

## **Purchase Order Clauses and Conditions**

**All purchase orders for materials, special processes, machining and fabrication services and end items are subject to the following requirements:**

### **General Requirements:**

1. The terms “Item(s)”, (including “item(s)” with lower case “i”), “PO”, and “Buyer” as used herein, have the same meaning as terms “Work”, “Contract”, “Supplier”, and Cyclone Manufacturing, respectively.
2. Cyclone Manufacturing Inc. will be referred to herein as Buyer or Cyclone.
3. The recipient of the purchase order will be referenced herein as the Supplier.
4. The Supplier may not subcontract the work or any portion of the work without prior written consent of the Buyer.
5. The Supplier shall acknowledge the receipt and content of each Buyer’s purchase order placed by the Buyer within 5 (five) working days. Omission to return the confirmation within 5 (five) working days after the Buyer order issue date will be considered as acceptance of the Buyer purchase order including all Terms and Conditions
6. This Purchase Order is subject to cancellation by the Buyer if the supplies/services are not delivered in accordance with the schedule specified on the purchase order.
7. Cyclone reserves the right to extend the ship date and (or) cancel or change any item in its entirety, with no penalty or cancellation charges, by giving written notice at least six (6) calendar weeks before the ship date.
8. Language - Unless otherwise authorized by Buyer in writing, all records, reports, specifications, drawings, and other documentation shall be in English.
9. The supplier is responsible for ensuring that all materials used in the manufacture or processing of the purchase order are obtained from end customer-approved sources and have proper certification.
10. Supplier shall establish controls to ensure that material subject to age control, shelf life, or environmental controls are properly identified, monitored, and maintained.
11. Supplier must control drawings, specifications, supplemental instructions, and changes thereto to the extent necessary to ensure that only documents of the revisions specified in the PO are utilized.
12. The supplier shall maintain a system to ensure the removal of obsolete documentation from the manufacturing, inspection, and test areas.
13. To receive any “Boeing” electronic data, the Supplier must be DPD-approved.
14. Notification – Supplier shall notify Buyer when:
  - a. Supplier or Supplier’s sub-tiers are found to be non-compliant to Buyer specifications,
  - b. Supplier’s sub-tier is disapproved by Supplier
  - c. Supplier or Supplier’s sub-tier are disapproved by a Government Agency,
  - d. Government/Industry Data Exchange Program (“GIDEP”) Alert is required or received affecting Buyer items.

15. Access to Facilities – The buyer, its customers, and regulatory authorities reserve the right of access to the applicable areas of the Supplier's facilities, and its sub-tiers, involved in the order to review the progress of work, review applicable supporting records and perform required audits as per AS9100/ISO 9001 standards, OEMs and FAA/Transport Canada Requirements.
16. The Supplier is responsible for flowing down the requirements outlined in this document to its applicable sub-tiers and the entire supply chain.
17. The supplier shall not violate any basic working conditions and human rights. The supplier commits that any material violation of law by the supplier relating to basic working conditions and human rights, including laws regarding slavery and human trafficking, applicable to the supplier's performance under this contract/agreement may be considered a material breach of this contract/agreement for which Cyclone may elect to cancel this contract/agreement or exercise any other right of Cyclone for an event of default under this contract/agreement.
18. "Ozone-depleting substance," as used in this clause, means any substance the Environmental Protection Agency designates in 40 CFR Part 82 as:
  - (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or
  - (2) Class II, including, but not limited to hydrochlorofluorocarbons.Seller shall label products that contain or are manufactured with ozone-depleting substances in the manner and to the extent required by 42 U.S.C. 7671j (b), (c), and (d) and 40 CFR Part 82, Subpart E, as applicable: Warning Contains \* \_\_\_\_\_, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere.  
Warning Manufactured with \* \_\_\_\_\_, a substance(s) which harm(s) public health and the environment by destroying ozone in the upper atmosphere.  
\* Supplier shall insert the name of the substance(s).  
Cyclone requires that the provisions/requirements set forth above be included in the Supplier's direct supply contracts as well as the obligation that they be flowed to the sub-tier supply chain.
19. Supplier shall not make products that contain conflict minerals that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo or an adjoining country. (Source:2010 United States Legislation, Dodd-Frank Wall Street Reform and Consumer Protection Act, Section 1502)
20. Any late delivery charges imposed by OEM and generated due to delay in delivery of raw material/hardware/other goods will be forwarded to the Vendor for reimbursement.
21. The information within the PO is confidential as per the NDA and sharing it with third parties requires written approval from Cyclone.

