

TERMS AND CONDITIONS OF PURCHASE

INCLUDING GOVERNMENT FLOW-DOWN AND SUPPLIER QUALITY REQUIREMENTS

APPLICABILITY. These Terms apply to all Arnold Defense & Electronics, LLC ("ADE") Purchase Orders. When a U.S. Government contract number is identified on the Purchase Order, the applicable Government clauses in Sections 21-23 also apply. Supplier Quality Clauses 1, 2, 3, 5, 7, 12, and 13 apply to all Purchase Orders; Clauses 4, 6, 8-11, and 14-17 apply when referenced on the Purchase Order or otherwise required by the item, drawing, specification, or higher-tier contract. Where a specific Purchase Order requirement conflicts with these general terms, the specific Purchase Order requirement controls.

1. ACCEPTANCE

The execution and return of the acknowledgment copy of this Purchase Order by the Seller, or the Seller's commencement of delivery or performance pursuant to this Purchase Order, constitutes acceptance of this Purchase Order by the Seller. Acceptance is expressly limited to and conditioned upon the terms set forth herein. No additional or different terms proposed by Seller shall apply unless expressly accepted in writing by an authorized representative of ADE. These terms are binding upon Seller and its successors and permitted assigns.

2. DELIVERY

If delivery dates cannot be met, Seller shall promptly notify ADE of the earliest possible delivery date. Unless ADE expressly agrees in writing to a revised date, failure to deliver on the date specified permits ADE, without liability, to cancel all or part of the Purchase Order, obtain substitute goods or services, and recover from Seller any resulting excess costs or damages.

3. PRICES

All prices shall be stated in the Purchase Order. If no price is stated for an item, the price shall be the lowest price currently quoted by Seller for that item and shall not exceed the price most recently quoted to ADE. Unless otherwise stated, prices are in U.S. dollars and include all applicable taxes, packing, shipping, insurance, and other charges.

4. QUANTITIES

Unless ADE otherwise agrees in writing, Seller shall deliver the exact quantities specified. ADE may reject incomplete deliveries and may return excess quantities at Seller's risk and expense.

5. QUALITY

Seller warrants that all goods and materials are merchantable, fit for their intended use, of the grade and quality specified, free from defects, and conform to all applicable samples, drawings, descriptions, specifications, statements of work, and Purchase Order requirements. Compliance with applicable acceptance criteria is a condition of payment, and payment does not waive any ADE claim or remedy. Seller shall promptly notify ADE of nonconforming product and obtain ADE disposition before shipment or further processing. Seller shall notify ADE in advance of changes to products, processes, facilities, sub-tier suppliers, or other conditions that may affect product definition, fit, form, function, quality, reliability, traceability, or compliance. Seller shall ensure applicable Purchase Order requirements are flowed to all sub-tier suppliers.

6. RECORDS

Seller shall retain all financial, quality, manufacturing, inspection, test, traceability, and other records relating to performance of this Purchase Order for not less than five (5) years after final payment, or longer if required by the Purchase Order, applicable law, regulation, specification, or flowed-down Government clause. Seller shall provide ADE, ADE's customer, and authorized Government or regulatory representatives reasonable access to applicable facilities, records, and documents for examination, reproduction, inspection, or audit.

7. INFORMATION

All specifications, drawings, sketches, models, designs, technical information, data, and other proprietary or confidential information furnished to Seller by or on behalf of ADE remain ADE's or its customer's property, as applicable. Seller shall protect such information from unauthorized access, use, release, or disclosure and shall use it only as necessary to perform this or another ADE Purchase Order. Seller shall return or destroy such information at ADE's request, subject to applicable record-retention requirements. No disclosure to a third party is permitted without ADE's prior written consent, except as required by law, in which case Seller shall provide advance notice to ADE to the extent legally permitted.

8. CHANGES

ADE may issue written changes to specifications, drawings, designs, testing, inspection, packaging, shipping destinations, quantities, or delivery schedules. If a written change causes a material increase or decrease in Seller's cost or time of performance, Seller may request an equitable adjustment. Any request must be submitted in writing within ten (10) calendar days

after receipt of the change and must include sufficient supporting detail. No change is binding unless issued or approved in writing by ADE's authorized representative.

