

Terms and Conditions

Effective 04/25/2024

AVALON PRECISION CASTINGS dba SIGMA ENGINEERED SOLUTIONS (hereinafter Avalon), OUR CUSTOMER, AND REGULATORY AGENCIES MUST HAVE ACCESS TO DETERMINE AND VERIFY THE QUALITY OF WORK, RECORDS, AND MATERIAL AT ANY PLACE, INCLUDING THE PLANT OF THE VENDOR. REQUIREMENTS OF ISO 9001, AS9100 and/or any applicable NADCAP standards APPLY TO THIS PURCHASE ORDER.

Nonconforming processes, products, or services

- The supplier shall control nonconforming product, which may not be shipped without approval from Avalon and promptly notify Avalon if nonconforming product may have been shipped.
- In all instances, the Vendor must notify Avalon of any nonconforming processes, products, or services and obtain approval for their disposition prior to release of the product or material.

Changes to processes, products, or services

- Avalon must be notified of any changes in manufacturing facility location, significant changes to product, process, services, or sub-tier suppliers. All such changes must be approved by Avalon.
- The subcontracting of work to other suppliers that are not specified on the PO can only be performed with the approval from Avalon. If approved, all the requirements on the PO must be flowed down to the sub-tier supplier.
- Manufacturing and inspection data must be kept for a minimum of thirty (30) years and Avalon Precision Metalsmiths must be notified prior to disposal.

Counterfeit Goods and Parts:

- In all instances, the Vendor the needs to prevent the use of counterfeit parts (see below). Counterfeit Parts has been defined as an unauthorized copy, imitation, substitute, or modified part (e.g. material or part) which is knowingly misrepresented as a specified genuine part or an original or authorized manufacturer.
- Examples of counterfeit parts may include, but are not limited to false identification of ...
 - raw materials
 - results from secondary processes
 - documentation (i.e. inaccurate / phony certifications, falsified inspection records)
- a) Goods/Services consist of those goods/services deliverable under this contract. Counterfeit Goods means Goods, Services, Processes or Items that have been misrepresented as having been designed and/or produced under approved system or other acceptable method. Counterfeit Goods include, but are not limited to Goods, Services, Processes or Items that: (i) are and illegal or unauthorized copy or substitute of and Original Equipment Manufacturer

(OEM) item; (ii) are not sufficiently traceable to an OEM to ensure authenticity in OEM design and manufacture; (iii) do not contain the proper internal or external materials or components or are not manufactured in accordance with the OEM design; (iv) are used, refurbished, or reclaimed but the Seller represents as being new; (v) have not passed all OEM required testing, verification, screening, and quality control but the Seller represents as having met those requirements, (vi) have a label or other marking intended, or reasonably likely, to mislead a reasonable person into believing a non-OEM Good is a genuine Good or Item is not.

- b) Seller warrants and certifies that Goods, Services, Processes or Items delivered pursuant to this contract, unless otherwise specifically stated on the face of the Order, shall (i) be new; (ii) be and only contain materials obtained from the OEM or an authorized OEM reseller or distributor; (iii) not be or contain and Counterfeit Goods, Goods/Services and Items shall not be acquired from independent distributors or brokers unless specifically authorized in writing by Buyer,.
- c) Seller shall maintain a method of item traceability that ensures traceability of the supply chain back to the manufacturer of all electrical, electronic, and electromechanical parts sold separately as Goods or Items or include in assemblies and subassemblies being delivered per this contract. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source for the product for Seller and shall include the manufacturer's batch identification for the item(s) such as date codes, lot codes, serialization, or other batch identifications. When requested by Buyer, Seller shall provide OEM documentation that authenticates traceability of the affected items to the applicable OEM. Buyer shall have to right to audit, inspect, and/or approve the methodology described herein at any time before or after delivery of the Goods or Items ordered hereunder. Buyer shall have the right to require changes to the processes to conform to Buyer defined standards, if any
- d) Seller shall immediately notify Buyer in writing of the pertinent facts if Seller knows or has reason to believe Counterfeit Goods have been delivered under the applicable Order.
- e) In the event Goods or Items delivered under this contract constitute Counterfeit Goods, Seller shall, at its expense, promptly replace such Goods with genuine Goods conforming to the requirements of this contract. Notwithstanding any other provisions of this contract, Seller shall be liable for all costs relating to the removal or replacement of Counterfeit Goods, including without limitation Buyers or Buyers customers cost of removing such Counterfeit Goods, reinserting genuine Goods or Items, and any testing necessitated by the reinstallation of any Goods or Items after Counterfeit Goods have been exchanged. Buyer reserves the right to turn over suspected Counterfeit Goods to U.S. Governmental authorities for investigation and reserves the right to withhold payment for the suspect items pending the results of the investigation. The remedies under this Article are in addition to any other remedies Buyer may have to it in law or in equity, or in any other provisions in this contract.
- f) In the event Buyer suspects that the Seller may have provided Counterfeit Goods under and Order, Buyer shall immediately notify Seller in writing, and provide sufficient detail to enable Seller to promptly initiate its own internal investigation. Seller will cooperate fully with any investigation of Counterfeit Goods conducted by Buyer and shall promptly provide all documentation and other information reasonably requested by Buyer.

Right of Access:

- In all instances, Vendors agree to right of access by Avalon, their customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain.

Contribution to product and/or Service Conformity:

- In all instances, the Vendor will ensure that their employees are aware of their contribution to product and/or service conformity.

Contribution to Product Safety:

- In all instances, the Vendor will ensure that their employees are aware of their contribution to product safety.

Ethical Behavior:

- In all instances, the Vendor will ensure that their employees are aware of the importance of ethical behavior.

Foreign Object Debris (FOD):

- Aerospace FOD requirements per AS9146 apply.