

Quality Assurance Clauses for AEG Purchase Orders

AEG-002 Rev G, 03-Feb-2022



General Purchase Order Quality Requirements: Applies to all AEG POs.

- Shipping 'known & approved' non-conforming material:

Prior to submittal of potentially non-conforming product, the non-conforming product must be clearly identified, packaged or shipped separately from any other product within that shipment. The supplier assumes all financial responsibility for replacement, rework and material related to production/supplies, manufactured unless otherwise approved to ship. The supplier is denied MRB authority. Nonconforming product shall be tagged as such and acceptance of nonconforming product is the prerogative of AEG industries and shall be prescribed by AEG and/or their customer. All products received are subject to inspection and approval by AEG Industries, INC. The Seller upon discovery of a shipment/delivery of nonconforming product must provide a notice of disclosure to AEG Industries within 24 hours of discovery.

- Changes to product and/or process definitions or a change in manufacturing line, facility, or location:

Any changes to changes to processes, products, or services, including changes of sub-tier external providers or location of manufacture must be notified to AEG Industries for an approval. This includes any changes to the contract requirements (PO). AEG must approve this in writing.

- Right of Entry:

By accepting the PO, the supplier agrees to right of entry and access for AEG's customers, or regulatory agencies into all facilities and access to related records in the performance of this contract. This includes right of entry to all levels of the suppliers supply chain.

- Flow Down Requirement:

Suppliers must flow down any special requirements and /or key characteristics in the purchasing documents to sub-tier suppliers as applicable including customer requirements.

- Certificate of Compliance:

The Certificate of Compliance statement shall include certification to part number as stated by AEG Industries, Inc.'s Purchase Order and compliance with specified requirements. By acceptance of the Purchase Order, the supplier certifies that materials and processes supplied under the Purchase Order shall be or have been controlled and inspected in accordance with the Purchase Order and that they meet the specified order requirements, application specifications and drawings.

- Shipment Delays or discrepancies:

Delay in shipment for any reason or part count discrepancies must be conveyed to AEG Industries Purchasing Department in writing (email) prior to delivery date of the purchase order. Notification of delinquency does not eliminate AEG's on time delivery requirement. Unless AEG accepts the vendor delinquency notification, and a revised purchase order is issued.

- Packaging & Preservation:

Product shall be packaged and preserved to the extent necessary (or as noted by purchase order) to prevent physical damage during shipment. This includes protection from physical damage during handling while in your possession or in transit. In addition, supplier shall handle, package, and otherwise protect in a manner that prevents nicks, scratches, or other types of handling damage and corrosion or other surface imperfections from excessive moisture.

- Confidentiality:

All customer information (electronic data, drawings, etc.) received in the request for quote stage or from the Purchase Order must be held in confidence by the supplier and no third-party request for information will be authorized unless instructed in writing by AEG.

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- **Quality Management System:**

Seller shall maintain a Quality Management System that has been 3rd Party accredited to ISO9001:2015 or AS9100, latest revision, or compliant to AEG evaluation to the applicable elements of ISO9001:2015 or AS9100. Seller shall promptly notify AEG Industries of intended or actual changes in the management representative with assigned responsibility and authority for its quality management system. Furthermore, any major quality system changes must be identified to AEG in writing with a list of the changes and the revision level along with a signed statement that these changes do not diminish the quality system's approval in any manner.

- **Natural Disaster Occurrence:**

Seller shall promptly notify AEG of any occurrence of natural disaster that diminishes Seller's ability to deliver conforming goods or services.

- **English Language:**

When specifically requested by AEG Industries, Seller shall specifically make specified quality of data and/or approved design data available in the English language. Seller shall maintain an English language translation of (1) its quality manual, (2) the operating instructions that implement the quality requirements, and (3) an index of Seller's procedures that contain quality requirements. AEG may require additional documentation to be translated, including but not limited to shop orders, technical specifications, certificates, reports, and nonconformance documents.

- **Specification Revision:**

All suppliers are responsible to supply materials to the latest specification(s) revision defined on the drawing or within the specification(s).

