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12/09/19

## Supplier PO Terms and Conditions

Page 1 of 7

### 1. Definition of Terms

In the Contract Documents, the following terms have the respective meanings set out below.

- a) **The Company** means the company placing the purchase order: Bridgeways
- b) **Actual Delivery Date** means the date on which the Purchased Item is received by BRIDGEWAYS at the stipulated delivery point.
- c) **Contract** consists of (1) the Purchase Order (2) these standard terms and conditions (3) all the other contract documents.
- d) **Contract Price** means the total of any stipulated sums for the Work (or any portion thereof) set forth in the Contract, as amended by any instruction notice.
- e) **Purchased Items** means all materials, processes, equipment, machinery, assemblies, instruments, devices or articles and related components be supplied to BRIDGEWAYS by the Supplier under the Contract and all associated documentation.
- f) **Purchase Order** means the purchase order issued by BRIDGEWAYS as part of the Contract.
- g) **Inspector** means the person designated from time to time by BRIDGEWAYS to monitor the application of the quality program, examine the work relating to the Purchased Item and expedite the delivery of the Purchased Item.
- h) **Subcontractor** means a person, firm or corporation who supplies or performs any of the work relating to the Purchased Item under any agreement with the Supplier and/or another Subcontractor.
- i) **Supplier** means the party contracting with BRIDGEWAYS under the Contract Document.

The term 'including', 'include', 'included' means including without limitation. The term 'will' means shall.

### 2. Contract Documents and Order of Precedence

- a) These documents take precedence in the order in which they are named.
- b) These documents are subject to subsequent amendments to the Contract, in the form of instructions notices to the purchase order, which will take precedence over the documents they amend.
- c) No agent, employee or other representative of BRIDGEWAYS has authority to make any promise, agreement or representation not incorporated into a Contract Document, and no promise, agreement or representation will bind BRIDGEWAYS unless so incorporated.

### 3. Terms of Payment

- a) Unless otherwise indicated on the Purchase Order:
  - i. All monetary amounts are stated in US funds,
  - ii. The Contract Price includes all activities required to supply the Purchased Item and perform the work relating to the Purchased item and all customs duties, excise taxes, freight, insurance and all other changes in any cost of the work relating to the Purchased Item to the Supplier.

### 4. Terms of Payment

BRIDGEWAYS's standard payment terms are net 30 days. Any changes to this will be specified on the Purchase Order. All payments are conditional on receipt and acceptance of the Purchased Item before the date payment



DOCUMENT NUMBER  
QF-8405

REVISION: New

EFFECTIVE DATE:  
12/09/19

## Supplier PO Terms and Conditions

Page 2 of 7

is made. In addition, BRIDGEWAYS may withhold any payment if there remain outstanding any unresolved non-conformance issues.

### 5. Delivery Changes and Cancellation

BRIDGEWAYS reserves the right to extend the ship date and (or) cancel any item in its entirety, with no penalty or cancellation charges, by giving written notice at least six (6) calendar weeks prior to ship date.

The Purchase Order is subject to cancellation by BRIDGEWAYS if the Purchased Items are not delivered in accordance with the schedule specified on the purchase order.

### 6. Document Control

- a) The Supplier shall control drawings, specifications and supplemental instructions and changes thereto to the extent necessary to ensure that only documents of the revisions specified in the Purchase Order are utilized.
- b) Supplier shall maintain a system to ensure removal of obsolete documentation from the manufacturing, inspection and test areas.

### 7. Material Control

- a) Where contractually indicated on the Purchase Order the Supplier is responsible to ensure that all material used in the manufacture or processing of the Purchase Order is obtained from end customer approved sources and has proper certification.
- b) The Supplier shall establish controls to ensure that material subject to age control, shelf life, or environmental controls is properly identified, monitored and maintained.
- c) The Supplier warrants that the goods do not contain any Conflict Minerals. For the purposes hereof, "Conflict Minerals" is defined as any other mineral or its derivatives determined to be financing conflicts in the Democratic Republic of Congo, Central African Republic South Sudan, Uganda, Rwanda, Burundi, Tanzania, Zambia and Angola. These materials consist of but are not limited to:
  - a. Columbite-tantalite (ore from which Tantalum is extracted)
  - b. Cassiterite (ore from which Tin is Extracted)
  - c. Wolframite (ore from which Tungsten is extracted)
  - d. Gold
- d) The Supplier further warrants that the goods do not contain any Conflict Minerals.
- e) The Supplier warrants that it is not supplying Counterfeit Parts, and Parts are Authentic. Parts are to be purchased from the Original Equipment Manufacturer and/or Authorized Dealer. A Counterfeit Part is an unauthorized copy or substitute that has been identified, marked or altered by an unauthorized source and has been misrepresented to be an authorized part of the legally authorized source.

