	Purchase Order Terms and Conditions	Document Number 2-01-00	Revision 5
		Dates approved 4/28/2025	Pages 4
Document Approved By:	Title	Name	Date Approved
	COO	Kenny Parker	5/2/2025

COMPANY SUPPLIER TERMS AND CONDITIONS AGREEMENT

As applicable,

As a supplier to Blue Waters Engineering, LLC. it is understood that your organization agrees to meet the following AS9100 stipulations/requirements when accepting our purchase orders. These requirements are to be considered Terms and Conditions to all purchase orders received. Any changes to these terms and conditions will be stated in the purchase order. With the acceptance of a purchase order from Blue Waters Engineering it must be recognized that all persons are aware of their contribution to the product or service in order to meet AS9100 requirements.

RIGHT OF APPROVAL

Our organization reserves the right of final approval of product, procedures, processes, and equipment.

QUALIFICATION OF PERSONNEL

All special processes required by this PO must be performed by qualified personnel.

QUALITY MANAGEMENT SYSTEM

Our organization reserves the right to review and approve the Suppliers Quality Management System.

IDENTIFICATION OF SPECS/DRAWINGS

Maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data that may be provided to you from Blue Waters Engineering or its customers. Key, critical, and special characteristics are to be identified and controlled as noted on the purchase order.


TEST SPECIMEN

Our organization reserves the right to approve or specify any designs, tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items including key characteristics. Our organization reserves the right to designate requirements for inspection/verification, investigation, or auditing.

NONCONFORMING PRODUCT

The Supplier is required to:

- a. Notify our organization of nonconforming product.
- b. Obtain our organization's approval for nonconforming product disposition.

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		Dates approved 4/28/2025	Pages 4
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c. Notify our organization of changes in product and/or process, changes of suppliers, and changes of manufacturing facility locations.

d. Flow down to the supply chain the applicable requirements including customer requirements. Purchasing Standard Terms, Conditions and Supplier Quality Requirements according to AS9100D.

FLOW DOWN

Flow down to the supply chain the applicable requirements including all Purchase Order requirements and key characteristics to the supplier's vendors of any approved outsourced products or services is required. Supplier is responsible for ensuring that subcontractors, suppliers and personnel are aware of their contribution to product or service conformity and product safety, and the importance of ethical behavior.

RIGHT OF ACCESS

Right of access by Blue Waters Engineering, our customer, and 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 to include verification and validation on site, as defined on the Purchase Order and arranged with the supplier.

MATERIAL CERTIFICATION

Certification of Materials and/or Process performed must accompany materials/parts received.

STOCK MATERIAL TOLERANCE


Stock material size tolerance will be 0 to 1/8". It is recommended that any Supplier providing stock notify Blue Waters Engineering of any deviation to this requirement prior to shipping. Blue Waters Engineering reserves the right to reject stock material that falls outside of this tolerance zone and may be returned

DOCUMENTATION FOR SPECIAL PROCESSES

The outsourced process performed by suppliers must qualify the vendor. Use customer-designated or approved external providers. Notify the organization of nonconforming processes, products or services and obtain approval for their disposition.

MATERIAL SUPPLIERS

Material Certifications must accompany all products shipped for all Purchase Orders fulfilled stating that all materials supplied meets specification and purchase order requirements. Supplier shall ensure that the data sheets match product purchased, and The Supplier shall comply with any special requirements requested by Blue Waters Engineering regarding the control of drawings and specification. Notify the organization of changes to processes, products

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or services, including changes of their external providers or location of manufacturing and obtain the organization's approval.

PACKAGING


All material must be packaged suitably for ground or air transportation and must provide protection from in-transit damage. As a minimum, the Supplier shall package all material in a manner that will ensure protection against corrosion, oxidation, deterioration, and physical damage during shipment. Electrostatic sensitive products shall be packed in an Electrostatic Discharge (ESD) protective bag. In addition, when materials delivered are lot-controlled and multiple material lots are shipped, each lot shall be separately packaged and identified. Suppliers are also responsible for handling damage that occurred at their location. Failure to comply with this will result in a rejection of the product or parts. Blue Waters Engineering reserves the right to make a disposition on any damaged product to determine whether parts will be returned for credit or deemed usable. If Blue Waters Engineering determines the product or parts are damaged and dispositioned as not usable, we reserve the right to reject the shipment and return it to the sender at the sender's cost for reprocessing or sorting of damaged product or parts.

SHIPPING

All shipping documents (bills of lading, etc.) must reference the Customer Purchase Order Number. All material shipments must comply with our Packaging Requirements. Every shipment must be protected to ensure the quality, preservation, and safety of the shipment. All freight instructions must be executed. All goods shall be suitably packed and properly marked (including notice of hazardous substances) or otherwise prepared for shipment to secure the lowest transportation rates and to meet the carrier's requirements. Shipments shall be shipped via carrier listed on the Purchase order. Packing list delivered with the ordered product shall have: Seller name and address, ship to address, purchase order number, part number ordered, no pricing or cost information, purchase order line number, item description, quantity being shipped, serial number if applicable, shelf life, date of manufacture and expiration date, manufacture batch or lot number, country of origin, HTS code, and hazardous un number if applicable. The seller shall ensure that all items are correctly classified on the bill of lading to obtain minimum freight rates. All goods must be shipped using ESD compliant packaging standards. Failure to follow these instructions will result in Blue Waters Engineering non-liability for freight charges and freight charges will be billed to vendor or supplier. The above instructions apply only to products/ materials being delivered to Blue Waters Engineering, unless drop shipment authorization is given.

COUNTERFEIT PART

Prevent the use of counterfeit parts. If applicable, you are required to have a Counterfeit part program to eliminate the use of any unauthorized copy, imitation, substitute, or modified part (e.g., material, part, component), which is knowingly misrepresented as a specified genuine part

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of an original or authorized manufacturer. If Counterfeit parts are detected in product procured, you must notify Blue Waters Engineering within 24 hours.

FOD-FOREIGN OBJECT DEBRI

Preservation of outputs shall also include prevention, detection and removal of foreign objects. You must ensure processes and products are free of FOD. Any substance, debris or article alien to any raw materials purchased.

DATA RETENTION

All records must be retained for 10 years or as defined on purchase order, and disposal required after 10 years or as defined by purchase order based on the requirements of the customer. This includes electronic files, emails, voicemails, letters and other correspondence, audio and video recordings, contracts, purchase orders, invoices, proforma invoices, instant messenger conversations, performance reviews.

PERFORMANCE

Blue Waters Engineering will continually control and monitor supplier performance using a scorecard that is available upon request. Performance criteria: Pricing, availability, on-time delivery and product/service quality. If your approval status changes as a result of performance, you will be notified.