#### **Quality Requirements**

1. The Supplier shall maintain an accredited and documented Quality Management System, such as ISO 9001, AS 9100, or TS 16949, that is subject to review, audit, or approval by Cyclone Manufacturing Inc. or Cyclone's customers.

Buyer's Quality Assurance or Buyer's customer or regulatory agencies may perform in-process inspection and quality systems surveillance at Supplier's facilities. Work to be performed that is related to Buyer's end items and/or spares is subject to Buyer's periodic audit of Supplier's conformance with their internal procedures and other applicable documentation, including prior to identification by Supplier of such end items and/or spares to the Buyer's program.

2. The article to be delivered under the purchase order shall be subject to inspection as follows:
  - a. The Buyer's Quality Assurance or Buyer's customer or regulatory agencies will inspect, at the Supplier's plants, all items that are to be delivered to the Buyer if a source inspection requirement is specifically called out on the PO. This includes witnessing of the Acceptance Tests.
  - b. Buyer's Quality Assurance will inspect, at the Supplier's plants, supplies to be delivered from the Supplier to another Buyer's subcontractor if a source inspection requirement is called out on the PO.
  - c. Supplier shall prepare and present to the Buyer's quality Assurance Representative the Acceptance Documentation and Records package required by the Purchase Order for each deliverable end item. This includes the Certificate of Conformance.
  - d. Verification by the customer (buyer or buyer's customer) does not absolve the supplier of the responsibility to provide an acceptable product and does not preclude subsequent rejection by the customers.
3. The following documents must accompany the shipment:
  - a. Manufacturer Certificate of Conformance and Material Test Report
  - b. Distributor Certificate of Conformance
  - c. NAFTA Certificate of Origin
4. Manufacture and process completely to the requirements of the drawing, all specifications referenced therein, and all P.O. requirements, including such items as part marking, identification, inspection, stamps, certification, inspection records, etc. All special processes that are called out on the PO, engineering drawings, or specifications must be carried out by OEM-approved sources such as:
  - a. For all Boeing products the Supplier must utilize approved sources per D1-4426.
  - b. For all Lockheed Martin Aeronautics products the Supplier must utilize approved sources per QCS-001.
  - c. For all Bombardier Aerospace products, the Supplier must utilize approved sources per QD 4.6-40.
  - d. For Airbus products must utilize approved sources per QSPL and QTML.
5. Manufacturing and Inspection Control is required on this order. The Supplier's documented quality system shall provide for the review of the PO, Manufacturing, and Inspection plans, to ensure that quality requirements are incorporated into the manufacturing planning, and inspection and test instructions, as applicable, to assure compliance with the PO. Supplier shall retain evidence of such review. Supplier shall utilize only written instruction plans for all manufacturing, processing, and inspection operations. Unless otherwise specified on the purchase order, the supplier shall use the specification revision level in effect at the time of purchase order revision and acceptance. Buyer will provide to Supplier all required customer specifications once requested.
6. The seller/supplier who produces the parts shall not be allowed to perform any operation of welding restoration and correction unless the Supplier/supplier receives a written agreement from the buyer, except those the relevant specifications or drawings incorporated in the contract specified otherwise.
7. The supplier shall submit a First Article Inspection (FAI) report for each deliverable item requested on this order. This report may be in any format suitable to the supplier's system but must contain variable data for 100% of all drawing characteristics and account for 100% of all

other features such as drawing notes and processes and must be representative of production processes used. **The FAI report shall be consistent with the requirements of AS 9102 (latest revision), Aerospace First Article Inspection Requirement. All FAI submissions and supporting documentation must be forwarded electronically to your specific purchasing agent and Quality Manager at Cyclone before the delivery of the first production lot.** The Supplier shall retain one copy of the AS 9102 FAI Report as evidence of FAI approval. Products already accepted by FAI shall repeat FAI or delta FAI under the following conditions:

