

# SUPPLIER TERMS AND CONDITIONS

## 1 SUPPLIER'S OBLIGATION

- a. Supplier/Subcontractor/Seller ("Supplier") hereby agrees to comply with the following Term & Conditions and flow down the requirements in the T&C, Request for Quote or Purchase order to its lower-tier Supplier or subcontractors. [AS9100D 8.4.3 k]
- b. Supplier shall:
  - i. maintain a quality management system to ensure on time delivery of high quality products which meet all specified requirements [AS9100D 8.4.3 k]
  - ii. ensure personnel are fully qualified to perform per documented procedure [AS9100D 8.4.3 c ]; aware of their contribution to product conformity and safety; and the importance of ethical behavior [AS9100D 8.4.3 m ]
- c. Supplier shall accept orders from, and ship to Buyer's plants only as authorized herein. Delivery of, or services ordered by anyone other than specifically authorized herein shall be at Supplier's risk
- d. Supplier is authorized to ship and bill against approved orders only.
- e. There will be no changes in pricing of this order unless authorized in writing by Buyer.
- f. The total amount obligated hereunder and available for payment is shown on the face of this order. Such amount may not be exceeded unless and until increased by Buyer in writing. If at any time Supplier has reason to believe that said amount is insufficient to complete performance, Supplier shall promptly notify Buyer.

## 2 CANCELLATION

HART reserves the right to cancel this purchase order at any time, upon thirty (30) days notice, written or verbal, prior to the date on which termination shall become effective, and/or immediately, with due cause. Verbal cancellations will always be followed by written confirmation of said cancellation.

## 3 COMMUNICATION

All communication regarding this purchase order should be directed to the HART Buyer.

## 4 NO CHANGE CLAUSE

Supplier shall make no change in design, materials, manufacturing location, manufacturing processes, or sources of supply, after Buyer's acceptance of the first production test item or after acceptance of the first completed end item, without the written approval of the Buyer. [AS9100D 8.4.3 k.]

## 5 PURCHASE ORDER DELIVERY SCHEDULE

Purchase order delivery schedules must be strictly adhered to. Late, over or under shipments to scheduled deliveries will not be tolerated. Any deviation to this policy, unless authorized by HART Procurement Personnel, will result in material being returned at the supplier's expense. HART does not recognize any "Industry Shipping Tolerances".

## 6 PURCHASE ORDER INVOICE

Supplier shall invoice each line item exactly as shown order to insure prompt payment. Invoice must show: Supplier name, Order Number, Line Item Number, Part Number, Quantity Shipped and Price.

## **7 BUILD TO SPECIFICATION/DRAWING/PRINT**

Supplier shall produce to the Specification/Drawing/Print to the revision level contained in the technical data package supplied with the Request for Quote, Purchase Order or approval of the Buyer. If no revision level is specified, parts must be supplied to the latest data package by HART as of the date of this purchase order. [AS9100D 8.4.3]

## **8 RATED ORDER FOR NATIONAL DEFENSE**

This is a rated order for national defense use, and you are required to follow all the provisions of the defense priorities and allocations system regulation (15 CFR Part 700). Supplier is required to place rated orders with sub-tier suppliers for items needed to fill this order.

## **9 MILITARY STANDARD PROCEDURE**

Supplier shall furnish military standard hardware to the drawing revision level contained in the technical data package. If no revision level is specified, parts must be supplied to the latest revision level established by government agencies as of the date of this purchase order.

## **10 20% OPTION**

The total quantity of this purchase order may be increased during performance of said contracts, at the same price, but may not exceed 20% of the total quantity authorized.

## **11 DESIGNATED OR APPROVED EXTERNAL PROVIDERS**

Supplier shall use Buyer's (or its customer's) designated or approved external providers, including process sources (e.g. special processes) as specified in the technical data package, Request for Quote, or Purchase Order. [AS9100D 8.4.3 k]

## **12 SUPPLIER NOTICE OF NONCONFORMING PRODUCTS/PROCESSES**

Supplier shall immediately notify Buyer in writing when nonconformances in Supplier's process or goods are discovered or suspected regarding products delivered or to be delivered under this contract. Supplier shall request and receive the approval of Buyer prior to disposition of any nonconforming product. [AS9100D 8.4.3 k]

## **13 GOVERNMENT OWNED PROPERTY**

Government-owned property in the possession of the Suppliers/subcontractors shall be managed in accordance with INSTRUCTIONS FOR CONTROL OF GOVERNMENT-OWNED PROPERTY IN THE POSSESSION OF SUPPLIERS/SUBCONTRACTORS available on the HART website at <http://www.harttech.com/contact-us/procurement-references.html> under the Procurement References section.

