



General Terms and Conditions

G01 Right of Entry

All items of the purchase order/contract are subject to surveillance, including facilities, equipment, personnel, product, procedures, systems, and records at Seller's facility and any level of the supply chain during normal business hours and with reasonable advanced written notice. A representative of Aero-Plastics, our customer and/or the FAA, or equivalent agency, may jointly perform such surveillance. Seller must notify Aero-Plastics of changes in manufacturing facility location.

G02 Product Control

Seller agrees not to make any change in material or design that would affect the part or any component thereof without prior written authorization. Seller must notify Aero-Plastics of changes in product and/or process.

G03 Process Control

Seller shall use process control techniques for all key characteristics identified on the purchase order/contract or on the drawing. Seller shall maintain records subject to examination and furnish copies of charts or graphs used in process control with shipments unless waived in writing by Aero-Plastics.

G04 Special Processes

Validation and periodic revalidation of special processes is required when the resulting output cannot or will not be verified by subsequent monitoring, measurement inspection, or test. Certification is required for all special processes (e.g. heat treat, penetrant inspect, shot peen, etc.) is required. Functional test reports or results shall be furnished by Seller as required by the applicable purchase order/contract, drawing, or specification.

For Boeing product, Approved Process Sources shall be used in accordance with D1-4426, Approved Process Sources document. This document, subject to revision from time to time, defines the approved sources for special processing, composite raw materials, composite products, aircraft bearings, designated fasteners, and metallic raw materials. The Seller's purchasing information shall conform to the purchasing data requirements of D1-4426 Appendix D.

G05 Seller Liability for Provided Property

Seller shall take all reasonable actions necessary to protect Provided Property from loss. Seller shall be additionally responsible for proper care, usage, protection, and return of all Aero-Plastics furnished and/or owned tooling and measuring equipment.

G06 Suppliers/Subcontractors

Seller shall maintain complete and accurate records regarding all subcontracted items and/or processes. Seller's use of subcontractors or suppliers shall comply with Seller's Quality System approval for said subcontractors or Sellers. Unless Aero-Plastics' prior written authorization or approval is obtained, Seller may not purchase completed or substantially completed Products or Services. Seller is responsible for ensuring current revision specification requirements are utilized for the product ordered. Seller must notify Aero-Plastics of changes in Seller and/or its Subcontractors. Seller must flow down to the supply chain the applicable requirements including Aero-Plastics' requirements.

G07 Lot Tracking

Seller shall have a lot tracking system in place for traceability of materials, manufacturing, and any processes performed. At a minimum, lot identification shall be marked on the product and correspond with lot identification provided in the certification to prevent mix-ups.

G08 Material Control

Aero-Plastics furnished material shall require strict accountability by Seller. Seller shall maintain positive individual lot integrity of finished product and identification of any standards, finished products, and/or excess materials. At the time of delivery on the purchase order/contract, Seller shall return any excess materials furnished by Aero-Plastics.

Seller shall clearly mark, maintain an inventory of, keep segregated, identifiable, and secure all of Aero-Plastics' and/or Aero-Plastics' Customer's supplied property and all property to which Aero-Plastics and its Customers has acquired an interest. Seller assumes all risk of loss, deterioration, destruction, or damage of such property and lost paperwork, while in Seller's or its subcontractors' or Seller's possession, custody, or control. Deterioration does not include items deteriorated due to the lapse of shelf-life or other inherent deterioration.



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Seller furnished material shall have in addition to the requirements of Aero-Plastics furnished material, complete and verified certifications and test reports containing all necessary information for acceptance by Aero-Plastics.

Certifications for material or parts shall additionally reflect the temper, form, and size of the raw material as originally manufactured by the raw material producer. Seller shall retain test reports provided by the raw material producer, as well as Seller's validation test results as quality records traceable to the conformance of goods.

G09 Time Sensitive Materials / Shelf Life

Where time sensitive materials are used, Seller shall include on all certifications or packing slips the type of material, expiration date, cure date (as applicable), and lot or batch number.

