

# Wren Industries

## PURCHASE ORDER/RFQ TERMS AND CONDITIONS

All Wren Industries purchase orders that reference this document require the supplier to comply with all Standard Clauses in this document. When the purchase order notes Special Clauses, the Standard Clauses apply as well as those Special Clauses specifically noted on purchase order. In the event there are conflicts between this document, the purchase order, or the engineering requirements or in the event the supplier needs assistance with interpretation of the requirements, supplier shall contact their Wren Industries Buyer for resolution of the problem. On items not covered by these terms and conditions, good faith intents of the U.C.C. prevail.

Customers: Special clauses for RFQ's are noted from section I through S.

### STANDARD CLAUSES

**1. ALTERATION**

Acceptance of the terms of this order by acknowledgment, performance, or shipment shall be unqualified and unconditional and none of the provisions contained in this Purchase Order may be added to, modified, superseded, or otherwise altered except by a written instrument signed by an authorized representative of Wren Industries and delivered by Wren Industries to Supplier. Each shipment received by Wren Industries from Supplier shall be deemed to be only upon the provisions contained in this Purchase Order, notwithstanding any provisions that may be contained in any commercial form of Supplier previously or hereafter transmitted to Wren Industries and notwithstanding Wren Industries' acceptance of or payment for any shipment or the like.

**2. TIME**

Time is of the essence. Supplier shall notify Wren Industries immediately of any circumstance which is delaying or which threatens to delay the timely performance of any agreement formed by acceptance of this Order, but such notice shall not excuse performance by Supplier nor affect Supplier's liability for performance hereunder.

**3. TAXES**

The price stated on the face hereof includes all, if any, applicable local, state and federal excise, sales and use taxes.

**4. SHIPMENTS, DELIVERIES AND PACKING**

Wren Industries reserves the right to reject or return at Supplier's risk and expense shipments "made in advance of requirement schedules", or to defer payment on advance deliveries until scheduled delivery dates. No charge will be paid by Wren Industries for packing, boxing, or cartage unless specified on the face hereof. Loss of or damage to any goods not packed in such a manner as to insure proper protection to it shall be borne by Supplier. Each package of goods shipped must contain a memorandum showing supplier's name, contents of package and the purchase order number on the face thereof. Title and risk of loss and damage to material purchased hereunder by Wren Industries shall vest to Wren Industries when the material has been delivered at the F.O.B. point.

**5. SUBCONTRACTING**

Supplier may not subcontract any part of the work under this Order without prior written consent of Wren Industries

**6. RIGHT TO MAKE CHANGES**

Wren Industries shall have the right, by written notice, to make changes in the services to be rendered or the materials to be furnished by the Supplier, hereunder. Any such change requested by Wren Industries pursuant to such right shall be promptly negotiated for any possible equitable agreement as to the price.

**7. INSPECTION**

Notwithstanding prior payment and/or inspection by Wren Industries, all shipments of goods and/or all services rendered hereunder shall be subject to final inspection by and approval of Wren Industries after arrival of such goods at Wren Industries' place of business and/or after such services have been rendered.

**8. WARRANT**

Supplier warrants the material furnished hereunder:

- (a) To be free from defects in title, labor, material, or workmanship.
- (b) To conform to applicable specifications, drawings, samples or other descriptions given.
- (c) To be suitable for the purpose intended.
- (d) To be of merchantable quality and further warrants that material of Supplier's design will be free from defects in design.

**9. OPTION TO CANCEL**

Wren Industries shall have the option to cancel or suspend by written notice, in whole or in part, this order. If Wren Industries exercises the option to cancel or suspend, Supplier shall not incur any additional costs in connection with the agreement after receipt of notification to cancel or suspend. Wren Industries agrees that we will promptly negotiate an equitable adjustment with Supplier, including compensation for actual costs and reasonable profits completed up to the cancellation or suspension provided that it receives a claim for adjustment in writing, specifying the amount claimed with supporting cost figures within thirty (30) days from the date of receipt by Supplier of the notification of the exercise of the option. The amount claimed shall not exceed the price set forth herein less Supplier's charges for Supplier's performance to complete. Supplier acknowledges that the amount specified in any claim for adjustment shall, in all cases, constitute the maximum due from Wren Industries to Supplier under this agreement.

**10. TERMINATION FOR SUPPLIER'S DEFAULT**

Wren Industries may terminate the whole or any part of this purchase order at any time without liability except for items accepted hereunder in the event of Supplier's breach of any of the provisions of this agreement.