9. PATENTS AND INTELLECTUAL PROPERTY

Seller shall defend, indemnify, and hold harmless ADE and its customers from claims, liabilities, damages, costs, and expenses arising from infringement or alleged infringement of any patent, trademark, copyright, trade secret, or other proprietary right by goods, services, information, or materials furnished by Seller, except to the extent the claim results solely from designs furnished by ADE and not modified by Seller.

10. ASSIGNMENT

Seller shall not delegate duties, assign rights or claims, or subcontract the whole of this Purchase Order without ADE's prior written consent. Approval of any subcontractor does not relieve Seller of responsibility for full performance and compliance.

11. BANKRUPTCY

ADE may cancel, without liability, any unfilled portion of this Purchase Order if Seller becomes subject to bankruptcy, insolvency, receivership, assignment for the benefit of creditors, or similar proceedings. Any deposits or prepayments for undelivered goods or unperformed services shall be returned promptly upon request.

12. TERMINATION FOR CAUSE

If Seller fails to deliver or perform as required, fails to make progress so as to endanger performance, or fails to comply with any material term of this Purchase Order, ADE may terminate all or part of the Purchase Order for cause. Unless immediate termination is justified by the circumstances, ADE will provide written notice and a reasonable opportunity, not to exceed ten (10) calendar days, for Seller to demonstrate corrective action. ADE's rights and remedies are cumulative.

13. TERMINATION FOR CONVENIENCE

ADE may terminate all or part of this Purchase Order for convenience, including due to termination, reduction in scope, schedule change, or funding action by ADE's customer. Seller shall stop work as directed, protect and preserve property related to the terminated work, and promptly submit a reasonable, documented termination claim. ADE shall not be liable for anticipatory profits, consequential damages, or costs not reasonably incurred before the effective termination date. Any advance payments for undelivered goods or unperformed services shall be returned promptly.

14. COMPLIANCE WITH LAWS AND REGULATIONS

Seller shall comply with all applicable federal, state, local, and foreign laws, ordinances, codes, rules, and regulations in performing this Purchase Order, including applicable labor and employment laws, occupational safety requirements, anti-bribery and anti-kickback laws, environmental requirements, sanctions, and U.S. export-control laws and regulations, including the Export Administration Regulations (EAR) and International Traffic in Arms Regulations (ITAR), when applicable. Seller shall not export, reexport, transfer, disclose, or provide access to export-controlled items, technical data, software, or defense services without required authorization.

15. PAYMENT

Unless otherwise stated in the Purchase Order, payment terms are Net 30. Payment is deemed made when ADE's payment is issued or otherwise tendered. Seller shall promptly repay any overpayment. ADE may withhold disputed amounts or amounts reasonably necessary to protect ADE from Seller's breach, nonconforming product, liens, or claims.

16. DISPUTES

- a. For a dispute involving the U.S. Government or arising from a Government contract or subcontract, the applicable disputes provisions of ADE's prime contract, including FAR 52.233-1 when applicable, shall govern to the extent necessary to sponsor or prosecute the matter. Seller shall provide timely, detailed written notice, certifications, and supporting documentation. Any Government contracting officer decision relating to this Purchase Order is binding upon Seller unless ADE elects to appeal and the decision is reversed. The decision whether to sponsor or pursue an appeal rests solely with ADE. Seller shall reasonably assist ADE and reimburse ADE for reasonable costs incurred solely on Seller's behalf.
- b. For all other disputes that cannot be resolved by good-faith negotiation between management representatives, either party may bring an action in a court of competent jurisdiction located in St. Louis County or the City of St. Louis, Missouri. Each party consents to that exclusive venue and jurisdiction and waives objections based on forum non conveniens or improper venue.
- c. Pending final resolution of a dispute, Seller shall continue diligent performance as directed by ADE, unless ADE provides written direction otherwise.

17. DEBARMENT AND SUSPENSION

Seller represents, to the best of its knowledge and belief, that neither Seller nor any principal is presently debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded from Federal contracting; and Seller shall immediately notify

ADE if this representation becomes inaccurate. Seller shall not knowingly place any subcontract under this Purchase Order with a debarred, suspended, or excluded entity where prohibited by law or regulation.

