

## STANDARD TERMS AND CONDITIONS FOR PURCHASE

1. **DEFINITIONS:** "Order", "purchase order" or "contract" means any agreement between BANDY and the Seller for the supply of goods and services; the "goods" means the subject matter of the orders and includes services; "Seller" or "Supplier" means the contracting party with whom the order is placed; "Government" means the United States Government or any department or agency thereof.
2. **SCOPE OF WORK/ACCEPTANCE.**
  - 2.1. **Scope of Work.** The Supplier is required to perform only the requirements listed in the body of the purchase order and covered by these terms and conditions. The Supplier will not be required to perform any processes not specifically mentioned. If a Supplier is not able to meet the contractual obligations of this purchase order, it has **3 days** to notify BANDY from its issuance; otherwise BANDY will consider the purchase order accepted by the Supplier per Paragraph 2.2 below.
  - 2.2. **Acceptance of BANDY's Offer.** Any purchase order issued by BANDY to any Supplier is an offer by BANDY, which becomes binding on the terms contained therein and herein when it is accepted by Supplier. Supplier will be deemed to have accepted such offer on BANDY's terms if Supplier commences working on the goods or providing the services, or ships the goods, which are the subject of the purchase order, if Supplier issues a written order acknowledgement or if the Supplier has not notified BANDY within time specified of any conflicts. Any acceptance by Supplier of a purchase order is limited to acceptance of the express terms of the purchase order, specified BANDY Purchase Order Requirements or other documents incorporated in the purchase order by reference, and these Terms and Conditions and Schedules A and B attached hereto.
  - 2.3. **Attempts to Alter Terms Rejected.** Any attempt by Supplier to alter the terms offered by BANDY, or to propose additional terms, will be considered invalid and rejected by BANDY unless BANDY specifically accepts in writing such alterations. The altered or additional terms proposed by Supplier and deemed rejected by BANDY hereby will be considered a material alteration of BANDY's offer, and BANDY's offer will be deemed rejected by Supplier without such altered or additional terms.
  - 2.4. **Prior Offer by Supplier.** If any purchase order issued by BANDY to Supplier is deemed to be an acceptance of a prior offer by Supplier, BANDY's acceptance of such prior offer will be deemed limited to the Terms and Conditions contained herein and in the purchase orders issued by BANDY. In such cases, any other terms deemed to be part of Supplier's offer will be deemed material and rejected by BANDY; but such rejection by BANDY will not be deemed to operate as a rejection of Supplier's offer unless the rejected terms are those of price or quantity.
3. **PACKING, MARKING AND SHIPPING.** . The Supplier shall follow all applicable transportation regulations and good commercial practice for protection to preserve, package and contain shipments in order to prevent deterioration and damage during shipping. For hazardous materials, the Supplier shall follow applicable Federal, state and local laws and regulations for the packaging, labeling, transportation and shipping of such items. BANDY specific instructions for packaging and shipping shall be flowed down in the purchase order as needed. The use of newsprint for packaging is prohibited. Damage resulting from improper packing or shipping will be charged to the Supplier.
4. **INVOICING, PAYMENT TERMS.**
  - 4.1. **Invoicing.** All invoices are to be sent to BANDY at the address stated in the purchase order. In order to be considered for payment, each invoice must show the relevant BANDY purchase order number, itemize any taxes to be paid by BANDY, contain line item number from the BANDY purchase order, description, unit price, quantity and extended price, if any; and contain the name of the person requesting the material or service, if requested by BANDY. If requested by BANDY, the written notification contain Supplier's certification that all goods and services reflected therein were produced and supplied in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the U.S. Department of Labor issued there under.
  - 4.2. **Delays for Non Compliance.** Failure to comply with invoice requirements outlined herein may result in a delay in payment by BANDY and a postponement of the due date until such a time that Supplier has remedied such non-compliance.
  - 4.3. **Offset, Withholdings.** BANDY may offset against any amounts due under Supplier's invoices: (a) any damages resulting from Supplier's default under or breach of any contract (including any purchase order and these Terms and Conditions); (b) any amount owing from Supplier to BANDY; or (c) any adjustment for shortage or rejection and any costs occasioned thereby. In the event that BANDY becomes aware of potential violation of any governmental law, regulation or order or contractual obligation by Supplier in relation to its performance hereunder, BANDY may withhold, without liability or interest, any payment due hereunder associated with matters relating to such potential violation, pending investigation and resolution of such potential violation.
  - 4.4. **Payment Terms.** Unless otherwise provided under the applicable purchase order or written agreement between BANDY and Supplier, payment terms shall be net sixty (60) calendar days. The term of any payment provided for in the purchase order, and all discounts related thereto, shall be calculated from (i) the date the items are received, (ii) the date the items are scheduled to be received, or (iii) the date an acceptable invoice is received, whichever is latest.
  - 4.5. **Payment Date, Discounts.** If, in its discretion, BANDY accepts any shipment ahead of schedule, BANDY may make payments therefor on the basis of the scheduled delivery date. The date for the calculation of BANDY's entitlement to take a discount under any Supplier invoice will be the date materials acceptable to BANDY are delivered, or the date an acceptable invoice is received, whichever is the later.
  - 4.6. **Taxes.** All prices indicated in purchase orders include all applicable taxes, impositions including but not limited to import and export duties and other similar charges, unless specifically indicated otherwise in such purchase order.
5. **DELIVERY.** Delivery shall be Delivered Duty Paid (DDP) Incoterms® 2010 at BANDY's designated place of delivery stated on the purchase order.
  - 5.1. Supplier will deliver acceptable goods and services in strict conformity with any delivery schedule set forth in any purchase order, subject to any delays as a result of any force majeure, or other circumstance or event beyond the reasonable control of Supplier. Supplier will bear the cost of any normal (except to the extent explicitly specified otherwise under the relevant purchase order) or extraordinary (in any case) shipping charges necessary to meet the delivery schedule specified in any purchase order.
  - 5.2. The purchase order delivery schedule and quantities are to be strictly adhered to. Supplier will not deliver any goods or render any services in advance of the schedule specified in the relevant purchase order, and will not order materials or services necessary for delivery of goods or rendering of services to BANDY in advance of Supplier's normal and reasonable order requirements ("flow-time"). Any goods delivered to BANDY in advance of schedule may be returned by BANDY to Supplier at Supplier's cost, and will be stored by Supplier at Supplier's cost. Any deviation from the delivery schedule and/or delivery quantities may result in the complete or partial return of the delivered product. Further, any delivery containing less than the scheduled delivery quantity may have payment withheld until the balance of the parts are delivered.

