



C.M. Machine Inc.

Terms and Conditions

THE FOLLOWING TERMS AND CONDITIONS ARE INCORPORATED INTO THE PURCHASE ORDER, IN ADDITION TO THE REQUIREMENTS STATED ON THE P.O. ACKNOWLEDGEMENT OF PURCHASE ORDER SUBJECTS SUPPLIER TO THE TERMS AND CONDITIONS – ALSO REFERRED TO AS QUALITY CLAUSES.

Quality: It is expected that suppliers are certified the AS9100D/ISO9001:2015 quality management system, or a similar standard. Compliance to the aforementioned quality standards may also be acceptable if deemed appropriate by C.M. Machine Inc. C.M. Machine will periodically evaluate the quality system via survey.

Approvals: In the event that a P.O. was issued under the premise of the supplier having a specific approval (i.e. NADCAP), it is the responsibility of the supplier to alert C.M. Machine Inc. if their approval is withdrawn or expired prior to completion of order. In this case, C.M. Machine reserves the right to withdraw/terminate the P.O.

Certification: All orders are required to be accompanied with a Certificate of Conformance (COC) and/or special process certification. If the supplier provides C.M. Machine Inc. with a complete product, it is mandatory that MTRs, Inspection Reports, process certification and a certificate of conformance is issued.

Material Procurement: In the event that a supplier must procure material on behalf of C.M. Machine, unless otherwise specified, only Domestically sourced material may be used. DFARS 252.225.7014 compliant material may also be procured. All material must be accompanied by material certifications (MTRs).

Outsourcing: Suppliers may not outsource to sub-tier suppliers unless otherwise directed by C.M. Machine. Suppliers must communicate with C.M. Machine prior to outsourcing any part of the work required and must also receive written approval. C.M. Machine Inc. reserves the right to choose an approved supplier. In the event that work is outsourced to a sub-tier supplier, the supplier must flow down all of the Purchase Order requirements from C.M. Machine including the Terms and Conditions listed herein.

Record Retention: 15 year record retention is required for Purchase Orders and inspection and certificate records.

Non-Conforming Product: The supplier must notify C.M. Machine in the event of non-conforming products. Non-conforming products may also refer to incorrect material or processes. Changes in the product or process also requires notification by the supplier. Rejected parts occurring in production must be segregated and identified. Written approval of deviation must be received prior to shipment.

First Article: Suppliers may be asked to provide a First Article Inspection Report (FAIR). In the event that this is requirement, by default it is expected that suppliers adhere to the AS9102 standard – unless otherwise specified. First run products may require a FAIR. If a supplier is unsure if a FAIR is required, they must contact the buyer or the C.M. Machine quality manager.

Right of Access: C.M. Machine Inc. reserves the right of access for itself, its customers and regulatory/statutory authorities to all of the supplier's facilities and quality records.

Preservation of Product: Suppliers are required to preserve and package products after completion – this also includes parts that were completed after a special process. Preservation of product is defined by C.M. Machine Inc. as packaging that does not allow the product to be damaged via transit to and from facilities. No charges shall be made for packaging unless otherwise specified on the Purchase Order.

Risk of Loss: The supplier is responsible for the safe keeping of all C.M. Machine Inc.'s property (i.e. material, tools, documents, gages, designs, drawings, etc.) while in possession of it. Damage to said property will result in the replacement or repair without costing C.M. Machine Inc.

Counterfeit: The supplier shall establish and maintain a Counterfeit Parts Prevention and Control Plan using industry standards as a guideline. The purpose of this document shall be to prevent the delivery of counterfeit parts and control parts identified as counterfeit.

Supplier Awareness: The supplier shall ensure that they and their employees are aware of the quality policy, contribution to customer product or service and its conformity and their contribution to product safety by ensuring that the part is free of foreign objects and debris and ensures the product or service performed meets the requirements specified in the purchase order. The Supplier is also responsible that they and their employees are aware of the importance of ethical behavior.