

Pacific Contours – Purchase Order Terms and Conditions

Clause	Title	Comments
1	ACCEPTANCE	This Purchase Order (“order”) constitutes an offer by Buyer (Pacific Contours), which is accepted by Seller (Supplier / Sub-Tier Suppliers) solely in accordance with the terms set forth herein and on the face of the order. This order will be deemed accepted upon commencement of performance by Seller unless otherwise noted in writing. These terms and conditions constitute the entire agreement between the parties and no change, amendment or modification of this order shall be binding unless or until said amendment is executed in writing and signed by Buyer or an authorized representative of Buyer’s procurement or purchasing office. Authorized Buying agents are Buyer(s), Senior Buyer(s), Purchasing Agent(s), Purchasing Manager and Director of Purchasing.
2	EFFECTIVE REVISIONS	Unless otherwise noted, revisions shown are effective revisions for the purchase order part number. If available, more current revisions are also acceptable for use.
3	CHANGES	Buyer may at any time, by a written order, make changes within the general scope of this order in any one or more of the following: (I) drawings, designs, or specifications; (ii) method of shipping or packing; (iii) time of delivery; (iv) and quantity. If any such changes cause an increase or decrease in the cost or the time required for the performance of this order, the Buyer and Seller shall agree to negotiate on an equitable adjustment in the price, delivery, or both and this order shall be modified in writing accordingly (Amended order will follow). Any changes to the contract requirements needed by the Supplier, must be approved by the Buyer in writing.
4	DELIVERY	Buyer reserves the right to refuse shipments made in advance of the schedule set forth in this order received more than 14-days early, to return advance shipments at Seller’s expense, or accept early shipments with the Seller accepting adverse performance rating accordingly, without prior consent from Buyer.
5	APPLICABLE LAW AND DISPUTES	Any dispute arising under or related to this order shall be governed by the law of the State of California.
6	COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS.	Seller has complied with and shall comply with all applicable Federal, State and Local laws and ordinances and all orders, rules and regulations thereunder. Seller shall save and hold Buyer harmless from and reimburse Buyer for any and all costs, damages and expenses suffered or occasioned to it through any failure of Seller to comply with any laws, orders, rules, regulations and ordinances
7	CONDITIONS APPLICABLE TO ORDERS AND SUBCONTRACTED ORDERS PLACED UNDER UNITED STATES GOVERNMENT CONTRACTS	When such Government contract numbers are listed on the order, are subject to all applicable Government clauses such as FAR’s and DFAR’s. In the context of Government contract clauses “Contracting Officer” and “Government” mean Buyer and “Contractor” means Seller. For a complete listing of the applicable Government sub-tier flow down requirements, Seller may request a copy of the Government flow downs by providing the buyer with the contract numbers listed on the order. For all Government related contracts, the Seller shall flow down to their sub-tier suppliers the applicable requirements of this purchase order, including customer requirements and key characteristics where applicable.
8	WARRANTY	Seller warrants the goods and materials furnished under this order are in compliance with all specifications in workmanship and material and are free of defects.
9	TERMINATION	Buyer may terminate in part or in whole, work under this order in accordance with the applicable provisions of FAR 52.249
10	REJECTIONS	If any of the materials furnished under the order are found to be defective in material, workmanship, or otherwise not in conformity with the requirements of the order, Buyer, in addition to any other rights which it may have under warranties or otherwise, may reject and return such goods not to be replaced without authorization by Seller.
11	STOP WORK	Buyer may at any time, by written order to Seller, require Seller to stop all or any portion of the work called for by this order in accordance with FAR 52.242-15.
12	DESIGNS, DRAWINGS, AND DATA	With respect to items for which any technical information, written, oral or otherwise, (i) has been supplied to Seller by or on behalf of Buyer; or (ii) Seller has designed at Buyers expense; or (iii) Seller has designed specifically to meet Buyer-furnished technical requirements (hereinafter designated as “Information”). Seller, in consideration of Buyer’s furnishing of such Information and/or design funding, agrees that it will not use or assist others in using such Information to develop (including obtaining a Parts Manufacturing Approval (PMA) from the Federal Aviation Administration (FAA) pursuant to Part 21.303 of the Federal Aviation Regulations (FAR) or sell such items, or parts thereof) to anyone other than Buyer, either as production, spare or repaired items, without Buyer’s prior written consent, except wherein the U.S. Government can override this Article. Nothing herein shall

