The terms and conditions listed below may not be specified on the purchase order and are to be considered a supplement of the purchase order requirements. You must ensure that the product or service you provide Cutting Edge Metals, LLC (CEM) complies with these conditions.

Thank you,

Lori Robertson

President / Owner

**Purchase Order Terms and Conditions:**

CEM requires that suppliers ensure they are providing the product in the purchase order and/or contract to the correct drawing or specification revision where applicable and that the product meets all drawing and workmanship requirements. Each article under this purchase order must be identified with a part number or other identification if prior arrangements were made.

The supplier is responsible to ensure the items provided under this purchase order/contract are packaged in such a manner that the product integrity is preserved, contamination and corrosion are prevented and otherwise no physical damage or loss can occur during transit.

All purchased materials, products, and services are subject to inspection for compliance with requirements. When required, a first article inspection may be requested if it is the initial production run of that product or if requested by an interested party.

Where customer specified processes, suppliers, or product are required, the supplier shall notify CEM if any deviation is made to the product or process and obtain CEM approval prior to shipment.

In the event the supplier produces any product that is nonconforming, CEM shall be notified of the discrepant product prior to delivery. If discrepant product is delivered without prior notification, the supplier is subject to the receipt of a Supplier Corrective Action Request and may be asked to provide a containment plan within three working days, and a root cause corrective action summary/response within fifteen business days.

The supplier shall retain all purchasing, production control, quality, manufacturing and manufacturing methods, test, and other related documents associated with the item purchased, for a minimum of 10 years after order completion. These records shall provide evidence of conformity to requirements and to the effective operation of the supplier’s Quality Management System (QMS). Methods and records shall be available for review by buyer’s representatives, customers, and regulatory authorities.

First Article Inspection Reports and related records shall be retained by the supplier for 10 years plus the current year and are required to be kept in the format in which they originated.

Upon request, a representative of CEM, CEM’s customer, and/or any government agency shall have the right to visit the supplier’s property to inspect products, witness inspections and tests, review CEM documents, and to evaluate the quality system.

The supplier must flow down to their suppliers all the above requirements if subcontracting any portion of the product on this purchase order/contract.

Although the supplier may not be or need to be certified by a 3rd party body (i.e., NADCAP, AS9100, ISO9000) it is expected that the supplier’s quality management system conforms in principle to these requirements, including any required qualification of persons. In addition, the supplier should continually strive to improve their quality management system.

**Counterfeit Materials Policy:**

CEM recognizes counterfeiting of components is a serious problem worldwide. We feel it is our duty to ensure we have stringent policies in place to protect both our valuable reputation and that of our customers.

To continue to provide quality products and prevent the purchase of counterfeit, suspect or unapproved products, we purchase components directly from:

• Manufacturer Direct (OCM)

• Manufacturers Approved Franchise Distributor

• Manufactures Approved Agent / Rep

• OEM / CEM Bonded Inventories

Certain hard to find or obsolete products cannot always be obtained from these primary sources. In these instances, CEM will procure from sources that provide the least risk. It may be necessary to source components through brokers or independent distributors, in these cases only Approved vendors will be used.

CEM will continue to educate ourselves on the most current industry information to maintain our in-house screening program for all products acquired from non‐traceable sources.

**Contribution to Product Conformity and Product Safety:**

The supplier shall ensure their organization is aware of their contribution to product conformity and contribution to product safety. The supplier shall plan, implement, and control the processes needed to assure product safety during the entire product life cycle.

Product Safety includes but is not limited to, (a) ensuring products are free from damage as a result of handling, shipping, processing; (b) parts and services are to the customer specifications to ensure safety of the final product; (c) parts and services will not cause harm or damage to personnel during handling, shipping, or processing.

**Supplier Code of Ethics:**

The Supplier Code of Ethical Conduct serves to emphasize CEM’s commitment to ethical conduct and compliance with the law and to set forth basic standards of ethical and legal behavior. Given the variety and complexity of ethical questions that may arise while carrying out business, this Code can serve only as a general guide.

1. Fair Dealing

Suppliers are required to act honestly, in good faith, and with professionalism. No Supplier may take unfair advantage of another person through harassment, manipulation, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

1. Employment Standards

Suppliers will maintain fair and non-discriminatory work environments where all employees are treated with respect and dignity and in a manner that complies with workplace practices mandated by state and federal laws.

1. Confidentiality

Suppliers must maintain the confidentiality of confidential information entrusted to them, except when disclosure is authorized by Top Management or designee of CEM or required by law.

1. Protection and Proper Use of CEM Assets

Suppliers should protect the CEM assets, including intellectual property, and ensure their proper and efficient use. Theft, carelessness, and waste have a direct impact on the operations. Any suspected incident of fraud or theft should be immediately reported for investigation. The obligation of Suppliers to protect assets includes, but is not limited to, its proprietary information.

ITAR Warning: Documents or engineering drawings, prints, etc. which are provided to the supplier may contain technical data whose export is restricted by the International Traffic in Arms Regulations (ITAR, 22 CFR Parts 120-130), the Arms Export Control Act (22 USC 2778), or the Export Administration Act of 1979 as amended (22 USC app. 2401 et. seq.), and which may not be released or disclosed to non-US persons (i.e. persons who are not US citizens or unlawful permanent residents) inside the United States without prior written authorization from the relevant US Government agency.

1. Compliance with Laws, Rules, and Regulations

Suppliers must comply with applicable laws, rules, and regulations at all levels of government in the United States and in any other jurisdiction in which Supplier does business.

1. Certification Regarding Trafficking in Persons Compliance Plan
   1. The term "commercially available off-the-shelf (COTS) item," is defined in the clause of this solicitation entitled "Combating Trafficking in Persons" (FAR clause 52.222-50).
   2. The apparent successful Offeror shall submit, prior to award, a certification, as specified in paragraph (c) of this provision, for the portion (if any) of the contract that:
      1. Is for supplies, other than commercially available off-the-shelf items, to be acquired outside the United States, or services to be performed outside the United States; and
      2. Has an estimated value that exceeds $550,000.
   3. The certification shall state that:
      1. It has implemented a compliance plan to prevent any prohibited activities identified in paragraph (b) of the clause at 52.222-50, Combating Trafficking in Persons, and to monitor, detect, and terminate the contract with a subcontractor engaging in prohibited activities identified at paragraph (b) of the clause at 52.222-50, Combating Trafficking in Persons; and
      2. After having conducted due diligence, either-
         * To the best of the Offeror's knowledge and belief, neither it nor any of its proposed agents, subcontractors, or their agents is engaged in any such activities; or
         * If abuses relating to any of the prohibited activities identified in 52.222-50(b) have been found, the Offeror or proposed subcontractor has taken the appropriate remedial and referral actions.
2. Timely and Truthful Reporting

The supplier may not knowingly conceal or falsify information, misrepresent material facts, or omit material facts necessary to avoid misleading the authorities or CEM.

CEM continuously monitors the performance of our Approved Vendors utilizing a variety of criteria.

**Form Revision History**

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| --- | --- | --- | --- | --- | --- |
| **Revision** | **Change** | **Reason** | **Changed By** | **Date** | **Approval** |
| - | INITIAL RELEASE |  | Lori Robertson | 04/25/23 | LR |
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