- 5.3. At BANDY's option and sole discretion, should Supplier fail to deliver any goods ordered under an Order by BANDY within the delivery date for reasons other than those set forth in Section 28 (Force Majeure), in consideration of the difficulties in calculating the damages which any such delay would cause to BANDY, Supplier shall pay to BANDY, as liquidated damages, a sum equal to one-half percent of the price of the delayed goods for each complete day of delay or, if greater, any amount of liquidated damages BANDY owes to its customer as a result of Supplier's failure to timely deliver. The total amount to be paid by the Supplier to BANDY as liquidated damages shall not exceed twenty percent of the price of the delayed good(s).
6. **MOST FAVORED CUSTOMER.** Supplier warrants that it will not charge BANDY more for any goods or services, or any item thereof, than it charges any other customer for such goods or services. Supplier will adjust prices upon discovery of any amounts paid by BANDY, which reflect a breach by Supplier of the immediately preceding sentence and refund any excess payments made by BANDY. BANDY or its representatives may at any time audit all pertinent books, records and files of Supplier in order to verify compliance with this paragraph.
7. **INSPECTIONS**
- 7.1. **Right to Inspect.** All goods and services ordered by BANDY pursuant to any purchase order are subject to inspection before or after receipt by BANDY, notwithstanding the earlier passing of title to BANDY, or any prior payment by BANDY, or any prior inspection of any type. BANDY's inspection may, in its sole discretion, include physical, visual and/or mechanical review, as well as any documentation necessary to substantiate the meeting of quality requirements or specific requirements set forth in the purchase order.
- 7.2. **Correction, Rejection.** If any goods and services are in BANDY's reasonable business judgment defective in material or workmanship or not in conformity with the drawings, specifications, samples or other requirements of the relevant purchase order, BANDY shall notify Supplier. If Supplier fails to correct the defect or non-conformity within a timeframe appropriate to support BANDY manufacturing needs after such notice or is unable to correct the defect or non-conformity, BANDY may, in addition to any other rights under the purchase order, these Terms and Conditions or otherwise, correct or have corrected the defect or nonconformity at Supplier's expense. Rejected goods may be returned by BANDY to Supplier at Supplier's risk and expense, including without limitation all costs (including BANDY's personnel costs) of unpacking, examining, repacking and reshipping, and transportation of, such goods.
- 7.3. **Right of Recovery.** In addition to any other rights it may have under the relevant purchase order, these Terms and Conditions, or otherwise, BANDY may recover any and all costs, expenses and damages paid, incurred or suffered as a result of or relating to holding, returning, replacing, correcting or rejecting defective or nonconforming goods or services to the extent that such costs, expenses or damages resulted from Supplier's action or inaction. BANDY may, at its discretion, invoice or debit the Supplier's account in the amount of all such costs incurred.
- 7.4. **On-site Inspection.** Work performed under any BANDY purchase order is subject to inspection at Supplier's plant by authorized representatives of BANDY, BANDY's customers or their customers or any governmental entity asserting authority or jurisdiction, or, in the case of a government contract, the government, during normal business hours upon reasonable prior notice to conduct inspections and tests of any finished or unfinished products subject to any BANDY purchase order. Supplier will make available its facilities to accommodate the safety and reasonable convenience of such representatives. Supplier will include a like provision in its subcontracts issued in conjunction with any BANDY purchase order. When reasonably requested upon reasonable prior notice, representatives of Supplier will accompany BANDY, its customers or their customers or the government to Supplier's subcontractor's facilities for such inspection and testing, at no additional cost to BANDY or BANDY's customer.
- 7.5. **Right of Entry.** BANDY and its customers, subcontractors and regulatory agencies shall be allowed entry and are hereby authorized to enter into the premises of the Supplier to inspect and otherwise verify the quality of work, records and material at any place including the Supplier and Supplier's subcontractor manufacturing facilities. Supplier must coordinate any such entry with BANDY's Purchasing Department.
- 7.6. **No Waiver.** The inspection, review or approval by BANDY of any work, or of any drawing, design or other document, will not be deemed to relieve Supplier of any of its obligations under any purchase order or constitute a waiver of any defects or nonconformities. The acceptance by BANDY of any goods or services under any purchase order will not be deemed to limit or affect any warranty or right of indemnity granted by Supplier under such purchase order, these Terms and Conditions or otherwise.
8. **CHANGES**
- 8.1. **Changes and Adjustments.** BANDY may at any time, by written order (and without notice to sureties), make changes within the general scope of any purchase order in any one or more of the following: (i) drawings, designs, specifications or other technical documents; (ii) quantity, (iii) time and place of delivery; and (iv) delivery schedules. Without limiting the foregoing, BANDY may at any time and from time to time modify its Shipping Packing, and Marking Instructions or the Invoicing Instructions contained above by delivery of a revised version thereof to Supplier. Supplier will implement any such changes; provided, that if any such change causes an increase or decrease in the cost of or time required for performance of any work under a purchase order, an appropriate adjustment in the price and/or delivery schedule will be agreed to by BANDY and Supplier. Notwithstanding the foregoing, no adjustment to the benefit of Supplier will be made: (a) for any change to delivery schedule when delivery is rescheduled within twelve (12) months of the originally scheduled delivery date; or (b) for any change made necessary by reason of defects or nonconformities for which Supplier would be liable under the terms of the order and these Terms and Conditions or otherwise; or (c) for any change to delivery schedule if the amended delivery schedule is commensurate with any delivery schedule changes received by BANDY from its customer. Any claim by Supplier for adjustment will be made in writing within twenty (20) days from the date the change was ordered by BANDY, and will set forth the amount claimed and the reasons therefore. Upon prior written request and subject to BANDY maintaining the confidentiality thereof, Supplier will make available its books and records for BANDY's examination to allow BANDY, its authorized representatives and its customers (including the government if this is a government contract) to verify any claim for adjustment by Supplier. If BANDY and Supplier are unable to agree upon an adjustment in the event of any change directed by BANDY, the matter will be resolved in accordance with the dispute resolution procedures set forth in the Paragraph of these Terms and Conditions entitled "Dispute Resolution." Pending resolution of any such adjustment, Supplier will diligently pursue the performance of the order as changed. Notwithstanding the above, if BANDY enters into an agreement with a customer, which provides for no cost increase as a result of changes to delivery or work schedule, this same provision will apply to any purchase order(s) issued hereunder to the Supplier.
- 8.2. Changes may be asserted for only if the recurring and/or nonrecurring is equal to or greater than three (3) percent of the then current unit price. Price changes are on a per claim basis and cannot be combined.
- 8.3. **Authority to Order Changes.** Changes may be ordered by BANDY only in writing issued by an authorized representative of BANDY's Purchasing Department, which expressly states that it constitutes a change to a specified purchase order. If Supplier believes that any other conduct has constituted a change under an order, it will notify BANDY immediately in writing as to the nature of such conduct and its effect upon Supplier, but will take no steps to implement a change absent written direction from an authorized representative of BANDY's Purchasing Department consistent with the preceding sentence.
9. **SUSPENSION OF WORK.** BANDY may, at any time, by written stop-work order to Supplier, require Supplier to stop all, or any part, of the work called for by a purchase order for a period of 90 days after the order is delivered to Supplier, or longer in the event of a design change or if BANDY receives a stop-work order from its customer, and for any further period to which the parties may agree. Upon receipt of the order, Supplier will immediately take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within the indicated 90-day or other longer period, BANDY will either (i) cancel the stopwork order, or (ii) let such stop-work order expire, or (iii) terminate the work covered by the stop-work order either for default if BANDY has given notice of such default to Supplier and Supplier has had a reasonable period of time to correct

such default or for convenience as set forth in the Paragraph below entitled "Termination For Convenience", in accordance with these Terms and Conditions and the relevant purchase order. Upon cancellation or expiration of a stop work order, the Supplier shall immediately resume work under the affected Purchase Order. If a stop work order is cancelled or allowed to expire, and the suspension effected thereby has a material effect on Supplier's costs or ability to meet the purchase order's delivery schedule, BANDY will make an adjustment in the delivery schedule or purchase price (but with no increase in profit allowed), or both, and the purchase order will be modified accordingly, but only if requested by Supplier in writing within thirty (30) days after the suspension ends.

10. **WARRANTIES.** Supplier warrants to BANDY that all goods and services furnished to BANDY will conform to applicable specifications, instructions, drawings, blueprints, data, samples and any other descriptions, will be of good material and workmanship and free from defects, including defects in design where design is Supplier's responsibility, and will be free from all liens and encumbrances, and will be new, merchantable and fit for the purpose intended. All warranties will survive inspection, test and acceptance of and payment for the relevant goods and services. This warranty shall be for a period sixty (60) months, unless a different term is stated in prevailing contract documents. .
- 10.1. This warranty shall run to BANDY and its successors, assigns and customers. This warranty shall begin after BANDY's final acceptance. BANDY may, at its option, either (i) return for credit or refund, or (ii) require prompt correction or replacement of the defective or non-conforming goods. Supplier will bear all direct and indirect costs associated with Return to Supplier of defective or non-conforming goods and redelivery to BANDY and its customers of corrected or replaced goods, all of which shall be at Supplier's expense. Supplier shall be liable for all costs of inspecting, assessing, gaining physical access to, and removal and reinstallation of any installed non-conforming goods or services or adjoining goods at BANDY or BANDY's customer. BANDY may, at its discretion, invoice or debit the Sellers account in the amount of the warranty costs incurred.
- 10.2. Deliveries of corrected or replaced goods or services shall be accomplished promptly and shall be accompanied by written notice specifying that such goods or services are corrected, repaired or replaced. BANDY's remedies with respect to this warranty shall not be limited, restricted or disclaimed in whole or part by any other terms or conditions. BANDY retains all its rights at law and in equity for Supplier's breach of warranty.
- 10.3. Goods required to be corrected or replaced shall be subject to this article and further inspection rights in the same manner and to the same extent as goods originally delivered under this contract, but only as to the corrected or replaced part or parts thereof. Even if the parties disagree about the existence of a breach of this warranty, Supplier shall promptly comply with BANDY's direction to (i) repair, rework or replace the goods or (ii) furnish any materials or parts and installation instructions required to successfully correct the defect or nonconformance.
11. **PROGRESS REPORTING.** Supplier will submit progress reports and other charts and materials to provide complete visibility of planned program tasks and progress against such tasks, in any format or schedule requested by BANDY.
12. **PROPRIETARY INFORMATION.** Supplier will maintain the confidentiality of all information furnished by BANDY as confidential and will not disclose any such information to any other person, or use such information for any purpose other than performing under the purchase order to which it relates. The preceding sentence applies, without limitation, to designs, inventions, software programs, source codes, materials, models, processes, drawings, specifications, data, reports and other technical or business information and the features of all parts, equipment, tools, gauges, patterns and processes disclosed to Supplier by BANDY; and, to information supplied in electronic form, including CAD/CAM and computer aided engineering data. Supplier will not sell any such information, and will deface or otherwise render unsuitable for use any such information of which Supplier disposes. Upon fulfillment or termination of any purchase order, and as otherwise directed by BANDY, Supplier will at its own expense, subject to the specific instructions of BANDY, either dispose of all information supplied by BANDY or return such information to BANDY. BANDY or its representatives may at any time audit all pertinent books, records and files of Supplier in order to verify compliance with this paragraph. Supplier will, in all of its contracts with its suppliers relating to any BANDY purchase order, include provisions, which secure for BANDY the rights and protections provided for by this paragraph. Notwithstanding the foregoing, the term "Confidential Information" shall not include any information that is: (a) in the public domain through no fault of Supplier; or (b) independently developed by Supplier without breaching this Contract or by parties who have not had, either directly or indirectly, access to or knowledge of the Confidential Information. The foregoing obligations are in addition to and not as a replacement for any obligations under any nondisclosure agreements in place between the parties.
13. **PATENT INFRINGEMENT INDEMNITY.** Supplier will defend BANDY, subcontractors of BANDY, and any subsequent customers, owners, suppliers, users or operators of the goods or services delivered in accordance with BANDY's specifications (herein the indemnified parties) against all claims and in all proceedings alleging infringement of any United States or foreign patent or copyright in the manufacture or sale of any goods or services delivered to BANDY, and Supplier will indemnify and hold the indemnified parties harmless from any resulting liabilities and losses.
14. **NON-DISCLOSURE OF TRANSACTIONS.** Supplier will not, and will require its suppliers and subcontractors to not, advertise or publish the fact that BANDY has ordered goods or services from Supplier, or the terms or nature of such order. Supplier will not, and will cause its employees and other representatives to not, disclose such information in company periodicals, press releases, public lectures, theses, sale or other promotional literature, or otherwise, unless such disclosure has been approved by BANDY in writing.
15. **INTELLECTUAL PROPERTY RIGHTS**
- 15.1. All intellectual property rights (including without limitation patents, utility models, design rights, copyrights, trade marks, rights in confidential Information including know-how, in each case whether registered or unregistered and including all applications or rights to apply for such rights) in any and all specifications, designs, drawings, notes, data, documentation, information and other intellectual property that: (i) are supplied by or on behalf of BANDY to the Supplier; and/or (ii) arise from the performance of work in pursuance of a purchase order; and/or (iii) are included in the goods or services supplied by Supplier under any purchase order, shall (in the case of (i) above) remain the property of BANDY and (in the case of (ii) and (iii) above) be considered as a work for hire and be deemed to be the property of BANDY, and the Supplier shall promptly take all necessary steps and do all necessary acts (at Supplier's sole expense) to vest such intellectual property rights in BANDY. Supplier assigns all rights, title and interest to any such design and any such copyright to BANDY including all rights to registration, publication, rights to create derivative works and all other rights that are incident to ownership. In the event that any court holds such creative works not to be works for hire, Supplier agrees to assign such intellectual property rights to BANDY at BANDY's request in consideration of the price paid for goods or services hereunder.
- 15.2. Such intellectual property and intellectual property rights shall not be used by Supplier except to the extent required for the purposes of the purchase order, nor copied or communicated by Supplier to any other party, without the prior express written consent of BANDY.
- 15.3. All such specifications, designs, drawings, notes, data, documentation, information and other intellectual property referred to above shall be returned/provided (together with all copies thereof) to BANDY immediately upon request or in any event on completion or termination of the purchase order or upon termination of this Contract.
- 15.4. The Supplier represents and warrants that the purchase, use, sale and/or other exercise of the goods or services by BANDY and/or its customers will not infringe any intellectual property right(s), including without limitation any patent, utility model, design right, copyright, trade mark, right in confidential