- **Awareness**

Supplier must be aware and train all employees for: 1) Their contribution to product conformity, 2) their contribution to product safety and 3) the importance of ethical behavior

- **Control and Monitoring of Supplier Performance**

The expectations of all suppliers to AEG Industries, Inc. are: On time delivery of 100% (5 days early & 0 days late) and Quality acceptance of 99.875%. Suppliers, who fail to meet AEG Industries expectations for three consecutive quarters, or at the discretion of AEG's Supplier Development Team, Purchasing, and /or Quality System Coordinator, may be placed on probation. This could lead to removal from AEG's Approved Suppliers List.

- **Subcontracting**

The supplier shall not subcontract any portion of an order without prior authorization of the Buyer. Only AEG and / or Customer approved vendors may be used upon authorization.

- **FOD**

The supplier shall ensure that Foreign Objects and subsequent Foreign Object Damage (FOD) is eliminated from all products/parts prior to shipment.

- **Counterfeit Product**

Seller shall only supply buyer with new materials. Used, re-marked, fraudulent & counterfeit materials will not be accepted. Seller shall establish a counterfeit control program that meets AS5333, in order to prevent the acceptance and shipment of fraudulent and counterfeit materials. Seller shall immediately notify AEG if it becomes aware or suspects that it has furnished fraudulent or counterfeit materials. Buyer shall not return or pay for any fraudulent or counterfeit materials but shall provide evidence of such to the seller.

- **Publicity**

Seller shall not release any publicity, advertisement, news release or denial or confirmation of same regarding this contract or the goods or program to which it pertains, without Buyer's prior written approval.

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- Calibration Clause:

All calibration must be complaint to ANSI Z540.3, ISO10012, and ISO 17025 and traceable to the National Institute of Standards and Technology (N.I.S.T.) and the as found condition of all calibration equipment.

- Life limit items:

Life limit items must have, at the minimum, 80% of its life remaining at the time of receipt at AEG Industries.

- ITAR Regulation:

The Supplier certifies that it will advise its employees who have access to ITAR-controlled Technical Data of their obligations regarding compliance with the following:

1. The Supplier understands its responsibilities under U.S. export control laws and regulations, including ITAR, and certifies that it will not disseminate any ITAR-controlled Technical Data that would violate applicable export control laws and regulations.
2. The Supplier understands that ITAR restricts Foreign National access to ITAR-controlled technical data. The Supplier certifies that it will not allow access by any Foreign National to ITAR-controlled technical data packages without the prior written approval of the Prime Contractor. This includes Foreign National employees as well as Foreign Nationals outside the Supplier's company.
3. The Supplier certifies that it will not assign any Foreign National to perform work which requires access to ITAR controlled Technical Data without the prior written approval of the Prime Contractor.
4. If the Supplier provides documentation or information containing ITAR-controlled Technical Data to subcontractors, it will mark such documents, emails, etc. with the following statement: "This document contains technical data that is controlled by the International Traffic In Arms Regulations. Access to this document is restricted to U.S. citizens and lawful permanent residents (US "green card" holders)." By accepting this data, the consignee agrees to honor the requirements of the U.S. International Traffic in Arms Regulations (ITAR)."

- MSDS (as applicable):

For all hazardous materials purchased, the supplier must supply AEG with a copy of the latest revision of the MSDS sheets at the time of shipment or purchase.

- Record retention

Suppliers shall retain verifiable objective evidence of build, inspection & test records, special process certifications, raw material certifications and certificates of conformance for a minimum of ten (10) years from date of shipment, unless a period is otherwise specified on the Purchase Order as directed by our customer. The data shall be made available to AEG upon request.

Raw Material Suppliers: Applies to all raw material suppliers

- DFARS 252.225-7009

Formerly 252.225-7014, Alt 1; preference for domestic specialty metals. Specialty metals shall be of domestic origin or supplied by DFAR qualified countries, unless specifically authorized by the PO.

- Conflict Minerals

The supplier shall take all necessary measures to comply with the Conflict Minerals Provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

- Raw Material Certification

Raw material certificate of conformity must include the metal certification and test report that is traceable to the original mil including the country of origin.

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Special Processes: Applies to all special processors:

- NADCAP Requirements

All suppliers performing or providing one of the following processes or products will be NADCAP approved: Chemical processing, heat treating, materials testing, measurement and inspection, nondestructive testing, and welding.

- Process Certification

Process certifications/test reports shall be included with the certificate of conformity indicating specification specified.