## **14 INSPECTION**

- a. Right to inspect/Right of access: Buyer and/or its end customer shall have the right to inspect at Supplier's facility, sub-tier supplier facilities or elsewhere at any time during the manufacture/fabrication phase and for a period three years after delivery or as specified in on contract or purchase order. Supplier and/or its sub-tier suppliers shall provide reasonable facilities and assistance for the inspection personnel. [AS9100D 8.4.3 i]
- b. Such inspection may include, without limitation, raw materials, components, work in process, and completed products as well as drawings, specifications, and released data. [AS9100D 8.4.3]
- c. Final inspection and acceptance shall be after delivery to the delivery point designated by Buyer.

- d. Sampling Inspections may be performed per ANSI/ASQC Z1.4-2008, Sampling Procedures and Tables for Inspection by Attributes, General Inspection Level II, Acceptance Quality Level (AQL) 1.0. HART reserves the right to reject all or a portion of any lot which fails sampling inspection per ANSI/ASQC Z1.4. [AS9100D 8.4.3 k]
- e. Rejected goods may be returned to Supplier at Supplier's expense. No inspection, examination or test, regardless of extensiveness or type, and no approval given in connection with any such inspection, examination or test, whether by Buyer or the Government and whether under the Contract or another contract for the same or similar goods, shall relieve Supplier, or be claimed by Supplier to relieve it, of any obligation to comply fully with all requirements of the Contract, including the obligation to produce goods that conform to all requirements of the drawings, specifications and other Contract Documents. At Buyer's request, Supplier shall repair or replace defective goods at Supplier's expense.
- f. Failure to inspect goods, failure to discover defects in goods or payment for goods shall not constitute acceptance or limit any of Buyer's rights, including without limitation those under the WARRANTY provisions of the Contract. In the event inspection reveals a defect or defects and schedule urgency requires that the defect or defects be corrected by Buyer to support production, all cost of such correction, including without limitation installation and removal, will be charged to Supplier; such charges will also include time and material and appropriate indirect and overhead expenses.
- g. Supplier shall maintain an inspection system acceptable to Buyer covering the goods furnished hereunder. Supplier shall permit Buyer to review procedures, practices, processes and related documents to determine such acceptability. [AS9100D 8.4.3 l]
- h. Supplier will keep records evidencing inspections and their results and will make these records available to Buyer and the Government for inspection at Supplier's facility, where applicable, during contract performance and for a period of three years after final payment or as specified in on contract or purchase order. [AS9100D 8.4.3 k]

## 15 NOT TO EXCEED ORDERS

- a. Prices stated herein are ceiling prices subject to downward only adjustment resulting from Buyer's or U.S. government's audit review of Supplier's cost and pricing data and subsequent final negotiation.
- b. All other unit prices contained within the body of this purchase order are also not to exceed (NTE) ceiling prices subject to the same audit/negotiation and shall also be adjusted as required upon contract pricing definitization. Supplier agrees to submit such data in form and detail acceptable to Buyer not later than thirty (30) days from the date of this purchase order, pending final agreement of price. The amount allocated unless increased by the Buyer in writing. Final price agreement will be set forth in a purchase order change hereto no later than 180 days from date hereof.

## 16 OVERSHIPMENT

Goods shall not be supplied in excess of quantities and shipping tolerances, if any, specified in the Contract. Supplier shall be liable for handling charges and return shipment costs for any excess quantities, and unless Supplier agrees to pay for such costs, the overshipped material will be retained by Buyer at no cost.

## 17 PACKAGING AND SHIPPING:

Packaging and packing of items to be delivered by Supplier under the Contract shall insure safe arrival at their destination, secure lowest transportation cost, conform with requirements of common carriers and,

in any event, comply with Buyer's minimum specifications set forth on the Purchase Order, and Government Packaging Instructions ASTM-D3951 (1998) (or the successor instructions current at the date of the Contract).

