



## Terms and Conditions of Purchase

**GENERAL:** Caldwell Corp's Quality System is based on the requirements of AS9100 in addition to the ISO9001 requirements. As a Provider (**Seller**) to Caldwell Corp (**Buyer**), the Seller agrees to meet the following stipulations for AS9100 requirements for the purchase order or subcontract, hereafter referred to as the "**Order**" or "**Contract**".

**Definitions:** For the purpose of this document, the terms and definitions given in ISO 9001:2015 and AS9100:D shall apply.

- 1. Applicability** - These Terms and Conditions of Purchase (these "Terms and Conditions"), together with any additional terms or conditions set forth in: The purchase order (the "Order"); any agreement executed by the parties or other document in which these Terms and Conditions are attached or are incorporated in by reference; Quality and other requirements and procedures applicable to the goods and services; or any other document specifically agreed to in writing including, without limitation, specifications, drawings, quality requirements, or other requirements of Buyer's customer (collectively, this "Contract") apply to the purchase, to the extent listed on the Purchase Order (as applicable, "Buyer") of the goods and related services described in this Contract (the "Goods") from the Seller party to whom a Purchase Order is addressed or who is otherwise a party to a signed agreement with Buyer for the Goods ("Seller").
- 2. Seller Conditions** – The Seller's conditions will be excluded. If the Seller seeks to impose additional or different terms on the Buyer's purchase, they will not form part of the Contract and are excluded and rejected by these Terms and Conditions of Purchase.
- 3. Final Approval** - Buyer reserves the right of final approval of product, procedures, processes, and equipment.
- 4. Configuration Control** - The Seller shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data used in the performance of requirements of this Order. The Seller shall use technical data at the contractually specified revision or at the latest revision in effect at the time of contract award, if not specified.
- 5. Certified Personnel & Certifying Staff** - The Seller shall ensure that all personnel are properly qualified to perform the work required to support the Order, including having the proper certification to perform special processes, tasks and maintenance required by the purchase requirement. The Buyer reserves the right to review all documentation supporting qualifications of Seller or Seller's sub-tier personnel and Certifying Staff.
- 6. Buyer Approvals** - Buyer reserves the right to approve or specify any designs, tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items, including key characteristics.
- 7. Test Requirements** - Buyer reserves the right to designate requirements for test specimens for design approval, inspection and verification, investigation or auditing.
- 8. Approved Processors** - Where required on the Order, Seller shall utilize only Buyer/Customer-approved special process sources.
- 9. Nonconforming Product/Material** – The Seller shall maintain a documented procedure for control of nonconforming product. The Seller shall notify the Buyer in the event of nonconforming product/material to include post-delivery. Only the Buyer's authorized personnel may disposition acceptance or rejection of the Seller's Nonconforming product/material, as coordinated through the Buyer listed on the purchase order.

10. **Quality** - Buyer reserves the right to review and approve Seller's Quality Management System for Seller's use in supplying supplies or services to the Buyer. Seller must meet or exceed all quality requirements of Buyer and any specified customer requirements. Unless otherwise waived by Buyer in writing, Seller represents and warrants: it is registered to ISO 9001: 2015, minimally, by an accredited third party certification body or a registrar and Seller's quality systems are based on, and meet the requirements of ISO 9001: 2015, minimally. During the Term, Seller agrees to maintain the foregoing registrations and agrees that a failure to maintain such registrations will be deemed a material breach of the Contract. Seller acknowledges it has analyzed and reviewed Buyer's or Buyer's customer's specifications for the Goods and that Buyer's specifications are sufficient and adequate to manufacture the Goods in compliance with the Contract. Seller agrees it is solely responsible for maintaining all required quality processes to meet the foregoing specifications. Without limiting any rights or remedies of Buyer hereunder, all costs incurred by Buyer or its customer relating to quality issues in the Goods (including, without limitation, sorting charges, labor, damaged tooling, rework, downtime, expedited freight costs, etc.) are the responsibility of Seller, will be charged by to Seller, and may be taken by Buyer through debits, setoff, or otherwise. At Buyer's request, Seller will furnish to Buyer, at Seller's cost, test samples of Goods as may be reasonably required by Buyer to determine if the manufacture of the Goods are in accordance with this Section.

