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QP5200	Purchase Order Requirements & Flowdown of Customer Requirements to Suppliers		
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SUPPLIER QUALITY MANUAL

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1. DOING BUSINESS WITH ENJET AERO DAYTON

Enjet Aero Dayton has developed into a highly innovative metal fabrication and manufacturing source.

The site is staffed with highly trained engineers and metal-working experts. Our Quality Systems, Lean and 6S programs ensure all parts leaving our factories meet the highest standards and specification requirements set forth by our customers, utilizing the most efficient processes.

Enjet Aero Dayton supports **Aerospace, Aviation, Energy, and Defense** markets. Our assemblies, sub-assemblies and component hardware can be found in today's Commercial Aircraft, Military Aircraft, Land-based Gas Turbines, and more.



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1.2 Enjet Dayton Aero Quality Policy

WE WILL PROVIDE PRODUCTS AND SERVICES THAT WILL CONSISTENTLY MEET OR EXCEED OUR CUSTOMER EXPECTATIONS. ENJET DAYTON IS COMMITTED TO CONTINUOUS IMPROVEMENT THROUGH EMPLOYEE DEVELOPMENT AND ENGAGEMENT.

1.3 Purpose of the Supplier Quality Manual

The purpose of this manual is to communicate expectations to our suppliers and the core set of tools, processes and systems that are to be used in the manufacture, design and development of parts, products and services supplied to Enjet Aero Dayton and its business locations. Enjet Aero Dayton believes that the implementation of this manual will assist our suppliers in the development of their business and manufacturing processes, contributing to mutually enhance future competitiveness and success. In this manual, the terms 'shall' and 'must' mean that the described requirement is mandatory, while the term 'should' means that the described requirement is needed and expected with some flexibility in how it can be completed.

1.4 Supplier Responsibilities

It is the responsibility of the supplier to understand and ensure compliance with this manual and the quality policies, procedures and work instructions of Enjet Aero Dayton. Work performed by a supplier's sub-tier/sub-contract suppliers also shall meet Enjet Aero Dayton quality, procedures and work instructions. It is the supplier's responsibility to flow-down these requirements to sub-tier/sub-contract suppliers. The processes and tools represented in this manual represent the core expectations and requirements of our business.

1.5 Supplier Code of Conduct

The Supplier Code of Conduct outlines Enjet Aero Dayton's expectations regarding workplace standards and business practices. We require our suppliers to adhere to this code. Please make your employees aware of our Supplier Code of Conduct.

One key component of the Supplier Code of Conduct is Compliance Monitoring

The supplier will allow Enjet Aero Dayton, and/or any of its representatives or agent's, access to its facilities and all relevant records associated with the products and services provided to Enjet Aero Dayton.

Please Take Action

The review and acceptance of the material contained within the Conduct shall be completed by the suppliers authorized representative (see page 22 & 23). Enjet Aero Dayton requests that the appropriate person(s) complete the form to affirm the supplier's commitment to ethical business practices. This is a requirement that must be re-affirmed periodically by each supplier. Enjet Aero Dayton reserves the right to waive this requirement, when appropriate.

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2. SUPPLIER REQUIREMENTS

2.1 TERMS & DEFINITIONS

- **CAD** – Computer Aided Design.
- **CAM** – Computer Aided Manufacturing.
- **Computer Aided Inspection (CAI)** – Also known as Coordinate Measurement Systems (CMS) and Computer Aided Measurement Systems (CAMS). Measurement equipment such as Coordinate Measurement Machines (CMM), Laser Tracker, and numerical controlled machinery with inspection probe capability used to support inspection activity.
- **Critical Characteristics**
Critical Characteristics are defined as product or process requirements that affect compliance with government regulation or safe product function, and which require special actions or controls.
- **Customer**
References within this document to “customer” shall be interpreted as Enjet Aero Dayton’s. This pertains to the company receiving and purchasing product from the organization.
- **Dataset** – Information prepared and maintained by electronic means (CAD/CAM), and provided by electronic data access, interchange, transfer, or on electronic media.
- **Derivative** – A reproduction of all or part of an authority dataset. Derivatives include paper and Mylar plots, tool designs, inspection datasets created to analyze as-built designs, check templates, numerical control (N/C) dataset/media, datasets with nominal values for CMS use, QA inspection plans and other extractions (dimensions, views, etc.) for inspection/measurement use.
- **DFARS** – Defense Federal Acquisition Regulation Supplement
- **Digital Product Definition (DPD), Model Based Definition (MBD)** – The electronic data elements that specify the 3D Computer Aided Design (CAD) geometry and all design requirements for a product (including notation and parts lists), and the use of this data throughout an integrated CAD/Computer Aided Manufacturing (CAM) and Coordinate Measurement Systems (CMS).
- **EAR** – Export Administration Regulations
- **ITAR** - International Traffic in Arms Regulations
- **Model Based Definition (MBD)** – A Dataset containing the exact solid, its associated 3D geometry and 3D annotation of the product’s dimensions and tolerances (and may include parts/notes list) to specify a complete product definition. This dataset does not contain a conventional 2D drawing. MBD is one possible format of DPD. Model based definition is the undisputed source of product definition.
- **OEM**
Original Equipment Manufacturer is intended to be the end item producer of the flight article.
- **Organization**
Providers of production or service parts, or heat treating or other finishing services directly to the customer. Within Enjet Aero Dayton, the organization is commonly referred to as the “supplier.”
- **PFMEA**
Process Failure Mode Effect Analysis. A process in which a product is analyzed for potential failure modes within a system by severity and the study of the likelihood for the failures.

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- **Reduced Content Drawings** – Any DPD design dataset that does not have full dimensioning of product features on a 2D sheet. This includes Reduced Dimension Drawings (RDD), Minimally Dimension Drawings (MDD), and Simplified Dimension Drawings (SDD) which contain reference to 3D surface definition or CAD geometry.
- **Shall/Will**
Denotes a mandatory requirement.
- **Should/May**
Indicates a mandatory requirement with some flexibility allowed in compliance methodology.
- **Special Characteristics**
A Special Product Characteristic as a product characteristic for which reasonably anticipated variation could significantly affect a products safety or compliance with governmental standards or regulations or is likely to significantly affect customer satisfaction with a product.
- **Special Tooling** – Tools of such a specialized nature that, without modification or alteration, their use is limited to the development and/or manufacture of production parts and assemblies. Examples of these tools include jigs, fixtures, molds, patterns and gages as identified by site specific documentation.
- **Subcontractor**
Provider of production or service materials or services directly to the organization; the subcontractor provides “outsourced” manufacturing services such as machining, or Non-Destructive Testing (NDT).
- **Supplier**
Material or Outside Service provider to the organization for the manufacturing process.
- **Translation** – Translations occur when a digital dataset is changed from its original CAD system format to another CAD, CAM, and CAI application format and require verification.

2.2 SUPPLIER QUALITY SYSTEM REQUIREMENTS

- All suppliers must be compliant to an International Quality Management System, such as ISO9001, or AS9100, unless Enjet Aero Dayton waives the requirement. Enjet Aero Dayton Quality will conduct onsite audits if needed using appropriate audit form or utilize the desk audit approach to assess gaps, identify risks and take appropriate actions to protect Enjet Aero Dayton and its customers.
- Suppliers are required to notify, within 24-hours, the Enjet Aero Dayton *Supply Chain Manager* or Quality Manager, if their AS/ISO registered QMS is placed on special status conditions (such as new business hold – quality, needs improvement status, revocation, etc.) by any organization.
- Enjet Aero Dayton reserves the right to perform an onsite audit as deemed appropriate to verify conformance of supplier Quality Management System or to verify effectiveness regarding corrective or preventive actions related to supplier product nonconformance or system non-compliance to the Supplier Quality Manual or other documented requirements.
- Suppliers must allow customers, government or regulatory agencies the right to conduct surveillance of the supplier's quality systems at the Supplier's premises. This may include visits extended to sub-contracted suppliers of the supplier.
- Distributors - Distributors shall have a quality system that conforms to AS9100/AS9120, unless waived by Enjet Aero Dayton.
- Special Process Suppliers - Special Process suppliers shall have a quality system that conforms to ISO9001/AS9100 and is accredited to an applicable NADCAP process, unless waived by Enjet Aero Dayton.

