



# Terms & Conditions and Quality Clauses

## **1. Scope**

The scope of this document extends to all suppliers accepting Excel Seals purchase orders, with the exception of the supplier proprietary part numbers and standard catalog items.

## **2. Definitions**

**Quality Records:** All records created to verify and substantiate product conformance. These shall include, as applicable, planning documents, purchase orders, material and process certifications, test reports, first article inspection, final inspection, and other pertinent records to verify conformance to the established requirements.

**Standard Catalog Hardware:** A part of material that conforms to an established industry or national authority published specifications, having all characteristic identified by text description national/military standard drawings, or catalog items.

**Boeing, Douglas, and Lockheed standards:** Considered industry standards

## **3. References**

**AS9100** (element 8.4)

**AS9102**

## **4. Terms and Conditions**

### **P1 - Responsibility**

The Supplier is responsible to ensure all appropriate requirements are adequately fulfilled, in accordance with the purchase order (contract) requirements and Form 114.

### **P2 - Sub-Contracting**

The Supplier agrees to obtain Excel Seals written approval before subcontracting this order or any substantial portion of the order.

### **P3 - Schedule**

Supplier shall strictly adhere to the shipment and/or delivery schedule(s) specified in this order. In the event of any anticipated or actual delays, including but not limited to delays attributed to labor disputes, Supplier shall promptly notify Excel Seals in writing of the reasons for the delay and actions being taken to recover and/or minimize the delay including a revised written recovery schedule.

### **P4 - Packaging and Shipping**

It is the supplier's responsibility to pack the "goods" to prevent damage and deterioration. Shipping instructions to be followed as instructed on the purchase order.

### **P5 - Acceptance and Rejection**

- (A) Excel Seals will either accept the goods or notify Suppliers of rejection or acceptance revocation, irrespective of any prior payment, testing, inspection, or transfer of title. No inspection, testing delay, failure to inspect or test, or failure to discover defects or other nonconformities shall release Supplier from any obligations under this order or diminish Excel Seals' rights or remedies.
- (B) If the Supplier delivers nonconforming products, Excel Seals reserves the right, at its discretion and at the Supplier's expense, to,
  - 1. Return goods for credit or refund,
  - 2. Require Supplier to promptly rework or replace the goods, or
  - 3. Obtain replacement goods from an alternative source.
- (C) The Supplier shall not resend reworked, or previously rejected goods without disclosing the prior rejection or the need for rework, along with any corrective actions taken, to Excel Seals. Reshipment must be completed within the original delivery schedule or at a later time as reasonably directed by Excel Seals' buyer.



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(D) All costs, expenses, and depreciation in value arising from or related to a nonconformance may be reclaimed through a fair reduction in price or by offsetting against any amounts owed to the Supplier under this order.

### **P6 - Warranty**

(A) Supplier warrants that all goods furnished under this order shall conform to all specifications, drawings and requirements of this order and shall be free of defects in materials and workmanship.

(B) Supplier further warrants that no counterfeit product shall be furnished under this order. Substitutes may only be used or provided with the written consent of Excel Seals.

### **P7 - Taxes**

Unless otherwise specified in this order, the price includes all taxes, fees, charges, and levies imposed on or calculated based on this order, for which the Supplier is responsible and obligated to pay, except for applicable sales and use taxes that are separately itemized on the Supplier's invoice. Prices do not encompass any taxes, fees, charges, or levies for which Excel Seals has provided a valid exemption certificate or other proof of exemption.

### **P8 - Invoices and Payment**

Supplier shall issue a separate original invoice for each delivery of goods, incorporating Excel Seals' PO number and line-item number. The invoices must be forwarded to the address specified elsewhere in the order. The payment due date will be calculated from the later of the delivery date of goods or the receipt date of any corrected invoice (if applicable). Payment shall be considered made on the date when Excel Seals' check is dispatched or payment is otherwise tendered.

### **P9 - Force Majeure**

Supplier shall not be liable for any re-procurement costs incurred by Excel Seals due to the "cancellation for default" of this order, resulting from the Supplier's inability to perform under the terms of this order for reasons beyond their reasonable control and without fault or negligence. Such reasons may include, but are not limited to, acts of God or of the public enemy, governmental actions, fires, floods, and exceptionally severe weather conditions. In each instance, the inability to perform must be beyond the reasonable control and without fault or negligence of the Supplier. Supplier agrees to promptly notify Excel Seals in writing within 10 days of the commencement of any such cause.

