

BAILEY Purchase Order Terms & Conditions

Compliance with the Applicable Flow Down Requirements

Supplier must comply with all purchase order requirements including the applicable BAILEY customer's flow down requirements.

Right to Verify Purchased Products:

BAILEY, its customers and regulatory authorities shall be afforded the right of access to the applicable areas of the facilities and to the applicable documents and records at any level the supply chain.

Verification by the customer shall not be used by the organization as evidence of effective control of quality by the supplier and shall not absolve the organization of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.

Disposition of Nonconforming Product:

"The supplier is to notify BAILEY for disposition of any non-conforming product within a reasonable time period after it is identified."

Provision of Product Integrity & Traceability:

"All products supplied by the supplier must be legible and traceable to the Original Equipment Manufacturer (OEM) with full lot traceability. Paperwork traceability must be maintained at the supplier's facility. Supplier must provide OEM Certificate of Conformance (COC) and Test Reports (T/R) upon request. BAILEY prohibits any purchase, shipment or circulation of counterfeit/suspect unapproved products."

In the event of receiving counterfeit parts.

Counterfeit Part Detection, Avoidance, and Mitigation

BAILEY hereby represents and warrants that it Maintains procedures for the detection and avoidance of Counterfeit Electronic parts in accordance with SAE AS5553/AS6174. BAILEY require all suppliers to acknowledge the flow down requirements to their sub-tier suppliers in accordance with the purchase order term and conditions.

Change of Product:

"The supplier is required to notify BAILEY of any changes in product definition."

Right to Access:

"BAILEY, their customer, and any regulatory authorities will have the right of access to all supplier facilities involved in the order and applicable records."

BAILEY or its customer have the right to perform verifications or validation activities at the supplier premises.

Shipping:

(All product shipped to BAILEY **must be free** of mercury compounds)

(All product shipped to BAILEY **must be** from conflict free origins)

(All product shipped to BAILEY **must be free of FOD**)

Lead Free Product Requirement:

All Electronic Systems products, parts, component, and assemblies supplied by the supplier must be Lead Free and in compliance with GEIA – STD – 0005 – 1 – A and, GEIA – STD – 0005 – 2 – A, Level 2C

REACH Declaration

To the best of our knowledge, Bailey, confirms we are in compliance with all relevant general and application specific prohibitions and restrictions. We also confirm that no prohibited substances are used for the specified prohibited applications as they relate to the product in the scope of this disclosure. Any applicable exemptions or authorizations have been reported in the Controlled Substance Declaration.

Foreign Object Damage/Foreign Object Debris (FOD) Prevention

All products/components/services supplied to BAILEY must be free of FOD, per NAS 412, Foreign Object Damage/Foreign Object Debris (FOD) Prevention Standard Practice.

Suppliers are required to:

Provide processes, products and services conform to PO requirements.

Install appropriate controls to their direct and sub-tier external providers, to ensure that PO requirements are met.

Provide services and product conform to BAILEY PO Requirement when directly supplied (Drop Ship) to BAILEY customers.

Maintain all records pertaining to BAILEY for a minimum of seven (7) years.

Assure that supplier's sub-tier suppliers hold a current NADCAP certification when performing special processes on BAILEY product.

Notify the BAILEY of changes to processes, products, or services, including changes of their suppliers or location of manufacture, and obtain BAILEY approval.

Competence, including any required qualification of personnel.

Interaction and communication with BAILEY

Perform the applicable testing, inspection and verification of product and services.

To use the applicable statistical techniques for product acceptance and related instruction for acceptance by BAILEY.

Implement a quality management system.

Use BAILEY's customer-designated suppliers, including process sources (e.g., special processes)

Notify BAILEY of nonconforming processes, products, or services to obtain their disposition.

Prevent the use of counterfeit parts.

Bring awareness to personnel regarding:

Their contribution to product or service conformity.

Their contribution to product safety.

The importance of ethical behavior.

Supplier performance:

Supplier will be monitored and evaluated for quality and delivery performances on a regular basis.

Use of Chromate's in the Aerospace Supply Chain:

Supplier Must acknowledge and comply with the Aerospace Industry GCCA news Bulletin No.2019-01 for the "[Use of Chromate's in the Aerospace Supply Chain](#)" Requirement.

Combatting Trafficking in Persons Compliance Plan

Bailey strictly prohibits its employees and all subcontractors and agents from:

- engaging in severe forms of trafficking in persons;
- procuring commercial sex acts;
- using trafficked labor;
- destroying, concealing, confiscating, or otherwise denying an employee access to the employee's identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority;
- using misleading or fraudulent practices during the recruitment of employees or offering of employment, such as failing to disclose, in a format and language accessible to the employee, basic information or making material misrepresentations during the recruitment of employees regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if employer or agent provided or arranged), any significant costs to be charged to the employee, and, if applicable, the hazardous nature of the work;
- Using recruiters that do not comply with local labor laws of the country in which the recruiting takes place;
- charging employees recruitment fees (as defined by the FAR);
- failing to pay return transportation costs upon the end of employment, for certain employees who are not nationals of the country in which the work is taking place (with some exceptions as specified under FAR 52.222.50(b)(7));
- Providing or arranging housing that fails to meet the host country housing and safety standards; and
- If required by law or contract, failing to provide an employment contract, recruitment agreement, or other legally required work document in writing in a language the employee understands, containing a detailed description of the terms and conditions of employment, at least five days before an employee relocates to perform work.

All suppliers must comply with 29 CFR Part 570 Regulations of the child labor provisions under the FLSA.