11. **Corrective Action Request** - Where product or process non-conformances are identified by the Buyer or its Customer, a Corrective Action Request (CAR) may be issued to the Seller. The Seller agrees to take appropriate and timely action to respond to the CAR (24 hrs. initial response with final response due within 2 weeks) with an acceptable corrective action plan, subject to Buyer approval, and to implement the required corrective actions. When the Seller does not provide a timely and/or effective corrective action plan, the Buyer will take appropriate measures such as, but not limited to, termination for default, withholding payment, removing Supplier from the Buyer's Approval Supplier List, and/or legal action, as appropriate and solely at the Buyer's discretion.

12. **MSDS** - Seller is responsible for supplying all MSDS information and ensuring that all such documentation is maintained to current dates as deemed necessary by the Buyer.

13. **Changes Notification Requirement** - The Seller shall notify the Buyer of any changes to a product's design, development, processes, manufacturers/suppliers, manufacturing location, and/or quality management system approval status. Seller shall obtain written approval from the Buyer listed on the purchase order, as coordinated with and authorized by the Buyer's authorized personnel, before delivering product affected by any such changes.

14. **Records Retention** - The Seller is required to retain all records related to this all Orders, including objective evidence of the quality of any items supplied (manufacturing, assembly, inspection, physical/chemical test reports, test and special process records and material certification records) for a period of ten (10) years after the final payment. Records shall be made available to Buyer upon request and at no additional charge.

15. **Right of Entry/Access** - Buyer, its customers and regulatory authorities reserve the right to access all supplier facilities, with prior notice, at any level of the supply chain, performing work on the Order and to all applicable records. The Seller is required to provide support in the form of labor, materials, information, tools and equipment necessary to execute verification and survey activities.

16. **Flow Down Requirement** - The Seller shall flow down all applicable Buyer, Customer, U.S. Government (hereafter referred to as Customer), Regulatory and/or AS9100 requirements to sub-tier suppliers (including requirements in the purchasing documents and key characteristics where required). However, Buyer does not allow Seller to subcontract any product or process to a sub-tier supplier without prior expressed written consent of the Buyer, through the Buyer's authorized personnel.

17. **Verification of Purchased Product** - The Seller is responsible for conformity of all products purchased from suppliers/processors, including from sources defined by the Buyer or Buyer's Customer. Unless specifically authorized by the Buyer, Seller is not authorized to release purchased product for use until completion of all required verification activities. If approved by Buyer, Seller's documented procedures must include provisions for identification and records to allow recall and replacement if it is subsequently found that the product does not meet requirements. Material certifications must accompany all shipments to the Buyer.

**18. Delegated Inspection Authority** - When appropriate, the Buyer may delegate the inspection authority to the Seller, if the Seller has capability and approval to conduct such inspections. The Buyer will define the inspection requirements (including approved monitoring and measurement equipment/methods) in the Order and the Buyer will maintain a record of approval granted to Seller to carry out such inspections. The Seller shall maintain a record of the delegation approval and present it with the product at delivery. Delegation of any inspection authority does not absolve the Seller of performing all appropriate inspections prior to shipment, or of its responsibility to provide conforming product, nor will it preclude subsequent rejection by the Buyer.

**19. Source Inspection/Verification** - The Buyer also may perform inspection activities at the point of origin (Seller's or its sub-tier's facilities) to ensure that purchased product meets purchase requirements prior to shipment/delivery to the Buyer. When the Buyer intends to perform verification at the point of origin, the Buyer will define the intended verification arrangements and the method of product release in the solicitation and in the Order. The Seller shall provide support to include, but not limited to labor, materials, tools and equipment necessary to perform the needed verification activities and shall provide access to the Buyer to all facilities where work is performed for the Order. The Seller is responsible for conformity of all products purchased from suppliers/processors, including from sources defined by the Buyer or Buyer's Customer. Verification and/or acceptance by the Buyer shall not be utilized by the Seller as evidence of effective control of quality by the Seller and shall not absolve the Seller of the responsibility to provide conforming product, nor will it preclude subsequent rejection by the Buyer.