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		be construed as restricting the U.S. Government’s use of information that the U.S. Government owns or is authorized to use by Buyer. (iv) Drawings, specifications and data sent to the Seller by the Buyer are for the purposes of quoting, providing services, manufactured parts and components. Drawings, specifications and data are considered confidential and proprietary information that should not be copied or distributed for any purpose other than to support Buyer. Such data should be destroyed or returned to the Buyer upon responding to the Request for Quote and or completion of the Purchase Order.
13	PATENT INFRINGEMENT	The Seller agrees to defend, at its own expense, any suit or legal proceedings brought against the Buyer as a result of the normal use of any material or equipment furnished hereunder. In the event that the Buyer has given the Seller prompt notice of such claim, the Seller hereby agrees to reimburse the Buyer for expenses and costs resulting from that claim and to pay judgment that may be rendered against the Buyer. This clause shall not apply to material or equipment furnished according to Buyer’s provided engineering or design written specifications.
14	INDEMNIFICATION AND INSURANCE	Seller shall indemnify and hold harmless Buyer, it’s Directors, Officers, Employees, Agents and Invitees from and against all liability demands, claims, losses, costs, damages and expenses, including but not limited to attorney’s fees, by reason or on account of property damage, death and personal injury of whatsoever nature or kind arising out of, as a result of, or in connection with the performance of this Order that is occasioned by the actions or omissions of Sellers or its subcontractors or suppliers of any tier. Seller shall maintain such public liability and property damage insurance as will protect Buyer from any such risks in an amount not less than \$5,000,000 (million) combined single limit coverage.
15	EXECUTIVE ORDER (EO 13224).	Seller will adhere to the directions provided in Executive Order (EO) 13224, Executive Order on Terrorist Financing - Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, effective 09/24/2001 and any subsequent changes made to it.
16	EXPORT CONTROL	<ul style="list-style-type: none"> a. The items, data and/or services related to this Purchase Order / agreement is controlled by U.S. export control laws or regulations. b. Only U.S. citizens and permanent resident aliens (green card holders) may have access to said items, data and/or services without the authority of a U.S. Government export license, agreement or applicable exemption or exception. c. Seller agrees to comply with all applicable U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2799, including the International Traffic in Arms Regulation (ITAR), 22 CFR 120-130; and the Export Administration Act, 50 U.S.C. app. 2401-2420, including the Export Administration Regulations, 15 CFR 730-774; including the requirement for obtaining an export license or agreement, if applicable. Without limiting the foregoing, Seller agrees that it will not transfer an export controlled item, data, or service, to include transfer to foreign persons employed by or associated with, or under contract to Seller or Seller’s Sub-Tier Suppliers, without the authority of a U.S. Government export license, agreement or applicable exemption or exception. d. Seller shall immediately notify the Buyers Procurement Representative if Seller is, or becomes, listed in any Denied Parties List or if Seller’s export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency. e. If Seller is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Seller represents that it is registered with the Office of Defense Trade Controls, as required by the ITAR, and that it maintains an effective export/import compliance program in accordance with the ITAR. f. Where Seller is a signatory under Buyer’s export license or export agreement, (e.g. TAA, MLA, MA, EAR), Seller shall provide prompt notification to the Buyer’s Procurement Representative in the event of changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the ITAR, and the initiation or existence of a U.S. Government investigation that could affect the Seller’s performance under this contract. TAA is Technical Assistance Agreement – An agreement for the performance of a defense service(s) or the disclosure of technical data, as opposed to an agreement granting a right to manufacture defense articles. Assembly of defense articles is included under this section, provided production right or manufacturing know-how are not conveyed. Should such rights be transferred, a Manufacturing License Agreement (MLA) is required. MLA is Manufacturing License Agreements – Authorizes a

