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SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section A: DEFINITIONS:

1. "Supplier" means the person, firm or company to whom this Purchase Order is addressed on the face sheets of this Purchase Order.
 2. "Components" means all goods and services or any parts thereof to be supplied under this Purchase Order. As used herein, the definition of Components shall include services, as the context requires.
 3. "Purchase Order" means the contract arising between Buyer and Supplier for the supply of Components including all instructions, documents, specifications and drawings (if any) referenced therein.
 4. **COMMERCIAL-OFF-THE-SHELF (COTS) ITEM** [source reference AS9102]
 - a) Commercially available items intended by design to be procured and utilized without modification (e.g., common electronic components). Any item or assembly meeting all of the following requirements:
 - b) Defined by industry, manufacturer, military, or recognized specifications or standards.
 - c) Without design modification, specifically for a customer.
 - d) Customarily used by the public or industries.
 - e) Offered for sale to the public, through catalogues, price list, brochures, stores, or websites.
 5. **Digital Product Definition** – The electronic data elements that specify the geometry and all design requirements for a product (including notation and parts lists), and the use of this data throughout an integrated system using computer aided design, computer aided manufacturing, and coordinate measurement systems. Also known as CAD/CAM system.
 6. **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) datasets/media, datasets with nominal values for CMS use, QA inspection processes and other extractions (dimensions, views, etc.) for inspection/measurement use.
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SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section B: CONTACTS & AGREEMENTS

1. POINT OF CONTACT: **Suppliers** are instructed that the first line of communications in matters related to product supply or acceptance is the buyer (Purchasing agent) as identified on the applicable purchase order/contract. The buyer will engage the appropriate personnel responsible for feedback and /or decision making or updating of systems for general awareness.
2. ENTIRE AGREEMENT: This Purchase Order and these terms and conditions, when accepted by Supplier's written acknowledgment or commencement of performance, represent the complete and exclusive agreement between Buyer and Supplier for the Components, superseding all oral or written prior agreements and all other communications between Buyer and Supplier relating to the subject matter of this Purchase Order. No change in, modification of, or revision to this Purchase Order or these terms and conditions shall be valid unless in writing and signed by an authorized representative of Buyer's Purchasing Department. In the event of any conflict between these terms and conditions and any term or condition on the face sheets of this Purchase Order, the terms and conditions on the face sheets of this Purchase Order shall control.
3. ACCEPTANCE: This Purchase Order and these terms and conditions are Buyer's offer to Supplier. Any acceptance of this Purchase Order is expressly limited to acceptance of the terms of the Purchase Order and these terms and conditions. **Buyer hereby objects to and rejects** any additional or different terms, which may be contained in any documents furnished by Supplier, **whether** deemed material **or immaterial**. Any of the following Supplier acts shall constitute acceptance (i) acknowledgment of this Purchase Order; (ii) commencement of performance; (iii) informing Buyer of commencement; or (iv) shipping of any Components in performance of this Purchase Order.
4. DELIVERY AND DELAYS: Delivery time is of the essence. Delivery terms shall be as provided on the face sheets of this Purchase Order to Buyer's address identified on the face sheets of this Purchase Order where title and risk of loss shall pass. If delivery terms are not provided on the face sheets of this Purchase Order, delivery shall be Delivered at Place (DAP Incoterms (2010)) destination to Buyer's address identified on the face sheets of this Purchase Order where title and risk of loss shall pass. Buyer bases its schedules upon Supplier's representation that Supplier will deliver the Components to Buyer by the dates specified on the face sheets of this Purchase Order. Time is therefore of the essence and if the Components are not delivered within the time specified hereon, Buyer may reject such Components and cancel this Purchase Order and have no obligation whatsoever to pay for the Components. Buyer's acceptance of delinquent deliveries shall not be deemed a waiver **by Buyer of its right to cancel this Purchase Order, or to refuse to accept further deliveries.**
5. As soon as Supplier determines that a delivery date cannot be met, Supplier shall immediately inform Buyer in writing of the cause for such delay and Supplier's earliest possible delivery date so that Buyer can determine whether to accept Supplier's proposed new schedule. Supplier agrees that in the event Components are delinquent to Buyer's acknowledged Purchase Order, Supplier will grant Buyer priority for completed Components allocation and shipment. The above remedies afforded to Buyer shall not be exclusive and Supplier shall indemnify and hold Buyer harmless from and against any and all damages, losses, demands, costs and expenses arising from claims of third parties due to any breach or default set forth above.

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SUPPLIER TERMS AND CONDITIONS OF PURCHASE**Section B: CONTACTS & AGREEMENTS – continued**

6. **ADVANCE MANUFACTURING, PROCUREMENT OR DELIVERY:** Supplier shall not, without Buyer's prior written consent, manufacture or procure materials in advance of Supplier's normal lead-time or deliver substantially in advance of schedule. In the event of termination or change, Supplier shall have no claim for any such manufacture or procurement in advance of such normal lead-time unless there has been such prior written consent of Buyer. Components delivered to Buyer substantially in advance of the scheduled delivery date may be returned, at Buyer's option, to Supplier at Supplier's expense subject to re-shipment to Buyer at Supplier's expense in accordance with the schedule hereon prescribed.
7. **PACKING:** Unless otherwise specified on the face sheets of this Purchase Order (i) Supplier shall package and crate Components in compliance with carriers' tariffs, (ii) Supplier shall place Components in suitable containers for protection in shipment and storage, (iii) Supplier shall comply with Buyer's bar code labeling requirements, and (iv) Components pricing shall include all charges for Supplier's packaging and crating. If Buyer requires special packaging or special containers, Supplier shall separately state the amount of any such special packaging or special containers in its invoice. All packaging must comply with ISPM15 requiring heat treatment or fumigation of all non-manufactured wood packing materials. Supplier is responsible for all costs incurred because of non-compliance.
8. **PRICE:** This Purchase Order shall be limited to those prices specified on the face sheets of this Purchase Order, which are not subject to increase unless specifically authorized by a written amendment to this Purchase Order. If this Purchase Order omits price terms, the price of the Components shall be the price last quoted or paid, whichever is lower. Unless otherwise provided in this Purchase Order, prices specified on the face sheets of this Purchase Order shall include all federal, state and local taxes or other governmental charges imposed upon the manufacture, sale or transportation of the Components specified herein. Buyer shall receive the benefit of any general reduction in Supplier's prices implemented prior to delivery. In no event shall Buyer be charged a price higher than charged to Supplier's other customers for goods of like grade and quality and in substantially the same quantities.
9. **PAYMENT:** Payment terms shall be as provided on the face sheets of this Purchase Order. If payment terms are not provided on the face sheets of this Purchase Order, all invoices will be paid by Buyer within ninety (90) days of the later of (i) Buyer's receipt of Supplier's correct invoice, which includes among other things, Buyer's Purchase Order number or (ii) the date of receipt, inspection and acceptance of the Components so ordered.

SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section C: QUALITY ASSURANCE AND INSPECTION

1. Davis Aircraft prefers that Suppliers maintain current third-party certifications to industry standards (e.g. AS9100, ISO 9001, Nadcap) and work to continually elevate performance. We encourage Suppliers working without third party certifications to strive to obtain industry and 3rd party recognition. For uncertified Suppliers, newly introduced, there is an increased risk factor that applies. In the end, it comes down to performance overtime, and consistency that will set apart the best performers and earn a larger share of the available business.
2. Davis Aircraft relies upon its Suppliers to have the expertise required in their area of business and controls necessary to deliver quality products on time. In doing business we are depending on Suppliers to contribute ideas for cost, lead-time, and risk reduction. We strive to develop long-term relationships that reward Suppliers who perform consistently meeting and exceeding expectations. Supplier contributions to deliver conforming products and/or services help to ensure customer satisfaction.
 - a. **ETHICS:** Davis Aircraft expects in the course of doing business that Suppliers protect the intellectual property provided and conduct themselves ethically - the same as we require of our own employees.
3. **Precedence of requirements –**
 - a. Based on the PO issued, Davis Aircraft Purchasing Terms & Conditions FRM 156 (herein) applies and is imposed. Individual PO's issued will specify a Davis P/N and requirements that may include material, products, and services. The Davis Aircraft purchase order (PO) and any stated exceptions, takes precedence over any drawing and imposed specification requirement at the PO and part level being ordered. It is a Davis Aircraft responsibility to ensure any departure authorized in a Supplier issued PO, is satisfied by subsequent processing as planned by Engineering/Materials Management that ensures the final delivered product fully meets with the design activity and required customer approval.
 - b. Davis Aircraft issued FD-prefixed drawings in a **2-D** format will take priority over DPD models, unless specifically purchase order is instructed otherwise. In the event a Supplier review detects a difference between a 2-D drawing and DPD model, they are instructed to notify Davis Purchasing in writing and upon discovery, identifying the concern and to Hold pending customer advisement. Purchasing would investigate with Engineering and provide written instruction on how to proceed ahead.
 - c. Unless otherwise stated components with plating or coating (chem film, anodize) will be required to meet drawing tolerance limits AFTER coating and plating, except for dry film lube and paint. This excludes dry film coatings/paint that may exceed a feature specified tolerance limit for size, provided said thickness of coating meets the dry film coat specification requirement. Paint application is in addition to the size of part feature requirement.



SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section C: QUALITY ASSURANCE AND INSPECTION – continued

3. Precedence of requirements – continued

- d. Basic PO's issued will specify an FD part number that cites as applicable, either an (FD) part drawing, specification, alternative MFR P/N, applicable part/drawing/spec with revisions and specifications with detailed requirements and specifications. FD drawings as applicable may cite customer end-use and programs that provide an indication of design and MRB authority.
 - e. In the event a model is required and requested by the Supplier, it is the responsibility of Purchasing (Materials Management) to obtain from Engineering, a current model or derivative, in a suitable format for use and supply purposes. Based on the model's origin (e.g. Davis Aircraft, BOEING) additional controls, specifications (e.g. Boeing: D6-51991), requirements and restrictions may apply related to DPD and were applied for CAM processing and CMM inspection.
 - f. Suppliers are required to manage drawings and DPD models and ensure on an individual PO and line basis that the part, drawing and revisions specified align with Supplier production plans and as needed update plans prior to order entry. As needed Suppliers may request drawings and specifications cited through Davis Purchasing. Due to copyright laws and restrictions, Suppliers must acquire industry standards (e.g. ASTM, AMS) on their own.
4. Suppliers performing processing that delivers products and services that go into production products sold to external customers, are subject to reviews and required to comply with survey requests. Suppliers in this category are required to achieve Approved Supplier Listing (ASL) – approved status, that is a prerequisite for doing or continuing business. Suppliers failing to complete surveys or whose performance deteriorates to an unacceptable level shall be notified in writing through the [Davis Purchasing](#) group of the need for support and/or improvement where necessary. Supplier performance is monitored internally at Davis Aircraft with a concentration on product Quality and On-Time delivery factored into a performance score/ risk ranking.
 5. Purchasing will notify Suppliers in the event delivered products are received and detected with concerns that may be related to product, paperwork or certification. In the event a nonconformance is detected and claim written, the result of the claims review will be forwarded by Purchasing to the responsible Supplier for awareness and the purpose of immediate or L/T correction.
 6. Davis Purchasing [in coordination with Davis Quality](#) may move to issue a formal Supplier corrective action request (SCAR) in the event product quality or performance is found to be deteriorating over time or a recurring nonconforming condition goes without proper correction. Supplier will be provided with notification in writing and expected to respond within the specified timeframe. The decision to accept or close a SCAR is at the discretion of Quality Assurance Management.
 7. ASL Suppliers may be removed from the Davis Aircraft Supplier base should conditions or service fall below an acceptable level. Suppliers shall be notified of the decision for ASL removal and why.

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SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section C: QUALITY ASSURANCE AND INSPECTION – continued

8. Products ordered may be subject to Buyer and/or customer (ex. Government rated Orders, GSI) inspection at [Supplier](#) (source) to verify or validate requirements either in process or at a completion stage, when PO stated and/or upon receipt at Buyer facility before issuing product for use. The inspection performed can be in process, for the evaluation of hidden characteristics or for completed processing and product review. The evaluation by Buyer does not relieve the [Supplier](#) of responsibility for product quality, nor does it prevent the buyer from issuing a claim at a later point; in the event a nonconformance is detected.
9. Supplier shall provide and maintain a quality control system acceptable to Buyer and in compliance with those quality control standards (if any) specified on the face sheets of this Purchase Order. Supplier's quality control system shall be subject to confirmation and acceptance by Buyer, the FAA or other regulatory agencies.
10. Suppliers are required to comply with statutory, regulatory, quality requirements, customer program requirements and use customer approved sources; where required and applicable. This includes assurances that the [Supplier](#) and personnel conducting work have the required competency, certification and approval to perform and accept product.

10.1 **Parts for Customer End Use.**

When a statement appears on a drawing or purchase order that indicates parts are for a specific "customer end use" (e.g. DOD, Airbus, Bombardier, Sikorsky, Lockheed-Martin) Suppliers must conform to customer flowed "Supplier Requirements," imposed specifications/standards, Approved Supplier Lists (ASL) and Material source approval and restrictions that apply. Suppliers are cautioned to verify specifications that are customer imposed and determine applicable qualification, approvals, materials and process source requirements that apply. In the event there are questions or issues, please contact Davis Aircraft Purchasing who will involve Quality Assurance to provide guidance and technical support. For customer specifications Suppliers should contact Davis Aircraft Purchasing unless they have the capability to access them directly [and incorporate the latest revision within the required timeframe.](#)

Customer Programs of Note:

- Airbus Supplier Requirement: QMS-09-01
A2PS, A2MS specifications, Airbus ASL, A2EMM-001*
- Bombardier Supplier Requirement: QD 4.6-40
BAPS, BAMS specifications, Bombardier ASL, BAEMM-001*
- Sikorsky Supplier Requirement: Procure-2-011 SS specifications, Sikorsky ASL*
- Lockheed Martin Supplier Requirement: Appendix QX, QCS-001* for approved process specifications and sources.
- [BOEING: D1-4426 Approved Process Sources, D6-51991 – Digital Product Definition/Model Based Definition, Boeing Quality Management System Requirements for Suppliers - document D6-82479, including all appendices and addenda can be obtained at the following URL address:
<https://www.boeingsuppliers.com/quality.html>](#)

* Customer portals and site access is required to ascertain information.