Information including know-how, in each case whether registered or unregistered, in existence or pending anywhere in the world at the date of delivery of the goods or services supplied.

16. **TOOLS AND MATERIALS.** Title to and the right of immediate possession of all tools, dies, patterns, software, numerically controlled media and programs, manufacturing programs, replacements and materials used by Supplier in manufacturing goods under a purchase order ("special tooling and materials") will be and remain in BANDY (or BANDY's customer if applicable). All special tooling and materials will not be used in the production of larger quantities than those specified by BANDY in a purchase order. Upon completion of any relevant purchase order, all special tooling and materials will be delivered to BANDY or disposed of by Supplier as BANDY shall direct. All special tooling and materials will be segregated by Supplier at Supplier's plant and clearly marked as belonging to BANDY and will be used solely in the performance of work ordered by BANDY, will be insured against loss by the Supplier, and will not be copied, and will be delivered by the Supplier to BANDY upon demand. Supplier assumes complete liability for all special tooling and materials while in Supplier's possession. Supplier will reimburse BANDY for damage to BANDY's special tooling beyond normal wear and tear while in Supplier's possession. BANDY reserves the right to use at any time all special tooling and materials. Supplier will be responsible to BANDY for any and all consigned materials. Supplier will communicate to BANDY, in such manner and such times as BANDY directs, any and all instances wherein Supplier fails to yield prescribed requirements from BANDY's material. Upon completion of specific purchase order requirements, Supplier will furnish to BANDY any and all residual materials and an accounting of any and all deviations from the prescribed order requirements. At BANDY's direction, Supplier will at its cost return to BANDY any "off fall" material. If any item fabricated by Supplier from material furnished by BANDY is defective, or any furnished material is damaged while in Supplier's possession, Supplier will reimburse BANDY to the full extent of its damages.
17. **INDEMNIFICATION.** Supplier will defend, indemnify and hold harmless BANDY and its affiliates, and their officers, agents, employees, successors and assigns, against any claims, loss, damage or expense, including, without limitation, payment of direct, special, incidental and consequential damages, and expenses of defending claims including attorneys' fees, arising out of or relating to Supplier's breach of obligations or negligence or willful misconduct with respect to the order. This duty to defend, indemnify and hold harmless extends only to any suit, claims, judgment or demand which arises out of or in connection with Supplier's performance or nonperformance of any purchase order placed by BANDY, out of or in connection with Supplier's breach of warranty, out of any defect in the goods or services whenever discovered, out of any patent infringement or misappropriation of trade secrets by Supplier other than pursuant to specifications or instructions provided by BANDY, or failure of Supplier to pay royalties, or any other breach of Supplier's obligations hereunder whether such claim or suit is based upon contract, warranty, strict liability in tort, negligence, or other legal theory, and also extends not only to "third party claims" but also to any loss suffered by BANDY.
18. **INSURANCE.** Supplier will, at all times, maintain with reputable insurance companies, comprehensive general liability insurance in the minimum amount of \$1 million and aviation products liability insurance in the minimum amount of \$50 million (both to include coverage for any liability under any BANDY purchase order and these Terms and Conditions). At BANDY's request, Supplier will name BANDY as an additional insured under such policies, and will provide to BANDY a certificate of such insurance providing for 30 days prior written notice to BANDY of cancellation or material change. Supplier will maintain workers' compensation insurance sufficient to cover all of its general and special employees engaged in work pursuant to any BANDY purchase order and insurance against liability for personal injury or death or destruction of or damage to property arising out of work in fulfillment of any BANDY purchase order, and will provide prompt evidence to BANDY of such coverage upon BANDY's request.
19. **DEFAULT**
- 19.1. **"Default".** Time is of the essence in the purchase order. It is a default under any purchase order and these Terms and Conditions if Supplier: (i) refuses or fails to deliver any goods or perform any services within the time specified in such purchase order except as provided herein; (ii) fails to comply with any other provision of such purchase order or ` Terms and Conditions; (iii) fails to make progress so as to endanger performance of such purchase order in accordance with its terms and these Terms and Conditions, or repudiates such purchase order; or (iv) suspends its business or become insolvent or subject to any law relating to bankruptcy, insolvency or relief from creditors, or takes any action in anticipation thereof.
- 19.2. **Termination for Default.** In the event of any default by Supplier under any purchase order or these Terms and Conditions, BANDY may terminate such purchase order (and all related purchase orders), with no liability owed to Supplier whatsoever. In the event of any such termination for default, Supplier will be liable to BANDY for any and all damages resulting from Supplier's default. If BANDY terminates any purchase order for default in whole or in part, it may acquire, under commercially reasonable terms supplies or services similar to those terminated, in which case Supplier will be liable for any excess costs for those goods or services. Upon a termination in part, Supplier will continue any work not terminated. If, after termination, it is determined that the Supplier was not in default, or that the default was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for BANDY's convenience under the Paragraph below entitled "Termination for Convenience." The rights and remedies of BANDY in this paragraph are in addition to any other rights and remedies provided by law or under this contract.
- 19.3. **Remedies.** The rights and remedies herein reserved to BANDY shall be cumulative and additional to any other rights and remedies provided in law or equity, including without limitation the right to reclaim goods delivered if payment is not made when due.
- 19.4. **Cancellation.** BANDY may cancel any purchase order at any time without cost to BANDY in the event that BANDY's customer cancels a corresponding order to BANDY.
20. **TERMINATION FOR CONVENIENCE.** Whether or not a purchase order relates to a government contract, BANDY may terminate any purchase order in whole or in part for any reason in accordance with the procedures established in the termination clause set forth in the United States Federal Acquisition Regulation (FAR 52.249-2) and the policies and principles set forth in Part 49 of the FAR, all of which are hereby incorporated by reference, except that in FAR 52.249-2: (i) the term "Contractor" shall be deemed to mean Supplier; (ii) the terms "Contracting Officer" and "Government" shall be deemed to mean BANDY; (iii) the one year period in paragraph (d) for submitting a final termination settlement proposal is reduced to sixty (60) days; and (iv) the 90-day period in paragraph (k) for submission of a proposal for an equitable adjustment of the price in the event of a partial termination is reduced to thirty (30) days.
- 20.1. The Supplier shall use its best efforts to mitigate the costs arising from such termination. In no case shall the amount payable by BANDY for the terminated work exceed the price which would have been payable by BANDY had the work been completed.
- 20.2. BANDY reserves the right to take possession of and title to any partly completed work, including but not limited to any relevant tools, fixtures, jigs or documentation. The failure of Supplier to file a claim within the applicable period in accordance with the FAR and this paragraph 20 will constitute a waiver and be the basis for a complete denial of any such claim.
- 20.3. The provisions of this Paragraph shall not be deemed to limit or affect the rights or remedies of BANDY provided elsewhere in any purchase order, these Terms and Conditions, or provided by law in the event of default or breach by the Supplier.
- 20.4. **Limitation of Liability.** BANDY shall not be liable to Supplier for manufacture or procurement of materials in advance of the leadtime in accordance with the latest purchase order delivery schedule. If any revision of the Order or forecast affects a good for which Supplier was authorized to commence manufacture by prior versions of the Order or forecast in accordance with leadtime requirements, BANDY shall be liable for manufacture of goods within the leadtime requirements of such prior Order or forecasts. As a material term of this contract Supplier agrees that any manufacture or order of materials in

advance of Supplier's lead-time shall be solely at Supplier's risk and BANDY assumes no liability for manufacture or procurement in advance of Supplier's lead-time. In the event of a termination or an engineering change resulting in obsolescence, no claim will be allowed for any such manufacture or procurement in advance of such leadtime unless an update to the Order or Forecast: (i) affects a good for which Supplier was authorized to commence manufacture by the prior revision of the Order or forecast in accordance with Leadtime requirements; (ii) Supplier notified BANDY in writing of the specific good affected; and, (iii) Supplier complied with the written direction of the BANDY with respect to such affected good(s).

