

Document Title:	Supplier Requirements and Conditions
Document Number:	SQM1
Applies To:	All vendors when referenced by PO
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**Highlights of this revision:**

- Expanded G13 regarding subcontracting and the need for flow-down of requirements;
- Expanded Q01e regarding calibration requirements;

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**General Purchase Order Provisions:**

- G01 Acceptance, Entire Agreement, and Modification.** This order is for the purchase and sale of goods and services described on the face of this order (“Items”). This order and these general purchase order provisions are an offer from Safety Socket LLC (“Buyer”) to the person or company to whom this order is addressed (“Seller”). Any acceptance of this order is expressly limited to acceptance of the terms of this order and these terms and conditions. This order shall be deemed accepted upon commencement of performance by Seller. Buyer rejects any additional or different terms and conditions offered by Seller at any time and irrespective of Buyer’s acceptance of or payment for Items. These terms and conditions constitute the entire agreement between the parties, superseding all oral or written prior agreements and all other understandings, communications or proposals between Buyer and Seller relating to the subject matter of this order. Changes to or modifications of this order or these terms and conditions may only be made in writing and signed by Buyer’s authorized representative.
- G02 Property.** For the purposes of these terms and conditions, “Property” shall mean all materials furnished to Seller by Buyer, or paid for by Buyer under this order, as well as any improvements thereto. Title to all Property shall be vested in Buyer with the right to demand possession at any time. Seller may use Property only in the performance of work for Buyer. Seller bears the risk of loss of all Property that is in the custody or control of Seller or subcontractor to whom Seller delivers Property as permitted below. All property is subject to removal and return at Buyer’s written request. Buyer may enter Seller’s premises at any reasonable time to inspect Property and Seller’s records with respect thereto. Seller may only furnish Property to any subcontractor of Seller only with Buyer’s prior written permission, and Seller remains responsible for any breach by such subcontractor.
- G03 Deliveries and Shipments.** Delivery of Items in accordance with the schedule are a material requirement of this order. TIME IS OF THE ESSENCE.
- G04 Inspection.** Notwithstanding (i) payment; (ii) passage of title; or (iii) prior inspection or test, all items are subject to final inspection and acceptance or rejection by Buyer at Buyer’s facility. Buyer, its customers, and/or representatives of the FAA or other cognizant aviation regulatory bodies may inspect and/or test the Items to be furnished hereunder at the place(s) where the work is being performed. Seller shall provide, without additional charge, reasonable facilities and assistance for safe and convenient inspection and test. Buyer shall have the right to reject all or any portion of the

Items if any such inspection reveals them to be, in Buyer's sole opinion, defective or nonconforming. Records of all inspection work by Seller shall be kept complete and available to Buyer and its customers during the performance hereof and for ten (10) years after final payment by Buyer or for such longer period as may be specified elsewhere.

G05 **Warranty.** Seller warrants to Buyer, its successors and customers that for a period of 24 months after acceptance of items, that all items furnished to Buyer will be free from defects in material and workmanship, will conform to applicable drawings, designs, specifications and samples, and will meet all functional and performance requirements and, to the extent this order calls for services to be performed, that such services will be free from defects in workmanship and will meet all of the requirements of this order and will be performed to the highest standards of workmanship in the industry.

G06 **Termination.** By written notice, Buyer may terminate this order or any part hereof, for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder. Subject to the terms of this order, Seller shall be paid a portion of the order price reflecting the actual costs incurred for the work performed prior to the notice of termination, plus reasonable charges that have resulted from the termination. Seller shall submit its claim no later than 6 months after receipt of the termination notice and shall make any books, records and papers supporting its claim reasonably available to Buyer. Seller shall not be paid for any work performed or costs incurred which should have reasonably been avoided.

