

General Purchase Order Requirements

1.0 General Quality Requirements

1.1 The Seller shall:

- Meet the requirements of the latest revision of the General Purchase Order Requirements (Including Terms & Conditions) and all applicable requirements therein in effect as of the date of the purchase order.
- Ensure all applicable quality requirements are imposed (flowed down) upon sub-tier suppliers and manufacturing facilities in their purchasing documents.
- Obtain written authorization from Kensington Electronics, Inc. (KEI) prior to shipping products with changes to the design, materials or processes which affect form, fit, quality, reliability or safety.
- Obtain written authorization from KEI prior to shipping reworked, refurbished or overhauled product. KEI will hold suppliers liable for any deviations of product/manufacturer tampering to part numbers listed on the purchase order.
- Notify KEI of any ITAR regulated parts before processing the order.
- At a minimum, have and maintain a quality system that is compliant with a currently published and maintained consensus industry standard quality system specification to Seller's activities.
- Notify KEI, in writing, at least 90 days in advance of any sale, relocation of operations or part manufacturing (including a different origin/country), or transfer of Seller's manufacturing operations.
- Upon request by KEI, provide all Seller records, reports, specifications, drawings, inspection and test records or other documentation in English.
- Notify KEI when Seller or Seller's sub-tiers are found to be noncompliant to KEI specifications, Seller is not inspected by a government agency, or GIDEP Alert is required or received affecting KEI items.
- Disapprove shipments on KEI's shipping account number. All insurance will be deducted off the bill to KEI.
- Acknowledge the purchase order by fax or email before the KEI buyer will activate the purchase order.
- Ensure that all company persons are aware of their contribution product conformity, product safety, and the importance of ethical behavior.

2.0 Specifications, Revision Control and Part Substitution

2.1 All products ordered to the Government or manufacturer's specifications shall comply with current revisions as of the date of the order unless otherwise specified on the purchase order. Part substitution is not authorized without prior written consent, including the part number, description and drawing revision where applicable.

2.2 Special requirements referenced on the purchase order, such as First Article Inspection Reports (FAI or FAIR), specific drawing revision, customer specific quality requirements, or other requirements, must be complied with per the purchase order and in accordance with AS9102 First Article Inspection standard.

3.0 Certified Materials

3.1 Seller shall establish and maintain controls to prevent the use of non-certified materials when certified materials are required.

4.0 Certificate of Conformance (CoC)

4.1 Seller shall prepare a certificate of conformance (CoC) asserting that the items contained with the shipment are in total compliance with all applicable requirements of this purchase order. Seller shall include a copy of the CoC with each shipment.

5.0 Counterfeit Parts Prevention Program

5.1 For purposes of this section, Work consists of those parts delivered under this Contract that are the lowest level of separately identifiable items (e.g., components, goods and assemblies). "Counterfeit Work" means Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair but is altered and misrepresented as acceptable.

5.2 Seller agrees and shall ensure that Counterfeit Work is not delivered to KEI.

5.3 Seller shall only purchase products to be delivered or incorporated as Work to KEI directly from the Original Component Manufacturer (OCM) or Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by KEI.

5.4 Seller shall immediately notify KEI with the pertinent facts if Seller becomes aware or suspects that it has furnished Counterfeit Work. When requested by KEI, Seller shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.

5.5 In the event that Work delivered under this Contract constitutes or includes Counterfeit Work, Seller shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Contract. Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation the KEI customer's costs of removing Counterfeit Work, of reinserting replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies KEI may have at law, equity or under other provisions of this Contract.

5.6 This section applies in addition to any quality provision, specification, statement of work or other provision included in the Contract addressing the authenticity of Work. To the extent such provisions conflict with this section, this section prevails.

5.7 Seller shall include items 5.1-5.6 of this section or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to Kensington Electronics, Inc.

