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## **Purchase Order Terms And Conditions**

Supplier shall be deemed to have agreed to be bound by these terms and conditions by accepting this Purchase Order, delivering the products and/or performing the services.

1. Products and services shall correspond with the quantity, type quality and description described in the Purchase Order. Test specimens may be required and will be called out on the Purchase Order.
2. Products and services shall meet the performance standards and delivery schedule specified on the Purchase Order or as specified by the Supplier.
3. Products and services must comply with all applicable statutory, legal, and regulatory requirements relevant to the manufacturing, production, labeling, packaging, storage, handling, and delivery of the specified products. Under no circumstances are counterfeit parts, material or work acceptable or accepted.
  - a. The Supplier's Certification of Conformance represents that the shipment does not contain any "suspect" or "known" Counterfeit parts, material or work and ensures that parts, material or work are procured only through Original Equipment Manufacturers (OEMs)/Original Component Manufacturers (OCMs) or their Franchised Distributors or Authorized Supplier. Any use of other than an Authorized Supplier requires Chick Machine Company written approval prior to procurement and use, which shall be contained within the deliverable data package.
  - b. The Supplier shall verify the procurement source and associated certifying documentation.
  - c. Supplier's receiving inspection process shall utilize incoming inspection or test methods, or both, to detect potential counterfeit parts, material or work.
  - d. The Supplier shall flow this clause in its entirety or equivalent (replacing "Chick Machine Company" with "supplier") down to all lower tier subcontracts to prevent the inadvertent use of Counterfeit parts, material or work. When an Authorized Supplier is not utilized by the supplier's lower tier, the supplier shall provide a copy of the risk assessment and their written approval within the deliverable data package.
4. Supplier agrees to treat all information as confidential subject matter and to protect accordingly. The Supplier agrees not to disclose any such information without the prior written consent of Chick Machine Co., LLC.
5. When applicable, Supplier will supply a Safety Data Sheet (SDS), addressed to the attention of the Chick Machine Hazard Program Coordinator, for all chemicals and hazardous substances provided under a Purchase Order.

6. Assignment and subcontracting: The Supplier agrees not to assign, transfer, subcontract or deal in any other manner with any or all its rights and obligations under this contract without prior written consent from Chick Machine Co., LLC.
7. Supplier will,
  - a. at its own expense, carry and maintain insurance in full force and effect with financially sound and reputable insurers, which includes:
    - i. commercial general liability (including product liability) in the sum of no less than US\$3,000,000 for each occurrence and US\$5,000,000 in the aggregate;
    - ii. worker' compensation insurance in compliance with the applicable laws of each jurisdiction affected by a Purchase Order; and
    - iii. if the Supplier will use or provide for use of motor vehicles in providing and/or performing the Purchase Order, automobile (motor vehicle) insurance covering all liabilities for personal injury and property damage arising from the use of those vehicles, with limits of no less than US\$3,000,000.
  - b. promptly provide Buyer with a certificate of insurance evidencing this coverage if Buyer requests.
8. Supplier shall develop and maintain a Foreign Object Debris (FOD) Program to prevent the introduction of foreign objects or materials into any item delivered under this Purchase Order. The Supplier shall determine the necessary level of controls required to ensure products are processed in an appropriately clean environment and remain free of Foreign Object Debris (FOD). The requirements of the Supplier's FOD Program, as well as any relevant work products (e.g., Work Instructions, Forms or Metrics), shall be documented and available to Chick Machine Company upon request. The Supplier's Certification of Conformance represents that all delivered products are free of any loose or foreign materials that could result in Foreign Object Damage.
9. Supplier shall provide a Certificate Of Conformance (COC) with each shipment listed on the Purchase Order. At a minimum, the COC shall include the following:
  - a. Supplier Name & Address
  - b. Purchase Order Number
  - c. Part Number & Revision Level
  - d. Quantity Shipped
  - e. Applicable drawing, specification, and Purchase Order requirements and their corresponding revision levels.
    - i. Suppliers are to use the latest revision level of all applicable drawing, specification, and Purchase Order requirements (unless otherwise specified on the Purchase Order).
  - f. Statement of conformity certifying that all products provided conform to the applicable drawing, specification, and Purchase Order requirements.
  - g. Product Release Authorization & Date
10. Supplier shall retain records in support of the product's manufacture, quality and acceptance for a minimum of ten (10) years or as specified by the Purchase Order. Records shall be retained in any manner which does not cause degradation, wear or illegibility of the record. Records that have reached their required retention period shall be disposed of. Records shall be readily retrievable upon request.

11. Supplier shall, during performance of this Purchase Order, maintain a Quality Management System acceptable to Chick Machine Company. Chick Machine Company, their customers and regulatory authorities will have the right of access to the applicable areas of Supplier's facilities and to applicable documented information, at any level of the supply chain that pertains to Chick Machine Company products. Written approval by Chick Machine Company is required prior to shipment of any nonconforming products. In addition, the Supplier shall include a copy of the deviation documenting the nonconformance with the shipment. Written notification is required within 2 business days of discovery of nonconforming product, if found after shipment.
12. Supplier shall not modify the process or rework the product without prior written authorization from Chick Machine Company. Unauthorized modification of the process or rework of the product may result in rejection of the product and financial liability for the supplier. Supplier must notify Chick Machine Company if they cannot meet the original purchase order requirements.
13. Supplier must ensure that persons in their organization are made aware of:
  - a. their contribution to product or service conformity
  - b. their contribution to product safety
  - c. the importance of ethical behavior