### **P10 - Cancellation for Default**

1. Excel Seals may, by providing written notification to Supplier, cancel any or all of this order if (i) Supplier fails to deliver the goods within the time specified on the PO, (ii) Supplier fails to perform provisions of the purchase order and fails to recover within 10 days of notification by Excel Seals or (iii) in the event of the Supplier's for the benefit of its creditors.
2. Suppliers shall continue to work on all parts of the order not canceled. If Excel Seals cancels all or part of this order, Supplier shall be liable for Excel Seals excess re-procurement cost.
3. Excel Seals may require Supplier to provide any finished or partially finished "goods" as directed in writing. Upon direction from Excel Seals or its customer may have an interest in.
4. Excel Seals shall pay the agreed price per the PO for goods accepted.
5. If, after cancellation, it is found that the Supplier was not in default, the rights and remedies of parties shall be as if the order had been terminated according to "termination for convenience" below.

### **P11A - Termination for Convenience**

Excel Seals reserves the right to terminate all or part of the order, effective as of the date specified in writing by Excel Seals, in accordance with the provisions of Federal Acquisition Regulation (FAR) 52.249-2 (May 2004), titled "Termination for Convenience of the Government (Fixed Price)", with the exception of subparagraphs (d) and (j), which are hereby incorporated by reference. For purposes of this clause, "Government" and "Contracting Officer" shall mean "Excel Seals", and "Contractor" shall mean "Supplier". The phrase "1 Year" shall be replaced with "6 months" wherever it appears. The time for requesting an equitable adjustment under subparagraph (L) is reduced to 45 days.



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### **P11B - Excel Seals Property**

Supplier shall clearly mark, maintain an inventory of, and keep all Excel Seals property or property in which Excel Seals acquires an interest due to this order segregated or identifiable. While in Supplier's possession, custody, or control, including any transfer to Supplier's subcontractors, Supplier assumes all risk of loss, destruction, or damage of such property. Supplier may not use this property for purposes other than fulfilling this order without prior written consent from Excel Seals. If Excel Seals property is lost, damaged, or destroyed, Supplier must notify the Excel Seals Procurement Representative promptly. Upon completion, termination, or cancellation of this order, Supplier shall deliver such property to Excel Seals in good condition (subject to normal wear and tear) as directed by Excel Seals.

### **P12 - Rights of Excel Seals customers and regulations**

- A. Excel Seals' rights to conduct inspections, surveillance, testing, and to review procedures, practices, processes, and related documents pertaining to Quality Assurance, Quality Control, Flight Safety, and configuration control shall extend to Excel Seals' customers and any regulatory authorities. Supplier shall fully comply with and cooperate in all such activities at no additional cost to Excel Seals.
- B. Supplier shall accommodate all requests for access to Supplier's premises related to this order, from Excel Seals, Excel Seals' customers, and/or Government Regulators.

### **P13 - Governing Laws**

This order and any disputes arising out of, or relating to this order, shall be governed by the laws of the State of California.

### **P14 - Government Clauses**

Government clauses applicable to this contract are incorporated herein by attachment to this document or by other means of reference.

### **P15 - Entire Agreement**

This order, along with all purchase orders, attachments, exhibits, supplements, and other specifically referenced terms, constitutes the entire agreement between Excel Seals and the Supplier, superseding all prior agreements, understandings, and communications relating to the subject matter herein. No amendments or modifications to this order shall be binding on either party unless made in writing and signed by Excel Seals' procurement representative and an authorized representative of the Supplier.

### **P16 - Confidential/Proprietary Information and Materials**

Excel Seals and Supplier shall each maintain the confidentiality and protect from unauthorized use and disclosure all confidential proprietary data, drawings, tangible items, software, and tooling received from the other party. Each party shall use the proprietary information and materials of the other party solely for the performance of and in connection with this order and any other agreements referencing this order.

Excel Seals, however, retains the right to use, disclose, reproduce, and create derivative works of Supplier's proprietary information and materials as necessary to fulfill Excel Seals' obligations under this order. This includes testing, certification, use, sale, or support of any goods delivered under this order or any other agreement referencing it. When Excel Seals utilizes Supplier's proprietary information, it will appropriately include a restrictive legend.

Upon request by Excel Seals, Supplier shall return all proprietary information and materials belonging to Excel Seals. Supplier agrees not to sell or otherwise dispose of (including as scrap) any parts or materials containing, conveying, or embodying Excel Seals' proprietary information and materials without prior written authorization.

