



# PURCHASE ORDER TERMS AND CONDITIONS

<p><b>SOME OF THE FOLLOWING GENERAL TERMS AND CONDITIONS (GTC) MAY APPLY TO ELLINGSON PURCHASE ORDERS OR CONTRACTS ISSUED FOR MATERIALS OR SERVICES. IT IS THE RESPONSIBILITY OF THE SUPPLIER TO CAREFULLY REVIEW THE PURCHASE ORDER FOR THE APPLICABLE GTC CLAUSES AND TO CONTACT ELLINGSON, PRIOR TO ACCEPTANCE, WHERE CONTRACT REQUIREMENTS CANNOT BE PERFORMED BY THE SUPPLIER.</b></p> <p><b>WHEN USED IN VARIOUS PLACES IN THIS DOCUMENT THE TERM "ELLINGSON" SHALL BE INTENDED TO DESCRIBE THE BUSINESS ENTITY "ELLINGSON, INC." AT VARIOUS PLACES IN THIS DOCUMENT THE TERMS "SUBCONTRACTOR" AND "SUBTIER SUPPLIER" MAY BE USED INTERCHANGEABLY.</b></p> <p><b>PRINTED COPIES OF THIS DOCUMENT ARE UNCONTROLLED. VISIT <a href="http://WWW.ELLINGSON-INC.COM">WWW.ELLINGSON-INC.COM</a> FOR THE LATEST VERSION OF THIS DOCUMENT.</b></p>	<p><b>Date / Revision:</b> <b>06/07/2017 / Rev. B</b></p> <p><b>Document # F7.4.6</b></p>
<p>GTC - 1</p> <p><b>RIGHT OF ENTRY</b> THE SUPPLIER HEREBY GIVES REPRESENTATIVES OF ELLINGSON, ELLINGSON'S CUSTOMER AND ANY RELATED REGULATORY AGENCY, A "RIGHT OF ENTRY" TO THE LOCATION(S) OF THE SUPPLIER AND ANY SUPPLIER SUBCONTRACTOR, TO PERFORM AUDITS AND/OR INSPECTIONS AT A TIME AS DEEMED NECESSARY BY SAID REPRESENTATIVES.</p> <p>THESE AUDITS/INSPECTIONS ARE PERFORMED TO VERIFY THAT THE PRODUCT/SERVICE PROCURED CONFORMS TO PURCHASE ORDER REQUIREMENTS AND MAY INCLUDE RECORDS, PROCESS AND ROUTING SHEETS, CONTRACTED AND NONCONFORMING PRODUCT, SUPPLIER MATERIAL AND MANUFACTURING, TEST AND INSPECTION FACILITIES. ALL AUDITS/INSPECTIONS SHALL BE PERFORMED IN SUCH A MANNER AS TO NOT UNDULY DELAY THE WORK OF THE SUPPLIER. THE SUPPLIER SHALL PROVIDE ALL REASONABLE FACILITIES AND ASSISTANCE FOR THE SAFETY AND CONVENIENCE OF SAID REPRESENTATIVES IN THE PERFORMANCE OF THEIR DUTIES.</p> <p>ANY AUDIT/INSPECTION MADE ON THE PREMISES OF THE SUPPLIER OR SUPPLIER'S SUBCONTRACTOR SHALL BE WITHOUT ADDITIONAL CHARGE TO ELLINGSON.</p> <p>WHERE A SUBCONTRACTOR IS USED FOR MATERIALS AND/OR SERVICES INCORPORATED INTO THE CONTRACTED PRODUCT, THE SUPPLIER SHALL SPECIFY IN THEIR PURCHASING DOCUMENTS SAID "RIGHT OF ENTRY" TO SUBCONTRACTOR'S FACILITY.</p> <p>PROPRIETARY SUPPLIER PROCESSES MAY BE EXEMPT FROM THIS CLAUSE IF NEGOTIATED IN ADVANCE WITH ELLINGSON</p>	
<p>GTC - 2</p> <p><b>ACCEPTANCE</b> OF THIS ORDER, OR THE INITIATING OF ANY PROCESS, OR THE FURNISHING OF ANY PRODUCT, OR THE ACCEPTANCE OF PAYMENT, CONSTITUTES UNCONDITIONAL ACCEPTANCE OF THE APPLICABLE ELLINGSON TERMS AND CONDITIONS BY THE SUPPLIER.</p>	
