

MOHAWK FABRIC COMPANY, INC. – TERMS AND CONDITIONS OF PURCHASE

1. **GENERAL.** This purchased order, including any document incorporated herein by reference, contains the entire agreement between the parties. The terms and conditions set forth on the face this purchase order are the only terms and conditions applicable hereto. Any attempt by the seller to supplement, modify, alter, revoke or mend these terms and conditions or any part of this purchase order shall not be effective unless specifically agree to by the Purchaser in writing.
 2. **WARRANTY OF MATERIAL.** Seller warrants to Purchaser and its customers that the articles specified herein shall be free from defects in material and workmanship and shall conform to the requirements of his order. All materials shall be received subject to inspection and test. Rejected articles will be returned at Seller's expense and adjustment made either by credit or replacement at Purchaser's discretion.
 3. **CHANGES.** The Purchaser shall have the right to make changes from time to time, subject to an equitable adjustment of the price. No modification of this order shall be binding upon Purchaser unless made by the Purchaser in writing.
 4. **DELIVERIES.** Time and quantities are expressly made the essence of this order and the Purchaser reserves the right to terminate this order as to any or all articles if shipment is not made as required. Seller shall not be liable for delays due to causes beyond their control and without their fault.
 5. **PRICE.** The price to be paid for the articles or materials covered by this order shall in no event exceed the applicable maximum price, if any, established by Government regulation and any provision of condition of the order which is in violation of any such regulation shall be of no effect.
 9. **LABOR DISPUTES.** Whenever an actual or potential labor dispute is delaying or threatening to delay the performance of this order, Seller will immediately give notice thereof to the Purchaser. Such notice shall include all relevant information with respect to such dispute including what steps are being taken to assure the timely performance of this purchase order.
 7. **GOVERNMENT CONTRACTS.** If this purchase Order is a Government subcontract, any applicable provisions of Federal Statutes and Regulations as are mandatory under Purchaser's contract shall be incorporated herein and become a part of this Purchase Order.
 8. **TERMINATION.** The Purchaser may terminate this order in whole or in part at any time by notice in writing. Upon receipt of such notice or at the time specified therein, if any, the Seller shall incur no further costs of performance and shall terminate all orders and subcontracts given by Seller for performance. The Seller will then deliver and the Purchaser accept and pay for at the purchase order price all articles completed and ready for delivery in final form and according to specifications. As to uncompleted articles, if the articles are for use by Purchaser in fulfilling a contract that is subject to termination, settlement shall be made on the basis of and by analogy to the procedures provided by Purchaser's contract: otherwise, settlement shall be made on the basis of and by analogy to Government termination procedures. If a dispute shall arise as to any sum claimed by Seller, it shall be determined from an audit of Seller's books by a certified public accountant chosen by seller and acceptable by Purchaser.
 9. **INSPECTION.** (A) All material and workmanship shall be subject to inspection by Buyer before and after delivery. The Buyer may require Seller to replace material or Buyer may accept any materials that conform to Seller's warranties and upon discovery of materials not so conforming may reject or keep and rework any such materials not so conforming. Cost of rework, inspection, transportation repacking and/or re-inspection by Buyer shall be at Seller's expense. (B) If inspection and test are made on the premises of Seller or Seller's subcontractor, Seller shall furnish without additional charge all reasonable facilities and assistance for the safe and convenient inspection and test required by the inspectors. The foregoing provisions of this Article are supplementary to and not in lieu of the provisions of (A) above. (C) Inspection or failure to inspect, by Buyer does not relieve the Seller of liability to preform according to the terms of the purchase order.
 10. **CERTIFICATE OF COMPLIANCE.** When required, the Seller shall furnish a "Certificate of Conformance" with each shipment that assures full conformity with the QA Requirements, applicable drawings and specifications and that test reports and inspection records are on file at the Seller's or manufacturer's facility and are available for Mohawk Fabric Company, Inc. and Government review. This certificate shall be validated by an authorized representative of the Seller's quality department. An example of an acceptable "Certificate of Compliance" is as follows: "This is to certify that all items noted above are in compliance with the contract, drawings, specifications and other applicable documentation and that all required certifications, inspections and test records are on file and available for review by Mohawk Fabric Company, Inc. and/or the Government."
- BY: _____
- | | |
|---------------|----------------------|
| Seller's Name | Authorized Signature |
|---------------|----------------------|
11. **PHYSICAL ANALYSIS.** When required, the items or services being shipped or performed against this order require copies of physical test results showing actual readings taken and conformance to applicable specifications. These documents must be identifiable to the items they represent and shall be included with each shipment.
 12. **AGE CONTROLS, PERISHABLE ITEMS.** Articles delivered under this order shall contain: (1) Date of manufacture, (2) expiration date (if required), (3) batch or lot number. If otherwise specified, the remaining shelf life shall not be less than 75% of the total shelf life at the time of delivery.
 13. **NONCOMFORMANCES.** Supplier must notify Mohawk Fabric Company, Inc. of nonconforming product. Supplier must make arrangements for Mohawk Fabric Company, Inc approval of supplier nonconforming material.
 14. **NOTIFICATION OF CHANGE.** Supplier must notify Mohawk Fabric Company of any changes in materials or design details which would affect the part or any component part thereof with regard to (A) part number identification, (B) physical or functional interchangeability, and (C) repair and overhaul procedures and processes and material changes which affect these procedures without written approval of the applicable aerospace customer, and without revising the part numbers

