

# **KW Products, Inc. Terms and Conditions of Purchase**

(A-740-001)

## **1. Acceptance:**

Agreement by the Seller that if a Purchase Order is accepted, shipment of the products, the contract with respect to the products covered by this Purchase Order will be subject to these terms and conditions. Any changes of the terms and conditions of the order herein contained shall be void and of no effect unless specifically agreed to by the Purchaser in writing.

## **2. Quality Requirements:**

The Seller shall have a system in compliance to AS9100, ISO9001, or Mil-I-45208 (as a minimum) or other applicable standards (i.e., Nadcap accredited) or have obtained approval from KW Products based on applicable customer requirements.

## **3. Shipments:**

- a.) Seller shall be responsible for the proper packaging of any goods or materials. No charges will be allowed for packing unless otherwise in the Purchase Order.
- b.) Orders shall be shipped in full, shortages and/or excesses must be specifically approved by the Purchaser. Early receipts shall not be shipped unless otherwise notified.

## **4. Prices:**

Seller's Terms of payment shall not be less favorable to the Purchaser than 30 days. Seller represents and warrants that the prices charged in this order and the terms hereof are now, and will at the time of each shipment of performance hereunder by the Seller be, no less favorable to the Purchaser than the prices and terms now and then given by the Seller to its customers in transactions involving similar terms in comparable quantities.

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## **5. Warranty:**

Seller warrants that goods to be furnished herein shall conform to the drawings, samples, and/or specifications provided by the Purchaser. Seller further warrants all goods shall be of good quality and workmanship, free from defects. All warranties shall survive final acceptance and payment by the Purchaser. All repairs or replacements covered under the warranty shall be completed by the Seller, including all necessary parts and labor, without costs to the Purchaser.

## **6. Inspection:**

All goods and workmanship shall be subject to inspection and test at all reasonable times by the Purchaser before, during and after performance and delivery. Payment shall not constitute acceptance. The Purchaser may reject any good that are, in the Purchaser's judgement, defective or nonconforming, and at the Purchaser's option and without prejudice to any other legal remedy, the Purchaser may hold such goods at the Seller's risk or return them at the Seller's expense.

## **7. Documentation:**

The Seller shall submit a Certificate of Conformance (C of C) with each product delivery. The C of C must contain as minimum; the Purchase Order or job number, quantity of each item, product part number and revision, and the specification number and revision level performed to. Any additional requirements would be stated on the description of the Purchase Order.

## **8. Nonconforming Product and Corrective Action:**

KW Products requires notification of any nonconformances that may be discovered affecting previously delivered product. Delivery of nonconforming material will not be accepted without the prior written authorization from KW Products. The Seller may be subjected to a corrective action for nonconforming product where applicable. The supplier is responsible for determining and implementing the corrective action and verifying its effectiveness relating to the nonconformance.

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## 9. Assignment:

The Seller may not assign any rights or delegate any of its obligations due or to become due under this Purchase Order without the prior written consent of the Purchaser. Any purported assignment or delegation by the Seller without consent of the Purchaser, shall be void.

## 10. Termination:

The Purchaser may terminate this order or any part hereof for cause in the event of any default by the Seller, or if the Seller fails to provide the Purchaser, upon request, with reasonable assurances of future performance. In the event of a termination by the Purchaser, the Seller shall be reimbursed for actual, reasonable, substantiated and allowable costs, plus a reasonable compensation for work performed or completed to date of termination.

## 11. Regulations:

The Seller shall incorporate the contract clause at DFARS 252.225-7014 ALT 1. Any specialty metals (as defined in paragraph (A) of the clause) included in any articles delivered under this Purchase Order must comply with that clause, and shall flow down 7014 ALT 1 to all of the Seller's vendors supplying any articles delivered under this Purchase order that include specialty metals unless specifically waived by the Purchaser.

(Refer to [www.acd.osd.mil/dpap/dfars/html/current/252225.htm](http://www.acd.osd.mil/dpap/dfars/html/current/252225.htm) & <http://www.mceproducts.com/knowledge-base/article/article-dtl.asp?id=83>)

Also, unless otherwise specified, all materials supplied shall be domestic.

2. Supplier will adhere to the directions provided in executive order (EO) 13224, executive order on terrorist financing – blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism, effective 09/24/2001 and any subsequent changes made to it. Supplier further agrees to include this requirement in lower – tier purchase orders or subcontracts hereunder. To view the contents of the EO please access the following website :

<http://www.treas.gov/offices/enforcement/ofac/legal/eo/13224.pdf> .

3. To ensure compliance with US export laws, KW Products Inc. does not conduct any business transactions with persons or companies on the denied persons list published by the US Department of Commerce, the debarred parties list published by the Department of State, and the specially designated nationals published by the Department of Treasury, foreign assets control.

KW Products Inc. expects all suppliers and its sub-contractors to comply with these laws as well.

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## **12. Flow down requirements:**

The Seller must flow down all Quality and Purchase Order requirements to its sub-tier suppliers if applicable. KW Products requires notification by its suppliers of any changes to product, processes, suppliers, or facilities.

## **13. FOD Prevention:**

The Seller shall utilize effective FOD (Foreign Object Debris) prevention practices. Whenever and/or wherever FOD entrapment or foreign objects can migrate, the Seller shall ensure that FOD requirements are flowed down to its sub-tier suppliers.

## **14. Counterfeit Parts Prevention:**

The Seller is required to deliver products to KW Products that are obtained directly from an OEM or an authorized/franchised distributor. Unauthorized substitutions will not be allowed for delivered parts or materials. The seller shall flow down this requirement to its sub-tier suppliers.

## **15. Right of Access:**

The Purchaser reserves the right of access to verify or have its customers or regulatory authorities verify conformance to requirements at all the Seller's facilities involved in the order and all applicable Quality records. When this right is deemed necessary to utilize with an order, the Purchaser will defined specific verification arrangements and the method of product release on the Purchase Order.