By written notice, Buyer may terminate this order in whole or in part: (i) if Seller fails or refuses to perform in accordance with any of the requirements of this order or to make progress so as to endanger performance hereunder, or; (ii) if Seller becomes insolvent or suspends operations. Any such termination shall be without liability to Buyer except for completed items delivered and accepted by Buyer, payment for which can be set off against damages to Buyer.

If Seller becomes insolvent or suspends operations, Seller will promptly provide copies of all documents directly related to the production of products or services on this order. The provisions of this Article shall remain in force for ten years after delivery of such products or services unless otherwise specified elsewhere on the order.

G07 **Excusable Delays.** Neither party shall be in default for any delay or failure to perform hereunder due to causes beyond its control and without its fault or negligence. If delivery of any item is delayed by any excusable delay for more than 60 days, Buyer may, without additional extension, cancel all or part of any order with respect to the delayed item, and exercise any of its remedies in accordance with Article G06, above.

G08 **New/Genuine Material.** Seller warrants that none of the items furnished under this order are surplus, used, remanufactured, reconditioned or counterfeit or of such age or so deteriorated as to impair the usefulness or safety thereof, unless otherwise specifically stated on the face of this order.

G09 **Payment Terms.** Unless otherwise provided on this order, Buyer will pay all Seller invoices within 90 days. Payment periods and cash discounts will be computed from either the date of acceptance of the items ordered or the date of receipt of correct and proper invoices and documentation in accordance with the terms of the order, whichever is later.

G10 **Injunctive Relief.** Nothing contained herein shall operate to waive or limit Buyer's right to seek injunctive relief with respect to any breach or threatened breach by Seller of its obligations under these terms and conditions.

- G11 **Indemnification.** Seller shall indemnify, defend and hold harmless Buyer and its shareholders, officers and employees from and against any and all claims, demands, actions, losses, damages, liabilities, costs and expenses, including but not limited to attorneys' fees, arising out of or in connection with the inaccuracy of any representation, certification or warranty by Seller.
- G12 **Insurance.** Without in any way limiting the foregoing indemnification undertakings, Seller shall maintain adequate insurance, naming Buyer an additional insured, to cover any product liability, public liability or property damage and shall maintain proper Workmen's Compensation insurance covering all employees performing work on this order. Seller will furnish certificates of insurance from its insurance carriers evidencing compliance with the foregoing obligation upon request by Buyer.
- G13 **Subcontracting.** Without the prior written consent of Buyer, Seller shall not subcontract for procurement of all or any number of items or services covered by this order. In the event Buyer approves such subcontracting, Seller must ensure all applicable terms of this document or on the specific purchase order are flowed down to any such approved subcontractor.
- G14 **Standards of Conduct, Integrity and Compliance.** Seller agrees that Seller will, at all times, adhere to all customary standards of business conduct prescribed by law or regulation.
- G15 **Export Control.** Seller shall comply with all applicable import and export control laws and regulations, including but not limited to, the requirements of the United States Arms Export Control Act, 22 USC 2751-2794, the United States International Traffic in Arms Regulations ("ITAR") 22 CFR Parts 120-130 and the United States Export Administration Act, 50 USC app 2401-2420 (as amended).
- G16 **U.S. Government Contracts.** If this order is for a contract or subcontract with the U.S. government, then the following applies: "The Equal Employment Opportunity clauses in Section 202 of Executive Order 11246, Section 503 of the Rehabilitation Act of 1973, and Section 4212 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended, 29 CFR Part 471, Appendix A to Subpart A (EO13496), and the implementing rules and regulations of the Office of Federal Contract Compliance Programs (41 CFR, Chapter 60) are incorporated herein. This contractor shall abide by the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability, and requires affirmative action by covered prime contractors and subcontractors.
- G17 **Conflict Minerals.** Seller's compliance with conflict minerals regulations is a material obligation of this order. Seller shall disclose to Buyer whether any tungsten, tin, tantalum or gold are contained in the Items prior to delivering such Items to Buyer. Seller agrees to provide supporting data on Seller's supply chain for these minerals upon Buyer's request.
- G18 **Order of Precedence.** In the event of any conflict among the provisions of this order and any other documents related to Buyer's order, the following order of precedence shall apply in interpreting this order: the text on the face of this order, any drawings supplied as part of this order, any special or supplemental terms and conditions incorporated by reference on the face of this order, and these terms and conditions.
- G19 **Disputes.** Venue and jurisdiction for all legal proceedings of any kind or nature brought to enforce any provisions of these terms and conditions or the order shall lie within the State and Federal courts of Cook County, Illinois. In no event shall Seller commence any action arising out of this order or the contract between the parties later than one year after the cause of action has accrued.
- G20 **Choice of Law.** This order and all matters arising out of or related thereto shall be interpreted, construed, and solely governed by and in accordance with the laws of the State of Illinois,