Supplier may disclose Excel Seals' proprietary information and materials to its subcontractors as necessary for the performance of this order, provided that each subcontractor agrees in writing to the same obligations imposed on Supplier under this clause.

Excel Seals reserves the right to audit Supplier's compliance with this confidentiality clause.

### **P18 - Buy American Act**

This order is subject to the "Buy American Act" as implemented by FAR 52.225-3.



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### **5. Quality Clauses**

#### **Q1 - Quality System Requirements**

A. The Supplier shall maintain a documented Quality System as required by Excel Seals purchase order.

- a. ISO 9001, ISO 9003 or ISO 9004 compliant or registered
- b. AS9000, AS9100, AS9110 and/or AS9120 compliant or registered
- c. Other approved Quality System of “Original Equipment Manufacturer (OEM)”
- d. NADCAP Registration
- e. Other Quality Systems

B. No specific Quality System stipulated. Excel Seals shall periodically review the Supplier with an on-site visit, and/or Quality System Survey (accompanied by historical performance review). Excel Seals’ approach is to ensure the Supplier is continuously supplying conforming product.

**NOTE:** System not meeting paragraph A for “Acceptable Quality Systems” may still be approved provided they are capable of supplying conforming product. A “limited approval” may be granted to a supplier for a specific part number based upon historical performances, the Supplier maintaining tooling, or the Suppliers manufacturing and/or special processes approvals by the OEM.

#### **Q2 – Calibration**

Applicable if the Supplier is using measuring tools and equipment to determine product performance. Supplier shall maintain a documented calibration system for the calibration and maintenance of tools, jigs, inspection and test equipment. Supplier shall have and maintain a calibration system that is complaint to industry requirements in accordance with ISO17025, ISO 10012-1, or ANSI Z540.

#### **Q3 - First Article Inspection**

- A. First Article Inspection Report (FAIR) shall be completed by Supplier in accordance with AS9102. Supplier may use forms contained in AS9102 or their equivalent, so long as the forms contain all the information required by AS9102. All material certs and the reference drawings must accompany the FAI forms.
- B. Supplier shall notify Excel Seals within 48 hours of receipt of the order to coordinate and plan for the Excel Seals FAI to be conducted, as determined appropriate by an Excel Seals Quality Representative. The First Article may include either on-site verification at Supplier’s facility, or submittal of FAI unit and FAI paperwork to Excel Seals for approval prior to entering into full production.

#### **Q4 - Special Process**

1. Special processes for this order shall be performed by Suppliers/Processors specifically approved by Excel Seals prime customer. If a Suppliers/Processors is not specifically specified on the PO, notify Excel Seals buyer for a listing of approved Suppliers/Processors. (Additional QA/QC requirements may apply – check PO for specifics).
2. Special processes for this order shall be performed by Suppliers/Processors specifically approved by Excel Seals. If a Suppliers/Processors. Is not specifically noted on the PO, notify Excel Seals buyer for a listing of approved Suppliers/Processors.
3. NADCAP certification is required whenever performing or sub-contracting special processes.

**Note:** Where subsequent monitoring or measurements cannot be obtained due to processing and/or assembly, the Supplier shall maintain inspection records to verify characteristic conformity. These records shall be made available upon request.

#### **Q5 – Shelf-Life Requirement**

All Shelf-life sensitive materials must have a minimum of 75% remaining shelf-life at time of receipt at Excel Seals.

#### **Q6 - Records Retention**

Supplier and/or Supplier’s subcontractors shall retain all inspection records, chemical/physical characteristic, certs/test reports, process certifications, mechanical test data, lot data, as applicable, pertaining to this order, on file



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and available for Excel Seals and/or Excel Seals customers review for a period of ten (10) years, unless otherwise specified on PO.

### **Q7 - Certificate of Conformance (C of C)**

- A. Supplier shall provide a C of C certifying that all items contained within the shipment are in total compliance with the requirements of the purchase order. Items (goods) provided must meet all applicable requirements (standards, specifications, drawings, etc.) as listed on PO, and test reports per FAR 25.853. A copy of the C of C shall be included with the Supplier's product shipper.
- B. The certificate of conformance shall include the following:
  - a. Title and specification number (including revision letter) of the process
  - b. Name and address of the processor or NDT facility
  - c. Excel Seals assigned processor number
  - d. Date C of C was issued
  - e. Excel Seals Purchase Order number
  - f. Part Number, including revision letter
  - g. Quantity shipped (include accepted/rejected quantity)
  - h. Signature and Title of authorized quality agent of Supplier
  - i. Lot Number
  - j. Serial Number (when required)
  - k. Shelf life (when required)
  - l. For metal raw stock – Source and trace ID of original ingot supplier, all thermos-mechanical processing (forging, rolling, drawing, etc.) heat treatment, chemical processing, and inspection.