<p>GTC - 3</p> <p><b>AMENDMENTS</b> TO THIS ORDER OR TO ELLINGSON TERMS AND CONDITIONS SHALL BE SET FORTH IN WRITING, VIA PURCHASE ORDER CHANGE NOTICE, AND /OR REVISIONS TO THE PURCHASE ORDER TERMS AND CONDITIONS. ELLINGSON WILL CONSIDER SUPPLIER'S REQUEST TO MODIFICATION OF, OR EXCEPTION TO, ONLY IF SUCH REQUEST IS MADE IN WRITING, PRIOR TO THE ACCEPTANCE OF THE ORDER (REF. ACCEPTANCE CLAUSE).</p>	
<p>GTC - 4</p> <p><b>SHIPMENT</b> OF GOODS AND SERVICES UNDER THIS ORDER SHALL BE F.O.B AS SET FORTH ON THE FACE OF THE ORDER. SUPPLIER SHALL FOLLOW ELLINGSONS INSTRUCTIONS REGARDING METHOD OF SHIPMENT, EXCEPT WHERE ELLINGSON HAS SO STATED ON THE FACE OF THE ORDER.</p>	
<p>GTC - 5</p> <p><b>SCHEDULE</b> FOR DELIVERY WILL BE THE RESPONSIBILITY OF THE SUPPLIER. THE SUPPLIER SHALL NOT BE HELD LIABLE FOR DAMAGES IN RESPECT TO DELAYS IN DELIVERY DUE TO CAUSES BEYOND SUPPLIER'S REASONABLE CONTROL. HOWEVER, IF THE SUPPLIER DOES NOT MEET THE DELIVERY DATE AS DEPICTED ON THE FACE OF THE ORDER, ELLINGSON MAY APPROVE A REVISED DELIVERY SCHEDULE, OR TERMINATE THE ORDER WITHOUT LIABILITY FOR SUCH TERMINATION.</p>	
<p>GTC - 6</p> <p><b>HAZARDOUS MATERIAL</b> THE SUPPLIER AGREES TO FURNISH THE APPLICABLE MATERIAL SAFETY DATA (MSDS) SHEET(S) WITH EACH SHIPMENT, FOR PRODUCTS DESIGNATED BY INDUSTRY, STATE, OR FEDERAL AGENCIES AS HAZARDOUS MATERIAL.</p>	
<p>GTC - 7</p> <p><b>PACKAGING AND PROTECTION</b> OF THE PRODUCT SHIPPED SHALL BE IN ACCORDANCE WITH THE ELLINGSON PURCHASE ORDER OR BEST COMMERCIAL PRACTICE TO PROTECT PRODUCT FROM DAMAGE AND/OR DETERIORATION.</p>	
<p>GTC - 8</p> <p><b>CHANGE NOTIFICATION</b> WHERE APPROPRIATE, SUPPLIER SHALL NOTIFY ELLINGSON OF CHANGES IN PRODUCT AND/OR PROCESS DEFINITION WHERE FIT FORM OR FUNCTION MAY BE AFFECTED. <b>CANCELLATION</b> SHALL REMAIN THE RIGHT OF ELLINGSON AND MAY BE INITIATED AT ANY TIME.</p>	
<p>GTC - 9</p> <p>THE SUPPLIER SHALL FURNISH <b>TEST SPECIMENS</b> OF RELATED PRODUCT AND/OR PROCESS(ES).</p>	
<p>GTC - 10</p> <p><b>TOOLING</b> FURNISHED BY ELLINGSON SHALL BE MAINTAINED INDOORS. THE SUPPLIER IS RESPONSIBLE TO ENSURE ADEQUATE CARE IS UTILIZED WITHIN THEIR FACILITY TO MAINTAIN THE TOOLING IN GOOD WORKING CONDITION. ANY DAMAGES TO THIS TOOLING, WHILE IN THE CARE OF THE SUPPLIER SHALL BE REPORTED TO THE ELLINGSON BUYER IN WRITING. ELLINGSON SHALL DISPOSITION DAMAGED TOOLING PRIOR TO FURTHER PROCESSING BY THE SUPPLIER. SUPPLIER REWORK OF ELLINGSON FURNISHED TOOLING SHALL BE AUTHORIZED IN WRITING.</p>	