21. **COMPLIANCE.** Supplier represents and warrants that all of the goods and services provided by Supplier will comply, and will be manufactured and furnished by Supplier in compliance with, all applicable federal, state and local laws, regulations, orders and ordinances, including the Export Regulations (defined below) and including those applying to goods sold to the U.S. Government or for shipment in interstate commerce, and upon reasonable request Supplier will provide evidence of such compliance.
22. **CERTIFICATIONS.** Supplier hereby certifies that the goods called for by the purchase order have been or will be produced in compliance with the Fair Labor Standards Act of 1938 (29 U.S. Code 201-219) and, insofar as applicable to the purchase order, the Walsh-Healey Public Contracts Act (41 U.S. Code 35-45) and the Work Hours Act of 1962 (40 U.S. Code 327-332), and any amendments thereof. Supplier further certifies that it has and will comply with Executive Order 13201 issued February 17, 2001 and any successor executive order and all laws and regulations concerning the export and import of goods and technical data. Supplier agrees upon request to supply all certifications and information reasonably requested by BANDY.
23. **NONDISCRIMINATION.** To the extent not exempt, BANDY and Supplier shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. In addition, BANDY and Supplier will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. To the extent not exempt, BANDY and Supplier shall also abide by the requirements of 29 CFR Part 471, Appendix A to Subpart A.
24. **EXPORT COMPLIANCE, RELEASE OF TECHNICAL INFORMATION.** Bandy shall flow down to suppliers any ITAR, MLA, TAA, and/or EAR requirements. Technical information or data, whether classified or otherwise, shall not be disclosed by Supplier to any person or entity in violation of the Export Administration Regulations (EAR) of the United States Department of Commerce, 15 C.F.R. Subtitle B, Chapter 7, Subchapter C; the International Traffic in Arms Regulations (ITAR) of the United States Department of State, 22 C.F.R. Chapter 1, Subchapter M; OFAC Sanctions of the Department of Treasury, 31 C.F.R. Subtitle B, Chapter 5; or any other applicable laws or regulations of the United States ("Export Regulations"). Supplier shall require each person to whom they wish to disclose EAR-controlled and/or ITAR-controlled information to certify agreement to EAR and/or ITAR non-disclosure requirements. Supplier will provide verification of the individual certifications upon request from BANDY. Supplier will also provide citizenship verification information, evidence of completed denied parties checks and description of applicable export authorizations obtained upon request from BANDY for each person or entity to whom they wish to disclose EAR and/or ITAR controlled information or for whom they wish to request badge access to any BANDY site. Supplier will complete these compliance activities prior to disclosure of controlled information. In performing under any purchase order, Supplier shall further perform all of its obligations in compliance with the Export Regulations.
25. **HAZARDOUS SUBSTANCES, MSDS AND REACH.** Supplier is required to provide a Material Safety Data Sheet (MSDS) if a product is hazardous as defined in OSHA 29 CFR 1910.1200. All MSDS will be provided to the appropriate BANDY site as stated in the Purchase Order. This provision applies to all orders for chemical products and raw stocks/substrates. Although this provision includes orders for hazardous materials and chemical substances, it is not restricted to such products and may include materials such as raw stocks, substrates, resins, and broad goods.
  - 25.1. The Supplier represents, warrants and undertakes that the supply of products to BANDY is in compliance with the European Union Regulation Number 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals ("REACH") (as may be amended and supplemented from time to time); and
  - 25.2. The Supplier where applicable (i) guarantees that all supplied chemicals to BANDY (whether such chemicals are supplied on their own, as part of a preparation (as defined in REACH) or within any supplied article (as defined in REACH)) have been registered with, authorized by or notified to the European Chemicals Agency and appropriately labeled as required by REACH whether that be by the Supplier, by the Supplier's supplier (or in the case of a non-European Community supplier by the supplier's "only representative" pursuant to Article 8 of REACH); (ii) undertakes to cooperate with BANDY and the European Chemicals Agency to ensure that any registration, authorization or notification is made to the European Chemicals Agency in accordance with REACH and to keep BANDY fully informed with requisite documentation to comply with REACH; (iii) guarantees that for all chemicals supplied by the Supplier to BANDY (whether such chemicals are supplied on their own, as part of a preparation (as defined in REACH) or within any supplied article (as defined in REACH)), BANDY's usage of such chemical substances is covered by any REACH registration or REACH authorization and is included in any safety data sheets or exposure scenarios for such chemical substances; (iv) has notified and shall notify BANDY from time to time of any and all chemical substances listed in Annex XIV of REACH (as may be amended or supplemented from time to time) (Substances of Very High Concern (SVHC)) in any products to be supplied or supplied by the Supplier to BANDY; and (v) shall procure that its suppliers are in compliance with this paragraph in respect of any chemical substances which the Supplier subsequently supplies (whether such chemicals are supplied on their own, in preparations (as defined in REACH) or within any supplied article (as defined in REACH)) to BANDY.
  - 25.3. Supplier shall bear all costs, charges and expenses related to pre-registration, registration, evaluation and authorization under the REACH regulation of the chemical substances that are the subject of the Order.
26. **CONFLICT MINERALS.** If Supplier is a registrant with the SEC, Supplier shall comply with all the reporting requirements regarding conflict minerals as defined by the Securities and Exchange Commission (SEC) at 17 CFR PARTS 240 and 249b, (Dodd-Frank Act Section 1502). Supplier shall perform appropriate due diligence on its supply chain in order to assist BANDY and its customers to fulfill the reporting obligations of the conflict minerals rule. Supplier shall, no later than thirty (30) days following each calendar year in which Supplier has delivered any Products to BANDY, under this Agreement or otherwise, complete and provide to BANDY a single and comprehensive report consistent with industry practice.
27. **COMPLIANCE WITH ANTI-BRIBERY AND ANTI-CORRUPTION REQUIREMENTS**
  - 27.1. Supplier shall (i) comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including but not limited to the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act (Relevant Requirements); (ii) have and shall maintain in place throughout the term of this Contract its own policies and procedures to ensure compliance with the Relevant Requirements and will enforce them where appropriate; (iii) promptly report to BANDY any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of this Contract;

- 27.2. Supplier shall ensure that any person associated with Supplier who is performing services or providing goods in connection with this Contract does so only on the basis of terms equivalent to those imposed on Supplier in this clause (Relevant Terms). Supplier shall be responsible for the observance and performance by such persons of the Relevant Terms, and shall be directly liable to BANDY for any breach by such persons of any of the Relevant Terms.
28. **SECURITY FOR BANDY INFORMATION STORED BY SUPPLIER**
- 28.1. This section shall apply if Supplier receives and holds BANDY Information on its information systems. BANDY wishes to ensure that Supplier has effective information security to ensure the secure storage and/or processing of BANDY Information (as defined below) at Supplier's facility and to facilitate the exchange of information between BANDY and Supplier. As used in this provision, "BANDY Information" means (i) Proprietary Information owned by BANDY or a BANDY Affiliate (each such entity, a "BANDY Entity"); (ii) information managed by BANDY or a BANDY Entity; (iii) information that BANDY or a BANDY Entity is obligated to manage and protect on behalf of others; and (iv) personally-identifiable information relating to an identified or identifiable employee of BANDY or a BANDY Entity or others that is protected by various privacy laws (current or future) as applicable throughout the world including, without limitation, Social Security Number, address, telephone number, gender, birth date, medical records, trade union membership, driver's license number, financial account number, credit or debit card number (all subsection (iv)) defined as "PII").
- 28.2. Supplier agrees to install and implement security hardware, software, procedures and policies that will provide reasonable and effective information security. Supplier agrees to update such hardware, software, procedures and policies as may be needed from time to time to utilize improved technology and to respond to more sophisticated security threats in order to maintain a level of security protection appropriate for the information involved and the current state of security solutions.
- 28.3. Supplier shall use reasonable efforts, as measured by the available technology at the time, to prevent anyone other than its authorized employees from accessing the BANDY Information and assure that all BANDY Information and applicable software is appropriately backed up and recoverable in the event of a disaster.
- 28.4. When Supplier is transmitting BANDY Information, Supplier shall use encryption algorithms of sufficient strength to equate to 128-bit RC-4 or better. All cryptography technologies used must be published and approved by the general cryptographic community.
- 28.5. Supplier shall not store PII on any Supplier mobile computing devices (e.g. laptop computers, PDAs (personal digital assistants), etc.)
- 28.6. Supplier shall conduct appropriate background checks on all non-BANDY personnel who will have access to the environment and/or BANDY Information and approve those personnel based on the results of those checks. Supplier must disclose to BANDY the procedures used for those employees having access to the BANDY Information.
- 28.7. Supplier shall provide information and cooperation to BANDY in response to any subpoena, investigation or the like seeking BANDY Information and provide information and assistance for BANDY to seek certification and the like relative to its information including information in the possession of Supplier. Supplier shall promptly notify BANDY upon the receipt of any request requiring that BANDY Information be supplied to a third party.
- 28.8. The foregoing provisions do not otherwise diminish or limit Supplier's obligations regarding the receipt, use, protection and/or disclosure of BANDY Proprietary Information otherwise set forth hereunder.
29. **ORDER OF PRECEDENCE.** In the event of any conflict between these general terms and conditions and the terms of any purchase order or other applicable materials, except as otherwise explicitly agreed in writing by Supplier and BANDY, the order of precedence will be: (i) in the case of any purchase order ultimately relating to a U.S. government contract, the FAR; (ii) the terms of any signed long term contract between the parties; (iii) these Terms and Conditions; (iv) the terms of any purchase order to the extent they are other than those set forth in these Terms and Conditions; (v) project specifications; and (vi) project drawings.
30. **FORCE MAJEURE.** Deliveries or acceptance will be subject to extension of time made necessary by reason of delays or disabilities directly affecting Supplier or BANDY, respectively, occasioned by fires, floods or other catastrophes, wars, riots or embargo delays, government allocations or priorities, unforeseeable government restrictions or controls, or unusually severe weather conditions, to the extent such delays and disabilities are beyond their reasonable control in spite of prudent precautions. Performance may be delayed only to the extent reasonably caused by such event, and upon prompt written notice of the event. If such delay continues for more than 90 days, BANDY may terminate in accordance with paragraph 19 above.
31. **NOTIFICATION OF SUPPLIER LABOR DISPUTES.** Supplier will promptly notify BANDY if any actual or potential labor dispute threatens to delay the timely performance of any BANDY purchase order. Such notice will include all relevant information with respect to such dispute. Neither receipt of such notice by BANDY nor any provision of these Terms and Conditions will be deemed to be a waiver by BANDY of any of its rights under any purchase order, these Terms and Conditions, at law or otherwise, except as provided herein.
32. **GOVERNMENT CONTRACTS.** With respect to any purchase order ultimately relating to a U.S. government contract, the accompanying Schedule A and all Sections thereof forms an integral part of these Terms and Conditions. By notice to Supplier, BANDY may supplement Schedule A with additional sections when Federal Acquisition Regulations are modified to provide for additional mandatory flow-down requirements, and these changes shall be made without cost to BANDY.
33. **ASSIGNMENT AND SUBCONTRACTING.** Neither a purchase order nor any interest in a purchase order may be assigned, in whole or in part, by the Supplier without prior written approval by BANDY; a change of control of the Supplier shall be considered an assignment requiring prior written approval hereunder. Any such attempted assignment without consent shall be void and shall have no effect. Neither the entirety nor any part of any purchase order may be further subcontracted by the Supplier without the prior written approval by BANDY.
34. **WAIVER AND SEVERABILITY.** The failure or delay of either party to insist on performance of any provision of these Terms and Conditions or any purchase order, or to exercise any right or remedy available under these Terms and Conditions or any purchase order, will not be construed as a waiver of that provision, right, or remedy in any later instance. Further, if any provision of these Terms and Conditions or any purchase order is or becomes void or unenforceable by operation of law, the remaining provisions shall be valid and enforceable.
35. **DISPUTE RESOLUTION.** Any dispute that arises under or is related to a purchase order and that relates to a matter that gives BANDY recourse against the Federal Government under the prime contract or applicable law shall be resolved as follows:
- 35.1. Supplier will give BANDY a fully supported written claim concerning any such dispute within one year after the claim accrues, but in no event later than final payment under the purchase order, or Supplier shall be barred from any remedy for such claim.
- 35.2. For any such claim of more than \$100,000, Supplier shall submit with the claim a certification to BANDY and to the contracting officer for the prime contract that: (i) the claim is made in good faith, (ii) the supporting data are accurate and complete to the best of Supplier's knowledge and belief, and (iii) the amount requested accurately reflects the contract adjustment for which Supplier believes the Government is liable; furthermore, such certification shall be executed by a person duly authorized to bind Supplier, and Supplier shall indemnify and hold BANDY harmless from damages, judgments, costs