**20. Customer/Government Source Inspection/Verification** – The Buyer's Customer/Government (also referred to as "Customer") may perform inspection activities at the point of origin (Seller's or its sub-tier's facilities) to ensure that purchased product meets purchase requirements prior to shipment/delivery to the Buyer/Customer. When the Buyer's Customer intends to perform verification at the point of origin, the Buyer will define the intended verification arrangements and the method of product release in the solicitation and in the Order. The Seller shall provide support to include, but not limited to labor, materials, tools and equipment necessary to perform the needed verification activities and shall provide access to the Buyer and Buyer's Customer to all facilities where work is performed for the Order. The Seller is responsible for conformity of all products purchased from suppliers/processors, including from sources defined by the Buyer or Buyer's Customer. Verification and/or acceptance by the Buyer's Customer shall not be utilized by Buyer or Seller as evidence of effective control of quality by the Seller and shall not absolve the Buyer or the Seller of the responsibility to provide conforming product, nor shall it preclude subsequent rejection by the Buyer or Buyer's Customer.

**21. Counterfeit and Suspected Unapproved Parts** - To prevent the purchase of counterfeit or suspect/unapproved products and to ensure product identification and traceability (and for other reasons), the Buyer implements controls that include the requirement of material verification and traceability to include, but not limited to Material Certificates, Certificates of Conformity, special tests and inspections and/or other supporting documentation from the Seller as is appropriate, as specified in the Order. The Seller agrees to use commercially reasonable practices to prevent counterfeit work from being delivered to the Buyer. The Seller shall only purchase new and authentic materials to be used in products to be delivered to the Buyer directly from the Original Component Manufacturer (OCM) or Original Equipment Manufacturer (OEM). Product shall not be acquired from distributors or brokers unless approved in advance in writing by the Buyer through the Buyer's authorized personnel. If counterfeit parts are detected in product procured, Seller must notify the Buyer within 24 hours of discovery.

**22. Foreign Object Debris (FOD)** – Seller must ensure processes and products are free of FOD. A substance, debris, or article alien to any raw material purchased.

**23. Supplier Approval** – The Seller is responsible for maintaining a Supplier Register with documentation to support their selection of subcontractors based on their ability to supply product that fulfill the Buyer's Order, including, but not limited to, evidence of customer-approved processor status. The Seller is responsible for assuring their subcontractors holds the required approvals and certificates to provide the purchased product and for applying the appropriate level of control over the subcontractor's performance to assure compliance with the Order. However, the Buyer does not permit the Seller to subcontract any portion of the Order without prior written approval from the Buyer's Contract Representative.

**24. Purchasing Information** – The Seller shall maintain purchasing records for all procurement actions related to the Buyer's Order that includes purchase orders that fully describe the product to be purchased, including, where appropriate, requirements for: a) approval of product, procedures, processes, and equipment, b) qualification of personnel, c) quality management system, d) identification and revision status of all technical documents, e) design, test, inspection, verification (including maintenance process verification), use of statistical techniques for product acceptance, and related instructions for acceptance, and as applicable critical items including key characteristics, f) test specimens for design approval, inspection/verification, investigation or auditing, g) regarding non-conforming product notification and disposition approvals, and notification of changes in product process, suppliers, manufacturing facility locations and for obtaining approvals thereof, and flow down of requirements to the sub-tiers, h) records retention, and i) right of access

**25. Post-Delivery Support** – The Seller shall have the capability to provide post-delivery support, as applicable, for a) collection and analysis of in-service data, b) actions to be taken, including investigation and reporting, when problems related to the maintenance performed are detected after delivery, c) control and updating of technical data d) approval, control and use of repair schemes, and e) controls required for off-site work.

**26. Validation of Special Processes** – The Seller shall validate any process for production and service provision where the resulting output cannot be verified by subsequent monitoring or measurement (Special Processes) to assure compliance with the requirements of the applicable technical data issued by the design approval holder. Validation shall demonstrate the ability of these processes to achieve planned results. The Seller shall establish arrangements for these processes including, as applicable: a) defined criteria for review and approval of the processes, b) approval of equipment and qualifications of personnel, c) use of specific methods and procedures, d) requirements for records, and e) revalidation. Shipments to the Buyer must include either a certificate of compliance or certificate of conformance.