DOD – Government Rated orders must flow down contract # and DO ratings as applicable apply.

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SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section C: QUALITY ASSURANCE AND INSPECTION – continued

11. Suppliers are not authorized to use statistical techniques for product acceptance unless authorized by drawing, specifications or standards imposed by the drawings or requirements contractually flowed down by the PO. In the event sampling is applied, the acceptance plan required must be zero defect and based upon a recognized national/international standard (e.g. ANSI Z 1.4). The use of sampling is not permitted for Key or Critical characteristics.
12. In production planning a Supplier may identify processing needs or deviations to facilitate producibility. Requests to deviate from specified requirements must be made and approved in writing by Davis Aircraft and reflected in revised RFQ/PO requirements.
13. In the performance of processing should Supplier encounter a nonconforming condition, Suppliers are expected to rework or correct. In the event a part cannot be corrected, the Supplier may present a request for Davis Aircraft product approval by submitting a written waiver request. Product may not be released for shipment until a written approval is granted by Davis Aircraft.
14. Buyer maintains the right of access by their organization, their customer, and regulatory authorities to all Supplier's facilities involved in the Purchase Order and to all applicable records and may require Supplier to flow down to its sub-tier Suppliers the applicable requirements in the purchasing documents, including key characteristics where required.
15. Supplier Notifications will be buyer issued as required *by Buyer* and appropriate to request/obtain completion of Supplier quality surveys, communicate performance issues/results, submit needs for corrective or improvement action, convey key or critical characteristics within documents (e.g. PO, forms, reports) to communicate needs or awareness.
16. Supplier shall notify Buyer in writing of any desired change to (i) Component manufacturing processes; (ii) the tooling being used in the manufacture of Components; (iii) third party Suppliers or outside processes; or (iv) the location of Component manufacturing to another Supplier facility (collectively referred to as "New Processes"), prior to commencing the manufacture of any such changed Component. Suppliers may not sell to Buyer any Components manufactured using Supplier's New Processes until Supplier first obtains instructions from Buyer whether Buyer requires, in its sole discretion, a new first article inspection for the Components affected by such New Processes. Supplier may not deliver any Components manufactured using New Processes without the prior written approval of Buyer.

SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section C: QUALITY ASSURANCE AND INSPECTION – continued

17. Traceability

- a) Certifications and supporting documents should be provided in English.
- b) Supplier must ensure that all certifications (Manufacturers Certificate of Conformance, Test Reports, Process Certs, Raw Material etc.) for a part is traceable to one another by either a lot number, date code, heat number, job or work order number or material P.O. number.
- c) Applicable specification and part revision level must be present on certifications and test reports. All certifications must be legible.
- d) Changes or amendments to any certification paperwork must identify the authorizing party via signature, initial, stamp, or any other similar method, along with amendment date.
- e) Refer to Appendix 1 : CERTIFICATES OF CONFORMANCE

A – BASIC REQUIREMENTS

B – Common Oversights- What to Avoid

18. Multiple Lots – Restrictions & Limitations

Raw Material orders must be supplied from 1-each heat lot, unless PO stated otherwise.

For Details, Assemblies and Commercial-off-the-Shelf Items (COTS), multiple lots are permitted, however items must be identified and separated by lot numbers that are Pack Slip/CofC indicated to ensure traceability.

19. Packaging: Supplier must assure that all product shipped is adequately packed and/or packaged to prevent damage, contamination, the introduction of Foreign Object Debris (FOD) and/or deterioration. Unless otherwise specified in the purchase order, the Supplier must use best commercial practices (such as described under ASTM-D-3951) to prevent damage, contamination and/or deterioration to all products during transit. No loose fill material (i.e. foam peanuts) shall be used in the packaging of products. Shelf-life items must also be packaged appropriately for protection.

- Items supplied for processing by Davis Aircraft with part protection (thread protectors, tube sleeves, tube end caps) and/or a means to separate product to avoid direct part-to-part contact should be returned (packaged/protected) similarly to the as supplied method or as additionally needed, to mitigate risk of damage.
- Tube products supplied for processing by Davis Aircraft should be aligned and nested to minimize shifting and to maintain individual part protection/identification. Suppliers are required to mimic this method when return-shipping products, after their respective processing is completed.

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SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section C: QUALITY ASSURANCE AND INSPECTION – continued

20. Supplier Certification Requirements

AS9163 is cited as a reference and provides general content guidance in whole or part.

20.1 Suppliers shall provide certificates of conformance in hard copy at time of delivery, as per section 17, 18, 20.

20.2 Supplier certification may also be provided electronically and prior to delivery..

20.3 Items delivered are required to be supported by a pack slip and certificate of conformance IAW Appendix 1.

a) Certificates of Conformance are required to contain the following basic information IAW Appendix 1: **A – BASIC REQUIREMENTS**.

b) Suppliers should review: Appendix 1: B – Common Oversights- What to Avoid

c) Exceptions and reduced requirements:

- i. **COTS items** supplied to industry specifications (e.g. AS, MS, NAS) are required to be supported by a MFR CofC at all times and when sold through distribution by a direct Supplier CofC included that provides a traceability chain and connectivity back to the MFR and may require additional information when PO specified as note in c, ii, .
- ii. In the event a COTS item is PO specified for “Government End Use” and where the product is applied in production of a “critical safety item” (CSI) the Supplier must additionally provide material and process certifications from the MFR.
- iii. For items purchased to a **MFR standard or catalogue** items (e.g. Grainger, MSC, Strapworks) part number, a basic pack slip with a PO, MFR P/N, Quantity will be sufficient to process for receipt.

20.4 Specification revisions:

- a) The revision must be Supplier determined and reported. Unless otherwise specified or PO permitted industry specifications (e.g. AMS, MIL, ASTM) shall be provided to the most recent specification in effect.
- b) Where a specification permits (e.g. raw materials) certified to a prior revision may be supplied and accepted until that particular stock is consumed.
- c) Timeframe to incorporate a specification revision change and apply, will be based upon the industry specification – e.g. 6 months from date of issue. .
- d) Unless otherwise specified Davis Aircraft Purchasing and PO must indicate if a supplier may supply product or processing to an earlier specification revision that required; that is currently in effect and/or permits.

SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section C: QUALITY ASSURANCE AND INSPECTION – continued

21. Record Retention - Supplier shall retain (record retention) all underlying documentation that forms the basis of such certificates for a period of ten (10) years from the date of issuance of each certificate with Components supplied, plus any other documentation required by Buyer. Original manufacturer's certificates of compliance are required for all Components and all raw materials used in the manufacturing of Components. Buyer reserves the right to return Components at Supplier's expense if Supplier has not provided the required documentation within fifteen (15) days of delivery. If Supplier is found to have substituted or supplied incorrect Components or raw material, all costs associated with repair or replacement of such Components shall be paid by Supplier, including, but not limited to, any and all costs associated with the recall of any Buyer product that incorporated such discrepant Components, as required by Buyer.
22. REJECTION OF NONCONFORMING COMPONENTS: In the regular course of its business, Buyer may reject, refuse acceptance, or revoke acceptance of any or all the Components which are not strictly in conformance with all of the requirements of this Purchase Order and the applicable drawings, designs, and specifications, and by notice, rejection tag, or other communication, notify Supplier of such rejection. At Supplier's risk and expense and at Buyer's option, all such Components will be returned to Supplier for immediate (i) repair, replacement, and other correction and redelivery by Supplier as Buyer may direct or (ii) refund by Supplier of the price of any such Components. Buyer may recover from Supplier, all costs and expenses incurred because of or in connection with such nonconformance by equitable price reduction, setoff, or credit against any amount that may be owed to Supplier under this Purchase Order or otherwise. Buyer may charge to Supplier all expense of inspecting, unpacking, examining, re-packing and storing any Components rejected in accordance with the above. Supplier shall not re-tender rejected supplies unless Supplier submits notification of such past rejection is submitted with the re-tender and Buyer has consented to such re-tender.
23. FOREIGN OBJECT PREVENTION (FOD) - Suppliers are required to acknowledge awareness (Ref: FRM 150) of FOD prevention and/or have a process to prevent the introduction or damaging effects of foreign object debris. Requirements that apply may be as specified in applicable standards such as NAS 412, AS6174 or AS9100.
24. COUNTERFEIT WORK - Suppliers are required to acknowledge awareness (Ref: FRM 150) of Counterfeit Product Prevention and/or have a formal process to prevent the introduction of counterfeit product. For purposes of this clause, Work consists of those parts delivered under this Contract that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). "Counterfeit Work" means Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair but is altered and misrepresented as acceptable.
25. **Supplier** shall not deliver Counterfeit Work to Davis Aircraft Products Co., Inc. under this Contract.

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SUPPLIER TERMS AND CONDITIONS OF PURCHASE**Section C: QUALITY ASSURANCE AND INSPECTION – continued**

26. **Supplier** shall only purchase products to be delivered or incorporated as Work to Davis Aircraft Products Co., Inc. directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by Davis Aircraft Products Co., Inc.
27. **Calibration - Tools and equipment used in the final acceptance of manufactured components and sub parts thereof shall be calibrated in accordance with ANSI Z540-1 or ISO 10012-1 or appropriate imposed specification requirements (e.g. AMS 2750 for Pyrometry).**
28. **Supplier** shall immediately notify Davis Aircraft Products Co., Inc. with the pertinent facts if **Supplier** becomes aware or suspects that it has furnished Counterfeit Work. When requested by Davis Aircraft Products Co., Inc., **Supplier** shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.
29. This clause applies in addition to any quality provision, specification, statement of work or other provision included in this Contract addressing the authenticity of Work. To the extent such provisions conflict with this clause, this clause prevails.
30. In the event that Work delivered under this Contract constitutes or includes Counterfeit Work, **Supplier** shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Contract. Notwithstanding any other provision in this Contract, **Supplier** shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation Davis Aircraft Products Co., Inc. costs of removing Counterfeit Work, of installing replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies Davis Aircraft Products Co., Inc. may have at law, equity or under other provisions of this Contract.
31. **Supplier** shall include paragraphs (20) through (24) and this paragraph (26) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to Davis Aircraft Products Co., Inc.
32. **ETHICS:** Supplier is required to protect intellectual property and designs provided by buyer and conduct themselves in an ethical manner in business dealings and association with buyer personnel. **Supplier shall comply with all aspects of the United States Foreign Corrupt Practices Act of 1977, as amended, 15 U.S.C. §§ 78dd-1, et seq. ("FCPA"), and UK Bribery Act of 2010 Chapter 23 or any equivalent legal standing in the country applicable to Supplier**
33. **PRODUCT SAFETY:** Suppliers are reminded of their responsibility to supply fully conforming products and notify Buyer in the event an escape is detected, with the understanding that the products ultimately supplied are likely involved in the safety of passengers or cargo.

SUPPLIER TERMS AND CONDITIONS OF PURCHASE**Section C: QUALITY ASSURANCE AND INSPECTION – continued**

34. **WARRANTY:** In addition to all warranties prescribed by law or given by Supplier, Supplier warrants to Buyer and its customers that all Components furnished hereunder will (i) be free from defects in material and workmanship; (ii) conform to the applicable drawings, designs, samples and specifications; (iii) meet all functional performance requirements; (iv) meet all of the requirements of this Purchase Order; and (v) be free from design defects. Unless otherwise specified in the Purchase Order, the Components shall be (i) new and not used or reconditioned; (ii) merchantable and (iii) suitable for the particular purpose or use for which Buyer purchases them. Supplier shall indemnify and hold Buyer harmless from and against any and all damages, losses, demands, costs and expenses arising from claims by third parties due to Supplier's breach of its warranties hereunder. This warranty shall survive any inspection, delivery, acceptance or payment by Buyer of the Components and are in addition to all other warranties available at law or equity. In addition to any other remedies which may be available at law, Buyer, at its option, may return to Supplier any nonconforming or defective Components, or require timely correction or replacement of the Components, and Supplier shall bear full responsibility for risk of loss or damage and full transportation charges. If Buyer does not require correction or replacement of nonconforming or defective Components, Supplier shall remit such portion of the contract price or such additional amount as is equitable under the circumstances.
35. **CHANGES:** Buyer may at any time, by written notice, make changes within the general scope of this Purchase Order in any one or more of the following: (i) drawings, designs or specifications; (ii) method of shipping or packing; (iii) place or time of inspection, acceptance or point of delivery; (iv) delivery schedule; (v) quantity of Components ordered; or (vi) order a suspension of Supplier's work. Should any such change increase or decrease the cost of, or the time required for performance of this Purchase Order, an equitable adjustment may be requested by Supplier or Buyer in the price, delivery schedule, or both. No claim by Supplier for such adjustment will be valid unless submitted to Buyer in writing within thirty (30) days from the date of such change. If Supplier considers that the conduct, statement or direction of any of Buyer's employees constitutes a change hereunder, Supplier shall notify Buyer's authorized representative and take no action on the perceived change pending written approval of Buyer's authorized representative. *Supplier acknowledges that Buyer engineering, production, management and support personnel may from time to time offer information to Supplier in support of Order performance and that no such guidance shall be deemed Contract authorization or change direction.* Only Buyer's authorized representative has authority to approve a change. Any change made by Supplier without such written approval shall be deemed voluntary by Supplier and not compensable in the cost of or time required for performance. Nothing contained in this clause shall relieve Supplier from proceeding immediately in the performance of this Purchase Order as changed.

