



SUPPLIER STANDARD PURCHASE ORDER TERMS & CONDITIONS

SCOPE

These standards apply to all suppliers of K&E Plastics, Inc. (K&E). Acceptance of any and all purchase orders from us constitutes a commitment to perform to these standards. These are our minimum requirements and do not replace or alter any purchase order requirements.

PERFORMANCE

A key component in the effort to achieve our mission above is the performance of our supplier base. As our supplier, we expect you to consistently perform to the standards outlined here. If at any time you are unable to meet these standards, please contact our Quality Department immediately.

We continuously measure the performance of each of our suppliers, particularly against our on-time delivery and quality standards. 98% is our key performance goal calculated based on the on-time delivery and Quality of purchase order lines received. Performance evaluation will be conducted once a year at a minimum. Failure to perform to our minimum requirements will impact your future business opportunities with K&E. Underperforming suppliers will be contacted to discuss the specific areas which must be improved upon to remain a member of our supplier base.

QUALITY SYSTEM

Our quality system is in compliance with the ISO 9001:2015. While we do not require our suppliers to be ISO 9001 certified, we do expect your quality system to be similar in scope to these standards. Suppliers are responsible for providing defect free product through the implementation of an appropriate quality system. Suppliers not certified to ISO 9001 will be subject to a supplier survey and / or quality system audit by K&E.

CORRECTIVE ACTION PROCESS

If the supplied product is found to be defective or non-conforming, the supplier will be contacted and a request for corrective action may be issued. When a request for corrective action is issued, a supplier response is expected within 5 business days of the request.

CERTIFICATIONS

When Certification of Compliance / Conformance has been requested with a shipment it should be included with the material in an obvious place. Shipments without proper certification will not be processed until the document has been received. This could impact a supplier's on time performance rating. It is also expected that the certification will clearly demonstrate compliance with the specification, standard, or drawing found on the purchase order.

DIMENSIONAL TOLERANCES

When dimensional tolerances are stated on a purchase order or on an accompanying drawing, we will be inspecting incoming shipments to those tolerances. If a Military, ASTM, or other specification is cited, we will be inspecting incoming shipments to the tolerances contained in those specifications. When tolerances are not noted on a purchase order, we will inspect using commercially accepted tolerances.



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FIRST ARTICLES

When a first article is requested, our expectation is that we receive AS9102 forms with applicable manufacturer's certifications for all raw materials and components specified on the drawing and/or parts list. K&E will specify on the purchase order when a first article is required.

DEVIATIONS

Deviation from product specifications on K&E's purchase orders or drawings is generally unacceptable. If the supplier cannot comply with the purchase order, please contact our Quality Department immediately.

PRODUCT / PROCESS CHANGES

When changes are made to product or process definition, K&E must be notified and approve of the changes prior to moving forward.

RIGHT OF ACCESS

Access may be required by K&E, our customer, and/or regulatory authorities to all facilities and records involved in an order.

ON-TIME DELIVERY

Late shipments are generally unacceptable. The expected delivery window is 7 days early, zero days late. In some cases, early delivery is acceptable and will be noted on the purchase order. If not noted, contact K&E to determine if an early delivery is acceptable. The due date shown on our purchase orders is the date the shipment is expected at our dock. Please contact K&E as soon as possible to inform us of any expected variation to the delivery schedule.

LABELING

A legible packing slip must accompany every order. It should be attached to the shipment in a manner that protects it from damage during transit. There should also be some form of identification on the packaging which can be used if the packing slip becomes separated from the shipment. Because the shipment will not be processed without a packing slip, the package identification would facilitate retrieving the packing slip. The packing slip must show the purchase order number, product identification, and quantity contained in the shipment.

PACKAGING

Suppliers are responsible for packaging product to ensure product integrity, protection and preservation during shipping and handling. Unless packaging instructions are specified in the purchase order, all goods shall be packaged by the supplier in accordance with good commercial practice in a manner sufficient to ensure arrival in a condition free of damage and deterioration.

SHELF LIFE

When shelf life certification is required on a purchase order, the certification must include the date of manufacture, the expected shelf life, and the expiration date. The products requiring this certification must have 80% of the applicable shelf life remaining when they are received at our dock. Product not meeting this requirement will be returned at your expense.



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OVER / UNDER SHIPMENTS

Over and under shipments are generally unacceptable. Partial shipments should not be made without prior approval by K&E. Over shipments will be returned at your expense unless prior approval was obtained from K&E.

PREFERRED CARRIERS

The requested shipping method is shown on our purchase order. In general, we expect a supplier to ship collect unless the freight is included. Parcels should ship via UPS Collect. Larger and/or heavier shipments should be made using either A. Duie Pyle Collect or FedEx Priority LTL Collect. If the shipping method requested on the purchase order could cause damage or other quality issues with the shipment, please contact K&E immediately to discuss and determine if an alternate method is preferred.

FLOW DOWN OF REQUIREMENTS

Requirements shown on K&E's purchase orders must flow down to any sub-tier suppliers used.

