



The Standard Clauses in this document will not only apply to suppliers of Metal Arts Machine Co. but may also apply to its customers. All Metal Arts Machine Co. purchase orders that reference this document requires the supplier to comply with all Standard Clauses in this document. When the purchase order notes Special Clauses, the Standard Clauses apply as well as those Special Clauses specifically noted on purchase order. In the event there are conflicts between this document, contractual requirements, purchase order, or the engineering requirements or in the event the supplier/customer needs assistance with interpretation of the requirements, supplier/customer shall contact Metal Arts Machine Co. for resolution of the problem.

### STANDARD CLAUSES

#### 1. **ALTERATION OF TERMS**

Acceptance of the terms of this order by acknowledgment, performance, or shipment shall be unqualified and unconditional and none of the provisions contained in this Purchase Order may be added to, modified, superseded, or otherwise altered except by a written instrument signed by an authorized representative of Metal Arts Machine Co. and delivered by Metal Arts Machine Co. to Supplier. Each shipment received by Metal Arts Machine Co. from Supplier shall be deemed to be only upon the provisions contained in this Purchase Order, notwithstanding any provisions that may be contained in any commercial form of Supplier previously or hereafter transmitted to Metal Arts Machine Co. and notwithstanding Metal Arts Machine Co.'s acceptance of or payment for any shipment or the like.

#### 2. **TIME**

Time is of the essence. Supplier shall notify Metal Arts Machine Co. immediately of any circumstance which is delaying or which threatens to delay the timely performance of any agreement formed by acceptance of this Order, but such notice shall not excuse performance by Supplier nor affect Supplier's liability for performance hereunder.

#### 3. **TAXES**

The price stated on the face hereof includes all, if any, applicable local, state and federal excise, sales and use taxes.

#### 4. **SHIPMENTS, DELIVERIES AND PACKAGING**

Metal Arts Machine Co. reserves the right to reject or return at Supplier's risk and expense, shipments "made in advance of requirement schedules", or to defer payment on advance deliveries until scheduled delivery dates. (*Metal Arts Machine Co's shipping window is +7/-0 days.*) No charge will be paid by Metal Arts Machine Co. for packing, boxing, or cartage unless specified on the face hereof. Loss of or damage to any goods not packed in such a manner as to insure proper protection to same shall be borne by Supplier. Each package of goods shipped must contain a memorandum showing supplier's name, contents of package and the purchase order number on the face thereof. Title and risk of loss and damage to material purchased hereunder by Metal Arts Machine Co. shall vest to Metal Arts Machine Co. when the material has been delivered at the F.O.B. point. Unless otherwise specified by the drawing or part specification requirements, all items require protection from physical, environmental, and mechanical damage. Protection shall be wrapping, cushioning, part compartmentalization, or other means to mitigate shock and vibration during handling and shipment. Part surfaces must be protected at all times.

#### 5. **SUBCONTRACTING**

Supplier may not subcontract any part of the work under this order without prior written consent of Metal Arts Machine Co. If approved by Metal Arts Machine Co. the supplier is required to flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required.

#### 6. **RIGHT TO MAKE CHANGES**

Metal Arts Machine Co. shall have the right, by written notice, to make changes in the services to be rendered or the materials to be furnished by the Supplier, hereunder. Any such change requested by Metal Arts Machine Co. pursuant to such right shall be promptly negotiated for any possible equitable agreement as to the price.

#### 7. **INSPECTION**

Notwithstanding prior payment and/or inspection by Metal Arts Machine Co., all shipments of goods and/or all services rendered hereunder shall be subject to final inspection by and approval of Metal Arts Machine Co. after arrival of such goods at Metal Arts Machine Co.'s place of business and/or after such services have been rendered.

#### 8. **WARRANT**

Supplier warrants the material furnished hereunder (a) to be free from defects in title, labor, material, or workmanship, (b) to conform to applicable specifications, drawings, samples or other descriptions given, (c) to be suitable for the purpose intended, (d) to be of merchantable quality and further warrants that material of Supplier's design will be free from defects in design.