**11. INSOLVENCY OF SUPPLIER**

At its option, Wren Industries may terminate this contract in the event of any proceeding, whether voluntary or involuntary in bankruptcy or insolvency by or against Supplier.

**12. RESPONSIBILITIES AND INDEMNIFICATION**

All work to be performed by Supplier hereunder shall be performed entirely at the risk of Supplier and Supplier shall defend, indemnify and hold harmless Wren Industries, its agents, servants, representatives and employees from and against any and all loss (including without limitation, loss of use), liability, damage, claims, demands, actions and/or proceedings and all costs and expenses connected with any thereof (including, without limitation, attorneys' fees) of whatsoever nature on account of any and all damage to or loss or destruction of any property (including, without limitation, property of Wren Industries), or injury to or death of any person (including, without limitation, employees of Wren Industries) arising directly or indirectly out of or in connection with the performance of Supplier of such work. With limiting the generality of the foregoing, Supplier agrees to indemnify and hold Wren Industries harmless from and against all claims and liens of any and all persons based upon the furnishing of labor and/or materials in connection with the goods sold and/or services rendered by Supplier hereunder.

**13. WREN INDUSTRIES' PROPERTY**

All property of Wren Industries furnished or made available to Supplier for performance of work under this Purchase Order shall be segregated from Supplier's property and be marked and identified as Wren Industries' property. Such property shall be used exclusively for performance of Supplier's obligations under this Purchase Order and shall be returned to Wren Industries at its written request, or upon termination, cancellation or completion of this Purchase Order. Supplier agrees to maintain such property in good condition and assume all risks and liabilities for loss of damage thereto and will purchase insurance to cover the replacement cost of such property.

The provisions of the above and forgoing shall apply to Wren Industries' customer furnished property which Wren Industries furnishes to the Supplier in support of this purchase order with the same force and intent as if that property was the property of Wren Industries.

**14. USE OF INFORMATION**

Supplier shall not disclose to any person or entity, other than those employees of Supplier who have a need to know, any information of Wren Industries, Inc., whether written or oral, which Supplier may obtain from Wren Industries or otherwise in the performance of this purchase order.

**15. INSURANCE**

Supplier shall carry insurance protection sufficient to meet all the liabilities that are mentioned herein.

**16. COMPLIANCE WITH LAW**

Supplier shall comply with all applicable federal, state and local laws, regulations and orders. Furthermore, this agreement shall be deemed to have been made at Grand Junction, Colorado and its construction and the rights of the parties hereunder shall be governed by the laws of the State of Colorado.

**17. QUALITY SYSTEM**

Supplier shall maintain a quality system or approved vendor status with Wren Industries. Wren Industries must have a current vendor survey.

**18. CERTIFICATE OF COMPLIANCE**

Each shipment shall contain a certificate of compliance that the product meets the requirements of the engineering and purchase order. An authorized representative of the supplier's quality organization must sign this certificate. The certificate must contain the revision level of all engineering documents or specifications that apply to the work performed by the supplier or the supplier's subcontractor. When the purchase order does not specify the revision level of the engineering or specification, the latest engineering or specification shall apply.

Supplier shall provide a copy of all certificates of compliance from supplier's subcontractor when the subcontractor's work is controlled by paragraph 19, 19.1 or 19.2B.

Where supplier manufactures parts for Wren Industries and then applies finishes (plating, painting, etc. either by subtier or in-house) the supplier shall perform a 100% Rockwell and Conductivity, as applicable, inspection of the parts prior to application of the finishes. Such Rockwell and Conductivity shall be performed per specifications required by Wren Industries' customer. Supplier shall provide written certification of 100% Rockwell and Conductivity, including actual upper and lower readings and specification (including revision level) to which Rockwell and Conductivity inspection was performed.

Where Wren Industries supplies the material for this order; the supplier shall certify on each shipment that the supplier has not made any unauthorized substitutions of the material. Wren Industries Quality Assurance must approve any substitution of material.

**19. SPECIAL PROCESSING**

If this order is for production work that includes special processes, supplier shall use only those processors approved by Wren Industries' customer for that process. Supplier should contact Wren Industries Quality Assurance for assistance in assuring that supplier uses only approved processors.

**19.1. RAW MATERIALS**

Where the supplier supplies raw material (e.g., bar, castings, extrusion, forging, plate, sheet, etc.) either directly to Wren Industries or purchases the material for use in manufacturer of machined or sheet metal products for Wren Industries (standard hardware items are specifically excluded

from this paragraph), the supplier shall assure that the material is manufactured and distributed by sources approved by, Wren Industries' customer.

