A. REGULATORY

1. *Binding. Acceptance of a PO is a binding contract and any breach of said contracts are legally binding in the State of Texas with all applicable laws and governance.*

2. *Termination of Order. We reserve the right to cancel a PO without penalty if vendor is unable to meet defined requirements. Cancellation due to internal reasons may result in partial payments to cover materials and labor costs to date. Materials (processed or raw) along with semi-finished goods must be sent to us for partial payments to be approved and processed unless otherwise instructed.*

3. *Delivery. Delivery times are defined on each PO. If vendor is unable to meet defined deadlines, we must be notified immediately for risk assessment and adjustment. If items are received without the proper documentation, items will be placed on hold until required paperwork is received. Payment terms with vendor begin when items are received and accepted without issue.*

4. *Legal. Vendor agrees to all applicable regulations as stated on the corresponding PO:*

    a. *Defense Priorities and Allocations System (DPAS). Priorities assigned and required by the Federal Government to flow down priority on certain orders. DX is the highest rating for urgency and DO is critical to national defense.*
    b. *Conflict Minerals. Applicable conflict minerals policies and procedures defined by REACH and RoHS to ensure safety.*
    c. *Information Security. Vendor must have an information security program to protect proprietary, intellectual, and other sensitive information and correspondence submitted via electronic medium. Such practices should include appropriate physical security, back-up procedures including verification of back up activity, and disaster recovery. NIST 800-171 should be used as a guideline unless specifically noted as a requirement.*

5. *Employee Contributions. The vendor agrees to ensure personnel are aware of their contribution to product quality, safety, and ethical behavior.*

6. *Nonconformance. The vendor agrees to accept suspected items for review and disposition if found nonconforming to stated requirements by our quality activities. Returns pending a disposition will result in a HOLD on payment of invoices until resolution is determined and processed.*

B. GENERAL

1. *Quality Management System (QMS). Vendor agrees to adhere to certain QMS Functions or maintain a certificate of registration to a recognized QMS standard, such as ISO 9001, AS9100, etc.*

    a. *Third-party registration must be through an accredited agency with annual audits performed at a minimum.*
    b. *QMS functions for vendors that lack formal registration include Document and Records Control, Maintenance and Calibration of Equipment, Training and Competency program for all personnel, Inspection processes with defined records, Control and Handling of rejects, and other pertinent controls defined in other applicable sections of this document.*
    c. *Any changes to the QMS as originally provided must be communicated to company quality immediately for risk assessment.*

2. *Right of Access. We reserve the right to review the processes and records associated with this order at all vendors' facilities with appropriate notification. This right extends to our customers, applicable regulatory agencies, and any sub-tier vendors used in the fulfillment of this order.*

3. *Vendor Evaluation. We reserve the right to plan and perform an on-site vendor evaluation to ensure Terms and Conditions of order listed within this document and associated purchasing documents can and are being met. Such evaluations can be part of initial approval activities, on-going approval practices, or due to negative performance trends.*

4. *Vendor Performance Monitoring. We monitor and measure on time delivery and quality performance of all vendors to ensure continued approval. Failure to meet desired performance levels can result in a Corrective Action being submitted, re-evaluation, or removal from approved status.*

5. *Sub-Tier Sources. If any of this order is outsourced to your vendors, all applicable requirements and specifications must be communicated (including all applicable key characteristics) to each sub-tier vendor used.*

6. *Records. Unless specifically noted on the PO, records must be maintained on file for complete traceability to the OEM/Material used for a minimum of 10 years after which time they can be discarded by deletion or shredding.*

7. *Counterfeit Prevention. Vendor adheres to the requirements of all counterfeit prevention protocols to ensure only authentic and approved items are provided. Please see AS5553, AS6174, and AS6081 for guidance.*

8. *Corrective Action. Vendor agrees to respond to any submitted Vendor Corrective Action Requests (SCAR's) in a timely manner with appropriate correction, root cause, and prevention of recurrence. Guidance for completing a SCAR can be provided upon request.*

9. *Acceptance and Approval. We reserve the right to approve or specify any designs, tests, inspection plans, verifications, use of Statistical Techniques for product acceptance, and any applicable critical items and associated key characteristics. This right extends to designation of requirements for test specimens for design approval, inspection/verification, investigation, or auditing.*

10. *Shelf-Life Controls. All items that contain expiration dates or specific handling requirements must be clearly identified on product and paperwork provided. All shelf-life items with an expiration date must have 75% of life remaining. Deviations from these requirements will result in rejection and items returned to the vendor.*

11. *Shipping Documentation. The vendor shall provide a proper Bill of Lading signed by the Carrier, or any other legally applicable documents providing title to the goods to Purchaser upon delivery, fully protecting all items in case of damage in transit. All costs incurred due to improper packing will be the responsibility of the vendor.*

C. PART & COMPONENT PROVIDERS / DISTRIBUTION CENTERS

1. *Configuration. Vendor agrees to provide items defined within the associated PO to the revision level noted. If no revision level is noted, the latest revision level is required.*

2. *Verification Records. Vendor agrees to provide conformance records of items provided to ensure conformance to specification and performance requirements. A Certificate of Conformance is acceptable.*

D. MANUFACTURERS

1. *Records. In addition to B6, the following records must also be retained as noted on the corresponding PO:*

a. *Manufacturing operations and traceability to materials used*

b. *Inspection and Test Reports, including First Article Inspection (FAI)*
c. *Certificates of Conformance*
d. *Equipment maintenance or calibration records*
e. *Personnel qualifications*

2. *Operational Controls. All manufacturing activities must be in accordance with applicable specifications and performed by qualified/competent personnel with records of training/competence maintained as a quality record (see C1 above) and available upon request.*

3. *Configuration. Any differences between what is listed above and what is provided by the vendor must be clearly identified, communicated, and approved prior to shipping. Vendors are not allowed to modify drawings, specifications, or product characteristics without written consent of our engineering and quality departments.*

4. *Verification & Release. When utilizing sampling inspection as a means of verification, the method must be in accordance to a statistically valid standard (i.e. ANSI Z1.4 or equivalent).*

5. *Nonconformance. Detection of a nonconforming product regarding any order (currently in work or previously shipped) must be promptly communicated to our quality department for evaluation.*

E. SERVICES AND SPECIAL PROCESS PROVIDERS

1. *Process Controls. All special process activities must be in accordance with applicable specifications and performed by qualified personnel with appropriately controlled/calibrated equipment. These records will be made available upon request per C1. Any changes to processes or process validation must be communicated to the Quality department for evaluation.*

2. *Calibration. Service providers must provide records of calibration that include received condition, returned condition, measurement results, reference to procedures used, and metrological traceability to applicable NIST standards. While not required, calibration providers are preferred to have a third-party registration to an appropriate quality standard, such as ISO 17025.*

3. *Inspection & Testing. Coordinate Measuring Systems (CMS) used to inspect and approve release of products must be an approved method and periodically validated in accordance with established procedures/instructions. Full reports are provided, and calibration/validation records of equipment used are available upon request.*