CoExcel Solutions

SourceBoard® | *Defense Supply Chain Solutions*

Standard Terms and Conditions of Purchase

Document No.	CX-TC-001
Revision	A

These Standard Terms and Conditions of Purchase (“Terms”) apply to every Purchase Order (“PO”) issued by CoExcel Solutions, LLC (“CoExcel” or “Buyer”) to a supplier, subcontractor, or distributor (“Supplier”) for the supply of build-to-print parts, assemblies, materials, or related services in support of Buyer's customers and programs (each, a “Customer”). These Terms are incorporated by reference into every PO and, together with the PO, the referenced drawings/specifications, and the applicable CoExcel Supplier Quality Clauses (CX-SQ-100 and, where applicable, additional Quality Code Addendums), constitute the entire agreement between Buyer and Supplier for the items covered.

1. Definitions and Order of Precedence

“Product” means any article, material, part, assembly, or deliverable identified on a PO. “Services” means any labor, inspection, testing, or other work identified on a PO. In the event of conflict among documents applicable to a PO, the order of precedence is: (1) the PO itself and any special provisions stated on its face; (2) the applicable engineering drawing(s) and specification(s); (3) these Terms; (4) the applicable CoExcel Supplier Quality Clauses; and (5) Supplier's quotation, to the extent not inconsistent with the foregoing.

2. Acceptance of Order

A PO is Buyer's offer to purchase on these Terms only. Supplier's commencement of performance, delivery of any Product, or acknowledgment of the PO constitutes acceptance of these Terms in full. Any additional or different terms proposed by Supplier, including terms on a Supplier acknowledgment, invoice, or packing slip, are rejected and void unless expressly agreed to in a signed writing by an authorized representative of Buyer.

3. Prices and Payment

Prices are firm-fixed unless otherwise stated on the PO and include all costs of packaging, marking, and domestic freight to the delivery point specified, unless FOB terms on the PO state otherwise. Payment terms are as stated on the PO. Buyer may withhold payment for nonconforming Product, incomplete documentation, or missing certifications without penalty until resolved. Invoices must reference the PO number and applicable line item(s).

4. Delivery; Packaging and Marking

Time is of the essence. Supplier shall deliver Product on or before the delivery date(s) stated on the PO and shall promptly notify Buyer in writing of any anticipated delay, its cause, and recovery plan. Product shall be packaged, preserved, and marked in accordance with the PO, the applicable drawing/specification, standard commercial practice sufficient to prevent damage or degradation in transit and storage, and, where applicable, ESD-control and moisture-sensitive-device handling requirements. Buyer reserves the right to reschedule or terminate undelivered quantities for convenience as provided in Section 15.

5. Inspection, Test, and Acceptance

All Product is subject to inspection and test by Buyer and, where applicable, by Customer and/or the U.S. Government, at Supplier's facility and/or upon receipt, notwithstanding any prior payment or in-process inspection. Where Government or Customer source inspection is invoked on the PO, Supplier shall provide timely notice and reasonable access to enable such inspection prior to shipment. Payment or receipt of Product does not constitute final acceptance. Acceptance of any shipment does not waive Buyer's right to reject latent defects or nonconformances discovered thereafter.

6. Rejection, Nonconforming Material, and Corrective Action

Buyer may reject and, at its option, return at Supplier's expense, repair, rework, replace, or require disposition of any nonconforming Product. Supplier shall not rework, repair, or use nonconforming Product without Buyer's prior written authorization (Material Review / disposition). Upon request, Supplier shall complete a Supplier Corrective Action Request (SCAR) using root-cause and corrective-action methodology (e.g., 8D or equivalent) within the timeframe specified by Buyer, and shall implement containment, correction, and preventive action to Buyer's satisfaction.

7. Certificate of Conformance and Objective Quality Evidence

Unless waived in writing by Buyer, each shipment shall be accompanied by a Certificate of Conformance (C of C) identifying the PO number, part number and revision, quantity, lot/date code or serial traceability, and a statement that the Product conforms to all applicable drawing, specification, and PO requirements. Supplier shall retain and, upon request, furnish objective quality evidence (test reports, inspection records, material certifications) supporting the C of C.

8. Quality System Requirements

Supplier shall maintain a quality management system appropriate to the Product supplied and, unless otherwise stated on the PO, certified to AS9100 (or ISO 9001, at minimum, for non-flight-critical items as approved by Buyer). Detailed quality requirements are set forth in CoExcel Supplier Quality Clauses CX-SQ-100 (General) and, for printed circuit board assemblies and related electronic assemblies, CX-SQ-200, both of which are incorporated into the PO by reference.

