



General Terms and Conditions

GENERAL:

As a supplier to JWD Machine, Inc., it is understood that your organization agrees to meet the following stipulations which also include current AS9100 requirements (Ref: AS9100 Sec. 7.0, Para. 7.4.2.). JWD Machine, Inc. will describe the product to be purchased on their Purchase Order.

Seller shall inspect products prior to shipment to JWD Machine, Inc. Seller shall be responsible for all tests and inspections of the product during receiving, manufacture, and Seller's final inspection. Seller agrees to Conduct First Article Inspections i/a/w AS9102. The seller must perform an FAI when there is any change to the product or process. These changes may include a change in manufacturing source(s), process(es), or inspection method(s) that can potentially affect fit, form, or function (includes sub tiers and special processing sources).

Non-conforming material will not be shipped to JWD Machine, Inc. without prior written consent. JWD Machine, Inc. must be immediately notified should the supplier determine that product shipped to JWD Machine, Inc. is non-conforming. Non-conforming product that can be returned to engineering configuration within the normal process flow shall be reworked prior to submitting to JWD Machine, Inc. for review.

The supplier of Special Processes must process all recurring product in the same manner as the initial order. Any changes to process planning, site location or sub-tier usage must be clearly communicated as a change via notation on Certification of Conformance unless otherwise arranged with the primary point of contact.

Upon request from JWD Machine, Inc. purchasing or quality representative, the seller shall provide statements of corrective action on failures or non-conformances of seller's product. All rejected items resubmitted by the seller will bear adequate identification including reference to JWD Machine, Inc.'s authorized rejection documents.

JWD Machine, Inc. utilizes supplier performance reporting, corrective action requests, and quality audits as the primary methods of monitoring suppliers. Quality audits shall be dependant upon the type of product, the impact of supplied product on the quality of final product, and where applicable, on the quality reports or quality records previously used to demonstrate the capability and performance of the supplier.

Product produced for Goodrich (DOC 300) with an ultimate tensile strength equal to or greater than 180 KSI requires frozen planning (Technique Cards, Heat Treat, Shot Peen, Magnetic Particle, Chrome and Grind). Planning shall be submitted to JWD Machine, Inc. for submission to Goodrich prior to beginning processing/manufacturing.

ACCEPTANCE:

This General Terms and Conditions agreement is part of the Purchase Order established with a supplier. Supplier's acknowledgement, acceptance of payment, or commencement of performance shall constitute Supplier's unqualified acceptance of JWD Machine, Inc.'s Terms and Conditions. The acceptance of the purchase order indicates acknowledgement and automatically places supplier in agreement with all pricing and quantities.

SUPPLIER REQUIREMENT TO NOTIFY BUYER:

Only the Authorized Purchasing Agent has the authority to make a change to the Purchase Order via a formal change order. The supplier will notify JWD Machine, Inc. of changes in product and/or process definition and, where required, obtain organization approval.

QUALITY SYSTEM:

Suppliers whose product or service is subject to an approved Quality Systems shall meet current AS 9100 "Quality Management Systems/Aerospace – Requirements including:

- requirements for approval of product, procedures, processes and equipment.
- requirements for qualification of personnel.
- quality management system requirements.
- The identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.
- requirements for design, test, inspection, verification (including production process verification, use of statistical techniques for product acceptance, and related instructions for acceptance by the organization, and as applicable critical items including key characteristics,
- requirements for test specimens (e.g., production method, number, storage conditions) for design approval, inspection/verification, investigation or auditing.
- requirements regarding the need for the supplier to
 - notify the organization of nonconforming product,
 - obtain organization approval for nonconforming product disposition,
 - notify the organization of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval, and
 - flow down to the supply chain the applicable requirements including customer requirements,

- record retention requirements, and
- right of access by the organization, their customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

The organization shall ensure the adequacy of specified purchase requirements prior to their communication to the supplier.

The Supplier and any applicable sub-tier Suppliers must maintain a documented Quality System manual in the English Language and make it available upon request by JWD Machine, Inc. This documented Quality System must include provisions for the Supplier to manage the competence, awareness, and training of all personnel.

RIGHT OF ENTRY:

Acceptance of this purchase order reserves the Right of Entry into premises by JWD Machine, Inc. Quality Representatives and the customer's Quality Representatives for the purpose of conducting audits and inspections to confirm quality acceptance.

FLOW DOWN REQUIREMENTS:

When the Purchase Order specifies the requirements for an OEM special process or an approved process source, the process seller must be an approved processor listed in the OEM's list of approved processors. Seller shall ensure that all manufacturing and/or special processing to industry recognized standards or an OEM specification is carried out by only qualified personnel.

QUALITY AND DELIVERY:

Material and/or process certificates are required with each shipment. Seller's certification of Conformance will state that Products comply with the Purchase Order requirements.

Seller shall strictly adhere to the shipment, delivery or completion schedules specified in the Purchase Order. In the event of any anticipated or actual delay Seller shall promptly notify JWD Machine, Inc. in writing stating the reasons for the delay and the actions being taken to overcome or minimize the delay, and provide JWD Machine, Inc. with a written recovery schedule.

SHIPPING:

Seller shall pack the products to prevent damage and deterioration taking into account method of shipment, location of shipment and destination of receipt, as well as time associated with shipment. Seller shall comply with any special instructions stated in the applicable order. Seller will identify each shipping container with the Shippers name, Purchase Order Number, Part Number and Quantity.

SUPPLIER EVALUATION:

JWD Machine, Inc. maintains an internal Qualified Supplier List (QSL). The evaluation and selection of suppliers shall be dependant upon their ability to supply the required parts, materials, quality requirements and services. Selection preference shall be given to suppliers with accredited third party certified quality management systems. When "approved" the supplier will be added to the Qualified Supplier List.