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SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section D: MATERIALS, TOOLS, EQUIPMENT AND FACILITIES

1. Supplier shall furnish all materials, tools and equipment ("Equipment") required to fulfill this Purchase Order unless otherwise specified in writing. Supplier represents that it now has, or can readily procure without assistance from Buyer, all Equipment and the facilities necessary for the performance of this Purchase Order except as otherwise provided in this Purchase Order.
2. Any Equipment or facilities furnished to Supplier by or on behalf of Buyer or purchased by Buyer from Supplier (by a separate Purchase Order or as an item under this Purchase Order) for use in connection with the performance by Supplier hereunder and any improvements thereto or replacements thereof shall be held by Supplier as Buyer's property and shall not be used by Supplier except for the purpose of Supplier's performance under this Purchase Order. Supplier shall account for **and obtain insurance for loss or damage of** all Equipment so furnished to Supplier and/or purchased by Buyer. Buyer does not warrant any aspect of the Equipment. If requested by Buyer, Supplier shall execute a bailment agreement in a format acceptable to Buyer evidencing Buyer's ownership of the Equipment. Supplier may not deliver custody of any Equipment to any person or entity other than Buyer without Buyer's prior written permission. Buyer may enter Supplier's premises at any reasonable time to inspect the Equipment and Supplier's records with respect thereto.
3. All of said furnished and/or purchased Equipment and facilities held by Supplier for use by Supplier in connection with performance under this Purchase Order shall be satisfactorily marked, segregated or otherwise clearly identified by Supplier as property of Buyer and/or others (as the circumstances may require). Supplier shall keep such Equipment in good condition and repair and shall be returned by Supplier, at Buyer's request and at Supplier's expense, in as good as a condition as when received except for reasonable wear and tear and except to the extent that such Equipment has been incorporated in Components furnished by Supplier pursuant to this Purchase Order or has been properly consumed in the normal performance of work hereunder. Supplier may not deliver custody of any Equipment to any person or entity other than Buyer without Buyer's prior written permission. Buyer may enter Supplier's premises at any reasonable time to inspect the Equipment and Supplier's records with respect thereto.
4. While in Supplier's custody and control, all said furnished and/or purchased Equipment and facilities so held shall be held at Supplier's risk and Supplier is responsible for paying all personal property taxes that accrue on Equipment in Supplier's possession. Supplier shall keep such Equipment insured at not less than replacement cost thereof. All such insurance coverage shall provide that payments for loss thereof and damage thereto shall be paid to Buyer. Supplier shall furnish such evidence of insurance as Buyer may require. Supplier shall make no charge for storage, maintenance or retention of Equipment.

SUPPLIER TERMS AND CONDITIONS OF PURCHASE**Section D: MATERIALS, TOOLS, EQUIPMENT AND FACILITIES - continued**

5. **INDEMNIFICATION AND INSURANCE:** Supplier shall indemnify, defend, and hold harmless Buyer and its affiliates, shareholders, officers and employees from and against any and all claims, demands, actions, losses, damages, liabilities, costs, and expenses, including but not limited to attorneys' fees, arising out of or in connection with (i) the inaccuracy of any representation or warranty by Supplier; (ii) the breach by Supplier of any promises, covenants or conditions made by Supplier to Buyer; or (iii) any Components supplied by Supplier under this Purchase Order. In the event Supplier, its employees, agents, subcontractors, and/or lower tier subcontractors enter premises occupied by or under the control of Buyer or third parties in the performance of this Purchase Order, Supplier shall indemnify, hold harmless and defend Buyer and its affiliates, shareholders, officers and employees from any loss, cost, damage, expense or liability by reason of property damage or personal injury, including Supplier's employees, of any nature or kind whatsoever arising out of, as a result of, or in connection with such performance occasioned in whole or in part by the actions or omissions of Supplier, its employees, agents, subcontractors, and/or lower tier subcontractors. Without in any way limiting the foregoing undertakings, Supplier and its subcontractors and/or lower tier subcontractors shall maintain insurance, naming Buyer as an additional insured, adequate to cover any products liability, public liability, property damage and automobile liability or any damage incurred in connection with Supplier's performance of any work on or about Buyer's premises and shall maintain proper Workmen's Compensation insurance covering all employees performing this Purchase Order. If requested by Buyer, Supplier will furnish certificates of insurance from its insurance carriers evidencing compliance with the foregoing obligation.
6. **DUPLICATION AND USE OF BUYER'S DATA:** For this section "Buyer's Data" means all technical data (including, without limitation, manufacturing, process, test or repair data, know-how, designs, and data describing physical, functional, or performance characteristics), computer software, and all other information and data that (i) has been supplied to Supplier (or any other person) by or on behalf of Buyer, whether transmitted in writing, orally, or otherwise; (ii) Supplier has designed, developed, or created at Buyer's expense; and (iii) all derivatives of (i) and (ii) that Supplier has designed, developed, or created. Supplier may use Buyer's Data only in the performance of work for Buyer. Except for articles or designs incorporated in the Components delivered hereunder which originated with Supplier and which may be completely severed from such Components, Supplier shall not, either during the performance of this Purchase Order or thereafter (i) reproduce or manufacture any Components called for hereunder or any part thereof for any third parties utilizing Buyer's Data except in the performance of Purchase Orders for Buyer or (ii) disclose any Buyer's Data without first obtaining Buyer's written consent. Upon Buyer's request, Supplier shall return all Buyer's Data and any copies thereof to Buyer. If with Buyer's written consent, Buyer's Data is furnished to Supplier's Suppliers or subcontractors for use in the performance of this Purchase Order, Supplier shall (i) insert the substance of this provision in its orders with its Suppliers and subcontractors and (ii) remain responsible hereunder for any breach by such Supplier or subcontractor.

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SUPPLIER TERMS AND CONDITIONS OF PURCHASE**Section D: MATERIALS, TOOLS, EQUIPMENT AND FACILITIES - continued**

7. INTELLECTUAL PROPERTY – (was SUPPLIER’S DISCLOSURES) All unpatented ideas, information, design devices, prints, drawings, and technical information concerning Supplier’s products, methods or manufacturing processes which Supplier discloses or furnishes to Buyer in connection with this Purchase Order shall be, except only to the extent as may be otherwise specifically agreed to in a nondisclosure agreement signed by the authorized representatives of Buyer and Supplier, deemed to have been disclosed or furnished as part of the consideration for this Purchase Order and Supplier agrees not to assert any claims by reason of the use, duplication or disclosure thereof by Buyer and or its successors, assigns or customers. Buyer and its successors and assigns may subject all Components ordered herein to further manufacture, combine them with other articles, sell or put them to any use whatsoever, and Supplier may make no claim for royalties or additional compensation due to such manufacture, combination, sale or use.
 8. EXPORT CONTROL. Supplier shall comply with all applicable import and export control laws and regulations, including, but not limited to, the requirements of the United States Arms Export Control Act, 22 USC 2751-2794, the United States International Traffic in Arms Regulations (“ITAR”) (22 CFR Parts 120 - 130) and the United States Export Administration Act, 50 USC app 2401-2420 (as amended), and all requirements to obtain any and all export licenses, approvals and agreements. Where Supplier holds the design authority for a Component, Supplier shall provide Buyer with export classification data, such as Export Control Classification Number (“ECCN”), Harmonized Tariff Schedule (“HTS”) code or ITAR classification, as applicable.
 9. ASSIGNMENT: No assignment of this Purchase Order, or any duty or right under it, shall be binding upon Buyer unless Supplier first obtains Buyer’s written consent to such assignment. Any attempt to assign or delegate in violation of this section shall be void.
 10. SUBCONTRACTING: Without the prior written consent of Buyer, Supplier shall not subcontract for procurement of all, or any number of the Components covered by this Purchase Order in completed or substantially completed form. Supplier will be responsible for the performance of its subcontractors and Suppliers and any breach or default of any provision of this Purchase Order by any of them shall be deemed a breach or default by Supplier.
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SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section E: TERMINATION

