



WI-840-001 Rev H 4/16/22
Purchasing Terms and Conditions

1.0 Scope

1.1 This procedure provides the general and supplemental quality requirements as identified on the purchase order between a supplier and Edco Engineering Inc. (herein referred to as Edco.)

2.0 Responsibilities

2.1 The supplier shall be responsible for complying with this procedure and the complete text of the purchase order including "Conditions of Purchase" applicable engineering drawings, bill of materials, Edco specifications and procedures, supplemental quality requirements, industry standards, special instructions and other information identified as part of the purchase order. The supplier shall be required to furnish all requested documentation at time of shipment.

3.0 Certifications and Test Reports

- 3.1 **Raw Material Testing, (if required) ISO/IEC 17025 or AS/EN/JISQ 9100 or NADCAP certified** – Special process test report shall provide review of each test as required per the applicable drawing and/or specification.
- 3.2 **Special Process, AS/EN/JISQ 9100 or NADCAP certified** – Special process test report shall provide review of each test as required per the applicable drawing and/or specification
- 3.3 **Manufacture, AS/EN/JISQ 9100** – Supply a copy of all raw material and special process test reports as listed above.
- 3.4 **Distributor, AS/EN/JISQ 9100 or AS/EN/JISQ 9120** – Supply a copy of all raw material and special process test reports as listed above
- 3.5 **Other, AC7112 (including slash sheets) and AS9100** – Compliance is required to for material, process and parts for the manufacturing of fluid system components

4.0 General Requirements

- 4.1 General Requirements do not apply to MRO purchases of material and services such as paper, cleaning supplies, and consumables that do not form a part of product delivered by Edco to its customers.
- 4.2 Failure to comply with the requirements of the purchase order shall be cause for rejection. Edco reserves the right to request rework, replacement and/or credit for nonconforming product(s).
- 4.3 The supplier shall not make any changes in material, processes or design that could affect the part or any component thereof and/or physical or functional interchangeability without permission from Edco. Requests shall be recorded on the Edco-Supplier Request Information (E-SRI) or an internal supplier form and forwarded to Edco Purchasing for disposition.
- 4.4 Suppliers are responsible to certify to the latest revision of all specifications that exist at



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the time the purchase order is placed.

- 4.5 Supplier shall retain records for a minimum of ten (10) years unless otherwise specified by a purchase order.
- 4.6 All line items, part numbers, heat lots, and job numbers must be kept separate during processing and through final delivery.
- 4.7 Compliance to DFARS 52.222-50, Combating Trafficking in Persons, is required.
- 4.8 All raw materials, subject to DFARS, must be compliant unless otherwise specified.
- 4.9 A copy of the raw material test report is required.
- 4.10 Full testing per the required specification is required; CHEM ONLY materials will be returned at supplier's expense.
- 4.11 All material delivered per this order must be accompanied by certifications and/or bills of lading that clearly identify the name and location of all supply chain intermediaries from the direct source of material to Edco.
- 4.12 Material will not be accepted from Western Titanium, Mach 2 Metals, or Impol.

5.0 Order of precedence

- 5.1 In the event there is a conflict in a governing document, the order of precedence shall be:
 - Text of Purchase Orders
 - Drawing referenced on the purchase order
 - Documents or specifications referenced on the drawing

6.0 Quality System Requirements

- 6.1 Edco requires that its suppliers have a quality system in compliance to and certified by a third party registrar.
- 6.2 In lieu of a third party certificate of registration, supplier's incoming parts or processes will be fully inspected upon receipt.
- 6.3 Any changes in a supplier's certification status such as a loss of certification or change in scope shall be reported immediately to the Edco quality manager or delegate.
- 6.4 The supplier is required to notify Edco quality of a change in name, ownership, relocation of facility, or significant change in the supplier's organization.
- 6.5 Edco requires from suppliers to ensure that their persons are aware of their contribution to product safety, product and service conformity and importance of ethical behavior.
- 6.6 The supplier shall plan, implement, and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to Edco. (Prevent and mitigate the use of counterfeit parts, reference AS5553 for electronic components and AS6174 for non-electronic product.)