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		US manufacturer to supply manufacturing knowledge (related to defense) to a foreign party. All foreign recipients must be named as parties to (or as authorized sub licensees under the agreement. MA is a Manufacturing agreement – an agreement whereby a US person grants a foreign person an authorization to manufacture defense articles abroad and which involves or contemplates: 1) The export of technical data or defense articles or the performance of a defense service: or 2) The use by the foreign person of technical data or defense articles previously exported by the US person. EAR is Export Administration Regulations. This is the Dep't of Commerce agency, (Commercial or Dual Use). Seller shall be responsible for all losses, costs, claims, cause of actions, damages, liabilities and expense, including attorney's fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.
17	SAFEGUARDING COVERED DEFENSE INFORMATION	If this Purchase Order / Agreement is associated with items, data and/or services related to US Government Contracts, Seller shall comply with the requirements of DFARs 252.204-7012, Safeguarding Covered Defense Information and Cyber Incident Reporting.
18	CONFLICT MINERALS	Seller who provides Buyer with items or materials made or consisting of tantalum, tin, gold or tungsten and certain magnets agree to take due diligence to verify to county of origin of said materials in accordance with DFAR's 252.225-7052. Seller providing such materials per this Purchase Order/Agreement shall also submit an annual Conflict Minerals Report to Buyer in accordance with the 2010 Dodd-Frank Act demonstrating that the conflict materials are not sourced from restricted countries.

Quality Clause Requirements

QA 1	CERTIFICATE OF CONFORMANCE – DELIVERY DOCUMENTATION	Suppliers must furnish a legible printed copy of a Certificate of Conformance, and as applicable, material and processing certifications for each delivered shipment / Purchase Order to Pacific Contours. The Certificate of Conformance must include the following at a minimum; supplier name, supplier address, supplier country of origin, Pacific Contours PO number and line item, part number, revision level, quantity shipped, signature and title of authorized representative.
QA 2	AS9102 – DELIVERY DOCUMENTATION	A full legible, printed AS9102 FAIR (First Article Inspection Report) is required with delivered shipment of the first production lot of each purchase order line item for detail and assembly parts (hardware, raw material, and components from processing sources are considered exempt unless specified). Supplier does not need to submit an AS9102 for follow on orders unless there is an engineering change or as otherwise specified on the purchase order.
QA 3	NOTICE OF DELAY	Any delay in shipment for any reason for supplier to provide a timely delivery of the purchase order, the supplier must immediately notify Pacific Contours as soon as the delay is known by the supplier.
QA 4	CHANGE REQUEST	Supplier must submit any, and all change requests of the agreed upon purchase order requirements to Pacific Contours in writing. No changes to purchase order are authorized unless approved by Pacific Contours in writing.
QA 5	RECORD RETENTION	Supplier shall maintain legible copies of all quality records (training, C of C's, calibration, FAIR's, machine maintenance, etc.) And any documents related to manufacturing and suppliers shall maintain sub-tier suppliers supply chain custodial traceability for a period of not less than 10 Years from the date of shipment of the related item or services to Pacific Contours. For records related to all USAF F-35 program, the minimum retention period shall be 20 Years.
QA 6	RIGHT OF ACCESS	Pacific Contours, Pacific Contours Customers and Government agencies shall have the right of access to the supplier on the purchase order and any applicable supplier sub-contractor locations.
QA 7	QUALITY SYSTEM / AS9100 SUPPLIERS	The supplier must maintain an inspection and quality management system certified to the latest revision of ISO9001, or AS9100, or both. The supplier must have a QMS that controls product and service provision that validates product conformity. Supplier must meet all terms of the purchase order including delivery and product conformity. For non AS9100 Supplier see clause QA17.
QA 8	WORK TRANSFER	The supplier is required to notify Pacific Contours prior to transferring any work to a new facility or another supplier or sub-tier supplier. Pacific Contours will determine prior to transfer of work, if the new location, or new supplier, or new sub tier supplier is approved to perform the work.
QA 9	NONCONFORMING PRODUCT (NCR)	The suppliers QMS must have a system for controlling nonconforming product. Suppliers must identify, tag and segregate nonconforming product. The supplier must report all defective, nonconforming, malfunctioning, and unairworthy products to Pacific Contours so that stakeholders can be advised.