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and the originals of all drawings or data. Seller will ensure subcontractors include the above requirements for supplier part numbered items, whether such equipment is supplied to Seller as an end item or as a component part of an end item.

15. **FIRST ARTICLE INSPECTION.** Mohawk Fabric Company, Inc., when stated within the Purchase Order, a full first article inspection report must be filled out by the manufacturer. The sample on which the FAI was performed shall be clearly marked, both on the sample and the FAI report. Where the drawing has been updated and there is a change in the form, fit or function of the part, an FAI must be submitted for the change/update only. The FAI will confirm that all processes, materials, and dimensions are met.

15. **RIGHT OF ACCESS.** Supplier must grant right of access to Mohawk Fabric Company, Inc., their customers and authorities to all facilities involved in the order and all applicable records.

16. **RECORD RETENTION.** Unless otherwise specified, quality records must be maintained for (25 years at a minimum). Records include supporting documentation used in manufacturing, testing, and inspection. After such time, records may be disposed of in accordance with your own planned arrangements.

17. **FOREIGN OBJECTS AND DEBRIS.** All suppliers must have procedures in place to prevent foreign objects and debris from contaminating the material supplied to Mohawk Fabric Company, Inc. during the manufacturing and shipping process.

FOR ANY PURCHASE ORDERS THAT ARE DESIGNATED FOR AEROSPACE PRODUCTS, THE FOLLOWING REQUIREMENTS APPLY

18. **QUALITY MANAGEMENT SYSTEM.** Any suppliers who provide material involved in the production of aerospace designated goods are required to have a quality management system. Proof of that system must be available either in the form of a 3rd Party Certification or a Revision Controlled Quality Management Manual or Process Diagram.

19. Use only customer-designated or approved external providers, including process sources (e.g. special processes).

20. **COUNTERFEIT PARTS.** Prevent the use of counterfeit parts, by using one or more of the following (as applicable to the product/service being supplied):

- Training of appropriate persons in the awareness and prevention of counterfeit parts;
- Control of acquiring externally provided product from original manufacturers, authorized distributors, or other approved sources;
- Requirements for assuring traceability of parts and components to their original authorized manufacturer;
- Verification and Test Methodologies to detect counterfeit parts;
- Monitoring of counterfeit parts reporting from external sources;
- Quarantine and reporting of suspect or detected counterfeit parts

21. Notify us of any changes to processes, products, or services, including changes to your external providers or location of manufacture, and obtain the organization's approval

22. Ensure that your personnel are aware of: 1) their contribution to product or service conformity; 2) their contribution to product safety; 3) the importance of ethical behavior.

23. Apply appropriate control to your direct and sub-tier external providers, to ensure that requirements of the Purchase Order are met.

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REVISION NUMBER	REVISION/REASON	DATE	AUTHORIZED BY
1	Added First Article Inspection Report Criteria, Changed Record retention from 7 years to 10 years.	10/28/15	BLH
2	Retention records (Clause 16) changed to read 25 Years	01/27/16	BLH
3	Added additional clauses to comply with AS9100 Rev D	9/30/17	BLH
4	Added Clause 21 about notification of changes.	10/30/18	BLH