



PURCHASE ORDER TERMS & CONDITIONS

1. First and foremost, J&E Precision Machining, Inc. is committed to the highest standards of ethics and business conduct and prides itself in the Supplier Qualification process undertaken during the selection of its Product and Service Suppliers to insure that Suppliers such as your firm are equally committed to the same principles as our established **Code of Conduct**. A link to our **Code of Conduct** can be found on the J&E Precision Machining, Inc. Web Site (jandeprecision.com).
2. Supplier is required to communicate to J&E Precision Machining, Inc. as soon as knowledge of a missed commitment date has been recognized.
3. When Quality Code 30 is invoked on a Particular Purchase Order the following applies:
4. Effective July 1, 2015 J&E Precision Machining, Inc. has been mandated by a Prime Customer to comply with a NADCAP Commodity Implementation whereas all Suppliers providing Special Processes associated with this Purchase Order must be an AS9100 Certified or NADCAP AC7004 accredited Supplier and listed on *eAuditNet.com* as approved for the specific Special Process being procured as per the details of this Purchase Order. This mandate pertains to Process Suppliers providing services applicable to the Aerospace Industry.
5. Each and every shipment Lot delivered to J&E Precision Machining, Inc. shall contain a copy of applicable Certifications. Suppliers shall retain copies of all Certification Records for potential review by FAA Audit Teams.
6. The process certification shall be legible, reproducible, and authentic. The name and title of the authorized representative shall appear in type on the certification and shall bear that person's signature and date.
7. J&E Precision Machining, Inc. has implemented a Foreign Object Damage (FOD) Prevention Program in compliance with the requirements of the SAE AS9146 Standard and in doing so flows down these requirements to its Sub-tier Suppliers and their Suppliers as they are applicable to their specific products and/or services.
8. All shipments must be shipped via UPS Ground or your truck unless otherwise instructed.
9. **NO ETCHING OF PARTS IS ALLOWED UNLESS OTHERWISE STATED.**
All dimensions apply after plating. All plating/painting lots must be uniform in color. No scratches/dings/fingerprints/ blotches or foreign material allowed.
Where masking is required, special care must be exercised not to remove paint or



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- plating during the unmasking process. All masking materials must be removed from processed parts prior to shipment back to J&E Precision Machining, Inc.
10. Penetrant and Magnetic stamps are required on parts when these processes are applicable. Penetrant and Magnetic stamp location shall be as per the instructions provided on provided Plating Print. Where space precludes physical stamping of parts, Supplier shall provide one Inspection tag per each processed part with NDT Inspector's stamp affixed.
 11. All J&E Precision Machining, Inc. supplied drawings and gages must be returned with parts.
 12. All processes shall be performed to the latest revision of the applicable process specification (*unless a specific specification revision level is required per the drawing note*) and supporting documentation must also show compliance to the latest revision of the applicable process specification (*or as otherwise specifically required by the drawing note*).
 13. Supplier needs to notify J&E Precision Machining, Inc., in writing, of any and all nonconforming product.
 14. Supplier is requested to always be mindful of Product Safety and report to J&E Precision any circumstance that currently, or will in the future present hazard or risk to the product or persons.
 15. Supplier is required to Flow-Down all pertinent requirements to any Sub-tier Supplier utilized for the processing of the Purchase Order.
 16. Supplier needs to obtain J&E Precision Machining, Inc. written approval regarding nonconforming product disposition. All proposed rework and/or touch-up details must be submitted to J&E Precision Machining, Inc. in advance of rework and/or touch-up and must be compliant to specified Specification requirements.
 17. Supplier shall notify J&E Precision Machining, Inc. of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain J&E Precision Machining, Inc. approval.
 18. Domestic Specialty metals as defined by DFAR 252.225-7014 ALT/1 must be compliant to the requirements of DFAR 252.225-7014 ALT/1.



