



Terms and Conditions

- 1.** The terms and conditions of this purchase order set forth the entire agreement between the parties, and supersede all previous communications, proposals, agreements, and representations, oral or written. No agreement or understanding which varies from the terms or conditions of this purchase order will be binding unless issued in writing by the AGP or a duly authorized officer or representative of AGP Precision Manufacturing, LLC; ("AGP"). No conditions stated by the vendor in its acknowledgement of this order shall be binding upon AGP if in conflict with, inconsistent with, or in addition to, the terms and conditions stated herein. Unless agreed to by AGP through a subsequent purchase order amendment, any such conditions have been summarily rejected by the AGP. The terms **AGP represents Aljo-Gefa Precision MFG. LLC.**, and the term **Vendor represents the supplier** in the noted document disclosed herein.
- 2.** Vendor shall comply with all applicable federal, state and local laws, orders, regulations, and ordinances in performance of this purchase order. Vendor covenants and agrees to save and hold AGP harmless from and reimburse same for any and all costs, damages, and expenses, including reasonable attorney's fees, suffered or occasioned to AGP through any failure of Vendor to comply with such laws, orders, regulations and ordinances.
- 3.** Vendor shall maintain a quality system that is acceptable to AGP. The quality system, and all material and workmanship shall, at the discretion of AGP be subject to survey, source inspection and test by AGP, or AGP's customer at all reasonable times, at the Vendor's facility. Vendor shall notify AGP of known non-conformances for AGP approval prior to shipment of such product and must have a system in-place to notify AGP of any nonconformance after delivery. All parts will also be subject to final inspection at AGP. Any non-conforming articles due to unacceptable workmanship on the part of the Vendor shall be removed at the expense of the Vendor, including transportation both ways. Vendor bears all risk for loss or damage to rejected articles. In addition to the right of rejection, and without limitation to any other remedy, AGP may require the prompt repair or replacement of rejected articles, or may elect to retain them and remedy the defects. The cost of effecting such remedy shall be deducted from the amount due Vendor.
- 4.** AGP may, at any time, by written amendment, make changes in the drawings, specifications, quantities, delivery schedule, or any other element of the purchase order. If any such change causes an increase or decrease in the purchase order value, or in the time required for performance, an equitable adjustment shall be made to the purchase order, in writing. Any claim for adjustment under this clause shall be made by the Vendor in writing, within (30) days from the date of the change order. No modifications to this order are binding on AGP, unless made by a formal purchase order amendment signed by an authorized representative of AGP.
- 5.** All drawings, specifications and materials, including data, technical information, NC tapes and designs supplied by AGP in support of this purchase order shall remain the property of AGP, and shall be held in confidence by the Vendor. Except as directly related to the performance of this purchase order, this information shall not be reproduced or disclosed to third parties without the prior written consent of AGP. This information shall be controlled IAW International Traffic in Arms Regulations (ITAR) requirements.
- 6.** In addition to the conditions set forth within, the following also applies: The Vendor shall keep confidential and otherwise protect from disclosure all information and property obtained from AGP in connection with this order and identified as "confidential" or "proprietary". Upon AGP's request, and in any event upon the completion, termination or cancellation of this order, the Vendor shall return all such information and property to the AGP, or to make such other disposition thereof as directed by the AGP. The Vendor shall not dispose of or scrap any partially completed or defective proprietary property without receiving prior written authorization from the AGP.
- 7.** The Vendor, while in possession of the property of the AGP or the AGP's customer, shall be liable for its loss or damage except for reasonable wear and tear. Vendor shall maintain such property in good condition, and shall dispose of same as instructed by the AGP upon purchase order completion.
- 8.** All tools, dies, jigs and fixtures (herein referred to as "tools") specifically manufactured by the Vendor for the performance of this purchase order shall become upon acquisition the property of the AGP. The cost of the same is included in the contract price of this purchase order. Tools made or acquired by the Vendor which are standard commercial articles, or shop aids, shall remain the property of the Vendor. Such tools as are the property of the AGP shall be maintained in good condition, including replacement without expense to the AGP, except where such tools have become obsolete due to design changes requested by the AGP. In such cases, the resulting charges shall be paid by the AGP.
- 9.** Unless otherwise stated in the purchase order, the Vendor shall bear the risk and responsibility for loss or damage of items purchased hereunder until they are delivered in conformity to the FOB point specified on the order. Upon such delivery, the title shall pass to the AGP. Passing of title upon delivery shall not constitute acceptance of these items by AGP.
- 10.** Except as otherwise provided in this purchase order, the Vendor may litigate any dispute arising hereunder in a court of competent jurisdiction. Pending settlement of such a dispute, the Vendor shall proceed diligently with the performance of this purchase order. Regardless of the place of performance, this purchase order is governed by the laws of the State of New York, and the Vendor consents to the jurisdiction of the courts of New York in any action arising out of this purchase order.
- 11.** Vendor must receive specific written approval from the AGP to ship any items more than (30) days in advance of the delivery dates set forth on the purchase order. Items received without such approval are subject to rejection, and Vendor will be responsible for all freight charges.



