

Purchase Order Terms & Conditions/Clauses

The following Clauses apply as indicated on face of PO. In the event any Clause cannot be met, the HECA Buyer indicated on the PO must be notified immediately: Phone: (256) 813-6915 or via email at KBOYETT@HEARTLANDECA.COM.

When assigned Clauses are different from a quote previously submitted to HECA, the terms defined in the PO take precedence.

The supplier shall flow down applicable PO 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.

- 1. STOP WORK ORDER:** Buyer 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.
- 2. TERMINATION:** Buyer may terminate all or part of the Purchase Order without cause on 60 days' notice. Purchaser's liability for termination for convenience will be limited to Supplier's actual cost for work and materials applicable solely to the Order and consistent with agreed purchase order commitments, if any, for raw material, work in process, and furnished Products. Supplier shall cancel all purchase commitments for raw materials and other Product inputs when it receives notice of termination from Purchaser. If prior to delivery, Supplier becomes insolvent or bankrupt, or bankruptcy or insolvency proceedings are filed by or against Supplier, or Supplier otherwise is deemed to be bankrupt or insolvent, Buyer may terminate the Agreement in whole or in part immediately by sending Supplier written notice.
- 3. 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.
- 4. PROPRIETARY INFORMATION:** Drawings, specifications, photographs, and other engineering and manufacturing information or proprietary information disclosed by Buyer ("Proprietary Information") are and will remain Buyer's property. Supplier shall not disclose Proprietary Information to any third party, and Supplier shall return all Proprietary Information (and all copies of same) to Purchaser upon completion of the Order or upon demand. Supplier shall use Proprietary Information solely for Supplier's performance of the Order and Supplier shall not, without Purchaser's written consent, directly or indirectly use any information derived or otherwise obtained from use of the Proprietary Information in performing services or providing products for any other customer.
- 5. 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

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- 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.
6. **NOTIFICATION REQUIREMENTS:** Supplier shall contact HECA in writing if any changes have been made to the manufacturing facility or company ownership; or its Legal name. Seller shall notify HECA buyer in writing of any changes in product and/or process definition and obtain written approval prior to proceeding.
 7. **NONCONFORMING 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.
 8. **RIGHT TO ACCESS:** 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
 9. **EEE PARTS PACKAGING AND REEL REQUIREMENTS:** Seller shall provide any surface mount parts in industry-standard packaging (such as reels, trays, tubes, etc.) that facilitates automatic placement by surface mount placement systems. If packaged in reels, they shall be in accordance with the packaging and reel requirements of EIA-481, Taping of Surface Mount Components for Automated Handling. When surface-mount device (SMD) parts are packaged in reels, Seller shall provide these parts on continuous tape, with no splices, unless otherwise noted. Seller shall label the parts packaging with information that properly identifies the moisture sensitivity level of the enclosed parts.
 10. **PACKAGING PCB REQUIREMENTS:** Printed circuit boards (PCBs) and other fabricated/build to print product shall be fabricated, inspected, tested, marked, and packaged in accordance with the drawings-documentation provided by HECA. Any product delivered that is not packaged properly will be rejected and returned at the supplier's expense.
 11. **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 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.
 12. **TEST and INSPECTION REPORTS:** As indicated on the PO, where test reports are a requirement, the test reports shall accompany the articles at time of delivery. Seller shall supply Buyer with inspection and test reports, affidavits, certifications, technical documents generated or related to this Order, or any other documents as may reasonably be requested by Buyer. Test Reports are to be signed by authorized personnel (Quality Manager, Test Engineer or Inspector).
 13. **SUBSTITUTIONS:** Seller shall not substitute parts, materials, or accessories, even if Seller believes they are of superior quality, without written consent of Buyer.
 14. **RE-WORK:** 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.
 15. **ACCEPTANCE:** Final inspection and Acceptance by Buyer shall be at point of receipt by Buyer, unless otherwise specified in this Order.
 16. **WORKMANSHIP:** All articles must conform to workmanship requirements specified within the technical data package/drawing and specifications provided.

