



P.O. Terms & Conditions And Quality Assurance Requirements

Clause No.	Description
01 Quality Requirements	a) Quality requirements invoked by this procurement are located within this document, "Purchase Order Terms & Conditions and Quality Assurance Requirements", revision in effect on date of purchase order. A copy can be obtained from buyer or buyer's web site http://www.mymachineinc.com
02 First Article Inspection	<p>a) Seller shall verify, by successful First Article Inspection ("FAI"), that Seller drawings, planning, technical instructions, processing, tooling, inspection and test equipment, and personnel proficiency will produce a product in compliance with requirements of this purchase order ("PO.").</p> <p>b) FAI applies to a representative item from the first production run of a new part, unless otherwise set forth in this PO, of end items part numbers, sub-assemblies and a detail part, except standard hardware and electronic piece parts (AN, MS std. hardware etc.). Engineering models, design/concept prototypes and production part numbers delivered for non-production applications (such as qualification testing) do not require FAI unless otherwise directed by Buyer. Seller shall determine methods for performing FAI's. When any engineering change which affects form, fit, function, safety or reliability, is incorporated, Seller, without further direction from Buyer, shall perform partial/Delta or full FAI as required.</p> <p>c) Seller shall verify accuracy and adequacy of drawings, planning, tooling, correct materials and parts, dimensional conformance to approved drawings, identification and marking, and compliance with nondestructive test requirements. Seller shall also verify compliance with design specifications, completion and documentation of safety of flight, qualification testing, and acceptance test document Buyer approvals as required by this PO.</p> <p>d) Seller shall assure discrepancies and non-conformances, if any, discovered during the FAI are documented and dispositioned by the appropriate Material Review Board ("MRB") actions. (Seller's MRB for Seller design and Buyer's MRB for Buyer design). Sellers rejection documentation, Buyer's/Seller's dispositions, and Seller's corrective action taken shall become part of the FAI report.</p> <p>e) Seller shall document results of the FAI on each deliverable end item part number. Data sheets for sub-assemblies, test records, certifications, and other substantiating data shall be part of the FAI report and shall be maintained by Seller for the period specified by this PO. Seller shall provide to Buyer, within 30 days of a request, a complete copy of FAI reports at no increase in the price or fee of this PO.</p> <p>f) Seller shall notify Buyer in advance of any changes in manufacturing locations or processes affecting items delivered under this PO. Buyer reserves the right to request Seller to perform a complete or partial FAI at no increase in the price or fee of this PO to assure that the changes have had no adverse affect on items delivered under this PO.</p>
03 Point of Acceptance	a) MYM receiving inspection unless otherwise noted.
04 Certifications	<p>a) Required with shipment unless otherwise noted.</p> <p>b) Seller must indicate the following on all packing sheets and invoices: Purchase order number, item number, parts serial numbers (if serialized) and the part number shown in the description column of this order.</p> <p>c) Seller shall prepare a Certificate of Conformance ("C of C") statement that items provided under this PO meet all applicable requirements. This "C of C" shall be included with Seller's shipper to Buyer.</p>
05 Subcontracting	<p>a) Seller shall use Buyer approved sources for Buyer controlled processes unless Buyer grants specific exception. Buyer retains the right to direct Seller utilization of Buyer approved process sources based upon Sellers product or process performance.</p> <p>b) Seller is responsible for ensuring all items it procures from its subcontractors conform to all requirements of this PO.</p>
06 Product Acceptance	a) Acceptance of product is not evidence of control of quality or does it relieve the vendor of responsibility to provide acceptable product.
07 Right of Entry	a) Right of access by MYM, MYM's customers, and any regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.