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19. Only Aluminum from domestic Material/Mills allowed unless otherwise stated on the Purchase Order.
20. All precut material blanks must be plate saw cut, not a band saw cut, regardless of material type unless otherwise stated on the purchase order.
21. On a best effort basis please maintain the least amount of taper on the width of material blanks from end to end; this applies to all material types.
22. Only one material heat lot number will be allowed per purchase order line item release unless otherwise stated on the purchase order. Material must be ROHS compliant when specified.
23. For Commercial/BOM Items: Only one lot number will be allowed per purchase order line item unless otherwise stated.
24. For Commercial/BOM Items: Packing Slips are acceptable in lieu of Manufacturer Certifications but must be legible and must include at a minimum the J&E Precision Machining, Inc. Purchase Order No., the complete Part Number of item being ordered, the applicable Lot No. for the item being ordered, and a Certificate of Compliance clause that provides a statement of conformity to all applicable drawings and specifications and that any supporting evidence/documentation is on file. The form must be typed, and include a name/title and a signature.
25. Commercial-off-the-Shelf (COTS) Suppliers providing hardware for the Aerospace Industry must be ISO 9001 or AS9100 Accredited and evidence of said Accreditation must be made available to J&E Precision Machining, Inc.
26. Hardware/BOM Item Distributors providing hardware/product for the Aerospace Industry must be ISO 9001, AS9100, or AS9120 Accredited and evidence of said Accreditation must be made available to J&E Precision Machining, Inc.
27. Test equipment Calibration Service providers and Testing & Inspection Laboratories providing services to J&E Precision Machining, Inc. shall be ISO10012, ISO17025, ANSI/NCL Z540.3, or NADCAP AC7006 Accredited and evidence of said Accreditation must be made available to J&E Precision Machining, Inc.
28. Part label on items must match part number specified on the J&E Precision Machining, Inc. purchase order and must include mfg lot #.



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29. A certificate of analysis or equivalent is required for products with a shelf life identifying the mfg. date and the use before date.
30. All items shipped to J&E Precision Machining, Inc., Inc must at least be equivalent to its maximum shelf life as applicable.
31. Material Safety Data Sheets (MSDS) must be supplied for items on the purchase order when applicable (Chemicals, cleaners, adhesives, Epoxy, etc.), this includes Material Safety Data Sheets for Raw Material as applicable and available.
32. **Mercury Contamination**-Material furnished under the Purchase Order shall not contain mercury in any form without the specific written approval of J&E Precision Machining, Inc. Mercury-bearing instruments and/or equipment which might cause contamination shall not be used in the manufacture or testing of any material or processing on the Purchase Order. The most probable causes of contamination are: directly connected manometers, mercury vacuum pumps; mercury seals; mercury-in-glass thermometers; and handling of mercury in the immediate vicinity of subject material or processing.

Accidents involving known or suspected mercury contamination during the order must be reported to J&E Precision Machining, Inc. immediately. Contact the J&E Precision Machining, Inc. Compliance Department at al@jandeprecision.com .
33. Raw Material Suppliers must identify the material heat lot number at each line item on all packing slips. All Material Test Reports must match material specification requirements on the drawing, be complete, legible, reproducible and authentic. The name and title of the authorized representative, and date shall appear on the certification and/or bear that person's signature.
34. All precision ground material thickness must have total clean up. Excessive wheel marks/burns and tapers will not be allowed. Surface finish must be at least 32 Microinch finish or better unless otherwise stated. All Precision Ground material purchase orders must have a flatness call out requirement.
35. All cast aluminum plate must have protective plastic cover and be free of all chips and cutting fluid.
36. The purchase order may contain DPAS rated quantities (DO/DX) and Non-rated quantities (NA) as listed or identified in the priority section of the purchase order. Rated quantities are certified for National Defense use, and the Supplier is required to follow all of the provisions of the Defense Priorities and Allocations Systems (DPAS) Regulation (15 CFR part 700). The rated quantities are to be



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- those first delivered followed by any Non-rated quantities. Seller shall accept or reject a rated order in writing (hard copy), or in electronic format within ten (10) business days after receipt of a "DX" rated order or fifteen (15) business days after receipt of a "DO" rated order.
37. J&E Precision Machining, Inc. shall flow down to the supply chain the applicable requirements including customer requirements.
 38. Suppliers are required to keep all purchase order pertinent records for material and/or processes for at least 10 years.
 39. All suppliers shall grant J&E Precision Machining, Inc., their customer(s), and regulatory authorities right of access to the applicable areas of all facilities, at any level of the supply chain, involved in this order and all applicable records.
 40. Notification to OCM's, OEM's, and Process Subcontractors that utilize products from OCM's and/or OEM's as part of product processing. If counterfeit parts/material/processes are furnished or found to have been processed with the utilization of counterfeit materials under this Purchase Agreement, such items shall be impounded. The seller shall promptly replace such items with items acceptable to J&E Precision Machining, Inc.'s Procurement Agent and the seller may be liable for all costs relating to impoundment, removal, and replacement. J&E Precision Machining, Inc. may turn such items over to US Governmental authorities (i.e. Office of Inspector General, Defense Criminal Investigative Service, Federal Bureau of Investigation, etc.) for investigation and reserves the right to withhold payment for the items pending the results of the investigation.
 41. Upon request, Suppliers or Process Subcontractors shall be prepared to provide a Certification attesting to the clause stated above. Further, this requirement shall be flowed down to sub-tier suppliers/manufacturers.
 42. Some Technical Data provided may be subject to Export Control under the International Traffic in Arms Regulations (ITAR) or the Export Administration Regulations (EAR). Such data should not be disclosed, exported or transferred in any manner to any foreign person or any foreign country without prior written approval of the Office of Defense Trade Controls, U.S. Department of State or the Bureau of Industry and Security, U.S. Department of Commerce.
 43. J&E Precision Machining, Inc., Inc. is committed to producing products that are Conflict-Free, and to complying with related legal obligations and relevant international guidelines and standards. Accordingly, we have incorporated



