



Terms and Conditions.

These Terms and Conditions listed herein apply full force once Seller accepts Buyer's purchase order. Acceptance of a Purchase Order from Northway Mathers binds the Supplier to the Terms and Conditions listed in this document. Northway Mathers reserves the right of final approval of product, procedures, processes, and equipment.

1. Evaluation Criteria.

Northway Mathers (dba Northway Products) evaluates each of their vendors based on quality, on-time delivery, and service. Parts are expected to be at Northway Mathers no later than the scheduled date; they can come in earlier if possible. We monitor Supplier Performance and will notify Suppliers if they fall below acceptable standards. All Suppliers are expected to:

- a. Be aware of their contribution to product or service conformity.
- b. Be aware of their contribution to product safety.
- c. Be aware of the importance of Ethical Behavior.

2. Counterfeit Work.

- A) The following definitions apply to this clause: "Counterfeit Work" means Work that is or contains unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used Work represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics. "Suspect Counterfeit Work" means Work for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the Work part is authentic.
- B) Seller shall not deliver Counterfeit Work or Suspect Counterfeit Work to Northway Mathers.
- C) Seller shall maintain counterfeit risk mitigation processes in accordance with industry recognized standards and with any other specific requirements identified in this Contract.
- D) Seller shall immediately notify Northway Mathers with the pertinent facts if Seller becomes aware that it has delivered Counterfeit Work or Suspect Counterfeit Work.
- E) When requested by Northway Mathers, Seller shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM. Seller, at its expense, shall provide reasonable cooperation to Northway Mathers in conducting any investigation regarding the delivery of Counterfeit Work or Suspect Counterfeit Work under this Contract.
- F) 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. Notwithstanding any other provision in this Contract, Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation Northway Mathers end customer costs of removing Counterfeit Work, of installing 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 Northway Mathers may have at law, equity or under other provisions of this Contract.



- G)** Seller shall include paragraphs (A) through (J) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to Northway Mathers/Northway Products.
- H)** Seller's eligible for utilization of the Government-Industry Data Exchange Program ("GIDEP") shall utilize the GIDEP process to alert the industry of encountered counterfeit parts/material
- I)** Non-conforming products will be segregated, tagged and returned to Cadence along with completed (Seller's) internal non-conformance report. Documented cause and corrective action is required for each non-conformance.
- J)** A qualified representative of the supplier's quality department shall sign and document acceptance status for each shipment as evidence of 100% inspection. Sampling inspection shall not be performed without prior written approval from Cadence and our customer.

3. Export Control.

- A)** Seller shall comply with all applicable U.S. export control laws and economic sanctions laws and regulations, specifically including but not limited to the International Traffic in Arms Regulations (ITAR), 22 C.F.R. 120 et seq.; the Export Control Reform Act of 2018; the Export Administration Regulations, 15 C.F.R. 730-774; and the Foreign Assets Control Regulations, 31 C.F.R. 500-598 (collectively, "Trade Control Laws").
- B)** Seller shall notify Buyer if any deliverable under this Contract is restricted by applicable Trade Control Laws. Before providing Buyer any item or data controlled under any of the Trade Control Laws, Seller shall provide in writing to the Buyer Procurement Representative the export classification of any such item or controlled data (i.e. the export classification under the EAR, ITAR, EU List of Dual Use Items and Technology, Wassenaar Arrangement's List of Dual-Use Goods and Technologies or other applicable export control list) and shall notify the Buyer in writing of any changes to the export classification information of the item or controlled data . Seller represents that an official authorized to bind the Seller has determined that the Seller or the designer, manufacturer, supplier or other source of the Work has properly determined their export classification.
- C)** Seller shall not export, re-export, transfer, disclose or otherwise provide or make accessible technical data and/or hardware controlled by Trade Control Laws ("Export Controlled Information") to any persons or entities not authorized to receive or have access to the data, services and/or hardware, including third country/dual national employees, lower-tier subcontractors and sub-licensees, or modify or divert such Export Controlled Information to any military application unless Seller receives advance, written authorization from Buyer and verification of any required export authorization is in place. Seller shall not provide a defense service as defined by the Trade Control Laws using any technical data and/or hardware. Upon Buyer's request, Seller shall demonstrate to Buyer's reasonable satisfaction, Seller's and Seller's lower-tier subcontractors' compliance with this clause and all Trade Control Laws. To the extent Seller's Work provided under this Contract include packing, labeling, processing, and/or handling exports for Buyer, Seller shall maintain an auditable process that assures accurate packing, labeling, processing, and handling of such exports. Seller shall also promptly notify Buyer if it becomes aware of any failure by Seller or Seller's lower-tier subcontractors to comply with this clause and shall cooperate with Buyer in any investigation of such failure to comply.
- D)** Seller hereby represents that neither Seller nor any parent, subsidiary, affiliate or sublicensee or subtier supplier of Seller is included on any of the restricted party lists maintained by the U.S. Government, including the Specially Designated Nationals List administered by the U.S. Treasury Department's



