



Ferco Tech Corporation, Franklin OH - L&E Engineering, Greenwood IN

Title: Terms & Conditions of Purchase

Revision:16

Date: 7/22/2020

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1. **GENERAL** - PURCHASER (FERCO TECH, LLC AND L&E ENGINEERING, LLC COLLECTIVELY REFERRED TO AS FERCO AEROSPACE) REQUIRES THE SELLER TO COMPLY WITH FERCO AEROSPACE'S TERMS AND CONDITIONS OF PURCHASE AS DELINEATED IN THE LATEST REVISION OF THIS DOCUMENT WHEN SUBMITTING PROPOSALS OF SALE TO PURCHASER OR ADMINISTRATING PURCHASE CONTRACTS RECEIVED FROM THE PURCHASER
2. **NON-COMPLIANCE** - IF AT ANY TIME, THE SELLER CANNOT COMPLY WITH THE REQUIREMENTS OF THE PURCHASER'S TERMS & CONDITIONS OF PURCHASE, SELLER SHALL NOTIFY THE PURCHASER IN WRITING OF THE AREA OF NON-COMPLIANCE.
3. **NON-DISCLOSURE** – IN THE ABSENCE OF A SIGNED NON-DISCLOSURE AGREEMENT BETWEEN PURCHASER AND SELLER, THE PURCHASER GRANTS SELLER THE USE OF THE DRAWINGS, SPECIFICATIONS AND OTHER DATA FURNISHED OR PAID FOR BY PURCHASER FOR THE SOLE PURPOSE OF RESPONDING TO A REQUEST FOR PROPOSAL AND/OR PERFORMING SUBSEQUENT PURCHASE CONTRACTS ISSUED BY PURCHASER. ALL DATA IS THE PROPERTY OF PURCHASER OR ITS CUSTOMERS AND SHALL NOT BE USED, DISCLOSED TO OTHERS OR REPRODUCED FOR ANY PURPOSE, HOWEVER, SELLER MAY PROVIDE DATA FURNISHED OR PAID FOR BY PURCHASER TO SELLERS SUB-CONTRACTORS FOR THE SOLE PURPOSE OF ENABLING SELLERS SUB-CONTRACTORS TO ASSIST SELLER IN PERFORMING THIS ORDER FOR PURCHASER AND ON CONDITION THAT SELLER ASSURE THAT SELLERS SUB-CONTRACTORS AGREE TO THESE SAME TERMS.
4. **QUALITY RECORD RETENTION** – QUALITY RECORDS PERTAINING TO THE PURCHASER'S CONTRACTS MUST BE RETAINED BY THE SELLER FOR A MINIMUM OF 10 YEARS. IN THE EVENT THE SELLER CANNOT RETAIN THE REQUIRED QUALITY RECORDS THEY MUST BE SURRENDERED TO THE PURCHASER FOR THE REQUIRED RETENTION PERIOD.
5. **RAW MATERIAL TEST REPORTS** - PROCUREMENT OF RAW MATERIALS REQUIRES VALIDATION TEST REPORTS. THESE REPORTS WILL BE RETAINED BY THE SELLER. PURCHASER WILL ADVISE THE SELLER IN THE PURCHASE ORDER IF COPIES OF THE TEST REPORTS ARE REQUIRED BY THE PURCHASER.
6. **U.S. GOVERNMENT CONTRACTS** - IF PURCHASER'S PURCHASE ORDER STATES THAT IT IS IN SUPPORT OF A U.S. GOVERNMENT CONTRACT, SELLER IS OBLIGATED TO REVIEW THE FEDERAL ACQUISITION REGULATIONS (FAR) AND DEFENSE FEDERAL ACQUISITION REGULATIONS (DFARS) CLAUSES RELATED TO THE PURCHASE. THE SELLER IS RESPONSIBLE FOR COMPLYING WITH THE ALL CLAUSES CONTAINED IN THE PURCHASER'S PURCHASE ORDER. THE SELLER IS ALSO REQUIRED TO FLOW DOWN TO THEIR SUPPLY CHAIN ALL APPLICABLE REQUIREMENTS. ALL APPLICABLE KEY CHARACTERISTICS MUST ALSO BE INCLUDED.
7. **INTERNATIONAL TRAFFIC-IN-ARMS REGULATIONS** - IF THIS ORDER IS IN SUPPORT OF THE PROCUREMENT OF DEFENSE ARTICLES FOR A MILITARY CONTRACT, SELLER AGREES TO COMPLY WITH ALL EXPORT REGULATIONS AND THE INTERNATIONAL TRAFFIC-IN-ARMS REGULATIONS ("ITAR") INCLUDING, BUT NOT LIMITED TO, PARTS 122 TITLED "REGISTRATION OF MANUFACTURER AND EXPORTER. SELLER FURTHER AGREES WHEN REQUESTED TO

