



F-841-005 Standard Terms and Conditions

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KLW Manufacturing (KLW) Standard Terms and Conditions establishes product assurance requirements and is intended to assure that all goods and services delivered to KLW conform to KLW and customer requirements.

The acceptance of the Purchase Order, either in writing or by action, shall constitute agreement to these requirements. In the event of any discrepancy between the Purchase Order and the requirements of this document, the terms and conditions of the Purchase Order shall take precedence.

The Supplier is responsible for determining which numbers apply based on service and/or product supplied.

Number	Name	Description
01	Quality Management System	Supplier shall ensure that it maintains a QMS that conforms to AS9100, ISO9001, ISO 17025, Nadcap AC700, A2LA or other industry accepted 3 rd party accreditation
02	Right of Entry	Supplier shall grant reasonable access of the Supplier's facilities to representatives of KLW, its customers, US government and/or regulatory agencies for the purpose of evaluating Suppliers' conformance to all purchase order requirements. This shall include all levels of the Supplier's sub-tiers facilities.
03	Process/Product Control	By delivering the products or services, the Supplier certifies that such products or services comply with all applicable requirements of the Purchase Order This certification should include as a minimum: <ul style="list-style-type: none"> • Company Name • Purchase Order Number • Part Number or Description A statement of compliance may be worded substantially as follows: "This is to certify that all materials, processes, parts and/or assemblies shipped herewith under subject purchase order conform to the requirements as called out on the purchase order and associated documents."
04	Document Control	Information and property provided by KLW, or its customers is considered proprietary and shall be kept confidential and protected from disclosure. Unless authorized in writing, the Supplier shall not transmit or furnish any proprietary information to anyone outside of the Supplier's business organization except to a sub-tier source used by the Supplier for performance of work on the KLW purchase order. All documentation issued and any unused KLW material/components must be returned to KLW upon completion or cancellation of the purchase order.
05	Quality Records	Records which are the property of, or pertain to, KLW contracts or POs, are not disposed of without KLW written consent. Records shall be legible and stored in a suitable environment to prevent damage, deterioration, or loss.
06	AAM	Supplier shall comply with the AS9100 requirements and 14CFR Part 21.2 regarding the application of the AAM requirements. Supplier shall ensure that the use of AAM is clearly defined within its processes/systems. Supplier shall be able to demonstrate evidence of communication of these requirements to its employees. The use of AAM must be considered as a personal warranty of compliance and conformity. The Supplier should assess AAM as follows: <ul style="list-style-type: none"> • Authority Media Application Errors (i.e., Omission, Typos, Legibility, etc.) • Authority Media Application Untimely Use (i.e., Documentation is not completed as planned, "Stamp/Sign as you go", etc.) • Authority Media Application Misrepresentation (i.e., Uncertified personnel, Falsification of documentation, Work not performed as planned, etc.) • Authority Media Application Training Deficiencies (i.e., Ethics, Culture awareness, Proper use of authority media, etc.)
07	Sub-contracting	No sub-contracting is allowed without KLW's written permission. The Supplier is responsible for meeting all the requirements, whether the Supplier performs the work, or the work is performed by the Supplier's sub-tier sources. The Supplier is responsible for ensuring that all applicable requirements are flowed down to any Sub-tier Supplier used.