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- Calibration Suppliers - Calibration suppliers shall have a quality system that conforms to A2LA, or ISO 17025, as determined by Enjet Aero Dayton.
- Raw material suppliers shall have a quality system that conforms to relevant industry quality standards, and airworthiness regulatory requirements, as required (AS9100, or ISO9001).
- Conformity to the above quality standards must be evidenced by either third-party certification, or an Enjet Aero Dayton audit.

2.3 Supplier Confidentiality

Documents furnished by Enjet Aero Dayton to the supplier are solely for doing business with Enjet Aero Dayton. These documents shall be controlled by the supplier and must not be transmitted to others without the written consent and approval of Enjet Aero Dayton.

2.4 Quality Planning

Suppliers shall follow industry standard quality planning addressed in their QMS. Some of our customers are requiring the Advanced Product Quality Planning (APQP) for new product development. We may require our suppliers to use FMEA, Control Plans, Pflow per PPAP methods. This will be communicated in the PO if required.

2.5 Sub-Tier Supplier Control

- The supplier must maintain quality and technical qualifications for sub-tier suppliers/contractors and the products/services purchased through these sub-tier suppliers. Enjet Aero Dayton reserves the right to specify or approve sub-tier suppliers contracted by its suppliers for work performed on Enjet Aero Dayton material.
- Suppliers shall flow-down to their sub-tier contractors, all relevant quality requirements imposed by this manual, and any other contractual documents, including governmental regulatory and defense requirements.
- Suppliers shall conduct regular audits of their sub-tier contractors to assess ongoing compliance.
- For Special Process Suppliers - suppliers shall use only Enjet Aero Dayton, aerospace approved, special process suppliers, unless otherwise specified by Purchase Order.
- Some sub-contractors may require customer designation or may require approval for use by Enjet Aero Dayton. Supplier use of sub-contractors may require Enjet Aero Dayton knowledge and approval. The supplier must check with the Purchasing Department to determine what approval may be needed.

2.6 Lot Traceability

- Supplier's shall establish a lot traceability system that tracks components from raw material through inspection and test operations, including rework and sub-supplier procedures, and finally, through shipment to Enjet Aero Dayton.
- Suppliers must certify, as part of sample submission, compliance with current constraints on restricted substances as specified by PO or contract, especially toxic and hazardous substances.

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- Mixing of product lots reduces traceability and is therefore not acceptable.

2.7 Problem Solving

- All suppliers to Enjet Aero Dayton must establish and maintain documented procedures for implementing a system of closed-loop corrective action, utilizing disciplined problem-solving methods.
- **Human-factors** should be considered for possible root cause of nonconformances and corrective actions.

2.8 Internal Audits

- A supplier must conduct regular internal audits to ensure continued compliance with Quality Standards, internal procedures, and customer requirements in accordance with their QMS.
- Suppliers will incorporate the requirements of this manual into the scope of their internal audit program.
- At a minimum, to ensure internal audits are conducted appropriately and consistently, a supplier must have a procedure with established guidelines for conducting an audit. This requirement may be waived for small or very low volume suppliers. As a minimum, the audit procedure will establish:
 - a. Responsibility
 - b. Frequency
 - c. Scope
 - d. Distribution/review
 - e. Corrective action format

2.9 Operator and Inspection Instructions

- The supplier will prepare written operator and inspection instructions for employees who have responsibilities for operation of the process and inspection.
- Suppliers will prepare, train, and appropriately maintain operator and inspection instructions. These instructions will be made available for review by an Enjet Aero Dayton Quality Engineer, upon request.

2.10 Packaging Plan

- The supplier must comply with specific packaging instructions defined by Enjet Aero Dayton. Suppliers must follow-up, as appropriate, with Enjet Aero Dayton on any additional or unclear packaging requirements.

2.11 Business Changes

- Any significant changes in business climate such as acquisitions, divestitures, pending litigation, or any activity that may change the financial viability of the supplier's organization must be communicated to Enjet Aero Dayton.

2.12 Communications

- All documentation must be communicated to Enjet Aero Dayton in English, unless otherwise specified. Suppliers must maintain and have access to an electronic form of communication such as internet, email, telephone, Fax, etc.

2.13 Environmental Health and Safety (EH&S)

- Enjet Aero Dayton suppliers should implement EH&S Management Systems that identify document and address operational risks to the environment and employee health and safety.

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- Enjet Aero Dayton expects all suppliers to adhere to legal requirements for EH&S (local, state, provincial, and federal) in all jurisdictions in which they operate. Please see the Enjet Aero Dayton Supplier Code of Conduct.

2.14 Conflict Minerals

- Enjet Aero Dayton is committed to ensuring that the products it sells do not incorporate “conflict minerals” (i.e. minerals that are smelted into tin, tantalum, tungsten and gold). Materials must not be sourced from entities that directly or indirectly finance conflict in the Democratic Republic of Congo or adjoining countries.
- Enjet Aero Dayton intends to fully comply with the requirements of Section 1502 of the Dodd-Frank Act (commonly known as conflict minerals), which requires that Enjet Aero Dayton perform due diligence into the sources of such minerals and disclose the results of such diligence.
- Report to Enjet Aero Dayton the results of such due diligence to enable Enjet Aero Dayton to comply with its legal obligations and policy goals.

2.15 Purchase Order Details

The Enjet Aero Dayton Purchase Order for product/material purchases and services on those products must define clearly the product requirements and reference all necessary flow down of our customer requirements, Enjet Aero Dayton requirements, Government agency requirements (such as Department of Defense, DFARS, Dodd-Frank, etc.) including as applicable:

1. Part or item number
2. Product description
3. Quantity
4. Due date
5. Price per unit
6. End use customer
7. Customer or Enjet Aero Dayton Product drawing or sketch
8. Customer specifications from the customer purchase order or drawing(s) (flow down)
9. Certification requirements General Certification, Special Process Certification or Raw Material Mill Test Reports (requirements for each follow below)
10. Inspection report requirements

2.16 Supplier Purchase Order Reviews

- Suppliers must use AS9100 contract review methods to assure all purchase order requirements are met. Any questions must be brought to the attention of the Purchasing Agent for resolution prior to acceptance.
- Suppliers, per PO flow down requirements, must validate material specs and assure customer requirements for testing labs, and/or customer-qualified labs, are used for testing.
- Terms and Conditions in Appendix A apply to all Supplier Purchase Orders.

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2.17 Source Inspection

When invoked via contract/PO, the supplier shall support Source Inspection activities by Enjet Aero Dayton, its Customer, or Government representatives. The supplier will contact the appropriate party for source inspection upon completion of the product, in such cases. Product shall not be shipped until Source Inspection has been completed along with all appropriate, completed documentation.

2.18 Certification Requirements

- Unless otherwise specified by PO/contract, a supplier must provide an adequate statement of conformance for all materials and processes specified on the purchase order or contract, with each shipment. All Certificates of Conformance shall be in PDF format, legible and reproducible

General Certification

- A general certification of conformance (CofC), on official company letterhead, signed by an authorized quality representative along with title and date, shall be used for all parts and materials, unless otherwise indicated in the contract/PO.
- At a minimum, the CofC shall list the Purchase Order Number, Enjet Aero Dayton Part Number, and Revision Level.
- For machined components; if the supplier also supplies the raw metallic material, a copy of the original mill certificate shall be provided.