### **Q8 - Material Certs**

Material Certs/Test Reports are to be provided for all raw materials, textiles, metals (sheets, extrusions, tubes, etc.), shelf-life materials, composites (e.g. pre-preg, resins, etc.) and coatings as required by the applicable material specification requirements and/or Excel Seals PO.

- A. METALS – Full traceability from melt to final product. Material certs shall show clear traceability to the manufacturer(s) of the ingot source, all thermos—mechanical processing (i.e. forging, rolling, drawing, etc.), heat treatment, chemical processing, and inspections.
- B. TEXTILES – Material and Test Reports showing provided materials/goods meet all requirements of the applicable specification per Excel Seals purchase order.
- C. SHELF-LIFE MATERIALS – Material and Test Report showing compliance with all requirements of the applicable specification per Excel Seals purchase order as well as providing manufacturing date and date of expiration.
- D. COMPOSITES/COATINGS – Material and Test Reports showing compliance with all requirements of the applicable specification per Excel Seals purchase order as well as providing manufacturing date and date of expiration.

**Note:** All test reports must include the authorized signature and title of the representative of the agency performing the test.

### **Q9 - Nonconforming Product**

- A. The Supplier shall notify Excel Seals of any nonconforming product prior to product release. Supplier shall obtain approval for any product disposition, including shipment or release of product to Excel Seals.
- B. The Supplier shall ensure that nonconforming product is identified and controlled to prevent its unintended use or delivery. If nonconforming product is identified, the Supplier shall investigate to ensure that the same nonconformity has not affected any other product delivered or undelivered.



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- C. If nonconforming product is identified after delivery to Excel Seals, the Supplier must notify Excel Seals immediately and disclose the nonconformance. At a minimum, a description of the nonconformance, the part number, lot number, PO number, and the date shipped shall be provided to Excel Seals.
- D. If nonconforming product is identified prior to delivery, Supplier must immediately notify Excel Seals and provide a written recovery plan. If the Supplier and Excel Seals agree that the nonconformity will not affect fit, form or function, the Supplier will obtain written authorities prior to delivering to Excel Seals.

### **Q10 - Corrective and Preventive Action**

Supplier shall, on request, on forms designated or provided by Excel Seals, provide root cause analysis and corrective action on nonconformities or failure of Suppliers goods and services. Corrective action statements, at Excel Seals' option. May require approval signature by Excel Seals and Customer Quality representative. All rejected articles resubmitted by Supplier to Excel Seals shall bear adequate identification, including reference to Excel Seals rejection document.

### **Q11 - Sub-Tier Suppliers**

Suppliers shall ensure that all relevant purchase order requirements are communicated to all sub-tier suppliers and that all requirements are met. Sub-tier suppliers are responsible for compliance with all Excel Seals purchase order requirements.

### **Q12A - Source Inspection**

Excel Seals in-process and/or Final Source Inspection required prior to shipment of products from Supplier's facility and/or Supplier's subcontractors' facility. Supplier shall notify Excel Seals seven (7) days in advance of date parts will be ready for inspection.

### **Q12 - Government Source Inspection**

Government Source Inspection (GSI) must be conducted before shipment from the Supplier Facility. If indicated on the Excel Seals PO, the Supplier should promptly notify the government representative (DCMA) assigned to their facility to facilitate proper planning for the GSI.

### **Q13 - Product/Process Changes**

The Supplier shall notify Excel Seals of changes in product and/or process definition, including any changes of Suppliers, and where required, obtain Excel Seals approval.

### **Q14 - Foreign Object Debris (F.O.D.)**

The Supplier shall develop and maintain a F.O.D. prevention program including the processes and controls at manufacturing areas to prevent introduction of foreign objects into any item delivered under this order.

### **Q15 - Fraudulent/Counterfeit Parts**

If counterfeit parts are supplied under this order and subsequently identified by Excel Seals, such parts shall be segregated. The Supplier is responsible for promptly replacing these items with acceptable items and covering all costs associated with segregation, removal, and replacement. Excel Seals retains the right to refer such items to the U.S. Office of Inspector General for investigation and reserves the right to withhold payment for the suspect items pending the investigation's results.

