



TERMS & CONDITIONS

The standard instructions noted below may be included with the purchase order as needed to facilitate the flow down of requirements to the supplier.

TERMS AND CONDITIONS THAT APPLY TO ALL SUPPLIERS

1. Traceability by Lot: The supplier shall maintain traceability of all materials, adhesives, brazing/welding materials, coatings or finishes and added components for each lot of products produced (as required).

2. Current Specifications: It is the supplier's responsibility to verify all necessary product and material specifications in use at the supplier facility are the most current release.

3. Supplier Non-conformance: Supplier shall report any non-conformances in either the part configuration or deviation from any special processes to Company Name.

4. Supplier Performance: Company Name maintains a list of approved Manufacturers and approved Distributors (Suppliers). Suppliers are monitored by purchase order performance and are subject to continuing performance measurements based on both conformance to requirements and delivery performance. Late shipments or the shipment of discrepant (nonconforming) material will affect a Supplier's approval rating and may cause corrective action and re-assessment of approval status.

5. Requirements Flow Down: Should any portion of Company Name's purchase order requirements be subcontracted to other suppliers, all applicable requirements of the Company Name purchase order shall be imposed on the sub-tier supplier.

6. Records: Quality records shall be retained per-supplier quality management system requirements after completion of purchase order, or as directed by Company Name or customer's quality requirements (when necessary). Records shall be identified and stored in a manner that allows them to be easily retrieved and adequately protected. The seller shall also be responsible for providing a Certificate of Conformance, chemical/material test data, etc. with the product as evidence of conformance, as applicable.

7. FOD Prevention: Any items that could/would classify as FOD (Foreign Object Debris/Damage) shall not be used in the preparation or packaging of product, or parts delivered to Company Name (i.e., staples, paperclips, etc.).

8. Calibration: Providers of calibration services must comply with the latest requirements of ANSI/NCSL, Z540-1, ISO 17025 or ISO 10012-1 and standards used must be NIST traceable. Unless stated otherwise, calibration will be per manufacturer's specifications.

9. Right of Inspection & Rejection: No parts received from processor by Company Name shall be deemed accepted until Company Name has had a reasonable time to inspect such items and determine the actual quantity received for any packaged parts. Such an inspection and physical count shall be performed at the Company Name facility. Any items which have been discovered to be defective or which fail to conform to the specifications may be rejected upon initial inspection or a later time if the defects contained in the items are not reasonably ascertainable upon initial inspection. Processor shall be liable for any parts lost or damaged by processor and shall reimburse Company Name for the actual cost to remake damaged, defective, or lost parts including shipping and handling costs.

10. Counterfeit Parts/Materials Prevention and Control: Suppliers shall ensure through their processes and/or a formal program against the receipt of counterfeit parts/materials into their inventory, against their use in manufacturing, and against their being sold to other suppliers. Suppliers' processes and/or formal program shall be similar to, and meet the intent of SAE AS6174, Counterfeit Material; Assuring Acquisition of Authentic and Conforming Material and/or AS5553, Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition.

11. Knowingly supplying material deemed or suspected as counterfeit will be considered unethical business practice and could result in a supplier investigation, reporting and possible removal from Company Name 's approved vendor listing.

12. Additional Needs for External Providers: The need to implement a quality management system. Ensure that all personnel are aware of their contribution to product or service conformity; their contribution to product safety; and the importance of ethical behavior.

13. Export Compliance Requirements: Products, services, and/or technical data provided or disclosed to the Provider may be subject to required and continuing U.S. Government approvals, clearances, regulations, and export/import and re-export requirements, including the U. S. Department of State International Traffic In Arms Regulations (Title 22, CFR Parts 120-130), the U.S. Department of Commerce Export Administration Regulations (Title 15, CFR 730-774), and any other U.S. Government regulation applicable to the export/import, re-export, or disclosure of such controlled products, services and/or technical data to Foreign Nationals whether within, or outside, the U.S. including those employed by, or otherwise associated with, the Provider. The Provider acknowledges and agrees to comply with all such U.S. regulations regarding export/import, re-export, or disclosure and will obtain any and all such registrations, licenses, agreements, approvals and/or certifications, as may be required by regulations for the export of the products, services, and/ or technical data that may be provided under this Agreement before initiating such export/import, re-export, or disclosure. Terms and Conditions that apply only to Build to Print & Special Process Suppliers.

14. Right of Entry: The supplier shall grant the right of access to Company Name staff or Company Name 's customers to the supplier's facility to perform source inspection.

15. Raw Material (Specialty Metals) Data: The supplier shall maintain records of raw material, adhesives, brazing/welding materials, coatings or finishes and added components, Certificate of Conformance, inspection reports or any other material acceptance data.

16. Any specialty metal delivered under this contract shall be melted or produced in the United States or its outlying areas in accordance with the following DFARS:

- 252.225-7008 Restriction on Acquisition of Specialty Metals.
- 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals
- 252.225-7052 Restriction on the Acquisition of Certain Magnets and Tungsten.

17. Traceability by Serialization: The supplier shall maintain traceability of all raw materials, adhesives, brazing/welding materials, coatings or finishes and added components for each individual part produced by unique serialization and identification of each part with the lot.

18. Raw Material Data: This data shall be provided with each lot/batch of parts. (Reference Terms for All Suppliers)

19. Qualified Parts List: The supplier shall only use drawing or specification defined components, adhesives, finishes, brazing/welding materials. These materials are to be purchased only from qualified suppliers that are identified from drawing or specification as approved suppliers. All deviations must be approved in writing from Company Name procurement personnel.

