

TERMS AND CONDITIONS

I. QUALITY CLAUSES

Any of the following clauses will apply, whenever the clause number is specified in the body of the purchase order. THESE REQUIREMENTS ARE CRITICAL. **Failure to comply with any specified clause is cause for rejection of merchandise and for withholding of payment for goods and services.**

1. Allen Aircraft Products, Inc., its Customers, and any regulatory agencies reserve the right of inspection to determine and to verify the quality of workmanship and materials at all stages of production at Supplier's facilities.
2. All fasteners delivered on this order must be manufactured, tested and controlled in compliance with the requirements of Public Law 101-592, Title 15 of C.F.R. Part 280 ~~Fastener Quality Act~~. Please include notation to this on accompanying certifications to signify that all fasteners have been: manufactured, tested and controlled in compliance with the act; have not been commingled with fasteners from other manufacturers or with fasteners from other lots or batches, and; the fasteners comply with all applicable requirements. Objective evidence (records) to support this certification shall be available to Allen Aircraft and/or their customers' representatives for review upon request.
3. This purchase order contains rated quantities certified for National Defense use and you are required to follow all the provisions of the Defense Priorities and Allocation System regulation (15 CFR Part 700) only as it pertains to the rated order quantities.
4. Statistical Process Control (SPC) is required in processing items on this purchase order. If **Key Characteristics** are not identified on the drawing or specified on the purchase order, the Supplier, using his knowledge of the process(es) involved, is to choose them. **The Supplier shall furnish copies with each shipment of all control plans, measurement data, control charts and any other related documentation gathered during the process.**
5. Changes in manufacturing process or outsourcing to an alternate supplier may not be implemented without prior written approval by Allen Aircraft Products, Inc. In addition, the use of nonconventional machining methods (i.e. electro chemical, beam, or discharge, abrasive jet, etc.) must also have prior written approval.
6. Materials and/or processes to Allen Aircraft Products' customer and/or government specifications are noted on the drawing for the material and/or processes on this order. **Certification of Conformance to these specifications is required with each shipment of material.**
7. CLAUSE 6 APPLIES. **ADDITIONALLY:** Material certifications for chemical and physical test reports are to be kept on file at your facility or at the Manufacturer's facility and furnished to Allen Aircraft Products upon request.
8. CLAUSE 6 APPLIES. **ADDITIONALLY:** An actual copy of the mill test report for **material identifying chemical and physical properties for each material must be submitted with each lot of parts** against this driver. Failure to furnish the required report is cause for rejection and for withholding of payment for goods or services.
9. The Supplier shall maintain a calibration system in compliance to MIL-STD-45662 and/or ISO 10012.
10. The Supplier shall maintain an Inspection System in compliance to MIL-I-45208 and/or ISO 9000.
11. Intentionally left blank.
12. In addition to all other requirements specified, **final inspection results on ALL CHARACTERISTICS applicable to work performed must accompany each shipment of material.** Sample size to be determined per MIL-STD-105 and/or ANSI/ASQC Z1.4-1993.
13. Title to and the right to immediate possession of all tooling is retained by Allen Aircraft Products, Inc. Tooling must be permanently marked "Property of Allen Aircraft" and with Allen Aircraft part number.
14. Tooling will be property of the U.S. Government and must be permanently marked with that identification. Title to and right to immediate possession of all tooling is retained by U.S. Government. Supplier is required to establish and maintain control of government owned property in accordance with FAR 45.5.
15. 0% scrap allowance. Metals provided by Allen Aircraft Products per drawing.
16. Supplier certifies compliance with the Clean Air Act of 1990, Section 611, 40 C.F.R., Part 82. This act requires warning statements for products containing or manufactured with ozone depleting chemicals.
17. Material for this order **MUST** meet the requirements of **DFAR 252.225-7009**, Restriction on Acquisition of Specialty Metals or **DFAR 252.225-7001**, Buy American statute. **Material MUST be melted in the USA or a qualified country (225.003).** In addition, all shipments to Allen Aircraft Products **MUST have the country of melt identified on the raw material certification or certificate of test and accompany the shipment.** Not meeting the requirement of this clause will result in rejection of parts sent.
18. When the supplier wishes to apply for concession/waiver for nonconforming material/parts, contact Allen Aircrafts Products buyer to receive request for waiver **Form QAP 8.3F2.**
19. The Supplier shall comply with the applicable Special Tooling Requirements of Boeing Defense Space and Security document # D950-11059-1.
20. First Article Inspection (FAI) shall be performed by the seller in accordance with the requirements of AS 9102. When documenting the FAI, the seller may use the forms contained within AS 9102 or their equivalent, so long as the forms contain all the information required by AS 9102.
21. Frozen Process: Process Documentation (eg. shop router, operation instructions) submittal is required with the FAI for approval. Once FAI approval is achieved; all processes associated with manufacture and/or processing of the part number(s) indicated shall be frozen. Changes in the approved process shall not be made without written approval from Allen Aircraft Products, Inc prior to implementation.