disregarding any conflict of law provisions which may require the application of the laws of another jurisdiction.

- G21 **Rights and Remedies of Buyer.** The rights and remedies of Buyer set forth herein shall be in addition to any other rights and remedies provided in law or equity and the failure or delay by Buyer to exercise any rights or remedies under this order shall not operate as a general waiver thereof.
- G22 **Non-Waiver.** No failure by Buyer to assert its rights under any provision of this order, or failure of Seller to perform any provision of this order, shall be effective as a waiver thereof unless consented to in writing by Buyer; nor shall any such waiver constitute an advance waiver of any provision or failure to perform.
- G23 **Headings.** Headings set forth in this order are for convenience of reference only and are not intended to, nor do they alter the meaning, content, or enforceability of any Article hereof.
- G24 **Severability.** In the event any Article of these terms and conditions is held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining Articles of these terms and conditions will not be affected and, in lieu of such invalid or unenforceable Article, there will be added automatically as part of these terms and conditions one or more Articles as similar in terms as may be valid and enforceable under applicable law.
- G25 **Survival.** All rights, duties and obligations which by their nature should apply beyond the term of this order will remain in force after Seller's completion of this order or any termination of performance of this order.

### **Quality Requirements:**

Quality clauses are flowed down by the purchase order. Product and/or services not meeting the requirements of the applicable quality clauses are subject to return and/or corrective action.

- Q01 **General Requirements.** The following general requirements apply to all orders:
- a. Specific Purchase Order text takes precedence over the clauses herein.
  - b. The supplier must retain all documentation associated with this order for a minimum of ten years. This documentation may be retained in paper form or electronically if adequate backup is maintained.
  - c. All parts must be positively controlled while in the supplier's possession. Any shrinkage in parts count due to setup pieces, testing, etc. must be accounted for. Any pieces delivered to the vendor but not returned to Safety Socket must be positively controlled until rendered unusable.
  - d. The supplier shall use industry standard, commercially reasonable efforts to prevent and/or remove **Foreign Objects** that might be considered a potential source of **Foreign Object Damage** (FOD) from all parts prior to shipment. Potential FOD includes but is not limited to burrs, chips, dirt, corrosion and contamination resulting from manufacturing, assembly, processing, cleaning, storage and subsequent packaging materials.
  - e. The supplier shall establish and maintain procedures to identify, control, calibrate and maintain inspection, measuring and test equipment used to determine conformance of product or services to specified requirements. Verifications and validation equipment used in the calibration process shall be certified to show valid relationships or traceability to a national or international standards laboratory (e.g. NIST). Calibration of measuring and test equipment shall be performed prior to use for acceptance of hardware and/or service provision. Measuring and test equipment records and labels shall indicate the date of the

last calibration and when the next calibration is due. When inspection and test equipment are found out of calibration, a documented evaluation must be made to determine the validity of previous calibrations and the acceptability of items previously inspected by that equipment. The results of that evaluation MUST be submitted to Buyer and remain on file with the supplier for a minimum of ten years.

