



## ITI ENGINEERING LLC Supplier Flow Down Requirements

### Acceptance

Supplier is self-certifying by acceptance of any Purchase Order (Contract) that they are in compliance with all Terms and Conditions as set forth in the accepted contract and this document. Unless expressly accepted in writing by ITI, additional or differing terms or conditions proposed by Supplier or included in Supplier's acknowledgment are objected to by ITI and have no effect.

### Employee Awareness

ITI requires its suppliers to promote a culture of employee awareness of their contribution to product and service quality, their contribution to product safety, and the importance of ethical behavior.

### Ethical Conduct

ITI values relationships that are grounded in a shared commitment to performing in accordance with the highest standards of professional business conduct and encourages all suppliers to implement an effective ethics program, including adopting a written code of conduct. In performance of this Contract, both parties are expected to conduct themselves in a manner consistent with the principles expressed in the Defense Industry Initiative Model Supplier Code of Conduct available at <https://www.dii.org/featured-tools>.

The supplier certifies, for orders in excess of \$6,000,000, that it has a written code of business ethics and conduct as stated in FAR 52.203-13. The supplier shall also include the substance of this clause, including paragraph (d), in subcontracts that have a value in excess of \$6,000,000 and a performance period of more than 120 days. This is applicable to the US supplier of orders.

### Equal Opportunity

**ITI and its subcontractors shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, national origin, compensation inquiries, discussions or disclosures. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status, disability, compensation inquiries, discussions, or disclosures.**

### Communication With ITI

Supplier shall not communicate with ITI's customer or higher tier customer in connection with a Contract, except as expressly permitted by ITI. This clause does not prohibit SELLER from communicating with the Governing Bodies (Local, State, Federal) with respect to (1) matters Supplier is required by law or regulation to communicate to the Government, (2) fraud, waste, or abuse communicated to a designated investigative or law enforcement representative of a Local/State/Federal department or agency authorized to receive such information, (3) any matter for which a Contract, including a FAR or FAR Supplement clause included in a Contract, provides for direct communication by Supplier to the Government, or (4) any material matter pertaining to payment or utilization.

### Retention of Records

ITI Suppliers shall retain all records related to Orders placed by ITI for a minimum of seven (7) years unless otherwise defined by customer flowdowns, statutory and/or regulatory requirements.

### Change in Control of Seller

Prior to a potential change of control of Supplier and at least ninety (90) days prior to the proposed effectiveness of such change of control, Supplier will promptly notify ITI in writing thereof, and provide the identity of the potential new controlling party and information on such party and the transaction as ITI may request, consistent with applicable law and confidentiality restrictions.

### Certificate of Conformance

Each lot delivery associated with an order is required to be accompanied by a Certificate of Conformance to show that verification has occurred and the lot meets all requirements. Identification and traceability for each lot must be maintained and linked to the Certificate of Conformance. Records must be retained for at least seven (7) years. Records that are no longer retained must be destroyed versus discarded.

### Right of Access

ITI, its aerospace customers, and government authorities have the right of access to all facilities, applicable documents, and records involved in processing of ITI orders. ITI, its aerospace customers, and aerospace customer's representative and government authorities intend to perform verification activities at supplier's premises when warranted and/or deemed necessary to assure



## ITI ENGINEERING LLC Supplier Flow Down Requirements

product and services conform to specified requirements. Advance notification will be provided. This requirement must flow down to all sub-tier suppliers.

### Process Changes

ITI suppliers must obtain ITI prior approval before making any changes to the process used to manufacture a product being supplied. While manufactured items are governed by manufacturing drawings, process changes could pose a risk that must be evaluated in advance.

### Regulatory Requirements

ITI suppliers must and are expected to abide by all Federal Regulations, State Regulations, Local Regulations, and ITI Customer Flowdowns which are sent during time of order placement.