5.8 Seller shall establish and maintain a Counterfeit Parts Prevention and Control Plan using Industry Standard ASS553 as a guideline. The purpose of this document shall be to prevent the delivery of counterfeit parts and control parts identified as counterfeit.

5.9 Sellers eligible for utilization of the Government-Industry Data Exchange Program (GIDEP) shall utilize the GIDEP process to alert the industry of encountered counterfeit parts.

7.0 Calibration

7.1 Supplier (Seller) shall establish and maintain a calibration process in accordance with an international standard, such as ISO-9001, AS-9100.

8.0 Electrostatic Discharge Damage (ESD) Protection

8.1 Components that are susceptible to ESD shall be handled and packaged to prevent ESD in accordance with ANSI ESD S20.20 ESD Association Standard for the Development of an Electrostatic Discharge Control Program for Protection of Electrical and Electronic Parts, Assemblies and Equipment (Excluding Electrically Initiated Explosive Devices). All components that contain ESD sensitive devices shall be wrapped in a static shielding barrier in direct contact with and fully surrounding the unit. Containers shall be marked as containing ESD sensitive devices.

9.0 Control and Identification of Limited Shelf Life Items

9.1 Items with limited shelf life shall be marked on the item, package or container with the manufactured date, storage temperature, special handling requirements and expiration date of the item. All identification markings shall be placed in accordance with the applicable specifications. Items that have less than a 75% shelf life remaining will not be delivered or accepted without prior written approval.

10.0 Control of Nonconforming Product and Corrective Action

10.1 Seller shall implement and maintain a documented quality system that provides for identification, documentation, disposition (including scrap disposal), and records of nonconforming product. Ensure that effective corrective and preventive action is taken to prevent, minimize or eliminate nonconformities. Seller's quality management system shall ensure that nonconforming product is not used for production purposes.

10.2 Seller shall evaluate nonconforming product(s) for its potential to exist in previously produced or delivered items, or items in transit to KEI. If a nonconformance exists, the Seller shall notify KEI, in writing, within 24 hours for issues (if applicable) impacting flight safety or for items in transit to KEI, and, in writing, within 5 working days for all other issues.

10.3 Seller shall provide root cause analysis, effective corrective and preventive action as requested via KEI's Supplier Corrective Action Request (SCAR) and/or Seller's internal document. All KEI identified nonconformities shall be assessed whether or not product was returned to Seller and appropriate actions taken to ensure causes of nonconformance are corrected.

10.4 The Seller shall not ship nonconforming material with the intent of delivering nonconforming product without written authorization from Kensington Electronics, Inc.

11.0 Product Rejections

11.1 KEI will process rejected material and notify supplier (seller) of the nonconformance. Seller will dispose rejected material in a timely manner.

12.0 Shipping and Delivery Instructions

12.1 Delivery shall be in strict accordance to the delivery schedule specified with the order. When deliveries are past due, Kensington Electronics, Inc. must be notified immediately.

12.2 The PO number must appear on all packing slips, invoices, correspondences, etc.

12.3 Certificates of Conformance must accompany each shipment certifying that the articles listed conform to the contract, drawing, specifications and other applicable documents. The Certificate must be validated by an authorized quality representative and include Purchase Order number, part number and revisions, quantity and lot numbers as applicable. Articles may only be shipped without the Certificate of Conformance if the Supplier has prior consent from the Buyer.

12.4 All products will be properly packaged for the protection of individual items using material deemed appropriate.

12.5 Seller will utilize shipping account information as stated on the PO.

12.6 COD shipments will not be accepted without prior consent from the Buyer.

12.7 The term "Req Date" as used on the PO refers to the date that the shipment is due on Kensington Electronics dock. Please ship 1 week prior to the Req Date.

12.9 All materials shipped must be free from Foreign Object Debris (FOD) in accordance with the National Aerospace Standard, NAS-412, Foreign Object Damage/Foreign Object Debris (FOD) Prevention program.

