

## Purchase Order Clauses

### General Terms and Conditions

#### A) Quality Management System

- Manufacturers - A quality management system in compliance with AS9100, ISO9001 or equivalent is required.
- Distributors - A quality management system in compliance with AS9120 or equivalent is required.

#### B) Revision Control

Drawing, specification and reference document revisions in effect at time of order placement apply unless otherwise specified on this purchase order.

#### C) Inspection and Testing

All inspections and tests as required by the drawing and procurement specifications must be performed prior to shipment to Adept Fasteners.

#### D) Nonconforming Product

No known nonconformance shall be shipped to Adept Fasteners. If a nonconformity is discovered after shipment, the supplier shall notify Adept Fasteners within 48 hours with the nonconformance details and proposed actions to be taken. All nonconforming product rejected by Adept Fasteners, will be bonded and an RMA requested from the supplier. The supplier will be given the opportunity to review and verify the RMA request. This review shall be done in a timely manner and an RMA number provided or reason why the RMA request is invalid. Valid RMA requests that are open over 45 calendar days may be returned to the supplier without an RMA number and the suppliers account debited.

#### E) Right of Access

Adept Fasteners, our customers and regulatory authorities reserve the right of access to the supplier's facility for the purpose of audit and inspection. Should this become necessary, reasonable notice will be given to the supplier prior to visitation.

#### F) Flow-Down of Requirements

Suppliers are required to flow down the requirements of this purchase order to sub-tier suppliers and special processors.

Suppliers are required to notify Adept Fasteners of changes in the product or process, changes in sub-tier suppliers, changes of suppliers facility location and when required obtain approval of changes from Adept Fasteners.

#### G) Traceability

Lot traceability is required for the products on this purchase order. A unique lot/control number assigned by the manufacturer to the production lot provided that is traceable to all raw materials, processing and testing results is mandatory. Commingled lots will be rejected.

#### H) Certificate of Conformance

- Manufacturers shall provide a certificate of conformance with each shipment, which states that the product supplied meets all drawing, specification and purchase order requirements. The C of C shall reflect the part number(s) listed on the Adept Fasteners purchase order, its respective revision levels, the production lot numbers, and shall be signed by an authorized supplier representative of the manufacturer.
- Distributors shall provide the manufacturer's certificate of conformance as described above in addition to their own C of C.

#### I) Handling, Preservation and Packing

The supplier must assure that all product shipped is adequately packed and/or packaged to prevent damage, contamination, the introduction of Foreign Object Debris (FOD) and/or deterioration. Unless otherwise specified on the purchase order, customer specifications, product drawing or procurement specifications, seller must use best commercial practices (such as described under ASTM-D-3951) to prevent damage, contamination and/or deterioration to all products during transit. No loose fill material (i.e.; foam peanuts) shall be used in the packaging of products. Product which is sensitive to ozone and UV, must be packaged in black Mylar bags. Products with shelf-life requirements must also be packaged appropriately for protection.

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**J) Record Retention**

Unless otherwise specified on this purchase order, the supplier shall retain quality records for a minimum of 10 years from the date of shipment.

Records shall be made available to Adept Fasteners for review upon request. Adept Fasteners must be notified prior to the destruction of any quality records.

**K) Mercury and Mercury Compounds**

The supplier is responsible to ensure that the products supplied did not come into contact with mercury or mercury compounds during manufacturing or subsequent processing.

**L) Ozone Depleting Substances**

The supplier is responsible to ensure that ozone-depleting substances were not used during the manufacturing or processing of the material supplied on this purchase order. Ozone-depleting substance as used in this clause; means any substance the Environmental Protection Agency designates in 40 CFR Part 82 as—  
(1) Class I, including but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or  
(2) Class II, including, but not limited to hydrofluorocarbons.

**M) Domestic Manufacture**

Unless otherwise specified in this purchase order, the products supplied must have been manufactured in the United States of America.

**N) Shipping Tolerance**

The quantity tolerance for this purchase order is  $\pm 0\%$ . Any deviation from this tolerance must be approved by Adept Purchasing Department prior to shipment.

**O) Single Lot**

Each line item on this purchase order must be provided from a single manufacturer's lot. Exceptions must be approved by the buyer prior to shipment. Receipt of multiple lots may be cause for rejection.

**P) Counterfeit Parts Prevention and Control Program**

Counterfeit Parts Prevention and Control Program shall be in accordance with AS6174 and AS5553. For purposes of this clause, Work consists of those parts delivered under this Contract that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). "Counterfeit Work" means Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair but is altered and misrepresented as acceptable. Seller agrees and shall ensure that Counterfeit Work is not delivered to Adept Fasteners.

Seller shall only provide products to be delivered or incorporated as Work to Adept Fasteners directly from the original manufacturer, or through the manufacturer's authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by Adept Fasteners.