- 17. SELLER PERFORMANCE MEASUREMENT:** HECA monitors the performance of vendors by measuring on-time-delivery of products and services, as well as the quality of product delivered. Goals for these are: On-time-delivery $\geq 90\%$, and Quality acceptance of product $\geq 90\%$.
- 18. QUALITY MANAGEMENT SYSTEM:** Sellers's quality management system shall be in compliance with the current revision of AS9100, ISO 9001 or other approved Quality Management System. Sellers certified to AS9100, or ISO 9001 must provide evidence of third-party certification upon request. Sellers that are not certified to AS9100 or ISO 9001 may be subject to a HECA Quality Audit.
- 19. SOURCE INSPECTION:** HECA Source Inspection is required prior to shipment from Seller's facilities
- 20. GOVERNMENT SOURCE INSPECTION:** Government Source Inspection (GSI) is required prior to shipment from Seller's facility.
- 21. FIRST ARTICLE INSPECTION:** 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.
- 22. SHELF LIFE:** All items with limited shelf life shall be clearly marked with Manufacturer's name, description of material, date of manufacture and shelf life. Products must have a Shelf Life of 80 % or greater remaining upon delivery, unless otherwise noted on the PO. MSDS must be supplied at time of delivery for all Hazardous Material.
- 23. CALIBRATION:** 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 meet the requirements of ANSI/NCSL-Z540 1-1994, MIL-STD-45662 or ISO100012- 1. A signed certification is required and must reflect the standard certified to.
- 24. 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
- 25. SPECIALITY METALS:** Specialty Metals This purchase includes DFARS 252.225-7009 (OCT 2019). Paragraphs (c)(6) and (d) are hereby deleted. Unless specifically exempted through notation of this line item, the requirements of DFARS 252.225-7009 (OCT 2019) apply to this order and take precedence over any other specialty metals requirements, including but not limited to the Specialty Metals clause contained in any terms and conditions, or any purchase order notes.
- 26. CONFLICT MINERAL REQUIREMENTS:** 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.
- 27. COUNTERFEIT PARTS PREVENTION:** Seller shall not furnish suspect counterfeit or counterfeit parts to Buyer under this Order. All material delivered under this Order shall be authentic and traceable to the original manufacturer. Seller shall provide authenticity and traceability records to Buyer upon request. Electronic parts shall not be acquired from brokers unless approved in advance in writing by Buyer. Seller shall immediately notify Buyer if Seller

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cannot provide parts, components, and/or assemblies traceable to the original component manufacturer or the original equipment manufacturer. Upon receipt of such notification, Buyer reserves the right to terminate this Order at no cost to Buyer or require specific material validation test and inspection protocol requirements to Seller.

If suspect counterfeit or counterfeit parts are furnished under this Order and are found in any of the Products delivered hereunder, such items will be impounded by Buyer. Seller shall promptly replace such suspect/counterfeit parts with parts acceptable to the Buyer. Seller shall be liable for all costs relating to the removal and replacement of said parts, including without limitation Buyer's external and internal costs of removing such suspect/counterfeit parts, of reinserting replacement parts and of any testing or validation necessitated by the reinstallation of Seller's Products after suspect/counterfeit parts have been exchanged. Buyer's remedies described herein shall not be limited by any other clause agreed upon between Buyer and Seller in this Order and are in addition to any remedies Buyer may have at law, equity or otherwise under this Order. Seller agrees that any U.S.G. directive/information or GIDEP alert, indicating that such parts are suspect counterfeit or counterfeit, shall be deemed definitive evidence that Seller's Products contain suspect counterfeit or counterfeit parts. The Seller shall ensure that only new and authentic components/materials are provided for HECA purchase orders. Seller shall maintain a process that is compliant with latest revisions of AS5553 or DFARS 252.246-7007.

- 28. OBSOLESCENCE:** If an obsolescence issue occurs, is imminent, or a potential, the supplier shall notify HECA of this condition. The supplier shall identify the part number, nomenclature, and supplier of the item and offer an alternate part of same fit, form and function when possible. This activity applies to all materials, including base or raw materials.
- 29. RAW MATERIALS REQUIREMENTS:** 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 (CoC) 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>.
- 30. FLUX SPECIFICATION:** Flux supplied for this Purchase Order must meet requirements of JSTD-004, "Latest Revision".
- 31. SOLDER PASTE:** Solder Paste supplied for this Purchase Order must meet requirements of J-STD-005, "Latest Revision".
- 32. SOLDER SPECIFICATION:** Solder supplied for this Purchase order must meet requirements of J-STD-006, "Latest Revision".
- 33. CONFORMAL COATING:** Conformal Coating supplied for this Purchase Order must meet requirements of IPC-CC-830, "Latest Revision".
- 34. 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.

35. CERTIFICATE OF CONFORMANCE:

- A.** Certificate of Conformance (CoC) shall be provided with all shipments of articles delivered to HECA. A Copy of the CoC must be supplied at time of delivery. The CoC must identify the HECA PO and the Line Item represented. Where serialization is a requirement, the CoC shall list the serial number of all serialized articles included in the shipment. 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.
- B.** Certificate of Conformance and Acquisition Traceability (CoC) must be furnished at time of delivery for each item noted on the Purchase Order. CoC 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. Where serialization is a requirement, the CoC shall list the serial number of all serialized articles included in the shipment. 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.

36. EXPORT CONTROL:

- A.** 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
- B.** 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.

37. DUTY-FREE-ENTRY: This purchase order is issued pursuant to one or more U. S. Government Prime Contracts as noted on the face hereof. Seller agrees to comply with the U. S. Customs Requirements for Duty-Free Entry for Purchase Orders Awarded to Non-U.S. Suppliers.

38. SELLERS-EMPLOYEES:

- A.** Employees of Seller who perform Services under this Order shall be citizens of the U.S., its possessions or territories, or lawful permanent residents as defined by 8 U.S.C. 1101(a)(20), or protected individuals as defined by 8 U.S.C. 1324b(a)(3). Seller shall provide certification of compliance upon Buyer request. Seller shall promptly notify Buyer of any changes to the certification. Failure to provide the certification, or notice of changes, may result in termination of the Order for default.
- B.** Seller represents they are fully competent in all phases of the work involved in producing and supporting all Products and performing all Services purchased under this Order.

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C. Seller ensures that employees are aware of their contribution to product quality or service conformity, product safety and the importance of ethical behavior