12.10 Hazardous Materials: Before shipping any hazardous materials, a response from a KEI representative is required stating that it is understood that an item on the purchase order is hazardous and it is OK to ship to the address provided. KEI reserves the right to bill back for any extra costs involved in handling the product if this is not done.

12.13 Conflict Minerals: Before shipping any products that include conflict mineral(s) originating from a conflict area (including the Democratic Republic of Congo and surrounding conflict countries), a response from a KEI representative is required stating that it is understood that an item on the purchase order contains conflict mineral(s) originating from a conflict area.

12.14 Any and all shipping method changes from the original purchase order must be approved prior to shipping.

12.15 For any and all shipments weighing 150 pounds or more, the seller must notify the appropriate Purchasing Agent to obtain shipping method and/or shipping account.

13.0 Right of Access

13.1 Sellers shall allow Kensington Electronics, Inc. our customers, and regulatory agencies right of access to any place necessary to determine and verify that the contracted work conforms to specified requirements, including all applicable records and materials. This includes any internal and sub-contracted records held by the Seller.

14.0 Records

14.1 The Seller shall maintain all applicable records involved in the order for 15 years after completion of this purchase order. Records shall be available for review by KEI, our customers, regulatory agencies per contract and/or regulatory requirements at no additional cost, price or fee to KEI. Records shall be established and maintained to provide evidence of conformity to requirements and of the effective operation of the quality management system. Records shall remain legible, readily identifiable and retrievable. A documented procedure shall be established that defines the controls needed for the identification, storage, protection, retrieval, retention time and disposition of records. This procedure is subject to audit by KEI and/or their customer. Suppliers must flow down this requirement to lower-tier suppliers if the inspection or test records are not forwarded to the customer. These records shall be available for release upon demand by KEI and/or their customer.

15.0 Terms & Conditions

15.1 Compliance with Laws, Regulations and other Customer Requirements: Seller shall comply with all applicable federal, state and local laws, ordinances, lawful orders, rules and regulations. Seller agrees to indemnify KEI against any loss, cost, damage or liability by reason of Seller's violation. Laws, regulations and other customer requirements (as applicable) may include but are not limited to:

- Customer special provisions
- Customer supplemental clauses
- Export Administration Regulations (EAR)
- Arms Export Control Act
- International Traffic in Arms Regulations (ITAR)
- Occupational Safety and Health Act of 1970 (includes MSDS)
- The Toxic Substances Control Act (15 U.S.C. Sec. 2601)
- Registration, Evaluation, Authorization and Restriction of Chemicals (REACH)
- Environmental laws and regulations

SUPPLEMENT 1: SPECIAL TERMS AND CONDITIONS OF PURCHASE - FEDERAL ACQUISITION REGULATION (FAR) AND DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS) FLOWDOWN PROVISIONS FOR SUBCONTRACTS/PURCHASE ORDERS FOR COMMERCIAL ITEMS UNDER A UNITED STATES DEPARTMENT OF DEFENSE PRIME CONTRACT

A. INCORPORATION OF FAR AND DFARS CLAUSES

The FAR and DFARS clauses referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, to this Contract. If the date or substance of any of the clauses listed below is different from the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead. The Contracts Disputes Act shall have no application to this Contract, and nothing in this Contract grants SELLER a direct claim or cause of action against the U.S. Government. SELLER shall include in each lower-tier subcontract the appropriate flow down clauses as required by the FAR and FAR Supplement clauses included in this Contract.