Seller shall immediately notify Adept Fasteners with the pertinent facts if Seller becomes aware or suspects that it has furnished counterfeit work. When requested by Adept Fasteners, seller shall provide documentation from the manufacturer that authenticates traceability of the affected items to the applicable manufacturer.

**Q) Conflict Minerals**

Supplier must comply with the requirements of the Dodd Frank Act on Conflict Minerals. Upon identifying that any of your suppliers procuring products containing minerals identified in the Dodd Frank Act from specified conflict regions, that end up in the final products that are sold to Adept, supplier will notify Adept in writing within 60 days.

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### **R) Thread and Shank Protection**

Unless otherwise specified by required packaging requirement, all externally threaded fasteners 3/8" diameter and above shall have the full length of the threads and shank protected from handling damage by covering these areas with plastic sleeves. The sleeves shall be appropriately sized so as not to fall off during normal handling. Other alternative methods of protection can be used; such as covering the entire fastener with protective webbing or protect the fasteners from touching each-other by packaging the fasteners using the vacuum packaging method.

### **S) Foreign Object Debris, (Damage), (FOD)**

The Supplier shall have a fully implemented FOD Prevention Program that provides for the Detection, Removal and Reporting of Foreign Object Debris. The procedure shall include provisions for customer notification, internal audits and training of personnel and will contain all necessary provisions of AS9146 & NAS412 as determined by the supplier's Quality Assurance and Engineering functions.

### **T) Working Conditions and Human Rights**

By acceptance of this order, seller agrees that any material violation of law by seller relating to basic working conditions and human rights, including laws regarding slavery and human trafficking, applicable to sellers' performance under this purchase order may be considered a material breach of contract for which Adept Fasteners may elect to cancel any open orders with the seller at no cost to Adept Fasteners.

### **U) FAA TSO Certification Required**

Products supplied on this purchase order that are subject to Federal Aviation Administration (FAA), Technical Standard Order (TSO). If the supplier has TSO approval, certification documents must contain the following statement:

*"The parts contained in this shipment have been manufactured and inspected in accordance with TSO-xxxx. The conditions and tests required for TSO approval of this article are minimum performance standards. Aircraft (eg: Fasteners / Bearings / Seals) approved under this TSO are not necessarily interchangeable with other aircraft (eg: Fasteners / Bearings / Seals) approved under this TSO. (e.g.; Fasteners / Bearings / Seals) of similar dimensional properties may*

*have widely varying performance and metallurgical properties. Substitution of parts may only be done if acceptable to, or approved by the administrator."*

### **V) Environmental Product Requirements**

Adept Fasteners is required to comply with an increasing number of substance regulations (REACH, RoHS, California Prop 65) in order to sell our inventory to customers all around the world. As such, we require that our Supplier's and their Sub-tier/Subcontractors be observant and fully compliant with these relevant regulations and all environmental product requirements set forth on product drawings and associated specifications. Material Safety Data Sheets to be made available to Adept Fasteners on request.

### **W) Cyber Security**

Controlled Unclassified Information shall be secured in accordance with NIST SP 800-171 or an equivalent industry standard.

### **X) Obsolescence**

The Adept Fasteners Buyer shall be notified of any obsolescence risk concerning parts, materials, production processes, inspection, and / or test methods that are used to satisfy Adept Fasteners purchase order requirements.

### **Y) Employee Awareness**

The supplier shall ensure that their employees are aware of:

- their contribution to product or service conformity
- their contribution to product safety
- the importance of ethical behavior



**Purchase Order Clauses**

**Z) OEM Customer Requirements**

Many OEM Customers have specific Quality requirements that apply to their suppliers. Below are some common requirements from OEM customers. This list is not all inclusive. These requirements are applicable to our suppliers. The applicable OEM may be identified as the end user on the purchase order or it will be based on the design holders proprietary drawing of the part number being ordered.

OEM/Design Holder	Requirement
Airbus	A1501 – A1506
Airbus Canada	ASQR 4.6
Airbus Helicopter	ER070-06-01
BAE Systems	BAE/QG/QC/SC1 Parts 1 to 7
Bell Helicopter	SQRM-001
BF Goodrich	ASQR-01 AA
Boeing	D6-82479, D1-4426
General Dynamics	PQA-3000
General Electric	S-1000, S-1002, & AS13100
Goodrich Corp	ASQR-01 AA, AS13100
Hamilton Sundstrand	ASQR-01, AS13100
Honeywell Aerospace	Honeywell SPOC Manual
Lockheed	Appendix QX
Moog	SQR-1
Northrop Grumman	SQAR
Pratt & Whitney	ASQR-01, AS13100
Pratt & Whitney Canada	ASQR-01, AS13100
Raytheon Technologies	ASQR-01, AS13100
Rolls Royce	SABRe, AS13100
Space-X	SPX-00007672
United Technologies	ASQR-01, AS13100

**AA) Supply Chain Risk Analysis**

To avoid any unexpected problems and/or to reduce the chances of something uncertain happening through the Supply Chain regarding the cost, the schedule, and the on-time delivery performance of products and services, our suppliers are expected to perform the necessary risk analysis to identify and mitigate risks within their business and supply chain.