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QA 10	NOTICE OF ESCAPEMENT (NOE)	The Supplier must notify Pacific Contours within 2 days when a nonconformance is known to apply to product already shipped or provided to Pacific Contours. If the supplier has transferred work to a sub-tier supplier and the sub-tier supplier notifies supplier of an NOE, supplier must notify Pacific Contours within 2 days of finding nonconforming condition on product already shipped.
QA 11	FLOW DOWN	The Supplier must flow down all applicable requirements of the agreed upon purchase order to any sub-tier suppliers.
QA 12	DPD / MBD	When DPD / MBD are provided to Pacific Contours Suppliers for manufacturing, the sub-tier supplier must comply with D6-51991 as deemed applicable. Pacific Contours will flow down the D6-51991 requirement as applicable in the PO when DPD / MBD are provided to suppliers.
QA 13	PROCESSING SUPPLIERS	Must furnish processing certifications to the requirements and shall not process any parts for which they are not certificated or approved. The supplier must maintain an inspection and Quality Management System certified to the latest revision of ISO9001 or AS9100 or both. NADCAP and or specification approval is required as applicable. NDT personnel shall be certified to IAW NAS410.
QA 14	RAW MATERIAL SUPPLIERS	Material called out in purchase order must be domestic (United States) or per DFARS 252.225-7014. Must furnish material certifications to the purchase order requirements and shall not supply material for which they are not certificated or approved. When noted on our purchase orders, raw material supplied must be USA domestic material. The supplier must maintain an inspection and quality management system certified to the latest revision of ISO9001 or AS9100 or both.
QA 15	CALIBRATION	Calibration and test suppliers must furnish calibration / test reports to the purchase order requirements and be traceable to the specific equipment or item for which they are calibrating or testing. Traceability to NIST and / or other National or International Standards must be supplied. ISO9001:2015, ISO 17025, NADCAP Testing, ANSI Z540, and / or NAVLAP accreditation will be the Quality System requirements. Actual data must be supplied.
QA 16	CMM CALIBRATION	The calibration requirements for Pacific Contours CMM's shall be traceable through NIST by documents on file at the calibration laboratory that identify the CMM serial numbers. Pacific Contours requires that the calibration requirements shall be per ISO/IEC 17025, ASME B89.4.10360.2, ISO 10012 and the former MIL STD 45662A. Pacific Contours requires that the calibration laboratory performing the calibration provide the "as found" and "as left" results of the CMM accuracy. Pacific Contours requires that the calibration laboratory identify the accuracy of the CMM's linear displacement, squareness and repeatability. Pacific Contours requires the calibration laboratory determine if; linear displacement exceeds .003 over the length of the machine, squareness (volumetric) exceeds .003 over the length of the machine, or repeatability exceeds .0015, if and when any occur, then the laboratory is to fail the calibration. Pacific Contours wants all artifact / gages referenced on the calibrations documents from the laboratory and results should include the points within and outside of the range.
QA 17	NON - AS9100 SUPPLIERS	The supplier must maintain an inspection and Quality Management System that controls product and service provision and validates product conformity. Supplier must meet all terms of the purchase order including delivery and product conformity.
QA 18	PERFORMANCE	It is the expectation of Pacific Contours that the performance of our suppliers maintains at a minimum an on-time delivery of 98% and product quality of 98%. Suppliers that meet these requirements are approved suppliers and those that cannot meet these requirements will be issued corrective action and or disqualification from approved supplier list.
QA 19	CONTRIBUTION AWARENESS	Suppliers products and services are expected to conform to the requirements detailed in the purchase order and in these quality clauses. Suppliers must ensure that employees have the required training and ensure that employees are aware of; their contribution to product safety, their contribution to product and service conformity and the importance of ethical behavior.
QA 20	COUNTERFEIT / UNAPPROVED PART PREVENTION	Suppliers must not furnish to Pacific Contours any goods under this PO that are counterfeit or unapproved. Counterfeit goods are defined as separately identifiable items or components of goods, that are an unauthorized copy or substitute of an original equipment manufacturer. Unapproved parts are defined as goods that were not produced or maintained in accordance with approved or acceptable data and applicable statutory, regulatory, and customer requirements. All purchased goods must be provided with a signed custodial certification traceable to the name and lot number of the original component manufacturer. Suppliers must have a counterfeit part prevention procedure and flow down the requirements of this quality clause to any sub-tier suppliers. Supplier must agree to use only trusted sources of supply and to perform due diligence to verify the validity of all provided certifications. Supplier agrees to conform to DFAR's 252.246-7007, AS6174 and AS5553.