9. First Article Inspection

Where invoked on the PO, Supplier shall perform and submit a First Article Inspection (FAI) report compliant with AS9102 (Forms 1, 2, and 3, as applicable) prior to or with the first production shipment, and upon any subsequent triggering event (e.g., design change, process or location change, break in production exceeding the period stated on the PO, or change in raw material source). Production shipment prior to FAI approval, where required, is at Supplier's risk.

10. Warranty

Supplier warrants that all Product will: (a) conform to the applicable drawings, specifications, and PO requirements; (b) be free from defects in material, workmanship, and design (to the extent of Supplier's design responsibility); (c) be new and free of counterfeit or unauthorized parts; and (d) be fit for the intended purpose identified in the PO or technical data package. This warranty survives inspection, acceptance, and payment, and extends for the period stated on the PO or, if none is stated, for twenty-four (24) months from delivery or the Customer's/Government's applicable warranty period, whichever is longer.

Remedies include, at Buyer's option, repair, replacement, refund, and reimbursement of Buyer's and Customer's associated costs (e.g., removal, re-installation, retest, and screening costs) arising from nonconforming Product.

11. Changes

Supplier shall not make any change to the design, materials, manufacturing process, process location, or sub-tier source of supply for any Product without Buyer's prior written approval. Buyer may issue changes to drawings, specifications, quantity, delivery schedule, or place of delivery; if such changes affect price or delivery, Supplier shall promptly notify Buyer in writing before proceeding, and an equitable adjustment will be negotiated.

12. Counterfeit Parts Prevention

Supplier shall maintain a counterfeit parts prevention and detection program consistent with SAE AS5553 (electronic parts) and, as applicable, AS6081 (distributors), including procurement of parts from Original Component Manufacturers (OCMs), OCM-authorized sources, or franchised distribution, with full traceability. Supplier shall immediately notify Buyer of any suspect or confirmed counterfeit part and shall not use, rework, or ship any such part without Buyer's prior written disposition. Supplier bears full responsibility and cost for replacement of, and any damages arising from, counterfeit or suspect counterfeit Product.

13. Traceability and Record Retention

Supplier shall maintain full lot, date-code, and/or serial traceability for all Product and shall retain all quality records, certifications, test data, and objective quality evidence for a minimum of ten (10) years from delivery, or longer if required by the applicable Customer contract or by law, and shall make such records available to Buyer, Customer, and applicable regulatory authorities upon request.

14. Right of Access

Buyer, Customer, and applicable U.S. Government representatives shall have the right of reasonable access to Supplier's (and its sub-tier suppliers') facilities, and to applicable records, at any level of the supply chain, for purposes of inspection, investigation, audit, and surveillance related to Product supplied under the PO.

15. Government Contract Flow-Down Clauses

Where Product is furnished in support of a U.S. Government prime contract, the applicable Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) clauses identified on the PO or in the applicable Customer flow-down are incorporated into the PO by reference, with the same force and effect as if set forth in full, pursuant to FAR 52.252-2. Commonly applicable clauses include, without limitation:

Clause	Subject
FAR 52.204-25	Prohibition on Certain Telecommunications and Video Surveillance Equipment
FAR 52.222-50	Combating Trafficking in Persons
DFARS 252.203-7000	Requirements Relating to Compensation of Former DoD Officials
DFARS 252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting

Clause	Subject
DFARS 252.211-7003	Item Unique Identification and Valuation
DFARS 252.225-7001	Buy American and Balance of Payments Program
DFARS 252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals
DFARS 252.225-7014	Preference for Domestic Specialty Metals
DFARS 252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System
DFARS 252.246-7008	Sources of Electronic Parts

The full text of applicable clauses is available at www.acquisition.gov and via the applicable Customer's flow-down documentation, and is available from Buyer upon written request. Supplier shall flow down all applicable clauses to its sub-tier suppliers.

16. Cybersecurity / Safeguarding Covered Defense Information

Where Supplier will process, store, or transmit Covered Defense Information (CDI) in connection with a PO, Supplier shall implement the security requirements of NIST SP 800-171 (or successor standard) as required by DFARS 252.204-7012, and shall comply with applicable Cybersecurity Maturity Model Certification (CMMC) requirements identified on the PO, and shall report cyber incidents to Buyer and, where required, to the DoD within the timeframes specified by the applicable clause.

