

VENDOR Terms and Conditions

Acceptance of this PO indicates your agreement with flow down requirements and/or proper end item user process specification requirements.

1. **RIGHT OF ENTRY.** During the course of this contract, Vendor and their sub-tier vendors will allow Mercer Machine Company personnel, customers and regulatory authorities to enter and inspect its facilities and records involved with this order upon request, at any level of the supply chain. Vendor shall retain all quality records relating to this order, including material test reports and processing records, or a minimum of 10 years.
2. **NON-CONFORMING MATERIAL.** Vendor will notify Mercer Machine of any non-conformity found in the purchased product within 24 hours of discovery of such non-conformity, regardless of whether it is prior, during, or after receipt of the product. Vendor must obtain approval of nonconforming product disposition. Mercer Machine or its customer shall have the right to approve or disapprove of any suspect or non-conforming product. No known non-conforming product shall be supplied to Mercer Machine without written authorization from Mercer Machine.
3. **CHANGES TO PURCHASE ORDER SPECIFICATIONS.** After receipt of the order, Vendor will notify Mercer Machine of any changes to product or process specifications, and Mercer Machine will have the right to approve any such change or alternatively, cancel or modify the order. Mercer Machine shall notify its customer immediately if there are any changes in product and/or process definition or configuration and obtain prior approval from Mercer Machine prior to shipping product.
4. **CERTIFICATIONS.** When it is indicated that the Purchase Order can affect end item quality, certifications must accompany product delivery. Mercer Machine reserves the right refuse delivery of any shipment without applicable certifications. Delivery will not be complete until appropriate certification is received. Vendor shall ensure that all products are inspected and validated using acceptable monitoring and measuring equipment prior to shipment. Vendor shall ensure that all tools used for final acceptance are calibrated to NIST standards and equipment calibrations are current. Vendor's supplying chemicals or other hazardous material is to provide SDS with shipment.
5. **FLOW DOWN.** Vendor will flow down to the supply chain information and requirements specified on this Purchase Order to sub-tier vendors, sub-contractors, etc. paying particular attention to key characteristics or requirements. When it is determined that the vendor is responsible for non-conforming product a corrective action may be issued. Failure to respond within the specified time, vendor may be removed as an Mercer Machine approved supplier.
6. **ITAR (MILITARY STATEMENT).** Documents and data supplied by Mercer Machine may contain technical data within the definition of the International Traffic and Arms Regulations (ITAR) and is subject to the Export Control Laws of the U.S. Government. Transfer of this data by any means to a foreign person or foreign entity, whether in the United States or abroad, without an export license, ITAR exemption or other approval from the U.S. Department of State is prohibited.

7. **NOTICES.** All notices to be made under this agreement shall be addressed to the recipient at the address specified by the recipient.
8. **AMENDMENT.** No amendment of this agreement shall be affective unless it is in writing and signed by Mercer Machine and Vendor.
9. **ASSIGNMENT.** Neither party shall assign its rights and obligations under this contract without the written approval of the other party, which consent will not be unreasonably withheld.
10. **CALIBRATION VENDORS.** Calibration of tools is to be at a 12 month interval and to manufacturing specification unless otherwise stated. Calibration must be NIST traceable.
11. **Revision Control.** Where specification, drawings, etc. are identified use latest revision unless otherwise specified.
12. **Records.** Vendor shall maintain records for a minimum of 10 years unless otherwise required by contract.
13. **FRAUDULENT AND COUNTERFIET MATERIAL.** Supplier agrees that it has a component inspection system in place that will be used in filling this Purchase Order to prevent the shipment of counterfeit/suspect product to Mercer Machine Company.

MERCER MACHINE reserves the right to seize and quarantine any/all suspect, fraudulent, or counterfeit product received. All such product may be forwarded to the intellectual property holder (Original Component Manufacturer) and /or the appropriate Federal or State authorities for final analysis, possible confiscation and /or destruction.

If Products furnished by the Vendor are determined to be fraudulent or counterfeit, Vendor agrees to reimburse Mercer Machine the full purchase price paid as well as any shipping or 3rd party product testing charges incurred.

MERCER MACHINE defines Suspect/Fraudulent/Counterfeit Material/Product as:

SUSPECT: A product in which there is an indication that it may have been misrepresented by the supplier or manufacturer and may meet the definition of fraudulent product or counterfeit product.

FRAUDULENT: Any suspect product misrepresented to the Customer as meeting the Customer's requirements.

COUNTERFEIT: A fraudulent product that has been confirmed to be a copy, imitation, or substitute that has been represented, identified, or marked as genuine, and/or altered by a source without legal right with intent to mislead, deceive, or defraud.

14. **Mercer ensures that persons are aware of:**
 - their contribution to product or service conformity
 - their contribution to product safety
 - their importance to ethical behavior