#### 9. **OPTION TO CANCEL**

Metal Arts Machine Co. shall have the option to cancel or suspend by written notice, in whole or in part, this order. If Metal Arts Machine Co. exercises the option to cancel or suspend, Supplier shall not incur any additional costs in connection with the agreement after receipt of notification to cancel or suspend. Metal Arts Machine Co. agrees that we will promptly negotiate an equitable adjustment with Supplier, including compensation for actual costs and reasonable profits completed up to the cancellation or suspension provided that it receives a claim for adjustment in writing, specifying the amount claimed with supporting cost figures within thirty (30) days from the date of receipt by Supplier of the notification of the exercise of the option. The amount claimed shall not exceed the price set forth herein less Supplier's charges for Supplier's performance to complete. Supplier acknowledges that the amount specified in any claim for adjustment shall, in all cases, constitute the maximum due from Metal Arts Machine Co. to Supplier under this agreement.



**10. TERMINATION FOR SUPPLIER'S DEFAULT**

Metal Arts Machine Co. may terminate the whole or any part of this purchase order at any time without liability except for items accepted hereunder in the event of Supplier's breach of any of the provisions of this agreement.

**11. INSOLVENCY OF SUPPLIER**

At its option, Metal Arts Machine Co. may terminate this contract in the event of any proceeding, whether voluntary or involuntary in bankruptcy or insolvency by or against Supplier.

**12. RESPONSIBILITY AND INDEMNIFICATION**

All work to be performed by Supplier hereunder shall be performed entirely at the risk of Supplier and Supplier shall defend, indemnify and hold harmless Metal Arts Machine Co., its agents, servants, representatives and employees from and against any and all loss (including without limitation, loss of use), liability, damage, claims, demands, actions and/or proceedings and all costs and expenses connected with any thereof (including, without limitation, attorneys' fees) of whatsoever nature on account of any and all damage to or loss or destruction of any property (including, without limitation, property of Metal Arts Machine Co.), or injury to or death of any person (including, without limitation, employees of Metal Arts Machine Co.) arising directly or indirectly out of or in connection with the performance of Supplier of such work. With limiting the generality of the foregoing, Supplier agrees to indemnify and hold Metal Arts Machine Co. harmless from and against all claims and liens of any and all persons based upon the furnishing of labor and/or materials in connection with the goods sold and/or services rendered by Supplier hereunder.

**13. METAL ARTS MACHINE CO.'S PROPERTY**

All property of Metal Arts Machine Co. furnished or made available to Supplier for performance of work under this Purchase Order shall be segregated from Supplier's property and be marked and identified as Metal Arts Machine Co.'s property. Such property shall be used exclusively for performance of Supplier's obligations under this Purchase Order and shall be returned to Metal Arts Machine Co. at its written request, or upon termination, cancellation or completion of this Purchase Order. Supplier agrees to maintain such property in good condition and assume all risks and liabilities for loss of damage thereto and will purchase insurance to cover the replacement cost of such property.

The provisions of the above and forgoing shall apply to Metal Arts Machine Co.'s customer furnished property which Metal Arts Machine Co. furnishes to the Supplier in support of this purchase order with the same force and intent as if that property was the property of Metal Arts Machine Co.

**14. USE OF INFORMATION**

Supplier shall not disclose to any person or entity, other than those employees of Supplier who have a need to know, any information of Metal Arts Machine Co., whether written or oral, which Supplier may obtain from Metal Arts Machine Co. or otherwise in the performance of this purchase order.

**15. INSURANCE**

Supplier shall carry insurance protection sufficient to meet all the liabilities that are mentioned herein.

**16. COMPLIANCE WITH LAW**

Supplier shall comply with all applicable federal, state and local laws, regulations and orders. Furthermore, this agreement shall be deemed to have been made at Wichita, Kansas and its construction and the rights of the parties hereunder shall be governed by the laws of the State of Kansas.

**17. QUALITY SYSTEM**

Supplier shall maintain a quality system that meets or exceeds ISO 9001 or as approved by metal arts machine management. All references in ISO 9001 to Government or Government Representative apply equally to Metal Arts or Metal Arts Representative. All references in ISO 9001 to contractor apply to Supplier. All references in ISO 9001 to contract apply to Metal Arts purchase order or contract with the supplier. Supplier's quality system is subject to review and approval by Metal Arts Quality Assurance, Metal Arts Customers, and any agency (government, industry or private; foreign or domestic) which has oversight authority over Metal Arts or Metal Arts Customers.

**18. CERTIFICATE OF COMPLIANCE**

Each shipment shall contain a certificate of compliance that the product meets the requirements of the engineering and purchase order. An authorized representative of the supplier's quality organization must sign this certificate. The certificate must contain the revision level of all engineering documents or specifications that apply to the work performed by the supplier or the supplier's subcontractor. When the purchase order does not specify the revision level of the engineering or specification, the latest engineering or specification shall apply.