20. Current Specifications: This shall include industry standard specifications and Company Name provided drawing, process, and data set information. (Reference Terms for All Suppliers)

- Work to be accomplished in performance of this purchase order must be accomplished in accordance with CURRENT AND LATEST REVISION of the process specification stated/requested on purchase order unless otherwise directed.

21. Qualified Special Processors: The supplier may only use qualified suppliers to perform special processes such as heat treat, welding, brazing, finishing, or bonding. These special process suppliers may be identified in Company Name supplied drawings, specifications, quality plan, purchase order and/or be approved by Company Name staff prior to use.

22. Special Processing Records: The supplier shall maintain record of special processing test and acceptance and shall provide these records to Company Name personnel.

23. Quality Plan: A part specific quality plan is a requirement of this order. All test and inspection noted in this plan must be complied with and records provided indicating compliance to the plan.

24. Counterfeit work:

- (a) For the purposes of this clause WORK consists of those parts delivered under this purchase order that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). "Counterfeit Work" means Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair but is altered and misrepresented

as acceptable.

- (b) Supplier shall not deliver Counterfeit Work under this purchase order.
- (c) Supplier shall only purchase products to be delivered or incorporated as Work directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), through an OCM/OEM authorized distributor chain, or other approved means (i.e., FAA PMA).
- (d) Supplier shall immediately notify Company Name with the pertinent facts if supplier becomes aware of suspects that it has furnished Counterfeit Work. When requested, supplier shall provide documentation that authenticates traceability of the affected items to the applicable OCM/ OEM.
- (e) This clause applies in addition to any quality provision, specification, statement of work or other provision included in this purchase order addressing the authenticity of Work. To the extent such provisions conflict with this clause, this clause prevails.
- (f) Supplier shall include paragraphs (a) through (e) and this paragraph (f) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as work to Company Name .

25. Source Inspection: If an On-site source inspection by Company Name personnel is a requirement of this order. Five-day notification must be provided to Company Name when the order is complete to schedule the inspection.

26. Customer Source Inspection: If end item customer source inspection is a requirement of this order. Five-day notification must be provided to Company Name when the order is complete to schedule the inspection.

27. Document Review: The supplier shall submit to Company Name all relevant and required inspection and test data i.e., COC/COA for the products and services ordered prior to shipment. Authorization to ship product must be received from Company Name personnel.

28. Supplier Non-conformance: When Company Name identifies nonconforming articles and determines the cause to be the Seller's fault, the Seller shall be notified and take immediate action to eliminate the nonconformance on all articles in Seller's control. Company Name will provide the Seller with notification. Upon receipt of such notification, the Seller shall develop and implement acceptable corrective action. Seller shall also maintain, on file, verification that root cause corrective action has occurred and has resolved the subject condition. Company Name reserves the right to review the verification data and have the data submitted to Company Name.

29. Proprietary Process or Product: The supplier shall report to Company Name procurement personnel any changes in the supplier's process or product definition that could affect the performance of the deliverable service or product.

30. Technical Requirements

- Chemical and Physical Test Reports – Each shipment is accompanied by one legible and reproducible copy of

all chemical and physical test reports. The report contains the signature and title of the authorized representative of the agency performing the test and must conform to specification requirements. The report shows the purchase order number.

- **Process and Material Certification** – Each shipment is accompanied by one legible and reproducible copy of a Certificate of Compliance for each process or material used. Such processes as heat treating, welding, soldering, magnetic particle inspection, penetrant inspection, ultrasonic inspection, surface preparation and treatment and chemical processing are included. The certificate identifies the process or material, the purchase order number, the specification to which they conform and the name of the agency that performed them (if other than the seller). In addition, the signature and title of the authorized representative approving the information is included.
- **Traceability** – Items under this purchase order must be traceable to heat lot/lot numbers of the original manufacturer, if applicable. Copies of all traceability and inspection records are submitted with raw materials, parts, or assemblies to which they apply. Raw materials used are identified by lot number as well as material type, specification and heat number and must be traceable to records of acceptance (e.g., packing slip, bill of lading, etc.). Parts fabricated are identified with the lot or raw material used.

31. Qualified Outside/Special Processors

- Supplier shall only use qualified suppliers/personnel to perform special processes. These special processors may be identified by Company Name and listed on the Approved Vendor List (AVL) prior to use.

32. Qualified Materials: Supplier shall use/provide defined raw materials as specified by the purchase order.

33. DFARS – 252.225–7009 – Restriction on Acquisition of Certain Articles Containing Specialty Metals.

- “Qualifying country” must meet the requirements of “Qualifying country” at 225.003 of the Defense Federal Acquisition Regulation Supplement (DFARS).

34. DFARS – 252.225–7008 – Restriction on Acquisition of Specialty Metals.

- Any specialty metal delivered under this contract shall be melted or produced in the United States or its outlying areas.

35. Change Notification: Supplier shall report to Company Name purchasing personnel ANY changes/substitutions in the supplier’s process or product definition that could/would affect the quality, conformance and/or performance of the deliverable services, process and/or product. Any deviation in process or product definition by the supplier requires Company Name approval prior to shipment of product.

Right of Inspection & Rejection: Any items which have been discovered to be defective or which fail to conform to the specifications may be rejected upon initial inspection or a later time if the defects contained in the items are not reasonably ascertainable upon initial inspection. Processor shall be liable for any parts lost or damaged by processor and shall reimburse Company Name for the actual cost to remake damaged, defective, or lost parts including shipping and handling costs. (Reference Terms for All Suppliers)