### **Q16 - Sampling**

Supplier shall have the right to use sampling inspection plans in accordance with the latest revision of ANSI/ASQ Z1.4.

### **Q17 - Tooling (Manufacturing Aids and Inspection Fixtures)**

All tooling to be used for this order is to be visually inspected prior to use for any damage, wear, contamination, and serviceability, completeness of tool (e.g. missing components), and drawing compliance.

**Note:** As required, results of the visual inspection are to be recorded, along with the tool asset number, revision level, date of inspection, Excel Seals PO number, and Supplier work/job order number. Recorded results of this inspection are to be validated by QA/QC (i.e. stamp, signature) and forwarded to Excel Seals prior to starting production. Reference Boeing special tooling specification D950-11059-1 (latest revision).



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### **Q18 - Ethics**

The supplier shall plan, implement, and control the processes needed to assure product safety during the entire product life cycle, as appropriate to the organization and the product such as assessing hazards and management of associated risks, management of safety critical items, analyze and report any occurred events affecting safety of the product, communication of these events and training of persons. Supplier shall be aware of the importance of ethical behavior and maintain an ethics policy for employees as it relates to their contribution to product or service conformity and product safety.

### **Q19 - Mercury Free**

Products and materials supplied under this order/contract must be guaranteed free from mercury contamination. The use of any instruments or equipment containing mercury that could lead to contamination is strictly prohibited during manufacturing, fabrication, assembly, or testing processes.

### **Q20 - Conflict Minerals**

Supplier shall ensure that materials produced and furnished on this Purchase Order are free of conflict minerals as defined in section 1502 of the Dodd-Frank Wall Street Reform and the Consumer Protection Act.

### **Q21 - Reach Compliance**

Suppliers are to ensure compliance with Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH), all suppliers and sub-tier suppliers must adhere to REACH requirements applicable to substances of very high concern (SVHCs) and other obligations. Suppliers are responsible for communicating relevant SVHC information throughout the supply chain, while sub-tier suppliers must certify that supplied products do not exceed SVHC thresholds unless authorized under REACH. Documentation of compliance with REACH regulations must be maintained by suppliers and provided upon request by sub-tier suppliers. Non-compliance may lead to contract termination or other necessary actions by Excel Seals. Acceptance of this purchase order acknowledges suppliers' commitment to comply with REACH regulations and to flow down these obligations to their sub-tier suppliers.

### **Q22 - Class I Ozone Depleting Chemicals**

Suppliers shall ensure that products provided under this contract are free from Class 1 ozone-depleting chemicals as defined by the EPA. Suppliers must document and certify compliance with this requirement upon request.

### **Q23 - Export Control**

This order may include technical data and/or materials whose export is restricted under the Arms Export Control Act (Title 22, U.S.C. Section 2751, et seq.) or the Export Administration Regulations (EAR) (15 CFR chapter VII, subchapter C). Violation of these export laws may result in severe criminal penalties. The information in this document, digital form, or any other medium, including attachments and exhibits, may not be exported, released, or disclosed to foreign persons, whether within the United States or abroad.

A 'Foreign Person' is defined as any natural person who is not a lawful permanent resident or citizen of the United States, or who is not a protected individual, including foreign corporations, business associations, partnerships, trusts, societies, or any other entity or group not incorporated or organized to do business in the United States. It also includes international organizations, foreign governments, and any agency or subdivision of foreign governments (e.g., diplomatic missions). Additionally, it encompasses any foreign interest and any U.S. person effectively owned or controlled by a foreign interest. For further clarification, please contact Excel Seals with any questions.

## **6. General Requirements**

### **G1 - Change of Address**

Suppliers are required to provide written notification to Excel Seals should the Supplier relocate its manufacturing operations.

### **G2 - Assignment, Delegation, and Subcontracting**

Supplier shall not assign any rights or interests under this order, nor transfer all or substantially all of its obligations under this order, without the prior written consent of Excel Seals. Additionally, Supplier shall not delegate any duties or obligations under this contract. Any assignment, delegation, or subcontracting by Supplier, whether with or without Excel Seals' consent, shall not release Supplier from its obligations under this order or affect any rights of Excel Seals against Supplier, whether accruing before or after such assignment. This clause does not restrict Supplier's ability to procure standard commercial supplies or raw materials.



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### **G3 – Language**

When requested by Excel Seals, Supplier shall provide all records, reports, specifications, drawings inspection records, test results and other documentation in English.