



**SPECIAL TERMS AND CONDITIONS OF PURCHASE
UNITED STATES AND DEFENSE ORDER**

**BMS REFERENCE:
D5-D-003
REVISION: 1
DATE: 09/13/2019**

These Special Terms and Conditions of Purchase for United States (“U.S.”) Orders supplement Orolia’s General Terms and Conditions of Purchase. In case of discrepancy, these Special Terms and Conditions of Purchase for U.S. Orders prevail over the General Terms and Conditions of Purchase.

1. C-TPAT – Supplier shall be certified for C-TPAT or alternatively has implemented core provisions substantially similar to the C-TPAT program within its business and operational processes. Supplier commits to maintaining these or substantially equivalent processes and agrees to comply with reasonable requests for information and/or completion of a questionnaire regarding its supply chain security practices.

2. EXPORT/IMPORT CONTROLS –

- a. If Supplier is a U.S. company that engages in the business of either manufacturing or exporting defense articles or furnishing defense services, the Supplier hereby certifies that it has registered with the U.S. Department of State Directorate of Defense Trade Controls and understands its obligations to comply with International Traffic in Arms Regulations (“ITAR”) and the Export Administration Regulations (“EAR”).
- b. Supplier shall control the disclosure of and access to technical data, information and other items received under this Order in accordance with U.S. export control laws and regulations, including but not limited to the ITAR and the EAR. Supplier agrees that no technical data, information or other items provided by the Buyer in connection with this Order shall be provided to any foreign persons or to a foreign entity, including without limitation, a foreign subsidiary of Supplier, without the express written authorization of the Buyer. It is Supplier’s sole responsibility to obtain the appropriate export license, technical assistance agreement or other requisite documentation for ITAR-controlled or EAR-controlled technical data or items, or if a foreign entity, to notify Buyer of the need for such. If not otherwise notified by Buyer, it shall be the responsibility of Supplier to determine whether the information provided by Buyer is technical data as outlined in the ITAR (22 CFR 120-130) or technology or technical data as outline in the EAR (Part 772) prior to any release to a third party abiding by the terms outlined herein. Supplier shall indemnify Buyer for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by Buyer in connection with any violations of such laws and regulations by Supplier.
- c. Supplier shall immediately notify Buyer if it is or becomes listed on any Excluded or Denied Party List of an agency of the U.S. Government or if its export privileges are denied, suspended or revoked. Should the Supplier’s products or services originate from a foreign location, those products may also be subject to the export control laws and regulations of the country in which the articles or services originate. Supplier agrees to abide by all applicable export control laws and regulations of that originating country. Supplier shall indemnify Buyer for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by the Buyer in connection with any violations of such laws and regulations by Supplier. The Buyer shall be responsible for complying with any laws or regulations governing the importation of the articles into the United States of America. The Buyer may be required to obtain information concerning citizenship or export status of Supplier’s personnel. Supplier agrees to provide such information as necessary and certifies the information to be true and correct.

3. DEBARMENT – By acceptance of this Order, Supplier certifies that the organization or any of its Principals are not presently debarred, suspended, proposed for debarment or declared ineligible for the award of contracts by any Federal agency. In the event the Supplier is proposed or debarred by any Federal agency during the performance term of this Order, Supplier shall notify the Buyer’s Contractual Contact immediately in writing.

4. EQUAL OPPORTUNITY – Supplier will comply with all applicable federal, state and local laws and regulations, guidelines and rules relating to (i) equal employment opportunity including, without limitation, all requirements contained in or authorized by Federal Executive Order No 11246 of September 24, 1956 and any amendments thereto (ii) employment of qualified disabled veterans and veterans of the Vietnam era, including but not limited to, all requirements contained in or authorized by the Vietnam Era Veterans Readjustment Assistance Act of 1974, and any amendments thereto and (iii) employment of the handicapped, including but not limited to all requirements contained in or authorized by the Rehabilitation Act of 1973, and any amendments thereto.

The following clauses of and regulations, except to the extent the Subcontractor is exempt therefrom, are hereby incorporated herein by reference thereto:

- d. the applicable Equal Employment Opportunity Clause, required under Executive Order 11246, contained in 41 CFR, Sec 60-14;
- e. the Affirmative Action clause covering the employment of qualified disabled veterans and veterans of the Vietnam era and the regulations contained in 41 CFR, Sec 60-250; and
- f. the Affirmative Action Clause covering the employment of handicapped workers and the regulation contained in 41 CFR Part 60-741.

By accepting this Order, Supplier certifies that is complies with the authorities cited above, and that it does not maintain segregated facilities or permit its employees to perform services at locations where segregated facilities are maintained, as required by 41 CFR 60-1.8.