18. ADDITIONAL OR INCONSISTENT TERMS

Any terms contained in Seller quotations, acknowledgments, invoices, portals, click-through terms, or other documents that differ from, conflict with, or add to this Purchase Order are rejected and shall not become part of the parties' agreement unless specifically accepted in a writing signed by ADE's authorized representative.

19. SURVIVABILITY

Provisions that by their nature are intended to survive shall survive completion, termination, or cancellation of the Purchase Order, including Quality, Records, Information, Patents and Intellectual Property, Compliance with Laws and Regulations, Disputes, Government Contract Provisions, Government Flow-Down Clauses, Supplier Quality Requirements, and Governing Law.

20. GOVERNING LAW

Except to the extent federal procurement law controls a Government-contract matter, this Purchase Order and its interpretation are governed by the laws of the State of Missouri, without regard to conflict-of-law principles.

21. GOVERNMENT CONTRACT PROVISIONS

When this Purchase Order supports a U.S. Government prime contract or subcontract identified on the Purchase Order, Seller shall comply with the Government clauses and special requirements incorporated below or otherwise expressly identified on the Purchase Order, but only to the extent applicable to Seller's scope, subcontract type, dollar value, place of performance, and the goods, services, technical data, software, or information furnished. Government clauses are incorporated by reference with the same force and effect as if set forth in full text. Where necessary to make a clause applicable to this Purchase Order, "Contractor" shall mean Seller, "Subcontractor" shall include Seller and its lower-tier subcontractors, "Contracting Officer" shall mean ADE's authorized procurement representative except where the context requires the U.S. Government Contracting Officer, and "Government" shall mean ADE or the U.S. Government as the context requires. Seller shall flow down clauses to lower-tier subcontractors when required by the clause. If a Government clause conflicts with another term of this Purchase Order, the Government clause shall control only to the extent required to preserve ADE's compliance with its higher-tier contract.

22. GOVERNMENT FLOW-DOWN CLAUSES - PRIME CONTRACT N0017423D0004

The following clauses are incorporated when this Purchase Order is issued in support of U.S. Navy Prime Contract N0017423D0004. Conditional clauses apply only when their stated statutory, regulatory, dollar-value, subject-matter, or performance conditions are met. Clause dates shown are the versions incorporated in the prime contract.

Clause	Title	Version	Applicability / Seller Requirement
FAR 52.203-6 Alt I	Restrictions on Subcontractor Sales to the Government	NOV 2021	Applies when required by the clause and subcontract value/type.
FAR 52.203-7	Anti-Kickback Procedures	JUN 2020	Applies to covered subcontracts; Seller shall maintain and flow down required anti-kickback obligations.
FAR 52.203-12	Limitation on Payments to Influence Certain Federal Transactions	JUN 2020	Applies when the Purchase Order exceeds the applicable threshold.
FAR 52.203-13	Contractor Code of Business Ethics and Conduct	NOV 2021	Applies when the subcontract meets the clause threshold and period-of-performance requirements; commercial-item exceptions apply as stated in the clause.
FAR 52.203-14	Display of Hotline Poster(s)	NOV 2021	Applies to covered subcontracts exceeding the FAR 3.1004(b)(1) threshold, except as stated in the clause.
FAR 52.204-21	Basic Safeguarding of Covered Contractor Information Systems	NOV 2021	Applies when Seller's information system processes, stores, or transmits Federal Contract Information.
FAR 52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities	NOV 2021	Applies to all covered tiers as required by the clause.
FAR 52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment	NOV 2021	Applies to covered subcontracts and requires applicable lower-tier flowdown.
FAR 52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment	NOV 2021	Seller shall comply with exclusion-screening and notification requirements when applicable.

