



DECO SUPPLIER TERMS AND CONDITIONS

REV 001

I. Scope of Document

- a. The purpose of this document is to establish standard purchasing terms and conditions that shall apply to all purchase orders issued by Deco Sales Company, Inc.
- b. The requirements specified in this document are designed to ensure that all materials procured by Deco Sales Company, Inc., from its' suppliers conform to industry requirements relevant to quality, packaging, and delivery.
- c. These general terms and conditions apply to all issued purchase orders and contract agreements, unless specifically excluded or amended on the actual purchase order document. As appropriate, Seller shall flow PO clauses down to sub-tier suppliers.

II. Definitions

- a. "Buyer" shall mean Deco Sales Company, Inc. or its duly authorized representative(s).
- b. "Seller" shall mean the person, firm or corporation by whom the Contract Products described in Purchase Orders are to be supplied
- c. "Order" shall mean the purchase order, contract or subcontract agreement and revisions thereto, incorporating by reference these conditions and instructions and all applicable data incorporated by reference thereto.
- d. "Contract(ed) Products" shall mean the goods, technical data, drawings, services or other items constituting the subject matter of Purchase Orders, which are to be furnished by the Seller.

III. Quality Management System

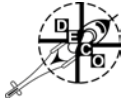
- a. Seller shall provide and maintain a documented quality system, acceptable to the Buyer and Buyer's customers. The system shall assure that all supplies submitted to Buyer conform to PO requirements. The Seller shall perform or have performed the inspections and tests required to substantiate product conformance to drawing, specification, and PO requirements. At a minimum, the quality system shall be in compliance with the requirements of MIL-STD-45208A, ISO 9000, AS 9100, or other widely accepted industry standard and as specified in this document or as specifically cited on actual purchase order documents.

IV. Measuring and Testing

- a. Seller shall maintain a documented system for the calibration and maintenance of inspection equipment, including documentation of calibration, which meets the requirements of MIL-STD-45662, ISO 10012-1, or other widely accepted industry standard. In all cases calibrated shall be traceable to NIST Standards. Records for all calibration of equipment shall be maintained on file for a period of not less than 7 years and shall be available for review by the Buyer or Buyers' customer upon request.

V. Control of Drawings

- a. Seller shall control drawings, specifications and work instructions to the extent necessary to assure that only documents of the revision contractually specified are used. These controls shall assure removal of obsolete documents from the manufacturing, inspection and test areas.



DECO SUPPLIER TERMS AND CONDITIONS

REV 001

VI. Manufacturing

- a. Seller shall utilize written instructions for all manufacturing and inspection operations. Instructions may be in the form of planning, manufacturing operation sheets, work orders, shop orders, travelers or any other identifying document.
- b. Such instructions shall specify, in sufficient detail, the controls and conditions of manufacture peculiar to the item being manufactured, assembled, inspected and tested. These controls shall include without limitation:
 - i. sequence of manufacturing, test and inspection operations
 - ii. identification of manufacturing and inspection tools and equipment to be used
 - iii. reference to applicable drawings, specifications of this PO, and supplemental instructions, including the revision level
 - iv. accept and reject criteria and lot quantity accountability.
- c. Seller may use sampling plans, provided the sampling plans are in accordance with existing military, government or commercially accepted standards.
- d. All Contract Products supplied to Buyer shall be manufactured to the latest engineering revisions, unless specified otherwise on the actual purchase order document.

VII. Inspection

- a. Seller shall establish receiving inspection procedures with adequate instructions to assure materials received from outside sources are inspected to and meet PO requirements. Verification of product conformance to drawing, specification, and PO requirements shall be per inspection sampling plans, audits, Certificates of Conformance, at Seller's or Manufacturer's facilities, as appropriate. In addition to verifying conformance to the PO, the supplies shall be verified against the latest applicable engineering changes.
- b. Seller shall perform final inspection on all purchase orders, to the extent necessary, to ensure that the requirements of this document and/or specified on purchase order documents have been adhered to. In addition, final inspection shall ensure that all packaged materials are correct in-terms of quantity, manufacture revision level, quality requirements, FOD absence and that required documentation is correct and included with the order.
- c. Seller shall grant right of access to Buyer, Buyer's Customer and/or 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 *As Per AS9120A 7.4.2*.
- d. Seller shall maintain inspection records on file for a period of not less than 7 years and shall be available for review upon request of Buyer or Buyers' customer.