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7.0 Nonconforming Material

- 7.1 The supplier is required to have a documented system in place that addresses the control of nonconforming material. This system shall include as a minimum, provision for prompt identification, documentation, segregation, and disposition of nonconforming material. Identification shall be in a manner to prevent unauthorized use or shipment of nonconforming material.
- 7.2 The supplier shall not have Material Review Board authority. Any nonconforming material requests for 'use as is' and 'repair' approval shall be documented and submitted for approval through the use of Edco-Supplier Request Information (E-SRI) or suppliers internal form. Requests for use as is and repair disposition shall include the reason as to why the nonconforming material should be approved and must have nonconformance description, root cause and corrective action identified as part of the submittal. The supplier shall withhold nonconforming material from shipment until the appropriate disposition has been determined and approved.
- 7.3 The supplier shall notify Edco Quality immediately when there is reason to suspect that product previously shipped may not be in accordance with the Certificate of Conformance and/or Purchase Order requirements. The supplier shall promptly notify Edco Quality of any circumstances related to materials, manufacturing, processing methods, design, etc. which may make a product susceptible to premature failure. Notification shall include identification of potential lots affected, quantity of parts and any other pertinent information.
- 7.4 Edco Quality must authorize shipment of nonconforming material that may require evaluation by Edco personnel. The material must be clearly identified and shipped separate from regular shipments. A written explanation stating the reason for evaluation must be included with the product. Shipping documentation shall be marked to the attention of the Quality personnel authorizing the shipment.
- 7.5 Edco reserves the right to return any or all of a lot in which nonconforming product has been found and does not comply with the Purchase Order, drawing, industry specification or contractual requirements.

8.0 Condition of Purchase

- 8.1 **Shipment** – Supplier shall ship goods to Edco Engineering Inc at the FOB point specified on the face of the purchase order.
- 8.2 **Inspection and Rejection** – Notwithstanding prior inspection, payment or use, Edco shall have the right within six (6) months of receipt to reject any goods which do not conform to the requirements of the order. Rejected items shall be returned to Supplier transportation collect (declared at full value unless otherwise advised by Supplier) for credit and refund and shall not be replaced by Supplier except upon written instruction from Edco. Edco's rights under this article shall be in addition to and shall not be deemed to diminish its rights under article 3 (Warranty.)
- 8.3 **Warranty** – Supplier warrants to Edco and to buyers of Edco products that, at the time of delivery, goods supplied under the order will be free from defects in material and workmanship, suitable for the purposes intended whether expressed or reasonably implied, in compliance with all applicable specifications and free from liens or encumbrances on title.



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- 8.4 **Repair Orders** – On all repair replace and/or re-operate orders, invoices shall be submitted to Edco against the repair, replace and/or re-operate order number.
- 8.5 **Changes** – Edco may make and Supplier shall perform changes in specification or configuration within the general scope of the order. No change shall be binding on Edco unless issued in writing by an authorized representative of Edco's purchasing department. If any such change affects the cost or delivery time, an equitable adjustment will be made by supplement to the order. Claims for adjustment by Edco must be made within fifteen (15) days of receipt of the change order. Supplier shall proceed diligently with performance of the order pending the disposition of any such claim.
- 8.6 **Cancellation, Suspension and Re-Scheduling** – Edco reserves the right to cancel the order or any part of the order at any time by notice to Supplier or to suspend or re-schedule shipment of the goods in the event of cancellation for any reason other than Supplier's default. Supplier shall be entitled to reimbursement of cost properly incurred to the date of cancellation plus a reasonable profit for work done. Such charges shall not exceed the order value. Supplier shall not be entitled to any compensation for loss of anticipated profit or for suspension or re-scheduling of shipments.
- 8.7 **Excusable Delay** – Supplier shall not be liable for any default of delay due to cause beyond Supplier's seasonable control and without fault or negligence on the part of Supplier, provided that Supplier gives Edco prompt notice in writing when any such cause appears likely to delay deliveries and takes appropriate action to avoid or minimize such delay. Supplier shall in any event give Edco immediate notice of any labor dispute which may affect performance of the order. If any such default, delay or labor dispute threatens to impair Edco's ability to meet delivery requirements for its products, Edco shall have the right, without any liability to Supplier, to cancel the portion or portions of the order so affected. Edco shall be similarly excused for default or delay in the performance of its obligations to Supplier due to causes beyond its reasonable control.
- 8.8 **Assignment** – This order shall not be sublet or assigned by Supplier in whole or in part without the prior written approval of Edco.
- 8.9 **Patents** – Except for goods manufactured to a design furnished by Edco, Supplier shall indemnify and hold Edco and each subsequent purchaser or user of the goods harmless from any claim, suit or action alleging that the manufacture, use or sale of goods supplied under this order infringes any patent, trademark, copyright or other proprietary right. Upon notice thereof from Edco, Supplier shall at its own expense investigate and defend or otherwise dispose of any such claim, suit or action. Edco shall similarly indemnify Supplier against claims arising from Supplier's compliance with specifications or designs furnished by Edco.
- 8.10 **Tooling Charges** – Tooling charges specified in the order shall not be payable until full approval by Edco of goods produced from the tooling.
- 8.11 **Scrap Allowance** – A scrap allowance may be included in raw materials or finished details supplied by Edco for the purposes of the order. If the allowance is exceeded, Supplier shall purchase additional material to complete the order from Edco at Edco's then current cost.
- 8.12 **Edco Furnished Material** – Material, tooling and equipment furnished to or purchased from Supplier by Edco for the purposes of this order is the property of Edco and shall be suitably identified and maintained in good condition by Supplier until finally disposed of in