5. GOVERNMENT CONTRACT PROVISIONS – In accordance with the Federal Acquisition Regulation (FAR) and the Department of Defense (DoD) FAR Supplement (DFARS), when the materials, products or services furnished are for use in connection with a U.S. Government DoD Prime Contract or higher-tier contract, in addition to all terms of this Order, the following FAR and DFARS clauses and provisions (as referenced here) shall apply as required by the terms of the prime contract or by operation of law or regulation:

- a. Report of intended performance outside the United States and Canada - Submission with offer – 48 CFR 252.225-7003.
- b. Restriction on Acquisition of Specialty Metals – 48 CFR 252.225-7008.
- c. Restriction on Acquisition of Certain Articles Containing Specialty Metals - 48 CFR 252.225-7009.
- d. Contractor Code of Business Ethics and Conduct (Apr 2010) (FAR 52.230-13(b))
- e. Whistleblower Protections under the American Recover & Reinvestment Act of 2009 (52.203-15) If funded under the Recovery Act
- f. Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights 2009 (FAR 52.203-17) Subcontracts greater than the Simplified Acquisition Threshold (SAT)
- g. Subcontracting & Debarred, Suspended or Proposed for debarment (52.209-6) Subcontracts greater than \$30,000

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- h. Utilization of Small Business Concerns (52.219-8)
- i. Convict Labor (52.222-3)
- j. Prohibition of Segregated Facilities (52.222-21)
- k. Equal Opportunity (52.222-26) (E.O. 11246)
- l. Equal Opportunity for Veterans (52.222-35) (38 U.S.C. 4212(a))
- m. Affirmative Action for Workers with Disabilities (52.222-36) Subcontracts greater than \$15,000
- n. Combating Trafficking in Persons (52.222-50) (22 U.S.C. 7104(g))
- o. Patent Rights – Ownership by the Government (52.227-13 and 52.227-14)
- p. Subcontracts for Commercial Items (52.244-6)
- q. Encouraging Contractor Policies to Ban Text Messaging While Driving (52.223-18). Subcontracts greater than \$3000
- r. Section 503 of the Rehabilitation Act of 1974. Subcontracts greater than \$10,000
- s. Requirement to Inform Employees of Whistleblower Rights (252.203-7002)

10. SPECIAL PROCESS QUALIFICATION – The Supplier, as required by AS9100, shall identify special manufacturing processes where the resulting output can only be measured through destructive testing (example: gluing). For such special processes, the Supplier must develop process specific qualification test plans and submit them to Buyer for review and approval prior to FAI. These qualification test plan(s) are performed to identify and specify specific criteria that needs to be monitored to ensure product conformity. Such processes must be requalified every 2 years.

6. DPAS PRIORITY RATING – If so identified, this Order is a “rated order” in support of a U.S. Government DPAS rated contract or subcontract, certified for national defense use, and Supplier’s signature constitutes acceptance of requirements under the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700). All “DPAS rated” Orders must be accepted or rejected as follows:

- a. "DO" rated Orders must be accepted or rejected in writing (hardcopy), or in electronic format, within 15 working days after Order receipt.
- b. "DX" rated Orders must be accepted or rejected in writing (hardcopy), or in electronic format, within 10 working days after order receipt.
- c. Rejection of "DO" or "DX" orders must be in writing (hardcopy), or in electronic format, giving the specific reason for the rejection.

7. GOVERNMENT INDUSTRY DATA EXCHANGE PROGRAM (GIDEP) – PCBA and Cable CMs Suppliers are required to participate in the GIDEP and monitor GIDEP reports, ensure sub-tier Suppliers who have GIDEP access actively participate in the program, act on all GIDEP reports that affect product delivered to Buyer, and ensure counterfeit items are not, and will not be delivered to Buyer. The Supplier will issue a GIDEP report and notify Buyer when suspect or confirmed counterfeit item(s) associated with a Purchase Order are discovered.

8. QUALITY VALIDATION - Prior to the start of full production on any Buyer Made to Specification (MTS) item, the Supplier shall create and submit the following reports for Buyer’s review and approval:

- a. First Article Inspection Report (FAIR); which shall be in accordance with the guidelines of AS9102 and conducted on first production runs, including any major revision changes;
- b. Process Failure Modes Effect Analysis (P-FMEA);
- c. Control Plan; including documentation showing each process step from part reception, process control, final inspection and shipment;
- d. Special process(es) qualification plan & report; and
- e. Changes to the foregoing.

9. FOREIGN OBJECT DEBRIS (FOD) PREVENTION - The Supplier shall establish and maintain an effective FOD Prevention Program, using NAS412 as a guideline. The program shall include the review of design and manufacturing processes to identify and eliminate foreign object entrapment areas and paths through which foreign objects can migrate. Items being supplied to, or on the behalf of Buyer shall be protected from contamination or damage from foreign objects during processing, testing, inspection, handling, and packaging.

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