- a. A change affecting the fit, form, or function of the part.
  - b. A change in manufacturing source(s), process(es), inspection method(s), location of manufacture, tooling, or materials, that can potentially affect fit, form, or function.
  - c. A change in numerical control program or translation to another media that can potentially affect fit, form, or function.
  - d. A natural or man-made event, which may adversely affect the manufacturing process.
  - e. A lapse in production of two years.
8. In the event that the Supplier is supplying parts including the material the Supplier shall deliver with each shipment a copy of the original Mill/Manufacturer's Certificate of Conformance (CofC) indicating that the material/articles supplied on this Purchase order meet all Purchase order requirements and that objective evidence is on file for Buyer's review to substantiate such certification. If the Supplier is not the material manufacturer, then a Supplier's Certificate of Conformance is required in addition to the material manufacturer's Certificate of Conformance. Supplier shall mark the name of Mill/Manufacturer, Manufacturing Lot/Batch number, or Heat Treatment number on each package and CofC document of supplies. The supplier must acknowledge and confirm that all sources of Supply and Manufacturer of materials(s) to be purchased under this purchase order are approved by the respective OEM that the end item is designated for and are also approved by the OEM for the relevant specification to which they are being purchased and that in the event Supplier reaches this requirement, Supplier shall assume sole and exclusive risk, liability and expense whatsoever without limitation in the removal, re-supply and/or replacement of such materials from approved sources for the item(s) in question. Further, in the event of such breach, Buyer expressly reserves all rights and remedies if any, provided by this purchase order, in equity or at law.
9. The Certificate of Compliance from the Supplier must be signed by a responsible member of the supplier's Quality Organization and state, "the parts conform in all respect to the Purchase Order/Contract, drawings and applicable specifications" and contain the following information:
- a. Supplier's company name
  - b. Drawing and/or specification number(s) and revision(s)
  - c. Applicable process specification and revision status,
  - d. Serial number(s)/date code/lot number(s) as applicable
  - e. Waivers or deviations approved by Cyclone.
  - f. Cyclone Purchase Order Number Work Order number (Lot number)
  - g. Quantity shipped
  - h. Part number and revision level as described on the Cyclone Purchase order
  - i. Material size and specifications as described on the Cyclone Purchase Order
  - j. Statement of traceability
  - k. All special customer requirements may be defined in customer special process specifications or customer clauses.

- I. The final Customer approval identity (e.g. Airbus, Boeing, etc.)

The certificate of compliance must accompany the shipment. Almen strips must be supplied for shot peening operations. Examples of these (but not limited to) are special processes including thermal, metal conditioning and working, welding, brazing, soldering, surface conditioning and coating, non-destructive testing and other miscellaneous processes.

- 10.** Batch Traceability: All items on this order must be traceable to the raw material batch/Cyclone lot #/heat batch # and source from which they were produced.
- 11.** Absolute Traceability: The Batch traceability and identification (i.e. Serial numbers) of all items on this order must be ensured and maintained at all times. All items must be traceable to all processes to which they have been subjected.
- 12.** The supplier shall furnish a functional test report for each item shipped. The test report shall contain the actual results of all functional tests required by the Purchase Order/Contract, drawing, specifications, or acceptance test procedure (ATP).
- 13.** The Purchaser or his representative shall be afforded the right to verify at source or upon receipt that the purchased product conforms to specified requirements. All records relating to the requirements on this P.O. shall be kept on file for a minimum of 11 years or as required by the customer from the shipment date and made available for review by a Cyclone Representative upon request. Any records related to this P.O. shall not be discarded or destroyed without explicit consent and approval of Cyclone.
- 14.** Non-conforming material shall be identified, and reports submitted to Cyclone for disposition. No non-conforming material may be shipped without written authorization from Cyclone. A copy of the dispensation must accompany the shipment. Any non-conforming material shipped under the license of Cyclone shall be conspicuously marked and traceable to the reports submitted.
- 15.** Non-conformances affecting fit, form, function, interchangeability, and/or safety shall be identified, and reports submitted to Cyclone for disposition. No such non-conforming material may be shipped without written authorization from Cyclone. Records of all other non-conformances shall be retained by the supplier and may be requested for submission to Cyclone periodically.

If any product delivered to Cyclone is determined to be non-conforming, the Seller shall provide Cyclone with written notification within 24 hours. Notice of Escapement (NOE) shall contain a description of the non-conformance including all affected part numbers, quantities, purchase orders, and delivery dates.

