

**Diversified Machine Components  
Standard Purchasing Conditions**

- 1) A general condition of Diversified Machine Components purchase orders issued for products or raw materials is that domestically melted and manufactured material is preferred. When the purchase order states that material must be domestic and this is not possible, Diversified Machine Components will consider purchasing DFARs compliant material of foreign melt or manufacture but must pre-approve the use of this material or it may be subject to rejection upon receipt.
- 2) Material traceability must be maintained for all materials provided or processed by your company. Raw materials shall be marked to maintain traceability to the material test reports furnished with the material. Parts provided or processed by your company shall be processed and shipped in a manner to maintain heat or lot traceability. Diversified Machine Components must be contacted to obtain specific approval to deviate from these requirements.
- 3) Before, during, or after completing the requirements of the Diversified Machine Components order, your company shall afford access to your facilities to Diversified Machine Components or Diversified Machine Components' customer(s) or Regulatory authorities for the inspection of hardware/review of software. Note that this requirement does not constitute a specific hold point; specific hold points will be identified within the text of the order.
- 4) Order of precedence: The Diversified Machine Components order shall take precedence over technical information (specifications, blueprints, etc.) contain within. The supplier is responsible for contacting Diversified Machine Components when a conflict of information is identified.
- 5) Diversified Machine Components' purchase order may include approval to ship a specific heat or lot of material. This approval does not relieve the supplier of the responsibility to provide material that fully meets stated specification requirements. Material is subject to rejection if a violation of technical requirements is found after delivery of the material.
- 6.) Diversified Machine Components must be informed of any deviation or nonconformance to specified requirements prior to delivery of hardware or completion of your service. Supplier shall not ship any item known to be nonconforming without obtaining our approval.
- 7) Supplier shall maintain records of inspections, testing and process controls called for by the purchase order. Unless specified elsewhere in contracts or attachments, these records shall be on file, stored and protected in such a manner that they remain legible, readily identifiable and readily available to Diversified Machine Components for a minimum of Ten (10) years.
- 8) Quality requirements including customer requirements and key characteristics, contained in this purchase order shall be passed down to sub-tier suppliers as is appropriate to the service or material being provided.
- 9) "Conflict Minerals": If the material you are supplying contains Tantalum (Ta), Tin (Sn), Tungsten (W) or Gold (Au), the sources of these materials must not have originated in the Democratic Republic of the Congo (DRC), Angola, Burundi, Central African Republic, the Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda or Zambia.
- 10) Maintain an awareness of your contribution to product or service conformity by developing, implementing and maintaining an effective policy and training program.

11.) Maintain an awareness of your contribution to product safety by developing, implementing and maintaining an effective policy and training program. This will ensure that all employees realize their individual responsibilities regarding the quality, safety and conformity of products and services supplied through the entire life-cycle of said products and services.

12.) Maintain an awareness of the importance of ethical behavior by adopting and complying with a code of conduct regarding business ethics. This code shall be tailored to the Supplier's business and shall at a minimum require compliance with all applicable laws and regulations. This code shall be enforced to ensure that all business is conducted in an ethical manner providing a safe and healthy work environment.

13.) Maintain an awareness of the prevention of the release of products containing FOD (Foreign Object Debris/Damage). Supplier is to establish and maintain an FOD prevention program. Supplier is to train employees in the necessary steps that are to be taken during the processing and packaging of products to prevent damage or contamination of products caused by foreign objects.

14.) Maintain an awareness of the importance of preventing the release of Counterfeit Parts. Supplier is expected to develop, implement and maintain effective methods and practices appropriate to their products to minimize the risk of introducing Counterfeit Parts and Materials into deliverable products. When warranted, the Supplier shall immediately notify Diversified Machine Components of any possible Counterfeit Parts or materials.

15.) Supplier must notify Diversified Machine Components of any changes made to the business that will affect products, processes or services provided. These changes may include, but are not limited to, facility change or relocation, methods of manufacture, changes in the Quality Management Systems, change in Ownership.