### Sub-Tier Suppliers

ITI suppliers are required to notify ITI in advance of outsourcing work to sub-tier suppliers or before making changes to any sub-tier suppliers being used and/or the location of work being performed. ITI requires the right to review and approve sub-tier suppliers before they are used consistent with the ITI process used to approve the original supplier. When sub-tier suppliers are approved, ITI suppliers are required to flow-down all applicable ITI requirements to sub-tier suppliers including technical drawings, regulatory requirements, this document, etc.

### Intellectual Property

"Work" means all required labor, articles, materials, supplies, goods, and services constituting the subject matter of this Contract.

Supplier warrants that the Work performed or delivered under this Contract will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. Except to the extent that the U.S. Government assumes liability therefor, Supplier shall defend, indemnify, and hold harmless ITI Engineering LLC, its officers, directors, employees, consultants, agents, affiliates, successors, permitted assigns and customers from and against all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorney's fees, all expenses of litigation and/or settlement, and court costs, arising out of any action by a third party that is based upon a claim that the Work performed or delivered under this Contract infringes or otherwise violates the intellectual property rights of any person or entity.

### Assignment

Any assignment of Suppliers Contract rights or delegation of Suppliers duties shall be void, unless prior written consent is given by ITI. Nevertheless, Supplier may assign rights to be paid amounts due, or to become due, to a financing institution if ITI is promptly furnished a signed copy of such assignment reasonably in advance of the due date for payment of any such amounts. Amounts assigned shall be subject to setoff or recoupment for any present or future claims of ITI against Supplier. ITI shall have the right to make settlements and/or adjustments in price without notice to any assignee financing institution.

### Warranty

"Work" means all required labor, articles, materials, supplies, goods, and services constituting the subject matter of this Contract.

Supplier warrants that all Work furnished pursuant to this Contract shall strictly conform to applicable specifications, drawings, samples, descriptions, and other requirements of this Contract and be free from defects in design, material, and workmanship. This warranty shall begin upon final acceptance and extend for a period of one (1) year. If any nonconforming Work is identified within the warranty period, Supplier, at ITI's option, shall promptly repair, replace, or reperform the Work. Transportation of replacement Work, return of nonconforming Work, and reperformance of Work shall be at Suppliers expense. If repair, or replacement, or reperformance of Work is not timely, ITI may elect to return, reperform, repair, replace, or reprocure the non-conforming Work at Suppliers expense. All warranties shall run to ITI and its customers.

### Nonconforming Product

When nonconforming product occurs, the associated ITI supplier shall be immediately notified for appropriate controls and disposition. ITI shall conduct root cause analysis and implement timely and effective corrective actions. If the supplier is determined to be responsible for the root cause of the problem, the supplier shall be required to conduct its own root cause analysis and plan/execute a timely corrective action plan. All ITI supplier actions associated with non-conforming product will be documented and a copy shall be provided to ITI.



## ITI ENGINEERING LLC Supplier Flow Down Requirements

### Quality

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

### Quality Control System

Supplier shall provide and maintain a quality control system to/compliant with an industry recognized Quality Standard. Supplier shall notify ITI in writing within 10 days of any of the following: 1. change in its quality system status; or 2. loss of third party registrar's certification status; or 3. change in Supplier's quality organization, processes or procedures that are known to affect or could potentially affect conformity of any Item; or 4. adverse action taken by a US Government entity (e.g. FAA, CAA, OSHA, DoD, EPA, etc.), third party registrar, International Government Agencies, or Nadcap to include, but is not limited to, any of the following: i. Issuance of any major Level II or Level III Corrective Action Request associated with Buyer Items, Quality Management System or processes associated with Buyer Items ii. Issuance of a major finding by a third-party registrar iii. Suspension of Government Source Inspection.

### Counterfeit Parts/Work

"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.