- 16.** "Limited Life" material supplied on this order must be accompanied by a Certificate of Conformance signed by a responsible member of the supplier's Quality organization stating the date of manufacture, the manufacturer's lot number, and the expiration/cure dates.
- 17.** Tooling manufactured for this order must be physically identified with a Cyclone serial number, contract number, and project identification as a minimum. Such data will be provided, upon request, before shipment to Cyclone.
- 18.** The goods covered by this Purchase Order shall be packed by the Vendor for shipment to Cyclone at the destination in a manner that protects the part(s) from damage during transit and, unless otherwise specifically provided for on the face of this Purchase Order, the price or prices of the goods therein specified include all costs of packaging.



19. All goods covered by this Purchase Order will be subject to later recount and inspection. If any of the goods are found at any time to be defective in material or workmanship, or are otherwise not in conformity with the requirements of the order, Cyclone, in addition to any other rights which it may have under warranties or otherwise, shall have the right to reject, return and recover costs at the Vendor's expense, with such goods not being replaced without written authorization from Cyclone.
20. All goods are to be shipped in accordance with the terms of the Purchase Order. On collect shipments, goods must be shipped on a regular standard service unless otherwise authorized by Cyclone.
22. This order may be DPAS rated for National Defense use. When a DPAS rating is entered on Cyclone PO this order will take priority over any other work as per the Defense Priorities and Allocation Systems Regulation (15 CFR 700). This requirement must be flowed down to all subcontractors of the Supplier.
23. In the case of Lockheed-Martin product P.O's the requirements of the LM quality clause Q4R foreign object debris/damage (FOD) prevention shall be followed. For all other customers, FOD requirements shall be taken from AS9146.
24. The supplier providing product and/or services shall notify Cyclone Manufacturing inc. Quality Representative or Procurement representative if there are any changes in the following:
  - Address/Facility change,
  - Name and/or ownership changes of the facility,
  - Special Process equipment deleted, added or relocated,
  - Change of key personnel including but not limited to Primary contacts between Cyclone and Supplier, Quality Manager, NDT Level 3 and technical persons responsible for oversight of process control and periodic testing
  - Suspension of any Special Process Approvals /Certifications
  - Quality Management System Change
  - Other changes affecting process or product
25. For product P.O's, the Counterfeit Parts Prevention requirement shall be followed:
  - a) For purposes of this clause, Work consists of those parts delivered under this Contract that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). "Counterfeit Work" means Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair but is altered and misrepresented as acceptable.
  - b) SELLER agrees and shall ensure that Counterfeit Work is not delivered to the customer.
  - c) SELLER shall only purchase products to be delivered or incorporated as Work to the customer directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by the customer.
  - d) SELLER shall immediately notify the customer with the pertinent facts if SELLER becomes aware or suspects that it has furnished Counterfeit Work. When requested by the customer,

SELLER shall provide OCM/OEM documentation that authenticates the traceability of the affected items to the applicable OCM/OEM.

**26.** Any supplier processing parts for Cyclone Manufacturing (Supplier Code LM0322093) to Lockheed Martin QCS-001 controlled specifications shall comply with the following requirements. Processing to be accomplished in the performance of this purchase order is directly related to a Lockheed Martin Aeronautics Company purchase order and must be accomplished in accordance with process specification(s) on this purchase order and the revision in effect as of the date of this PO of Lockheed Martin Aeronautics Company Appendix QJ. All requirements of such Appendix QJ paragraph 12. a. - f. shall be accomplished. Appendix QJ is located at <http://www.lockheedmartin.com/materialmanagement/>.

**27.** All Suppliers processing parts for Lockheed Martin shall be aware of the Engineering Specification requirements (A83 Note).

[A83 | Lockheed Martin](#)

**28.** The Supplier must stipulate if the delivered goods (hardware, software, or technology) are subject to Export Control Legislation (ITAR/CGP)

**29.** For all materials categorized as dangerous goods the Supplier is committed to notifying in writing any changes to the item using a material data sheet

**30.** Any supplier providing parts to Cyclone Manufacturing for Collins Aerostructure shall follow Collins Aerostructure specifications ASQR-01, COL-ASQR-PRO-003;

Record retention for Collins shall be

- i. Minimum 40 years (Flight Safety Parts, Safety Parts, Flight Critical Parts)
- ii. Minimum 10 years (All other parts)

