



PO Terms and Conditions for Vendors & Approved Vendors

The following PO terms & conditions is separated into 2 sections:

Section 1 - applies to any Vendor

Section 2 - applies to Approved Vendors only

Section 1

1. **Miscellaneous.** This PO contains the current understanding between the parties related to the transactions herein and supersedes all prior contemporaneous agreements or understandings. This PO shall be construed in accordance with the laws of the State of Pennsylvania without regard to the rules regarding conflict of laws. In the event of any dispute over this PO, the parties shall make an authorized representative available, exchange information as appropriate, and negotiate diligently in good faith to affect a cure. In the event a cure is not achieved, each party shall be responsible for its own attorney's fees and expenses incurred on account of resolving any dispute.
2. **Indemnity.** Vendor agrees to protect, defend, hold harmless and indemnify H&W and its parent, and their respective officers, directors, employees, attorneys, agents and representatives from and against any demand, liability, cost or expense, arising from the death or injury to any person or persons, or damage to property to have resulted from the handling, display, sale, use of Vendor's product or services sold, or supplied to, or for the benefit of, H&W, or rising out of or in connection with any negligence, malfeasance, design failure, breach of warranty, failure to meet specifications or other default on the part of the Vendor in the manufacture, shipment or sale of its product or the retention of its services under this PO.
3. **Force Majeure.** Neither party shall be in breach of the Order to the extent that any delay or default in performance is due to causes beyond the reasonable control of the delayed or defaulting party.
4. **Title and Risk of Loss.** Title to and risk of loss of the Goods shall pass to Owner upon delivery and acceptance of the Goods. Title to the Goods shall be free and clear of all liens and encumbrances.
5. **On-Site Activities.** At any time while Seller is on Owner's site, Seller shall (a) comply with the workers' compensation and occupational disease law of the state where the services are performed; (b) maintain commercial general liability insurance with limits of not less than \$1,000,000 each occurrence and aggregate; (c) maintain commercial general automobile liability insurance with limits for bodily injury and property damage of not less than \$1,000,000 each accident. Policies written on a claims-made basis shall be maintained for five (5) years after performance of the Order is completed. Prior to entering Owner's site, Seller shall provide Owner with an acceptable certificate of insurance waiving subrogation against Owner, its affiliates, its members and their affiliates and directors, managers, officers and employees of all the foregoing. The certificate of insurance must state that the insurance carrier has issued the insurance specified, that such policies are in force, and that the insurance carrier will give Owner thirty (30) days prior written notice of any material change in, or cancellation of, such policies. Such certificates shall also indicate that Owner, its affiliates, its members and their affiliates, and directors, managers, officers and employees of all the foregoing has been included as additional insureds. Seller shall also provide that each of its insurance policies shall be primary to and non-contributory with any insurance or self-insurance maintained by Owner. The insurance required by this section shall include contractual liability insurance covering the obligations under this Order.
6. **Compliance with Laws.** Seller shall comply with all applicable laws, rules, regulations and orders of any governmental authority, and will obtain at its expense all permits and licenses, pertaining to its obligations under this Order. Unless exempted, Seller shall comply with the equal employment opportunity clause in Section 202 of Executive Order 11246 and all



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applicable rules, regulations, and relevant orders pertaining to Executive Order 11246, Section 503 of the Rehabilitation Act of 1973, and Section 4212 of the Vietnam Era Readjustment Assistance Act of 1974, as amended. Seller shall comply with all applicable project and site rules. Seller agrees to indemnify and save Owner harmless from and against any liability or damages, including attorneys' fees, for noncompliance therewith by Seller. Seller shall provide Owner with Material Safety Data Sheets for all applicable materials prior to shipment.