Office of Foreign Assets Control ("OFAC"), Denied Parties List, Unverified List or Entity List maintained by the U.S. Commerce Department's Bureau of Industry and Security ("BIS"), or the List of Statutorily Debarred Parties maintained by the U.S. State Department's Directorate of Defense Trade Controls, listed, the ITAR §126.1 Restricted Parties List, or the consolidated list of asset freeze targets designated by the United Nations, European Union, and United Kingdom (collectively, "Restricted Party Lists"). Seller will provide prompt notice to Buyer, in adherence with applicable laws, the confidentiality restriction of the change of control agreement from the acquiring party of a change of control of Seller, or any parent, subsidiary or affiliate of Seller, or any sublicensee or sub-tier supplier of Seller, which becomes listed or their ownership is listed on any Restricted Party List, within or by an ITAR § 126.1 listed country, or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. or non-U.S. government entity or agency. To ensure compliance with the requirements of the applicable agency's regulations, if the intended sale or transfer of ownership is to a non -U.S. person or entity, Seller shall provide Buyer with notice at least 90 days prior to the effectiveness of such change of control.

- E) Upon completion of performance of this Contract, Seller and its lower-tier subcontractors shall as directed by Buyer, return or destroy all export controlled technical data, technology, hardware or other items. Seller shall provide a certificate of destruction for all destroyed items

4. Termination for Convenience.

Northway Mathers reserves the right to terminate this order or any part hereof for its sole convenience. In the event of such termination, Seller shall immediately stop work hereunder, and shall immediately cause any of its suppliers or subcontractors to cease such work. Seller shall be paid a reasonable termination charge consisting of a percentage of the order price reflecting the percentage of work performed prior to notice of termination, plus actual direct costs resulting from termination. Seller shall not be paid for any work done after receipt of the notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided.

5. Hold Harmless.

Seller shall indemnify and hold harmless Northway Mathers, its personnel and agents, from and against any claims, demands, loss, damage or expense relating to bodily injury or death of any person or damage to property to the extent proximately caused by the negligent or willful acts or omissions of Seller, its personnel or agents in the course of providing Products or performing Services hereunder, provided Northway Mathers shall have given Seller prompt notice of any claim hereunder, Seller has sole control of the defense of any such claim, Customer cooperates fully (at Seller's expense) in such defense and Customer makes no settlement or compromise of any such claim without Seller's prior written consent.

6. Quality Certification.

Subcontractors need to be certified to AS9100, and flow down AS9100 Section 8.4.3.m to their sub-tier suppliers, e.g., their contribution to product or service conformity, product safety, and the importance of ethical behavior. In case of evoking of quality certification, suppliers are required to communicate to Northway Mathers any change in certification. This communication is required to be performed within 24 hours (Monday through Thursday) or 72 hours (Friday through Sunday) depending on the date of the revocation. Our organization reserves the right to review and approve the Supplier's Quality Management System. Standard QMS Requirements include:

- a. Suppliers providing special processing must maintain a system for validating processes.



- b. Customer Directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer in question.
- c. Suppliers initially approved for use via Certification (ISO9001, AS9100, ISO17025, AS9120, etc.) must notify our organization of any changes to that certification.

7. Quality Records.

Suppliers shall maintain quality records, including traceability throughout all stages of manufacturing and those records must remain readily retrievable upon request by Northway Mathers. No quality records shall be destroyed without the written consent of Northway Mathers Purchasing department.