B. PROVISIONS OF THE FEDERAL ACQUISITION REGULATION (FAR) INCORPORATED BY REFERENCE

The following FAR clauses apply to this Contract:

- 52.203-15 Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009
- 52.203-18 Prohibition on Contracting with Entities that Require Certain Internal Confidentiality Agreements or Statements – Representation
- 52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements
- 52.204-21 Basic Safeguarding of Covered Contractor Information Systems
- 52.204-23 Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities
- 52.204-24 Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment
- 52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment
- 52.204-26 Covered Telecommunications Equipment or Services – Representation
- 52.211-5 Material Requirements
- 52.216-16 Incentive Price Revision - Firm Target.
- 52.216-17 Incentive Price Revision - Successive Targets.
- 52.222-1 Notice to the Government of Labor Disputes
- 52.222-21 Prohibition of Segregated Facilities
- 52.222-26 Equal Opportunity
- 52.222-50 Combating Trafficking in Persons
- 52.222-53 Exemption From Application of the Service Contract Labor Standards to Contracts for Certain Services – Requirements
- 52.223-11 Ozone-Depleting Substances and High Global Warming Potential Hydrofluorocarbons
- 52.223-18 Encouraging Contractor Policies To Ban Text Messaging While Driving
- 52.225-1 Buy American – Supplies
- 52.225-13 Restrictions on Certain Foreign Purchases
- 52.232-39 Unenforceability of Unauthorized Obligations
- 52.232-40 Providing Accelerated Payments to Small Business Subcontractors
- 52.236-13 Accident Prevention
- 52.242-15 Stop-Work Order
- 52.244-6 Subcontracts for Commercial Items
- 52.246-2 Inspection of Supplies - Fixed-Price
- 52.246-4 Inspection of Services - Fixed-Price

For Purchase Orders > \$3,500:
52.222-54 Employment Eligibility Verification

For Purchase Orders > \$10,000:
52.222-40 Notification of Employee Rights Under the National Labor Relations Act

For Purchase Orders > \$15,000:
52.222-20 Contracts for Materials, Supplies, Articles, and Equipment
52.222-36 Equal Opportunity for Workers with Disabilities

For Purchase Orders > \$35,000:
52.209-6 Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment

G. PROVISIONS OF THE DEPARTMENT OF DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS) INCORPORATED BY REFERENCE

The following DFARS clauses apply to this Contract:

- 252.204-7009 Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information
- 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting
- 252.204-7014 Limitations on the Use or Disclosure of Information by Litigation Support Contractors
- 252.204-7015 Notice of Authorized Disclosure of Information for Litigation Support
- 252.204-7016 Covered Defense Telecommunications Equipment or Services – Representation
- 252.204-7017 Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services – Representation
- 252.204-7018 Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services
- 252.204-7019 Notice of NIST SP 800-171 DoD Assessment Requirements
- 252.204-7020 NIST SP 800-171 DoD Assessment Requirements
- 252.208-7000 Intent To Furnish Precious Metals as Government-Furnished Material
- 252.223-7008 Prohibition of Hexavalent Chromium
- 252.225-7001 Buy American and Balance of Payments Program – Basic
- 252.225-7002 Qualifying Country Sources as Subcontractors

- 252.225-7007 Prohibition on Acquisition of Certain Items From Communist Chinese Military Companies
- 252.225-7013 Duty-Free Entry
- 252.225-7015 Restriction on acquisition of hand or measuring tools.
- 252.225-7021 Trade Agreements – Basic
- 252.225-7028 Exclusionary Policies and Practices of Foreign Governments
- 252.225-7036 Buy American - Free Trade Agreements - Balance of Payments Program – Basic
- 252.225-7043 Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States
- 252.225-7048 Export-Controlled Items
- 252.227-7013 Rights in Technical Data - Noncommercial Items
- 252.227-7015 Technical Data - Commercial Items
- 252.227-7016 Rights in Bid or Proposal Information
- 252.227-7037 Validation of Restrictive Markings on Technical Data
- 252.228-7005 Mishap Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles
- 252.239-7010 Cloud Computing Services
- 252.244-7000 Subcontracts for Commercial Items
- 252.246-7003 Notification of Potential Safety Issues
- 252.246-7007 Contractor Counterfeit Electronic Part Detection and Avoidance System
- 252.246-7008 Sources of Electronic Parts
- 252.247-7023 Transportation of Supplies by Sea - Basic