



PURCHASE ORDER TERMS AND CONDITIONS

This is a FFP (Firm Fixed Price) subcontract / Purchase Order.

You are hereby notified that no person from any other department, unit or location, within Sandy Valley Fasteners has the authority to alter the agreed upon contractual obligations set forth in this purchase order. When technical information is required, you may be referred to the subject matter expert at the buyer's discretion. However, all contractual questions, changes and/or direction will be authorized in writing by the Purchasing/Subcontracts Department. Any changes enacted outside this method will be undertaken at the supplier's risk.

This Purchase Order and attachment(s), if any, are being transmitted electronically and executed by electronic signature in lieu of a hard copy Purchase Order/release and is the only document that the Seller will receive. By receipt and acknowledgment of this Purchase Order, or by performance, Seller agrees that this electronic Purchase Order shall have the same force and effect as if executed and sent in hard copy.

Both parties agree that the validity of this Purchase Order shall not be contested on the basis that this Purchase Order contains an electronic signature. Buyer certifies that those representations and certifications contained in the referenced terms and conditions are current and accurate.

Ethics Statement: Sandy Valley Fasteners values relationships that are grounded in a shared commitment to performing in accordance with the highest standards of professional business conduct and encourages all suppliers to implement an effective ethics program as well as having a quality management system in place. In performance of this Contract, both parties are expected to conduct themselves in a manner consistent with the principles expressed therein. Should you have any questions, wish to use our training materials, or observe conduct contrary to the principles set forth in Setting the Standard, please do not hesitate to call the Sandy Valley Fasteners.



Standard Quality System Requirement Applicable to this Purchase Order (PO). In addition to the standard requirements each PO Line Item (LI) may have a Quality Assurance (QA) code assigned that adds additional requirements unique to that LI. In the event a conflict arises between the standard quality requirements and the QA Code for the LI the QA Code takes precedence.

QA Code Descriptions (Quality Requirement): Review QR-1, Purchase Order Attachment, for description of each QA code applicable to the PO LI contained in this order. Qualification of Personnel (Quality Requirement): The supplier is responsible for maintaining all special process certifications (i.e. Welding, Non-Destructive Inspection (NDI), Solder, ESD, etc.). Work performed to provide product shall be performed by personnel possessing qualifications or certifications to perform the work.

Notification of Nonconformities (Quality Requirement): Supplier agrees to notify the buyer of any nonconforming product that requires disposition other than rework or scrap if the part is produced to buyer's design or the nonconformity results in a departure from contract requirements. The supplier shall request buyer's Material Review Board (MRB) action to disposition supplier nonconformities of "Use as Is", "Repair", or "Standard Repair Procedure" via their MRB. This applies to all deliveries for this order, if found after delivery, the supplier agrees to notify buyer of nonconformities throughout the warranty period. Sources of such defect date may include seller's own determination, data received from the manufacturer, GIDEP Alerts and reports from other buyers of the same product. Prevention of Suspect Unapproved, Unapproved and Counterfeit Parts (Quality Requirement): Seller shall only purchase products to be delivered or incorporated as work to the buyer directly from the Original component manufacturer (OCM) / original equipment manufacturer (OEM) or through an OCM/OEM authorized distributor chain. Seller may use another source only if:

- (i) the foregoing sources are unavailable,
- (ii) Seller's inspection and other risk mitigation processes will be employed to ensure the authenticity of the work,
- (iii) the supplies meet applicable DOD-adopted counterfeit prevention industry standards and processes (including tests) and
- (iv) Seller obtains the advance written approval of the buyer. Approval to use another source other than defined above requires the submittal of a comprehensive risk mitigation test and inspection plan to the buyer procurement representative.

The risk mitigation plan shall define appropriate tests and inspections, as well as acceptance criteria, to validate Products authenticity. Test results shall be reviewed and approved by the buyer prior to shipping or incorporating into deliverable hardware. Seller shall develop and implement a counterfeit product control plan using AS5553 for electronic parts and/or AS6174 for all other materials as guidance. The plan shall be available for buyer review upon request. The seller's counterfeit avoidance and detection systems are subject to buyer and/or buyer's customer audit and approval. Seller shall implement systems that assure traceability that enables tracking of products from the original manufacturer to product acceptance by buyer. This requirement applies to all work delivered to buyer either directly or indirectly as components are included in assemblies.



The supplier shall have processes that enable tracking of electronic parts from the original component manufacturer, original equipment manufacturer or through an OCM/OEM authorized supplier, whether the electronic part is supplied as a discrete electronic part or is contained in an assembly. This entire note, or requirements that meet the intent of this note, shall be flowed down to all sub-tier suppliers under this contract and seller shall provide evidence of compliance to this note upon request. Supplier Process Change Control (Quality Requirement): The supplier agrees to obtain buyer's approval prior to

- 1.) Changes of suppliers or relocation of work to another production facility.
- 2.) Changes in the product design, materials and / or the manufacturing processes that affect fit, form, or function.
- 3.) Changes in manufacturing facility locations.

An analysis shall be performed, documented, and included with any request for change. A documented process shall be in place to review, identify, and submit a request for change to the buyer on this purchase order. This request shall be submitted (14) days prior to plan implementation. The change will not be implemented unless approved by the buyer.

Flow down of Requirements (Quality Requirement): When work related to this purchase order is outsourced to a sub-tier supplier, the supplier agrees to flow down the appropriate requirements to the sub-tier. The appropriate requirements include, but are not limited to, customer requirements, critical items, special requirements, key characteristics, control of special processes, record retention, and a flow down of the quality system requirements.

Outsourced work to sub-tier suppliers performing special processes (i.e. Welding, Non-Destructive Inspection (NDI), Solder, ESD, Heat Treat, Plating, etc.) must be approved by the buyer prior to outsourcing. Record Retention (Quality Requirement): Supplier agrees to retain all records associated with this purchase order for a minimum of (4) years unless otherwise stated by contract statement of work or PO LI QA Code. Records shall be maintained and made available in a timely manner to buyer's, customers, and / or regulatory authorities upon request. Right of Access (Quality Requirement): The supplier shall grant right of access to the buyer, their customers, and regulatory authorities to all applicable areas of seller's and seller's subcontractors' facilities where work under this agreement is being performed and all applicable product records.

Packaging (Quality Requirement): All material shall be properly packaged to ensure that damage does not occur during transit utilizing, ASTM D3951 "Standard Practices for Commercial Packaging" industry practice based on commodity being shipped when specific packaging instructions are not identified on the drawing. Product Safety / Ethics (Quality Requirement): Seller shall establish a communication method that ensures all personnel are aware of their contribution to product safety and product or service conformity. This method shall establish a communication that is appropriate to the organization and this communication will occur annually at a minimum. Seller shall maintain records of this communication.