<p>GTC - 11</p> <p><b>QUALITY ASSURANCE</b> THE SUPPLIER SHALL COMPLY WITH THE ELLINGSON QUALITY SYSTEM REQUIREMENTS AS SPECIFIED BY THE ELLINGSON SUPPLIER SURVEY OR PURCHASE ORDER. SUPPLIER AGREES TO IMPLEMENT AND MAINTAIN THE QUALITY OR INSPECTION SYSTEM DURING THE PERFORMANCE OF THIS CONTRACT.</p> <p><b>CERTIFICATE OF CONFORMANCE</b> AN AUTHORIZED CERTIFICATE OF CONFORMANCE IS REQUIRED WITH EACH SHIPMENT. PROCESS SUPPLIERS SHALL FURNISH A COMPLETE CERTIFICATE OF CONFORMANCE STATING THAT THE ITEM(S) FURNISHED MEET ALL APPLICABLE PURCHASE ORDER, DRAWING, AND SPECIFICATION REQUIREMENTS. THIS CERTIFICATE SHALL INCLUDE, AT A MINIMUM, THE ELLINGSON PURCHASE ORDER NUMBER, MATERIAL DESCRIPTION AND/OR SPECIFICATION, REVISION LEVEL, LOT QUANTITY, PART SERIAL NUMBERS, QUANTITIES ACCEPTED/ REJECTED AND THE DATE AND SIGNATURE/STAMP OF AN AUTHORIZED QUALITY REPRESENTATIVE OF THE SUPPLIER. MATERIAL SUPPLIERS SHALL FURNISH CHEMICAL/PHYSICAL TEST REPORTS WITH EACH SHIPMENT IDENTIFYING THE APPLICABLE SPECIFICATION AND REVISION, ACTUAL CHEMICAL COMPOSITION AND PHYSICAL PROPERTIES, MELT, HEAT, BATCH, OR LOT NUMBER(S).</p> <p><b>TRACEABILITY</b> THE SUPPLIER SHALL MAINTAIN PRODUCT TRACEABILITY FROM THE RECEIPT OF MATERIAL THROUGH FINISHED PRODUCT/SERVICE AND SHIPMENT. RECORDS OF MATERIAL AND/OR PROCESSES MUST INCLUDE PRODUCT SERIAL NUMBERS OR, WHERE APPLICABLE, HEAT AND LOT NUMBERS.</p> <p><b>RECORD RETENTION</b> THE SUPPLIER SHALL RETAIN ALL RECORDS PERTAINING TO MATERIAL/ MFG PROCESS SPECIAL PROCESSES, TEST AND INSPECTION FOR A MINIMUM OF 10 YEARS OR AS REQUIRED BY THE ELLINGSON CUSTOMER. CHANGES TO THIS REQUIREMENT SHALL BE ADDRESSED ON THE PURCHASE ORDER. NOTIFY ELLINGSON PRIOR TO DESTRUCTION. ADDITIONAL ELLINGSON QUALITY REQUIREMENTS (GTC CLAUSES) APPLY WHEN REFERENCED BY ELLINGSON PURCHASE ORDER.</p> <p><b>LATEST REVISIONS OF STANDARDS AND SPECIFICATIONS</b> UNLESS OTHERWISE SPECIFIED BY PURCHASE ORDER, THE SUPPLIER SHALL FURNISH AND CERTIFY MATERIAL AND/OR PROCESSES TO THE LATEST REVISION OF APPLICABLE STANDARDS AND SPECIFICATIONS. THIS CLAUSE APPLIES TO GOVERNMENT, COMMERCIAL, AND CUSTOMER SPECIFICATIONS AS REQUIRED BY THE ELLINGSON PURCHASE ORDER. SUPPLIERS SHALL CONTACT ELLINGSON TO VERIFY THE LATEST REVISIONS OF CUSTOMER SPECIFICATIONS AS REQUIRED.</p>	
<p>GTC - 12</p> <p><b>NONCONFORMANCES</b> IT IS THE RESPONSIBILITY OF THE SUPPLIER TO INFORM ELLINGSON WHEN A SUPPLIER PROCESS CAUSES NONCONFORMING PRODUCT. SUCH COMMUNICATION SHALL BE PERFORMED IMMEDIATELY FROM THE TIME OF DISCOVERY BY THE SUPPLIER. THE SUPPLIER SHALL HOLD THE NONCONFORMING PRODUCT UNTIL ELLINGSON REDERS A DISPOSITION. <b>THE SUPPLIER MUST INFORM ELLINGSON OF NONCONFORMING PRODUCT PRIOR TO SHIPMENT TO ELLINGSON.</b></p>	



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GTC - 13	<b>AGE SENSITIVE MATERIAL</b> CERTIFICATES OF CONFORMANCE FOR AGE SENSITIVE MATERIALS SHALL CONTAIN THE FOLLOWING AT A MINIMUM: DATE OF MANUFACTURE, SHELF LIFE EXPIRATION DATE AND STORAGE CONDITIONS TO ACHIEVE SHELF LIFE, IF NOT STATED ON NORMAL PACKAGE. SHIPMENTS WITH LESS THAN 70% REMAINING SHELF LIFE ARE NOT ACCEPTABLE.
