
	<p><b>Title</b></p> <h2 style="text-align: center;">Supplemental Purchase Order Conditions</h2>	<p><b>Approved</b> By: Gus A. Gonzalez</p> <p><b>Approval</b> Date: 4/16/15</p> <p><b>Print</b> Date: 4/16/15</p> <p><b>Document</b> Number: Appendix E</p> <p><b>Document</b> Revision: B</p>
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1. **QUALITY REQUIREMENTS:** The Seller & sub-contractors shall, in performance of this PO, provide & maintain Quality systems which are IAW ISO 9001 & AS 9100, if applicable.
  - 1A. The Seller & sub-contractors shall provide & maintain a sampling plan program in compliance with ASQC Z1.4.
  - 1B. The Seller & sub-contractors shall provide & maintain a calibration system.
  - 1C. The Seller & sub-contractors shall provide DFAR complaint materials only, unless approved by the customer or stated on the blueprint.
2. **DRAWING CONTROL:** Seller's drawings & applicable specifications, when approved by APCI, shall not be changed except by written approval of APCI. Articles provided which incorporate an approved change shall be identified to indicate incorporation of change.
3. **TRACEABILITY:** The Seller shall provide & maintain a system of traceability on all material, components, and parts, using a form of Lot Control or Serialization.
  - 3A. **PART IDENTIFICATION:** Detail parts or subassemblies manufactured to APCI drawings shall be identified with part number, blue print revision level, date of manufacture & serial number as applicable. Identify parts to MIL-STD-130. Hardware, such as off-the-shelf items & other Seller controlled items shall be identified per applicable drawing, specifications & PO requirements.
4. **FIRST ARTICLE (FAI):** The initial lot of details, subassemblies & assemblies in the configuration defined in this PO shall be subjected to a FAI by the Seller. Subsequent lots shall require a new FAI in the event there is a change in design, or a change in the Seller's tooling, process methods, or material. FAI shall be verified & approved by APCI subsequent to the seller's acceptance, if applicable & shall be notified in writing of APCI disposition.
5. **HANDLING, PRESERVATION, CLEANLINESS & PACKAGING:** Precision machined & manufactured parts on this PO shall be handled during processing & transportation within the Supplier's facility to ensure protection to prevent nicks, dings, scratches & other handling damage.
  - 5A. Part cleanliness shall be in compliance with the specification(s) (where required) to prevent degradation of the part or material does not occur during the procurement routing & subsequent transport or storage.
6. **COUNTERFEIT PRODUCT:** Purchased part(s) or material from anyone other than the OEM, the part(s) or material shall be procured from a APCI active manufacturer distributor. Appropriate paperwork will accompany each shipment to meet Government, Customer & APCI conformance & traceability requirements upon receipt at APCI.
7. **APPROVED PROCESS SUPPLIERS:** All processes Ex: welding, heat treat, electroplating, cleaning, anodizing, chem-film, etc., shall be performed by ACTIVE vendors.
8. **REPLACEMENT/REWORK ORDER:** All replacement and/or rework items shipped to APCI under this PO shall be accompanied with a statement certifying the items have been replaced & are IAW all applicable specifications & drawings
9. **DEVIATIONS & DISCREPANCIES:** Deviating from drawing, specification, or other PO requirement must be pre-authorized by APCI & recorded.
10. **CERTIFICATION OF CONFORMANCE:** Prior to shipping to APCI against this PO, the Seller shall with each lot the following requirements have been met:
  - 10A. Conformance to all PO Quality Assurance system requirements.
  - 10B. Retention of quality records pertaining to this PO for Seven (7) years minimum.
  - 10C. Conformance to specification(s) requirements, regarding chemical & physical properties of raw materials, if applicable.
  - 10D. The certification shall bear the signature & title of an authorized representative of the Seller.
  - 10E. Certified test data or true legible reproducible copy thereof, on stationary of the organization performing the testing shall be supplied to APCI with each shipment. This report shall contain all factual information necessary to demonstrate conformance to the requirements reflected on the drawing or in the PO.
  - 10F. Seller shall furnish with the initial shipment on this PO, one (1) legible reproducible copy of applicable acceptance test procedures, test results, specifications & drawings or catalogs. In addition, one (1) legible reproducible copy of applicable test schematic shall be supplied for each electrical/electronic item, if applicable.
  - 12G. A validated, legible & reproducible report will accompany each shipment to APCI against each item of this PO, if applicable. For each lot or heat lot of material supplied on this PO, Seller shall furnish a certified material test report (chemical composition) meeting the requirements & showing the description, including as applicable, the material name or designation, alloy, type, grade or condition, the producer's (mill) name, the lot or heat number & the material specification & revision to which the material complies.
13. **TERMINATION:** Buyer may terminate this PO or any part by Fax, E-mail or written notice of default to Seller for any of the following circumstances:
  - 13A. If Seller refuses or fails to make deliveries or perform the services within the time specified or extension approved.
  - 13B. If Seller fails to comply with provisions of the PO & does not correct any such failure within a period of ten (10) days (or such period as Buyer may authorize by written notice) after receipt of notice from Buyer specifying such failure.
  - 13C. If Seller becomes insolvent, or makes a general assignment for the benefit of or relief from creditors, pursues any remedy under any law relating to benefit for or relief from debtors, or in the event a receiver is appointed for the Seller's property & to the extent Buyer may lawfully exercise such right of termination.
  - 13D. In the event of such termination, Buyer may purchase or manufacture similar supplies or require Seller to transfer title & deliver to Buyer any & all property produced/procured by Seller under this PO. Seller shall be liable to Buyer for any excess costs to Buyer. However, the Seller shall not be liable to Buyer for such excess costs when the default of Seller is due to causes beyond the control, or without fault and negligence of the Seller. Seller shall not be excused from liability unless Seller has notified Buyer in writing of existence of such cause within ten (10) days.
  - 13E. The Buyer may terminate this PO in whole or in part, at any time for its convenience, by notice to the Seller in writing. On receipt by Seller of such notice, seller shall stop work & the placement of subcontracts there