Clause	Title	Version	Applicability / Seller Requirement
FAR 52.215-2	Audit and Records - Negotiation	JUN 2020	Applies when the subcontract is subject to audit/records requirements under the clause.
FAR 52.215-12 (Dev.)	Subcontractor Certified Cost or Pricing Data (Deviation 2022-O0001)	OCT 2021	Applies when certified cost or pricing data are required.
FAR 52.215-13 (Dev.)	Subcontractor Certified Cost or Pricing Data - Modifications (Deviation 2022-O0001)	OCT 2021	Applies to covered modifications when certified cost or pricing data are required.
FAR 52.219-8	Utilization of Small Business Concerns	OCT 2018	Applies to covered subcontracts and lower-tier subcontracting as required.
FAR 52.222-21	Prohibition of Segregated Facilities	APR 2015	Applies when FAR 52.222-26 applies.
FAR 52.222-26	Equal Opportunity	SEP 2016	Applies when the clause threshold and coverage requirements are met.
FAR 52.222-35	Equal Opportunity for Veterans	JUN 2020	Applies to covered subcontracts meeting the applicable threshold.
FAR 52.222-36	Equal Opportunity for Workers with Disabilities	JUN 2020	Applies to covered subcontracts meeting the applicable threshold.
FAR 52.222-37	Employment Reports on Veterans	JUN 2020	Applies to covered subcontracts meeting the applicable threshold.
FAR 52.222-40	Notification of Employee Rights Under the National Labor Relations Act	DEC 2010	Applies to covered subcontracts meeting the applicable threshold and location requirements.
FAR 52.222-50	Combating Trafficking in Persons	NOV 2021	Applies to all covered subcontracts; required compliance plan/certification provisions apply when triggered.
FAR 52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving	JUN 2020	Applies to covered subcontracts exceeding the micro-purchase threshold.
FAR 52.225-13	Restrictions on Certain Foreign Purchases	JUN 2003	Applies to Seller's acquisition or use of covered supplies/services.
FAR 52.227-1	Authorization and Consent	JUN 2020	Applies to subcontracts as specified in the clause when patent authorization and consent are required.
FAR 52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement	JUN 2020	Applies to covered subcontracts exceeding the simplified acquisition threshold.
FAR 52.244-6	Subcontracts for Commercial Products and Commercial Services	JAN 2022	Applies to commercial-product/commercial-service subcontracts and incorporates the mandatory clauses identified therein.
FAR 52.246-11	Higher-Level Contract Quality Requirement	DEC 2014	Applicable quality requirements, ANSI/ISO/ASQ 9001:2015 or AS9100D, shall be flowed to critical/complex or otherwise covered lower-tier subcontracts.
FAR 52.247-63	Preference for U.S.-Flag Air Carriers	JUN 2003	Applies when international air transportation under the Purchase Order is subject to the clause.
FAR 52.247-64	Preference for Privately Owned U.S.-Flag Commercial Vessels	NOV 2021	Applies to covered ocean transportation and requires lower-tier flowdown as stated in the clause.
DFARS 252.203-7002	Requirement to Inform Employees of Whistleblower Rights	SEP 2013	Applies to covered subcontracts.
DFARS 252.204-7000	Disclosure of Information	OCT 2016	Applies when Seller will receive, generate, or disclose information subject to the clause.
DFARS 252.204-7012	Safeguarding Covered Defense Information and Cyber Incident Reporting	DEC 2019	Applies when Seller will process, store, or transmit Covered Defense Information or provide operationally critical support; mandatory lower-tier flowdown applies.
DFARS 252.204-7020	NIST SP 800-171 DoD Assessment Requirements	MAR 2022	Applies when Seller is subject to DFARS 252.204-7012 or otherwise covered by the clause; Seller shall maintain required assessment information and flow down as required.
DFARS 252.211-7003	Item Unique Identification and Valuation	MAR 2022	Applies when items furnished by Seller are identified by ADE as requiring DoD item unique identification; clause must be included in applicable subcontracts, including commercial-item subcontracts.
DFARS 252.222-7006	Restrictions on the Use of Mandatory Arbitration Agreements	DEC 2010	Applies to covered subcontracts meeting the statutory dollar threshold and other conditions.