G10 Delivery

Delivery of any material or parts shall be no later than specified delivery date and no earlier than 7 days before specified date. Materials or parts received earlier than 7 days before specified date shall be returned to Seller at Seller's expense. Delivery of any subcontracted processes shall be considered late 1 day after specified delivery date on purchase order.

G11 Freight

Any items requested to ship via UPS, FedEx, or CH Robinson – please call Aero-Plastics for account number to use. No insurance premiums will be allowed unless authorized in writing. Charges accrued though Seller's failure to ship in accordance with Aero-Plastics instructions will be debited from Seller's account. Invoices with freight exceeding \$25.00 must have a copy of the original freight bill sent with the invoice prior to payment submittal.

G12 Import/Export

In performing the obligations of a purchase order/contract, both parties will comply with all applicable export, import and sanctions laws, regulations, orders, and authorizations applicable to the export (including re-export) or import of goods, software, technology or technical data items or services, including without limitation the Export Administration Regulations (EAR), International Traffic in Arms Regulations (ITAR), and regulations and orders administered by the Treasury Department's Office of Foreign Assets Control (collectively, Export/Import Laws).

G13 Proprietary Information & Items; Licensing

Seller agrees to protect from disclosure all confidential, proprietary and/or trade secret information belonging to Aero-Plastics, Inc. and Aero-Plastics, Inc.'s customers. Any proposed use of such beyond that authorized by the purchase order will be subject to a license agreement.

G14 Compliance with Laws

Seller shall be responsible for complying with all legal requirements, including but not limited to, the provisions of any statute, ordinance, rule, regulation, judgment, decree, order, permit, approval, license, or registration applicable to its performance under the purchase order/contract. Seller shall notify Aero-Plastics of any aspect of Seller's performance that is prohibited under any legal requirements, at the earliest opportunity, but in all events sufficiently in advance of Seller's performance of such obligation. Seller agrees to indemnify and to hold harmless Aero-Plastics and Aero-Plastics' Customers from any failure to comply with any legal requirement.

G15 Government Requirements

If any of the work to be performed on the purchase order/contract is performed in the United States, Seller shall, at the request of Aero-Plastics, certify that the Products or Services covered by the purchase order/contract were produced in compliance with the Fair Labor Standards Act (29 U.S.C 201-291), as amended, and the regulations and orders of the U.S. Department of Labor issued there under. In addition, the following FAR's are incorporated herein either by attachment to this document or by some other means of reference.

FAR 52.222-26 "Equal Opportunity"

FAR 52.222-35 "Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era"

FAR 52.222-36 "Affirmative Action for Workers with Disabilities"

FAR 52.222-39 "Notification of Employee Rights Concerning Payment of Union Dues or Fees"

FAR 52.247-64 "Preference for Privately Owned U.S.-Flagged Commercial Vessels"



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G16 Publicity

Without Aero-Plastics' prior written approval, Seller shall not, and shall require that its subcontractors or suppliers shall not, release any publicity, advertisement, news release, or denial or confirmation of the same regarding any Order or Products or Services, or the program to which they may pertain. Seller shall be liable to Aero-Plastics and/or its Customers for any breach of such obligation by any subcontractor or Seller.

G17 Infringement

Seller will indemnify, defend, and hold harmless Aero-Plastics and its Customers from all claims, suits, actions, awards, liabilities, damages, costs, and attorneys' fees related to the actual or alleged infringement of any United States or Foreign intellectual property right and arising out of the manufacture, sale, or use of Products by either Aero-Plastics or its Customers. Aero-Plastics and/or its Customers will duly notify Seller in writing of any such claim, suit, or action; and Seller will, at its own expense, fully defend such claim, suit, or action on behalf of Aero-Plastics and/or its Customers. Seller shall have no obligation under the purchase order/contract with regard to any infringement arising from: (i) Seller's compliance with formal specifications, other than specifications which reflect one or more industry standards in which event this exception (i) shall not apply, issued by Aero-Plastics or its Customers where infringement could not be avoided in complying with such specifications or (ii) use or sale of Products for other than their intended application. For purposes of the purchase order/contract only, the term Customer shall not include the United States Government.

