conforms to all specified requirements involved in the purchase order and allow access to all applicable records. The Purchaser will be required to inform the vendor of all such visits prior to making the visit, and may be required to attend this visit.

14. In no event shall Purchaser' be liable for any special, incidental, consequential or punitive damages or losses which may be suffered with respect to the subject matter hereof. Such damages include, but are not limited to, compensation, reimbursement or damages on account of present or prospective profits, expenditures, investments or commitments, whether or not made in the establishment, development or maintenance of business reputation or goodwill.

15. In the event product is nonconforming supplier must notify ESSNER MANUFACTURING Fabricating and make arrangements for noncompliant material to see if it is acceptable and make disposition. ESSNER MANUFACTURING has the right of access by the organization, their customer, and authorities to all facilities involved in the order and to all applicable records. It is the requirement of our supplier to flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required. Additionally, the supplier is required to notify Essner of any changes in the product and/or process, changes of sub-tier suppliers, changes of the manufacturing facility and, where required, obtain Essner approval.

16. All calibrations are performed with standards traceable through an unbroken chain of calibrations to National or International Standards of Measurement. Calibrations are supplied with certificates that provide the owner with before and after readings where applicable. When an item is found out of tolerance the degree of tolerance must be noted and provide as received and as left data.

**SHIPPING AND INVOICING**

17. Invoice shall be rendered for each order or for each shipment if more than one is made on an order. Shipping memorandum and bill lading shall be dated and mailed on the date of actual shipment. Unless otherwise instructed on this order, all shipping memoranda and Invoices must be rendered as above.

18. No invoice shall be delivered by the Vendor to any employee of the Purchaser. All Invoices shall be mailed to the purchaser at its office as indicated on the face of this purchase order, and e-mailed to the buyer noted on the purchase order

# ESSNER MANUFACTURING

## Appendix A

19. Every package or other shipping unit of lading, shipping memorandum, and invoice must be marked with the purchase order number of the Purchaser. The Vendor's serial numbers of apparatus must be shown on all shipping papers and Invoices. An Itemized delivery ticket bearing the Purchaser's order number as shown hereof, must be left with the goods to insure their receipt. In delivery is made by the carrier, an itemized delivery ticket must be attached to the package, or other shipping unit. All shipping arrangements will be discussed with the Purchaser's buyer on the purchase order and where applicable use the Purchaser's UPS account.

20. The Purchaser reserves the right to route all shipments.

21. Delays In shipment shall be reported immediately by the Vendor to the Purchaser.

22. Charges for boxing, packaging, or cartage will not be allowed or paid by the Purchaser unless otherwise stated on this order.

23. Partial shipments are not to be made unless authorized by Purchaser, and documented on the BOL.

24. The responsibility rests with the Vendor to use the lowest published freight rates and any excess transportation charges incurred are to be borne by the Vendor. However, if the most economical method will not assure delivery by date shown, contact Purchaser.

25. All supplied material furnished on this order will be subject to rejection if agreed upon specifications are not met, and if rejected will be held subject to the order of the Vendor with accrued charges to be account for Vendor. The Vendor must pay transportation charges both ways on material rejected because of defects or because of failure to comply with specifications.

26. If work accomplished in performance of this purchase order is directly related to a Lockheed Martin Aeronautics company P.O. and must be accomplished in accordance with process specification on purchase PQA#004460 order and Lockheed Aeronautics company appendix QJ. A copy of this purchase order must be filed and maintained and made available for review upon request. A "certificate of conformance" with a unique certification number shall be submitted with this order that contains the following information.

1. TITLE AND SPECIFICATION NUMBER (INCLUDING REVISION LETTER).
2. NAME AND ADDRESS OF YOUR FACILITY.
3. YOUR LOCKHEED MARTIN ASSIGNED PROCESSOR NUMBER.
4. DATE THE C OF C WAS ISSUED.
5. PURCHASE ORDER NUMBER.
6. QUANTITY OF PARTS ACCEPTED/REJECTED.
7. SIGNATURE AND TITLE OF AUTHORIZED QUALITY AGENT.
8. FRACTURE DURABILITY CLASSIFICATION OR SERIALIZATION WHEN REQUIRED.
9. Parts shall be suitably wrapped, boxed or packed to guard against shipping damage and apply rust or corrosion protection as required.

QX 1.4 Counterfeit work shall not be delivered to Lockheed Martin

Q4R-Foreign object debris/damage  
(FOD) Prevention Applies to this order

If work accomplished is for Sikorsky the vendor will be required to complete form 8736 and 8737 with the Vendor's quality paperwork.

27. The Vendor shall notify the buyer of changes in location, product or process that may affect the quality of product and obtain the Buyer's approval as required.

28. **Counterfeit Parts Prevention:** For the purpose of this clause counterfeit parts/work are defined as a suspect part/work that is a copy or substitute without legal right or authority to do so or one whose material, performance, or characteristics are knowingly misrepresented by a supplier in the supply chain. **DFARS 252.246-7007** shall apply.

(a) Subcontractors performing work under an **Essner Manufacturing** purchase order agrees and shall ensure that counterfeit work and/or parts are not delivered to **Essner Manufacturing**

(b) Subcontractors shall only purchase products to be delivered or incorporated as work to **Essner Manufacturing** directly from the Original Component Manufacturer (OCM) Original Equipment Manufacturer (OEM) or through an OCM/OEM authorized distributor chain. Work/parts shall not be acquired from independent distributors or brokers unless approved in advanced in writing by **Essner Manufacturing** (c) Subcontractor shall immediately notify **Essner Manufacturing** with the pertinent facts if subcontractor becomes aware or suspects that it has furnished counterfeit work/parts. When requested by **Essner Manufacturing** subcontractors shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.

29. Vendor providing services that require qualified personnel to perform, shall ensure that only qualified personnel perform these services. Vendor shall maintain records of qualifications for these personnel and make these records available upon request. All services and materials must be received through our receiving department to guarantee payment.

Receiving Inspection will not accept shipments, or deliveries if all supporting documents do not accompany the shipment, and may be returned to Vendor at their expense.

30. Records of manufacturing, inspection, and tests shall be maintained and stored by the Vendor for a period of 10 years minimum after the completion or termination of the Purchase Order. The COC's, final inspection / test results, and all objective evidence which substantiates Vendor's certifications, shall be retained on file at the Vendor's facility. When additional quality requirements are compulsory, appropriate data shall be provided with each shipment. This data shall be readily available for subsequent on-site review by the buyer. When requested by the buyer, Vendor shall provide at no cost, legible photocopies of inspection / test results or substantiating objective evidence for any certification or statements of quality.

31. Buyer may utilize sample inspection methods for acceptance of shipments. If the sample is unacceptable, buyer reserves the right to return all or part of the lot for credit or replacement. Vendor shall provide a Certification of Conformance (COC), or Statement of Quality (SOQ) to attest that all supplies presented meet the applicable purchase order terms and conditions. This certification shall bear the signature of an authorized agent of the seller.

32. Vendor shall comply with the following requirements with respect to buyer furnished material: Material furnished by the buyer shall be handled and stored in accordance with applicable specifications and requirements with due regard for protecting the material from damage due to handling and exposure. Vendor shall visually inspect such material for accountability and damage from shipment. Vendor shall notify the Buyer in the event of nonconforming product and shall be responsible for any nonconformance to requirements. Buyer furnished material shall not be substituted without written approval from buyer.