Clause	Title	Version	Applicability / Seller Requirement
DFARS 252.223-7008	Prohibition of Hexavalent Chromium	JUN 2013	Applies to covered supplies/services and lower-tier performance as specified in the clause.
DFARS 252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals	DEC 2019	Applies to covered end items, components, and specialty metals; Seller is responsible for compliant sources and required lower-tier controls.
DFARS 252.225-7012	Preference for Certain Domestic Commodities	MAR 2022	Applies to covered textile, clothing, food, hand or measuring tool, and other items identified in the clause.
DFARS 252.225-7048	Export-Controlled Items	JUN 2013	Applies when export-controlled items or information are involved; Seller shall comply with applicable U.S. export-control laws and flow down the substance of the clause as required.
DFARS 252.227-7013	Rights in Technical Data - Noncommercial Items	FEB 2014	Applies when Seller will provide technical data for noncommercial items, or commercial items developed in any part at Government expense, for delivery to the Government; the same clause shall be used in applicable lower-tier instruments.
DFARS 252.232-7017	Accelerating Payments to Small Business Subcontractors - Prohibition on Fees and Consideration	APR 2020	Applies to covered subcontracts with small business concerns as required by the clause.
DFARS 252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System	AUG 2016	Applies when Seller supplies electronic parts or assemblies containing electronic parts and the clause conditions are met; lower-tier flowdown applies as required.
DFARS 252.247-7023	Transportation of Supplies by Sea	FEB 2019	Applies to covered ocean transportation; Seller shall comply with reporting and lower-tier flowdown requirements.
NAVSEA H-209-H004	Organizational Conflict of Interest	DEC 2018	Applies to any tier involving access to information or circumstances covered by the clause; Seller shall flow the requirement to affected lower tiers.
NAVSEA E-246-H020	Quality Management System Requirements	OCT 2018	Seller shall maintain the required quality management controls when applicable and flow applicable standards to lower-tier suppliers in the circumstances covered by FAR 52.246-11(b) or as directed by ADE.
NAVSEA H-246-H001	Calibration System Requirements	MAY 2022	Applies to test, measurement, and diagnostic equipment used in support of this Purchase Order. If calibration is subcontracted or outsourced, the calibration laboratory must meet the clause requirements.

Full text of FAR and DFARS clauses incorporated by reference is available at [Acquisition.gov](https://www.acquisition.gov). The clause version/date identified above controls unless ADE expressly identifies a different version in the Purchase Order or a higher-tier contract modification requires an updated clause.

23. ADDITIONAL PRIME CONTRACT REQUIREMENTS

a. DPAS: The prime contract is a rated order, DO-A5. If the Purchase Order is identified by ADE as a rated order or contains a DPAS rating, Seller shall comply with the Defense Priorities and Allocations System requirements stated on the Purchase Order and 15 CFR Part 700, including required acceptance/rejection and preferential scheduling obligations.

b. Inspection, Test, Traceability, Marking, Packaging, Preservation, Certificates, and Documentation: Requirements stated on the Purchase Order, drawings, specifications, statement of work, or quality clauses are incorporated and mandatory. Seller shall not substitute materials, sources, processes, or specifications without ADE's written approval where approval is required.

c. Counterfeit and Suspect Parts: Seller shall establish controls appropriate to the goods supplied to prevent the introduction of counterfeit or suspect counterfeit material. Seller shall obtain parts from original manufacturers, authorized sources, or otherwise approved sources when required and shall provide traceability documentation upon request.

d. Government Access: Seller shall provide ADE, ADE's customer, DCMA, and other authorized Government representatives right of access, at reasonable times, to applicable facilities and records for inspection, surveillance, verification, audit, or review as required by the Purchase Order or higher-tier contract.

24. SUPPLIER QUALITY REQUIREMENTS

The following Supplier Quality Requirements are incorporated into these Terms and Conditions of Purchase. They are based on ADE Quality Clauses QX04.006 Rev. 2 and apply as stated in the Applicability section above and on the face of the Purchase Order.