- (including reasonable attorneys' fees), and other liabilities arising from any breach of such certification of any violation of Section 5 of the Contract Disputes Act of 1978 (41 U.S.C. 604) or any violation of common law or statutory prohibitions against misrepresentations, fraud or false statements.
- 35.3. Supplier and BANDY will cooperate fully in prosecuting any such claim and will be bound by the outcome.
- 35.4. Supplier and BANDY will each bear their own costs of prosecuting any such claim.
- 35.5. Nothing in this contract or a purchase order grants Supplier a direct right of action under the Disputes clause of the prime contract.
- 35.6. In case of any dispute, claim or controversy arising in any way, directly or indirectly, from or relating to any purchase order or any performance or work thereunder, the parties shall use all reasonable efforts to resolve the dispute in the ordinary course of business and by discussion and meeting prior to commencement of any litigation or other proceeding.
- 35.7. Waiver of Jury. The parties agree that any dispute, claim or controversy shall (if a trial occurs) be tried to the court sitting without a jury, notwithstanding any constitutional or statutory rights or provisions.
- 35.8. Venue and Jurisdiction. With respect to any dispute involving a purchase order, the parties consent to jurisdiction and venue in any state or federal court in the State of the BANDY location issuing the purchase order.
- 35.9. Continue performance during disputes. Pending final resolution of any dispute arising under or relating to a purchase order, the parties will proceed with performance of the purchase order, and Supplier's performance will be in accordance with BANDY's written instructions, notwithstanding any rights to suspend or stop performance which might otherwise apply.
36. **CHOICE OF LAW**. These terms and conditions and any purchase order shall be governed by the laws of the State of the BANDY location issuing the purchase order, except that any provision in the contract or purchase order that is (i) incorporated in full text or by reference from the Federal Acquisition Regulation ("FAR"), or (ii) incorporated in full text or by reference from any agency regulation that implements or supplements any FAR provision, shall be construed and interpreted according to the federal common law of government contracts as enunciated and applied by federal judicial bodies, Board of Contract Appeals, and quasi-judicial agencies of the Federal Government.
37. **INTEGRATION AND MERGER**. These terms and conditions together with any long term agreement referencing these Terms and Conditions, any nondisclosure agreement executed by the parties, and any purchase orders issued to Supplier, including attachments and documents incorporated herein or therein by reference, constitute the entire agreement between BANDY and Supplier, and supersede all prior representations, agreements, understandings, and communications between BANDY and Supplier. No amendment or modification of this contract or a purchase order will be binding upon either party unless it is set forth in a written instrument signed by authorized representatives of both BANDY and Supplier. The rights and remedies afforded to either party pursuant to any part or provision of these Terms and Conditions, any long term agreement or any BANDY purchase order are in addition to any other rights and remedies afforded by any other parts or provisions of these Terms and Conditions, any long term agreement, purchase order, by law, or otherwise.

# SCHEDULE A

## CLAUSES INCORPORATED BY REFERENCE FOR ORDERS UNDER U.S. GOVERNMENT CONTRACTS

The following clauses from the Federal Acquisition Regulation ("FAR") and the Department of Defense FAR Supplement ("DFARS") are applicable to and incorporated by reference into all purchase orders ("Order") issued by BANDY for non-commercial items, see FAR 2.101, in which the ultimate purchaser or end user is the United States Government or any instrumentality thereof. The following clauses shall have the same force and effect as if set forth below in full text. The dates of these clauses are the dates in effect as of the date of the Order issued by BANDY. Supplier agrees to flow-down, as required, all applicable FAR and DFARS clauses as such are in effect as of the date of the Order. Supplier further agrees that all notifications and other communications required by these clauses shall be made through BANDY's Purchasing Representative, unless the Order specifically provides otherwise.

Except as noted below, the following changes to the FAR and DFARS clauses are made for incorporation of these clauses into the Order in order to make the context of these clauses reflect the contractual relationship between BANDY and Supplier: "Contractor" or "prime contractor" or "Offeror" shall mean "Supplier." "Government" shall mean "BANDY." "Contracting Officer" shall mean "BANDY's Purchasing Representative." "Contract" or "Schedule" shall mean the Order(s) issued by BANDY to Supplier. Provided, however, that the terms "Government", and "Contracting Officer", do not change (1) when a right, act, authorization or obligation can be granted or performed only by the Government or its duly authorized representative; (2) when title to property is to be transferred directly to the Government; (3) with regard to FAR 52.203-6, 52.227-1, 52.227-2; and (4) where specifically modified as noted below:

NOTES: Clauses with "(NOTE 1)" following the clause citation shall not apply to Commercial Items meeting the following criteria: (a) the Supplier's proposal identifies and represents its Work to be a Commercial Item as defined in FAR 2.101 and provides supporting rationale and documentation to Buyer, and (b) Buyer agrees and documents in this PO that Supplier's Work is a Commercial Item.