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08 Nonconforming Material Control Corrective Action	<p>a) Seller shall implement, and maintain a system which provides for identification, documentation, segregation and disposition of nonconforming material and shall assure effective, positive corrective action is taken (including repetitive nonconformances dispositioned "Use As Is" by Buyer/Seller material review board ("MRB") actions) to prevent, minimize, or eliminate nonconformances. Seller's system shall ensure that non-conforming material is not used for production purposes.</p> <p>b) Seller dispositions for Buyer designed items are limited to scrapping of the material, elimination of the nonconformance by rework to engineering, or return to vendor. On items of Buyer design, Seller shall document non-conforming material for submittal to Buyer's MRB for dispositions as required by this purchase order ("PO"). Seller's continued processing of Buyer designed material containing a non-conformance prior to Buyer's MRB disposition is at Seller's risk.</p> <p>c) Seller shall maintain records of all nonconforming material, dispositions, assignable causes, corrective actions, and effectiveness of corrective actions for the period specified in this PO.</p> <p>d) Seller shall evaluate each nonconformance for its potential to exist in previously produced or delivered items. If a nonconformance exists, Seller shall notify Buyer, in writing, within 24 hours of discovery.</p> <p>e) Seller shall not incorporate any nonconforming material into any product, process, procedure or data that affects a parameter controlled by Buyer drawing or specification or has an affect on form, fit, function, interchangeability or reliability unless and until Seller has prior written approval from Buyer to do so.</p> <p>f) Buyer and Buyer's customers shall have the right to refuse to accept any nonconformances.</p>
09 Records Retention	<p>a) Seller shall retain all manufacturing and inspection records for a period of 7 years.</p> <p>b) Seller shall provide Buyer copies of such records within 30 days of Buyer request at no increase in the price or fee of this PO.</p> <p>c) The seller agrees that its books and records and its plants, or such parts thereof as may be engaged in the performance of this purchase order, shall at all reasonable times be subject to the inspection and audit by any authorized representative of the buyer. If this is a government contract, the last sentence above should include after the word buyer, or authorized representative of the government...</p>
10 Variability Reduction / Statistical Process Control	<p>a) Seller shall have procedures that describe how Seller will implement variability reduction ("VR") concepts within its facilities. Seller's variability reduction program shall apply to all component structures and systems, and associated manufacturing processes. Seller's internal process is acceptable to Buyer provided it meets the requirements herein.</p> <p>b) Buyer may identify key characteristics to Seller on drawings or in specifications, for build to print items, or as a part of the initial concurrent engineering development of Seller designed product.</p> <p>c) Seller may identify key characteristics on product designed and manufactured in its facility and may also identify key characteristics to its subcontracted suppliers.</p> <p>d) Key characteristics are features of a material, part, assembly, or system in which variation from nominal has significant adverse impact on fit, performance, or integrity of the product.</p>
11 Quality System	<p>a) Seller shall maintain an ISO 9001/AS 9100 or equivalent quality system acceptable to Buyer for the articles, materials, supplies and services ("items") covered herein. Widely recognized Government/industry Quality System standards should be used as guidelines. Upon Buyer's request therefore, Seller shall provide documentation that describes Seller's Quality System.</p> <p>b) During performance of this order seller's quality control or inspection system and manufacturing processes are subject to review, verification, and analysis by authorized buyer representatives.</p> <p>c) Any changes to product or process must be declared to MY Machine, Inc. as soon as possible.</p>



