



## Terms & Conditions of Purchase Order

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### Agreement to Terms and Conditions

Spirit Electronics (“Spirit”) values the quality and conformance of the products and services you provide. By accepting a Purchase Order from Spirit Electronics, your organization (“Supplier”) accepts the terms and conditions below, including responsibility for quality management, requirement flow-down, and regulatory adherence to the AS9100 standard or equivalent. Spirit terms and conditions in conjunction with requirements attached or referenced with the order constitute your agreement (“Purchase Order”).

#### 1. Product Safety

Supplier is responsible for ensuring all personnel under its employ are aware of their role in product and service conformity as it relates to safety. Supplier shall comply with all federal, state, and local laws and regulations pertaining to health and safety.

#### 2. Ethics

Supplier shall ensure all personnel under its employ are aware of the importance of ethical behavior in business conduct. Ethical behavior includes antitrust, anticorruption, equal treatment, and nondiscrimination practices, especially as defined in federal, state, and local laws and regulations.

#### 3. Requirement Flow-Down

Supplier accepts product requirements in the Purchase Order and shall flow down the supply chain any product requirements specified in the Purchase Order to sub-tier suppliers.

#### 4. Change Orders

Spirit may request changes to the terms of the original Purchase Order. Changes to the original Purchase Order must be made in writing and acknowledged by both Spirit and Supplier.

#### 5. Notice of Delay

Supplier shall notify Spirit immediately of any delay in product or service delivery per dates originally set in Purchase Order. Supplier’s notice must include a reason for the delivery delay.

#### 6. On-Time Delivery Definition

On-time delivery is defined as delivered to Spirit’s dock up to 5 days prior to and 0 days after the originally quoted dock date.

#### 7. Insuring Shipments

Supplier shall not insure shipments to Spirit unless specifically authorized to do so.

#### 8. Product Change

Supplier shall notify Spirit in advance of any changes to product, process, Supplier vendors or providers, or manufacturing facility location when such changes have the potential to affect product form, fit, and/or function.

#### 9. Notice of Escapement

Spirit shall be notified of product not conforming to Purchase Order requirements within 3 business days. If the product nonconformance affects safety of flight or is mission critical, Supplier shall provide immediate notice of nonconformance.

#### 10. Warranty

Supplier warrants that products supplied to Spirit have no defects in design, material, or manufacture and conform to quality requirements and specifications provided by Spirit in the Purchase Order. Supplier warranties and warranty durations, including manufacturer warranties, shall be assigned to Spirit and Spirit’s customers. Remedy shall be determined by Spirit including, but not limited to, timely repair, replacement, or reimbursement of purchase price of defective or nonconforming product or service at Supplier’s expense.

#### 11. Quality Management System

Supplier shall maintain a quality management system that meets AS9100, ISO:9001, or equivalent standard requirements.



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### 12. Nonconformance Disposition & Corrective Action

Supplier shall obtain approval from Spirit for nonconforming product disposition. When it is determined Supplier is responsible for the nonconformance, Spirit may issue a corrective action. Failure to respond within the specified time may result in the removal of Supplier from Spirit's approved provider list.

### 13. Calibration

Spirit requires vendors performing calibration to have a certified quality management system equivalent to AS9100. Calibration shall be NIST traceable and compliant with ANSI/NCSL Z540-1. Supplier shall ensure manufacturing, testing, or other equipment resources that affect form, fit, and/or function of products or services provided to Spirit are properly calibrated and verified.

### 14. Record Retention

Supplier shall retain documents and records pertaining to Spirit's Purchase Order for a minimum of 10 years unless otherwise required by the Purchase Order and its attachments. Records must be made available to Spirit upon request.

### 15. Certificate of Conformance and CAGE Code

Supplier shall provide a signed manufacturer's certificate of conformance ("C of C") on all shipments. Manufacturer C of C must have manufacturer's address and include manufacturer's CAGE code when possible.

### 16. Counterfeit Prevention

Spirit enforces a counterfeit part prevention policy and only procures product directly (i) as a franchised or authorized manufacturer or (ii) with direct traceability to the original manufacturer. Spirit's definition of a "counterfeit part" includes the AS9100 definition of "an unauthorized copy, imitation, substitute, or modified part (e.g., material, part, component), which is knowingly misrepresented as a specified genuine part of an original or authorized manufacturer." Spirit further defines a "counterfeit part" to include any part that is refurbished, repaired, returned or any part on which manufacturer labels or markings have been altered and that part that is falsely represented as new and unused as produced by the original or authorized manufacturer.

Supplier shall provide part traceability to the original manufacturer. Spirit requires Supplier to provide a signed manufacturer's C of C with every shipment, and Supplier may additionally meet traceability requirement by providing inspection documentation, test data, packing slips, and other applicable manufacturer documentation. At Spirit's request, Supplier shall provide such documentation to verify traceability.

Supplier shall take measures to prevent the proliferation of counterfeit parts and support Spirit's counterfeit part prevention program, which meets the requirements of AS5553 Counterfeit Electrical, Electronics, and Electromechanical (EEE) Parts; Avoidance, Detection, Mitigation, and Disposition.