22. US Government Source Inspection is required prior to delivery to Allen Aircraft Products. Upon receipt of this contract the Supplier shall promptly notify the US Government Representative who normally services the Supplier's Facility. If the Supplier cannot locate the US Government Representative to arrange for the required source inspection, the Supplier shall notify the Allen Aircraft Buyer immediately. Upon request, the Supplier shall make available to the US Government Representative any measuring and test equipment, facilities, records and personnel to facilitate the Government Source inspection.

II. GENERAL CLAUSES

The following clauses apply to ALL purchase orders.

- A. **Shipping tolerance is +5% - 0%** unless otherwise specified in the body of the purchase order.
- B. For change orders, all requirements listed on original order remain in effect, except for changes specified in the body of the change order.
- C. Allen Aircraft Products, Inc. reserves the right to return or hold subject to our order, all goods or any part thereof which are not equal to sample or up to standards on drawings.
- D. Unless requested by buyer, early or excessive shipment by seller is not permitted. Buyer reserves the right to seller freight collect and/or defer payment of invoice without losing early payment discounts, or incurring late payment charges.
- E. **NON-DISCRIMINATION IN EMPLOYMENT** - It is the policy of Allen Aircraft Products Inc. to provide equal opportunity to all qualified applicants and employees without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age, protected veteran or disabled status, or genetic information.
- F. Supplier must:
- provide written notification of non-conforming product prior to shipment and/or released product subsequently found not to conform to the applicable design data.
 - obtain Allen Aircraft approval for non-conforming product disposition
 - provide written notification of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain approval
 - flow down to the supply chain all applicable AAP requirements including AAP customer requirements
 - where required, maintain records for personnel that require qualification for special processing
 - provide written notification for change of controlled process status (i.e. suspension, disapproval or loss of quality system or Nadcap process certification)
 - provide written notification of significant organizational changes such as company name, location or key personnel
 - use only tier suppliers listed on the Allen Approved Source List, AQPS 3-02 for processes.

Supplier of proprietary items must notify Allen Aircraft Products of any design characteristic change prior to implementation.

- G. Suppliers shall maintain controls for all data and information systems as prescribed in FAR 52.204-21 or DFARS 252.204-7012 to insure Allen Aircraft Products and their customers shared data is properly safeguarded during the course of doing business. In addition, suppliers shall not disclose, publish or reveal any designs, specifications or other informational materials to any other party without written consent from Allen Aircraft Products.
- H. **COUNTERFEIT PARTS/MATERIALS PREVENTION** . Suppliers shall establish and maintain a counterfeit prevention and control program using AS5553 and/or AS6174 to insure that no counterfeit work is delivered to Allen Aircraft Products. Supplier shall provide chain traceability to the Original Manufacturer or authorized distributor, upon request of an Allen Aircraft Procurement or Quality Assurance representative.
- I. **FOREIGN OBJECT DEBRIS/DAMAGE (FOD) PREVENTION** - Suppliers shall maintain a FOD prevention program in accordance with National Aerospace Standard NAS 412 to insure that no parts and/or materials contain any foreign contamination, embedded debris or other substance damage upon delivery to Allen Aircraft Products.
- J. The Supplier shall maintain, and have available on a timely basis, quality records traceable to the conformance of the product / services / part numbers delivered to Allen Aircraft. The supplier shall make such records available and provide right of access to Allen Aircraft, their customers and regulatory authorities. The Supplier shall retain such records for 10 years from the date of shipment unless otherwise specified on the order.

III. EXPORT/CONFLICT MINERAL CONTROL

- A. This Purchase Order/Agreement is associated with items, data and/or services controlled by U.S. export control laws or regulations.
- B. Only U.S. citizens and permanent resident aliens (green card holders) may have access to said items, data and/or services without the authority of a U.S. Government export license, agreement or applicable exemption or exception.
- C. **SELLER** agrees to comply with all applicable U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2799, including the International Traffic in Arms Regulation (ITAR), 22 CFR 120-130; and the Export Administration Act, 50 U.S.C. app. 2401-2420, including the Export Administration Regulations, 15 CFR 730-774; including the requirement for obtaining an export license or agreement, if applicable. Without limiting the foregoing, **SELLER** agrees that it will not transfer an export controlled item, data, or service, to include transfer to foreign persons employed by or associated with, or under contract to

SELLER or SELLER's lower-tier suppliers, without the authority of a U.S. Government export license, agreement or applicable exemption or exception.

- D. SELLER shall immediately notify the Buyer if SELLER is, or becomes, listed on any Denied Parties List or if SELLER's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. Government entity or agency.
- E. If SELLER is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, SELLER represents that it is registered with the Office of Defense Trade Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with the ITAR.
- F. SELLER shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorneys' fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of SELLER, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.
- G. SELLER agrees to comply with section 1502 of the Dodd-Frank Act regarding Conflict Minerals. Seller shall immediately notify the Buyer if material or manufactured product is affected by this requirement.