Risk analysis enables for early detection of weak points and implementation of preventive actions instead of implementing corrections after the failure occurs. Potential risks can be related but not limited to contractual, financial, technical, industrial, transfer of work, supply chain & quality, sub-tier suppliers, projects, catastrophic events, industrial systems & tools, IT systems, geopolitical, environment, Corporate Social Responsibility (CSR), human factors, resources, technological capability, industrial capacity, lead time, location, lot size, transportation, delivery, etc.

**AB) External Providers**

Adept Fasteners' suppliers shall apply appropriate controls to their direct and sub-tier external providers, to ensure that requirements listed on Adept Fasteners purchase orders are met.

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The following clauses apply only if specified on the Adept Fasteners purchase order.

1. **Age Control**

Products supplied are subject to age control. The manufacturing/cure date and expiration dates shall be specified on the cert of conformance. Unless otherwise specified in the Adept Fasteners purchase order, *90% of the product's shelf life shall be remaining at time of receipt.*

2. **Full Certifications**

In addition to the manufacturer's certification specified in H above, the supplier shall provide raw material certifications, special processing certifications (heat treat, plating NDT, etc.) and test reports for all of the tests required by the drawing and procurement specification.

3. **1<sup>st</sup> Article Inspection**

A 1st article or first piece inspection report is required with shipment to Adept Fasteners. The report shall reflect all drawing dimensions, test results, raw material chemical & physical test reports and special process certifications. AS9102 can be used for guidance and 1<sup>st</sup> article preparation.

4. **Directed Source**

This purchase order requires products to be produced by a specific manufacturer. Supplying another manufacturer's product shall be cause for rejection.

5. **Adept Fasteners Source Inspection**

The products in this order are subject to inspection and acceptance by Adept Fasteners prior to shipment from your facility. Please notify Adept Fasteners 48 hours prior to the material being ready for inspection.

6. **Government Source Inspection**

Government inspection is required prior to shipment from your plant. Upon receipt of this order, promptly notify the Government representative who normally services your plant so that appropriate planning for Gov't inspection can be accomplished.

7. **Special Provisions**

Customer specific special provisions apply to this purchase order. These provisions are defined in a purchase order attachment.

8. **FAA PMA Required**

FAA PMA approval is required for items under this purchase order. "FAA-PMA" and identification in accordance with 14CFR, Part 45, Section 45.15 and FAA Order: 8110-42 (latest revision).

9. **FAA Form 8130-3 Required**

FAA Form 8130-3 is required for items identified on this purchase order.

10. **Boeing PC 700**

\_\_\_\_ Supplier Name hereby acknowledges that the parts and / or materials being shipped under this order are intended for use under Boeing's Federal Aviation Administration, (FAA) issued Production Certificates 700 and no articles, (or constituent parts thereof) or the accompanying paperwork, (e.g.; packages, shippers, etc.) contain any Federal Aviation Administration – Parts Manufacturer Approval, (FAA – PMA) markings.

11. **Global Supplier Export Requirements**

All worldwide suppliers are required to arrange any specific export licenses and provide necessary documentation that are required to ship the Goods to Adept Fasteners.

A commercial invoice is required for all goods that cross international borders during their delivery to an Adept Fasteners facility. As a minimum this shall include:

- 1: Invoice number
- 2: Sender's name, address and contact details.
- 3: Sender's TAX ID / EORI / VAT NUMBER
- 4: Import Brokers name and address.



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### 11. Global Supplier Commercial Export Requirements – Continued

- 5: Receiver's name and address.
- 6: Receiver's TAX ID / EORI / VAT NUMBER (Enter the sender's EORI number if applicable).
- 5: Part number, description of each item of goods supplied (catalogue and part numbers are not sufficient to describe the goods).
- 5: Special note: If your parcel contains multiple items, please list all items.
- 7: Country of origin (where manufactured) of each type of goods being supplied.
- 8: Commodity Codes / HS Tariff code / Tariff code.
- 9: Quantity of each item of goods supplied.
- 10: Currency
- 11: Value of all goods
- 12. Incoterms
- 13. Export Licence requirements (if applicable)
- 13: Gross weight (including packaging), net weight (excluding packaging) and number of items.
- 14: Export declaration: the following statement must appear "I declare all of the information to be true to the best of my knowledge" and the invoice must be signed and dated.

For all suppliers in the EU / UK the following statement shall be written on the commercial invoice **"The exporter of the products covered by this document (Supplier shall put their own EORI number here) declares that, except where otherwise clearly indicated, these products are of EU/UK Origin preferential origin.**