GTC - 14	<b>FLOWDOWN OF REQUIREMENTS (DFARS 252.225.7014 AND PURCHASE ORDER)</b> THE SUPPLIER IS RESPONSIBLE FOR, AND SHALL ASSURE, THAT ALL RAW MATERIAL OR ITEMS WHICH CONTAIN "SPECIALTY METALS" (DEFINED AS CERTAIN STEEL AND OTHER ALLOYS, TITANIUM AND ZIRCONIUM) SHALL BE ACQUIRED FROM DOMESTIC OR QUALIFYING COUNTRY RESOURCES. ADDITIONAL FLOWDOWNS, INCLUDING BUT NOT LIMITED TO PURCHASING DOCUMENTS AND KEY CHARACTERISTICS, SHALL BE INCLUDED IN ALL APPLICABLE SUPPLIER PURCHASE ORDERS/CONTRACTS TO SUBTIER SUPPLIERS.  <b>EXTERNAL DOCUMENT CONTROL</b> THE SUPPLIER IS RESPONSIBLE FOR, AND SHALL ASSURE, THAT ALL DRAWINGS AND DATA TRANSFERRED (CUSTOMER OR ELLINGSON) BETWEEN THEIR COMPANY DIVISIONS AND ALL SUBTIER SUPPLIERS WILL BE IN COMPLIANCE TO THE APPLICABLE ELLINGSON AND/OR CUSTOMER CONTRACT AGREEMENTS. UPON COMPLETION OF PURCHASE ORDER THE SUPPLIER SHALL RETURN TO ELLINGSON ANY "EXTERNAL DOCUMENTS", SUCH AS DRAWINGS AND PARTS LISTS, THAT WERE FURNISHED TO THE SUPPLIER BY ELLINGSON IN SUPPORT OF THE ORDER.
GTC - 15	THE SUPPLIER SHALL IMPLEMENT AND MAINTAIN A QUALITY MANAGEMENT SYSTEM IN COMPLIANCE WITH AS9100 OR ISO 9001 OR SIMILAR PROGRAM.
GTC - 16	ELLINGSON SOURCE INSPECTION AND/ OR CUSTOMER VERIFICATION IS REQUIRED AT SUPPLIER FACILITY PRIOR TO SHIPMENT OF PRODUCT. ELLINGSON WILL PLACE AN INSPECTION STAMP ON THE SUPPLIER'S SHIPPING DOCUMENTATION TO INDICATE ELLINGSON ACCEPTANCE. CONTACT ELLINGSON AT LEAST 48 HOURS PRIOR TO SHIPMENT FROM SUPPLIER FACILITY.
GTC- 17	GOVERNMENT SOURCE INSPECTION IS REQUIRED AT SUPPLIER FACILITY PRIOR TO SHIPMENT. THE SUPPLIER SHALL CONTACT ELLINGSON AND APPLICABLE GOVERNMENT REPRESENTATIVE TO ARRANGE FOR GOVERNMENT ACCEPTANCE PRIOR TO SHIPMENT FROM SUPPLIER FACILITY.
GTC- 18	THE SUPPLIER SHALL PROVIDE TESTING RECORDS AND CERTIFICATES FOR ALL CONTRACTED SERVICES, PROCESSES AND/OR PRODUCT.