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12 Raw Material, Process Certifications and Test Reports	<p>a) Unless otherwise noted, Buyer to supply the required material to manufacture the articles called for on this purchase order. It is also understood that unused excess material is to be returned to the buyer and not considered as generated scrap. It shall be understood that buyer is under no obligation to furnish additional manufacturing allowance material.</p> <p>b) For seller furnished materials: Seller shall provide to Buyer one (1) copy of raw material distributor certification and mill test reports that verify and show the results of chemical, physical, performance requirements. Heat lot number shall be traceable back to the original material manufacturer with no regrading of material to have been performed.</p> <p>c) For seller subcontracted processing: Seller shall provide to Buyer one (1) copy of the process certifications for Non-Destructive Testing, Heat Treating, or Plating processes performed to ensure conformance to applicable specifications.</p>
13 Schedule	<p>a) All deliveries hereunder shall be strictly in accordance with the applicable schedules set forth in this purchase order. Unauthorized overshipments and early shipments shall be returned at seller's expense and seller shall be liable for all storage/handling charges incurred as a result of overshipments and early shipments.</p> <p>b) Seller is permitted to ship products up to 30 days ahead of reference shipping schedule without facing penalty of having hardware returned due to early shipment.</p>
14 Certified for National Defense Use	<p>a) If "Certified for National Defense under DPAS" is shown on the face of the purchase order – You are required to follow all the provisions of the defense priorities & allocations system regulation (15 CFR part 700). If you subcontract for materials, parts, etc., To fulfill this order, you must furnish to your subcontractor: the priority rating (as noted on the P.O.), the statement "Certified for National Defense under DPAS", the contract number appearing on this order, the required delivery date, and such other data and/or documents as may be required by applicable regulation.</p>
15 Confidentiality Security	<p>a) Seller shall not, without MY Machine Inc. prior written approval, issue any news releases, photographs, films, videos, advertisements, public announcements, denials, confirmations, or comments concerning any part of this purchase order. Furthermore, seller shall regard and preserve as confidential all information pertaining to MYM that seller may be exposed to or learns about as a result of this purchase order. Seller shall not, without MYM's prior written approval, use for its own benefit or purpose, nor disclosure to others, any of MYM's proprietary or confidential data except to the extent contemplated by this purchase order. Each of seller's employees, agents, or representatives who is granted access to MYM's information shall be informed of the obligations to safeguard and protect such information from unauthorized use or disclosure.</p>
16 Order Acceptance Right to Cancel	<p>a) Seller shall provide written acceptance of this purchase order to the buyer.</p> <p>b) Notwithstanding any other provision, Seller hereby agrees that MYM may cancel this Purchase Order/Contract, in whole or in part, at any time up to and including the final delivery date specified on the Purchase Order/Contract without charge to MYM and/or the Government.</p>
17 Serialization and Traceability	<p>a) If serialization and traceability are required, specific requirements will be noted on the purchase order.</p>
18 Foreign Object Damage (FOD)	<p>a) Seller shall implement a foreign object damage (FOD) program, which assures foreign objects and contaminants are not left inside deliverable hardware assemblies. Seller shall also assure housekeeping and handling practices prevent physical or foreign object damage, loss, substitutions, and quality degradation.</p>
19 Fabrication	<p>a) Manufacture complete per drawing except as noted on this purchase order.</p> <p>b) The latest configuration of the engineering drawing is called out on this purchase order. The seller is required to certify to this drawing revision and all engineering orders (EO)'s/advance drawing change notices (ADCN)'s, whether the EO/ADCN is applicable to the specific dash number or not.</p> <p>c) Remove all burrs and sharp edges.</p>



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20 Invoicing Correspondence	<p>a) List complete purchase order number, include item number(s) and part number or description on invoices. MAIL ORIGINAL INVOICE TO: MY Machine, Inc. 5140 Commerce Dr. Baldwin Park CA 91706 Attn: Accounts Payable</p> <p>b) All other correspondence should be mailed to the following address: MY Machine, Inc. 5140 Commerce Dr. Baldwin Park CA 91706 Attn: (Buyers Name)</p>
21 Pricing	<p>a) This order is based on a Firm fixed price.</p> <p>b) Seller shall advise the buyer, in writing, at least thirty (30) days prior to shipment of any variation between the price(s) herein and the price prevailing at time of shipment.</p> <p>c) Buyer reserves the right to increase or decrease the quantity of parts being ordered upward or downward by ten percent (10%) at no change in unit price.</p>
22 Packaging Preservation Shipping	<p>a) On this purchase order, the fob point is buyer plant. The seller is to select a method of delivery at no cost to MY Machine Inc.</p> <p>b) In the absence of drawing requirements, preservation, packaging and packing of all deliverable hardware shall be in accordance with good commercial practice, unless otherwise specified in this order.</p>
23 Hazardous Materials S.C.A.Q.M.D. Rules and Regulations	<p>a) HAZARDOUS MATERIALS Packaging, identification, shipping and distribution of this material must be in compliance with all applicable State, Federal, and ICC regulations and requirements. Material Safety Data Sheet (MSDS) and precautionary labeling requirements of 29 CFR 1910.1200, Hazard Communication Program, must be complied with.</p> <p>b) S.C.A.Q.M.D. RULES AND REGULATIONS</p> <ol style="list-style-type: none"> 1. Seller represents and warrants that all work to be performed by Seller under this Purchase Order/Contract (PO/Contract) shall be conducted in full compliance with all Federal, State and local statutes, ordinances and regulations relating to protection of public health and safety of the environment. 2. Seller understands and agrees that if performance of the services under this PO/Contract requires the application of coatings or solvents which do not comply with emission limitations under South Coast Air Quality Management District (SCAQMD) Rules 1107 and 1124, Seller will perform the services hereunder pursuant to an Alternate Emission Control Plan (AECPP). 3. Seller agrees to indemnify, save harmless and defend MYM, its directors, officers, employees, agents, successors, and assigns from and against any and all liabilities, claims, suits, losses, damages, fines, penalties, forfeitures, and the costs and expenses incident thereto (including costs of defense, settlement and reasonable attorney's fees), which it or they may hereafter incur, become responsible for or pay out as a result of or arising out of the breach by Seller or Seller's failure to perform any of the representations, warranties and agreements set forth in this contract condition. 4. Seller agrees that it will promptly notify the MYM Purchasing Representative of any alleged or anticipated noncompliance with SCAQMD Rules 1107 or 1124 relating to or which may affect the performance under this PO/Contract.