ITI suppliers shall maintain counterfeit risk mitigation processes in accordance with industry recognized standards and must do everything possible with its suppliers and sub-tier suppliers to prevent the use of counterfeit parts/material. Suppliers must not utilize/deliver counterfeit parts/material or suspect counterfeit parts/material. All material/parts delivered/incorporated as Work must be purchased directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Other sources may only be used if the foregoing sources are unavailable, or if supplier's inspection and other counterfeit risk mitigation processes will be employed to ensure the authenticity of the Work, and supplier obtains the advance written approval of ITI. Supplier shall immediately notify ITI with the pertinent facts if supplier becomes aware that it has delivered Counterfeit Work/Suspect Counterfeit Work. When requested by ITI supplier shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM. Supplier, at its expense, shall provide reasonable cooperation to ITI in conducting any investigation regarding the delivery of Counterfeit Work/Suspect Counterfeit Work. In the event counterfeit parts/material are discovered, the entire lot will be immediately rejected and the supplier is responsible for complete replacement. This requirement must flow down to all sub-tier suppliers.

### Chemical Substances

1. Supplier represents that each chemical substance constituting or contained in Work sold or otherwise transferred to ITI hereunder is, as applicable, on the Toxic Substances Control Act (TSCA) Chemical Substances inventory compiled by the United States the Environmental Protection Agency and is designated as "active" pursuant to the TSCA Inventory Notification Rule. SUPPLIER shall make available to ITI all Safety Data Sheets for any material provided to ITI, or brought or delivered to ITI or its customer's premises in the performance of a contract, as required by applicable law such as the Occupational Safety and Health Act of 1970 and regulations promulgated thereunder.
2. Work delivered by SUPPLIER under a contract may be incorporated into deliverable goods for use in the European Economic Area (EEA) and subject to the European Union Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH); the Classification, Labeling and Packaging Regulation (EC) No. 1272/2008 (CLP); and the Biocidal Products Regulation (EU) 528/2012 (BPR).
3. SUPPLIER represents and warrants that the Work and any substances contained therein are not prohibited or restricted by, and are supplied in compliance with REACH, CLP, and BPR, and that no current requirement in REACH, CLP, or BPR prevents the sale or transport of SUPPLIER's Work or substances in SUPPLIER's Work in the EEA, and that all such Work and substances have been pre-registered, registered, reported, approved, and/or authorized as and to the extent required by REACH, CLP, and BPR.
4. SUPPLIER shall respond in a timely fashion to any request from ITI with all relevant information on the Work so that the intents of REACH, CLP, and BPR are met for communicating with downstream users (e.g., as defined in article 3(13) of REACH [any person established in the EEA using substances in the course of that person's industrial or professional activities; the definition does not include the manufacturer, importer, distributor, or consumer]), and in any case, SUPPLIER shall provide all information necessary for ITI and/or any downstream user to timely and accurately fulfill their obligations under REACH, CLP, and BPR.
5. SUPPLIER shall bear all costs, charges and expenses related to pre-registration, registration, evaluation, authorization, reporting, and approval under REACH, CLP, and BPR



## ITI ENGINEERING LLC Supplier Flow Down Requirements

### FOD Prevention

Whenever or wherever Foreign Object Debris (FOD) can be entrapped or Foreign Objects (FO) can migrate, Supplier shall ensure that FOD prevention requirements are flowed down to Supplier's subcontractors at every tier. (Q4R)

Prior to closing inaccessible or obscured areas and compartments during assembly, Seller shall inspect for FO/materials and ensure no protective devices (e.g., bags, caps, covers, plugs) remain embedded. Seller shall ensure tooling, jigs, fixtures, and test or handling equipment are maintained in a state of cleanliness and repair sufficient to prevent FOD and FOD. (Q4R)

By delivering Items to Buyer, Seller shall be deemed to have certified to Buyer that such Items and packaging are free from any FO/FOD. (Q4R)

Suppliers shall maintain a FOD Prevention Program in accordance with Aerospace Standard AS9146, Foreign Object Damage (FOD) Prevention Program - Requirements for Aviation, Space, and Defense Organizations. (Q4R)

### Export/Import Controls

Supplier 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").

Supplier shall notify ITI if any deliverable under a Contract is restricted by applicable Trade Control Laws. Before providing ITI any item or data controlled under any of the Trade Control Laws, Supplier shall provide in writing to the ITI 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 ITI Procurement Representative in writing of any changes to the export classification information of the item or controlled data. Supplier represents that an official authorized to bind the Supplier has determined that the SUPPLIER or the designer, manufacturer, supplier or other source of the Work has properly determined their export classification.