- 7. Infringement and Confidentiality.** Seller warrants that the purchase or use of the Goods by Owner will not infringe upon or violate any trademarks, patents, copyrights, trade secrets or other third-party property rights. Seller agrees to indemnify and save Owner harmless from and against any liability or damages, including attorneys' fees, arising out of any alleged infringement or violation. Each party agrees (a) to protect the Confidential Information of the other with at least the same degree of care used to protect its own most confidential information; (b) not to use (except for the purpose described herein), publish or disclose to third parties such Confidential Information; and (c) upon the request of the other party, to promptly deliver to the other party all written copies of its Confidential Information. "Confidential Information" shall include, but not be limited to, engineering data and the dates of Owner's outage schedule. Notwithstanding the foregoing, Owner may disclose Contractor's Confidential Information to its members and affiliates without the prior written consent of Contractor. Either party may disclose Confidential Information of the other party to the extent required by law, regulation, or judicial or administrative order.
- 8. Termination.** Owner may, for its convenience, terminate all or any part of the Order upon notice to Seller. Upon termination, Seller shall immediately stop work on the terminated portion of the Order and shall submit to Owner an invoice with supporting information setting forth the Order price for the Goods delivered prior to the notice of termination, plus Seller's actual, direct unavoidable costs resulting from the termination, less salvage value. Owner shall not be liable to Seller for Seller's lost profits on the terminated part of the Order.
- 9. Limitation of Liability.** Except as expressly provided herein, neither party shall be liable to the other for any incidental, indirect, special, punitive or consequential damages. Seller must bring any cause of action arising under this Order within one (1) year from the time the cause of action accrues.

Section 2

- 1.** In accordance with the requirements of [AS9100 Rev D Section 8.4.3](#) H&W Global Industries, Inc. (H&W) shall communicate to external providers its requirements. The requirements of the AS9100 standard ([in blue](#)) and H&W's interpretation of those requirements ([in red](#)) are below. Vendor risk level determines which requirements apply and which requirements are exempt. This section only pertains to Approved Vendors; Vendors of products or services that directly affect our customer product. These Vendors will be evaluated for approval, risk level, and ability to meet specified requirements by the H&W Quality Manager or Designee. Accredited vendors are always preferred. Other considerations for selection are: type of product offered, vendor information provided, and past performance related to quality, delivery, cost and responsiveness.
A Vendor's risk level is signified by the number in the "REFERENCE No." box at the top of an H&W PO (*i.e. Risk 4, 3, 2 or 1*). Risk Level 4 Vendors - will be required to complete a Vendor Self-Evaluation, provide a copy of their Quality Certification, review AD003 (Conduct Principles), and return a signed copy of these PO Terms & Conditions.



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2. 8.4.3 Information for External Providers

The organization shall ensure the adequacy of requirements prior to their communication to the external provider. The organization shall communicate to external providers its requirements for:

a. the processes, products, and services to be provided including the identification of relevant technical data (e.g., specifications, drawings, process requirements, work instructions);

H&W will flow down all applicable requirements on their PO and in these terms and conditions. Vendor shall in turn flow down all requirements to their employees as appropriate. Vendor shall include/reference H&W's PO number, item/part number, service performed, and any other relevant technical data on certificates of conformance, packing slips, invoices, and other appropriate documents.

b. the approval of:

1. products and services;
2. methods, processes, and equipment;
3. the release of products and services;

H&W shall evaluate and approve Vendors prior to utilizing the Vendor for products/services and will re-evaluate approved Vendors based on the risk level they are assigned (see above). When required, Vendor shall provide a First Piece Inspection, samples and/or documentation needed in order to determine approvals.

c. competence, including any required qualification of persons;

Vendor shall ensure through training records and/or other documentation that its employees are qualified to perform the services requested by H&W.

d. the external providers' interactions with the organization;

Receipt of a PO from H&W shall be considered acceptance of an offer to sell by the Vendor, and Vendor shall be bound by the Terms and Conditions of the PO. Vendor shall notify H&W in writing within forty-eight (48) hours of any discrepancies.

e. control and monitoring of the external providers' performance to be applied by the organization;

H&W monitors Vendor performance through quality and on-time delivery. If Vendor is issued a corrective action related to performance, the Vendor will be considered conditionally approved. If Vendor fails to respond, they will be disapproved.

f. verification or validation activities that the organization, or its customer, intends to perform at the external providers' premises;

Performance of work under a PO may require the quality system, inspection system, manufacturing process, the Vendor's supply chain, etc. to be subjected to review, verification and/or analysis by H&W, their customer, and/or regulatory authorities. This review includes all applicable documented information.

g. design and development control;

(As Applicable)

h. special requirements, critical items, or key characteristics;

Vendor shall flow down all of the special requirements, critical items, or key characteristics that H&W has included on their PO to its employees.



