

Purchase Order Provisions

Standard Clauses S1 through S18 are incorporated as part of all Capewell Purchase Orders. Other clauses (A1 through R5) may be imposed as additional requirements of a Purchase Order. In case of any conflict with this document and any other requirements, the order of precedence is as follows:

1. Capewell Purchase Order
2. Drawings, Specifications, and or Electronic Files
3. This document.

S1. Flow Down Requirements - All applicable requirements that are invoked or applied to the customer's purchasing document, including this clause, shall be flowed down to the supplier's sub-tier suppliers

S2. Rights of Access - Work under this Purchase Order is subject to Government or Customer surveillance/inspection at Supplier's plant or sub-tier supplier's facility. The Supplier will be notified if a surveillance/inspection is to be conducted.

S3. Quality System - Supplier compliance and/or certification to AS9100, ISO9001, ISO 17025, or equivalent recognized quality management system is preferred, but not mandatory. At a minimum there shall be adequate process controls to ensure the Supplier can meet Capewell's Purchase Order requirements.

S4. Suspension of Contract Deliveries - Evidence of unacceptable Quality Procedures may result in suspension of contract deliveries pending demonstration of appropriate corrective actions

S5. Nonconforming Material - Capewell retains all Material Review Board authority. Material which fails to meet the requirements of applicable drawings, specifications, etc., referenced on the Purchase Order shall not be shipped without prior written approval of Capewell. Use-As-Is and Repair dispositions on subject deliverable nonconforming material must be approved in advance by Capewell. A copy of the approval shall be enclosed with each shipment made against the P.O.

S6. Supplier Reporting - The Supplier shall provide for timely reporting of nonconformities that may affect already delivered product. Notification shall include a clear description of the discrepancy, identification of suspect parts (to include manufacturing dates, serial numbers, quantity, etc.) and material affected by the deficiency, dates delivered, and any information to the root cause/corrective action steps initiated to address the defective condition and to prevent recurrence.

S7. Packaging/Preservation Not Specified - When specific packaging is not referenced in the Purchase Order and/or drawing, the supplier shall package articles and/or materials in such a manner as to prevent damage during shipment and subsequent storage at Capewell.

S8. Foreign Object Control - The Supplier shall have sufficient Foreign Object controls within their facilities/operations to prevent Foreign Objects from entering into the product.

S9. Receiving Inspection -Material shipped against this Purchase Order is subject to Receiving Inspection at Capewell.

S10. General Workmanship - Unless otherwise specified (i.e. drawing requirements, specifications, Purchase Order) material shipped against this Purchase Order shall be free of dents, gauges, burrs, scratches, sharp edges, foreign matter, or any other evidence of poor workmanship standards that shall create a condition that renders said part unsatisfactory for its intended use. Additional requirements are defined in the terms and conditions section of Capewell's Purchase Order.

S11. Purchase Order Change Control - Purchase Order changes that affect the requirements defined in the Purchase Order shall be formally communicated from the Supplier to Capewell via a Purchase Order change request, and from Capewell to the Supplier via a purchase order change.

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S12. Product and Manufacturing Change Control - No change in specification, materials or manufacturing process that may affect fit, form and function is allowed to items on this order without prior written notification to Capewell.

S13. Certificate of Compliance (C of C) – The Supplier shall furnish certification that product shipped complies with all requirements of the Purchase Order, drawings, and specifications. The certificate shall state:

1. Supplier's name and address
2. Manufacturer's name and address (if different from Supplier)
3. Date certificate is issued
4. Capewell Purchase Order Number
5. Identification of Material by serial number, lot numbers, production date or other identifiable means.
6. Description of material
7. Drawing /specification number and revision
8. A statement certifying that all materials used are in accordance to the applicable specifications, all prescribed processes have been met and all inspections and test were successful and passed.
9. Signature and title of Supplier's authorized Quality Representative

S14. Certificate of Compliance -Raw Materials – The Supplier will include with each shipment the raw material manufacturer's test report (e.g., mill test report) that states that the lot of material furnished has been tested, inspected, and found to be in compliance with the applicable material specifications. The test report will list the specifications, including revision numbers or letters, to which the material has been tested and/or inspected and the identification of the material lot to which it applies.