Where our customer does not specifically require approval of the manufacturer and/or distributor of the raw material then:

Where the material is for use on commercial aircraft the supplier shall assure that the material is manufactured in the United States of America or in a country with which the United States of America has ratified a Bi-Lateral Airworthiness Treaty. For a list of countries with bi-lateral agreements consult FAA AC 21-18 and AC 21-23.

Where the material is for use on military aircraft and the material is considered a specialty metal (as defined in DFARS 252.225-7014), then the supplier shall assure that the materials are melted in the United States of America, its possession, or Puerto Rico unless supplier gains prior written approval through Wren Industries from our customer for use of other sources.

Certificate of compliance with actual results of physical and chemical test reports must accompany each shipment where supplier furnishes the raw material. Material must be Identified by heat lot and or heat-treat load, (if applicable). Test reports must be traceable to the material lots supplied.

Supplier should contact Wren Industries Quality Assurance for assistance in assuring the source of raw material supply is acceptable to Wren Industries' customers.

#### **19.2. STANDARD HARDWARE ITEMS**

Where the supplier supplies hardware items (e.g., Bolts, Nuts, Nutplates, Rivets, Loc Bolts, Hi Locs, Collars, etc.) of standard design (whether industry or BMI customer standard) and the hardware is controlled by a qualified producer's list (QPL) the supplier shall provide a certificate of source of supply when the direct Wren Industries supplier is not on the QPL.

Where Wren Industries' customer requires the distributor to be approved by the customer, then the supplier shall only use and or supply hardware from BMI customer approved distributor.

Supplier shall provide a certificate of supplier's source of supply where the product is controlled by a qualified producer's list (QPL) when the supplier is not on the QPL.

Supplier should contact Wren Industries Quality Assurance for assistance in assuring the source of standard hardware items is acceptable to Wren Industries' customers.

#### **20. FIRST ARTICLE INSPECTION REPORT**

For production work done to designs and/or specifications furnished by Wren Industries, the supplier will provide a First Article Inspection Report in the following situations:

- A. First production lot.
- B. First production lot after an engineering change that affects the configuration of the production work procured by Wren Industries In these cases, the First Article Inspection Report need only record those features changed by the engineering change.

At the minimum, a First Article inspection report must include the part number, a listing of each engineering feature, a listing of the actual measurement of each engineering feature and a record of the person who inspected that engineering feature. Supplier may use MIL-STD-831 as a guide for creating a First Article Inspection Report.

#### **21. RIGHT OF ACCESS AND RIGHT TO INSPECT SOURCE**

Wren Industries, Wren Industries' customer and associated government agencies reserve the right of access to supplier's facilities to witness or otherwise monitor progress in completion of this purchase order. This right of access shall include, but not be limited to, the right to inspect any or all work performed under this order. Wren Industries Quality Assurance will notify the

supplier, in advance of shipping date, if Wren Industries or Wren Industries' customer source inspection is required.

**22. NONCONFORMING MATERIAL CONTROL**

Supplier shall submit all nonconforming material to Wren Industries Quality Assurance for approval prior To shipment to Wren Industries Supplier may use Wren Industries' documents or supplier's documents to identify discrepant material.

Supplier shall investigate the cause of each nonconformance, whether identified by supplier or by Wren Industries. The supplier shall establish corrective action to preclude the recurrence of the nonconformance. The supplier shall provide a statement of the cause and the corrective action to Wren Industries Quality Assurance whenever the supplier is submitting a nonconformance for Wren Industries approval. The supplier shall provide a statement of the cause and the corrective action to Wren Industries Quality Assurance within fifteen days whenever Wren Industries has identified a nonconformance to the supplier. If any part of this Purchase Order is defective in design or workmanship or otherwise not in conformity with the requirements of this Purchase Order, Wren Industries may elect in its sole and reasonable discretion to: (a) return the nonconforming parts for replacement (b) to cause Supplier to rework or repair the nonconforming parts; (c) rework or repair the nonconforming parts and recover reasonable expenses of rework or repair from Supplier, or in the event Supplier is unable to remedy the nonconforming condition, Wren Industries reserves the right to reject and return the nonconforming parts, not to be replaced and with full refund of all costs paid by Wren Industries for the parts (without any deductions by Supplier). All nonconforming parts returned by Wren Industries to Supplier and all replacement parts shipped to Wren Industries to replace nonconforming parts shall be at Supplier's risk and expense, including transportation charges.

**23. STATISTICAL PROCESS CONTROL (SPC)**

Suppliers (other than distributors) must have SPC fully implemented and approved by Wren Industries. Contact Wren Industries SPC Coordinator to discuss plans and implementation.