GTC - 19	THE SUPPLIER SHALL PROVIDE AN INSPECTION REPORT (IR) IDENTIFYING ENGINEERING REQUIREMENTS AND ACTUALS. THE FORMAT OF THIS IR WILL CONTAIN ELEMENTS/CHARACTERISTICS INCLUDED IN AS9102 FAI DOCUMENTATION. THE USE OF A SUPPLIER OR ELLINGSON FORM IS ACCEPTABLE IF ALL AS9102 ELEMENTS ARE INCLUDED IN THE IR. ONE COPY OF THE IR SHALL BE FURNISHED TO ELLINGSON REPRESENTING EACH PROCESSED LOT.
GTC- 20	THE SUPPLIER SHALL PERFORM 100% INSPECTION OF THE NOTED CHARACTERISTICS SUPPLIED BY ELLINGSON. A RECORD OF THE INSPECTION RESULTS SHALL BE PROVIDED TO ELLINGSON. SAMPLING INSPECTION IS NOT ALLOWED UNLESS SPECIFIED BY ELLINGSON OR ITS CUSTOMER.
GTC- 21	ADDITIONAL REQUIREMENTS FOR APPROVAL OF PRODUCT, PROCEDURE, PROCESSES AND EQUIPMENT HAVE BEEN ADDED AND INCLUDED IN THE ELLINGSON PURCHASE ORDER.
GTC - 22	ALL PRODUCT/PROCESS DOCUMENTS SHALL HAVE POSITIVE IDENTIFICATION RELATED TO THE PURCHASE ORDER SPECIFICATIONS, DRAWINGS, PROCESS REQUIREMENTS, INSPECTION INSTRUCTIONS AND OTHER RELEVANT TECHNICAL DATA.
GTC- 23	<b>FOD - IT IS THE RESPONSIBILITY OF THE SUPPLIER TO ASSURE THAT THE MATERIAL/PRODUCT WHICH IS PROCESSED AND DELIVERED TO ELLINGSON SHALL BE FREE OF ANY FOREIGN OBJECT DEBRIS RELATED TO THE SUPPLIER'S PROCESS(ES) AND/OR PACKAGING. REFERENCE NAS412</b>
GTC- 24	<b>ITAR - ITAR REQUIREMENTS APPLY TO THIS CONTRACT. IT IS THE RESPONSIBILITY OF THE SUPPLIER, NOT ONLY TO COMPLY WITH ITAR REQUIREMENTS, BUT TO FLOWDOWN THESE REQUIREMENTS TO ALL SUBTIER SUPPLIERS WHO ARE USED FOR MATERIALS AND/OR SERVICES INCORPORATED INTO THE CONTRACTED PRODUCT.</b>
GTC- 25	<b>DFAR - DFAR REQUIREMENTS APPLY TO THIS CONTRACT. IT IS THE RESPONSIBILITY OF THE SUPPLIER, NOT ONLY TO COMPLY WITH DFAR REQUIREMENTS, BUT TO FLOWDOWN THESE REQUIREMENTS TO ALL SUBTIER SUPPLIERS WHO ARE USED FOR MATERIALS AND/OR SERVICES INCORPORATED INTO THE CONTRACTED PRODUCT.</b>
GTC- 26	<b>DRUG AND ALCOHOL TESTING/PREVENTION PROGRAM - THE RULES OF A DRUG AND ALCOHOL TESTING/PREVENTION PROGRAM APPLY TO THE SUPPLIER. IT IS THE RESPONSIBILITY OF THE SUPPLIER, NOT ONLY TO COMPLY WITH SAID REQUIREMENTS, BUT TO FLOWDOWN THESE REQUIREMENTS TO ALL SUBTIER SUPPLIERS WHO ARE USED FOR MATERIALS AND/OR SERVICES INCORPORATED INTO THE CONTRACTED PRODUCT.</b>
GTC-27	<b>SUPPLIER WILL NOT SUBLET ANY CONTRACT WORK WITHOUT ELLINGSON PRIOR APPROVAL.</b>
GTC-28	<b>THE PRODUCT/PROCESS DUE DATE IS A RECEIPT DATE, NOT A SHIP DATE. DELIVERY OF ITEMS IN ACCORDANCE WITH THE CONTRACTED SCHEDULE IS A MATERIAL REQUIREMENT OF THE ELLINGSON PURCHASE ORDER. SHIPMENTS RECEIVED EARLIER THAN 5 WORKINGDAYS IN ADVANCE OF THE DUE DATE COULD BE RETURNED AT THE SUPPLIERS EXPENSE.</b>