GENERAL QUALITY REQUIREMENTS

- Seller must obtain ADE approval for design changes, repairs, rework, and changes in material or processes when such changes affect items furnished under the Purchase Order.
- When a manufacturing problem exists and ADE requests corrective action, Seller shall provide a timely response that includes analysis of root cause and a statement of corrective action taken to prevent recurrence, including effectivity of the action.
- Seller is responsible for proper adjustment, calibration, and safe care, other than normal wear, of all production or inspection tooling furnished by ADE.
- Seller shall perform, or have performed, the inspections and tests necessary to substantiate that supplies conform to the Purchase Order, drawings, documentation, and specifications. Noncompliance is cause for rejection.
- When a Government contract is referenced on the Purchase Order, applicable FAR/DFARS and other Government requirements shall apply as provided in Sections 21-23.
- All quality and traceability records required by these Terms shall be retained in Seller's custody for a minimum of five (5) years, or longer when required by the Purchase Order or applicable Government clause.

CLAUSE 1 - QUALITY SYSTEM REQUIREMENTS

Seller shall provide and maintain a Quality Management System registration to ISO 9000, AS9100, or another ADE-approved higher-level quality management system. The system is subject to review and approval by ADE Quality Assurance during the duration of the order. In lieu of an approved registration, Seller shall submit ADE self-survey form PF04.001 or facilitate an on-site QMS audit by Arnold Defense to maintain inclusion as an authorized supplier.

CLAUSE 2 - SAMPLING PLANS

Discretionary implementation of any process control plan deemed necessary and sufficient for defect prevention is the responsibility of Seller. At a minimum, articles supplied on this Purchase Order shall be inspected as follows:

- 100% inspection for all CRITICAL CHARACTERISTICS. The term "characteristic" includes all blueprint requirements, including dimensional, physical, and chemical requirements.
- All characteristics classified as MAJOR shall be inspected per MIL-STD-1916, VL IV.
- All characteristics classified as MINOR shall be inspected per MIL-STD-1916, VL II.
- Sampling inspection plans other than MIL-STD-1916 must be approved by ADE Vendor Quality Assurance (VQA). Sampling inspection is an assessment of product conformance and does not relieve Seller of responsibility to provide 100% conforming product.

CLAUSE 3 - CERTIFICATE OF CONFORMANCE REQUIRED

Seller shall furnish with each shipment of articles or material a Certificate of Conformance (CoC), originally signed by an authorized representative, attesting that the articles or material shipped meet all drawings and specifications cited in the Purchase Order.

The certification shall contain, at a minimum: (1) Seller name and address; (2) ADE Purchase Order number; (3) applicable ADE drawing number and revision level; (4) quantity of material or parts in the shipment; (5) a list of specifications, military standards, or other requirements being certified; (6) manufacturer material lot number and/or mill material lot number, as applicable; (7) quantity tested, sample size, and specimen type, as applicable; and (8) date, phone number, signature, typed name, and title of the authorized representative attesting to the accuracy of the certification.

CLAUSE 4 - INSPECTION REPORTS

When this clause is invoked, the certification required by Clause 3 shall include results of actual measurements and tests of the article or material in the shipment, identified by reference to the applicable requirements. Dimensional, chemical, mechanical, or physical data shall be adequate to determine compliance with ADE requirements.

CLAUSE 5 - MILL CERTIFICATIONS REQUIRED

All raw materials used to fabricate component parts for ADE must be traceable to Seller's source. Seller shall provide a copy of the raw material certification (mill certification) as evidence that the materials used meet ADE requirements. The mill certification shall identify the source, chemical and physical properties, and testing source when different from the material source. All tests required by the material specification shall be performed and listed on the certification.

CLAUSE 6 - MANUFACTURER'S CERTIFICATE OF CONFORMANCE REQUIRED

When Seller is not the original manufacturer, Seller shall furnish with each shipment the original manufacturer's Certificate of Conformance containing the information specified in Clause 3. The manufacturer's certificate shall include the manufacturer-assigned lot number, and Seller shall reference that lot number on Seller's own Certificate of Conformance. The manufacturer's certificate shall also include a statement attesting to Clause 2 and/or Clause 10 when applicable.

CLAUSE 7 - INSPECTION AND TEST PERFORMANCE

During performance of this Purchase Order, Seller's quality control inspection system and manufacturing processes are subject to review, verification, and analysis by an authorized Government representative. Government inspection or release of product prior to shipment is not required unless otherwise notified.