1. Termination for Convenience. Buyer may terminate, for its convenience, this Purchase Order, in whole or in part, by providing written notice to Supplier. Upon receipt of such notice, Supplier shall (i) discontinue all work with respect to that portion of this Purchase Order terminated by Buyer; (ii) place no additional orders or subcontracts for materials or services as to that part of the work terminated; and (iii) take such other reasonable action as may reduce any termination costs due Supplier. In the event Buyer terminates for convenience any Purchase Order, in whole or in part, Supplier's claim shall be limited to (i) an amount equal to the aggregate purchase price of all Components completed prior to the termination within the established lead-times set by Buyer's delivery schedule, and (ii) Supplier's raw materials, work in process, supplies and other material costs (excluding overhead and profit) incurred in the production of any uncompleted Components scheduled for delivery within the established lead-times; provided that such costs under (i) and (ii) cannot be allocated by Supplier to other work. In no event shall termination costs exceed the total purchase price of the Components terminated by Buyer.
2. Termination for Default. Buyer, by written notice, may terminate this Purchase Order for default if Supplier fails to (i) comply with any of the terms of this Purchase Order or these terms and conditions; (ii) make progress so as to endanger performance of this Purchase Order; or (iii) provide Buyer, upon request, with adequate assurance of future performance within the time period requested by Buyer. Supplier shall have thirty (30) days to remedy such failure to the reasonable satisfaction of Buyer following notice from Buyer.
3. Termination for Insolvency. Buyer may terminate this Purchase Order immediately upon written notice to Supplier if Supplier (i) becomes insolvent; (ii) files a voluntary petition in bankruptcy; (iii) executes an assignment for the benefit of creditors; (iv) is adjudicated as bankrupt or insolvent or a receiver or trustee is appointed for Supplier; or (v) Supplier terminates its existence or ceases to do business.
4. Remedies Upon Termination for Default or Insolvency. Any termination for default or insolvency shall be without liability to Buyer except for completed Components delivered and accepted by Buyer prior to such termination. Unless otherwise agreed to in writing by Buyer, any termination of this Purchase Order for Default or Insolvency shall operate as a cancellation of the entire undelivered portions of this Purchase Order, and Buyer shall retain all remedies at law or in equity arising out of the cancellation. Supplier will be liable for damages caused by or resulting from its default including but not limited to excess costs of re-procurement. *Supplier shall grant to Buyer worldwide rights and interest in any proprietary data, patents, copyrights, and know-how required by Buyer to support the continued production of Supplier products by Buyer or a third party selected by Buyer.*

SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section F: LEGALITIES

1. **PATENTS AND PATENT INDEMNITY:** Except when the work hereunder or supplies are manufactured to detailed designs, originated and furnished by Buyer or by a process or method the use of which is specifically directed by Buyer, Supplier guarantees that the goods produced hereunder and the sale, importation or use of them will not infringe any patents and Supplier shall indemnify and save Buyer and its customers harmless from, any expense, loss, cost, damage or liability which may be incurred on account of infringement or alleged infringement of patent rights with respect to such Components and defend, at its own expense, any action or claim in which such infringement is alleged, provided Supplier is notified of such actions or claims against Buyer. In the event of an injunction or restraining order, Supplier shall, at its own expense, either procure for Buyer the right to continue to sell, import and use the Component, or replace or modify the Component so that it becomes non-infringing.
2. **STATUS AS INDEPENDENT CONTRACTOR:** Supplier is an independent contractor and while performing work on or off Buyer's premises, neither it nor any of its agents or employees shall be considered agents or employees of Buyer.
3. **LABOR DISPUTE:** Whenever any actual or potential labor dispute delays or threatens to delay the timely performance of this Purchase Order, Supplier shall immediately give written notice thereof to Buyer. Supplier shall insert the substance of this provision in its orders with its Suppliers.
4. **NON-WAIVER AND REMEDIES:** Any and all failure, delay or forbearance of Buyer insisting upon or enforcing at any time or times, any of the provisions of this Purchase Order, or to exercise any rights or remedies under this Purchase Order shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies in those or any other instances, rather the same shall be and remain in full force and effect. The remedies herein reserved unto Buyer shall be cumulative and additional to any other remedies in law and equity.
5. **GOVERNING LAW:** This Purchase Order and the contract between the parties evidenced hereby shall be deemed made in the State specified in the address of Buyer identified on the face sheets of this Purchase Order and any action arising out of or related thereto, including tort claims, shall be construed and interpreted solely in accordance with the laws of such State disregarding any conflict of law provisions that may require the application of the law of another jurisdiction. The United Nations Convention on Contracts for the International Sale of Goods, 1980, and any successor thereto, shall not apply. Venue and jurisdiction for all legal proceedings of any kind or nature brought to enforce any provisions of these terms and conditions or the Purchase Order shall also lie within the state and county from which Buyer issued the Purchase Order. Pending any prosecution, appeal, or final decision of any dispute, or the settlement of any dispute arising under the Purchase Order or these terms and conditions, Supplier shall proceed diligently, as directed by Buyer, with performance of the Purchase Order. In no event shall Supplier commence any action arising out of the Purchase Order or the contract between the parties later than one year after the cause of action has accrued.
6. **WAIVER OF LIENS:** Supplier hereby waives and relinquishes all liens or claims, statutory or otherwise, which Supplier now has or may hereinafter have as a result of labor performed and materials furnished by Supplier to Buyer in performance of this Purchase Order.

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SUPPLIER TERMS AND CONDITIONS OF PURCHASE**Section F: LEGALITIES - continued**

7. **PUBLICITY:** Supplier shall not use the name of Buyer in any advertising or publicity, nor make any news release, public announcement, denial, or confirmation of this Purchase Order or any part or any phase thereof, without the prior written approval of Buyer.
8. **COMPLIANCE WITH LAW:** Supplier warrants that the performance of any work pursuant to this Purchase Order is and shall, in all respects be in strict compliance with all laws, rules, regulations, ordinances, proclamations, demands, directives, or other legal requirements that now govern or may hereafter govern the manufacture, sale or delivery of the Components contemplated by this Purchase Order including but not limited to any applicable laws relating to basic working conditions and human rights, slavery or human trafficking. Supplier's violation of any applicable laws relating to basic working conditions and human rights, including laws regarding slavery and human trafficking, applicable to Supplier's performance of work pursuant to this Purchase Order, shall be deemed a material breach of this Purchase Order giving Buyer the right to cancel any undelivered portions of this Purchase Orders for cause and Buyer may also exercise any other rights it may have at law, equity or under these terms and conditions for Supplier's breach. Supplier agrees upon request to furnish Buyer with a certificate of compliance relating to any such laws and regulations in such form as Buyer may require. Supplier agrees to indemnify and hold Buyer harmless from any liability arising from any failure of Supplier to comply with such laws and regulations. Supplier agrees to obtain all necessary permits and licenses at its expense.
9. **REGULATORY REQUIREMENTS:** Supplier warrants that, except as agreed in writing by Buyer, none of the chemical substances constituting or contained in the Components sold or otherwise transferred to Buyer under this Purchase Order are "Hazardous Substances" as defined in the United States Comprehensive Environmental Response, Compensation And Liability Act ("CERCLA") or substances on the "Candidate List" or "List for Authorization" greater than 0.1% by weight as defined by the European Chemicals Agency ("ECHA"), as such may be modified from time to time. Supplier acknowledges and agrees that the "Hazardous Substances" and substances on the "Candidate List" or "List for Authorization" requirements are evolving, and Supplier shall use its best efforts to meet such future requirements. Supplier shall deliver Components to Buyer that do not contain any substances banned under such applicable laws, rules or regulations and Supplier agrees to indemnify and hold Buyer harmless from any and all claims, demands, actions, losses, damages, liabilities, costs, and expenses arising from any failure of the Components from complying with such laws, rules and regulations. Failure to comply with the requirements of this section shall be a material breach and grounds for default.