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under, terminate work under subcontracts outstanding & take any necessary action to protect property in Seller's possession in which Buyer has or may acquire an interest. In such event, Buyer shall pay to Seller, without duplication.

13F. The actual costs incurred by Seller if property allocable or apportionable under recognized commercial accounting practices to the terminated portion of this PO, including liabilities to subcontractors which are so allocable & excluding any charges for interest, material, parts which may be delivered to other PO's.

13G. The reasonable cost of settlement: the total settlement shall not exceed the PO price & provided further if it appears the Seller would have sustained a loss on the entire PO had it been completed, no profit shall be included or allowed & an appropriate adjustment shall be made reducing the amount of the settlement to reflect the indicated rate of loss. Termination claim shall be submitted to the Buyer within sixty (60) days after the effective date of termination. Buyer shall have the right to audit all elements of any termination claim & Seller shall make available to Buyer in request all books, records & papers relevant.

14. APCI SOURCE SURVEILLANCE & INSPECTION: APCI/government Inspection is can be applicable at the Sellers facility during & upon completion of manufacture. Seller shall provide all necessary inspection data, facilities & equipment.

15. RIGHT OF ENTRY: It is mandatory on this PO to allow APCI & our customer surveillance at seller's facility.

16. MERCURY FREE CERTIFICATION: Seller shall list on C of C stating something to the effect: We further certify our processes & material are free from mercury contamination.

17. CLEAN AIR ACT: If the Seller uses a product or substance during manufacturing or processing that has been determined to contain ozone depleting substances, Certification/Packing List shall contain the following statement; "WARNING: Contains or manufactured with (as applicable) (insert name of substance), a substance which harms public health & the environment by destroying ozone in the upper atmosphere."  
*Warning statements for products containing or manufactured with ozone depleting chemicals (as required by the Clean Air Act of 1990, section 611, 40 C.F.R., Part 82) should not be applied directly to the parts or items. All such statements are to be included in a separate writing such as a Bill of Lading, shipment papers, or any other proper notification that complies with the listed regulation. If a product is a pure chemical or chemical compound, the warning statement shall be applied directly to the product.*

18. The obligations of Seller under this clause shall survive termination, cancellation or completion of this contract.