### 17. Conflict Minerals

Supplier shall disclose to Spirit when a product is known to contain conflict minerals, to include tantalum, tin, gold, and tungsten, that originated in the Democratic Republic of the Congo or surrounding countries under the Dodd-Frank Wall Street Reform and Consumer Protection Act. Supplier disclosure shall provide traceability documentation for affected products. Spirit may request conflict mineral documentation from Supplier at any time to fulfill reporting requirements of Spirit's customers. Spirit is a distributor under the Dodd-Frank Wall Street Reform and Consumer Protection Act and only flows up the supply chain any disclosures or reports of compliance as provided by Supplier. Spirit does not certify compliance on behalf of Supplier.

### 18. REACH

Supplier shall ensure that products or services provided to Spirit comply with the European Union's regulations for Registration, Evaluation, Authorization, and Restriction of Chemicals ("REACH") and shall ensure that any products containing a substance regulated under REACH meet registration, reporting, and authorization requirements. Supplier shall provide Spirit with relevant documentation, labeling, and data to demonstrate product or service compliance. Spirit may request REACH documentation from Supplier at any time to fulfill reporting requirements of Spirit's customers. As a distributor, Spirit does not certify compliance with REACH on behalf of Supplier.



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### 19. ITAR

Spirit may provide drawings, documents, or other data as part of the Purchase Order that fall within the definition of the International Traffic and Arms Regulations (ITAR). This data is subject to the Export Control Laws of the United States Government, which prohibits the transfer of such data without an export license. Supplier shall comply with ITAR requirements and controls to prevent illegal or unauthorized disclosure or export of products or services and related technical data in the Purchase Order.

### 20. Cybersecurity

Supplier shall maintain cybersecurity compliance to NIST SP 800-171 for the purpose of protecting technical data, drawings, software, and other information pertaining to Purchase Order. If actual or potential unauthorized access is suspected, Supplier shall notify Spirit in writing immediately, within no more than 72 hours, and make a reasonable effort to investigate an incident, secure data and information, and prevent further unauthorized access. Compliance to NIST SP 800-171 is in conjunction with DFARS 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting referenced in Section 27 of these terms and conditions.

### 21. Foreign Object Debris/Damage

Supplier shall maintain a Foreign Object Debris/Damage ("FOD") prevention program with guidance from industry standard practices, including AS9146 and NAS412. Supplier's FOD prevention program shall protect product quality by mitigating risk of FOD damage and should consider the sensitivity of a product to FOD as well as consider how FOD is monitored in all steps in processes that affect product form, fit, and/or function. Product nonconformities resulting from FOD are subject to the terms of this agreement governing the disposition of nonconforming product.

### 22. Packaging & FOD

Supplier's FOD prevention program shall include protective measures for packaging processes. Supplier shall not use materials in packaging, handling, shipping, and storage of product that may introduce FOD to product or work areas or materials that may leave residual particles on product. Packaging with high FOD risk includes foam peanuts, shredded packing paper, or any other material composed of small particles.

### 23. Payment

Spirit may withhold full or partial payment of invoice when Supplier fails to meet conformity of products or services until products and services are confirmed to meet the quality requirements of the Purchase Order.

### 24. Right of Entry

Supplier shall provide Spirit, Spirit's customers, and/or regulatory authorities right of entry and access to facilities, records, and quality programs at any level of the supply chain relating to production of goods and services completed for Spirit's Purchase Order upon request to determine and verify the quality of material, work, products, services, and records.

### 25. Waiver

Spirit terms and conditions shall supersede Supplier terms and conditions unless Spirit has otherwise agreed in writing. No failure or delay by Spirit to exercise rights under these terms and conditions shall be considered a waiver of such rights, nor shall any partial exercise of rights prevent later or further exercise of rights herein.

### 26. Dispute Resolution

Purchase Order and these terms and conditions shall be governed by and construed according to the laws of the State of Arizona. Any dispute or suit resulting from enforcement of the Purchase Order or relating to the Purchase Order shall be settled by a competent court located in Arizona. The prevailing party shall be entitled to recover attorney, consultant, and court fees and expenses.

### 27. Force Majeure

Spirit and Supplier shall not be liable for delay or default of obligations under the Purchase Order and these terms and conditions resulting from a force majeure including, but not limited to, extreme weather or environmental events, military or government actions, hostilities, riots, strikes, terrorism, or other events outside of reasonable control of either party.



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### **28. FARs and DFARS**

The Federal Acquisition Regulations (FAR) and Department of Defense Federal Acquisition Regulation Supplements (DFARS) listed shall apply to Spirit and Supplier as part of this Purchase Order as applicable. The referenced FAR and DFARS clauses shall apply to Purchase Order with the same effect as if they were included in full text.

FAR 22.17 Combating Trafficking in Persons

FAR 52.203-13 Contractor Code of Business Ethics and Conduct

FAR 52.211-5 Material Requirements

FAR 52.222-50 Combating Trafficking in Persons

FAR 52.222-56 Certification Regarding Trafficking in Persons Compliance Plan

FAR 52.223-11 Ozone-Depleting Substances

FAR 52.225-13 Restrictions on Certain Foreign Purchases

DFARS 252.204-7009 Limitations on the Use and Disclosure of Third Party Contractor Reported Cyber Incident information

DFARS 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting

DFARS 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals

### **29. Revision Control**

All requirements, quality notes, documents, standards, and terms and conditions applying to the Purchase Order shall be the version or revision effective at the time the Purchase Order is placed.