SUPPLIER TERMS AND CONDITIONS OF PURCHASE**Section F: LEGALITIES - continued**

10. In addition to the above requirements, Supplier shall specifically comply with all applicable requirements of European Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorization, and Restriction of Chemicals ("REACH"). In regard to such REACH regulations, Supplier shall fully cooperate with Buyer to fulfill all obligations under the applicable REACH obligations including: (i) Supplier shall deliver Components to Buyer that do not contain any substances banned under such REACH regulations and as such Supplier shall notify Buyer of any REACH substances of very high concern ("SVHC") exceeding 0.1% by weight of the individual component being supplied by Supplier; (ii) Supplier shall submit to Buyer duly completed Material Declaration Forms; (iii) Upon request, Supplier shall provide any and all information showing that Supplier has fulfilled its obligations under REACH; and (iv) Supplier shall comply with the obligations stipulated in REACH related to the identification and/or notification of substances appearing on the Candidate List, or the List for Authorization to the ECHA.
11. The packaging, labeling and shipping of all hazardous substances must conform with all applicable laws and regulations. In addition to the application of proper shipping labels on the outside container, each container of hazardous substances shall be marked with the appropriate precautionary label in accordance with all applicable laws, rules and regulations relating to hazardous substances. Supplier shall supply Buyer with any and all required material safety data sheets ("MSDS") when requested by Buyer.
12. Supplier's compliance with conflict minerals regulations is a material obligation of this Purchase Order. Conflict minerals requirements are defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the SEC rules implementing Section 1502. Supplier shall disclose to Buyer whether any tungsten, tin, tantalum and gold are contained in the Components prior to delivering such Components to Buyer. Furthermore, Supplier represents and warrants that it has adopted policies and established systems to procure tungsten, tin, tantalum and gold only from sources that have been verified as conflict free and agrees to provide supporting data on Supplier's supply chain for tungsten, tin, tantalum and gold to Buyer upon request.
13. If Supplier delivers Components to Buyer that are shipped directly to Buyer where Buyer is the importer of record into the United States and its insular possessions, Supplier agrees to, upon request, complete Buyer's Customs-Trade Partnership Against Terrorism ("C-TPAT") Security Self-Assessment Questionnaire.
14. If this Purchase Order is for a contract or subcontract with the U.S. government, then the following applies: "The Equal Employment Opportunity clauses in Section 202 of Executive Order 11246, Section 503 of the Rehabilitation Act of 1973, and Section 4212 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended, 29 CFR Part 471, Appendix A to Subpart A (EO13496), and the implementing rules and regulations of the Office of Federal Contract Compliance Programs (41 CFR, Chapter 60) are incorporated herein. This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities, and to treat qualified individuals without discrimination on the basis of their physical or mental disability."

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SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section F: LEGALITIES - continued

15. SEVERABILITY: If any of the terms and conditions of purchase herein or this Purchase Order are at any time held to be invalid or unenforceable, such term or condition shall be construed as severable and shall not in any way render invalid or unenforceable the remainder of the terms and conditions which shall remain in full force and effect and, in lieu of the invalid or unenforceable provision, there will be added as part of these terms and conditions of purchase or this Purchase Order one or more provisions as similar in terms as may be valid and enforceable under applicable law.
16. SURVIVAL: All rights, duties and obligations which by their nature should apply beyond the term of this Purchase Order will remain in force after Supplier's completion of this Purchase Order or any termination of performance of this Purchase Order.

17. ENVIRONMENTAL AND SOCIAL GOVERNANCE.

- (a) The Supplier shall consider, maintain and implement robust policies that address environmental and social issues. These policies should include, but are not limited to, measures to reduce environmental impact, such as waste management, pollution prevention, resource conservation, and greenhouse gas emission reduction. Additionally, social policies should cover topics such as labor rights, non-discrimination, fair wages, workplace safety, considerations for climate change effect, and community engagement. These policies must comply with all applicable local, national, and international laws and regulations.
- (b) The Supplier recognizes that Davis Aircraft and our own customers, including interested parties may have an interest and desire to ensure ESG (Environmental, Social, and Governance) topics, programs and processes are in effect to minimize potential environmental impact (climate change, air quality) social issues, and comply with regulatory agency requirements..
- (c) Buyer reserves the right to request documentation and conduct assessments, audits, or site visits to verify the Suppliers adherence to ESG requirements. The Supplier agrees to cooperate fully with any such requests and provide any necessary access or information without any additional costs passed along to the Buyer.

18. Cyber Quality:

The Cybersecurity Maturity Model Certification (CMMC) program rule mandates that all contractors who do business with the DOD and handle Federal Contract Information (FCI) and Controlled Unclassified Information (CUI) must comply with strict cybersecurity standards.

As applicable Davis Aircraft will flow-down CMMC requirements that apply to FCI and CUI and require Suppliers to establish controls to safeguard systems to prevent system hacks and or loss of intellectual property.

SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section G: DoD FLOW-DOWN REQUIREMENT

225.872 CONTRACTING WITH QUALIFYING COUNTRY SOURCES.

225.872-1 General.

(a) As a result of memoranda of understanding and other international agreements, DOD has determined it inconsistent with the public interest to apply restrictions of the Buy American Act or the Balance of Payments Program to the acquisition of qualifying country end products from the following qualifying countries: Australia, Belgium, Canada Denmark, Egypt, Federal Republic of Germany, France, Greece, Israel, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom of Great Britain and Northern Ireland

(b) Individual acquisitions of qualifying country end products from the following qualifying countries may, on a purchase-by-purchase basis (see 225.872-4), be exempted from application of the Buy American Act and the Balance of Payments Program as inconsistent with the public interest: Austria, Finland.

(c) The determination in paragraph (a) of this subsection does not limit the authority of the Secretary concerned to restrict acquisitions to domestic sources or reject an otherwise acceptable offer from a qualifying country source when considered necessary for national defense reasons.

225.872-2 Applicability.

(a) This section applies to all acquisitions of supplies except those restricted by—

(1) U.S. National Disclosure Policy, DoD 5230.11, Disclosure of Classified Military Information to Foreign Governments and International Organizations;

(2) U.S. defense mobilization base requirements purchased under the authority of FAR 6.302-3(a)

(2) (i), except for quantities in excess of that required to maintain the defense mobilization base. This restriction does not apply to Canadian planned producers. (i) Review individual solicitations to determine whether this restriction applies. (ii) Information concerning restricted items may be obtained from the Deputy Under Secretary of Defense (Industrial Affairs);

(3) Other U.S. laws or regulations (e.g., the annual DoD appropriations act); and

(4) U.S. industrial security requirements.

(b) This section does not apply to construction contracts.

SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section G: DoD FLOW-DOWN REQUIREMENT - continued

252.225-7014 Preference for Domestic Specialty Metals.

