



Purchase Order

Terms and Conditions

- 1. Supplier Quality Monitoring:** AB Electronics, Inc. in accordance with our Quality Management System requirements, monitors our suppliers for product quality and on-time delivery. Suppliers failing to provide quality products according to delivery requirements may be asked for corrective action. Where improvements are not forthcoming, suppliers may be removed from our approved supplier list.
- 2. Confidential Information:** All supplies, blueprints, sketches and other technical information furnished by AB Electronics, Inc. shall be deemed confidential information of AB Electronics, Inc. Such information shall not be reproduced, given to or disclosed to any third party by any Supplier or any agent or employee thereof without AB Electronics, Inc.'s express written consent.
- 3. ITAR/EAR Export Controls/Technical Data:** Where drawings and/or POs indicate Export Controls apply, any related information (aka Technical Data) shall be handled as per controls enumerated through the Export Administration Regulations (EAR), implemented by the Department of Commerce for items that have both a commercial and potential military use, and the International Traffic in Arms Regulations (ITAR), implemented by the Department of State. Failure to secure such data may be subject to both criminal and administrative penalties. Fines for export violations, including anti-boycott violations, can reach up to \$1,000,000 per violation in criminal cases, and \$250,000 per violation in most administrative cases.
- 4. DPAS:** Any purchase made referencing **Defense Priorities Allocation System (DPAS) DO or DX** Ratings shall be handled per *15 CFR Part 700* in accordance with the Department of Defense (DoD) property management system to assure these orders are scheduled and processed ahead of any commercial jobs so as to assure their timely delivery.
- 5. Flow-down of requirements:** AB Electronics, Inc. requires that you adhere to any/all customer requirements flowed on the PO, drawing, or by other means, including any supplier quality manuals and/or related clauses, and to assure that you have the current revision of said documents. Additionally, as applicable, AB Electronics, Inc. requires that you flow down all requirements to all interested parties internally and to any sub-tier suppliers performing work on this order.
- 6. Right of entry:** AB Electronics, Inc., our customers and any applicable regulatory authorities maintain the right to access the supplier's facility and all applicable records associated with the order, during regular business hours, with limited notice.
- 7. Nonconforming material:** AB Electronics, Inc. must be notified of nonconforming material in advance of shipment for adequate review and disposition of said product. All such material must be adequately identified and segregated so as to preclude its use. Final disposition/disposal shall be at AB Electronics, Inc. unless otherwise authorized.
- 8. Change of Process or Product:** AB Electronics, Inc. must be informed of *and must approve* any change in processes, product or supplier made in the performance of the PO.
- 9. Certification, Inspection, etc.:** AB Electronics, Inc. may require certifications of compliance, inspection records and/or test specimens as part of this purchase order. Failure to provide these items may result in the rejection of the shipment. Where certificates (such as C of Cs) are required,

the certificate will reference AB Electronics' PO number, Part number and revision, customer name or end-use (where indicated) and a statement of compliance.

10. **Counterfeit Parts:** The Supplier shall certify that only new and authentic materials are used in products or goods delivered to AB Electronics, Inc. and that the products/goods delivered contain no Counterfeit Parts. No substitutions, reworked or refurbished parts/materials shall be acceptable under the terms of this purchase.
11. **Foreign Object Debris/Damage.** Supplier is required to establish and maintain a Foreign Object Debris/Damage (FOD) prevention program appropriate to the nature of the product/service provided, that employs appropriate housekeeping practices to assure timely detection and removal of residue/debris generated, during operations and normal daily tasks.
12. **Ethics Awareness:** As some of our products may be for U.S. Government end-use, suppliers will ensure their staff and any consultants or sub-contractors are aware of the importance of ethical behavior and accountability as it pertains to purchases in accordance with these terms.
13. **Packaging and Handling:** As a minimum, the Supplier shall package all material in a manner that will ensure protection against corrosion, oxidation, deterioration and physical damage during shipment. In addition, when materials delivered are lot-controlled and multiple material lots are shipped, each lot shall be separately packaged and identified. Vendors are also responsible for handling damage that occurred at their location.
14. **Retention requirements:** Records, whether hard copy or in electronic format, including any test/retain samples, shall be retained for no less than 10 years unless otherwise specified. Upon completion of the retention period, supplier will contact AB Electronics, Inc. prior to disposal of records for approval.
15. **Revision levels/traceability:** As appropriate, any correspondences, including certifications relating this purchase, must reference, as applicable, current PO, Work Order, Part number, Drawing Revision, batch number, etc.
16. **Calibration & Testing Suppliers:** All such suppliers should maintain a calibration system in accordance with the requirements of ISO 17025, ISO 10012; ANSI Z-540-1, ANSI Z540-3, as appropriate. All Inspection Measuring & Test Equipment (M&TE) used by the Supplier during in-process and final inspection to make a compliance evaluation shall be calibrated against measurement Standards traceable to NIST or an equivalent NMI.
17. **Sampling:** Where sampling plans are used to accept product, all such plans shall be statistically valid and based on either MIL-105 E or ANSI Z-540 and shall yield no less than an AQL of 2.5 unless otherwise specified.
18. **Purchasing:** Purchasing is the primary contact and liaison between the Supplier and AB Electronics, Inc., any questions relating to sales/purchasing should be addressed to your specific AB Electronics purchasing agent.
19. **Questions:** All questions concerning quality control/assurance requirements are resolved by contacting the AB Electronics, Inc. Quality Department at clint@abelectronicsinc.com
20. **Nondiscrimination:** The Seller, or its subcontractor, if any, shall not discriminate against any qualified employee or applicant for employment to be employed in the performance of this contract, with respect to hire, tenure, terms, conditions or privileges of employment because of race, color, sex, national origin or ancestry. The Seller, or its subcontractor, if any, agrees to comply with all the provisions contained in the Equal Opportunity Clause, quoted in Executive Order No. 11246 as amended and hereby incorporated in this Purchase Order by reference. As used therein the word "contractor" shall be deemed to mean "Seller," and the word "contract" shall refer to this Purchase Order. In addition, the Seller shall cause this Equal Opportunity Clause to be included in the subcontracts or purchase orders hereunder unless exempted by rules, regulations and orders of the Secretary of Labor issued pursuant to Section 204 of the Exec

21. **Falsification:** The recoding of false, fictitious or fraudulent statements or entries on any paperwork used in the performance work related to a AB Electronics, Inc. Purchase Order may be punished as a felony under federal statute.
22. **FAR 52.225-1:** Clause I.65 – FAR 52.225-1 – Buy American – Supplies (May 2014); Modified by DEAR 970.2570 (Nov 2010) applies to all material procured in the fulfillment of this order.
- 23 **Law:** This agreement shall be governed by, subject to and construed according to the laws of the State of Connecticut. Venue for any proceeding related to a claim herein shall be exclusively in the courts of Danbury, Connecticut.
- 24 **Costs:** In the event that either party resorts to legal action to enforce or interpret the terms and provisions of this agreement, the prevailing party shall be entitled to recover from the other party the costs of such action so incurred, including, but not limited to, reasonable attorneys' fees.

AB Electronics, Inc. T&Cs, 6/08/2018