If supplier has an SPC plan approved by Wren Industries' customer, then supplier shall provide evidence of the SPC approval to Wren Industries' SPC Coordinator. This Wren Industries customer SPC approval shall constitute Wren Industries SPC approval for work related to that Wren Industries customer.

For all shipments made after supplier's SPC plan is approved, supplier shall retain all SPC charts on file for Wren Industries review. Supplier shall provide copies of these charts upon request.

**24. RECORD RETENTION**

Supplier shall retain records on file a minimum of ten years from the date of shipment. Records are to remain legible, readily identifiable and retrievable in event records are requested.

**25. OPTION TO RE-SCHEDULE**

Wren Industries shall have the option to re-schedule by written notice, in whole or in part, this order. If Wren Industries exercises the option to re-schedule, Supplier shall not incur any additional costs in connection with the agreement after receipt of notification. Wren Industries agrees that we will promptly negotiate an equitable adjustment with Supplier, including compensation for actual cost completed up to the re-scheduling provided that it receives a claim for adjustment in writing, specifying the amount claimed with supporting cost figures within thirty (30) days from the date of receipt by Supplier of the notification of the exercise of the option. The amount claimed shall not exceed 10% per year herein less Supplier's charges for Supplier's performance to complete. Supplier acknowledges that the amount specified in any claim for adjustment shall, in all cases, constitute the maximum due from Wren Industries to Supplier under this agreement.

**SPECIAL CLAUSES**

**A. LIMITED SHELF LIFE ITEM**

This order is for a limited shelf life item. Supplier shall identify the container, package and packing sheet as follows:

- Governing Specification
- Name of Manufacturer
- Date of manufacture (cure date for elastomers)
- Batch Number/Net Contents (as applicable)
- Storage Requirements (e.g., temperature, etc.)
- Expiration date

**B. SOURCE INSPECTION**

- Wren Industries acceptance is required prior to shipment. Notify Wren Industries Quality Assurance at least 48 hours before shipment. Call (970) 245-5881 between the hours of 8:00 a.m. and 4:30 p.m., (Mountain Time Zone), to notify Wren Industries of items ready for source inspection.
- Wren Industries' customer inspection acceptance is required prior to shipment of this order. Upon receipt of this order, supplier shall contact Wren Industries Quality Assurance to coordinate and plan our customer's inspection.
- Government inspection is required prior to shipment from your plant. Upon receipt of this order, promptly notify the Government Representative who normally services your plant so that appropriate planning for Government inspection can be accomplished.
- On receipt of this order, promptly furnish a copy to the Government Representative who normally services your plant or, if none, to the nearest Army, Navy, Air Force, or Defense Supply Agency Inspection Office. In the event the representative or office cannot be located, Wren Industries Quality Assurance should be notified.

**C. BOEING D6-1276 APPROVED MANUFACTURING PLANS**

Boeing's D6-1276 document applies to this order. All manufacturing plans for this order must meet the requirements of D6-1276. Supplier must submit the detailed manufacturing plans to Wren Industries Quality Assurance. Wren Industries will submit the manufacturing plan to Boeing for approval. Manufacturing plans must be approved prior to supplier beginning work on this order.

**D. FIRST PART APPROVAL REQUIRED**

Supplier shall submit first part to Wren Industries Quality Assurance for inspection acceptance prior to running the production of parts on this order. Wren Industries will provide supplier with an inspection report stating the findings of our inspector. All nonconforming issues raised by Wren Industries Quality Assurance must be corrected before production of parts on this order.

**E. CERTIFICATION OF OZONE DEPLETING SUBSTANCES.**

Supplier must provide one of the following certifications on each shipping document:

- A.** The supplier certifies these goods were not manufactured with and do not contain ozone depleting substances.
- B.** The Supplier certifies these goods are in compliance with the ozone depleting substances labeling requirements under US law.

If certification to paragraph B is made, precautionary labeling must accompany the statement and must comply with 40 CFT Part 82 Subpart E.

**F. APPROVED MANUFACTURING PLAN.**

Prior to beginning production on this order supplier must provide and obtain Wren Industries Quality assurance approval of the manufacturing plans. The plan must include the raw material required for the manufacture by alloy. Temper and specification) detail of the manufacturing process, define the special processes

and identify the sub-tier suppliers (by name and complete address) who are to perform the special process. All specifications noted in the manufacturing plan must be to the current applicable revision level as of the date of placement of this order, unless otherwise specified in the purchase order

**G. CERTIFICATION OF CALIBRATION**

This order is for calibration services. Each gage calibrated for Wren Industries must be accompanied with a Calibration Certification. The following is the minimum information that must be included on the Calibration Certification.