8. Quality.

- A) All special processes required by this PO must be performed by qualified personnel.
- B) The Supplier shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data. Unless noted otherwise on Purchase Order, the latest level is to be used.
- C) Northway Mathers reserves the right to approve or specify any designs, tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items including key characteristics.
- D) The Supplier is required to: notify Northway Mathers of non-conforming processes, products, or services and obtain approval for their disposition, flow down to the supply chain all applicable requirements, including customer requirements, and capture and report all Counterfeit parts.
- E) Right of access by Northway Mathers, our customer and regulatory authorities to the applicable areas of all facilities, at all levels of the supply chain, involved in the order and to all applicable records.

9. Calibration Traceability.

All vendors providing Calibration Services must:

- a. Maintain Certification to ISO17025 (or equivalent)
- b. Provide reporting of "As Found" and "As Left" status if the item is found to be out of tolerance. c. Identify Calibration Standards used.
- d. Utilize Calibration Standard traceable to NIST.

10. Environmental Policy.

Northway Products is committed to managing its operations in a manner that is environmentally responsible, and that protects the current and future environmental interests of the community within which it operates. Towards that end the Seller warrants that Seller will:

- a. Maintain compliance with all federal, state and local environmental laws and regulations;
- b. Seek to eliminate and/or reduce environmental pollution that may be attributed to the Seller's operation, and
- c. Convey the requirements of this Section to its subcontractors.



11. Gratuities, Bribes and Other Payments; Supplier Integrity Guide

Seller warrants that neither it nor its employees, agents or representatives have offered or given any gratuities, gifts, bribes, kickbacks, entertainment or anything else of value to Buyer, its employees, agents or representatives to influence anyone for the purpose of securing this Order, or obtaining or retaining any business, or securing any favorable treatment with respect thereto. Northway Products requires all suppliers to adhere to lawful business practices, including prohibition against bribery of government officials.

12. Flow Down Terms.

The current release of following quality documents is required to be adhered to based on the end item customer identified on the purchase order and/or the prints associated with it.

Company: Gulfstream Aerospace Corporation

Quality Document: SQAR-9100 (Supplier Quality Assurance Requirements Under an AS9100 Quality System) Contact your Northway Mathers Agent for a current copy if you don't have one and need one for this order.

Company: Lockheed Martin Aerospace Corporation

Quality Document: Appendix QX (Supplier Quality Requirements). It can be found at [Http://www.lockheedmartin.com/us/aeronautics/materialmanagement/scm-quality.html](http://www.lockheedmartin.com/us/aeronautics/materialmanagement/scm-quality.html)

Company: Northrop Grumman Corporation

Quality Document: SQAR (Supplier Quality Assurance Requirements) & SQAR Supplement for the F-35 Lightning Program. For other programs please contact your Northway Mathers Agent.

Company: Boeing

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. Suppliers utilizing Digital Data must comply with the requirement of Boeing specification D6-51991 Quality Assurance Standards for Digital Product Definition at Boeing Suppliers. Supplier shall not perform any special tooling fabrication, rework, or repair without Cadence Aerospace approval in accordance with Boeing BDS D950-11059-1 requirements. Copy of this document can be found at <http://www.boeingsuppliers.com/quality/D6-82479.pdf>

Company: Collins Aerospace (Raytheon Technologies)

Quality Document: ASQR-01 Supplier Quality System Requirements, and it can be found at <https://www.rtx.com/suppliers/united-technologies-suppliers/united-technologies-asqrd>

Additional Requirement: Calibration - If using ANSI/NCSL Z540.3, supplier shall implement the requirements using the Handbook for the Interpretation of ANSI/NCSL Z540.3.

Company: Airbus SE

Quality Document: AP2190 GRAMS – General Requirements for Aerostructure & Material Suppliers, it can be found at <https://www.airbus.com/search.html?q=AP2190>



Boeing Defense, Space, and Security Programs – The requirements of BDS Terms and Condition Clause H900, Section A para 26/D607 shall apply. Certification must state the following: “Material meets all requirements of BDS Terms and Conditions Clause H900 Section A para 26/D607.”

Military Programs – Original mill producer must be of a domestic source unless otherwise listed on the material APL. Any specialty metals under this contract shall be melted in the United States, outlying areas or qualifying countries.