G18 Insurance

Seller shall maintain in continuous effect a property insurance policy covering loss, destruction or damage to all property in which Aero-Plastics, Inc. and Aero-Plastics, Inc.'s customers have a financial interest.

G19 Tooling Capability

Seller must demonstrate proficiency to Aero-Plastics (and Boeing) using the capability requirements defined in D950-11059-1 Table 1 (Seller Approval Capability Level Requirements), and any specific asset requirements defined in Purchase Contract, before performing any of the functions listed below:

- Engineering Design/Definition
- Fabrication, Rework, or Modification
- Conventional and digital measurement and physical coordination
- Visual and dimensional inspection
- User / Condition Check

G20 Tooling Accountability

The provisions of document D33200 shall govern the administration of all accountable tooling manufactured for or acquired by Aero-Plastics, except that such tooling will be identified with the Seller 's own identification tags. The identification tags will include the tool code, part number, unit number, lifetime serial number, and ownership. This information will be provided by Aero-Plastics' Procurement Representative prior to the shipment of the tool.

Q01 Quality System Requirements

Seller shall provide and maintain a Quality System that is acceptable to Aero-Plastics. The Seller's Quality System is subject to annual review and approval by Aero-Plastics during the purchase order/contract duration.

Q02 Document Control

All planning, drawings, digital data and/or derivatives, sketches, etc. issued with purchase order/contract are of the revision in effect on the date of the purchase order/contract and must be returned to Aero-Plastics upon completion. No planning, drawings, digital data and/or derivatives, sketches, etc. shall be copied without the express written consent of Aero-Plastics. Seller shall keep confidential and protect from disclosure all proprietary information and property obtained from Aero-Plastics and/or Aero-Plastics' customers. Unless authorized, Seller shall use Aero-Plastics supplied information and property only in the performance and purpose of the purchase order/contract. Upon request by Aero-Plastics and the completion, termination, or cancellation of purchase order/contract, Seller shall return all such information and property to Aero-Plastics.



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Q03 Verification Activities

Customer verification activities performed at any level of the supply chain does not absolve the organization of its responsibility to provide acceptable processes, products, and services and to comply with all requirements. Verification activities can include a review of objective evidence of the conformity of the processes, products, and services from an external provider (e.g., accompanying documentation, certificate of conformity, test documentation, statistical documentation, process control documentation, results of production process verification and assessment of changes to the production process thereafter).

When Seller utilizes test reports to accept Seller purchased raw material, the following requirements apply:

- Test reports shall be checked 100% against Seller's requirements and applicable specifications.
- Validation test requirement: Seller shall periodically validate test reports for raw material accepted on the basis of test reports. That validation shall be accomplished by Seller or other independent party through periodic, scheduled tests of raw material samples. Schedules for frequency of tests will be established by Seller based on historical performance of the raw material supplier.
- Seller shall retain test reports provided by the raw material supplier, as well as Seller's validation test results as quality records traceable to the conformance of goods.
- Aero-Plastics furnished raw material is not subject to the validation test requirement.
- Seller shall implement processes and procedures in support of this clause.

Seller is required to perform inspection per Q11 Sampling for all associated features. Acceptance/Rejection criteria must be indicated per Q05 – Certificate of Conformity.

When a Coordinate Measuring Machine (CMM) is used, best fit alignments will not be used for any product supplied to Aero-Plastics without written approval.

Q04 First Article Inspection Report

Seller shall perform a First Article Inspection (FAI) using the AS9102 format using a representative item from the first production run of a new part or assembly to verify that the production processes, production documentation, and tooling are able to produce parts and assemblies that meet requirements. This activity shall be repeated when changes occur that invalidate the original results (e.g., engineering changes, production process changes, tooling changes). Current revision of AS9102 must be used based on Buyer Purchase Order date.

