## A. REGULATORY

1. *Binding. Acceptance of a PO is a binding contract and any breach to said contracts are legally binding in the State of California with all applicable laws and governance.*
2. *Termination of Order. We reserve the right to cancel a PO without penalty if supplier is unable to meet defined requirements. Cancellation due to internal reasons may result in partial payments to cover materials and labor costs to date. Materials (processed or raw) along with semi-finished goods must be sent to us for partial payments to be approved and processed unless otherwise instructed.*
3. *Delivery. Delivery times are defined on each PO. If supplier is unable to meet defined deadlines, we must be notified immediately for risk assessment and adjustment. If items are received without the proper documentation, items will be placed on hold until required paperwork is received. Payment terms with supplier begin when items are received and accepted without issue.*
4. *Legal. Supplier agrees to all applicable regulations as stated applicable on the corresponding PO:*
    a. *International Traffic in Arms Regulations (ITAR). May contain data subject to US Export Laws and Regulations in which supplier must follow protocols defined within the ITAR Regulation. Data may not be exported or re-exported to foreign persons, employed by, or associated with, or under contract to supplier or sub-tier sources without prior written notice and approval. If data is marked as export controlled, supplier holds buyer harmless from and against all claims, liabilities, and expenses that may be imposed by US Authority.*
    b. *Federal Acquisition Regulations (FAR). Applicable FAR clauses will be listed on each PO. FAR 52.246.2 and 52.203-7 are applicable for all orders.*
    c. *Defense Priorities and Allocations System (DPAS). Priorities assigned and required by the Federal Government to flow down priority on certain orders. DX is the highest rating for urgency and DO is critical to national defense.*
    d. *Conflict Minerals. Applicable conflict minerals policies and procedures defined by REACH and RoHS to ensure safety.*
    e. *Information Security. Supplier must have an information security program to protect proprietary, intellectual, and other sensitive information and correspondence submitted via electronic medium. Such practices should include appropriate physical security, back-up procedures including verification of back up activity, and disaster recovery. NIST 800-171 should be used as a guideline unless specifically noted as a requirement.*
5. *Employee Contributions. Supplier agrees to ensure personnel are aware of their contribution to product quality, safety and ethical behavior.*
6. *Nonconformance. Supplier agrees to accept suspected items for review and disposition if found nonconforming to stated requirements by our quality activities. Returns pending a disposition will result in a HOLD on payment of invoices until resolution is determined and processed.*

## B. GENERAL

1. *Quality Management System (QMS). Supplier agrees to adhere to certain QMS Functions or maintain a certificate of registration to a recognized QMS standard, such as ISO 9001, AS9100, etc.*
    a. *Third-party registration must be through an accredited agency with annual audits performed at a minimum.*
    b. *QMS functions for suppliers that lack formal registration include Document and Records Control, Maintenance and Calibration of Equipment, Training and Competency program for all personnel, Inspection processes with defined records, Control and Handling of rejects, and other pertinent controls defined in other applicable sections of this document.*

c. *Any changes to the QMS as originally provided must be communicated to company quality immediately for risk assessment.*

2. *Right of Access. We reserve the right to review the processes and records associated with this order at all suppliers' facilities with appropriate notification. This right extends to our customers, applicable regulatory agencies, and any sub-tier suppliers used in the fulfillment of this order.*

3. *Supplier Evaluation. We reserve the right to plan and perform an on-site supplier evaluation to ensure Terms and Conditions of order listed within this document and associated purchasing documents can and are being met. Such evaluations can be part of initial approval activities, on-going approval practices, or due to negative performance trends.*

4. *Supplier Performance Monitoring. We monitor and measure on time delivery and quality performance of all suppliers to ensure continued approval. Failure to meet desired performance levels can result in a Corrective Action being submitted, re-evaluation, or removal from approved status.*

5. *Sub-Tier Sources. If any of this order is outsourced to your suppliers, all applicable requirements and specifications must be communicated (including all applicable key characteristics) to each sub-tier supplier used.*

6. *Records. Unless specifically noted on the PO, records must be maintained on file for complete traceability to the OEM/Material used for a minimum of 10 years after which time they can be discarded by deletion or shredding.*