A part that a Supplier becomes aware of or has reason to suspect meets the definition of 'counterfeit part' requires the entire lot of parts to be considered suspect counterfeit and the entire lot must immediately be segregated and quarantined. The supplier must immediately advise BRIDGEWAYS of this occurrence.

The supplier must assume responsibility for all costs associated with the delivery and use of suspect counterfeit parts, including, but not limited to, costs for identification, testing, and any corrective action required to remove and replace the suspect counterfeit parts. The remedies shall apply



DOCUMENT NUMBER  
QF-8405

REVISION: New

EFFECTIVE DATE:  
12/09/19

## Supplier PO Terms and Conditions

Page 3 of 7

regardless of whether the warranty period or guarantee period has ended.

BRIDGEWAYS reserved the right to notify the Government Industry Data Exchange Program and other relevant government agencies.

- f) The supplier shall flow the requirements of this Material Control to its suppliers and sub-contractors at any tier for the performance of this contract.
- g) Supplier shall provide upon request from BRIDGEWAYS, the status of the supply chain policies and processes to meet the above requirements.

### 8. **Substitutions and Subcontracting**

- a) The Supplier may not subcontract the work or any portion of the work, or location of work or processes, without prior written consent of BRIDGEWAYS.
- b) The Supplier may not make substitution of materials or processes (if different from the original specifications, drawings or data) without written acknowledgement and consent from BRIDGEWAYS.

### 9. **Right of Access**

BRIDGEWAYS, its Authorized Representatives, BRIDGEWAYS's customers, regulatory authorities shall have right of entry at all reasonable times, to the Suppliers and Subcontractors facilities, as may be necessary.

### 10. **Notification**

Supplier shall notify BRIDGEWAYS when:

- a) Supplier or Supplier's sub-tiers are found to be non-compliant to BRIDGEWAYS and / or customer specifications.
  - i. Nonconforming product shall not be forwarded to BRIDGEWAYS without advance disposition approval.
  - ii. Disposition approval for all Aerospace products must be received in writing.
- b) BRIDGEWAYS shall be notified of all changes to product, processes, suppliers and facilities in relation to all Aerospace products as identified by BRIDGEWAYS.
- c) Customer requirements shall be flowed down within your organization and to your suppliers as required to ensure compliant product.
- d) Supplier's sub-tier is disapproved by Supplier.
- e) Supplier or Supplier's sub-tier is disapproved by a Government Agency.
- f) Supplier loses GCP (Controlled Goods Registration) and authority to process Controlled Technology and Goods.

### 11. **Quality Requirements - General**

- a) The Supplier shall maintain a quality program that will assure BRIDGEWAYS that the material and workmanship used in the Purchased Item fully meet the Contract requirements.
- b) The Supplier will be responsible for and perform all inspection, testing and surveillance of the Subcontractors and the Purchased Item necessary to ensure that the Purchased Item meets the requirements of the Contract.
- c) The Supplier shall extend all appropriate requirements of the Purchase Order to Subcontractors.
- d) The Supplier must provide as applicable a Certificate of Compliance, Manufacturer Certificate of Compliance,



DOCUMENT NUMBER  
QF-8405

REVISION: New

EFFECTIVE DATE:  
12/09/19

## Supplier PO Terms and Conditions

Page 4 of 7

Distributor Certificate of Compliance, Mill Test Report and NAFTA Certificate of Origin as specified in the Purchase Order for materials and processes.