VIII. Non-Conforming Material

- a. Seller will identify, segregate and notify buyer of any Contract Products found to be non-conforming as well as communicate the disposition of said non-conforming product.
- b. If any Contract Products that are found to be defective in material or workmanship or otherwise not in conformity with the requirements of the Order, Buyer shall have the right to reject the same or require that such Contract Products be corrected or replaced promptly.



DECO SUPPLIER TERMS AND CONDITIONS

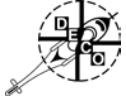
REV 001

IX. Corrective Actions

- a. The Seller's quality system shall provide means for ready detection and prevention of discrepancies.
- b. Responses to corrective action requests on defective or potentially defective products shall be supplied by Seller within 30 days of receipt, to the proper Buyer representative. Failure to respond to Buyer issued NCR/CA requests will result in Seller being removed from Buyers list of approved supplier.

X. Packaging and Marking

- a. Seller shall package and ship Contract Products in accordance with PO requirements. In the absence of specific shipping requirements, materials shall be packaged in accordance with accepted commercial packaging standards. Materials shall be packaged and preserved to prevent damage in shipment. Boxes, crates, and other shipping containers will be of sufficient strength to prevent breakage in transit.
- b. The following minimum identification shall be marked on all unit packs and intermediate containers in the order listed. Any additional markings required by the purchase contract shall be placed either below these markings or in a conspicuous location on the identification-marked side of the container. Unit and intermediate containers used, as the exterior container shall also be marked as follows:
 - i. Deco purchase contract number and line item. This field is mandatory. All packages must display this number preceded by 'P/O:'
 - ii. Part number (PN). The part number cited in the purchase contract shall be shown. This number shall be preceded with 'PN:'
 - iii. Nomenclature. This mandatory field shall display the name of the part or item assigned by the purchase contract. If no nomenclature has been assigned then the supplier shall use a description that best describes the item.
 - iv. Quantity and unit issue. The quantity and unit of measure (issue) shall be shown. The unit of measure on the part must coincide with the unit of measure on the purchase contract.
 - v. Serial number, lot number, cured date. This entry shall be prefix with 'SN', 'LOT', or 'CD' as applicable. If these criteria do not exist then it shall be omitted.
- c. The following minimum identification shall be marked on all exterior containers in the order listed. Any additional markings required by the purchase contract shall be placed either below these markings or in a conspicuous location on the identification-marked side of the container.
 - i. Deco purchase contract number and line item. (See Section X.b.i)
 - ii. Part Number (See Section X.b.ii)
 - iii. Nomenclature (See Section X.b.iii)
 - iv. Quantity (See Section X.b.iv)
 - v. Number and quantity of container. For all shipment consisting of two or more exterior containers, the containers shall be numbered for ease of tracking (1 of 3, 2 of 3, etc.).



DECO SUPPLIER TERMS AND CONDITIONS

REV 001

XI. Paperwork

- a. All ordered products are to be supplied with: Original Manufacturers Certificate of Conformity, chemical and physical reports, raw material certifications and any other relevant documentation necessary to ensure compliance to manufactured specifications and/or are necessary to ensure full traceability requirements.
- b. Copies of all supplied documentation shall be maintained on file with Supplier for a period of not less than 7 years from date of shipment to Buyer.

XII. Flow Down

- a. When invoked by customer contract, the following documents (latest revision) are incorporated by reference:
 - i. Boeing (clauses as indicated):
http://www.boeingsuppliers.com/idscommon/clauses/clause_q.htm