5140 Commerce Dr. Baldwin Park CA 91706
Tel: 626-241-9223 • Fax: 626-241-9225



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24 Environmental Protection Hazardous Waste Disposal	<p>a) ENVIRONMENTAL PROTECTION HAZARDOUS WASTE DISPOSAL</p> <ol style="list-style-type: none"> 1. Seller will be responsible for performing any and all work under this Purchase Order/Contract (PO/Contract) in full compliance with all applicable federal, state, and local environmental laws and regulations. 2. Seller will take all necessary precautions to prevent and mitigate discharges, spills or releases of hazardous substances or materials while performing work under this PO/Contract. Seller will immediately report any known or suspected discharge, spill, or release to the MYM Purchasing Representative. 3. Seller will promptly, and at its own expense, undertake and complete all corrective and remedial actions as may be reasonably necessary to remedy any existing or threatened discharges, spills, or releases of hazardous substances or materials caused, directly or indirectly, by Seller or its subcontractor(s). Prior to initiating any corrective or remedial action, Seller will submit to the MYM Purchasing Representative for approval a written plan specifically outlining its proposed actions. If obtaining MYM approval would substantially impede necessary mitigating or emergency measures, Seller will initiate these measures immediately and subsequently provide the MYM Purchasing Representative a written report of actions taken. 4. Seller will handle, store, transport, and dispose of all hazardous waste generated by Seller's (or Seller's subcontractor(s)) activities in accordance with all applicable laws and regulations, including but not limited to, the California Hazardous Waste Control Law, Health and Safety Code Sections 25100, et seq., and the federal Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. Sections 6901, et seq. 5. Seller shall release, indemnify and hold MYM, its directors, officers, agents, and employees harmless from all claims, actions, damages, liabilities and expenses, including counsel fees and expenses, as a result of (i) injury to or death of any person; (ii) loss of or damage to property of any person; (iii) contamination of or adverse effect on the environment or natural resources, or (iv) any violation of any governmental laws, regulations, permits, or orders caused in whole or in part by the acts or omissions of Seller, Seller's subcontractor(s), or anyone directly or indirectly employed by them, arising out of or in any way connected with the performance or breach of this PO/Contract. This indemnification of MYM by Seller shall survive the termination of this PO/Contract. 6. Any violation of this clause may be grounds for termination of this PO/Contract by MYM.
25 Counterfeit Goods	<ol style="list-style-type: none"> 1. Counterfeit Goods Prevention <ol style="list-style-type: none"> (a) Supplier represents and warrants that Counterfeit Goods are not contained in Goods delivered to Buyer through the implementation of policies that include prevention, detection and risk mitigation methods to protect against the use of Counterfeit Parts. (b) Supplier shall purchase parts directly from the Original Component Manufacturer (OCM) / Original Equipment Manufacturer (OEMs), or from the OCM authorized or franchised distributor. Procurement through an independent distributor, non-franchised distributor or broker is NOT authorized. A certificate of conformance shall accompany each shipment of Goods delivered, along with OCM/OEM documentation that authenticates traceability of the components to that applicable OCM. If an original OEM/OCM certificate is NOT available, distributor shall provide a De-lid and Die Verification Report for the supplied parts verifying authenticity of the parts and such other documentation, testing and/or other information as Buyer shall reasonably request; however, the submission of such additional items shall not relieve Supplier of its obligations hereunder. (c) In the event Supplier becomes aware or suspects that it has furnished Counterfeit Parts, it shall immediately notify Buyer. When requested by Buyer, Supplier shall provide (if available) Authorized Supplier documentation that authenticates traceability of the parts to the applicable Authorized Supplier. (d) In the event that Goods delivered under this Order are, or include, Counterfeit Parts, Supplier shall promptly investigate, analyze and report in writing to Buyer whether such Counterfeit Parts should be replaced with genuine parts conforming to the requirements of this Order, or whether an alternative solution is recommended to meet the Order requirements at Supplier's sole expense. The parties shall then agree upon the appropriate course of action. (e) Supplier shall include this clause or reasonably equivalent provisions in all subcontracts for the delivery of Goods that will be furnished to or included in Goods furnished to Buyer.