17. Export Control Compliance

Supplier shall comply with all applicable U.S. export control laws and regulations, including the International Traffic in Arms Regulations (ITAR, 22 C.F.R. Parts 120-130) and the Export Administration Regulations (EAR, 15 C.F.R. Parts 730-774). Supplier shall not export, re-export, or transfer any technical data, defense article, or controlled item furnished under the PO to any foreign person or country without the required U.S. Government authorization, and shall properly mark and control all export-controlled technical data received from Buyer or Customer.

18. Conflict Minerals

Supplier shall exercise reasonable due diligence regarding the source of tin, tantalum, tungsten, and gold contained in Product, consistent with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and shall provide conflict minerals sourcing information to Buyer upon request.

19. Priority Ratings (DPAS)

Where a PO bears a priority rating under the Defense Priorities and Allocations System (DPAS, 15 C.F.R. Part 700), Supplier shall treat the rated order in accordance with the requirements of that system and shall extend the applicable rating to its sub-tier suppliers as required.

20. Confidentiality and Intellectual Property

All drawings, specifications, technical data, and other information furnished by Buyer or Customer remain the property of Buyer or Customer, as applicable, and shall be used by Supplier solely to perform the PO, held in confidence, and not disclosed to third parties or used for any other purpose without prior written consent. Buyer's and Customer's data rights are unaffected by these Terms, and Supplier obtains no license or ownership interest in such information except as expressly granted in writing.

21. Insurance

Supplier shall maintain commercial general liability, products/completed operations, automobile liability, and workers' compensation insurance in amounts consistent with industry practice for the scope of work performed, and shall furnish certificates of insurance to Buyer upon request.

22. Indemnification

Supplier shall indemnify, defend, and hold harmless Buyer and Customer from and against all claims, damages, losses, and expenses (including reasonable attorneys' fees) arising out of or related to Supplier's breach of the PO or these Terms, negligent acts or omissions, defective Product, or infringement of any third-party intellectual property right by Product furnished under the PO.

23. Termination for Convenience

Buyer may terminate a PO, in whole or in part, for its convenience upon written notice to Supplier. In such event, Buyer's liability is limited to payment for conforming Product delivered and accepted prior to termination, plus reasonable, documented, and unavoidable costs directly attributable to the terminated portion, less the value of any usable materials or work in process retained by Supplier.

24. Termination for Default

Buyer may terminate a PO, in whole or in part, for default if Supplier fails to deliver conforming Product within the time specified, fails to make progress so as to endanger performance, or fails to comply with any material provision of the PO or these Terms, and does not cure such failure within the period stated in Buyer's notice (or immediately, where cure is not reasonably possible). Upon termination for default, Buyer may procure similar Product elsewhere and hold Supplier liable for any resulting excess costs.

25. Force Majeure

Neither party is liable for delay or failure to perform due to causes beyond its reasonable control, including acts of God, war, terrorism, government action, or natural disaster, provided the affected party gives prompt notice and uses reasonable efforts to mitigate the impact. Force majeure does not excuse Supplier's obligation to promptly disclose and mitigate impacts to critical-path deliveries supporting Customer or Government programs.

26. Assignment and Sub-Tier Flow-Down

Supplier shall not assign or subcontract the PO, in whole or in part, without Buyer's prior written consent. Supplier shall flow down to its sub-tier suppliers and distributors all applicable terms, quality clauses, and Government flow-down clauses necessary for Supplier to meet its obligations under the PO, and remains fully responsible for its sub-tier suppliers' performance and compliance.

27. Compliance with Laws

Supplier shall comply with all applicable federal, state, and local laws and regulations in performing the PO, including anti-kickback and anti-corruption laws (e.g., the Anti-Kickback Act of 1986 and the Foreign Corrupt Practices Act), labor and trafficking-in-persons laws, and applicable environmental and safety regulations.

28. Dispute Resolution and Governing Law

These Terms and any PO issued hereunder are governed by the laws of the State of New York, without regard to conflict-of-laws principles. The parties shall first attempt to resolve any dispute through good-faith negotiation between authorized representatives before pursuing formal proceedings.

29. Miscellaneous

If any provision of these Terms is held invalid or unenforceable, the remaining provisions remain in full force and effect. No waiver of any provision is effective unless in writing signed by an authorized representative of Buyer. These Terms, together with the PO and its incorporated documents, constitute the entire agreement between the parties regarding the subject matter and supersede all prior or contemporaneous agreements, whether written or oral, except as expressly modified in a signed writing.