PROVIDE A COPY OF ITS DDTC REGISTRATION INCLUDING ITS EXPIRATION DATE WITH THE REGISTRATION CODE BLANKED OUT.

8. **USE OF SPECIALTY METALS** - IF THE SELLER'S PRODUCT INCLUDES SPECIALTY METALS, THE SELLER MUST COMPLY WITH DFARS CLAUSE 252.225-7009, RESTRICTION ON ACQUISITION OF CERTAIN ARTICLES CONTAINING SPECIALTY METALS WHICH IS REPLACING DFARS CLAUSE 252.225-7014, PREFERENCE FOR DOMESTIC SPECIALTY METALS. THE SELLER MUST ALSO CERTIFY THEIR COMPLIANCE WITH THIS CLAUSE.
9. **CERTIFICATE OF CONFORMANCE** - A CERTIFICATE OF CONFORMANCE IS REQUIRED WITH SHIPMENT WHICH MUST INCLUDE ALL APPLICABLE SPECIFICATIONS, DRAWINGS, MATERIALS, TEST REPORTS, PURCHASE ORDER NUMBER, AND ALL APPLICABLE REVISIONS TO SUCH.
10. **NONCONFORMING PRODUCT** - SELLER IS TO PROVIDE NOTIFICATION OF NONCONFORMING PRODUCT OR CHANGES IN PRODUCT, AND TO OBTAIN PURCHASER APPROVAL FOR NONCONFORMING PRODUCT DISPOSITION.
11. **SUPPLIER PROCESS CHANGES** - SELLER SHALL NOTIFY THE PURCHASER OF CHANGES IN PRODUCT AND/OR PROCESSES INCLUDING CHANGES OF MANUFACTURING FACILITY LOCATION.
12. **RIGHT OF ACCESS** - PURCHASER, ITS CUSTOMERS, AND REGULATORY AUTHORITIES MAINTAIN THE RIGHT OF ACCESS TO THE FACILITIES INVOLVED IN THE PURCHASING CONTRACT AS WELL AS ALL APPLICABLE RECORDS AND DOCUMENTS PERTAINING THERETO.
13. **HAZARDOUS MATERIALS** - SELLER IS TO PROVIDE COPIES OF APPLICABLE MATERIAL SAFETY DATA SHEETS (SDS) IF REQUIRED BY THE SELLER'S PURCHASE ORDER OR REQUESTED BY THE PURCHASER
14. **GE S-1000 / S-1002 SPECIFICATION** – THE GE S-1000 / S-1002 SPECIFICATION APPLY UNLESS “PWA END USER” IS INDICATED.
15. **PWA ASQR-01 & PWA-300 SPECIFICATIONS** – THE PWA ASQR-01 & PWA-300 SPECIFICATIONS INCLUDING PART II OF THE PWA PURCHASE ORDER TERMS AND CONDITIONS OF PURCHASE APPLY WHEN “PWA END USER” IS INDICATED.
16. **PWA END USER** - WHEN PRATT IS THE END USER, TEST REPORTS (CERTIFICATION) OR PACKING SLIPS SHALL CONTAIN THE STATEMENT THAT “PARTS HAVE BEEN CONTROLLED TO PWA REQUIREMENTS FOR LCS PER P&W-MCL MANUAL SECTION F-17” OR SIMILAR STATEMENT.
17. **SHIPPING & HANDLING** – PROTECT ALL PARTS ALONG WITH SPECIAL PROCESS SURFACES USING PROTECTIVE HANDLING AND PACKAGING PROCEDURES TO PREVENT DAMAGE TO PARTS AND OR COMPONENTS PER APPLICABLE SPECIFICATIONS/WORK PROCEDURES, OR PROCESS PLANS. USE SAFE HANDLING PRACTICES WHILE PROCESSING ALUMINUM OR DELICATE MACHINED PARTS TO PREVENT NICKS, SCRATCHES OR DENTS. INDIVIDUALLY BAG PARTS IN PLASTIC BAGS, OR WRAP PARTS IN BUBBLE WRAP, OR FOAM SHEET. PARTS SHALL NOT BE ABLE TO TOUCH EACH OTHER. WHEN NECESSARY, USE CARDBOARD DIVIDERS BETWEEN PART LAYERS FOR SUPPORT. USE NON-OZONE DEPLETING PACKING MATERIALS IN SHIPPING CONTAINERS/BOXES. THE COST OF CORRECTING SELLER ERRORS ON BILLS OF LADING ARE THE RESPONSIBILITY OF THE SELLER.