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i. test, inspection, and verification (including production process verification);

Vendor shall have a procedure for final inspection/quality release of products/services and issue a certificate of conformance for those products/services.

Vendor certifies that the products/services covered by H&W's PO shall be free from defects in workmanship and materials, and shall be in conformity with the specifications, drawings, samples and/or descriptions attached to the PO (as applicable).

All orders received at H&W shall be subject to inspection by H&W and/or its representatives. H&W may, at any time, a) return to Vendor at Vendor's expense, or b) hold at Vendor's risk and expense, any order that 1) is non-conforming, 2) is shipped contrary to H&W's instructions, or 3) is different than the quantities covered by H&W's PO.

j. the use of statistical techniques for product acceptance and related instructions for acceptance by the organization;

Vendor may elect to use a sampling plan for product acceptance but it must be a statistically valid technique for product acceptance (e.g. zero-based sampling plan, ANSI Z1.4, etc.). Any specific acceptance criteria will be flowed down on H&W's PO and vendor is responsible to flow down the information to its employees.

k. the need to:

1) implement a quality management system;

Risk Level 4 Vendors will be notified and required to complete a Vendor Self-Evaluation, provide a copy of their quality certification, and return a signed copy of these PO Terms & Conditions.

2) use customer-designated or approved external providers, including process sources (e.g., special processes);

Vendor shall not outsource any portion of a PO to any other vendor or subcontractor without the written approval of H&W.

3) notify the organization of nonconforming processes, products, or services and obtain approval for their disposition;

Vendor shall notify H&W of any nonconforming outputs immediately and prior to delivery. Vendor is NOT permitted to disposition nonconforming outputs.

4) prevent the use of counterfeit parts (see 8.1.4);

Vendor shall be responsible for establishing controls to prevent the acquisition, use and/or generation of counterfeit parts. A counterfeit part is defined as 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.

5) notify the organization of changes to processes, products, or services, including changes of their external providers or location of manufacture, and obtain the organization's approval;

Vendor shall notify H&W in writing within thirty (30) days of any change to the company name, address, manufacturing location, or status of quality management system registration. Vendor shall also notify H&W of any change to its vendors or subcontractors (as approved) relating to H&W's PO.

6) flow down to external providers applicable requirements including customer requirements;

Vendor shall not outsource any portion of a PO to any other vendor or subcontractor without the written approval of H&W. In the event written approval



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is obtained, Vendor must flow down all applicable information from H&W's PO and Vendor still holds responsibility to meet the requirements of these PO Terms & Conditions.

7) provide test specimens for design approval, inspection / verification, investigation, or auditing;

Vendor shall provide, as required. Requirements will be flowed down on the PO.

8) retain documented information, including retention periods and disposition requirements;

Vendor shall retain documented information (i.e. quality records) and any other required documents as defined on the PO for a minimum of 7 years from the PO date, unless superseded by the specified requirements on the PO. After the retention period, Vendor will notify H&W for review of requirements and/or disposition. Vendor shall prevent the unintended use of obsolete documented information by removal or by application of suitable identification or controls if kept for any purpose.

l. the right of access by the organization, their customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain;

Performance of work under a PO may require the quality system, inspection system, manufacturing process, and/or the Vendor's supply chain to be subjected to review, verification and analysis by H&W, their Customer, and/or regulatory authorities. This review includes all applicable documented information. (See also 8.4.3 f)

m. ensuring that persons are aware of:

- 1) their contribution to product or service conformity;
- 2) their contribution to product safety;
- 3) the importance of ethical behavior.

Vendor shall communicate to its employees and other vendors/subcontractors (as approved) the importance of ethical behavior, product safety, and their contribution to the conformity of goods or services as defined in the AS9100 directives.

Vendor shall not use materials from suspect or insecure sources. Tin, tantalum, tungsten and gold shall not originate from the Republic of the Congo or its surrounding countries (Angola, Burundi, Central African Republic, Rwanda, South Sudan, Tanzania, Uganda, and Zambia).

For Risk Level 4 Approved Vendors

Vendor's Company Name: _____

Vendor's Authorized Signature

Print Name: _____

Sign Name: _____

Date: _____

<p><i>For H&W Use Only:</i></p> <p>Date Received _____</p>
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