

**HEARTLAND ELECTRONICS AND CABLE ASSEMBLY, INC. [HECA]  
QUALITY TERMS/CLAUSES FOR PURCHASE ORDERS  
1131 Mt Lebanon Rd. Toney, AL 35773 Phone: (256) 813-6915**

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The following Quality Clauses apply as indicated on face of the Purchase Order. In the event any Clause cannot be met, the HECA Buyer must be notified immediately. Phone: (256) 813-6915 or via email at CSPECTOR@HEARTLANDECA.COM. Preferred method is to contact the HECA Buyer as noted on the Purchase Order.

When Quality Clauses of a Purchase Order are different from a Quote previously submitted, the terms defined in the Purchase Order take precedence. The supplier must contact the HECA Buyer concerning any issues with the terms.

As a Supplier to HECA, you have committed to supplying goods and services that meet HECA Purchase Order requirements and fully meeting all clauses of the Purchase Order and to keep their HECA Buyer informed of any issues concerning fulfillment of these requirements. Ethical behavior between HECA and the Supplier will help to ensure product and service conformity and product safety.

**EQUAL EMPLOYMENT OPPORTUNITY.** Seller hereby agrees to comply with Executive Order 11246, as amended, and its implementation. Regulations (including the equal opportunity clause set forth in Section 202 of such Order) and Section 60-1.4 (a) of the Regulations of the Secretary of Labor, Title 41 CFR, Chapter 60, Parts 1-60, which are incorporated into this Purchase Order by reference. In addition, this Purchase Order incorporates by reference the Affirmative Action clauses of the Rehabilitation Act of 1973 at 41 CFR Section 60-741.1 and the Vietnam Era Veterans' Readjustment Act of 1974, at 41 CFR Section 60-2050.4, as amended.

#### **INDEMNIFICATION**

Supplier shall indemnify, defend, and hold harmless HECA and their respective agents, officers, directors, managers, and employees from and against any and all claims, damages (including, without limitation, court cost, investigative cost, and reasonable attorneys' fees), judgments, liabilities, fines, cost and expenses (including, without limitations, legal expenses) attributable to Supplier's products or services or any willful misconduct or negligence of Supplier or an authorized Supplier representative. Such indemnification obligations shall survive the cancellation or expiration of the Purchase Order.

#### **FLOW DOWN OF TERMS**

Any term noted on the purchase order shall be flowed down to any sub-tier supplier where sub-tier suppliers are authorized.

#### **Definitions:**

“Article” will be used when referring to components, parts, materials, wire, or any other line item included on the Purchase Order.

“SHALL” and “MUST” are mandatory requirements.

The above items applies to all Purchase Orders from HECA.

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STANDARD QUALITY TERMS/CLAUSES – ALL PURCHASE ORDERS

1. Supplier agrees to On Site Visits by HECA and/or their Customer. HECA and/or their Customer and/or Government or regulatory authorities may from time to time require On-Site Visits to verify processes, procedures, and/or to review product prior to shipment. HECA will notify supplier in advance of any On-Site Visit requirement. This term shall be flowed down to sub-tier suppliers.
2. A Certificate of Conformance (CoC) shall be provided with all shipments of articles delivered to HECA. A Copy of the C of C must be supplied at time of delivery. CoC must identify the HECA Purchase Order and the Line Item represented. Articles received without a CoC will not be accepted and will be held without payment until a proper CoC is received. When no certification is received after notification, articles will be returned to the supplier at the supplier's expense.
  - Where serialization is a requirement, the C of C shall list the serial number of all serialized articles included in the shipment.
  - Where test reports are a requirement, the test reports shall accompany the articles at time of delivery.
3. The Seller shall ensure that only new and authentic components/materials are provided for HECA purchase orders. A Certificate of Conformance and Acquisition Traceability (CoCT) must be furnished at time of delivery for each item noted on the Purchase Order. CoCT must provide traceability from Original Manufacturer, Franchised, or Contract Manufacturer and all Distributors/Suppliers the articles passed through to delivery to HECA. Individual CoC's from each seller of the articles are acceptable as long as lineage is traceable and unbroken. Articles delivered with gaps in lineage will not be accepted. Reference AS5553 concerning Counterfeit Component Avoidance. This Purchase Order incorporates DFARS 252.246–7007.
4. The organization shall have a quality management system that complies with the International Organization for Standards document ISO: 9001– Quality management system Requirements.
5. The organization shall have a quality management system that complies with the Society of Automotive Engineers (SAE), AS9100 Quality management Systems – Aerospace – Requirements for Aviation, Space and Defense Organizations.
6. The Supplier shall perform calibration of all measuring devices against certified standards traceable to the National Institute of Standards and Technology (NIST). The calibration program shall conform to the Specification ANSI/NCSL-Z540 1-1994, “Calibration System Requirements” and certified/accredited to ISO/IEC 17025:2005. Supplier will restrict their calibration service to those items applicable to the Scope of Accreditation. Supplier will notify HECA Buyer when devices for calibration are to be sent to a sub-tier calibration service prior to sending the device out for calibration. Quality Terms noted on Purchase Order shall be flowed down to the sub-tier supplier when approved by the Buyer to transfer devices for calibration.
  - Anti-tamper seals shall be applied to external adjustments that could affect article calibration.
  - Calibration certificate shall indicate the as found condition and final device status.
  - Device recalibration interval as provided by HECA will be noted on the calibration sticker.
  - HECA Buyer shall be notified, for approval, prior to any repair actions on devices.

