



## Insulated Wire, Inc. Purchase Order Terms and Conditions

1. **Order Acceptance and Acknowledgement:** This order may be accepted only by noting your acceptance and acknowledgement and returning a copy to us before ten (10) days. Unless accepted in this manner, this order may be cancelled. The goods will not be accepted until inspected at our plant and found to be conforming. In addition to any terms of payment shown above, we shall be entitled to all discounts regularly allowed by the supplier/subcontractor.
2. **Use of Goods and Supplies:** The goods and supplies covered by this Purchase Order are ordered for use by the buyer in performing the following contract to which the buyer is a party.
3. **Patent Infringement:** Supplier/subcontractor guarantees that the sale or use of its products do not infringe any United States or foreign patent and undertakes to indemnify buyer against all judgments, decrees, costs and expenses resulting from alleged infringement and agrees that the supplier/subcontractor will upon request of buyer and at supplier/subcontractor's own expense defend or assist in the defense of any suit or action which may be brought against the buyer or those selling or using any product or buyer by reason of any alleged infringement of any patent in the sale or use of supplier/subcontractor's products.
4. **Warranty:** No specification with respect to any part of this order constitutes a warranty, express or implied, against claims for infringement of patents, copyrights or trademarks and buyer is not responsible to supplier/subcontractor for or on account of such a claim or disability. The Seller / subcontractor shall observe, comply with and afford Buyer all applicable Uniform Commercial Code warranties contained in the New York Consolidated Laws, and Seller hereby acknowledges that Buyer does not waive or accept any disclaimer of any such warranties.
5. **Termination of Purchase Order:** Unless sooner revoked, this Purchase Order shall terminate and cease to exist as of the close of business of the buyer on the first day after the date of the scheduled deliveries.
6. **Changes:** None of the terms and conditions including pricing contained in this Purchase Order may be added to, modified, superseded or otherwise altered except by a written instrument signed by an authorized representative of the buyer and delivered by the buyer to the supplier/subcontractor, and each shipment received by the buyer from the supplier/subcontractor shall be deemed to be only upon the terms and conditions contained in the Purchase Order.
7. **Notification of Changes in Product Definition:** The Seller / subcontractor shall notify IW of changes to processes, products, or services, including changes to their external providers or location of manufacturer, and obtain the organization's approval.
8. **Inspection and Acceptance:** If the supplier/subcontractor instructs carrier to notify buyer on arrival of the goods, the goods are considered tendered to buyer on arrival. However, the goods are not accepted by the buyer until after he has a reasonable opportunity to inspect them. The supplier / subcontractor shall establish and maintain a quality control and inspection program, including testing and verification, using statistical techniques and related instruction for product acceptance. Subject to applicable national security regulations, IW and IW's representatives shall have the right of access, on a non-interference basis, to any area of supplier / subcontractor supply chain sub-tier premises where any part of the work is being performed. Supplier / subcontractor shall flow this requirement down to its sub tier supply chain suppliers as a condition of this contract. Seller shall, without additional costs to Buyer, provide all reasonable in-plant accommodations, facilities, and assistance for the safety and convenience of the IW and the IW's representatives in the performance of their duties. Inspection equipment calibration records shall be in compliance with ANSI/NCSL Z540 and ISO 9001.
9. **Assignment of Rights:** Neither the buyer nor the supplier/subcontractor may assign any rights arising under this contract.
10. **Rejection:** The goods shall be manufactured in a good workmanlike manner, according to the specifications, of the best materials, and to the entire satisfaction of Insulated Wire, Inc. If Insulated Wire, Inc. is in good faith dissatisfied with the goods on delivery, he may reject them.
11. **Packaging, Shipping & Transportation:** The supplier/subcontractor shall bear the risk for damage to or destruction of the goods until delivered to the specified point of destination. Goods shall be suitably packed to secure lowest transportation costs and to conform to the requirements of common carriers and any applicable specifications, protecting and assuring that product integrity is maintained.
12. **Period of Credit:** The period of credit begins on the date of receipt of the material and may not be extended by the postdating of the invoice or any delay in dispatching the invoice or the goods.
13. **Obtainability of Raw Materials:** The supplier/subcontractor expressly assumes the risk that the raw materials required by him under this contract may not be obtainable. The supplier/subcontractor is not relieved from liability under this contract through inability to obtain the raw materials at all or in sufficient quantity or insufficient quantity or insufficient time to deliver the goods in accordance with this contract.
14. **Right of Access:** The supplier/subcontractor shall provide right of access to IW, its customers, and regulatory authorities with access to all facilities involved in this Purchase order, and to all applicable records.
15. **Quality Management System:** Supplier/Subcontractor shall implement and maintain an effective quality management system to ensure product and process integrity.
16. **Flow Down Requirement:** Supplier/subcontractor must flow down all Insulated Wire, Inc. requirements and its customers' requirements, as specified in the Insulated Wire, Inc. purchase order to supplier/sub-contractors, suppliers, and sub-tier suppliers.



