



**Supplier Quality Requirements and Purchase Order Terms & Conditions
Rev. O (04/17/2019)**

The following requirements apply based on the Purchase Order received from ACE

PACKING AND SHIPPING.

1. Supplier shall prepare and package product destined to ACE in a manner to prevent damage and deterioration during shipping.
2. Shipments, as specified in our Purchase Order, shall be in accordance with specified quantities and due dates. It is requested that supplier notify ACE of any anticipated or actual delay.
3. Seller shall not insure collect or 3rd party shipments.
4. Unauthorized insured shipments will result in all shipping charges to be refused and will become the responsibility of the Seller
5. Premium transportation is to be used only when designated/authorized in writing by the buyer/ACE representative.
6. Unauthorized freight charges will be the responsibility of the seller.

SHIPMENT/DELIVERY. Shipments or deliveries, as specified in a ACE Purchase Order, shall be in accordance with the specified quantities and the specified schedules. Supplier is encouraged to notify ACE of any anticipated or actual delay.

ACE FURNISHED MATERIALS. All materials furnished by ACE are to be returned with the product upon completion of the order unless other arrangements have been made.

NON-CONFORMING MATERIAL. For material supplied by ACE, supplier must notify ACE of any nonconforming product and make arrangements for approval if submitting any nonconforming product.

SUBCONTRACTING/APPROVED SUPPLIERS. Any ACE supplier may subcontract work to another supplier provided that ACE is provided with the same rights and protection as stated in the Purchase Order and the ACE Terms and Conditions. Suppliers may only use approved suppliers of ACE and/or its customers.

RIGHT OF ENTRY. Supplier shall allow ACE representatives, ACE customers, statutory and regulatory agencies right of entry into the applicable areas of Supplier's facilities and the entire supply chain to verify all processes and records.

QUALITY. Supplier shall provide and maintain an inspection system which will assure that all delivered products conform to Purchase Order requirements, whether manufactured or processed by the supplier or a sub-tier supplier. Supplier shall maintain controls and perform all inspections and tests required to substantiate product conformance to Purchase Order requirements. If not specified in the Purchase Order, contact ACE for required revision of drawings, specifications, and other requirements. Supplier is required to notify ACE of changes in product and/or process definition to obtain ACE's approval prior to such changes.

INSPECTION AND TEST EQUIPMENT. Supplier shall maintain inspection and test equipment to assure calibration traceable to a known national or international standard. Calibration records must be maintained and made accessible to ACE, if required.

FOREIGN OBJECT DAMAGE. Supplier shall control/prevent foreign object damage or contamination during manufacture, assembly, inspection and/or shipment. The FOD program requirements must be made accessible to ACE upon request.

RECORDS. The Supplier shall maintain records of work performed for ACE. Records shall include the COC provided to ACE as well as records that support the certificate. Records must be available to ACE upon request. Records must be maintained for a minimum of fifteen (15) years. Disposition required is; a) hard copy records – shred, b) electronic/digital files – delete.

OBSOLESCENCE: It is requested that when products are known to become obsolete or superseded, a notice of such shall be communicated to ACE within 180 days.

CERTIFICATIONS. Supplier must ensure that individual parameters within a given specification have been met. Certifications must reflect that all applicable manufacturing and process specifications called for on the engineering drawing have been met.

FIRST ARTICLE INSPECTION. If required by ACE on the Purchase Order, first article inspections are to be recorded on form AS9102, current revision or on a form compliant with AS9102.

CALIBRATION SERVICES ONLY. Calibration of inspection equipment shall be performed traceable to National Institute of Standards and Technology (NIST) or other national or international standards. Certificates of Calibration shall be provided.

CHANGES. Any change to the requirements as stated on the Purchase Order must be approved by ACE prior to acting on those proposed changes.

COUNTERFEIT PARTS PROGRAM.

1. Seller shall have counterfeit avoidance program to prevent introduction of counterfeit product into the supply chain. When supplying EEE parts, the program must be compliant to AS5553 and/or AS6174 if. Supplier is REQUIRED to prevent the shipment of counterfeit/suspect unapproved products to ACE. Seller shall immediately notify ACE if it is aware or suspects that it has furnished counterfeit work.
2. If suspect/counterfeit parts are furnished under this purchase agreement, such items shall be impounded. The seller shall promptly replace such items with items acceptable to ACE and the seller may be liable for all costs relating to impoundment, removal, and replacement. ACE may turn such items over to US Governmental authorities (Office of Inspector General, Defense Criminal Investigative Service, Federal Bureau of investigation, etc.) for investigation and reserves the right to withhold payment for the suspect items pending the results of the investigation.