**27. Monitoring and Measurement of Product** – The Seller shall monitor and measure the characteristics of product, at appropriate stages, to verify that product requirements have been met. Objective evidence of conformity of the acceptance criteria shall be maintained.

**28. Packaging** - All material for shipment must be packaged suitably for ground or air transportation and must provide protection from in-transit damage. Failure to comply will result in a rejection of product or parts. Buyer reserves the right to make a disposition of any damaged product to determine whether parts will be returned for credit or deemed usable. If Buyer determines the product or parts are damaged and dispositioned as not usable, Buyer reserve the right to reject the shipment and return it to Seller at the Seller's cost for reprocessing or sorting of damaged product or parts.

**29. Shipping** - All shipping documents (bills of lading, etc.) must reference Buyer's purchase order number. All material shipments must comply with Buyer's packaging requirements. Every shipment must be protected to ensure the quality, preservation and safety of the shipment. All freight instructions must be executed. Failure to follow these instructions will result in Buyer's non-liability for freight charges and freight charges will be billed to Seller. The above instructions apply only to products/ materials being delivered to Buyer, unless drop shipment authorization is given.

**30. Personnel Contribution** – The Seller must ensure that their personnel are aware of their contributions to product conformity and product safety as well as the importance of ethical behavior.

**31. Confidentiality and Intellectual Property** - The following terms apply: all Intellectual Property and all other confidential and proprietary information provided by Buyer to Seller under this Contract including, without limitation, any samples, drawings, know-how, processes, and other technical, business, or financial information, whether provided orally, in writing, by demonstration, or otherwise (collectively, "Confidential Information"): is owned by Buyer; must be kept confidential by Seller and may not be disclosed by Seller to third parties without the express prior written consent of Buyer; provided, however, Seller may disclose Buyer's Confidential Information to Seller's employees, attorneys, agents, and subcontractors who have a "need to know" the Confidential Information for purposes of carrying out Seller's obligations under this Contract as long as such individual and entities are bound by confidentiality terms no less restrictive than those contained in this Contract; and may not be used by Seller other than is required for Seller to perform its obligations under this Contract. The confidentiality restrictions do not apply to information which is already known by Seller prior to the date of this Contract and without breach of the confidentiality restriction that Seller was subject; acquired by Seller from a third party which was not, to the knowledge of Seller, under an obligation to Buyer not to disclose such information; which is or becomes publicly available through no breach by Seller of confidentiality restrictions to which Seller is or was subject; or independently developed by Seller without the use of Buyer's Confidential Information. Notwithstanding the above, Seller may disclose Buyer's Confidential Information if required by a judicial or government request, requirement, or order as long as to the extent not prohibited by law, Seller gives Buyer written notice prior to such disclosure and Seller only discloses that portion of Confidential Information required to comply with such requirement, request, or order. Upon the termination or expiration of this Contract, Seller agrees to return, or destroy (to the extent feasible), Buyer's Confidential Information in Seller's possession.

**32. Warranty** - Seller warrants to Buyer, its customers, and their end-users that all Goods will: conform, in all respects, to the specifications, standards, drawings, samples, descriptions, quality requirements (including any fit, form and function requirements), furnished, specified or approved by Buyer for the Goods; be useable and merchantable; be of good quality and workmanship; be free from defects, latent or otherwise, in design (unless Buyer's provided the entire design), materials and workmanship; comply with all applicable Laws and industry standards including, without limitation, the Laws where the Goods are manufactured and the Laws of the countries whether the Goods will be sold; be new, of the highest quality, and conveyed by Seller to Buyer with good title, free and clear of all liens, claims, encumbrances, interests or other rights of Seller or third parties; and not, either upon delivery or in the future, infringe upon, violate or misappropriate any present or future patent, trademark, service mark, trade secret, copyright, proprietary or other intellectual property right of any third party. Seller acknowledges that Seller knows of Buyer's intended use of the Goods and expressly warrants that the Goods are fit and sufficient for the particular purposes intended by Buyer and Buyer's customer and applicable to the design, function and use of the Goods. To the extent Seller is providing a service to Buyer, Seller also warrants such service will be performed in a competent and workmanlike manner.