17. **Certificate of Conformity:** The supplier/subcontractor shall specify the key characteristics, special requirements and critical items to their suppliers and subcontractors; provide, with delivery of the product, Certification of Compliance with FAA Regulations (CCR) and/or Certification of Conformity (CofC) to control drawings, Standard Material Specifications, or other specified requirements.
18. **Record Retention:** The supplier/subcontractor shall notify Insulated Wire, Inc. of changes in product and/or process, changes of suppliers, changes of manufacturing facility location, and, where required, obtain Insulated Wire, Inc. approval. The supplier /subcontractor shall retain records relevant to the Purchase Order for no less than ten (10) years, from the date of shipment unless otherwise stated on the purchase order.
19. **Prior Approval of Repair Disposition:** The supplier/subcontractor shall obtain prior approval of any repair disposition of nonconforming product, obtain prior approval of any use-as-is disposition of nonconforming product.
20. **Notification of Nonconforming Product:** The supplier/subcontractor shall notify Insulated Wire, Inc. of any nonconforming material related to this purchase order that may have escaped the supplier/subcontractor's premises. Supplier shall not ship nonconforming material without IW Inc. approval. Corrective Action shall also be accomplished by vendor and IW Inc. accepted prior to shipment.
21. **Design:** The supplier/subcontractor shall provide test specimens for design approval, inspection/verification, investigation, or auditing.
22. **Prevention of Counterfeit Parts:** The supplier/subcontractor shall maintain product that is traceable to the original manufacturer to ensure authenticity, using AS5553 as a guide. The supplier / sub-contractor shall provide documentation tracing back to the original manufacturer of the material or component being purchased. If no documentation can be provided or maintain, the Seller shall notify the Buyer, and cannot ship product until the Buyer provides a record of approved deviations from use of original component manufacturer, franchised distributor, or approved mill.
23. **Supplier Rating:** Supplier must maintain a minimum quality score of 80% YTD. Suppliers will be evaluated quarterly. Suppliers that fall below this threshold may be issued a SCAR, subject to an audit, or removed from the Approved Vendor List.

$$\text{Quality Score} = (\text{Delivery Factor} * 40\%) + (\text{Quality Factor} * 60\%)$$

24. **Industry Alerts:** The supplier/subcontractor must maintain a closed-loop process to Industry Alerts/GIDEP to identify, control and correct potential nonconforming material, including: timely review and notification of Industry Alerts of potential impact to hardware; documenting impact assessment/disposition of Industry Alerts to evaluate for program impact (determine of actual usage of an alert item); purging/quarantining of all affected stock, including work in process (WIP) and finished goods; customer notification of impact to already shipped stock, impact to delivery schedules, etc.; submittal of program Bill of Material (BOM) to GIDEP Operations Center for evaluation; and establishing process for handling GIDEP notification that a submitted bill of material (BOM) contains an alerted item.
25. **Product Safety:** The supplier/subcontractor must maintain the state of the product so that it is able to perform to its designed or intended purpose without causing unacceptable risk of harm to a person or damage to property.
26. **Ethical Behavior:** The supplier/subcontractor must maintain and implement an ethical behavior program appropriate for its business throughout the performance of this contract.
27. **Product or Service Conformity:** The supplier/subcontractor must ensure that personnel have the appropriate skills and experience to handle and process the product or service conformity throughout the performance of this contract.
28. **Preference of Specialty Metals:** The supplier/subcontractor must be compliant to DFAR 252.225.7014 Alt 1 and must flow down this requirement to their supplier/subcontractors.
29. **Process, Testing Reports and Raw Material Review:** Supplier shall review raw material test results, all processing and Test reports meet the criteria as specified by the governing standard. Records of review and validation must be supplied with material certifications.
30. **Mercury-Free Exclusion:** The supplier/subcontractor must ensure that Mercury or Mercury bearing instruments and/or equipment which might cause contamination to equipment shall not be used in the manufacture, fabrication assembly, or testing of any material furnished in this purchase order. In the event of any accident involving Mercury contamination of the material being furnished on this purchase order or suspicion of such contamination, IW shall be notified immediately. Your subcontractors must be notified of and must comply with the requirements of this Purchase Order Terms and Conditions.
31. **First Article Inspection Report:** FAIR shall be in compliant with the AS9102 latest version. FAIR is required if the product is supplied to IW Inc and is equal to or more than 24 months of the last supplier production lot sent to IW Inc.; any non-conforming product sent to IW Inc. and Delta FAIR is required for any changes made to product.