Special Process Certificates (e.g. Heat Treat, Welding, Chemical, NDT, Non Conventional Machining)

In addition to the general certification, an additional special process certification is required. The certificate of conformance will contain at a minimum:

- the process(s) performed
- the specification number
- revision level
- purchase order number
- part number
- lot size
- sample size
- applicable process specifications/controls
- applicable test results
- serial numbers where applicable to the contract

If the job was processed using a NADCAP accredited process, the supplier shall include a statement indicating the job was processed per their NADCAP accreditation and shall include their accreditation number and expiration date.

Raw Material (Mill Test Reports) Certificates

- Raw metallic materials (including forgings and castings) supplied, shall include a copy of the original mill certificate or material test report (certification) from a test lab acceptable to Enjet Aero Dayton.
- Raw Material Mill Certifications may not be altered or have any markings other than check marks from verification of physical and chemical values and/or indication of inspection acceptance.
- Stamps may be applied by warehouses/distributors to add incidental information such as the Enjet Aero Dayton purchase order, weight shipped, etc.
- Casting and forging suppliers shall also include the physical or mechanical properties with heat treat batch-lot numbers.

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- When required by contract/PO, certification shall show that all materials comply with all government Requirements, including country of origin, and country where the material is melted.

2.19 Supplier Validation of Raw Material

- Unless material is procured directly from Enjet Aero Dayton, the supplier shall perform and document the periodic validation of test results for raw materials per ISO9001/AS9100 requirements.

2.20 Inspection Reports

- When "Inspection Reports" are required per the Purchase Order, they will be submitted with each shipment. The reports will be provided in a paper form or digitally. When necessary, the Enjet Aero Dayton Supplier Quality Engineer will specify the inspection characteristics, methods and quantity to be inspected.
- The supplier reports and part quality history will help determine the amount of Receiving Inspection at Enjet Aero Dayton.

2.21 Defense Federal Acquisition Regulation (DFAR) Preference for Domestic Specialty Metals

- Where required by contract/PO, DFAR requirements shall apply. "Specialty Metals" means: Steel – With a maximum alloy content exceeding one or more of the following limits: manganese, 1.65 percent; silicon, 0.60 percent; or copper 0.60 percent; or, containing more than 0.25 percent of any of the following elements: Aluminum, Chromium, Cobalt, Columbium, Molybdenum, Nickel, Titanium, Tungsten, or Vanadium; Metal alloys - consisting of Nickel, Iron-Nickel, and Cobalt base alloys containing a total of other alloying metals (except iron) more than 10 percent; Titanium and Titanium alloys; or, Zirconium and Zirconium base alloys.

2.22 Defense Federal Acquisition Regulation (DFAR) Specific Requirements

- Any specialty metals incorporated in articles delivered to Enjet Aero Dayton, when this manual is referenced by Contract/PO, shall be melted in the United States, its possessions, Puerto Rico or a qualifying country (Reference DFAR).
- This requirement shall be flowed down to all sub-tier raw material sources.
- Prior approval of Enjet Aero Dayton is required if specialty metals not meeting the requirements are planned for use in articles delivered under Contract/PO to Enjet Aero Dayton. Any exceptions to this requirement shall be noted on the Certification of Conformity.

2.23 International Traffic in Arms Regulations (ITAR) Registration Letters

Note: This section only applies if ITAR is called out on purchase order.

- All manufacturers, exporters, and brokers of defense articles, related technical data and defense services as defined on the United States Munitions List (Part 121 of the ITAR) are required to register with the Directorate of Defense Trade Controls (DDTC). Registration is primarily a means to provide the U.S. Government with necessary information on who is involved in certain manufacturing, exporting and brokering activities. Registration does not confer any export rights or privileges but is a pre-condition for the issuance of any license or other approval for export.
- Once an entity has properly registered with DDTC, a unique registration code will be assigned to the registrant. The DDTC registration code consists of a letter prefix, M (assigned to a manufacturer and/or exporter) or K (assigned to a broker), followed by four or five digits (e.g. K-

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1234 or M 12345). The code is proprietary to the registrant and should be handled as such. Company registration codes should not be posted online or given out freely to the public.

- The period of validity for new and renewal registrations is 12-months from the date of issuance. The expiration date is included in the registration letter issued by DDTC.
- The average review time for a registration request is 45-days. We recommend you send your complete registration package electronically through the Electronic Form Submission (EFS) up to a maximum of 60 days in advance of the renewal expiration.
- The Department of State Directorate of Defense Trade Controls website may be accessed at:
www.pmddtc.state.gov/index.html
- When applicable, suppliers will comply with all DDTC/ITAR rules, regulations and laws. Violations will not be tolerated under any circumstances and violators will be immediately reported to the DDTC for investigation.
- Once a supplier is ITAR registered, a copy of the registration letter will be supplied to Enjet Aero Dayton where it will be confidentially retained.

2.24 Export Administration Regulations (EAR)

- The Department of Commerce, Bureau of Industry and Security (BIS) is charged with the development, implementation and interpretation of U.S. export control policy for dual-use commodities, software, and technology. Dual-use items that are subject to BIS regulatory jurisdiction have predominantly commercial uses, but also have military applications.
- In addition to the U.S. export control policy for dual-use items, the Bureau of Industry and Security is also charged with the development, implementation and interpretation of the anti-boycott provisions of the Export Administration Act. The anti-boycott provisions encourage, and in some cases, require, U.S. persons to refuse to participate in foreign boycotts that the United States does not sanction.
- Export Administration Regulations (EAR) are references to 15 CFR chapter VII, subchapter C. The EAR is issued by the United States Department of Commerce, Bureau of Industry and Security (BIS) under laws relating to the control of certain exports, re-exports, and activities. In addition, the EAR implements anti-boycott law provisions requiring regulations to prohibit specified conduct by United States persons that has the effect of furthering or supporting boycotts fostered or imposed by a country, against a country, friendly to the United States.
- When applicable, Enjet Aero Dayton' suppliers will comply with all Department of Commerce Bureau of Industry and Security rules and regulations. Violations will not be tolerated under any circumstances and will be immediately reported to the Department of Commerce for investigation.

2.25 Customer Property

- Return all documents, records, gauging, or other customer supplied product upon written notification from Enjet Aero Dayton or when business with Enjet Aero Dayton has ceased.

Special Tooling (ST)

- Special Tooling consists of: Jigs, dies, fixtures, molds, patterns, other equipment and manufacturing aids, all components of these items, and replacements of these items, which are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular services or parts thereof, or to the performance of particular services.
- Suppliers must confirm that all ST used to accept product or processes has evidence of acceptance prior to use, i.e. calibrated and in good working condition.
- Supplier must perform a documented condition check/visual inspection prior to each use.

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- Any nonconformance identified during these inspections must be documented on a nonconformance form and submitted to Enjet Aero Dayton for review and approval prior to tool use, keeping in mind that approval may need to be obtained from Enjet Aero Dayton customer.
- If it is known that the ST will not be needed for an extended period of time, the supplier must notify Enjet Aero Dayton, and the ST will be identified as "inactive" or "not in use." While the ST is in this status, periodic inspections are not required. Supplier must also notify Enjet Aero Dayton when the tool will be reactivated.
- The Supplier is responsible for maintaining the ST in its original condition. The Supplier must notify Enjet Aero Dayton when they cannot bring the ST back to its original condition.
- The supplier must notify Enjet Aero Dayton in a timely manner when the ST approaches the end of its useful life to ensure resolution is addressed before impacts to the product quality or delivery occur.
- All ST must be stored to protect from damage, deterioration, loss, theft and exposure to the elements.
- No changes may be made to the ST without proper notification and approval from Enjet Aero Dayton.