RECORD RETENTION

Suppliers must retain records of compliance to requirements including, at minimum, material certifications and inspection data for fabricated parts. Record retention shall be for a minimum of 7 years unless a longer period is specified on our Purchase Order. These records should be legible, controlled, and protected throughout the retention period.

COUNTERFEIT PARTS

The supplier shall certify that only new and authentic materials are used in products or goods delivered to K&E and that the products/goods delivered contain no counterfeit parts.

FOREIGN OBJECT DEBRIS/DAMAGE

Supplier is required to establish and maintain a Foreign Object Debris/Damage (FOD) prevention program that employs appropriate housekeeping practices to ensure timely detection and removal of residue/debris generated, during operations and normal daily tasks. Parts supplied shall be free of FOD.

MERCURY EXCLUSION REQUIREMENTS

- 1). Mercury or mercury containing compounds shall not be intentionally added or come in direct contact with hardware or supplies furnished under this order.
- 2). Material furnished under this Purchase Order shall not contain functional mercury in any form without the specific written approval of K&E.
- 3). Mercury-bearing instruments and/or equipment which might cause contamination to equipment shall not be used in the manufacture, fabrication, assembly, or testing of any material furnished under this Purchase Order.
- 4). In the event of any accident involving mercury contamination of the material being furnished on this Purchase Order or suspicion of such contamination, K&E shall be notified immediately.
- 5). Your subcontractors must be notified of, and must comply with, the requirements of this notice.

MATERIAL SUBSTITUTION

Unauthorized material substitutions are not permitted without K&E's written consent.

ETHICAL BUSINESS CONDUCT

Supplier shall comply with the global principles of ethics in the Aerospace & Defense Industry.

Available for review here: https://www.asd-europe.org/sites/default/files/atoms/files/Ethics_Global_Principles.pdf



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CONFIDENTIALITY

Supplier shall hold all information received from K&E in confidence and no third-party request for information will be authorized unless approved, in written, by K&E.

CONFLICT MINERALS

Upon request of Buyer, Seller shall determine whether any Goods contain tin, tantalum, tungsten, gold or any other materials that are designated under applicable rules of the United States Securities and Exchange Commission ("SEC") as a "conflict mineral". If no Goods contain one or more conflict minerals that are necessary to the functionality or production of such Goods within the meaning of applicable SEC rules and interpretations, Seller shall, upon request, certify same to Buyer. If any Goods contain one or more conflict minerals, Seller shall certify to Buyer the country of origin of any such conflict mineral(s) or that the conflict mineral(s) came from recycled or scrap sources within the meaning of those terms under applicable SEC rules. If Seller is unable to identify the country of origin, and the conflict mineral(s) in question did not come from recycled or scrap sources, Seller shall in good faith conduct an inquiry of its relevant suppliers as to the country of origin of such conflict mineral(s), and such inquiry shall comply with then-existing standards under SEC rules for the conduct of a reasonable country of origin inquiry. In the event that Seller is or becomes aware that any conflict mineral(s) that are necessary to the functionality or production of any Goods originated from a "covered country" within the meaning of the SEC's conflict minerals rules and did not come from recycled or scrap sources, Seller shall make a good faith effort to determine whether such conflict minerals came from a processing facility certified as conflict free by a recognized industry group that requires an independent private sector audit of the smelter or from an individual processing facility that has obtained an independent private sector audit that is publicly available, and to provide written documentation of such determination. Seller shall also take such additional actions and provide such additional information requested by Buyer as may be necessary in order for Buyer to be or remain compliant with applicable laws, rules and regulations relating to conflict minerals.

SDS

Safety Data Sheets for all items purchased must be available upon the request of K&E.

REACH / RoHS Compliance

All materials supplied to K&E must be compliant to the latest version of REACH and RoHS. Suppliers must advise K&E as soon as possible if materials are not compliant to these requirements. Annual blanket certifications should be provided to K&E.

Malpractice / Fraud & Falsification

All suppliers are required to adhere to the requirements of K&E Plastics QMSP-1012.

Counterfeit Materiel; AS6174 Assuring Acquisition of Authentic and Conforming Materiel

Suppliers will ensure that their material and products:

- 1). Maximize availability of authentic materiel.
- 2). Procure materiel from reliable sources.
- 3). Assure authenticity and conformance of procured materiel, including methods such as certification, traceability, testing and inspection appropriate to the commodity/item in question.
- 4). Control materiel identified as fraudulent/counterfeit.
- 5). Report suspect or confirmed fraudulent/counterfeit materiel to other potential users and Authority Having Jurisdiction.



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FARS AND DFARS

The following clauses of the Federal Acquisition Regulations (FAR) and the Department of Defense Supplement (DFARS) are hereby incorporated into the Standard Quality Requirements.

252.204-7019 Notice of NIST SP 800-171 DoD Assessment Nov 2020

252.204-7020 NIST SP 800-171 DoD Assessment Requirements Nov 2020

252.204-7021 Cybersecurity Maturity Model Certification Requirements Nov 2020