As prescribed in 225.7002-3(b)(1), use the following clause:

PREFERENCE FOR DOMESTIC SPECIALTY METALS (JUN 2005)

(a) Definitions. As used in this clause—

(1) “Qualifying country” means any country listed in subsection 225.872-1 of the Defense Federal Acquisition Regulation Supplement.

(2) “Specialty metals” means—

(i) Steel—

(A) 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

(B) Containing more than 0.25 percent of any of the following elements: aluminum, chromium, cobalt, columbium, molybdenum, nickel, titanium, tungsten, or vanadium.

(ii) Metal alloys consisting of nickel, iron-nickel, and cobalt base alloys containing a total of other alloying metals (except iron) in excess of 10 percent.

(iii) Titanium and titanium alloys; or

(iv) Zirconium and zirconium base alloys

(b) Any specialty metals incorporated in articles delivered under this contract shall be melted in the United States or its outlying areas.

(c) This clause does not apply to specialty metals—

(1) Melted in a qualifying country or incorporated in an article manufactured in a qualifying country; or

(2) Purchased by a subcontractor at any tier.

(End of clause)

ALTERNATE I (APR 2003)

As prescribed in 225.7002-3(b)(2), substitute the following paragraph (c) for paragraph (c) of the basic clause, and add the following paragraph (d) to the basic clause:

(c) This clause does not apply to specialty metals melted in a qualifying country or incorporated in an article manufactured in a qualifying country.

(d) The Contractor shall insert the substance of this clause, including this paragraph (d), in all subcontracts for items containing specialty metals.

SUPPLIER TERMS AND CONDITIONS OF PURCHASE

Section G: DoD FLOW-DOWN REQUIREMENT - continued

252.223-7999 Ensuring Adequate COVID-19 Safety Protocols for Federal Contractors (Deviation 2021-O0009)

As prescribed in Class Deviation 2021-O0009, Ensuring Adequate COVID-19 Safety Protocols for Federal Contractors, use the following clause:

**ENSURING ADEQUATE COVID-19 SAFETY PROTOCOLS FOR FEDERAL CONTRACTORS
(DEVIATION 2021-O0009) (OCT 2021)**

- a. Definition. As used in this clause –

United States or its outlying areas means—

- (1) The fifty States;
 - (2) The District of Columbia;
 - (3) The commonwealths of Puerto Rico and the Northern Mariana Islands;
 - (4) The territories of American Samoa, Guam, and the United States Virgin Islands; and
 - (5) The minor outlying islands of Baker Island, Howland Island, Jarvis Island, Johnston Atoll, Kingman Reef, Midway Islands, Navassa Island, Palmyra Atoll, and Wake Atoll.
- b. Authority. This clause implements Executive Order 14042, Ensuring Adequate COVID Safety Protocols for Federal Contractors, dated September 9, 2021 (published in the Federal Register on September 14, 2021, 86 FR 50985).
- c. Compliance. The Contractor shall comply with all guidance, including guidance conveyed through Frequently Asked Questions, as amended during the performance of this contract, for contractor or subcontractor workplace locations published by the Safer Federal Workforce Task Force (Task Force Guidance) at <https://www.saferfederalworkforce.gov/contractors/>.
- d. Subcontracts. The Contractor shall include the substance of this clause, including this paragraph (d) in subcontracts at any tier that exceed the simplified acquisition threshold, as defined in Federal Acquisition Regulation 2.101 on the date of subcontract award, and are for services, including construction, performed in whole or in part within the United States or its outlying areas.
- (End of clause)

SUPPLIER TERMS AND CONDITIONS OF PURCHASE**Appendix 1: CERTIFICATES OF CONFORMANCE** [source reference AS9163]**Section A – BASIC REQUIREMENTS**

A1. The following MINIMUM INFORMATION is REQUIRED IN A CERTIFICATE OF CONFORMITY, unless otherwise noted.

- a) Title - CERTIFICATE OF CONFORMITY
- b) Page number;
- c) Certificate number (recommended)
- d) Date;
- e) Organization (external provider) name and address;
- f) Customer name and address;
- g) PO number;
- h) Item number;
- i) Quantity;
- j) Description;
- k) Revision;
- l) Traceability (MFR Lot #, Heat #):
- m) Remarks;
 - e.g. PO exclusions – supply less Heat treat, Plating or
 - e.g. Additional processing to eliminate scale or oxidation that is Supplier performed after completion of PO (heat Treatment) processing (e.g. alloy steel ... powder blast and oil preserve. Titanium – chemical mill or pickle)
- n) Conformity details - Test requirements and results (e.g. Heat Treat Hardness HRC 36-40) ;
- o) Statement of conformity (see A.2 – equivalent options permitted);
- p) Name and signature/stamp of the Supplier individual authorized to release products or services to the customer (digital signatures are permitted);
- q) Country of Origin (recommended);
- r) Customer specification and revision applied (as applicable);
- s) Customer P/N (as PO specified to be included – e.g. Sikorsky P/N)
- t) Authorized customer (Davis Aircraft) approved deviations (should be PO reflected).
- u) Health & Safety (as applicable) ... for chemical sources provide SDS and TDS.

A2. The statement of conformity shall indicate or be equivalent to the following:

It is hereby certified that apart from the deviations, concessions, or waivers noted in "Conformity Details," the product(s)/service(s) detailed above has (have) been manufactured/maintained/reworked/performed/inspected/tested and conform to the applicable specifications, drawings, and purchase order and contract requirements.

SUPPLIER TERMS AND CONDITIONS OF PURCHASE**Appendix 1: CERTIFICATES OF CONFORMANCE** [source reference AS9163]**Section B – COMMON OVERSIGHTS – WHAT TO AVOID**

- B 1. Davis Aircraft will notify Suppliers of a need for improvement and certification issues encountered with the supply of delivered products. The delivery of a product without full and complete documentation (that is both legible, contains required content, and provides a link to supporting documents) can cause delays that prevent Davis Aircraft from processing items for release. These issues delay job starts, prevent us from closing-out receipts and delays authorization to issue payment.

Suppliers are encouraged to:

- a) Review APPENDIX 1 – A & B sections to understand requirements and issues to avoid.
- b) Ensure diligence to provide conforming products and certification documents at time of delivery, that speeds the ability to process and clear receipts to the mutual benefit of internal and external customers.

- B 2. Common certification errors to avoid:

1. Cert missing Davis Aircraft (FD) P/N
2. Cert missing PO imposed customer part number (where applicable – e.g. include Sikorsky P/N)
3. Certs illegible
4. Certs lacking required general content (PO#, P/N, Date, Signature authorized rep).
5. Process certs not included (raw material, heat treat, plating) or missing process parameters - where PO specified (e.g. bake to relieve Hydrogen embrittlement).
6. Cert does not cite the latest specification revision in effect.
7. Shelf-life information incomplete (e.g. expiration date missing)
8. Shelf- life MFR test report/certification missing.
9. Lack of connection from Supplier CofC to sub-tier or MFR process / material certs.
10. Material cert cited does not comply with stated or superseding specification requirement (e.g. AMS spec PO/Drawing specified, while Mill cert lists an ASTM specification instead).
11. Missing required test results or properties.
12. Industry specification required report statements are missing in whole or part (e.g. AMS 2700

END

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