Q05 Certificate of Conformity or Compliance

Includes a statement of conformity on the Certificate and/or Packing Slip and identifies the Acceptance/Rejection criteria and Acceptance Status on all articles adhering to all contract requirements, applicable drawings, and specifications. A signed certificate of conformity is required with each shipment for all parts, materials, or processes performed.

Functional test reports or results shall be furnished by the Seller and/or Manufacturer of raw goods as required by the applicable purchase order/contract, drawing, or specification. Certificates and Test Reports must ensure that a clear chain of custody has been established between all entities to ensure traceability for a given lot number.

Q06 Control of Nonconforming Product and Corrective Action

Individual nonconforming product must be adequately identified. Seller shall provide written notification to Aero-Plastics within (1) one day when a nonconformance is determined to exist or is expected to exist on Product already delivered to Aero-Plastics under any order. When Aero-Plastics notifies Seller of a detected nonconformance, Seller shall immediately take action to eliminate the nonconformance on all products in Seller's control.

When nonconforming product is determined to be Seller's fault, Aero-Plastics will provide Seller with notification. Upon receipt of such notification, Seller shall develop and implement acceptable corrective action.

Corrective Actions must include containment, root cause, corrective action, and verification of effectiveness plan and be submitted to Aero-Plastics within fourteen days of notification. Seller shall maintain verification that root cause and corrective action has occurred and has resolved the nonconforming condition. This verification shall occur after implementation of the corrective action to ensure detected nonconformance has been eliminated. Aero-Plastics reserves the right to review the verification data at the Seller's facility or have the data submitted electronically when requested.



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Q07 Quality Records

Seller shall maintain quality records (e.g. FAIR, material certifications, test reports, etc.) at their facility that are traceable to the conformance of product/part numbers delivered to Aero-Plastics. Quality records may be hard copy, electronic, or other media. All quality records must be legible and stored in a suitable environment to prevent damage, deterioration, or loss.

Q08 Record Retention

Seller shall maintain, and have available on a timely basis, Quality Records traceable to the conformance of product/part numbers delivered to Boeing. Seller's shall make such records available to Regulatory Authorities, our Customers, and Aero-Plastics authorized representatives.

Seller shall retain Quality Records for 14 years from the date of shipment under each applicable order for all product/ parts numbers unless otherwise specified.

At the expiration of such period set forth above and prior to any disposal of records, Seller will notify Aero-Plastics of records to be disposed of and Aero-Plastics reserves the right to request delivery of such records. In the event Aero-Plastics chooses to exercise this right, Seller shall promptly deliver such records to Aero-Plastics at no additional cost on media agreed to by both parties. Aero-Plastics requires that the provisions/requirements set forth above be included in Seller's direct supply contracts related to the Products/Part Numbers. Supply Chain shall mean network of material, equipment, information, and services integrated into products and services for the ultimate customer.

Q09 Digital Product Definition (DPD) / Model Based Definition (MBD)

When Digital Product Definition (DPD) data is utilized in manufacturing, inspection and sub-tier flow-down of product definition, Seller shall have a Quality System to control DPD data to the extent necessary to fulfill program requirements that is in accordance with current version of D6-51991 "Quality Assurance Standard for Digital Product Definition at Boeing Suppliers" and "MAA1-10009-1, Quality Assurance Standard for Digital Product Definition at Spirit AeroSystems, Inc. Sellers." Seller must additionally obtain Aero-Plastics' approval as DPD capable when it receives, downloads, and/or uses Aero-Plastics supplied DPD geometry in any format.

Q10 Acceptance Authority Media (AAM)

When acceptance authority media are used (e.g., stamps, electronic signatures, passwords), Seller shall comply with the AS9100 requirements and 14 CFR Part 21.2 regarding the application of the Acceptance Authority Media (AAM) requirements. Seller shall, within its organization and its supply chain, ensure that the use of AAM is clearly defined within its Quality Management System (QMS). Seller shall, upon Aero-Plastics' request, be able to demonstrate evidence of communication to its employees and to its supply chain; use of AAM must be considered as a personal warranty of compliance and conformity.