FAR	TITLE
52.202-1	<b>Definitions</b>
52.203-3	<b>Gratuities</b>
52.203-5	<b>Covenant Against Contingent Fees</b>
52.203-6	<b>Restrictions on Subcontractor Sales to the Government</b> (applicable if Order exceeds simplified acquisition threshold)
52.203-7	<b>Anti-Kickback Procedures</b> (applicable if Order exceeds simplified acquisition threshold; omit (c)(1))
52.203-8	<b>Cancellation, Rescission and Recovery of Funds for Illegal or Improper Activity</b> (Applicable if Order Exceeds simplified acquisition threshold)
52.203-10	<b>Price or Fee Adjustment for Illegal or Improper Activity</b> (in (c) "prime contractor" means Supplier) (Applicable if Order Exceeds simplified acquisition threshold)
52.203-11	<b>Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions</b>
52.203-12	<b>Limitation on Payments to Influence Certain Federal Transactions</b> (applicable if Order exceeds simplified acquisition threshold; Supplier shall submit referenced certification to BANDY as reasonably requested)
52.203-13	<b>Code of Business Ethics and Conduct</b> (applicable if Order exceeds \$5 million and performance period exceeds 120 days)
52.203-14	<b>Display of Hotline Poster(s)</b> (applicable if Order exceeds \$5 million and performance period exceeds 120 days)
52.203-15	<b>Whistleblower Protections Under American Recovery and Reinvestment Act</b>
52.203-17	<b>Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights</b>
52.204-2	<b>Security Requirements</b> (omit (c))
52.204-9	<b>Personal identity verification of contractor personnel</b>
52.204-10	<b>Reporting executive compensation and first tier subcontract awards</b> (This clause as modified herein applies if FAR 52.204-10 is included in Buyer's contract with its customer and this Order exceeds \$25,000. Replace the FAR clause with the following: "Seller shall support Buyer's compliance to FAR 52.204-10 as follows: (a) Seller is notified and agrees that information about the Seller will be reported in accordance with this clause, (b) Seller agrees to provide information to Buyer as necessary to ensure Buyer's compliance to this clause, and (c) Seller agrees to input information to www.CCR.gov and update it annually to provide the information as required by FAR 52.204-10(c)(3) related to executive compensation.")
52.204-11	<b>American Recovery and Reinvestment Act – Reporting Requirements</b>
52.204-21	<b>Basic Safeguarding of Covered Contractor Information Systems</b>
52.207-4	<b>Economic Purchase Quality - Supplies</b>
52.209-5	<b>Certification regarding debarment, suspension, proposed debarment, and other responsibility matters</b>
52.209-6	<b>Protecting the government's interest when subcontracting with contractors debarred, suspended, or proposed for debarment</b>
52.211-5	<b>Material Requirements</b>
52.211-15	<b>Defense Priority and Allocation Requirements</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1))
52.212-5	<b>Contract Terms and Conditions Required to Implement Statutes or Executive Orders – Commercial Items</b>
52.214-26	<b>Audit and Records--Sealed Bidding</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1))
52.214-27	<b>Price Reduction for Defective Cost or Pricing Data--Modifications--Sealed Bidding</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1); in (e) "United States" means BANDY; Supplier shall submit certification to BANDY as reasonably requested, and indemnify and hold BANDY harmless for all loss, damage and expense resulting from Supplier's failure to comply ("Supplier certification and indemnification"))
52.214-28	<b>Subcontractor Cost or Pricing Data – Modifications – Sealed Bidding</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1); Supplier certification and indemnification applies)
52.215-2	<b>Audit and Records--Negotiation</b> (applicable if Order exceeds simplified acquisition threshold; the term "Contracting Officer" in (b), (c) and (e) means the Government's Contracting Officer)
52.215-10	<b>Price Reduction for Defective Cost or Pricing Data</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1); in (d) "United States" means BANDY; Supplier certification and indemnification applies)
52.215-11	<b>Price Reduction for Defective Cost or Pricing Data – Modifications</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1); (e) "United States" means BANDY; Supplier certification and indemnification applies)
52.215-12	<b>Subcontractor Cost or Pricing Data</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1); Supplier certification and indemnification applies)
52.215-13	<b>Subcontractor Cost or Pricing Data--Modifications</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1); Supplier certification and indemnification applies)
52.215-14	<b>Integrity of Unit Prices</b> (applicable if Order exceeds simplified acquisition threshold; omit (b))



FAR	TITLE
52.215-15	<b>Pension Adjustments and Asset Reversions</b> (applicable if cost or pricing data required, or preaward or postaward cost determination subject to FAR Part 31)
52.215-16	<b>Facilities Capital Cost of Money</b>
52.215-17	<b>Waiver of Facilities Capital Cost of Money</b>
52.215-18	<b>Reversion or Adjustment of Plans for Post Retirement Benefits (PRB) Other Than Pensions</b> (applicable if cost or pricing data required, or preaward or postaward cost determination subject to FAR Part 31)
52.215-19	<b>Notification of Ownership Changes</b> (applicable if cost or pricing data required, or preaward or postaward cost determination subject to FAR Subpart 31.2)
52.215-20	<b>Requirements for cost or pricing data or information other than cost or pricing data</b> (Applicable for Commercial Items)
52.215-21	<b>Requirements for cost or pricing data or information other than cost or pricing data - MODS</b> (Applicable for Commercial Items)
52.215-22	<b>Limitations on pass-through charges – identification of subcontractor effort</b> (Applicable when 52.215-23 applies) (NOTE 1)
52.215-23	<b>Limitations on pass-through charges</b> (Applicable as specified in FAR 15.408 (n)(1)) (NOTE 1)
52.216-7	<b>Allowable Cost and Payment</b>
52.217-6	<b>Option for Increased Quantity</b> (“Schedule” means Order; written notice within reasonable time determined by BANDY)
52.217-7	<b>Option for Increased Quantity--Separately Priced Line Item</b> (“Schedule” means Order; written notice within reasonable time determined by BANDY)
52.219-8	<b>Utilization of Small Business Concerns</b> (Applicable if Order Exceeds simplified acquisition threshold)
52.219-9	<b>Small Business Subcontracting Plan</b> (applicable if Supplier is other than a small business or Order is more than \$550,000) (Applicable if Order Exceeds \$650,000)
52.219-16	<b>Liquidated damages – subcontracting plan (NOTE 1)</b> (Applicable if Order Exceeds the threshold in FAR 15.403-4(a)(1))
52.219-25	<b>Small disadvantaged business participation program – disadvantaged status and</b>
52.222-1	<b>Notice to the Government of Labor Disputes</b>
52.222-3	<b>Convict labor</b>
52.222-4	<b>Contract Work Hours and Safety Standards Act--Overtime Compensation</b> (applicable if Order exceeds simplified acquisition threshold and is for noncommercial items; GKN may withhold or recover from Supplier amounts withheld from BANDY because of a violation by Supplier or any of its subcontractors)
52.222-11	<b>Subcontracts (labor Standards)</b>
52.222-20	<b>Walsh-Healey Public Contracts Act</b> (Applicable if Order Exceeds \$15,000)
52.222-21	<b>Certification of Nonsegregated Facilities</b>
52.222-22	<b>Previous contracts and compliance reports</b>
52.222-24	<b>Pre-award On-Site Equal Opportunity Compliance Evaluation</b>
52.222-25	<b>Affirmative action compliance</b>
52.222-26	<b>Equal Opportunity</b> (omit (a) and (d))
52.222-27	<b>Affirmative Action Compliance Requirements for Construction</b>
52.222-34	<b>Project Labor Agreement</b>
52.222-35	<b>Affirmative Action for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans</b> (applicable if Order exceeds \$100,000) (Applicable if Order Exceeds \$100,000)
52.222-36	<b>Affirmative Action for Workers with Disabilities</b> (Applicable if Order Exceeds \$15,000)
52.222-37	<b>Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans</b> (applicable if Order exceeds \$100,000) (Applicable if Order Exceeds \$100,000)
52.222-39	<b>Notification of Employee Rights concerning Payment of Union Dues or Fees</b> (applicable if Order exceeds simplified acquisition threshold)
52.222-40	<b>Notification of Employee Rights Under the National Labor Relations Act</b>
52.222-41	<b>Service contract act of 1965, as amended</b>
52.222-50	<b>Combating trafficking in persons</b>
52.222-51	<b>Exemption from Application of the Services Contract Act to Contracts Maintenance, Calibration, or Repair of Certain Equipment Requirements</b>
52.222-53	<b>Exemptions from Application of the Services Contract Act to Contracts for Certain Services Requirements</b>
52.222-54	<b>Employment Eligibility Verification</b> (applicable if BANDY contract with its customer flows down this provision to BANDY)
52.223-3	<b>Hazardous Material Identification and Material Safety Data</b>
52.223-7	<b>Notice of Radioactive Materials</b> (insert 90 days)
52.223-11	<b>Ozone-Depleting Substances</b>
52.223-13	<b>Certification of toxic chemical release reporting</b> (Applicable to competitive solicitations /contracts which exceed the simplified acquisition threshold)
52.223-14	<b>Toxic Chemical Release Reporting</b> (applicable if Order exceeds \$100,000; omit (e))
52.223-18	<b>Contractor policy to ban text messaging while driving</b>
52.223-15	<b>Energy Efficiency in Energy Consuming Products</b>
52.225-1	<b>Buy American Act—Supplies</b> (“domestic end products” to include items ordered hereunder, whether or not end products themselves)
52.225-2	<b>Buy American Act--Balance of Payments Program Certificate</b> (Supplier shall submit certification to BANDY as reasonably requested)
52.225-3	<b>Buy American Act--Free Trade Agreement--Israeli Trade Act</b>
52.225-4	<b>Buy American Act—Free Trade Agreements – Israeli Trade Act Certificate</b> (Supplier shall submit certification to BANDY as reasonably requested)
52.225-5	<b>Trade Agreements</b>
52.225-6	<b>Trade Agreements Certificate</b> (Supplier shall submit certification to BANDY as reasonably requested)
52.225-8	<b>Duty-Free Entry</b> (in (c)(1) change “20 calendar days” to “30 calendar days”; in (c)(2) change “10 calendar days” to “20 calendar days;” in (f) “Government” means the U.S. Government)
52.225-13	<b>Restrictions on Certain Foreign Purchases</b>
52.225-21	<b>Required Use of American Iron, Steel, and Manufactured Goods - Buy American Act – Construction Materials Under Trade Agreements</b>
52.227-1	<b>Authorization and Consent</b> (applicable if Order exceeds simplified acquisition threshold)

