

**Bob Lewis Machine Co., Inc.**  
**Purchase Order Terms and Conditions**

Revision D	4/3/2012
BLM QP 7.410	

**THE FOLLOWING GENERAL TERMS AND CONDITIONS (GTC) APPLY TO ALL BLM, Inc. PURCHASE ORDERS AND CONTRACTS, UNLESS OTHERWISE NOTED. SPECIFIC BLM Inc. QUALITY REQUIREMENTS (QR) CLAUSES APPLY WHEN NOTED ON THE P.O.**

<b>General Terms and Conditions</b>	<b>ACCEPTANCE</b> of this order, or the initiating of any process, or the furnishing of any product, or the acceptance of payment, constitutes unconditional acceptance of this order and applicable Terms and Conditions.
	<b>AMMENDMENTS</b> to this order, changes to product or process definition, or supplier logistics, which alters strict compliance with this P.O., or changes and/or exceptions to these Terms and Conditions will be set forth in writing via Purchase Order Change Notices once approved by BLM Inc. after requests of such changes are presented to BLM, Inc. in writing, prior to the acceptance of the order.
	<b>RIGHT OF ENTRY</b> to all facilities involved in the procurement of this order, is reserved by BLM Inc. and/or all of it's Regulatory Authorities to review documentation and perform inspection on site/s to ensure compliance with this P.O.
	<b>RECORD RETENTION</b> of all documents generated in the procurement of this order shall be kept for a minimum of 10 years minimum.
	<b>SCHEDULE</b> for delivery of all goods or completion of services will be the responsibility of the supplier. BLM Inc. may approve revised scheduling, once provided by supplier in writing to BLM Inc., if there is a delay outside the control of the supplier to furnish product or service in accordance with schedule on P.O. However if the supplier does not meet the schedule on the accepted P.O., BLM Inc. reserves the right to terminate the order without liability for such termination.
	<b>CANCELLATION</b> shall remain the right of BLM Inc. and may be initiated at any time and shall be free of liability to BLM Inc. prior to the receipt of goods or completion of services. Processing and general services may have cost prorated to evaluate liability amount if cancellation occurs after commencement of work in accordance with accepted P.O. This cost will not exceed previously accepted P.O. amount and shall be ammended via P.O. change notice prior to final invoicing.
	<b>PACKAGING AND PROTECTION</b> of the product shipped shall be completed in accordance with BLM Inc. P.O. or best commercial practice in order to prevent damage or deterioration to the product and will be free of Foreign Object Debris (FOD). The following documentation will be provided at a minimum: Supplier Company name and location, contact information, Shipper number, Date, BLM P.O. number, Part number, Serial number (if applicable), Part name, quantity, unit of measure, Certifications, compliant Specifications and Revision (if applicable), Test and/or inspection data (if applicable), and test reports (if applicable). A signed and dated statement of quality, from authorized representative stating that all methods and/or materials used to procurement of order are in accordance with P.O. instructions and that all required inspections and/or tests have been successfully completed.
	<b>NONCONFORMING PRODUCT</b> may be returned to the supplier for rework or credit and will be sole financial responsibility of the supplier. Nonconforming product found to be scrapped out due to Supplier failure to process per BLM Inc. P.O. instructions will be sole financial responsibility of the Supplier and recovery cost thereof may be determined by sum of material, pre-existing manufacturing and processing costs. A Failure Analysis, when requested by BLM Inc., will include the following at a minimum: Supplier Company name and location, contact information, Shipper number, Date, BLM P.O. number, Part number, Serial number (if applicable), Part name, quantity, unit of measure, Certifications, applicable Specifications and Revision (if applicable), Test and/or inspection data (if applicable), and test reports (if applicable), Reject document identification number, Description of failed items or components, Cause of the Failure, Corrective action to prevent future failures, and Effectivity of such corrective action.
	<b>FLOWDOWN</b> of all requirements listed on the P.O. and on these Terms and Conditions must be further flowed down to all sub-tier suppliers involved in the procurement of the order. Flowdown also includes management of key characteristics listed, if any.
	<b>INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR)</b> are in effect for this order, as this purchase order and/or appendage thereof contains technical data which is subject to export control laws of the U.S.Government. Transfer of this data by any means to a foriegn person, whether in the U.S. or abroad, without an export license or any other approval from he U.S. Department of State or of the U.S. Department of Defense Trade Controls is strictly prohibited.
<b>QR1</b>	The supplier shall implement and maintain a Quality Management System compliant with ISO9001; AS9100 (Sec 4.19-4.2 excluded)
<b>QR2</b>	The supplier shall implement and maintain a Calibration System compliant with Calibration Requirements ISO10012; ANSI Z540-1.
<b>QR3</b>	The supplier shall control and document dimensional properties of Key Characteristics per inspection plan.
<b>QR4</b>	The supplier shall perform and document a complete First Article Inspection Report as well as an Inspection Report for the balance lot using Zero Defect Sampling Plan on 100% of dimensional properties.
<b>QR5</b>	The supplier shall perform 100% inspection of noted dimensional characteristics on each piece. Serialization of each piece is to be completed and results submitted via inspection report documentation matching the serial number.
<b>QR6</b>	BLM Inc. and/or regulatory authorities require an Interim or Final Source Inspection at supplier facility at designated inspection point/s as detailed in P.O. body. Inspection to be confirmed using an Inspection stamp entry on the supplier router and/or shipper. Please contact BLM Inc. 48 hours prior to schedule Source Inspection activity.
<b>QR7</b>	Material and/or Product acquisitions are pursuant to the Specialty Metal requirements of DFARS 252.225-7014 Alt 1. Supplier shall furnish chemical/physical test reports with each shipment identifying the applicable specification and revision, actual chemical composition and physical properties, heat or lot number, and Manufacturer name and location. The general shape, type, temper and condition of purchased material will be supplied unmodified direct from the material manufacturer. Do not heat treat, process or modify manufacturer's material unless expressed in writing by BLM Inc. Violations will be rejected and returned at Supplier's expense.