Supplier shall provide a copy of all certificates of compliance from supplier's subcontractor when the subcontractor's work is controlled by paragraph 19, 20 or 21.

Where supplier manufactures parts for Metal Arts and then applies finishes (plating, painting, etc. either by sub tier or in-house) the supplier shall perform a 100% Rockwell and Conductivity, as applicable, inspection of the parts prior to application of the finishes. Such Rockwell and Conductivity shall be performed per specifications required by Metal Arts customer. Supplier shall provide written certification of 100% Rockwell and Conductivity, including actual upper and lower readings and specification (including revision level) to which Rockwell and Conductivity inspection was performed.

Where Metal Arts supplies the material for this order, the supplier shall certify on each shipment that the supplier has not made any unauthorized substitutions of the material. Metal Arts Quality Assurance must approve any substitution of material. Metal Arts will conduct 100% Rockwell



and Conductivity inspection, as applicable, on parts directly contracted to thermal processing suppliers. This Metal Arts inspection shall not be construed as relief to the processing supplier to perform as required to the specification(s).

**NOTE: All items delivered to Metal Arts must maintain Job/Lot traceability.**

### 19. SPECIAL PROCESSING

If this order is for production work that includes special processes, supplier shall use only those processors approved by Metal Arts customer for that process. Supplier should contact Metal Arts Quality Assurance for assistance in assuring that supplier uses only approved processors. Original processor certification must be retained on file and traceable to end item products delivered to Metal Arts. When parts are serialized, these serial numbers shall appear on the certification.

**NOTE: All items delivered to Metal Arts must maintain Job/Lot traceability.**

### 20. RAW MATERIALS

Where the supplier supplies raw material (e.g., bar, castings, extrusion, forging, plate, sheet, etc.) either directly to Metal Arts or purchases the material for use in manufacturer of machined or sheet metal products for Metal Arts (standard hardware items are specifically excluded from this paragraph), the supplier shall assure that the material is manufactured and distributed by sources approved by Metal Arts customer. Raw material test reports and/or notarized reports, in accordance with all applicable specifications, must be kept on file and traceable to end item products delivered to Metal Arts.

**NOTE: All items delivered to Metal Arts must maintain Job/Lot traceability.**

Where our customer does not specifically require approval of the manufacturer and/or distributor of the raw material then:

Where the material is for use on commercial aircraft the supplier shall assure that the material is manufactured in the United States of America.

Where the material is for use on military aircraft and the material is considered a specialty metal then the supplier shall assure that the materials are melted in the United States of America, its possession, or Puerto Rico unless supplier gains prior written approval through Metal Arts from our customer for use of other sources.

Certificate of compliance with **actual results** of physical and chemical test reports must accompany each shipment where supplier furnishes the raw material. Material must be identified by heat lot and or heat treat load, (if applicable). Test reports must be traceable to the material lots supplied.

Supplier should contact Metal Arts Quality Assurance for assistance in assuring the source of raw material supply is acceptable to Metal Arts customers.

Where materials are furnished to supplier by Metal Arts, the supplier is responsible for maintaining traceability on all materials. All materials are to be returned to Metal Arts on completion of purchase order, including any supplier identified non-conforming material.

### 21. STANDARD HARDWARE ITEMS

Where the supplier supplies hardware items (e.g., Bolts, Nuts, Nutplates, Rivets, Loc Bolts, Hi Loes, Collars, etc.) of standard design (whether industry or Metal Arts customer standard) and the hardware is controlled by a qualified producer's list (QPL) the supplier shall provide a certificate of source of supply when the direct Metal Arts supplier is not on the QPL.

Where Metal Arts customer requires the distributor to be approved by the customer, then the supplier shall only use and or supply hardware from Metal Arts customer approved distributor.

Supplier shall provide a certificate of supplier's source of supply where the product is controlled by a qualified producer's list (QPL) when the supplier is not on the QPL.

Supplier should contact Metal Arts Quality Assurance for assistance in assuring the source of standard hardware items is acceptable to Metal Arts customers.

### 22. FIRST ARTICLE INSPECTION REPORT

For production work done to designs and/or specifications furnished by Metal Arts, the supplier will provide a First Article Inspection Report in the following situations:

- A. For all first production lot.
- B. First production lot after engineering changes and/or changes to manufacturing processes that may affect conformance to design. In most cases, the First Article Inspection Report need only record those features changed.