When the material specification requires quantitative limits for chemical, mechanical, or physical properties, the test report will contain the actual test and/or inspection values obtained. For aluminum mill products (except castings), certifications for chemistry may indicate compliance within the allowed range. Certifications for physical properties will show actual values.

When supplier provides converted material produced by a raw material manufacturer, the supplier shall submit all pre and post conversion chemical / physical tests reports.

S15. Certificate of Manufacturing Date - A certificate is required for shelf life of age/environmental sensitive materials submitted. Any product, substance or material that has a limited life shall have a minimum of 90% of its certified shelf life remaining upon delivery to Capewell. The limited life period shall be identified on the product or support documentation. A Material Safety Data Sheet (MSDS) is to be provided with each shipment of product.

S16. Record Retention - The Supplier shall maintain records for review by Capewell or Customer/Regulatory Agency for a minimum of seven (7) years from the date of delivery of product to Capewell. Records shall include, but not be limited to:

- Evidence of inspection to assure adherence to applicable drawings or specifications and revisions
- First Article Inspection Report
- Test Reports
- Periodic inspection and control of inspection media
- Records to indicate control of Special Tooling and Special Test Equipment
- Test data records of all qualification and acceptance test performed
- Certification of personnel as required by specification and/or contract
- Raw Material and Process certifications
- Material Review Reports

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S17. Material Lot Control, and Traceability - Material on this purchase order requires material lot control, and traceability. Manufacturing lots shall be traceable and identified to manufacturing documents. Lot date codes, manufacturing lot numbers, or unique job numbers are acceptable means of identification and must be referenced on certification of compliance and traceable to the supplier's manufacturing documents. Lot date codes shall not exceed three years from date of manufacture. As applicable, for assemblies and subassemblies, lot date codes shall not exceed three years from date of assembly.

S18. Change Control Authority - No change in specification, materials or manufacturing process that may affect fit, form and function is allowed to items on this order without written approval from Capewell.

Additional Purchase Order Provisions

These Clauses apply if specifically referenced in the Purchase Order.

A1. Supplier Inspection Data – The Supplier shall provide their Inspection data with each delivery.

A2. First Article Inspection - The Supplier is required to complete a First Article Inspection to verify compliance to all product requirements and specifications. The Supplier shall provide the results to Capewell at time of shipment (Note: AS9102, First Article Inspection, shall be used as guideline):

- a. The first article unit may be one item or a representative sample from the initial lot, batch, run, or the first 10 units produced from production tooling for this Purchase Order.
- b. The First Article Inspection shall provide supporting data to verify 100% of the product drawing requirements, specifications, and notes.
- c. The First Article Inspection shall consist of all records and inspection/test data related to build history, failures, repairs, acceptance test results, and other pertinent configuration documentation.
- d. Capewell reserves the right to witness the First Article Inspection at the Supplier's facility.

A3. First Piece Inspection - The Supplier shall provide first piece dimensional inspection data. The first piece shall be from the initial lot, batch, or run. 100% of the dimensions shall be measured as part of the first piece inspection. Data sheet shall depict dimension, tolerance, and actual measurement (with variables data recorded), and be traceable to the Capewell part number and revision. First piece inspection data shall be sent to Capewell at least once for each Purchase Order. Subsequent Purchase Orders shall require another first piece inspection datasheet. Any revision changes to a drawing that affect any dimensions shall necessitate additional first piece inspection data for an open Purchase Order.

A4. Critical/Key Dimensions Inspection - The supplier shall provide critical/key dimension inspection results with each shipment. Critical/Key dimensions are identified either on the drawing or as part of the Purchase Order notes. Data shall be supplied on 100% of the identified dimensions, to a 1% AQL of the production lot.