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12. The term of payment set forth in this purchase order, and all discounts related thereto, shall be calculated from the latest of the following: date items are received, date items are scheduled to be received, or the date an acceptable invoice is received.
13. AGP reserves the right to terminate this purchase order, in whole or in part, at any time and at no cost to AGP, if the Vendor does not maintain acceptable quality and/or delivery performance.
14. AGP may terminate this order in whole, or in part, effective as of the date specified by the AGP, in accordance with Termination Clause 52.249-1, 52.249-2, as applicable in the FAR provisions which are incorporated herein by reference, "AGP" will be substituted for "the Government" and "AGP" will be substituted for "Contracting Officer".
15. The Vendor acknowledges that certain changes in delivery schedule are normal and anticipated in the course of performance of this purchase order. Vendor further certifies that the cost of such changes is included in the firm-fixed prices established herein. Accordingly, Vendor shall not be entitled to a price adjustment for any change to the delivery schedule when deliveries are rescheduled within (12) months of the original delivery date, unless such changes cause an increase in the in the cost or the time required for the performance of this purchase order. In such case, an equitable adjustment in the price or delivery shall be made. The AGP and Vendor shall establish through negotiation whether the directed change is one which requires an equitable adjustment under this clause, and if so, the nature of the adjustment. Failure to agree with respect to such a claim shall be a dispute, and either party may pursue its remedies as provided herein. Pending resolution of such a dispute, the Vendor agrees to diligently perform under the order, as revised.
16. The Equal Opportunity Clause Section 202, paragraphs 1 through 7 of Executive Order 11246, as amended; 38 USC 4212 of the Vietnam Era Readjustment Assistance Act of 1974, and Section 503 of the Rehabilitation Act of 1973 relative to equal employment opportunity and implementing rules of the Office of Federal Contract Compliance Programs are incorporated herein by specific reference.
17. Vendor agrees to abide by Anti-Kickback Act of 1986 (41 USC 51 through 58) and FAR 52.203-7. "Anti-Kickback Procedures" which is incorporated herein by reference, except that subparagraph (c)(1) of FAR 52.203-7 shall not apply to the Vendor, and further that subparagraphs (c)(2), (c)(3), (c)(5), the term "Contractor" shall mean Vendor and in subparagraph (c)(4) the term "Prime Contractor" shall mean AGP, and the term "Subcontractor" shall mean Vendor. The Vendor shall report possible violations of this Act to the Government pursuant to 41 USC 57. Vendor agrees to hold AGP harmless, defend AGP against, and indemnify AGP for all costs, expenses and offsets the AGP may incur as a consequence of violations of this clause by the Vendor or by Vendor's subcontractor's or suppliers. The rights and obligations set forth in this clause shall survive completion of, final payment under, or termination of, this order.
18. In addition to other remedies that the AGP may have, the Vendor shall defend the AGP against all claims and proceedings based upon actual or alleged violations of the Anti-Kickback Act of 1986 and any amendment thereof; and Vendor shall indemnify and hold AGP harmless from any losses, damages, liabilities, costs and expenses including, but not limited to: loss of profits, expenses of litigation, attorney's fees, penalties or fines, suspensions or reduction of progress payments, and all losses arising out of contract terminations, suspensions or debarments of AGP resulting from a violation of the Anti-Kickback Act of 1986, any amendments thereof, by Vendor, and of its officers, partners, employees, agents, or any subcontractors at any tier below Vendor or such subcontractors' employees.
19. **AGP QUALITY CONTROL CLAUSES:**
 - Q.1) General:** Vendor expressly warrants that all articles ordered to specifications, drawings, or other descriptions furnished by the AGP will conform thereto, and that all articles will be of good quality and workmanship, and will be free of defects. The Vendor shall clearly communicate and mitigate any associated risks with AGP's AGP before proceeding with said contract.
 - Q.2) Customer Approved Sources:** The Vendor agrees to use only AGP's Customers Approved Sources if and when material and/or processing is required unless otherwise specified by AGP Customers which have no said requirement.
 - Q.3) Rights of Entry:** AGP will be allowed right of access by the organization, their customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain involved in the order and to all applicable records. The Vendor agrees to grant access to AGP, its customer, statutory/regulatory authority or its designee, provided reasonable notice is provided by AGP.
 - Q.4) First Article (FAI) Requirement:** If AS9102 First Article Inspection is specified on PO the reports shall specify all applicable blueprint notes, AGP purchase order requirements and dimensional characteristics along with the actual measurements during the supplier's first manufacturing run. AS9102 requirements and format is required. Vendor's format is acceptable if all the AS9102 requirements are all complied with. For the FAI, the supplier shall furnish completed FAI Reports (Forms 1, 2 and 3) with shipment of the First Article. For non FAI lots Final Inspection Records shall be kept on file at the Vendor and made available upon request.
 - Q.5) Quality Records:** The Vendor shall maintain the following Quality Records on site as a condition of purchase for a minimum of 10 Years from the completion of the PO unless otherwise specified. The Vendor shall create a job traveler (operation sheet) for each lot manufactured with Part Number and Revision Levels, specified signatures and inspection verification (stamp or signature) for each lot manufactured. Full material traceability must be maintained for each lot (traveler) shipped and must include a signed off Final Inspection (Form 3) indicating the