At the minimum a First Article inspection report must include the part number, a listing of each engineering feature, a listing of the actual measurement of each engineering feature and a record of the person who inspected that engineering feature. Suppliers are required to use SAE AS9102 First Article Inspection Report Form.

**NOTE: All items delivered to Metal Arts must maintain Job/Lot traceability.**

### 23. SURVEILLANCE AND RIGHT OF ACCESS



# Metal Arts Machine Co.

## Terms and Conditions

Metal Arts, Metal Arts customer and associated government agencies reserve the right of access to supplier's facilities to witness or otherwise monitor progress in completion of this purchase order. This right of access shall include, but not be limited to, the right to inspect any or all work performed under this order.

This may include surveillance of the products and supplier's systems, procedures and facilities. The supplier shall furnish, at no cost, necessary facilities and equipment, supply data, and perform tests as required by applicable drawings, specifications, and inspection instructions under surveillance of the Metal Arts Quality Representative. Notwithstanding the provisions of this clause, all items shall be subject to inspection and acceptance by Metal Arts and/or Customer Representative. Metal Arts Quality Assurance will notify the supplier, in advance of shipping date, if Metal Arts or Metal Arts customer source inspection is required.

### 24. **NONCONFORMING MATERIAL CONTROL**

Supplier shall submit all nonconforming material to Metal Arts Quality Assurance for approval prior to shipment to Metal Arts. Supplier may use Metal Arts documents or supplier's documents to identify discrepant material.

Supplier shall investigate the cause of each nonconformance, whether identified by supplier or by Metal Arts. The supplier shall establish corrective action to preclude the recurrence of the nonconformance. The supplier shall provide a statement of the cause and the corrective action to Metal Arts Quality Assurance whenever the supplier is submitting a nonconformance for Metal Arts approval. The supplier shall provide a statement of the cause and the corrective action to Metal Arts Quality Assurance within fifteen days whenever Metal Arts has identified a nonconformance to the supplier.

If any part of this Purchase Order is defective in design or workmanship or otherwise not in conformity with the requirements of this Purchase Order, Metal Arts Machine Co. may elect in its sole and reasonable discretion to: (a) return the nonconforming parts for replacement (b) to cause Supplier to rework or repair the nonconforming parts; (c) rework or repair the nonconforming parts and recover reasonable expenses of rework or repair from Supplier, or in the event Supplier is unable to remedy the nonconforming condition, Metal Arts Machine Co. reserves the right to reject and return the nonconforming parts, not to be replaced and with full refund of all costs paid by Metal Arts Machine Co. for the parts (without any deductions by Supplier). All nonconforming parts returned by Metal Arts Machine Co. to Supplier and all replacement parts shipped to Metal Arts Machine Co. to replace nonconforming parts shall be at Supplier's risk and expense, including transportation charges.

**NOTE: All items delivered to Metal Arts must maintain Job/Lot traceability.**

### 25. **RECORD RETENTION**

Supplier shall retain records on file a minimum of 10 years from the date of shipment. All records shall be made available upon request by Metal Arts or Customer Representative at no cost and shall be a legible and reproducible copy.

### 26. **OPTION TO RE-SCHEDULE**

Metal Arts Machine Co. shall have the option to re-schedule by written notice, in whole or in part, this order. If Metal Arts Machine Co. exercises the option to re-schedule, Supplier shall not incur any additional costs in connection with the agreement after receipt of notification. Metal Arts Machine Co. agrees that we will promptly negotiate an equitable adjustment with Supplier, including compensation for actual cost completed up to the re-scheduling provided that it receives a claim for adjustment in writing, specifying the amount claimed with supporting cost figures within thirty (30) days from the date of receipt by Supplier of the notification of the exercise of the option. The amount claimed shall not exceed 10% per year herein less Supplier's charges for Supplier's performance to complete. Supplier acknowledges that the amount specified in any claim for adjustment shall, in all cases, constitute the maximum due from Metal Arts Machine Co. to Supplier under this agreement.

### 27. **CUSTOMER RETURNS**

No goods shall be returned without authorization. Metal Arts Machine Co. DOES NOT accept any returns on nonconforming product after 180 days of receipt of product or any returns on nonconforming product that is not returned in original condition.

### 28. **MERCURY FREE CLAUSE**

All products supplied to Metal Arts Machine Co. are subject to the prohibition of mercury contamination. At no time shall the products come in direct contact with mercury or its compounds nor with any mercury containing device employing a single boundary. This requirement must be passed on to any subcontractors.