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accordance with Edco's instruction. Supplier shall not use the material, tooling or equipment for any purpose other than executing work on behalf of Edco and shall insure it in its full value against all loss or damage while in Supplier's care, including while in the hands of carriers. Supplier shall not substitute material from any other source or alter the physical or chemical properties of the material without Edco's prior written approval.

- 8.13 **Material Supplied by Edco** – All material supplied by Edco remains the property of Edco and must be accounted for upon completion of this Order. Material supplied by Edco on a 'Debit Memo' is payable within thirty days following receipt of material.
- 8.14 **Edco Furnished Documents** – Drawings, specifications, designs, processes and other documents furnished by Edco for the purpose of the order shall remain the property of Edco and shall be disposed of in accordance with Edco's instructions on completion of the last Edco order to which they relate. On no account, shall any such document be disclosed to third parties or used by Supplier for any purpose other than executing work on behalf of Edco. Supplier shall request any additional documents that supplier need to perform process.
- 8.15 Edco shall provide suppliers copies of or access to the applicable Edco and/or customer technical data (drawings, specifications, bill of materials, procedures, etc.) invoked by the purchase order. The supplier is responsible to validate that they have and are working to the revision level of the technical data that is required by the purchase order or that was current at the time of purchase order placement. Edco suppliers are responsible to maintain an effective configuration management system to assure proper revision control for all technical data associated with Edco purchase orders and to provide applicable technical data to their sub-tier suppliers. Edco cannot provide suppliers copies of industry standards such as AMS, AN, ANSI, AS, ASTM, Fed-Std, ISO, J-Std, Mil-Std, MS, NAS, etc. These types of documents are copy righted and can be obtained from the applicable controlling agencies.
- 8.16 **Law and Interpretation** – This order shall be governed by and construed in accordance with the laws of the State of Connecticut in which it is issued. Supplier shall comply with all applicable federal, state and local laws and regulations.
- 8.17 **Commercial, legal, and environmental** – Supplier shall have ability to meet commercial, regulatory business and customer requirements.
- 8.18 **Termination** – This order may, at Edco's option, be deemed terminated without further action by Edco if Supplier is in default of any of its obligations, becomes insolvent, performs or permits any act of bankruptcy or if a receiver, trustee or custodian is appointed of Supplier or a substantial part of Supplier's property.
- 8.19 **Right of Access** – Edco, Edco's customers, Edco customer's representatives and any government regulatory agencies shall be afforded the right to verify at the Supplier's premises, that subcontracted product conforms to specified requirements and verify purchased products. This include obtaining objective evidence of the quality of product and potential review of corresponding records, documentation and other data, inspection and audit at source, inspection of product at delivery and delegation of verification to the supplier.

9.0 Distribution

- 9.1 All vendors under control of Edco's quality system



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10.0 Revision History

Rev	Date	Section	Paragraph	Summary of change	Authorized by
H	04/16/22	All	Rename WI, All	Reformatted and Renamed DWI 7.5 to WI-840-001 Purchasing Terms and Conditions. Added section 3 'Certifications and Test reports' and renumbered existing sections 3-9. Changed para 4.5 to ten (10) years. Added para 4.6-4.12. Changed para 8.1 to 'FOB point'	Enes Abidovic <i>Enes Abidovic</i>
G	05/01/18	5 & 7	Para 5.6, 7.13, 7.14 & 7.15	Added para 5.6, revised para 7.13 to include all material supplied by Edco remains the property of Edco, added bullet point in para 7.14 regarding documents and revised para 7.15 to include state name	James Boryczewski
F	03/08/18	3 & 5	para 3.5 & para 5.5	Change retention period from 10 to 15 years and added para 5.5	James Boryczewski
E	06/25/12	3	3.5	3.5 added	
D	07/02/09				
C	08/25/08	Header		Change name of document	
B	05/06/08	Header format change	8.0 Deleted 9.0 Modified	<u>8.0 Records</u> (Deleted), <u>9.0 Distribution</u> (Modified),	
				Prior changes not recorded	