

**TERMS AND CONDITIONS OF PURCHASE**

1. **Warranty:** The External Provider warrants to Continental Machine Tool Co., Inc. and to the Purchasers of Continental's Products that at the time of delivery the goods called for by this order will be free from defects in material and workmanship and will be suitable for the purposes intended whether expressed or reasonably implied.
2. This order must not be filled at a higher price than last charged or quoted without advance notice to the Purchaser.
3. All material furnished under this order is subject to the inspection and approval of the Purchaser
4. **Rejections:** If any of the goods are found at any time to be defective in material or workmanship, or otherwise not in conformity with the requirements of the order, the Continental Machine Tool Co., Inc., in addition to any other rights, which it may have under warranties or otherwise, shall have the right to reject and return such goods at External Provider's expense, such goods not to be replaced without suitable written authorization from Purchaser.
5. The External Provider agrees to reimburse the Continental Machine Tool Co., Inc., at said Purchaser's cost for any material, components or partly finished parts, furnished by said Purchaser, which the External Provider spoils in connection with performing the work or services covered by this Purchase order.
6. The Continental Machine Tool Co., Inc. shall not be responsible or obligated to pay for overshipments made by the External Provider and the said External Provider agrees to reimburse the Purchaser for any Scrap not accountable or attributable to any cause or responsibility on the part of the Purchaser.
7. The External Provider agrees to reimburse the Purchaser for any expense incurred for Labor or any other costs, because of the furnishings by the External Provider of the materials inherently defective or not suitable or consistent with the purpose for which they are intended.
8. **Set-Off:** The Purchaser shall be entitled at all times to set-off any amount owing at any time from External Provider to Purchaser against any amount payable at any time by Purchaser in connection with this order.
9. If Parts which are furnished are defective, they shall be expeditiously returned by the Purchaser to the External Provider.
10. If upon reinspection by the Purchaser of Parts delivered to it by the External Provider it is determined that a certain quantity of these Parts require repair, the External Provider shall reimburse the Purchaser for the expense involved in such repair.
11. If after reinspection and sampling Parts are found to be defective it shall be the responsibility of the External Provider to reimburse the Purchaser for any time consumed in such sampling which resulted in the rejection.
12. **THE EQUAL EMPLOYMENT OPPORTUNITY CLAUSE IN SECTION 202 OF THE EXECUTIVE ORDER #11246, AS AMENDED, RELATIVE TO EQUAL EMPLOYMENT OPPORTUNITY AND THE IMPLEMENTING RULES AND REGULATIONS OF THE OFFICE OF FEDERAL CONTRACT COMPLIANCE ARE INCORPORATED HEREIN BY SPECIFIC REFERENCE.**
13. In the event of any breach of this agreement with the External Provider, the External Provider shall be responsible for the Purchaser's charges for breach, which may include, but is not limited to, actual charges, collection costs, attorney's fees, and court costs.
14. **MAINTENANCE OF DATA:** Continental Machine Tool requires its External Providers to retain any/all records that relate to product and /or process conformity to be maintained at a minimum per defined industry standard. Any specific defined retention time periods will be specifically called out and flowed down on the purchase order issued by the Continental Machine Tool to its External Providers. For all UTC certified External Providers, data shall be retained with accordance with latest revision of ASQR-01.
15. **CONTROL OF NONCONFORMING MATERIAL:** External Provider shall maintain control of all nonconforming material found at the facility. Parts shall be identified and separated in addition to the statement of Cause/Corrective Action and dates of Effective Implementation. External Provider shall notify Continental Machine Tool immediately of suspect nonconforming product shipped, for all present and past orders. Nonconformance of parts returned must be identified. Reference to Rejection Reports and Purchase Order parts to be "Tagged" as to the nonconformance and directed to the Quality Assurance manager at Continental Machine Tool for resolution.
16. **CHANGES:** Changes that depart from the Original Intent of the Purchase Order may not be made without the written consent from Continental Machine Tool, Purchasing or Quality departments. External Provider design changes shall be approved in writing by Continental Machine Tool prior to implementation.
17. **PRESERVATION AND PACKAGING:** External Provider shall maintain a system ensuring adequate controls. Foreign Object Damage (FOD) prevention must be observed before and after packaging.
18. **RIGHT OF ACCESS:** Continental Machine Tool, its Customers(Including US Government), any Regulatory and Statutory Authorities have the right of access to all facilities involved in the Purchase Order and all applicable records and requirements, including flow-down to sub-tier Providers and the applicable requirements including key characteristics where required. Continental Machine Tool reserves the right to inspection and audit at the External Provider's premises.
19. **COUNTRY OF ORIGIN:** Material must be melted in the United States of America (USA) or in a qualified country as defined in the Defense Federal Acquisition Regulation Supplement 225.872-1, pursuant to DFARS 252.225-7014 Alt.1. Require "Country of Origin" of the melted ingot stated on the certification.
20. **SHELF LIFE ITEMS:** Shelf Life items must have evidence of Date of Manufacture, Duration of Shelf Life and Storage Temperature.
21. **RAW MATERIAL CERTIFICATION:** Two (2) copies of Certification of Material must be supplied, showing Chemical and Physical Ranges and must identify the applicable Specification, Heat Lot(s), Purchase order Number and other pertinent information as stated on the face of the Purchase Number and must be signed by the designated Quality Analyst/Clerk at your facility.
22. **CERTIFICATION OF COMPLIANCE (C of C) REQUIRED:** Provide Certification of Compliance with each shipment
23. **PHYSICAL/CHEMICAL TEST REPORTS:** Testing by an approved Testing Laboratory must be completed per the following requirement(s) as stated on the face of the Purchase Order:
24. **CALIBRATION CERTIFICATION:** When a product is manufactured by the External Provider, values are to be verified and accepted. A certification traceable to National Institute of Standards Technology (NIST) must accompany material (Size-Block Masters).
25. **EXTERNAL PROVIDER CODE OF CONDUCT:** External Provider is responsible to ensure compliance to the principles set forth in "Provider Code of Conduct" available at http://www.utc.com/Providers/Pages/Provider-Code-of_Conduct.aspx.
26. **COUNTERFEIT GOODS AND AWARENESS:** External Provider shall ensure that counterfeit goods are not delivered to Continental Machine Tool and its customers and that their personnel is aware of their contribution to product or service conformity, product safety and ethical behavior.

Customer Specific Requirements: These requirements apply when the purchase order states end user:

Pratt and Whitney (AKA PWA, Pratt, P&W)

1. Must be produced under provisions of Laboratory Control at Source and certified as such. Normal for PWA End Use.

2. ASQR-01, PWA 300, PW-QA 6078 (Q.C. Requirements for Bar Stock, Castings, Extrusions, Rolled or Welded Rings and Sonic Configurations Parts) and/or PW-QA 6088 (Control of Nonconforming Articles) apply, in addition to requirements listed on Requirement Control Card (RCC) number referenced on the Purchase Order. Parts are for PWA End Use. PWA Source Inspection shall be performed at your facility if available.

Sikorsky Aircraft Corp(AKA Sikorsky, SAC, SIK)

Materials, Processes or Services supplied on this Purchase Order are for Sikorsky Aircraft End Use per SA 908. Sikorsky flow-down requirements and specific Clauses referenced on the Purchase Order apply.

Safran Power USA, LLC(AKA Safran, Safran Power, IPS/Safran)

Safran GRP-0087 and PUR-04-04-1N001-A800 apply. They can be found at <https://sp2.safran-electrical-power.com/sp2-gui/login>