



Vendor Contract Terms and Conditions

The contribution of the vendor base at Morton Fasteners, Inc. is an integral part of our products conformity and safety. It is imperative that our vendors comprehend the importance of adhering to contract/purchase order flow down requirements and operating in an ethical manner. The following terms and conditions apply to all vendors based on applicability.

By acceptance of this order, vendor acknowledges this document may contain technical data whose export is restricted by the Arms Export Control Act (Title 22, U.S.C. SEC 2751, ET SEQ) and ITAR 22 CFR 120-130 and is subject to the export restrictions provided therein. Recipients of this document should abide by such laws and regulations, including country specific controls and controls on use. Failure to deliver within the required delivery date may result in the cancellation of this order. Suppliers are reviewed periodically for both conformity (of product, process, and/or service) and on-time delivery. When applicable, external providers not meeting performance goals may be issued corrective actions, may be relegated to "Disapproved" status, or may be subject to other punitive actions.

The following conditions apply directly to all Morton Fasteners, Inc. purchase orders.

1. By acceptance of this purchase order, the supplier agrees to:
 - a. grant the purchaser, their customer and any regulatory authorities the right of access to all facilities and quality records involved in the order.
 - b. notify the purchaser of any anomalies, changes in definition, changes in their processing approval status involved in the order.
 - c. flow down to sub tier suppliers the requirements of this purchasing document, including key characteristics where required.
 - d. Notify the purchaser of any and/or all non-conforming product.
2. All suppliers will be subject to approval and may be subject to audit.
3. All calibration systems must comply with NCSL Z540-1 or equivalent.
4. All Certifiable processes must be accompanied by a certificate of conformance signed by a duly authorized officer of the company.
5. All records/certifications pertaining to this purchase order must be maintained for a period of at least 2 years.
6. If this is a rated order certified for national defense use, then you are required to follow all provisions of the Defense Priorities and Allocations System regulation (FAR 52.211-15)
7. Raw Material Suppliers shall provide certifications that support all raw materials on this P.O. Certifications shall include P.O. number, Material specification, revision, type, condition, quantity, weight, Heat number, the melt supplier and the results of any chemical analysis and physical tests. Raw material must be provided by a domestic, or otherwise approved source per DFARS 252.225 restrictions on acquisition of certain articles containing specialty metals and 225.872 contracting with qualifying country sources.
8. Certifications, of processes requiring them, shall include a certificate of conformance (C.O.C.) statement, operational process definitions (specifications, times, temps, thickness, etc.), test results, inspection data, P.O. data including all items listed on the description block, and an authorized, certifying signature.
9. A first article (a part representing proof of concept) and/or source inspection (inspection/verification at your facility by a Morton representative or Morton's customer/ U.S. Government) may be required. The requirement of such will be flowed down on the purchasing document.
10. Morton must be notified of any changes that may affect the product. This includes, but is not limited to, process definition, supplier location, supplier management changes, specification revision, etc. and approval of change must be obtained prior to execution of the P.O.
11. The supplier shall maintain an inspection system. The system shall be subject to acceptance by Morton. This system should be in compliance with MIL-I-45208, ISO 9001, ISO 9002, or equivalent, including record control & retention for 10 years minimum.
12. All non-conformances that cannot be reworked to requirements must be reported to Morton Fasteners on suppliers' nonconformance document for approval.



Morton Fasteners, Inc.

The following Federal Acquisition Regulations (FAR) and Department of Defense Far Supplement (DFARS) apply by reference. If any of the following FAR or DFARS clauses do not apply to a particular purchase order, such clauses are considered to be self-deleting.

FAR and DFARS Clauses can be found at <http://farsite.hill.af.mil>

Federal Acquisition Regulation Clauses

- 52.203-3 - Gratuities (May 2014)
- 52.203-13 - Contractor Code of Business Ethics and Conduct (Oct 2015) (41 U.S.C. 3509).
- 52.204-20 - Predecessor of Offeror.
- 52.211-5 - Material Requirements (Aug 2000)
- 52.211-15 - Defense Priorities and Allocations System regulation
- 52.215-19 - Notification of Ownership Changes (Oct 1997)
- 52.219-8 - Utilization of Small Business Concerns (Oct 2014) (15 U.S.C. 637(d)(2) and (3))
- 52.222-17 - Nondisplacement of Qualified Workers (May 2014)
- 52.222-21 - Prohibition of Segregated Facilities (Apr 2015)
- 52.222-26 - Equal Opportunity (Sep 2016)
- 52.222-35 - Equal Opportunity for Veterans (Oct 2015)
- 52.222-36 - Equal Opportunity for Workers with Disabilities (Jul 2014) (29 U.S.C. 793).
- 52.222-37 - Employment Reports on Veterans (Feb 2016) (38 U.S.C. 4212).
- 52.222-40 - Notification of Employee Rights Under the National Labor Relations Act (Dec 2010)
- 52.222-41 - Service Contract Labor Standards (May 2014), (41 U.S.C. chapter 67).
- 52.222-50 - Combating Trafficking in Persons (Mar 2015) (22 U.S.C. chapter 78 and E.O. 13627).
- 52.222-51 - Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment--Requirements (May 2014)
- 52.222-53 - Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services-Requirements (May 2014)
- 52.222-54 - Employment Eligibility Verification (Oct 2015) (E. O. 12989).
- 52.222-55 - Minimum Wages Under Executive Order 13658 (Dec 2015).
- 52.223-3 - Hazardous Material Identification and Material Safety Data (Alt I applies if this order is for other than DoD) (Jan 1997)
- 52.224-1 - Privacy Act Notification (Apr 1984)
- 52.224-2 - Privacy Act (Apr 1984)
- 52.225-1 - Buy American Act – Supplies (May 2014)
- 52.225-2 - Buy American Act Certificates (May 2014)
- 52.225-3 - Buy American Act – Free Trade Agreements – Israel Trade Act
- 52.225-5 - Trade Agreements (Oct 2016)
- 52.225-8 - Duty-free Entry (Oct 2010)