08	Non-conformance	<p>Any products found to be nonconforming to KLV purchase order requirements, either by the Supplier or the Supplier's sub-tier sources, shall be segregated and identified prior to delivery to KLV. KLV reserves the right to reject and return any non-conforming products to the Supplier at the Supplier's expense.</p> <p>If the Supplier has determined that non-conforming product(s) have been delivered to KLV, the Supplier shall notify KLV within twenty-four hours of the initial discovery.</p> <p>Written notification shall include:</p> <ul style="list-style-type: none"> • Affected product number(s), affected serial number(s) or date codes. • Description of the non-conforming condition and the affected engineering requirement. • Quantities and dates of deliveries.
09	No Substitutions / Changes	<p>Unless authorized in writing by KLV, the Supplier shall not make any substitutions or changes to processes or materials. Items furnished under this Purchase Order shall be identical in fit, form, and function to product previously accepted by KLV.</p>
10	FOD	<p>FOD Prevention Program- Supplier shall establish and maintain a FOD prevention program in compliance with AS9146, NAS412 or other industry accepted practice</p>
11	Part Marking	<p>All packages must be traceable to shipping documentation to include the following:</p> <ul style="list-style-type: none"> • Purchase Order Number • Lot and/or Work Order Number (as applicable) • Name of Manufacturer
12	Supplier Performance	<p>Supplier OTD and Quality performance is monitored and for suppliers not meeting minimum requirements, KLV may issue a CAR, request a Process Improvement Plan or other means to identify root cause and actions taken to improve performance in order to maintain approval status.</p>
13	Qualification	<p>Supplier personnel shall be qualified to perform work as applicable to the specifications listed in purchasing documents (purchase order, drawings, etc.)</p>
14	Ethical Behavior	<p>Supplier shall communicate to its employees to ensure they are aware of:</p> <ul style="list-style-type: none"> • their contribution to product or service conformity • their contribution to product safety • the importance of ethical behavior
15	Human Rights	<p>Seller commits that any material violation of law by Seller relating to basic working conditions and human rights, including laws regarding slavery and human trafficking, applicable to Seller's performance under this Contract/ Agreement may be considered a material breach of this Contract/Agreement for which KLV may elect to cancel any open orders between KLV and the Seller, for cause, in accordance with the provisions of this Contract/Agreement, or exercise any other right of KLV for an Event of Default under this Contract/Agreement.</p>
16	Time Sensitive Materials	<p>Supplier shall include the type of material, manufacture date, expiration date and lot or batch number. Supplier shall ensure 75% shelf life remains on shipment.</p>
17	Counterfeit Parts	<p>Supplier shall have in place a program to avoid, detect, and mitigate counterfeit parts and materials. Suppliers should reference AS6174 and/or AS5553 as applicable for guidance. Suppliers shall flow down counterfeit parts program requirements to their applicable sub-tiers, especially but not limited to:</p> <ul style="list-style-type: none"> • Electronic parts • Raw Materials Suppliers • Distributors
18	Certificate of Conformance	<p>A Certificate of Conformance should include as a minimum:</p> <ul style="list-style-type: none"> • Company Name • Name of authorizing person. • Purchase Order Number • Part Number or Description • Manufacture Date. • Manufacturing/Material Spec (as required) • A statement of compliance that shall be worded substantially as follows:

		“This is to certify that all materials, processes, parts and/or assemblies shipped herewith under subject purchase order conform to the specifications as called out on the purchase order and associated documents.”
19	Certificate of Analysis	<p>Raw materials must be procured from a “Conflict Minerals” free source IAW Dodd-Frank Act section 1502.</p> <p>A Certificate of Analysis stating compliance meeting the requirements of applicable material specifications is required with each shipment for all parts, materials, or process performed. It shall require as a minimum:</p> <ul style="list-style-type: none"> • A statement that all materials, processes, inspections and test meet the requirements of all specifications listed on the purchase order. • Manufacturer’s name and address • Material name as called out on the Purchase Order • Manufacture Date • Chemical and Physical properties including actual values, material specifications, and specification revisions.
20	Testing	Supplier shall furnish functional tests reports or results as required by the applicable purchase order, drawing, or specification. The Supplier or a recognized testing laboratory may perform testing.
21	First Article	<p>Supplier shall perform First Article Inspection (FAI) in accordance with AS9102 (latest revision) on Aerospace supplied products. First Article Inspection Reports, including delta/partial FAIs, are to be supplied to KLW for all first article parts. Supplier shall furnish FAI supporting documentation (material certs, work orders, etc.) upon KLW’s request.</p> <p>Supplier shall flow down the substance of this clause to all subcontracts awarded.</p>
22	Calibration Suppliers	<p>By delivering products or services on the purchase order, the Supplier certifies that such products or services comply with all applicable requirements of the Purchase Order and that all measurements are traceable to NIST.</p> <p>Frequency of calibration will be as listed on the purchase order.</p> <p>Criteria and tolerance default to the manufacturer recommendations unless otherwise stated.</p>