- f. Supplier shall notify SSSC of changes in product and/or processes via email to [issues@safetysocket.com](mailto:issues@safetysocket.com).
- g. Supplier shall notify SSSC of any nonconforming product and make arrangements for SSSC approval via email to [issues@safetysocket.com](mailto:issues@safetysocket.com).
- h. Suppliers of parts must be either the original component manufacturer or the manufacturer's authorized distributor with traceability to the original manufacturer.
- i. Safety Socket's sampling plan is based on C=0 results and all orders found to have defective conditions will be returned to the supplier/service provider.
- j. When a formal corrective action is requested by Safety Socket regarding noncompliant product or services, the supplier shall complete formal containment activities within 48 hours, and submit a formal corrective action response by the requested due date. Extensions shall be requested before the due date.
- k. Safety Socket LLC, its customers, and regulatory agencies shall have the right of entry, upon reasonable scheduling, to any level of the supply chain necessary to determine and verify the quality of contracted work, records and materials. The supplier shall provide facilities and personnel necessary for the task.
- l. Whenever a supplier detects a quality problem or an issue which might affect the delivery date for the products or services, a notice shall be immediately sent via email to [issues@safetysocket.com](mailto:issues@safetysocket.com) to notify the company.
- m. Supplier's personnel must be made aware of their contribution to product or service conformity, their contribution to product safety and the importance of ethical behavior.

**Q02 Certificate of Conformance.** The supplier shall supply a certification of conformance with each shipment. The certification must have a Quality Representative's or an officer of the supplier's signature, title and date. The signature may be electronic or manually signed and dated. The minimum information required to be on the certificate is: purchase order number, part number, quantity, lot number, and a statement that the parts conform to all applicable drawings and stated requirements. Where national specifications are referenced, the revision level of those specifications is required. The purchase order may specify additional data that is required on the Certificate of Conformance. All Certificates of Conformance must be legible and reproducible by electronic scanning and/or copying.

**Q03 Supporting Schedules.** In addition to the Certificate of Conformance, the supplier must also provide all supporting schedules related to the Certificate of Conformance, as follows:

- a. heat treating service providers must provide the individual hardness measurements for each sample, and the standard procedure used for those measurements;
- b. plating providers must provide bake oven strip chart recordings or equivalent, an indication of the time between plating and baking commencement, an indication of the specification and revision level the plating was performed to, and the results of any salt spray testing performed;
- c. grinding and machining service providers must provide in-process measurement schedules;
- d. Destructive and non-destructive testing shall include the qualification level of the person performing the test(s), the procedure and revision level used, and an indication of "pass" or "fail" in the results.

**Q04 DFAR 252.225-7009 Specialty Metals Applies.** Unless otherwise specified, materials supplied on this order must be compliant with the referenced requirement. Compliance can be certified by a

statement of conformity on the Certificate of Conformance, certification of the country of melt, a copy of the original mill certification to validate the country of melt, or all of the above.

- Q05 **Mercury Free Products/Services.** Products delivered shall contain no metallic mercury and must be free from contamination by mercury. The Supplier shall not use mercury, mercury components or mercury bearing instruments or equipment that cause contamination during the manufacture, service, assembly, or test of materials. There shall be a mercury-free statement on the Certification of Conformance.
- Q06 **Specific Sampling Plan.** The provider must conduct specific in-process sampling, record results and provide those with the Certificate of Conformance. The details of this sampling must be worked out with Safety Socket prior to commencement of work hereunder.
- Q07 **Quality Systems.** The vendor must have a documented quality management system.

### REVISION HISTORY

PAGE	REVISION	DETAILS OF CHANGE	DATE	AUTHORIZATIONS
Multiple	A	G13 – if subcontracting is approved, flow-down is necessary Q01e – expanded the calibration requirements Q04 – allows for non-DFARS materials if so specified on order	2/27/2018	J. Erbs, author J. Dishman, approval