- i. The Certificate of Compliance must include supplier's name, print and specification numbers with their revisions, BRIDGEWAYS Purchase Order number, quantity shipped, all special requirements defined on the Purchase Order and waivers or deviations approved by BRIDGEWAYS.
- e) Required Quality Assurance documents must be provided at the time of shipment of goods, in hard copy within the shipment packaging, forwarded via fax, or electronically. These may include test report, FAI reports or other types of measurements.
- f) Non-conforming material including fit, form, and function shall be identified and reports submitted to BRIDGEWAYS for disposition.
  - i. No non-conforming material may be shipped without written authorization from BRIDGEWAYS.
  - ii. A copy of the dispensation must accompany the shipment.
  - iii. All non-conforming material must be identified and traceable to the report submitted.
- g) 'Limited Life' material supplied per Purchase Order must be accompanied by the date of manufacture and the manufacturer's lot number and the expiration/cure dates and have 75% of life remaining
- h) Acceptance Authority Media (AAM) – Supplier to maintain an AAM process, communicate the importance to its employees and its supply chain, and include in their internal audit process, in accordance to AS9100 and FAA 14 CFR 21.2.
- i) Seller shall ensure that persons under their employ are aware of their contribution to product and/or service conformity, product safety, and the importance of ethical behavior. Seller further commits that any material violation of law or unethical 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 Buyer may elect to cancel any open Orders between Bridgeways and the Seller, for cause, in accordance with the provisions of this Contract/Agreement, or exercise any other right of Bridgeways for an Event of Default under this Contract/Agreement.
- j) Seller shall include the substance of this clause, including this flow down requirement, in all subcontracts awarded by Seller for work under this Contract/Agreement
- k) Seller is evaluated for on-time delivery and acceptance rate at Bridgeways, and must maintain 98% on-time delivery and 99% acceptance rate or face probationary status or disqualification.
- l) Flow-down of buyer's customer requirements:
  - i. Record retention is 11 years or by buyer's customer requirement, whichever is longer. No destruction of records without Bridgeways written authorization.
  - ii. Shipping documents must include this statement "Seller hereby acknowledges that the parts and/or materials being shipped under this order are intended for use under Boeing's Federal Aviation Administration (FAA) issued Production Certificate 700 and no articles (or constituent parts thereof) or the accompanying paperwork (e.g., packages, shippers, etc.) contain any Federal Aviation Administration- Parts Manufacturer Approval (FAA-PMA) markings."
  - iii. Seller agrees to limit "ozone-depleting substances", as used in this clause, means any substance the Environmental Protection Agency designates in 40 CFR Part 82 as--
    - (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and



DOCUMENT NUMBER  
QF-8405

REVISION: New

EFFECTIVE DATE:  
12/09/19

## Supplier PO Terms and Conditions

Page 5 of 7

methyl chloroform; or

(2) Class II , including, but not limited to hydrochlorofluorocarbons.

Seller shall label products which contain or are manufactured with ozone-depleting substances in the manner and to the extent required by 42 U.S.C. 7671j (b), (c), and (d) and 40 CFR Part 82, Subpart E, as applicable:

Warning

Contains \* \_\_\_\_\_, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere.

Warning

Manufactured with \* \_\_\_\_\_, a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere.

\* Seller shall insert the name of the substance(s).

### 12. Quality Requirements

- a) BRIDGEWAYS's Inspector or BRIDGEWAYS' customer or regulatory agencies may inspect, at Supplier's plants, Purchased Items which are to be delivered to BRIDGEWAYS if a source inspection requirement is specifically called out on the Purchase Order. This includes witnessing of the Acceptance Tests.
- b) Supplier shall prepare and present to BRIDGEWAYS Quality Representative the Acceptance documentation and Records package required by the Purchase Order for each deliverable end item. This includes the Certificate of Conformance.
- c) Supplier shall inspect, test and accept to applicable industry standard or manufacturer's recommendation, unless expressed in BRIDGEWAYS documentation. Calibrations standard must be traceable to NIST or other governmental standard agency.
- d) Verification by BRIDGEWAYS or (BRIDGEWAYS' customer) does not absolve the Supplier of the responsibility to provide acceptable product and not preclude subsequent rejection by the customers.
- e) Manufacture and process completely to the requirements of the print, all specifications referenced therein, and all Purchase Order requirements, including such items as part marking, identification, inspection, stamps, certification, inspection records, etc. All special processes referenced on the Purchase Order, engineering drawings or specifications must be carried out by OEM approved sources. BRIDGEWAYS will provide the source information.
- f) Manufacturing and Inspection Control are required for these orders. The Supplier's documented quality system shall provide for the review of the Purchase Order, and Manufacturing and Inspection Plans, to ensure that quality requirements are incorporated into the manufacturing planning, and inspection and test instructions, as applicable, to assure compliance with the Purchase Order.
  - i. Supplier shall retain evidence of such review.
  - ii. Buyer will provide to Supplier all required customer specification once requested.
  - iii. The Supplier shall submit a First Article Inspection (FAI) report for each deliverable item on the Purchase Order as applicable. This report may be in any format suitable to the Supplier's system but must contain variable data for 100% of all print characteristics and account for 100% of all features such as print notes and processes and must be representative of production processes actually used.