Unless this contract specifies otherwise, Supplier will ship the Goods in accordance with the following instructions:

- a. Shipments by Supplier or its subcontractors must include packing sheets containing Buyer's contract number, line item number, description and quantity of Goods shipped, part number or size, if applicable, and appropriate evidence of inspections including Certificates of Conformance (COC), Certificate of Analysis (COA) or Certificates of Conformance and Traceability (COCT) as required. [AS9100D 8.4.3]
- b. A shipment containing hazardous and non hazardous materials must have separate packing sheets for the hazardous and nonhazardous materials. Supplier shall not include vermiculite or other hazardous substance in any packing material included with the Goods. Items shipped on the same day will be consolidated on one bill of materials unless Buyer's Authorized Procurement Representative authorizes otherwise.
- c. The shipping documents will describe the goods according to the applicable classification and/or tariff. The total number of shipping containers will be referenced on all shipping documents. Originals of all Government bills of lading will be surrendered to the origin carrier at the time of shipment.
- d. For material shipped F.O.B. origin, the Supplier shall not insure and not declare a value except when transportation rates are based on "released value", in which instance the Supplier shall annotate on the bill of lading the lowest released value provided in applicable tariffs.
- e. Supplier will label each shipping container with the contract number and the number that each container represents of the total number being shipped (e.g. box 1 of 2)
- f. Supplier will take measures to ensure packaging material minimizes risk of Foreign Object Debris (FOD).

#### **18 TECHNICAL DATA [AS9100D 8.4.1.1E]**

Technical Data furnished by Buyer to Supplier in order to facilitate Supplier's execution of this purchase order is governed by the U.S International Traffic in Arms Regulations (ITAR) section 124.13. Under no condition shall such data be exported (deemed or otherwise) outside of the USA.

Supplier Hereby Agrees To:

- a. Limit the use of the technical data to the manufacture of the defense articles required by the purchase order only: and
- b. Prohibit the disclosure of the technical data to any other person except subcontractors within Supplier's country: and
- c. Prohibit the acquisition of any rights in the technical data by any foreign person: and
- d. Assure that any subcontract issued by Supplier to subcontractors within Supplier's country, in order to facilitate Supplier's execution of this purchase order. Include all six (6) limitations contained in this clause: and
- e. Destroy or return to Buyer all of the technical data provided by Buyer pursuant to execution of this purchase order and upon fulfillment of its terms: and
- f. Assure delivery of the defense articles manufactured by Supplier under the terms of this purchase order only to Buyer in the U.S. or to an agency of the U.S. government.
- g. Further more: Technical data which may be acquired or generated under this purchase order may require appropriate authorization from the Department of State office of Defense Trade Controls or Department of Commerce, office or Export Administration before it is released to a foreign

person. Therefore, Supplier understands it shall not disclose to any foreign person any technical data acquired under this purchase order until after notifying Buyer and written authorization from the appropriate U.S. government agency is obtained.

## 19 TOXIC SUBSTANCE (TSCA)

TSCA compliance statements by accepting this award, the Supplier hereby certifies that all chemicals to be delivered under this purchase order comply with the requirements of the toxic substance control act (TSCA) 15 USCA 2601-2629.

## 20 WARRANTY

- a. Supplier warrants that goods ordered to specifications will conform thereto and to any drawings, samples, or other description furnished or adopted by Buyer, and will be fit and sufficient for the purpose intended; and that all goods are merchantable, of good material and workmanship, and free from defect.
- b. Such warranties, together with Supplier's service warranties and guarantees, if any, shall survive inspection, test, acceptance of, and payment for the goods and shall run to Buyer, its successors, assigns, customers at any tier, and ultimate user and joint users.
- c. Notices of any defects or nonconformity shall be given by the Buyer to the Supplier within twelve (12) months after acceptance by ultimate user.
- d. The rights and remedies of the Buyer concerning latent defects shall exist indefinitely, and shall not be affected in anyway by any terms and conditions of this Contract, including this clause. Buyer may, at its option, and in addition to other remedies available at law, either (i) return for credit, (ii) require prompt correction or replacement of the defective or nonconforming goods, or (iii) have the defective items corrected or replaced at Supplier's expense and deduct the cost thereof from any monies due Supplier.
- e. The return to Supplier of any defective or nonconforming goods and delivery to Buyer of any corrected or replaced goods shall be at Supplier's expense. Goods required to be corrected or replaced shall be subject to the provision of this paragraph and the paragraph of this Contract Document entitled "inspection" in the same manner and to the same extent as goods originally delivered under this Contract. In addition to correcting or replacing any defective or nonconforming goods, Supplier shall also reimburse Buyer for all costs and expenses incurred by Buyer in connection with inspection and discovery of the defects, identifying and correcting the cause of such defects and all other activities reasonably undertaken by Buyer to obtain conforming goods or attempting to obtain from the ultimate user a waiver to permit the defective goods to be used with all or part of the defective conditions.