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7. The supplier shall flow down all Purchase Order requirements to their sub-tier suppliers. Supplier does not have the authority to allow the sub-tier supplier to deviate from the terms and clauses passed on the original Purchase Order. Should a change be required, supplier must first submit in writing a request through HECA Purchasing for evaluation. Upon written approval from Purchasing, changes may be made by sub-tier suppliers.
8. Configuration: The supplier shall be responsible for controlling/tracking changes to parts and components to be manufactured/assembled to ensure that the end product meets specified functional and physical requirements to drawings and other stipulated requirements as defined in the quote or on the Purchase Order. Configuration Control shall also provide for:
  - Serial Number control where Serialization is a requirement
  - Lot number control where Lot control is a requirement
  - Revision Level control where Revision control is a requirement
  - Drawing change control
  - Customer approved deviations and waivers
9. HECA grants no MRB authority to the supplier or sub-tier supplier. All articles delivered must conform to drawing or other specification. Rework of articles is allowed where there is no deviation from the applicable drawing or specification.
  - Supplier shall notify HECA Buyer should any deviation from drawings or specification be required to complete the article.
  - Repair of articles is not allowed without prior written approval from the HECA Buyer.
10. Delivered Product. The supplier shall notify the HECA Buyer as soon as a nonconformance has been identified with previously delivered articles to HECA. Supplier shall provide detailed information within two (2) workdays after initial notification.
11. First Article: At delivery of the First Article Item(s) of this Purchase Order, the Supplier shall furnish a completed AS9102 [Latest] First Article Inspection Report. First Article acceptance shall not relieve the supplier of the responsibility for manufacturing acceptable production part/materials as defined by this Purchase Order. Copies of C of C for component parts/materials/test reports must be provided with the FAI Report.
12. The supplier agrees not to incorporate into any articles produced that are to be delivered against this purchase order, any foreign produced metallic raw material (i.e. Aluminum, steel, stainless steel, etc...) unless it meets the requirements of BUY AMERICAN ACT - BALANCE OF PAYMENTS PROGRAM - DFAR 252.225.7001, 252.225.7002, 252.225.7004, 252.225.7007 and 252.225.7012. A Certificate of Conformance and Traceability (CoCT) must be provided at time of delivery of articles on this Purchase Order, to ensure traceability from the country of origin through delivery to HECA. This may include more than one cert but all must be linked and show full traceability with no gaps. No articles will be accepted without meeting the Buy American requirement. <http://www.acq.osd.mil/dpap/dars/dfars/html/current/252225.htm>
13. ESD Protection Requirements: The supplier shall ensure that all ESD Sensitive items are handled, packaged and labeled in accordance with "Electrostatic Discharge Control", DOD-STD-1686, and

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DOD-HDBK-263. Suppliers ESD program should meet the requirements of ANSI/ESD S20.20-2007 or later for Packaging, Storage, Shipping, Test, and Production of product.

- Any product delivered that is not packaged properly will be rejected and returned at the supplier's expense.