Seller shall maintain compliance to the AAM requirements by assessing its process and supply chain as part of its internal audit activities. The areas of focus of this assessment shall include but not limited to:

- Authority Media Application Errors (i.e. omission, typos, legibility, etc.)
- Authority Media Application Untimely Use (i.e. documentation is not completed as planned, "stamp/sign as you go", etc.)
- Authority Media Application Misrepresentation (i.e., uncertified personnel, falsification of documentation, work not performed as planned, etc.)
- Authority Media Application Training Deficiencies (i.e. Ethics, Culture awareness, Proper use of authority media, etc.)

Q11 Acceptance Sampling

Seller shall perform 100% inspection for in-process and final inspection or use sampling plans that are statistically valid and conform with AS9138, The plan shall preclude the acceptance of known defectives in the lot.

Q12 Calibration System and Notice of Significant Out-Of-Tolerance Conditions

Seller shall establish, implement, and maintain a process for the recall of monitoring and measuring equipment requiring calibration or verification. Seller shall maintain a register of the monitoring and measuring equipment. The register shall include the equipment type, unique identification, location, and the calibration or verification method, frequency, and acceptance criteria. Calibration or verification of monitoring and measuring equipment shall be carried out under suitable environmental conditions. Seller shall determine if the validity of previous measurement results has been adversely affected when measuring equipment is found to be unfit for its intended purpose and shall take appropriate action as necessary.



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Calibration service providers are additionally required to calibrate equipment in accordance with the accuracy and precision limits identified by the OEM. Calibrations shall be performed in their entirety at the Sellers facility or as designated by the contract. Certificate and reports shall be provided to Aero-Plastics and shall include Environmental conditions at the time of calibration, statement of uncertainty, statement attesting to measurement traceability and to the fact that calibration services were performed in compliance with one or more of the following: ISO 10012, ANSI/NCSL Z540, or ISO/IEC 17025.

Q12 Calibration System and Notice of Significant Out-Of-Tolerance Conditions

When out-of-tolerance conditions are identified, Seller shall notify Aero-Plastics immediately. Seller shall furnish a single sided hardcopy of the Sellers completed calibration data sheet(s) for every item that was calibrated and include it with the shipment upon the equipment's unique identification number, serial number, reference the standards used for the calibration that are traceable to NIST and include the Seller's contract number for the equipment being shipped.

Q13 Foreign Object Debris / Damage (FOD) Prevention Program

Seller shall establish and maintain a FOD prevention program in accordance with AS9146 Foreign Object Damage (FOD) Prevention Program – Requirements for Aviation, Space, and Defense Organizations

Q14 Requiring PC 700 Acknowledgement and No FAA-PMA

Seller acknowledges that the parts and/or materials being shipped under an Aero-Plastics' purchase order are intended for use under Boeing's Federal Aviation Administration (FAA) issued Production Certificate 700 and no articles (or constituent parts thereof) or the accompanying paperwork (e.g., packages, shippers, etc.) contain any Federal Aviation Administration- Parts Manufacturer Approval (FAA-PMA) markings.

Q15 Proposition 65

All externally supplied goods to Aero-Plastics Inc shall be labeled in compliance with California's Proposition 65 law and implementing regulations. Seller must notify Buyer of any Goods shipped without a Proposition 65 label; upon receipt of such notice, Buyer may, at its option and Seller's expense return the Goods for refund or credit or retain such Goods in which case Seller shall provide labels and further instructions for the labeling of such Goods.

Q16 Counterfeit Product and Materials

Seller shall implement a counterfeit product and material detection and avoidance system that is consistent with the requirements of the latest dated version of SAE AS5553 standard as of the effective date of this contract. Seller shall include the substance of this article, including this flow down requirement, in all subcontracts for products and material awarded by Seller for work under this Contract.