FAR	TITLE
52.227-2	<b>Notice and Assistance Regarding Patent and Copyright Infringement</b> (applicable if Order exceeds simplified acquisition threshold)
52.227-3	<b>Patent Indemnity</b>
52.227-6	<b>Royalty information</b> (NOTE 1)
52.227-9	<b>Refund of Royalties</b>
52.227-10	<b>Filing of Patent Applications--Classified Subject Matter</b>
52.227-11	<b>Patent Rights--Ownership by the Contractor</b>
52.227-13	<b>Patent Rights--Ownership by the Government</b>
52.227-14	<b>Rights in Data--General</b> (in (b) "Government" means the U.S. Government; in (c)(1) and (e) "contracting officer" means the Government's Contracting Officer)
52.227-16	<b>Additional Data Requirements</b>
52.228-5.1	<b>insurance – work on a government installation</b>
52.229-3	<b>Federal, State, and Local Taxes</b>
52.229-6	<b>Taxes – Foreign Fixed-Price Contracts</b>
52.229-10	<b>State of New Mexico Gross Receipts and Compensating Tax</b>
52.230-2	<b>Cost Accounting Standards</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1) and Supplier not exempt from CAS under 48 CFR 9903.201-1; omit (b))
52.230-3	<b>Disclosure and Consistency of Cost Accounting Practices</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1) and Supplier not exempt from CAS under 48 CFR 9903.201-1; omit (b))
52.230-4	<b>Disclosure and Consistency of Cost Accounting Practices – Foreign Concerns</b>
52.230-6	<b>Administration of Cost Accounting Standards</b> (applicable if Order exceeds the threshold in FAR 15.403-4(a)(1) and Supplier not exempt from CAS under 48 CFR 9903.201-1; CFAO means BANDY's buyer)
52.232-7	<b>Payments Under time and material and Labor Hour Contracts</b> (this clause applies only when the face of the Order designates that it is a Time and Material and Labor Hour PO).
52.232-17	<b>Interest</b>
52.232-27	<b>Prompt Payment for Construction Contracts</b>
52.232-40	<b>Providing Accelerated Payments to Small Business Subcontractors</b>
52.233-3	<b>Protest after Award</b> (in (f) omit the phrase "and pursuant to the requirements of Subpart 32.6")
52.234-1	<b>Industrial Resources Developed under Defense Production Act Title III</b>
52.236-13	<b>Accident Prevention</b>
52.237-3	<b>Continuity of services</b>
52.242-13	<b>Bankruptcy</b>
52.242-15	<b>Stop Work Order</b>
52.242-17	<b>Government Delay of Work</b>
52.243-6	<b>Change order accounting</b>
52.244-2	<b>Subcontracts</b> (Including Alternate I) (NOTE 1)
52.244-5	<b>Competition in subcontracting</b> (NOTE 1)
52.244-6	<b>Subcontracts for Commercial Items</b>
52.245-1	<b>Government Property</b>
52.245-2	<b>Government property installation operation services</b> (Unless specifically stated elsewhere in the Order , all Government and Buyer Property furnished shall be "AS IS")
52.245-9	<b>Use and Charges</b>
52.245-9.1	<b>Use and Charges</b>
52.246-1	<b>Contractor Inspection Requirements</b>
52.246-2	<b>Inspection of Supplies--Fixed Price</b>
52.246-3	<b>Inspection of Supplies – Cost - Reimbursement</b>
52.246-16	<b>Responsibility for Supplies</b>
52.246-17	<b>Warranty of Supplies of a Noncomplex Nature</b>
52.246-18	<b>Warranty of Supplies of a Complex Nature</b>
52.247-63	<b>Preference for U.S. Flag Air Carriers</b>
52.247-64	<b>Preference for Privately Owned U.S.-Flag Commercial Vessels</b> (in (c)(1) "subcontractor" means Supplier)
52.248-1	<b>Value Engineering</b> (applicable if Order exceeds \$100,000; in (c)(5) and (m) "Government" means the U.S. Government)
52.249-2	<b>Termination for Convenience of the Government (Fixed-Price)</b>
52.249-8	<b>Default (Fixed-Price Supply and Service)</b>

DFAR	TITLE
252.203-7001	<b>Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies</b> (applicable if Order exceeds simplified acquisition threshold and GKN is prime contractor to the Government)
252.204-7000	<b>Disclosure of Information</b> (change "45 days" to "60 days")
252.204-7008	<b>Requirements for contracts involving export-controlled items</b>
252.204-7012	<b>Safeguarding Covered Defense Information and Cyber Incident Reporting</b>
252.208-7000	<b>Intent to furnish precious metals as government furnished material</b>
252.209-7004	<b>Subcontracting with firms owned or controlled by the government of a terrorist country</b> (NOTE 1)
252.211-7000	<b>Acquisition Streamlining</b> (applicable if Order exceeds \$1 million)
252.211-7003	<b>Item Identification and Valuation</b>
252.211-7007	<b>Reporting of government furnished equipment in the dod item unique identification (IUID) Registry</b>
252-215-7000	<b>Pricing Adjustments</b> (NOTE 1)
252.215-7002	<b>Cost estimating system requirements</b> (Applies if cost or pricing data is required) (NOTE 1)
252.219-7003	<b>Small Business Subcontracting Plan</b> (DOD Contracts)
252.219-7004	<b>Small Business Subcontracting Plan</b> (Test Program)
252.222-7000	<b>Restrictions on employment of personnel</b> (NOTE 1)
252.222-7006	<b>Restrictions on the use of mandatory arbitration agreements</b> (Applies if this Order exceeds \$1 million) (NOTE 1)

252.223-7001	<b>Hazard Warning Labels</b>
252.223-7006	<b>Prohibition on storage and disposal of toxic and hazardous materials</b>
252.225-7000	<b>Buy American Act Balance of Payments Program--Certificate</b> (in (b) "Government" means the U.S. Government; "end products" all include the items delivered hereunder; Supplier shall submit certification to BANDY as reasonably requested)
252.225-7001	<b>Buy American Act and Balance of Payments Program</b> ("domestic end products" to include items ordered hereunder, whether or not end products themselves; Supplier shall submit certification to BANDY as reasonably requested)
252.225-7002	<b>Qualifying country sources as subcontractors</b>
252.225-7006	<b>Quarterly reporting of contract performance outside the U.S.</b> (Applies if this Order exceeds the threshold in FAR 15.403-4(a)(1)) (NOTE 1)
252.225-7007	<b>Prohibition on acquisition of United States munitions list items from communist Chinese military companies</b>
252.225-7008	<b>Restriction on acquisition of specialty metals</b>
252.225-7009	<b>Restrictions on acquisition of certain articles containing specialty metals</b> (Applies if delivered items contain specialty metals. Paragraph (d) is deleted)
252.225-7012	<b>Preference for Certain Domestic Commodities</b>
252.225-7013	<b>Duty Free Entry</b>
252.225-7016	<b>Restriction on Acquisition of Ball and Roller Bearings</b>
252.225-7020	<b>Trade Agreements Certificate</b> (Supplier shall submit certification to BANDY as reasonably requested)
252.225-7021	<b>Trade Agreements</b> ("end products" shall include the items ordered hereunder)
252.225-7025	<b>Restriction on acquisition of forgings</b>
252.225-7028	<b>Exclusionary policies and practices of foreign governments</b>
252.225-7030	<b>Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate</b>
252.225-7033	<b>Waiver of united kingdom levies</b> (Applies if Order exceeds \$1 Million with a United Kingdom firm)
252.225-7035	<b>Buy American Act – Free Trade Agreements – Balance of Payments Program Certificate</b> (Alternate I applies if in prime contract; Supplier shall submit certification to BANDY as reasonably requested)
252.225-7036	<b>Buy American Act – Free Trade Agreements – Balance of Payments Program</b> (Alternate I applies if in prime contract)
252.225-7043	<b>Antiterrorism/force protection policy for defense contractors outside the United States</b> (Applies if Supplier will be performing or traveling outside the United States under this Order )
252.226.7001	<b>Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns</b> (applicable if Order exceeds \$500,000)
252.227-7013	<b>Rights in technical data - noncommercial items</b> (NOTE 1)
252.227-7014	<b>Rights in noncommercial comp. software &amp; noncommercial comp. software documentation</b> (NOTE 1)
252.227-7015	<b>Technical data - commercial items</b>
252.227-7016	<b>Rights in bid or proposal information</b>
252.227-7017	<b>Identification and assertion of use, release, or disclosure restrictions</b> (NOTE 1)
252.227-7018	<b>Rights in noncommercial technical data and computer software – Small business innovative research (SBIR) Program</b> (NOTE 1)
252.227-7019	<b>Validation of asserted restrictions—comp. software</b> (NOTE 1)
252.227-7025	<b>limitations on use or disclosure of government-furnished information marked with restrictive legends</b> (NOTE 1)
252.227-7026	<b>Deferred delivery of tech. data or comp. software</b> (NOTE 1)
252.227-7027	<b>Deferred ordering of tech. data or comp. software</b> (NOTE 1)
252.227-7028	<b>Technical data or computer software previously delivered to the government</b> (NOTE 1)
252.227-7030	<b>Technical data - withholding of payment</b> (NOTE 1)
252.227-7037	<b>Validation of restrictive markings on technical data</b> (NOTE 1)
252.227-7038	<b>Patent rights – ownership by the contractor</b> (LARGE BUSINESS) (NOTE 1)
252.227-7039	<b>Patents - reporting of subject inventions</b> (NOTE 1)
252.228-7005	<b>Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles</b>
252.231-7000	<b>Supplemental cost principles</b> (NOTE 1)
252.235-7003	<b>Frequency authorization</b> (NOTE 1)
252.236-7000	<b>Modification proposals - price breakdown</b>
252.243-7001	<b>Pricing of Contract Modifications</b>
252.243-7002	<b>Requests for equitable adjustment</b>
252.244-7000	<b>Subcontracts for Commercial Items and Commercial Components (DOD Contracts)</b>
252.246-7001	<b>Warranty of data (AND ALTERNATE II)</b> (NOTE 1)
252.246-7003	<b>Notification of Potential Safety Issues</b>
252.246-7007	<b>Contractor Counterfeit Electronic Part Detection and Avoidance System</b>
252.247-7006	<b>Removal of contractor's employees</b>
252.247-7022	<b>Representation of extent of transportation by sea</b> (NOTE 1)
252.247-7023	<b>Transportation of Supplies by Sea</b> (applicable if Order exceeds simplified acquisition threshold)
252.247-7024	<b>Notification of Transportation of Supplies by Sea</b>
252.249-7002	<b>Notification of Anticipated Contract Termination or Reduction</b> (applicable if Order exceeds \$100,000; omit (d)(1) and the first five words of (d)(2))

## SCHEDULE B

### QUALITY CLAUSES SPECIFICALLY CALLED OUT ON THE PURCHASE ORDER

#### 3. PACKING, MARKING, AND SHIPPING

PQR301 Part Identification Requirements. The Supplier shall identify all parts with the appropriate part number and revision level as noted on the part drawing and in accordance with MIL-STD-130 (latest revision applies). Parts and/or materials that are not suitable for marking due to size and/or configuration may be identified using the bag and tag methods outlined in MIL-STD-130.