A5. Inspection and Test Plan: The Supplier shall submit an Inspection and Test Plan to Capewell. Changes are not allowed to the Inspection and Test Plan without approval from Capewell. The Inspection and Test Plan should include the following:

- a. A flow chart that includes a brief word description of the type of operation, inspection or test performed at the steps provided in the chart.
- b. An identification of the applicable test procedure numbers, process specifications, or other documents utilized in the performance of operations listed.

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B1. Government Source Inspection (GSI) –U.S. Government Source Inspection (GSI) is required prior to delivery to Capewell. Upon receipt of this Purchase Order, promptly notify the U.S. Government representative who normally services the Supplier's plant, in order that the U.S. Government representative can accomplish appropriate planning for conducting Government Source Inspection at the Supplier's facilities. If the Supplier cannot locate the U.S. Government representative to arrange for the required Source Inspection, the Supplier shall notify Capewell immediately. Upon request, the Supplier shall make available to the U.S. Government representative any measuring and test equipment, facilities, records and personnel to facilitate the U.S. Government Source Inspection.

B2. FAA Source Inspection - During the performance of this order, your quality control or inspection system and manufacturing processes are subject to review, verification, and analysis by the Federal Aviation Administration (FAA). FAA inspection or release of product prior to shipment is not required unless you are otherwise notified.

C1. Certificate of Compliance (C of C) Calibration - The Supplier shall submit for each item calibrated, one reproducible record of actual calibration results, including applicable graphic and tabular data. Records shall be traceable to the individual item tested, by part number, serial number and Capewell's Purchase Order number for the item shipped. The Supplier's calibration certificate shall include a unique calibration tracking number, tolerance range, and environmental conditions at the time each parameter was calibrated. The certificate shall also state the operating error per specification, the degree of correction of out of tolerance condition and remaining uncorrected out of tolerance condition, if applicable.

C2. Special Process Certification - Articles on this Purchase Order require special processes such as, but not limited to: soldering, painting, welding, heat-treating, electroplating, anodizing, chemical films, or nondestructive testing. These processes shall be validated by the Supplier and under proper process controls to ensure conformance to product and process specifications/parameters. The Supplier shall furnish certification to the processes (include process specification number, type, class, color, etc.). See Standard Purchase Order Clause S13 for the contents of a C of C.

C3. Nondestructive Inspection (NDI)/Nondestructive Test (NDT) Certification - The Supplier shall furnish with each shipment, and affixed to the product/material, a copy of the NDI/NDT certification for materials requiring any of the following non-destructive tests/inspections (see Purchase Order for NDI/NDT requirements):

- Penetrant
- Ultrasonic
- Magnetic Particle
- Radiographic
- Eddy Current

D1. Electrostatic Discharge (ESD) Handling and Package Control – The supplier is required to provide ESD protection as identified by the specification or drawing on this Purchase Order. The Supplier shall have documented procedures for protection of ESD sensitive devices during all phases of manufacture, handling, packaging, testing, storage, and shipment. The supplier's ESD program shall be in accordance with MIL-STD-1686, MIL-HDBK-263, ANSI/ESD-20-20, or Capewell approved equivalent. An ESD identification label shall be affixed to each package noting "ESD SENSITIVE."

D2. Electrical and electronic components – The supplied product shall have manufacturer lot date code identification and shall be packaged to provide segregation to assure traceability to unique lot codes and quantities can be maintained.

E1. Calibration System - The supplier shall have a documented calibration system that meets the requirements of ISO 17025, "General Requirements for the Competence of Testing and Calibration Laboratories", or the American National Standard Institute (ANSI)/National Conference of Standards Laboratories (NCSL) Z540-1, "General Requirements for Calibration Laboratories and Measuring and Test Equipment"

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F1. FAR/DFARS Flow Down - This order is issued under a United States Government Department of Defense (DoD) prime contract or subcontract, and the regulations of the below identified clauses set forth in the Federal Acquisition Regulations (FAR) or DOD FAR Supplement (DFAR) in effect on the date of this order are incorporated herein by reference, it being understood that as used therein, the terms "Government" and "Contracting Officer" shall be deemed to mean buyer, "Contractor" means seller, and "Contract" means this Purchase Order or subcontract. The identified requirements also apply to the supplier's sub-tier suppliers and sub-contractors.