18. **PAYMENT TERMS** – ALL PURCHASES ARE MADE UNDER FERCO AEROSPACE’S STANDARD PAYMENT TERMS OF NET 120 DAYS FROM RECEIPT OF GOODS PAID VIA ACCOUNTS PAYABLE CHECK.
19. **AMERICAN RECOVERY & REINVESTMENT ACT** - IF PURCHASER INDICATES THAT A REQUEST FOR PROPOSAL AND/OR PURCHASE CONTRACT WERE AWARDED WITH FUNDING FROM THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, THE FOLLOWING FAR CLAUSES ARE INCLUDED: 52.215-2, AUDIT AND RECORDS NEGOTIATION, 52.203-15, WHISTLEBLOWER PROTECTIONS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, AND 52.204-11, AMERICAN RECOVERY AND REINVESTMENT ACT – REPORTING REQUIREMENTS
20. **EH&S** - SUPPLIERS ARE EXPECTED TO HAVE A PROGRAM TO PROMOTE EMPLOYEE HEALTH AND SAFETY WITHIN THEIR RESPECTIVE ORGANIZATIONS AND REPLY TO PERIODIC SELF-ASSESSMENT SURVEY REQUESTS. SUPPLIERS ARE ALSO EXPECTED TO HAVE A PROGRAM TO ENSURE EMPLOYEE COMPETENCE.
21. **CONFLICT MINERALS** - IF YOU ARE SUPPLYING A PRODUCT, I.E. AN ITEM OTHER THAN SERVICES, SOFTWARE OR DATA, YOUR DELIVERED PRODUCT IS NOT TO CONTAIN ANY CONFLICT MINERALS, TANTALUM, TUNGSTEN, TIN OR GOLD, THAT ORIGINATED IN THE DEMOCRATIC REPUBLIC OF THE CONGO OR ANY ADJOINING COUNTRIES WHICH ARE DEFINED AS ANGOLA, BURUNDI, CENTRAL AFRICAN REPUBLIC, CONGO REPUBLIC (A DIFFERENT NATION THAN DRC), RWANDA, SUDAN, TANZANIA, UGANDA, AND ZAMBIA. THIS REQUIREMENT MUST BE FLOWED DOWN TO ALL YOUR SUB-TIER SUPPLIERS. IF AT ANY STAGE OF MANUFACTURE OR PRODUCTION IT IS DETERMINED BY YOU OR ANY OF YOUR SUB-TIER SUPPLIERS THAT CONFLICT MINERALS THAT WERE INCORPORATED INTO THE PRODUCT(S) BEING DELIVERED TO FERCO AEROSPACE ORIGINATED IN A COVERED COUNTRY, YOU MUST PROVIDE A LISTING OF THE CONFLICT MINERAL(S) AND ORIGINAL COVERED COUNTRY
22. **CODE OF CONDUCT** – SELLER IS RESPONSIBLE FOR MAINTAINING A CODE OF CONDUCT/ETHICS, UNDERSTAND THEIR CONTRIBUTION TO PRODUCT AND SERVICE CONFORMITY AND PRODUCT SAFETY, AND TRAINING ALL ITS EMPLOYEES IN ITS PROVISIONS. THE SELLER’S CODE OF CONDUCT MUST BE IN CONFORMANCE WITH BOTH PRATT & WHITNEY’S CODE FOUND AT (WWW.UTC.COM/SUPPLIERS/DOCUMENTS/CODE OF CONDUCT.PDF) AND GE’S INTEGRITY GUIDE FOUND AT (WWW.GESUPPLIER.COM/HTML/INTEGRITYGUIDE.HTM)
23. **DOCUMENT REVISION DATES** – UNLESS OTHERWISE SPECIFIED IN A PURCHASE ORDER THE EXPIRATION DATE FOR ALL REFERENCED COMMERCIAL AND CUSTOMER SPECIFICATIONS AND OTHER DOCUMENTS, INCLUDING DEVELOPMENT, SHOULD BE THE LATEST REVISION DATE.
24. **REQUIREMENT FLOW DOWN** – IT IS THE RESPONSIBILITY OF THE SUPPLIER TO MONITOR AND FLOW DOWN NECESSARY CLAUSES TO THEIR SUB-TIER SOURCES.
25. **HUMAN TRAFFICING** – IT IS THE POLICY OF THE PURCHASER TO PROHIBIT TRAFFICKING IN PERSON INCLUDING TRAFFICKING-RELATED ACTIVITIES INVOLVING HIRING OF EMPLOYEES OR UTILIZATION OF SUBCONTRACTORS. ACTION TAKEN AGAINST SUBCONTRACTORS THAT VIOLATE THE POLICY MAY BE TERMINATION OF THE PURCHASE ORDER.