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final acceptance of each lot manufactured and supplied to AGP. Quality Records also includes the supplier's programs and tool data sheets which are kept on file at site. 100% Inspection is required by Vendor and lot sampling is not permitted without direct written consent from the Director of Quality at AGP. Noted records do not need to be shipped unless specifically requested by PO requirement, but must be kept on file for 10 years unless otherwise specified. After the 10 year retention period, the vendor may destroy the documented information maintained at the request of AGP at their discretion.

If Key Characteristics Control is required a 100% inspection shall apply and the actual data (measurements taken) shall be forwarded 100% with each shipment. All gages used by Vendor on AGP parts must be calibrated and traceable to National Institute of Standards Technology (NIST).

Q.6) Source Inspection: If AGP Source Inspection (ASI) is specified on PO the Vendor shall contact AGP Quality prior to shipment from plant to arrange for inspection by AGP at the supplier's facility.

Q.7) Government/AGP Furnished Property: Vendor shall control AGP Property and any associated Government and/or AGP Customer Furnished Property shall be controlled IAW FAR 52.245-2 and FAR 52-245-5. Any discrepancies shall be reported to AGP Quality Department.

Q.8) Quality System Requirement: The Vendor's Quality Inspection System shall conform to the requirements at a minimum to MIL-I-45208 unless otherwise authorized by the AGP and the Director of Quality. The Vendor must achieve at a minimum Conditional Approval from AGP Quality and must be listed on AGP's Approved Supplier List. Quality Clause Q.6 applies in such cases. Vendors with conditional approval are authorized to perform only machining operations and must be sent consigned material from AGP. 100% Inspection is required.

Q.9) Control of Digital Media: The Vendor agrees to maintain a Configuration Control Log for all Detail Catia Model revisions supplied herein and listed above. The Supplier is responsible to Verify and Validate any Dataset Derivative Translations to the AGP supplied Catia Model using an Overlay Point System. Vendor must maintain the Control of Digital Product Definition IAW AGP's Digital Product Definition Procedure.

Q.10) Raw Material Control: All raw materials must meet the requirements of Defense Federal Acquisition Regulation Supplement (DFARS) 225.872. The Vendor must also maintain Material Control and list Heat Lot Number(s) on Packing List. If AGP supplied material is sent and has been scrapped at the suppliers facility the supplier will denote on Packing List that materials issued has been scrapped at site to denote to our AGP that new raw material will be needed for future runs and to assure that AGP records of the supplier's raw material inventory is accurate.

Q.11) Counterfeit Parts: (REF: SP-QA-04) Vendor must meet the intent of SAE Standard AS5553 (par. E.1.1) and AS6174 to ensure that counterfeit parts are not received into inventory, used in manufacturing, or inadvertently sold to AGP. Certifications must be from the original manufacturer. In the event that the supplier suspects parts to be counterfeit they are to report it to AGP Quality Management. Confirmed counterfeit parts are to be reported in accordance with AS5553 appendix G.

Q.12) Customer Requirement Flow-down: Any/all subcontracting shall be approved by AGP and defined on the purchase order. If subcontracting is approved by AGP, the supplier shall flow-down all requirements on the AGP purchase order, including this Terms & Conditions Document Number RC-PR-02, and the Customer specific requirements. Only customer approved sources shall be used for subcontracting.

Q.13) Notification of changes: The vendor must notify AGP of any product and/or process, changes of suppliers, changes of manufacturing facility location, and obtain, when required, AGP approval of such.

Q.14) Personnel Awareness: The vendor shall ensure that their personnel are aware of the individual's contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.

Q.15) Foreign Object Debris (FOD) Control: The vendor shall have a program to control FOD in their facility to limit potential damage to AGP products. Parts sent to AGP shall be free from any foreign objects when delivered to AGP.