2.26 Counterfeit Parts

- When purchasing raw materials, Enjet Aero Dayton Purchasing will assess potential sources of supply to determine their likelihood of delivering authentic and conforming material. Relative to counterfeit product control, assessment actions may include surveys, audits, review of product alerts, and review of supplier quality data to determine past performance.
- Assessment of suppliers relative to their ability to produce non-counterfeit material may be based on reputation, role in the supply chain, past performance (if known) and whether or not the supplier has been involved in known counterfeit incidents. As a result, Enjet Aero Dayton prioritizes purchasing its raw materials from original manufacturers, authorized suppliers, or other legally authorized sources.
- When the procurement is not possible from an authorized supplier, a risk assessment will be conducted for each potential supplier for Purchasing Services and Materials. Purchase orders submitted to approved suppliers shall flow-down applicable requirements to appropriate contractors, their sub-contractors, and distributors.

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2.27 Product Safety, Product & Service Conformity, Ethics & Awareness

- Suppliers shall be aware of good aerospace practices, ethics, product and service conformity, and supplier employees shall be aware of their contributions to all.

3. SUPPLIER ASSESSMENT AND QUALIFICATION

- Enjet Aero Dayton maintains a supplier selection and sourcing process that adequately evaluates and identifies potential sourcing partners for Enjet Aero Dayton.
- Enjet Aero Dayton suppliers must be capable of meeting Enjet Aero Dayton' quality, delivery, cost, environmental and health, and continuous improvement requirements.
- Enjet Aero Dayton will validate these requirements as a part of their supplier selection process through supplier risk assessment and qualification activities.

The supplier risk assessment and qualification process includes:

3.1 Initial Supplier Profile

Enjet Aero Dayton requests supplier business information to determine if a supplier candidate can meet the financial expectations and DUNS rating needed for a viable aerospace supplier.

3.2 Supplier Screening/Data Analysis Process

The Purchasing and Quality Departments will perform the screening process based on several factors that may include:

- Supplier's current delivery performance based on 100% on-time expectation
- Supplier's quality performance
- Supplier's registration to a Quality System such as ISO9001, AS9100, AS9120, and AC7004
- Cost competitiveness
- Supplier's financial strength for future growth

Upon completion of the initial business screening process, Purchasing and Quality personnel will review the results. A determination will be made as to whether the supplier qualification process will continue. Further follow-up and/or corrective actions may be requested from the supplier. If the results are acceptable, the process can move forward.

3.3 Supplier Risk Assessment

- Once the initial screening process is completed and the supplier is identified as a viable supplier, the Enjet Aero Dayton Supplier Risk Assessment Audit Form shall be forwarded to, and completed by, the supplier. Once returned to Enjet Aero Dayton, it shall be reviewed by Purchasing and Quality.
- The review shall be via desk-audit, or supplier onsite assessment.
- The results of the risk assessment will be reported and maintained by Enjet Aero Dayton.
- Enjet Aero Dayton reserves the right to schedule additional assessments based on factors not limited to risk, performance, and/or noncompliance to quality system requirements.
- Third-party quality system registration such as ISO9001 or AS9100 may be recognized in lieu of a Periodic onsite assessment if Enjet Aero Dayton deems it appropriate.
- Once a supplier is approved, the Type of Approval shall be determined, and will be entered into the approved supplier list in the Supplier Management database. Periodic updates to the Supplier Risk Assessment and profile will be done at Enjet Aero Dayton discretion.

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3.4. Assessment Results

- In most cases, the potential supplier will be notified of **their** approval status within 15-days of the review.
- When system deficiencies are identified, Enjet Aero Dayton will provide a response time for the supplier to define and implement corrective actions.
- Failure to provide a suitable response in a timely manner is cause for disapproval for further consideration.
- Enjet Aero Dayton reserves the right to discontinue the supplier approval process at any time, for any reason.

3.5. Approvals Status

- **Not Approved** – potential suppliers that failed to qualify or were previously approved but were disqualified.
- **Approved** – enables Enjet Aero Dayton to award business with a supplier at any time within the capabilities or categories listed on the Enjet Aero Dayton ASL.
- **Inactive** – suppliers previously approved but have not supplied products or services for more than 2-years.

4. QUALITY PLANNING & PRODUCT APPROVAL

4.1 Record Retention

- The supplier shall retain any required documented information defined by Enjet Aero Dayton for the specified duration. The default retention period is 10 years unless otherwise specified on the purchase order.
- All quality records (non-electronic) shall be documented in ink or other permanent marking and shall be legible and reproducible.
- Production quality records (control charts, inspection and test records, audit records, etc.) must be retained for a minimum of 10-calendar years, unless otherwise specified by Enjet Aero Dayton.
- The supplier agrees to transmit to Enjet Aero Dayton, those records kept in support of Enjet Aero Dayton work, if the supplier discontinues business operations.

4.2 Change Management

- Once approved, the supplier shall notify Enjet Aero Dayton of any planned changes to the product design, process, relocation, or organizational management structure.

4.3 Drawing and Change Control

- The supplier's quality system must ensure that the latest engineering drawings and specifications are available at the manufacturing, test or inspection location.
- The written procedure(s) should indicate the method utilized for receipt, review or distribution of all changes and the method of recall and disposal (requires Enjet Aero Dayton approval).
- Direct material suppliers are required to obtain documentation of Enjet Aero Dayton approval prior to implementing any change. This requirement includes direct product suppliers.
- Conditions requiring Enjet Aero Dayton notification include, but are not limited to the following:

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- ✓ Change of material.
- ✓ New or modified production tooling.
- ✓ Production parts produced at a new facility or location.
- ✓ Product or process changes (internal or external by sub-suppliers).
- ✓ Change of raw material suppliers or sub-supplier for outside services (heat treat, plating, etc.).
- ✓ Change in test/inspection methods (techniques).
- ✓ Shipping to additional Enjet Aero Dayton facilities (approval at one Enjet Aero Dayton facility does not constitute approval at other facilities).
- ✓ Change in engineering drawings or specifications.
- ✓ Change and/or re-sequencing of NDT, special processes, or inspection operations.

4.4 First Article Inspection (FAI) – Reference AS9102C

Note: FAI is applicable to Enjet Aero Dayton Aerospace suppliers. Full FAI is required upon initial submission, and a full or partial FAI is required for affected characteristics per AS9102C. If the Enjet Aero Dayton Purchase Order specifies the use of APQP methods per section 2.2, *AS9102C will still be utilized in collaboration with APQP (Control Plan, PFMEA, PFLOW).*

- FAI requires that all dimensions for a part be checked and verified prior to receipt of part into the Enjet Aero Dayton facility.
- All dimensions (except reference dimensions), characteristics, and specifications, as noted on the design record and process control plan, are to be listed on the FAI Report with the actual dimension results recorded. Blanket statements of conformance are not acceptable.
- It is the supplier's responsibility to meet all applicable specifications. If the supplier is unable to meet any of these requirements, the supplier shall immediately contact Enjet Aero Dayton Purchasing and/or Supplier Quality for determination of corrective action.

5. Foreign Object Debris/Damage (FOD) Prevention Program

Suppliers must have a FOD program for prevention, detection, and removal of foreign objects. The program should meet the following requirements, as applicable:

- FOD prevention must be implemented in all areas designated as FOD-Free Zones.
- Employees must be trained to the FOD procedures, and documentation of training must be kept.
- Parts must be protected from handling and transportation damage.
- If critical FOD areas are noted/required, Physical Entry Controls shall be established and visually posted outside each area.

6. CORRECTIVE ACTION

- All suppliers must establish and maintain documented procedures for corrective action with disciplined problem-solving methodologies.
- Any corrective action taken to eliminate the causes of actual or potential non-conformities shall be appropriate to the magnitude of the issue and commensurate with the risks encountered.
- The supplier shall implement and record any changes to the documented procedures resulting from corrective action.
- When supplier nonconformances are identified within Enjet Aero Dayton, and are determined to be significant in nature, a Corrective Action Request (CAR) will be initiated and sent to the supplier via e-mail.