14. **EXPORT CONTROL: WARNING** – Documents provided with this Purchase Order contains technical data whose export is restricted by the Arms Export control Act (Title 22, U.S.C., sec. 2751, et. Seq.) or the Export Administration Act of 1979, as amended, Title 50, U.S.C., App. 2401 et. Seq. Violations of these export laws are subject to severe criminal penalties.

Disseminate in accordance with DoD Directive 5230.25. **Ref DFAR 252.204-7008 Export-Controlled Items**

15. **EXPORT CONTROLLED: For U.S. Persons Only.** Documents supplied for this Purchase order contains technical data controlled under the U.S. International Traffic in Arms Regulations (22 CFR Parts 120-130) and may not be retransferred to any foreign country or non U.S. Person without the express written approval of the United States Department of State.

**ITAR sections Parts 120.10, 120.15, 120.16, and 120.17 define Technical Data, U.S. Person, Foreign Person, and Export respectively. Ref DFAR 252.204-7008 Export-Controlled Items.**

16. Record Retention: All records pertaining to the materials, products, product manufacturing and /or services provided under this purchase order by the supplier or sub-tier supplier must be maintained for a minimum period of three (3) years.

17. Record Retention: All records pertaining to the materials, products, product manufacturing and /or services provided under this purchase order by the supplier or sub-tier supplier must be maintained for a minimum period of seven (7) years.

18. Flight Safety. Record Retention: All records pertaining to the materials, products, product manufacturing and /or services provided under this purchase order by the supplier or sub-tier supplier must be maintained for a minimum period of ten (10) years.

19. FLUX SPECIFICATION: Flux supplied for this Purchase Order must meet requirements of J-STD-004, "Latest Revision".

20. SOLDER PASTE SPECIFICATION: Solder Paste supplied for this Purchase Order must meet requirements of J-STD-005, "Latest Revision".

21. SOLDER SPECIFICATION: Solder supplied for this Purchase order must meet requirements of J-STD-006, "Latest Revision".

22. CONFORMAL COATING SPECIFICATION: Conformal Coating supplied for this Purchase Order must meet requirements of IPC-CC-830, "Latest Revision".

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23. Silver Plated Copper Wire, the ends of the wire shall be sealed and the spool of wire shall be packaged in a sealed bag with a desiccant pack inside.
24. The supplier shall make no substitutions for the part number(s) or in manufacturer(s) of items as specified on this Purchase Order without prior written approval by the HECA Buyer. No Change shall be made to the items listed on this Purchase Order which may affect the quality, reliability, and interchangeability of the item.
25. Shelf Life Sensitive Articles must have a Shelf Life of 50% or greater remaining upon delivery. MSDS must be supplied at delivery.
26. Shelf Life Sensitive Articles must have a Shelf Life of 80% or greater remaining upon delivery. MSDS must be supplied at delivery.
27. Conflict Minerals: Supplier shall not deliver to HECA Products known to contain Conflict Minerals (tin, tantalum, tungsten or gold [3TG] that have originated from the Democratic Republic of Congo (DRC) or its adjoining countries) as defined in Dodd-Frank "Wall Street Reform and Consumer Protection Act, Section 1502". Product known to be free of Conflict Minerals from DRC or adjoining countries shall be delivered to HECA before product whose origin cannot be determined.
28. Inspection and Test Reports: The Supplier shall submit at the time of delivery of product, a signed inspection report that notes the actual dimensional results proving conformance to the applicable drawings and specifications for items on this purchase order.
29. Government Source Inspection (GSI) is required prior to shipment from Seller's facilities.
30. All articles must conform to workmanship requirements specified within the technical data package/drawing and specifications provided.
31. REMOVAL of FOD: Parts shall be in the condition specified by the drawings and/or specifications and shall be free from defects such as but not limited to: Dirt, chips, slivers, grease, oil, flux, chemical deposits, residue or other foreign matter. The cleaning methods and agents used shall not be injurious to any part or the environment nor contaminate part with cleaning the agents.
32. STOP WORK: HECA reserves the right to issue a Stop Work for items on the Purchase Order. Stop Work will be issued by Email and/or Phone notification.
33. CERTIFICATIONS: Test reports/Certification must be signed by an authorized person where such processes require a license or certification.
34. Supplier must notify HECA of major changes in processes, equipment, and location of manufacture changes that may impact product quality.