In addition to any rights and remedies of Buyer specified in this Contract or available at Law, in the event of a breach of Seller's warranties, Buyer shall have the right, at its option, to take the following actions: retain the defective Goods in whole or in part with an appropriate adjustment in the price for the goods; require Seller to repair or replace the defective Goods in whole or in part at Seller's sole expense, including all shipping, transportation, and installation costs; correct or replace the defective Goods with similar items and recover the total cost relating thereto from Seller, including the cost of product recalls; or reject the defective Goods.

Seller acknowledges that any specifications, standards, drawings, samples, descriptions, or other quality requirements provided by buyer relating to the goods, and any intellectual property associated therewith, is provided by buyer to seller on an "as is, where is" basis, and that buyer makes no representations, warranties or covenants whatsoever with respect thereto, including warranties of merchantability, fitness for a particular purpose or use or any other warranties that may be implied under applicable law, all of which are hereby expressly disclaimed.

**33. Force Majeure** - Any delay or failure of either party to perform its obligations under this Contract will be excused to the extent that the delay or failure was caused by an event beyond such party's control, without such party's fault or negligence and that by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable (which events may include natural disasters, acts of God, acts of a governmental entity, embargoes, explosions, riots, wars, acts of terrorism, fires, floods, epidemics, quarantine, restrictions, or freight embargoes) (each, a "Force Majeure"). Notwithstanding anything in this section to the contrary, labor problems of Seller, its subcontractors and/or its suppliers, including, without limitation, lockouts, strikes and slowdowns the inability of Seller, its subcontractors and/or its suppliers to obtain power, materials, labor, equipment or transportation, Seller's or its subcontractor's financial inability to perform, changes in the cost or availability of materials, components, services, or market conditions, and Seller actions or contract disputes with subcontractors are not, in each case, a Force Majeure and will not, in each case, excuse performance by Seller under this Contract or otherwise excuse performance by Seller on theories of force majeure, commercial impracticability, or otherwise, and Seller expressly assumes these risks. Seller must give Buyer prompt notice of any event or circumstance that is reasonably likely to result in a Force Majeure and the anticipated duration of such Force Majeure. Seller must use all diligent efforts to end the Force Majeure, ensure that the effects of any Force Majeure are minimized, and resume full performance under this Contract. During any Force Majeure, Buyer may, at its option purchase the Goods from other sources and reduce the quantities (and any corresponding payment) set forth in this Contract without liability to Seller or have Seller provide the Goods from other sources at the price set forth in this Contract. If requested by Buyer, Seller will, within five (5) days of such request, provide adequate assurances that the delay will not exceed thirty (30) days. If the delay lasts more than thirty (30) days or Seller does not provide adequate assurance (within a commercially reasonable time not to exceed ten (10) days from the date of the request) that the delay will cease within thirty (30) days, Buyer may immediately cancel this Contract without liability to Seller of any kind or nature. Without limiting the foregoing, Seller, at its expense, shall take such actions as are necessary to ensure the supply of goods to Buyer for a period of at least ninety (90) days during any anticipated labor disruption or resulting from the expiration of Seller's labor contracts.

**34. Termination** – The Buyer may cancel all or any part of any Order or terminate the Contract by giving the Seller notice at any time prior to their full performance of the Order or Contract and in such event the Buyer will not be liable to pay the price for such goods or services. The Buyer may also terminate the Contract: if the Seller or their Parent Company becomes subject to bankruptcy or insolvency event or enter into a composition with any of the Seller's creditors; or if the Seller breaches the Contract, and, if the breach can be remedied, you fail to remedy such breach within 10 days of receiving notice of the breach. Termination of all or part of the Order or Contract will not prejudice accrued rights. The Seller will be liable for all damages arising from any breach. The Seller may be required to continue to supply spare parts and related services up to 10 years after termination or expiry of the Contract.

**35. Indemnification** - The Seller agrees to indemnify and hold harmless the Buyer, its affiliates, and their respective officers, directors, employees, agents, successors, and assigns (collectively, the "Indemnified Parties") from and against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees, fees and the costs of enforcing any right to indemnification under this agreement, and the cost of pursuing any insurance providers, incurred by the Indemnified Parties in connection with any claim arising out of or resulting from any material breach of this Agreement by Seller or its affiliates, or the accuracy of the representation, warranty or covenants made by the Seller.