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- The Enjet Aero Dayton Quality will determine when a Supplier Corrective Action Request will be issued. Supplier response will be provided on the CAR form (or equivalent) accompanied by objective evidence e.g. training records, instructions, 5-WHY worksheet or other problem-solving form.
- The supplier will acknowledge receipt of the CAR, investigate system deficiencies, and provide a detailed and complete plan to correct by the due date specified on the CAR.
- Responses shall include adequate detail and supporting data to assure Enjet Aero Dayton that appropriate system corrective actions have been taken.
- All written responses will include:
 1. **Identifiable contact person:** Identify the contact person(s) responsible for the CAR.
 2. **Definition of the problem:** A statement of the deficiency/condition as documented in the complaint, restated in terms of the supplier's process as necessary.
 3. **Immediate Containment Action:** Action taken immediately, upon identification of the potential nonconformity, such as rejection tags, line checks or sub-supplier notification to stop the problem. Containment actions must be completed within 24-hours unless otherwise agreed to by Enjet Aero Dayton.
 4. **Identify and Verify Root Cause:** The source or origin of the noncompliance, as well as any contributing factors involved. At a minimum, root cause will answer the following three questions:
 - a. **Why did the defect occur?**
 - b. **Why did the quality plan not detect the defect and allow an escape?**
 - c. **Is the root cause a systemic problem?**

Note1: Suppliers should be cautious to avoid root causes of "operator error" and instead look deeper for underlying factors. If operator error is truly the cause, error-proofing actions must be employed to prevent recurrence. Re-training alone is not sufficient.

Note 2: Suppliers shall, when determining the cause of the nonconformance, consider those related to human-factors.
 5. **Develop and Verify Solution (Corrective Action):** The team must quantitatively confirm that the actions taken will resolve the problem and will not cause undesirable side effects.
 6. **Implement Corrective Action:** The corrective action implemented to address the source, or root cause of the nonconformity, that will eliminate recurrence.
 7. **Preventive Action:** Preventive actions must include an evaluation of, and corrective action for, other processes or products where the same or similar defect could occur. Preventions should include similar product evaluations and Mistake Proofing activities that remove the "human" variable from the product or process whenever possible.
 8. **Recognize the team.**
- Suppliers written corrective action plan will be returned to Enjet Aero Dayton for review of adequacy and effectiveness which may require an onsite visit to the supplier's facility. Objective evidence of the corrective action may be required. The supplier will be notified of acceptance or rejection of corrective action plan after Enjet Aero Dayton review.

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- When the supplier finds any product that is suspected of being nonconforming, the product will be returned to Enjet Aero Dayton with tags that clearly define the nonconformance. In cases where the defect conformity is not clear, the Supplier will notify Enjet Aero Dayton for review and disposition.
- Failure to respond to a corrective action request may result in penalties up to and including suspension and/or removal from Enjet Aero Dayton Approved Supplier List (ASL).

7. SUPPLIER PERFORMANCE

- Enjet Aero Dayton recognizes supplier quality achievement on a regular basis using measured results and takes the appropriate action regarding, expanded business or de-sourcing based on these results.
- When suppliers do not meet expected performance, Purchasing and Supplier Quality will work with suppliers to establish improvement goals, and develop action plans to improve performance.

8. RISK MANAGEMENT AND BUSINESS CONTINUITY GUIDELINES

- Enjet Aero Dayton supply chain has become increasingly complex, global, diversified and subject to a variety of risks that could jeopardize continued operations. In this environment, our customers have challenged us to establish a Business Continuity Plan.
- Similarly, Enjet Aero Dayton is challenging its suppliers to establish Risk Management and Business Continuity Plans. While contingency plans cannot be developed for all potential scenarios, we are asking our suppliers to establish recovery plans and steps that will facilitate quick response, reaction, and resumption of parts and services in the event of disruptions.
- Enjet Aero Dayton suppliers are expected to establish a comprehensive crisis management approach to deal with potential disruptions (proactive) and disasters (reactive). The approach should include: a plan of action, a checklist of activities, communication plans, escalation procedures, and an organization with teams, roles, and responsibilities.
- When Enjet Aero Dayton deems it necessary, based on the risk situation, the supplier may be asked to provide risk management and business continuity plans.
- Enjet Aero Dayton suppliers must plan for the following (as applicable) disruptions:
 - Business Continuity - to deal with event-based risks such as fires, chemical spills, natural disasters, terrorist threats, medical emergencies, and human resources, labor related work-stoppages (Example: Strikes).
 - Supply Chain Continuity - to check and prepare that the "Supplier's" suppliers are able to deal with potential disruptions (proactive) and disaster situations (reactive).
 - Pandemics Preparedness Plan (Example: Avian Flu Pandemic).
 - IT Disaster Recovery and Security - for Supplier telecommunications, data, systems and Infrastructure.
 - Human Resources - guidelines to conducting security, drug & background checks.
 - Confidentiality Policy (including protection of Enjet Aero Dayton Intellectual Property), as applicable.

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9. Enjet Aero Dayton Code of Conduct and Ethics Letter

To: All Enjet Aero Dayton Suppliers

Subject: **Enjet Aero Dayton Code of Conduct & Ethics**

Dear Enjet Aero Dayton Supplier:

We know that you share our belief in the importance of integrity and our concern over the potential for misconduct in business practices. Because these issues are so important, we want you to know what we expect in our business interactions. We therefore ask you to help us ensure that employees of both our companies abide by these standards to protect integrity in our mutual business dealings. Enjet Aero Dayton will not tolerate ethics violations and will take appropriate action as required.

Our Commitment

Enjet Aero Dayton employees pledge to ensure safe and ethical business practices to protect the welfare of those with whom we conduct business and those who are affected by our businesses, wherever we operate in the world. This commitment carries an obligation for each of us to behave ethically and legally in all aspects of our daily business lives.

Code of Ethics

The Enjet Aero Dayton Code of Ethics demonstrates our commitment to ethical behavior and spells out our fundamental principles of ethical business behavior. Each of our directors, officers and employees is required to comply with these principles wherever they act on behalf of Enjet Aero Dayton. We want you to understand our commitment to high ethical standards and help us protect both our companies and our interested parties.

Supplier Code of Conduct

The Supplier Code of Conduct outlines Enjet Aero Dayton' expectations regarding workplace standards and business practices. We require our suppliers to adhere to this Code. Please make your employees aware of our Supplier Code of Conduct, and let us know if you have any questions or concerns.

Raising Concerns

Wherever we operate, Enjet Aero Dayton relies on its employees, suppliers and customers to raise concerns about potentially improper business practices or conduct by any employee or other party conducting business on behalf of Enjet Aero Dayton. We in turn pledge to take appropriate action.

9.1 Enjet Aero Dayton Code of Conduct and Ethics Acknowledgement

Enjet Aero Dayton Supplier Code of Conduct & Ethics

Enjet Aero Dayton's Supplier Code of Conduct sets forth minimum workplace standards and business practices that are expected of any Supplier doing business with Enjet Aero Dayton, consistent with our company's values. These requirements are applicable to suppliers of Enjet Aero Dayton and its affiliates and subsidiaries globally.

A) Code of Conduct

1. Compliance with Laws:

Suppliers' personnel and operations shall operate in full compliance with the laws of their respective countries and with all other applicable laws, rules, and regulations. Additionally, Suppliers will ensure that products, services and shipments for Enjet Aero Dayton adhere to all applicable international trade compliance laws, rules, and regulations.

2. Labor:

Suppliers shall uphold the human rights of workers and treat them with dignity and respect.

- Suppliers shall employ only workers who meet the applicable minimum legal age requirement, except that in no event shall Supplier employ any person under the age of 16, even if local law permits otherwise. Suppliers shall also comply with all other applicable child labor laws according to local regulations.
- Suppliers shall not to engage in the use of forced, bonded (including debt bondage) or indentured labor, involuntary prison labor, slavery, or trafficking of persons.
- Suppliers' plants shall set working hours, wages and over-time pay in compliance with all applicable laws. Workers shall be paid at least the minimum legal wage or a wage that meets local industry standards, whichever is greater.
- Suppliers shall treat employees with dignity and respect and will not engage in or permit corporal punishment, threats of violence, or other forms of harassment whether based on gender, race, color, religion, ethnicity, age, sexual orientation, national origin, disability, or any other legally protected characteristic.
- Suppliers shall employ workers based on their ability to do the job, not based on their personal characteristics or beliefs (including race, color, gender, nationality, religion, and age, maternity or marital status).
- Supplier shall respect employees' right to join or not join any lawful organization, including trade unions and works councils, and shall comply with all applicable local and national laws pertaining to freedom of association and collective bargaining.