7. *Counterfeit Prevention. Supplier adheres to the requirements of all counterfeit prevention protocols to ensure only authentic and approved parts are provided. Please see AS5553, AS6174, and AS6081 for guidance.*

8. *Corrective Action. Supplier agrees to respond to any submitted Supplier Corrective Action Requests (SCAR's) in a timely manner with appropriate correction, root cause, and prevention of recurrence. Guidance for completing a SCAR can be provided upon request.*

9. *Acceptance and Approval. We reserve the right to approve or specify any designs, tests, inspection plans, verifications, use of Statistical Techniques for product acceptance, and any applicable critical items and associated key characteristics. This right extends to designation of requirements for test specimens for design approval, inspection/verification, investigation, or auditing.*

10. *Shelf-Life Controls. All items that contain expiration dates or specific handling requirements must be clearly identified on product and paperwork provided. All shelf-life items with an expiration date must have 75% of life remaining. Deviations from these requirements will result in a rejection and items returned to the supplier.*

11. *Shipping Documentation. Supplier shall provide a proper Bill of Lading signed by the Carrier, or any other legally applicable documents providing title to the goods to Purchaser upon delivery, fully protecting all partis in case of damage in transit. All costs incurred due to improper packing will be the responsibility of the supplier.*

## *C. PART & COMPONENT PROVIDERS / DISTRIBUTION CENTERS*

1. *Configuration. Supplier agrees to provide parts defined within the associated PO to the revision level noted. If no revision level is noted, the latest revision level is required.*

2. *Verification Records. Supplier agrees to provide conformance records of parts provided to ensure items meet specification and performance requirements. A Certificate of Conformance is acceptable.*

## *D. MANUFACTURERS*

1. *Records. In addition to B6, the following records must also be retained as noted on the corresponding PO:*
    a. *Manufacturing Traveler/Routers that indicate complete operations and traceability to materials used*
    b. *Inspection and Test Reports, including First Article Inspection (FAI)*
    c. *Certificates of Conformance*
    d. *Equipment maintenance or calibration records*
    e. *Personnel qualifications*
2. *Operational Controls. All manufacturing activities must be in accordance with applicable specifications and performed by qualified/competent personnel with records of training/competence maintained as a quality record (see C1 above) and available upon request.*
3. *Configuration. Any differences between what is listed above and what is provided by the supplier must be clearly identified, communicated, and approved prior to shipping. Supplier is not allowed to modify drawings, specifications, or product characteristics without written consent of our engineering and quality departments.*
4. *Verification & Release. When utilizing sampling inspection as a means of verification, the method must be in accordance to a statistically valid standard (i.e. ANSI Z1.4 or equivalent).*
5. *Nonconformance. Detection of a nonconforming product regarding any order (currently in work or previously shipped) must be promptly communicated to our quality department for evaluation.*
6. *Digital Process Definition (DPD) / Model-Based Definition (MBD). Supplier agrees to adhere to all requirements of applicable DPD/MDB specifications as noted on the associated PO/Specification. Controls in place can be verified by internal personnel or our customer via remote or on-site evaluation.*

## *E. SERVICES AND SPECIAL PROCESS PROVIDERS*

1. *Process Controls. All special process activities must be in accordance with applicable specifications and performed by qualified personnel with appropriately controlled/calibrated equipment. These records will be made available upon request per C1. Any changes to processes or process validation must be communicated to the Quality department for evaluation.*
2. *Calibration. Service providers must provide records of calibration that include received condition, returned condition, measurement results, reference to procedures used, and metrological traceability to applicable NIST standards. While not required, calibration providers are preferred to have a third-party registration to an appropriate quality standard, such as ISO 17025.*
3. *Inspection & Testing. Coordinate Measuring Systems (CMS) used to inspect and approve release of products must be an approved method and periodically validated in accordance with established procedures/instructions.*
    a. *Full reports are provided, and calibration/validation records of equipment used are available upon request.*
    b. *CMS using DPD/MBD must follow protocol defined in D6.*