### 29. **MATERIAL SAFETY DATA SHEETS**

Materials supplied to Metal Arts Machine Co. may be subject to special handling requirements. Please supply one copy of the Material Safety Data Sheet (MSDS) for any hazardous material used in the completion of any order to Metal Arts Machine Co. This requirement must be passed on to any subcontractors.

### 30. **ELECTRICAL DISCHARGE MACHINING (or EDM)**

Unless specifically noted by engineering or purchase order, EDM is not allowed.

### 31. **Awareness**

Supplier shall ensure that personnel are aware of - their contribution to product or service conformity; their contribution to product safety; the importance of ethical behavior.

### 32. **Statistical Techniques**

The use of statistical techniques for product acceptance is not allowed unless approved by Metal Arts Machine Co.

### 33. **Counterfeit Parts**

Suppliers shall prevent the use and shipment of counterfeit and suspect counterfeit parts.



### SPECIAL CLAUSES

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**A. LIMITED SHELF LIFE ITEM**

This order is for a limited shelf life item. Materials shipped must have at least 80% of the specified shelf life remaining when received by Metal Arts Machine Co. Supplier shall identify the container, package and packing sheet as follows:

- Governing Specification
- Name of Manufacturer
- Date of manufacture (cure date for elastomers)
- Batch Number/Net Contents (as applicable)
- Storage Requirements (e.g., temperature, etc.)
- Expiration date

**B. SOURCE INSPECTION**

1. Metal Arts acceptance is required prior to shipment. Notify Metal Arts Quality Assurance at least 48 hours before shipment. Call (316) 425-2579 between the hours of 8:00 a.m. and 3:30 p.m., Wichita local time (Central Time Zone), to notify Metal Arts of items ready for source inspection.
2. Metal Arts customer inspection acceptance is required prior to shipment of this order. Upon receipt of this order, supplier shall contact Metal Arts Quality Assurance to coordinate and plan our customer's inspection.

**D. FIRST PART APPROVAL REQUIRED**

Supplier shall submit first part to Metal Arts Quality Assurance for inspection acceptance prior to running the production of parts on this order. Metal Arts will provide supplier with an inspection report stating the findings of our inspector. All nonconforming issues raised by Metal Arts Quality Assurance must be corrected before production of parts on this order.

**F. APPROVED MANUFACTURING PLAN**

Prior to beginning production on this order supplier must provide and obtain Metal Arts Quality Assurance Approval of the manufacturing plan. The plan must include the raw material required for manufacture (by alloy, temper and specification), detail of the manufacturing process, define the special processes and identify the sub tier suppliers (by name and complete address) who are to perform the special process. All specifications noted in the manufacturing plan must be to the current applicable revision level as of the date of placement of this order, unless otherwise specified in the purchase order.

**G. CERTIFICATION OF CALIBRATION**

This order is for calibration services. Each gauge calibrated for Metal Arts must be accompanied with a Calibration Certification. The following is the minimum information that must be included on the Calibration Certification.

- 1) Metal Arts gauge serial number and description.
- 2) Date of the calibration.
- 3) Serial Number of the Master you used for calibration of Metal Arts gauge.
- 4) Last calibration date and next calibration due date of the Master used.
- 5) NIST traceable number or foreign equivalent
- 6) NIST date or foreign equivalent.
- 7) Statement that the calibration meets one of the following calibration system standards; ANSI/NCSL Z540-1, ISO 10012-1, OR MIL-STD-45662A. ANSI/NCSL Z540-1 is the most preferred calibration system to Metal Arts. ISO 10012-1 is second preferred. MIL-STD-45662A is least preferred.
- 8) Actual signature or identifying inspection stamp of the person who is certifying the calibration.

**H. N/C PROGRAMMING**

N/C programming is and will remain property of Metal Arts Machine Company. Any and all programming submitted must contain original source files (Mastercam, Catia, etc.), machine code (NC files), and detailed setup documentation. At any time Metal Arts Machine Co. may ask for changes or corrections to these files at no charge until such time that the process has been proven, a first article inspection has been performed and accepted by Metal Arts Machine Co.'s quality department. These files may not be reproduced for use by any other person(s) that could be deemed a competitor to Metal Arts Machine Company.

**I. METAL ARTS FURNISHED MATERIAL ALLOWANCE**

The supplier may be responsible for the cost associated with any material scrapped in excess of 5% of the material.