3. Health & Safety:

Enjet Aero Dayton is committed to be a global leader in safeguarding the health and safety of our employees and protecting the environment.

- While suppliers are on-site at Enjet Aero Dayton or at a Enjet Aero Dayton customer location on behalf of Enjet Aero Dayton, suppliers shall comply with Enjet Aero Dayton's Safety Policy, Enjet Aero Dayton's EH&S handbook, and any site-specific requirements.
- Suppliers shall ensure a safe work environment and minimize physical and chemical hazards through proper design, engineering and administrative controls, preventative maintenance and safe work procedures as well as ongoing safety training.
- Suppliers shall provide workers with appropriate personal protective equipment where hazards cannot be adequately controlled by other means.
- Suppliers shall provide and properly maintain physical guards, interlocks, and barriers where machinery presents an injury hazard to workers.
- Suppliers shall minimize the impact of emergency situations through the implementation of emergency plans and response procedures.

4. Environment:

At Enjet Aero Dayton, environmental considerations are an integral part of our business practices and the production of world-class products. Enjet Aero Dayton's suppliers shall comply with all applicable environmental laws and regulations.

- Suppliers shall maintain all required environmental permits and registrations and follow the operational and reporting requirements of such permits.
- Suppliers shall comply with regulated substance specifications and with any applicable laws and regulations prohibiting or restricting the use or handling of specific substances.
- Suppliers shall endeavor to reduce or eliminate solid waste, wastewater, and air emissions by implementing appropriate conservation measures in their production, maintenance, and facility processes
- Suppliers shall manage, control, treat and/or dispose of non-hazardous solid waste, wastewater, and/or air emissions generated from operations as required by applicable laws and regulations, before discharge.

5. Ethics:

Suppliers shall commit to the highest standards of ethical conduct when dealing with its employees, suppliers and customers.

- Suppliers shall prohibit all forms of corruption, extortion, and embezzlement by its employees, officers, directors or agents.
- Suppliers shall adhere to standards of fair business, advertising, and competition.
- Suppliers shall not offer or accept bribes or other means to obtain an undue or improper advantage.
- Suppliers shall accurately record and disclose information regarding their business activities, structure, financial situation, and performance in accordance with applicable laws and regulations as well as prevailing industry business practices.
- Suppliers shall respect intellectual property rights and safeguard customer information. Transfer of technology and know-how shall be done in a manner that protects intellectual property rights.
- Suppliers shall incorporate international Supply Chain Security (SCS) measures into their business processes as described by the World Trade Organization's SAFE framework or similar SCS guidelines (e.g., Business Anti- Smuggling Coalition (BASC) Security Program; Customs-Trade Partnership against Terrorism (C-TPAT); Authorized Economic Operator (AEO), Partners in Protections (PIP).
- Suppliers shall implement processes as well as procedures and exercise due diligence to detect and avoid counterfeit parts.
- Enjet Aero Dayton is committed to ensuring that the products it sells do not incorporate "conflict minerals" (minerals which are smelted into tin, tantalum, tungsten and gold) sourced from entities which directly or indirectly finance conflict in the Democratic Republic of Congo or adjoining countries. Enjet Aero Dayton requires its suppliers to:
 - Perform sufficient due diligence into their respective supply chains to determine whether products sold to us contain tin, tantalum, tungsten or gold, and, if so, whether and to what extent those metals are sourced from conflict-free smelters;
 - Report to Enjet Aero Dayton the results of such due diligence to enable Enjet Aero Dayton to comply with its legal obligations and policy goals; and
 - Commit to being or becoming "conflict-free", so that any such metals are sourced only from conflict-free smelters.
- Suppliers shall implement a comprehensive business continuity plan throughout its operations and supply chain to preserve the safety of workers, protect physical property from loss and damage, safeguard intellectual property, prevent interruptions in the manufacturing process and ensure the integrity of shipments at the point of origin.
- Suppliers shall implement processes to address the confidentiality and protection of an employee who in good faith raises a concern, makes a report, or assists with an investigation related to potential ethical or criminal violations.

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6. Anti-Corruption:

Enjet Aero Dayton is committed to complying with anti-corruption laws that prohibit bribes, kickbacks, or other corrupt actions to obtain or retain business or obtain any improper advantage. All suppliers are expected to comply with applicable anti-corruption laws while conducting business on behalf of Enjet Aero Dayton. Suppliers are prohibited from directly or indirectly receiving or offering any form of bribe, kickback, or other corrupt payment, to or from any person or organization, including government agencies or officials, private companies or employees of those private companies.

7. Gifts and Entertainment:

Enjet Aero Dayton recognizes that it is customary for some of its suppliers, customers and other business associates to occasionally give small gifts or offer modest business entertainment to those with whom they do business. It is important, however, that these gifts and entertainment events do not affect an employee's business judgment, or give the appearance that judgment may be affected. When doing business with or conducting business on behalf of Enjet Aero Dayton, Supplier may, for legitimate business purposes: (i) offer gifts or entertainment to suppliers, customers or other business associates; or (ii) accept gifts or entertainment offered by suppliers, customers or other business associates; provided, however, that in each instance the gift or entertainment:

- is unsolicited;
- is not a bribe, kickback or other illegal or illicit payment;
- is not given in exchange for any consideration;
- would not embarrass Enjet Aero Dayton if disclosed publicly; and
- does not create the appearance (or an actual or implied obligation) that the gift giver is entitled to preferential treatment, an award of business, better prices or improved terms of sale.

Any supplier that violates the provisions of this Section 7 when conducting business on behalf of Enjet Aero Dayton risks immediate loss of all existing and future Enjet Aero Dayton business.

B) Compliance Monitoring

The supplier will allow Enjet Aero Dayton and/or any of its representatives or agent's access to its facilities and all relevant records associated with the products and services provided to Enjet Aero Dayton. The supplier and Enjet Aero Dayton will establish a mutually agreeable date and time for access. However, risks to Enjet Aero Dayton's business may require immediate access to the products, services and associated records and supplier will accommodate Enjet Aero Dayton's access as required. Supplier also agrees to cooperate with Enjet Aero Dayton to investigate any allegations of wrongdoing, misconduct or corruption.

C) Application to Sub-Contractors

This Code also applies to any sub-contractor(s) to the supplier, providing goods or services to the supplier. The Supplier Code of Conduct shall be cascaded down to all sub-tier subcontractors. The supplier is fully responsible for ensuring compliance by any such sub-contractor(s) as if it were the supplier itself. Enjet Aero Dayton reserves the right to audit the supplier's sub-contractors for compliance to Enjet Aero Dayton's Supplier Code of Conduct and supplier will accommodate Enjet Aero Dayton audit as required.

D) Event of Violation

Supplier shall promptly report to Enjet Aero Dayton notice of known breach of this Code and implement a corrective action plan to cure the non-compliance within a specified time (furnished to Enjet Aero Dayton in writing). If the supplier fails to meet the corrective action plan commitment, Enjet Aero Dayton may terminate the business relationship, including suspending placement of future orders and potentially terminating current production. Enjet Aero Dayton reserves the right to hold supplier responsible for reasonable costs of investigating non-compliance.

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Sign and return the following page

Acknowledgement of Receipt and Acceptance of the Supplier Quality Manual

As an authorized representative of _____, I acknowledge that I have read, understand and will comply with the Enjet Aero Dayton Supplier Quality Manual. I will cascade this information throughout the organization to ensure compliance.