Wren Industries gauge serial number and description.

Date of the calibration.

Serial Number of the Master you used for calibration of Wren Industries' gauge.

Last calibration date and next calibration due date of the Master used.

Before and After results.

NIST trace number or foreign equivalent

NIST date or foreign equivalent.

Statement that the calibration meets one of the following calibration system standards; ANSI/NCSL Z540-1, ISO 10012-1, OR MIL-STD-45662A. ANSI/NCSL Z540-1 is the most preferred calibration system to Wren Industries ISO 10012-1 is second preferred. MIL-STD-45662A is least preferred.

Actual signature or identifying inspection stamp of the person who is certifying the calibration.

**H. BOEING RAW MATERIAL STRATEGY**

This order is subject to the Boeing raw material strategy. This means Boeing has established a long term pricing agreement with a supplier and you must buy the material from this supplier. CONTACT WREN INDUSTRIES FOR FUTHER INSTRUCTIONS.

Special Clauses I through S reflect RFQ Terms and Conditions.

**I: Effect of Buyer modifications to this quotation.** The price and delivery terms in this quotation are subject to change if Buyer wishes to change any terms of this quotation.

**J: Acceptance** of this quotation may be by any reasonable and customary communication. No inconsistent terms in Buyer's purchase orders, such as quantities, delivery schedules, or inconsistent printed text will have any force or effect unless specifically agreed to in writing by Wren Industries.

**K: Price increases for materials.** This quotation is based on the present cost of materials. Buyer shall pay Wren Industries for any increase in cost of materials purchased to fulfill this contract. This will be in writing by Wren Industries.

**L: Payment terms** quoted are based on the Buyer's present financial condition and record of payment. If any material changes arises, Wren Industries has the right to require C.O.D. or other security for payment, or to withhold delivery. Wren Industries reserves the right to charge Buyer 2% per month penalty on all invoices unpaid after terms established. If Buyer defaults in payment, Buyer shall pay Wren Industries costs of collection including reasonable attorney's fees, in addition to damages.

**M: No Warranty on goods.** The goods sold to Buyer will be as described, and no other express or implied warranties are made by Wren Industries, including any warranty to fitness or perform any particular function unless expressly stated in this quotation. Buyer has furnished the drawings and specifications for the goods and Buyer is not relying on Wren Industries to select goods or engineering designs. Therefore, Wren Industries DOES NOT WARRANT THAT THE GOODS ARE FIT FOR ANY PARTICULAR PURPOSE AND MAKES NO WARRANTY OF MERCHANTABILITY, and Buyer indemnifies and holds harmless Wren Industries from any claims or liability arising from any use of the goods subject of this contract.

**N: Raw materials availability.** This contract is contingent upon the availability of raw materials required for the manufacture of the goods. Wren Industries shall not be deemed in breach of this agreement for delay in manufacture or delivery where such raw materials are unavailable. In such case, Wren Industries may, at its option, cancel this agreement or deliver to you its pro-rata share of its production.

**O: Buyer's request for changes.** Following acceptance of this quotation, any technical, quantity, delivery or other change requested by Buyer shall be in writing and shall be construed as a request to renegotiate the contract without prejudice to the rights of Wren Industries under the contract.

**P: Cancellation by Buyer.** In the event Buyer cancels this contract following acceptance of this quotation, Buyer agrees to pay Wren Industries its expenditures for raw materials, unamortized tooling, labor incurred, handling and overhead, and for all work completed to date and in progress but not yet delivered to Buyer. This is without prejudice to such other and additional rights as are available to Wren Industries under the law.

**Q: Incidental charges.** Any special packaging requirements, source inspection by Buyer on the premises of Wren Industries, or other requirements not expressly provided for shall be subject to additional charges by Wren Industries.

**R: Short Count.** Buyer shall be deemed to have accepted the numerical count of goods shipped unless Buyer notifies Wren Industries in writing of any claim for short count within 10 days after delivery to Buyer.

**S: Nonconforming goods.** Goods delivered to Buyer shall be deemed to conform to this contract unless Buyer notifies Wren Industries in writing of any claim of nonconformance within 30 days after delivery to Buyer. Buyer will then await instructions and unless otherwise agreed to in writing by Wren Industries. Buyer assumes the full risk and expense of returning goods to Wren Industries, including but not limited to damage arising from Buyer's improper packaging. Wren Industries agrees to repair or replace nonconforming goods or allow a credit for nonconforming goods and shipping charges at its option, which shall be the sole liability of Wren Industries with respect to nonconforming goods.