SUPPLIER RATING REQUIREMENTS. Supplier quality and on time delivery are reviewed at least annually. Suppliers who fall behind 75% on time delivery and have more than 250 ppm rejected may be required to supply action/correction plan in order to stay on the ACE approved supplier list. ACE may request action at any time if supplier falls below either on time delivery or quality requirements.

COMPLIANCE, CONFLICT MINERALS, REACH/RoHS AND SPECIALTY METALS.

1. If the products on a Purchase Order contain the "Conflict Minerals" (tantalum, tin, tungsten and gold), our expectation is that the seller acquire these minerals only from responsible sources. If these minerals are known to be from the Democratic Republic of the Congo or surrounding area, ACE CANNOT accept the parts.
2. Supplier is encouraged to have a due diligence program regarding the Conflict Minerals included in the Dodd-Frank Act.
3. Parts must be in compliance with DFARS 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals.
4. Parts must be in compliance with DFARS 252.225-7001 – Buy American and Balance of Payments Program.
5. Suppliers shall label products which contain or are manufactured with ozone-depleting substances as required by 42 U.S.C. 7671j (b), (c), and (d) and 40 CFR Part 82, Subpart E, with the following as applicable. Warning Contains * _____, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere.
6. Warning Manufactured with * _____, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere.
 - Suppliers shall insert the name of the substance(s).

7. ACE requires products supplied on this purchase order to be in compliance with RoHS Directive 2011/65/EU and REACH regulation EC 1907/2006 before processing. Where applicable, those results MUST be noted on the incoming shipping documentation.

PRODUCT TRACEABILITY. The seller shall maintain a method of item traceability that ensures tracking of the supply chain back to the manufacturer of all parts included in assemblies and subassemblies being delivered per this order. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the product for the seller and shall include the manufacturer's batch identification for the item(s) such as date codes, lot codes, serializations, or other batch identifications.

PURCHASE ORDER PRODUCT TERMS & CONDITIONS.

1. Supplier shall provide and maintain an inspection/verification system which will assure that all delivered products conform to Purchase Order requirements. Supplier shall maintain controls and perform all inspections and tests required to substantiate product conformance to requirements.
2. Latest revision of product required if a revision level is not called out, and that revision level must be indicated on shipping document and C of C. This does not apply to commercial products.
3. To ensure product performance, reliability, and quality the supplier shall notify ACE of any non-conformities or changes in product definition that would affect this material.
4. **Shelf life products must be provided with at least 85% of shelf life remaining, unless otherwise noted on Purchase Order.**
5. If products are ITAR regulated, ACE must be notified in writing before shipment.
6. Once accepted, please acknowledge this PO via fax or email promptly.
7. No reworked, refurbished, or overhauled product will be accepted.

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EXPORT COMPLIANCE REQUIREMENTS. If any products on this purchase order are controlled by ITAR (22 CFR 120-130) or EAR (15 CFR 730-774), seller shall provide that information including Export Control Classification Numbers, HTS, and Schedule B numbers. Seller agrees to abide by all U.S. import and export laws and regulations.

PERSONNEL COMPETENCY. ACE may specify specific qualification for personnel performing work related to the details of the Purchase Order provided. The supplier should be ready to provide evidence of this to A.C.E. if requested.

PERSONNEL COMMUNICATION. Supplier is required to communicate with their personnel regarding the following:

- Their contribution to product or service conformity to requirements
- Their contribution to product safety
- The importance of ethical behavior

FAR CLAUSES

FAR 52.204-23 Prohibition on contracting for hardware, software, and services developed or provided by Kaspersky Lab and other covered countries.

Hardware (or components of), Software (or components of), or service developed or provided in whole or in part by a Kaspersky Lab, successor entity to Kaspersky Lab, entity that controls, is controlled by, is under common control with Kaspersky Lab, or an entity of which Kaspersky Lab has a majority ownership is not allowed under this contract. If any escapes of this clause are found after delivery, a notice must be sent to the quality manager (email at the bottom of this document) within 1 day. This must be flowed down to any subcontractors utilized for this contract.

FAR 52.222-50 HUMAN TRAFFICKING AND THE CALIFORNIA TRANSPARENCY IN SUPPLY CHAINS ACT

Aircraft & Commercial Enterprises requires its suppliers and manufacturers within its supply chain to report any human trafficking or slavery acts. A.C.E. does not have a verification process and we do not hire any third-party auditors.

A.C.E. has zero tolerance for any employee or representative engaging in any conduct that would facilitate any trafficking in persons.

A.C.E. requires its suppliers and manufacturers to comply with laws regarding trafficking and slavery in the country or countries in which they do business.

A.C.E. provides company employees and management with training on human trafficking and slavery with respect to mitigating risks within the supply chain.

If there are any questions, please direct to Steve Langholz (steve@aircoment.com) (316)788-0400