Date

Print Name

Signature

Title

Return to:

Ken Kinkead
Quality Manager
ken.kinkead@enjetaero.com

Enjet Aero Dayton
7700 New Carlisle Pike
Huber Heights, OH 45424

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Appendix A

TERMS AND CONDITIONS

Parties; Items. Enjet Aero Dayton will be referred to as "Purchaser and the person or company indicated on the front hereof with whom this order is placed will be referred to as "Seller. This order may be used to purchase supplies, machinery, equipment and other goods, and may also be used to contract for the performance of services, including maintenance and construction work on premises specified by Purchaser. All goods or services covered by this order regardless of type will be referred to as "Items". Seller shall not subcontract the furnishing of any completed or substantially completed article without the prior written approval of Purchaser.

1. **Price; Taxes.** The price which Seller charges in filling this order shall not be higher than that last charged or quoted to Purchaser for such items (if there has been a previous charge or quotation), unless Purchaser expressly agrees otherwise in writing. If Purchaser has included a price on the front hereof, such price shall control, subject to the terms and conditions which follow, unless Seller's prevailing market price for the items is lower in which case such market price shall control.

If there has been no charge or quotation to Purchaser for such items previously and if no price is set forth on the front hereof, Purchaser shall have the right to return the items, freight collect, if Seller charges a price which is in excess of the lowest prevailing market price at which Seller is selling such items.

Unless otherwise provided in this order, the price includes all applicable federal, state and local taxes.

2. **Delivery or Completion Date.** If Purchaser has indicated on the front of this order a completion date or a date upon which the items are to be delivered to Purchaser at the location set forth on the front hereof, Purchaser reserves the right to cancel this order if said date is not met or if prior to said date, Purchaser reasonably believes that said date will not be met. If a delivery or completion date is not specified on the front of this order, a reasonable time will be allowed. Time is of the essence of this purchase order.

If rendering of services is not completed by the time promised, Purchaser reserves the right, without liability and in addition to its other rights and remedies, to terminate this contract by notice effective upon receipt by Seller as to stated services not yet rendered, and to purchase substitute services elsewhere and charge Seller with any loss, expenses, or incidental or consequential damages incurred or suffered. Any provisions herein for delivery of articles or the rendering of services by installments shall not be construed as making the obligations of Seller severable.

3. **Title and Risk; Shipment.** Title and risk of loss with respect to the items shall remain in Seller until the items in a completed state have been delivered to and accepted by Purchaser or an agent or consignee duly designated by Purchaser at the location specified on the front hereof. Items which are to be shipped shall be shipped F.O.B. destination unless otherwise specified by Purchaser. A packing slip must accompany each such shipment. If a shipment is to a consignee or agent of Purchaser, a copy of the packing slip shall be forwarded concurrently to Purchaser. If no packing slip is sent, the count or weight reported by Purchaser or its agent or consignee is agreed to be final and binding upon Seller with respect to such shipment.

Shipments sent C.O.D. without Purchaser's written consent will not be accepted and will be at Seller's risk regardless of F.O.B. point. Transportation charges on goods sold delivered destination must be prepaid. No insurance charge which increases shipping cost will be allowed unless authorized by Purchaser. Regardless of F.O.B. point, Seller shall handle all claims regarding loss or damage of materials in transit, and billing and payment for such material will be held in abeyance until claim is resolved. Goods must be shipped as per instructions, and failure so to ship will cause Purchaser to bill any extra handling charge back to Seller.

Seller agrees to refund to Purchaser an amount equal to the price charged for any spools, reels barrels, drums or other type of container or reusable packaging or handling devise upon their return to Seller.

4. **Compliance with Laws.** Seller warrants that the items shall not violate or cause Purchaser to be in violation of any applicable federal, state or local laws, regulations or orders. Seller further warrants that in performing any work in connection with the items or this order, Seller shall not violate or cause Purchaser to be in violation of any such laws, regulations or orders. Without limiting the foregoing, Seller certifies that the items shall be produced in compliance with Section 12 and all applicable requirements of the Fair Labor Standards Act as amended and the regulations and orders issued thereunder and that Seller shall fully comply with all applicable worker's compensation laws of any state or political subdivision in which the items or any part thereof will be manufactured, construed, assembled or located or any work under this order will be performed. Upon Purchaser's request, Seller shall furnish to Purchaser certificates evidencing Purchaser's compliance with such worker's compensation laws.

If the items are to be used by Purchaser in whole or in part for the performance of a federal government contract, all applicable provisions of such contract and of the Federal Procurement Regulations 41 C.F.R. Chapters 1-100 or if such federal government contract relates to the Department of Defense of the Defense Acquisition Regulations, 32 C.F.R. Parts 1-39 are incorporated herein by reference. Without limiting the foregoing, Seller hereby agrees that if applicable, the provisions of the following regulations are incorporated herein by reference 41 C.F.R. Section 60-1.4 relating to Executive Order 11246, date September 24, 1965, as amended (See Exhibit "A" attached hereto and herein by reference); 41 C.F.R. Section 60-250.4 relating to the Vietnam Era Veterans Readjustment Assistance Act of 1974 41 C.F.R. Section 60-741.4 relating to the Rehabilitation Act of 1973, and 45 Fed. Reg. 31028 relating to the Utilization of Small Business and Small Disadvantaged Business Concerns.

5. **Changes.** Purchaser has the right to make changes (including additions and omissions) from time to time in the items, their specifications, drawings, designs, packing instructions, destination or delivery schedule. Immediately upon any such change being ordered, the parties shall undertake to agree on an appropriate adjustment in price and/or other affected terms of this purchase order. Such adjustments in price or other terms of this purchase order must be in writing and signed by Purchaser to be binding upon Purchaser.
6. **Inspection.** Purchaser may inspect the items during their manufacture, construction, or preparation at reasonable times and shall have the right to inspect such items at the time of their delivery and/or completion. Items furnished hereunder may at any time be rejected for defects or defaults revealed by inspection, analysis, or by manufacturing operations or use after delivery even though such items may have previously been inspected and accepted. Such rejected items may be returned to Seller for full refund to Purchaser, including shipping and transportation charges.
7. **Warranty by Seller.** Seller warrants all item delivered hereunder to be free from defects in material of workmanship, to be of good and merchantable quality, to conform strictly to any specifications, drawings, or samples which may have been provided to or furnished by Purchaser to conform to all applicable requirements of the Occupational Safety and Health Act of 1970 and the regulations, standards and orders issued thereunder, and to fit the purposes for which the items are intended. Seller further warrants that it will have good title to the items free and clear of all liens and encumbrances and will transfer such title to Purchaser. This warranty shall survive any inspection, delivery, acceptance, or payment by Purchaser.

8. **Indemnification.** Seller shall indemnify and hold harmless Purchaser, its agents, consignees, employees and representatives from and against all expenses, losses, claims, demands, or causes, of action of whatever kind, including negligence, breach of express or implied warranty, failure to warn, or strict liability, and from and against all special, indirect, incidental or consequential damages including lost profits, of every kind whatsoever arising out of, by reason of, or in any way connected with, accidents, occurrences, injuries or losses to or of any person or property, including Purchaser or Purchaser's property, which may occur before or after acceptance of the completed items by Purchaser, in any way due or resulting from in whole or in part, the design, preparation, manufacture, construction, completion, warning or failure to warn, delivery or non-delivery of items, including such as are caused by any subcontractor of Seller.

Immediately upon receipt from Purchaser of written notice of any suit or claim relating to any risk described in the first paragraph of this section and upon written request by Purchaser, Seller shall assume the defense of the litigation. In any event, Seller shall pay for or reimburse Purchaser for all costs and expenses, including attorney's fees, arising out of any suit or claim relating to any risk described in the first paragraph of this Section 9. If requested by Purchaser, Seller shall maintain policies of liability insurance, declaring Purchaser as a named insured in such amounts as Purchaser shall designate to protect Purchaser from all the risks described in the first paragraph of this Section 9. Such policies of insurance shall not be cancelable except upon ten days' written notice to Purchaser. Seller shall furnish proof of such insurance to Purchaser.