F2. SPECIALTY METALS - DFARS 252.225-7014 (BERRY AMENDMENT) - The Contractor/Supplier shall include (flow down) to all their suppliers of specialty metals as defined by DFARS 252.225-7014. DOD's interpretation of this specialty metals clause is that it prohibits the contractor (including its suppliers at every tier) from incorporating into military parts, components, and/or end item deliverables "specialty metals" which have been melted outside the United States, its possessions, or Puerto Rico, unless certain limited exceptions set forth in the clause or DFARS Subpart 225.7002-2 apply. One such exception is for specialty metals melted in a qualifying country or incorporated into an article manufactured in a qualifying country. Those countries are listed at DFARS 225.872-1(a) or (b).

Suppliers must maintain raw material certifications / proof of compliance on file and provide them upon request within 5 business days

F3. BUY AMERICAN ACT - FAR 25.102 is hereby imposed.

- (a) The Buy American Act requires that only domestic end products be acquired for public use, except articles, material, and supplies--
- (1) For use outside the United States;
 - (2) For which the cost would be unreasonable, as determined in accordance with 25.105;
 - (3) For which the agency head determines that domestic preference would be inconsistent with the public interest;
 - (4) That are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities, of satisfactory quality (see 25.108); or
 - (5) Purchased specifically for commissary resale.
- (b.) Unless agency regulation prescribes otherwise-
- (1) The contracting officer may make a non availability determination under 25.102(a)(4) for an acquisition if--
 - (i) The acquisition was conducted by full and open competition;
 - (ii) The acquisition was synopsisized under 5.201; and,
 - (iii) No offer for a domestic end product was received; or
 - (2) The head of the contracting activity or designee may make a non-availability determination under 25.102(a)(4) for any circumstance other than that specified in paragraph [h (b)(1) of this section.

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F4. ITARS COMPLIANCE - The information contained may be subject to International Traffic Arms Regulations (ITAR) or Export Administration Regulations (EAR) Controls and may not be disclosed to any foreign person(s) or firm, including persons employed by or associated with your firm, without first complying with all requirements of the ITAR, 22 CFR 120-130 and the EAR, 15 CFR 730-774.

CAPEWELL Suppliers are hereby notified of the following International Traffic in Arms Regulations (ITAR) Compliance Requirements.

- In accordance with 22 CFR §122.1 (a), persons who engage in the United States in the business of either manufacturing or exporting defense articles or furnishing defense services are required to register with the U.S. Department of State, Office of Defense Trade Controls and apply for export authorization prior to exports of controlled hardware, technical data, software and services.

Manufacturers of defense articles who do not engage in exporting must also register.

- A Defense article is a commodity, including software that is specifically designed, developed configured adapted or modified for a military application.
- Capewell Suppliers are notified that as they are manufacturing articles for CAPEWELL, **they are manufacturing defense articles** and must be registered with the U.S. State Department. The Supplier must also maintain that registration for the duration of their business relationship with CAPEWELL. Information regarding registration may be found at www.pmdtc.org.
- Capewell Suppliers are also notified that any technical data (i.e. specification, drawings, etc.) provided by CAPEWELL is considered to be export controlled and **may not be provided to any foreign person*** in the Supplier's employ without specific prior export authorization from the Department of State, Office of Defense Trade Controls Licensing (ODTCL).

* Foreign persons are person who are not 1) U.S. Citizens, 2) U.S. Permanent Resident Aliens (Green Card Holders), or 3) Protected Persons (Refugees).

- Capewell Suppliers may also not provide any of the export controlled technical data provided by CAPEWELL to foreign suppliers or affiliates, regardless of the nature of the relationship to the U.S. supplier, for any reason, without prior specific export authorization secured from the ODTCL.
- Capewell Supplier is also notified that it may not transfer any export controlled technical data provided by CAPEWELL to any U.S. sub-contractor/vendor without first notifying the subcontractor/vendor of the export compliance requirements as stated above.

By this notification, you as a Capewell supplier have been so advised of its compliance obligations under the ITAR.