DOCUMENT NUMBER  
QF-8405

REVISION: New

EFFECTIVE DATE:  
12/09/19

## Supplier PO Terms and Conditions

Page 6 of 7

The FAI shall be consistent with the requirements of AS9102 (latest revision), Aerospace First Article Inspection Requirements.

- g) **Batch Traceability:** All items on the Purchase Order must be traceable to the raw material batch and source from which they were produced.
- h) **Absolute Traceability:** Batch traceability and identification such as serialization of items on an order must be ensured and maintained at all times. All items must be traceable to all processes to which they have been subjected.
- i) Non-conforming material including fit, form, and function shall be identified and reports submitted to BRIDGEWAYS for disposition.

### 13. Shipping and Packaging Instructions

All packages, boxes, crates, bundles, skids will be clearly and indelibly marked to show necessary shipping information. Packaging and Markings will be carried out by a method suitable to the type of Purchased Item and contain the following information:

- a) BRIDGEWAYS address, BRIDGEWAYS Purchase Order number.
- b) The Supplier's shipment identification number, number of packages, crates, boxes and a detailed packing slip listing each separate item will be enclosed in a waterproof envelope and attached to each shipping container.

### 14. Delivery

- a) The Supplier will be responsible for ensuring the Purchased Item will arrive at the stipulated destination in accordance with the delivery schedule specified in the Purchase Order.
- b) In the event of a delay of default in performance by the Supplier, BRIDGEWAYS may at its discretion extend the time period for performance, upon conditions satisfactory to BRIDGEWAYS. Alternatively, in such event BRIDGEWAYS may cancel the Contract whole or in part, without any further obligations of any nature to BRIDGEWAYS and seek satisfactory performance by alternate supplier. Any extension granted by BRIDGEWAYS will not prejudice its ability to exercise its cancellation rights in the event of further delay or default.

### 15. Correction of Defects

The Supplier is required to warranty the Purchase Item for a period of 12 months from defects, deficiencies and failures to meet the requirements of the Purchase Order Contract. Upon notification from BRIDGEWAYS the Supplier will make good every such defect, deficiency or failure without cost to BRIDGEWAYS. Prior acceptance does not invalidate the warranty. The Supplier will pay all transportation charges for parts both ways between the Supplier's factory or depot and the point of use.

### 16. Contract Cancellation

BRIDGEWAYS may from time to time, without cause and without affecting the validity of the Purchase Contract, immediately cancel any uncompleted or unperformed work relating to the Purchased Item, in whole in part, by delivering a notice to this effect to the Supplier. Except to the extent any such cancellation arises in respect of any event of default by the Supplier, BRIDGEWAYS will pay the Supplier the amounts set out below, supported by any audit requested by BRIDGEWAYS including an audited performed by BRIDGEWAYS staff:



DOCUMENT NUMBER  
QF-8405

REVISION: New

EFFECTIVE DATE:  
12/09/19

## Supplier PO Terms and Conditions

Page 7 of 7

- a) Percentage of the value of the item as a restocking charge for standard stocked items
- b) Reimbursement at the Contract Price for all items completed and delivered
- c) Reimbursement for direct out of pocket costs to the Supplier for work relating to the Purchased item in progress directly incurred in the course of the work relating to the Purchased Item, as can be verified in an audit for costs. For greater certainty, there will be no charge for items, which are not customer manufactured for the Contract.

BRIDGEWAYS will not be liable to the Supplier for loss of anticipated profit or any other economic loss whatsoever on the cancelled portion or portions of the work relating to the Purchased Item.

### 17. Laws, Regulations and Subcontractors

The Supplier will comply with relevant federal, provincial and municipal statues, regulations and bylaws pertaining to the Work and its performance. The Supplier will be fully responsible for all acts and omissions of each Subcontractor and worker of the Supplier and each Subcontractor and any such acts and omissions will be deemed to be those of the Supplier.

### 18. Governing Laws

The Contract and the conduct of the parties with respect to the formation and performance of the contract are governed by and are to be construed and interpreted in accordance with the laws of the State of Washington and the laws of the United States applicable in the State of Washington. The parties irrevocably submit to the non-exclusive jurisdiction of the courts of the State of Washington and the Federal Court governing the State of Washington.

### 19. Confidentiality

Any confidential information, drawings, data, design, inventions, computer software and other technical information's supplied by BRIDGEWAYS shall remain the property of BRIDGEWAYS and shall be held in confidence by the Supplier. Such information will not be reproduced, used or disclosed to others by the Supplier without the prior written consent of BRIDGEWAYS and shall be returned to BRIDGEWAYS upon completion by the Supplier of its obligations under the Contract.