CLAUSE 8 - SOURCE INSPECTION BY PURCHASER

When this clause is invoked, source inspection by ADE is mandatory at Seller's facility during and/or upon completion of manufacturing. Seller shall provide all necessary inspection data, facilities, and equipment; notify ADE at least seventy-two (72) hours before intended shipment; and withhold shipment pending required action by ADE's VQA representative. Final acceptance remains at ADE's facility unless otherwise stated.

CLAUSE 9 - GOVERNMENT SOURCE INSPECTION

When this clause is invoked, Government Source Inspection is required before shipment from Seller's facility. Upon receipt of the Purchase Order, Seller shall promptly notify the Government representative assigned to Seller's facility to permit appropriate inspection planning.

CLAUSE 10 - MANUFACTURING AND PROCESS CONTROL PLAN

Seller shall prepare a manufacturing and process control plan for items delivered under the Purchase Order. The plan shall include the operational sequence and process control/inspection points for each manufacturing operation. Each process control/inspection point shall identify measuring or test equipment, inspection method, and type of inspection. A reproducible copy of the plan shall be submitted to ADE VQA for approval thirty (30) days before production.

CLAUSE 11 - FIRST PIECE INSPECTION

When this clause is invoked, ADE VQA shall perform inspection on a minimum of five (5) pieces from the first lot for each item on the Purchase Order. Seller shall submit a complete inspection report including a complete dimensional layout of blueprint dimensions and complete test results substantiating compliance with all other physical or chemical requirements.

CLAUSE 12 - SAMPLING INSPECTION UPON RECEIPT

Items supplied on the Purchase Order are subject to sampling inspection upon receipt. Zero Acceptance Number Sampling Plans (C=0) will be used. One reject in the sample is cause for lot rejection. If the lot fails sampling inspection, the entire lot may be rejected for review and 100% inspection at Seller's facility. If acceptable units are urgently needed to meet schedule commitments, ADE VQA may perform 100% sorting inspection, and Seller may be invoiced for such inspection at ADE's current labor rate.

CLAUSE 13 - SPECIAL PROCESS CERTIFICATION

Seller shall submit a statement attesting that applicable special processes - including welding, plating, x-ray, anodizing, magnetic particle inspection, personnel certification, penetrant inspection, and heat treating - satisfy applicable specification requirements. The statement shall conform to Clause 3. Supporting records shall be available for examination by ADE.

CLAUSE 14 - SHELF LIFE

All materials having definite characteristics of reliability or quality degradation with age shall be marked to identify the date on which critical life was initiated and the date on which useful life expires.

CLAUSE 15 - BATCH TRACEABILITY

All end items on the Purchase Order must be traceable to the raw material batch, lot, heat, and source from which they were produced. Records substantiating traceability shall be retained and available for review by ADE. Materials shall be identified by lot number or batch number.

CLAUSE 16 - BUY AMERICAN / QUALIFYING COUNTRY REQUIREMENTS

When applicable to the Purchase Order, Seller shall comply with DFARS 252.225-7001 and any required representations under DFARS 252.225-7000. Covered acquisitions shall be sourced from domestic or qualifying-country sources as required by the applicable clause and Purchase Order.

CLAUSE 17 - COUNTERFEIT PREVENTION PLAN

ADE document PP04.004 applies to electronic and mechanical components and parts delivered to ADE, whether in assemblies or as individual components. Seller shall purchase covered assemblies, components, and parts from the original component

manufacturer (OCM), original equipment manufacturer (OEM), or an authorized distributor for the applicable OCM/OEM, unless ADE expressly approves another source in writing.

Seller shall obtain and retain written traceability records and shall secure a Certificate of Conformance and/or Certificate of Conformance and Traceability, as applicable, for electronic assemblies, components, or parts. Such records shall be provided to ADE upon request and maintained in accordance with the Purchase Order and applicable AS9100 and/or ISO 9001 requirements. Use of non-authorized suppliers or brokers without ADE's express written consent is prohibited.

QUALITY CONTACT

Vendor Quality Assurance	Arnold Defense & Electronics, LLC
Address	3000 Arnold Tenbrook Road, Arnold, MO 63010
Phone	(636) 296-5417
Fax	(636) 296-1967

By accepting or performing this Purchase Order, Seller acknowledges and agrees to these Terms and Conditions of Purchase.