9. **Patents.** Seller agrees to indemnify and save harmless from any and all claims for infringement of any patent, trademark, copyright or industrial design covering any articles purchased hereunder or their use, including the cost (including counsel fees) of defending against said claims. Seller agrees to indemnify Purchaser of all losses of whatever nature incurred because of injunctions against the sale, use, or resale of said article. Any such claim of infringement, whether asserted against Purchaser or Seller and regardless of its validity, shall constitute cause for termination of this order if Purchaser so decides and damages to Purchaser after such termination, in addition to the indemnities granted herein, and shall be calculated in the same manner as damages for non-delivery.
10. **Non-Disclosure and Purchaser's Property.** All drawings, specifications, artwork, patterns information or data furnished by Purchaser or developed by Seller in connection with this order shall be Purchaser's exclusive property, shall be used by Seller only for Purchaser's work, shall be kept confidential, and shall be returned promptly at Purchaser's request. If any work, relating to this order is assigned to subcontractors. Seller shall require a similar agreement from said subcontractors. Unless otherwise agreed in writing, all tools, pattern equipment or material of every description furnished to Seller by Purchaser or paid for by Purchaser, any replacement thereof, and any material affixed or attached thereto shall be personal property of Purchaser. Such property shall be plainly marked or otherwise adequately identified by Seller as Purchaser's property, and shall be safely stored separate and apart from Seller's property. Seller shall not substitute any property for Purchaser's property and shall not use such property except in filling Purchaser's orders. Any specifications, drawings, notes, instructions, engineering notices or technical data of Purchaser furnished to Seller or referred to in this order shall be deemed to be incorporated herein by reference the same as if fully set forth.
11. **Contingencies.** In the event of causes beyond the control of Purchaser, including but not limited to acts of God, fire, the elements, strikes or labor disputes, and accidents or transportation difficulties, which would make it unreasonable in Purchaser's judgment to accept delivery hereunder, Purchaser shall have the option to terminate this purchase order or to delay the delivery or completion of all or part of the items, such termination or delay being without cost to Purchaser.

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12. **Cancellation.** Purchaser shall have the right to cancel this order upon the occurrence of any of the following events. Seller's insolvency or actions indication Insolvency shall as filing of a petition by or against Seller under any chapter of the bankruptcy laws, the appointment of a receiver for Seller, or Seller's attempt to make a general assignment for the benefit of creditors; Seller's failure to use properly skilled personnel; Seller's failure to make prompt payment to any subcontractors it may have; Seller's failure to make prompt payment for any materials, labor, or any other expenses it incurs in the production or construction of the items, or Seller's failure to comply with any of its obligations under this order. Upon cancellation of the order in accordance with this section, Purchaser may take possession of the items in whatever stage of completion they may be, contract with or employ any other person or persons to finish the items, and collect from Seller any additional expenses or damages including attorney's fees, which Purchaser may suffer.
13. **Limitation on Assignment.** Neither party may assign this order or any right hereunder without the prior written consent of the other except that Purchaser shall have the right to assign this order to any entity with which it is affiliated or to any entity into which it shall be merged, with which it shall be consolidated, or by which it purchases all or substantially all of its Purchaser's assets.
14. **Licenses.** Seller shall be required to obtain and pay for any licenses, permits and inspections by public bodies required in connection with the items.
15. **Work on the Premises.** If work is to be performed hereunder on premises specified by Purchaser, Seller represents that it has or will examine the premises and any specifications or other documents furnished in connection with the items and satisfy itself as to the condition of the premises and site. Seller agrees that no allowance shall be made in respect of any error as to any of the foregoing on the part of Seller. Seller shall at all times keep the premises free from accumulations of waste material or rubbish. At the completion of the items, Seller shall leave the premises and the items broom-clean.

Seller shall abide by all applicable federal, state, or local safety laws and all plant safety regulations of Purchaser in performing any work in connection with the items on the premises specified by Purchaser and shall indemnify and hold Purchaser harmless from any loss, damage, claim, or legal action resulting from Seller's performance of work on the premises. Seller understands that Purchaser shall have no duty to maintain insurance against any loss or damage to any materials or equipment of Seller used by Seller in connection with the performance of work in Purchaser's premises, nor shall Purchaser have any duty to maintain insurance against any accidents or injuries to persons resulting from Seller's performance of work on the premises.
16. **Waiver of Mechanic's Liens.** Seller hereby waives its right to any mechanic's lien or other lien under any applicable statutes or otherwise for work done or material furnished in connection with the items. Seller shall obtain from any subcontractor or materialman prior to the performance of any work on the items or to the furnishing of any materials for the items, a written waiver satisfactory to Purchaser of such subcontractor or materialman's right to any such lien and shall deliver such waiver to Purchaser promptly upon receipt thereof. Upon Purchaser's request, Seller shall obtain, without additional cost to Purchaser, a bond satisfactory to Purchaser to indemnify Purchaser against all such liens and charges. Seller shall reimburse Purchaser for all costs and damages including attorneys' fees and any special, indirect, incidental, or consequential damages incurred by Purchaser in connection with or as a result of the existence or discharge of any such lien or charge, which are not satisfied by such a bond. Amounts due to Seller under this order may be credited by Purchaser against amounts owed to Purchaser in respect of such costs or damages.
17. **Purchaser's Rights or Remedies.** Any rights or remedies granted to Purchaser in any part of this order shall not be exclusive of, but shall be in addition to, any other rights or remedies granted in any other part of this order and any other rights or remedies that Purchaser may have at law or in equity.
18. **Entire Agreement.** This document shall be deemed to contain the entire agreement between Purchaser and Seller and to constitute to the complete and exclusive expression of the terms of the agreement, all prior or contemporaneous written or oral agreements or negotiations with respect to the subject matter hereof being merged herein. By way of illustration and not limitation, Seller's acceptance shall be deemed to incorporate, without exception, all the terms and conditions hereof notwithstanding any acknowledgment or other form of Seller containing additional or contrary terms or conditions, unless Seller shall have expressly advised Purchaser to the contrary in a written request apart from such form. In the event of a written request by Seller for additional or contrary terms or conditions, such modification may only be made in these terms and conditions by a written instrument signed by one of Purchaser's officers or authorized representatives.
19. **Liabilities.** Seller performing work to Purchaser's supplied materials or parts assumes liability for the value in total for such materials and parts and is, without limitation, liable to Purchaser for (i) the value of such material and parts in the event any materials or parts are damaged as a result of Seller's actions or omissions and (ii) any lost profits of Purchaser or damages of any kind or nature incurred by Purchaser resulting from Seller's failure to deliver to Seller the items ordered in accordance with the terms of this Order.
20. **Severability.** In the event that any provision hereof shall violate any applicable statute, ordinance, or rule of law in any jurisdiction in which it is used, such provision shall be ineffective to the extent of such violation without invalidating any other provision hereof.
21. **Non-Competition.** Seller acknowledges that the material or services provided, or proposed to be provided, by Seller pursuant to this or any related purchase order, are for the exclusive use of Purchaser in support of its ultimate customer. Seller further agrees not to contact the ultimate customer, except with the written consent of the Purchaser, including, without limitation, for the purpose of bidding on such work, or doing such work, or providing materials for any other purpose. Seller agrees not to disclose to any party any of the prices it quotes on a job for Purchaser, except as required by law. In the event of a breach of the foregoing, Seller will be responsible to Purchaser in damages for all profits actually or potentially lost by Purchaser by reason of such breach plus any profits earned by Seller by reason of such breach, plus any attorney's fees, expert fees and court costs incurred by Purchaser in collecting from Seller.

Rev. 4/29/2020