26. **COUNTERFEIT PRODUCT** – IT IS THE POLICY OF PURCHASER TO PROHIBIT THE PURCHASE OF COUNTERFEIT PRODUCT. A COUNTERFEIT PART IS A COPY OR SUBSTITUTE COPY WITHOUT LEGAL RIGHT OR AUTHORITY TO DO SO, OR ONE WHOSE MATERIAL, PERFORMANCE, OR CHARACTERISTICS ARE KNOWINGLY MISREPRESENTED. WHEN REQUESTED BY THE PURCHASER, SUPPLIERS SHALL PROVIDE ADEQUATE DOCUMENTATION THAT COUNTERFEIT PARTS OR RAW MATERIALS WERE NOT USED BY THE COMPANY OR THEIR SUPPLY CHAIN. SUPPLIERS COULD BE LIABLE FOR REMEDIAL COSTS ASSOCIATED WITH PROVIDED COUNTERFEIT PRODUCT AND THERE IS THE POTENTIAL OF FEDERAL PENALTIES ASSOCIATED WITH FRAUD AND FALSE CERTIFICATIONS.
27. **TEST SPECIMENS** - WHEN TEST SPECIMENS FOR DESIGN APPROVAL, INSPECTION/VERIFICATION, INVESTIGATION OR AUDITING ARE REQUIRED, IT WILL BE SPELLED OUT AS A NOTE IN THE SPECIFIC PURCHASE ORDER.

Rev	Description	Prepared By	Date Issued
14	• Added Payment terms 60 days	M. Kidd	4/9/2018
15	• Updated payment terms to 120 days	M. Kidd	4/7/2020
16	• Added Section 27 – Test Specimens	M. Kidd	7/22/2020

Approvals

Name	Signature	Date
David Eldridge VP Quality & Engineering		
Ann Cohron Controller		
Michael Kidd Supply Chain Manager		