Q17 Ethics

Seller will comply with and flow down the following Code of Conduct – All suppliers are prohibited to engage in any activity that creates a conflict of interest; must comply with all laws, regulations, statutes, rules, and acts; must report any illegal or unethical conduct to Management or other appropriate authorities; and must understand the implications of ethical behavior. For more information regarding ethical conduct, contact Quality@aero-plastics.com

Q18 Code of Basic Working Conditions and Human Rights

In addition to the provision set forth in the Code of Basic Working Conditions and Human Rights Policy, Seller further commits that any material violation of law by Seller relating to Basic Working Conditions and Human Rights, including laws regarding slavery and human trafficking, applicable to Seller's performance under this Contract/ Agreement may be considered a material breach of this Contract/Agreement for which Aero-Plastics may elect to cancel any open Orders between Aero-Plastics and the Seller, for cause, in accordance with the provisions of this Contract/Agreement, or exercise any other right of Aero-Plastics for an Event of Default under this Contract/Agreement. Seller shall include the substance of this clause, including this flow down requirement, in all subcontracts awarded by Seller for work under this Contract/Agreement.

Q19 Delegated Product Release Verification per AS9117

When Seller delegates product verification, Seller shall conform to the requirements of AS9117, "Delegated Product Release Verification", as may be amended from time to time. Buyer reserves the right to conduct surveillance at Seller's facility to determine that Seller's quality system conforms to the requirements of AS9117. AS9117 establishes minimum requirements for Seller's delegation of product verification. When delegating product verification, Seller is not relieved of the obligations under this contract. Aerospace standards such as AS9117 can be obtained from SAE, the Society of Automotive Engineers at: <http://www.sae.org>



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Q20 Aerospace Operator Self-Verification Programs per AS9162

When Seller uses an Operator Self-Verification (OSV) program, Seller shall comply with the requirements set forth in SAE industry standard AS9162, Aerospace Operator Self Verification Programs, as may be amended from time to time. Buyer reserves the right to conduct surveillance at Seller's facility to determine that Seller is compliant to the requirements of AS9162.

Q21 Control of Work Transfer

Seller shall establish, implement and maintain a process to plan and control the temporary or permanent transfer of work (e.g., from one organization facility to another, from the organization to a supplier, from one supplier to another supplier) and to verify the conformity of the work to requirements in accordance with AS9100D (Sec 8.1, 8.4, 8.5)

Seller shall not initiate a movement or transfer of the location for the work to be performed under this Contract to another facility without Aero-Plastic's prior written approval.

U40 Notification of Escapement

For Product(s) which have been delivered to Aero-Plastics and Seller knows or suspects that such Product(s) are or may be nonconforming, Seller shall, within 3 days after the day of discovery of a potential escape, the notification from sub-tier supplier, and/or the entry of the issue into the quality process, notify Aero-Plastics in writing as set forth herein to allow Aero-Plastics to conduct a preliminary safety risk assessment. If the condition is a possible safety issue, submit all available information immediately. This applies to new or initial instances of an escape or potential escape, escapes or potential escapes that were previously identified and isolated by Aero-Plastics, but Seller identifies additional units or a nonconformance cannot be verified for the same nonconformance condition. This notification requirement is applicable to all Sellers.

Seller shall notify Aero-Plastics in writing using the Preliminary Investigation Notification (Form X39312). Such notification shall include the information set forth below along with any information that may be identified in the Purchase Order contracts and Customer supplied documentation. At a minimum, the following shall be provided:

- a. Affected process(es) or Product(s) part number(s) and name(s);
- b. Description of the nonconforming condition and the affected engineering requirement (i.e., what it is and what it should be)
- c. Quantities, shipping dates, purchase orders and destinations of delivered shipments;
- d. Suspect/affected serial number(s) or date codes, lot numbers, or other part identifiers