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QA 21	FOD	Supplier must have a FOD prevention program that complies with AS9146 / NAS412 to ensure that product supplied to Pacific Contours is free of FOD. Supplier must flow down FOD requirement to sub-tier suppliers. Supplier should ensure that no product delivered to Pacific Contours has foreign objects or material remaining in deliverable product.
QA 22	PACIFIC CONTOURS PROVIDED PROPERTY	The following applies when the purchase order / agreement includes property that is provided by Pacific Contours (tooling, materials, parts or other property). Property provided by Pacific Contours also includes property owned by Pacific Contours Customers or the US Government. Supplier shall maintain a documented property control system which is compliant with requirements within FAR 52.245-1. Supplier shall notify Pacific Contours of discrepancies related to receipt, quantity, damage or usability of provided items in a timely manner. Supplier shall return all excess/overage items at the completion of the order unless otherwise agreed by Pacific Contours. Supplier will document and maintain records of all receipts, transfers and returns of furnished property. Supplier shall obtain written authorization from Pacific Contours before modifying, destroying, disposing or transferring provided property to another party. Supplier shall return all furnished items upon request of Pacific Contours. Supplier understands that supplier is a steward of furnished property, and while in their care and are responsible for cost related to property that is not protected or is otherwise unaccounted for.

Revision History:		
Rev	Date	Comments
N/C	4/5/2021	Merged QPF-8.4.3.0 Quality Terms and Conditions and QPF-8.4.3.1 Terms and Conditions of a Purchase Order together into one document and named QPF-8.4.3.8 so all terms and conditions are in one document. Replaced QA10 referenced to MRB with NOE clause. Replaced QA12 reference to anti-terrorism executive order E13224 with MBD/ DPD clause. Added QA17 Non AS9100 Suppliers, QA18 Performance, QA19 Contribution awareness, QA20 counterfeit part program, QA21 FOD, QA22 Pacific Contours Provided Property
A	4/7/2021	Replaced item 2 "Inspection, Quality Assurance" with "Effective Revisions" as items noted within "Inspection, Quality Assurance" were resolved into the QA clauses.
B	5/12/2021	Updated QA 15, TYPO stated ISO 9000, changed to ISO 9001.
C	8/11/2021	Updated QA 20 to add unapproved part definition and requirements, updated QA1 and QA2 regarding format and content for delivery documentation, updated QA9 to add product malfunctions, defects and unairworthy conditions to be reported to stakeholders per AS9110 requirements.
D	4/6/2022	Added a note to QA 20 for suppliers to conform to AS6174 and AS5553 counterfeit part procedures.