#### 7. INSPECTIONS

PQR701 First Article Inspection Report. The Supplier shall furnish a complete AS9102 First Article Inspection Report (FAIR) for one part, listing actual inspection results for all applicable drawing dimensions and notes. First Article acceptance by BANDY shall not constitute final acceptance of the lot nor relieve the Supplier of the obligation to furnish all parts that meet all drawing, specification and/or Purchase Order requirements.

PQR702 Dimensional Inspection Report. The Supplier shall furnish an inspection report for each lot of parts submitted, based on a sample inspection. All sample plans must meet the requirements of ANSI/ASQC Z1.4 (formerly MIL-STD-105).

PQR703 Secondary Operation Inspection. The Supplier shall furnish an inspection report for all secondary operations performed on parts supplied by BANDY (metal forming, machining, welding, etc.). All sampling inspection must be done in accordance with ANSI/ASQC Z1.4 (formerly MIL-STD-105).

PQR704 Nonconformance. The Supplier will STOP WORK immediately and notify BANDY of any nonconformance or rejection. Bandy will review the nonconformance and provide the Supplier with direction in dispositioning the nonconformance. Disposition will depend on the sale customer's requirements

PQR705 Source Inspection. This order requires BANDY Source Inspection prior to shipment. Please notify the BANDY Purchasing Agent, 24 hours in advance of the date source inspection will be required at your facility. BANDY Source Inspection does not preclude subsequent inspection nor does it relieve the supplier of the responsibility of providing acceptable product.

PQR706 SPC Requirements. The Supplier is required to use SPC methods to chart the appropriate attribute or variable characteristic(s) to verify process control. Pareto and/or Histogram Analysis may be used in conjunction with X bar R charts (for subgroup average and range) to represent the statistical data for each shipment of hardware. A minimum 1.33 Cpk index is required for all SPC characteristics flowed down to the supplier, unless otherwise stated on the Purchase Order.

#### 16. TOOLS AND MATERIALS

PQR1601 Measuring and Test Equipment. The Supplier's measuring and test equipment shall be maintained and calibrated in accordance with ANSI Z540-1 (formerly MIL-STD-45662) or ISO 10012-1.

PQR1602 Tooling Inspection Requirements. The Supplier shall provide an inspection report for all critical dimensions that affect the part produced by the tooling in accordance with the BANDY Purchase Order and/or the Statement of Work. When required by the BANDY Purchase Order and/or Statement of Work, the supplier must provide a copy of either a CMM Report and/or Theodolite Data for critical tool features. A tool proof may be required as part of the tooling inspection package when specified in the Purchase Order and/or the Statement of Work.

#### 21. COMPLIANCE

PQR2101 Quality Management System. For all products and services, the Supplier shall maintain a Quality System that meets or exceeds the latest revision of ISO9001 and/or AS9100. The system must address Product Safety, Ethical Behavior, FOD, Counterfeit Material and Human Factors as stated in AS9100, Revision D.

PQR2102 Counterfeit Material Plan. The Supplier shall have a documented counterfeit material protection plan in accordance with SAE AS6174 and AS5553 as applicable.

PQR2103 Traceability of Materials. All parts or raw materials furnished by BANDY shall maintain the "as furnished" identification. Do not substitute materials without written authorization from the BANDY Purchasing Agent. All documents for Vendor supplied parts and/or materials must be traceable to their origin i.e. heat lot numbers (metals), lot/batch numbers and/or serial numbers. Traceability of parts must be maintained during outside processing per the provided Bandy batch lot numbers. All test data, inspection records and material certification must be maintained for a minimum of ten (10) years unless otherwise specified by the BANDY Purchase Order.

PQR2104 Qualified Product List (QPL). Supplier furnished materials listed on this Purchase Order are applicable to a Government, Customer and/or BANDY Qualified Products List. Only those manufacturers listed on the QPL may be used as the source of supply, and the material certifications must reflect the sources used. All material testing must be performed and certified by the manufacturer listed on the QPL.

PQR2105 Boeing Parts. All purchase orders issued for Boeing Parts shall comply to the provisions of Boeing's D607, H900 and GP7 clauses. In some cases, these provisions modify or supplement terms and conditions with the same or similar titles in Bandy's general terms and conditions. Changes in the quality management system and/or in the manufacturing site shall be communicated per Boeing's Q011S clause. Boeing clauses are located at [http://www.boeingsuppliers.com/idscommon/clauses/clause\\_index.htm](http://www.boeingsuppliers.com/idscommon/clauses/clause_index.htm)

PQR2106 Lockheed Parts. All purchase orders issued for Lockheed Martin Aeronautics Company parts (GKN Bandy Lockheed Vendor Code: 373971); shall be accomplished in accordance with process specification(s) on this purchase order and Lockheed Martin Aeronautics Company Appendix QJ. Processing to be accomplished in performance of this purchase order is directly related to a Lockheed Martin Aeronautics Company purchase order. The vendor's Certificate of Conformance shall include a unique certification number and must include all of the elements of Lockheed Martin Aeronautics Company Appendix QJ, paragraph F. The Supplier must maintain materials and/or products in accordance with Lockheed's Engineering Materials and Approved Products (EMAP)/Qualified Material List (QML). The Supplier shall maintain a Foreign Object Damage Prevention Program in accordance with Lockheed Martin QC QR4.

22. **CERTIFICATIONS**

- PQR2201 Certificate of Conformance. The Supplier shall provide a Certificate of Conformance document that certifies all materials supplied and processes performed are in accordance with the BANDY Purchase Order, and is signed and dated by the Supplier's authorized representative. The certificate of conformance must also list the Bandy part number as written on the original purchase order. If the certificate is being supplied for special process, the Bandy batch lot shall also be listed as written on the original purchase order.
- PQR2202 Material Certification. The Supplier shall furnish material certifications traceable to the lot, batch, block number or heat lot (metals) supplied in accordance with the applicable specification, (latest revision applies) engineering drawing and/or BANDY Purchase Order. If one certification is issued for multiple items on a purchase order, the lot quantity must also be indicated next to the batch.
- PQR2203 Material Test Report. The Supplier shall furnish material certifications listing actual test results traceable to the lot, batch, block, or heat lot number in accordance with the applicable specification, engineering drawing and/or BANDY Purchase Order. All test data and certifications traceable to the materials supplied must be kept on file for a minimum of ten (10) years unless otherwise specified by the BANDY Purchase Order. Note: When specified on the Purchase Order, raw material such as titanium must have the appropriate heat lot stamped on each piece for heat lot traceability.
- PQR2204 Process Certification. The Supplier shall furnish Certifications of Conformance for all special processes in accordance with applicable specifications and/or engineering drawing as required by the BANDY Purchase Order. Special process certifications for serialized parts and/or assemblies must reference the applicable serial number(s) for traceability. Certifications for materials used in special processes (i.e. primer, paint, etc.) must also be included showing suppliers listed on the latest revision of the associated QPL(s).
- PQR2205 Boeing Approved Sources. When a Boeing Aircraft is specified for a special process, the Supplier must be and/or use D1-4426 approved sources. Reference <http://active.boeing.com/doingbiz/d14426/index.cfm>.
- PQR2206 NADCAP. NADCAP approval is required for this purchase order.
- PQR2207 Shelf Life Items. The Supplier shall provide certifications for age sensitive materials, i.e. epoxies, paints, adhesives, etc., which reflect date of manufacture, date of test, shelf life, and expiration date as it applies to each lot/batch. Container label(s) must also reflect applicable lot/batch number(s), storage temperature and expiration date. MSDS/SDS must be included in the shipping package with the product. Do not ship materials having less than 80% shelf life remaining without the written approval from BANDY Procurement.

32. **GOVERNMENT CONTRACTS**

- PQR3201 Right Of Inspection. The Government reserves the right of surveillance inspection for any or all of the requirements of this Purchase Order.
- PQR3202 Inspection Prior to Shipment. Government inspection is required prior to shipment from your plant. Upon receipt of this Purchase Order, promptly notify the Government Representative who normally services your plant so that appropriate planning for Government inspection can be accomplished.
- PQR3203 Notification to Government Representative. On receipt of this Purchase Order, promptly furnish a copy to the Government Representative who normally services your plant, or if none, send to the nearest Army, Navy, Air force, or Defense Logistics Agency Inspection Office. In the event the representative or office cannot be located, the BANDY Purchasing Agent must be notified immediately.
- PQR3204 Mandatory Inspection. The Government has imposed mandatory inspection requirements on this Purchase Order and a letter of delegation will be sent to the Government Representative who normally services your plant.
- PQR3205 Nonconformance. The Supplier shall report to the Government Representative any nonconformance found on Government source-inspected supplies and shall require his supplier to coordinate with his Government Representative on corrective action.