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- provisions into our standard contract Terms and Conditions requiring Suppliers to adopt a policy for the responsible sourcing and reporting of any Conflict Materials (Tin, Tantalum, Tungsten, and Gold) whose country of origin is the Democratic Republic of the Congo (DRC) or adjoining countries
44. J&E Precision Machining, Inc. is a federal government subcontractor subject to the nondiscrimination and affirmative action compliance requirement of Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended (Section 503), and the Vietnam Era Veterans Readjustment Assistance Act (VEVRAA), as amended. As part of our efforts to comply with these laws and their implementing regulations, J&E PRECISION MACHINING, INC. has developed and implemented equal employment opportunity and affirmative action policies which are designed to ensure that all qualified applicants will receive consideration for employment and will not be discriminated against on the basis of race, gender, sexual orientation, gender identity, disability, protected veteran status or any other protected status.
45. J&E PRECISION MACHINING, INC. is contractually required to be in compliance with the DFARS 252.204-7012 provision and DFARS Clause 252.204-7020 as they relate to Cybersecurity compliance to NIST SP 800-171 requirements. As such, J&E PRECISION MACHINING, INC. imposes upon its Product and Service Suppliers to be mindful of the protection of Controlled Unclassified Information (CUI) as defined within Specifications NIST SP 800-171 and NIST SP 800-53. Additionally J&E PRECISION MACHINING, INC. requires that its Product and Service Suppliers assume the responsibility of proper tracking, documenting, and reporting of any incidents, either internal to their organization, or external to their organization to the J&E PRECISION MACHINING, INC. Compliance Office at al@jandprecision.com.
46. The implementing regulations of these laws require federal contractors and subcontractors to disseminate to their vendors and/or suppliers information about their nondiscrimination and affirmative action policies, and also to “request appropriate action” on their part to ensure full compliance throughout the subcontracting chain related to the federal contract.
47. Because your firm is a vendor or supplier of J&E PRECISION MACHINING, INC., we are informing you of our commitment to compliance with these important nondiscrimination and affirmative action requirements, and ask for your support of and commitment to be in compliance with these requirements.
48. J&E Precision Machining, Inc. is in support of and in compliance with FAR/DFAR Regulations FAR 52.222-50, FAR 52.222-56, DFAR 252.222-7007,



PRECISION MACHINING, INC.
Quality Without Compromise

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and DFAR 252.204-7007 related to combating Human Trafficking and Forced Labor. A segment of our compliance with the prescribed Regulation requires us to flow down the equivalent of this Regulation to our Supplier Base. The FAR regulation prohibits a government contractor, its employees, and all of its sub-tier suppliers including indirect suppliers and agents from engaging in prohibited trafficking activities such as using forced labor, denying access to identity records, using fraudulent recruiting practices, or failing to provide written employment contracts prior to hiring workers to work in another country. Violations of these laws could lead to disqualification of your firm as an Approved Supplier to J&E Precision Machining, Inc. and the procurement of any Product or Services provided by your firm. Additional information can be obtained at: <http://www.gpo.gov/fdsys/pkg/FR-2015-01-29/pdf/2015-01524.pdf>. We support and encourage use of a process for our employees and the employees of our Sub-tier Suppliers to report, without fear of retaliation, activity inconsistent with the policy prohibiting trafficking in persons, including a means to make available to all employees the hotline phone number of the Global Human Trafficking Hotline at 1-844-888-FREE and its email address at help@befree.org.

Should you have any questions concerning this notification, please contact J&E PRECISION MACHINING, INC. HR Compliance Team.