Supplier shall not export, re-export, transfer, disclose or otherwise provide or make accessible ITI's 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 Supplier receives advance, written authorization from ITI and verification of any required export authorization is in place. Supplier shall not provide a defense service as defined by the Trade Control Laws using any or all of ITI's technical data and/or hardware. Upon ITI's request, Supplier shall demonstrate to ITI's reasonable satisfaction, Suppliers and Suppliers lower-tier subcontractors' compliance with this clause and all Trade Control Laws. To the extent Suppliers Work provided under a Contract include packing, labeling, processing, and/or handling exports for ITI, Supplier shall maintain an auditable process that assures accurate packing, labeling, processing, and handling of such exports. Supplier shall also promptly notify ITI if it becomes aware of any failure by SUPPLIER or SUPPLIER's lower-tier subcontractors to comply with this clause and shall cooperate with ITI in any investigation of such failure to comply.

SUPPLIER hereby represents that neither SUPPLIER nor any parent, subsidiary, affiliate, employee, or sublicensee or lower tier supplier of SUPPLIER (i) are located within an ITAR §126.1 listed country, (ii) nor 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"), the List of Statutorily Debarred Parties maintained by the U.S. State Department's Directorate of Defense Trade Controls or the consolidated list of asset freeze targets designated by the United Nations, European Union, and United Kingdom (collectively, "Restricted Party Lists."

SUPPLIER further represents that it shall immediately notify the ITI Procurement Representative if SUPPLIER's status changes with respect to any of the foregoing.

In the event of applicable governmental restrictions, and the initiation or existence of a U.S. Government investigation, that could affect SUPPLIER's performance under a Contract, or (2) any change by SUPPLIER that might require ITI to submit an amendment to an existing Export Authorization or request a new or replacement Export Authorization. SUPPLIER shall provide to ITI all information and documentation as may reasonably be required for ITI to prepare and submit any required export license applications. Delays on SUPPLIER's part to submit the relevant information for export authorizations shall not constitute an excusable delay under a Contract.

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

SUPPLIER shall flowdown Export/Import Control or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or delivered as Work to ITI. SUPPLIER shall immediately notify ITI upon learning that any lower-tier subcontractor



## ITI ENGINEERING LLC Supplier Flow Down Requirements

with which it engages has become listed on the Restricted Parties List.

### ITI/Government Furnished Material/Property

All ITI and or Government Furnished Material/Equipment/Property shall be accounted for and maintained as set forth.

- Property shall be used only for the performance of this Order, or as directed by ITI.
- Title to Furnished Property shall be retained by ITI or its customer. Supplier shall clearly mark (if not already marked) all Furnished Property to show ownership. While Furnished Property is in Supplier's possession, Supplier shall prevent the commingling of Furnished Property with other materials in Supplier's possession, except in accordance with ITI's written instructions.
- Except for reasonable wear and tear, Supplier assumes all risk of loss, destruction, or damage of Furnished Property while in Supplier's possession, custody, or control. Upon request, Supplier shall promptly provide ITI with adequate proof of insurance against such risk of loss. Supplier shall promptly notify ITI of any loss or damage. Without additional charge, Supplier shall manage, maintain, and preserve Furnished Property in accordance with good commercial practice.
- Supplier shall document receipt of property and keeping current auditable records.
- At ITI's request or at completion of this Order, Supplier shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposition in accordance with instructions from ITI.
- With respect to government-furnished property, or property to which the Government may take title under this Order: (1) For this Purchase Order, the clause at FAR 52.245-1 (and FAR 52.245-9) shall apply and is incorporated by reference. (2) Supplier shall provide to Buyer immediate notice of any disapproval, withdrawal of approval, or nonacceptance by the Government of its property control system.
- If property must be furnished to Supplier's, sub-tier Supplier's, the Supplier shall flow down these requirements.