## 21 DETECTION AND AVOIDANCE OF COUNTERFEIT ELECTRONIC PARTS

- a. Suppliers who supply electronic parts or systems that contain Electrical, Electronic and Electro-Mechanical (EEE) parts must establish policies and procedures to eliminate counterfeit parts from the supply chain complaint with AS5553A Fraudulent/Counterfeit Electronic Parts; Avoidance, Detection, Mitigation, and Disposition for detailed requirements. [QMS.PR2, AS9100D 8.4.3 k, AS9100D 8.1.4]  
For purposes of this clause, EEE parts are any tangible items, including without limitation the lowest level of separately identifiable items, such as parts, articles, components, and assemblies. "Counterfeit Parts" are parts that are or contain items misrepresented as having been designed, produced, and/or sold by an authorized manufacturer and Supplier, including without limitation unauthorized copies, replicas, or substitutes. The term also includes authorized parts that have reached a design life limit or have been damaged beyond possible repair, but are altered and misrepresented as acceptable.

- b. Supplier shall ensure that only new and authentic materials are used in products delivered to HART. The Seller may only purchase parts directly from OCM, OCM authorized (franchised) distributors, or authorized aftermarket manufacturers. Use of product that was not provided by these sources is not authorized unless first approved in writing by HART. The Supplier must present compelling support for its request (e.g., OCM documentation that authenticates supply chain traceability of the parts to the OCM), and include in its request all actions to ensure the parts thus procured are authentic/conforming parts. [QMS.PR2, AS9100D 8.4.3 k, AS9100D 8.1.4]
- c. The Supplier shall maintain a method of item supply chain traceability that ensures tracking of the supply chain back to the manufacturer of all Electrical, Electronic, and Electromechanical (EEE) parts included in assemblies and subassemblies being delivered per this order. This supply chain traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the product for the seller, and shall include the manufacturer's batch identification for the item(s) such as date codes, lot codes, serializations, or other batch identifications. [QMS.PR2, AS9100D 8.4.3 k, AS9100D 8.1.4]
- d. Supplier shall impound any suspect or confirmed fraudulent/counterfeit EEE parts procured under this Purchase Order. Supplier shall report suspect or confirmed fraudulent/counterfeit EEE parts to the Government-Industry Data Exchange Program (GIDEP) and shall turn such items over to the Federal Bureau of Investigation for investigation as directed by HART. [QMS.PR2 4.4-1d, AS9100D 8.4.3 k, AS9100D 8.1.4]
- e. The Supplier shall promptly replace any suspect or confirmed fraudulent/counterfeit EEE parts with items acceptable to the HART and its customer. The seller shall be liable for all costs relating to impoundment, removal, rework, replacement and any required corrective actions. [QMS.PR2 4.4-1d, AS9100D 8.4.3 k, AS9100D 8.1.4]
- f. Supplier shall indemnify and hold harmless Buyer and its officers, directors and customers from any and all losses, damages, claims, costs and expenses for Supplier's failure to prevent counterfeit parts from being incorporated into products delivered to HART. [QMS.PR2 4.4-1d, AS9100D 8.4.3 k, AS9100D 8.1.4]

## 22 BYRD AMENDMENT CLAUSE

- a. The undersigned certifies, to the best of his or her knowledge and belief, that: No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of congress, an officer or employee of congress, or an employee or a member of congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- b. If any funds other than federal appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of congress, an officer or employee of congress, or an employee of a member of congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form To Report Lobbying," in accordance with its instructions.
- c. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements).
- d. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a pre- requisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code.

### **23 CERTIFICATION THAT SUPPLIER IS NOT ON EXCLUDED PARTIES LIST**

- a. Supplier certifies that their organization, employees and lower-tier suppliers or subcontractors are not listed as an excluded party at [www.sam.gov](http://www.sam.gov) - Search Records.

### **24 EQUAL OPPORTUNITY CLAUSE**

***This contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.***

***Contractor/subcontractor agrees to comply with all the provisions set forth in 29 CFR Part 471, Appendix A to Subpart A (Executive Order 13496).***