

Vanderhorst Brothers, Inc.

1715 Surveyor Ave. Simi Valley, CA 93063 Phone 805-583- 3333 Fax 805-582-2068 www.vbinc.com

Terms and Conditions

Form 74.03-1

*Suppliers to VBI must comply with these basic clauses unless the Purchase Order excludes them.
Additional clauses will be noted on the Purchase Order as required.*

- 1. Any delay in shipment must be conveyed to VBI Purchasing as soon as the delay is known.*
- 2. Any changes to the contract requirements by the supplier must be approved by VBI in writing.*
- 3. All information in the contract must be held in confidence and no third-party request for information will be authorized unless instructed in writing by VBI representative.*
- 4. Right of access to VBI, for our customers and regulatory agencies, to applicable areas of all facilities, at any level of the supply chain, involved in the order and all applicable records.*
- 5. Flow down to sub tier suppliers any applicable requirements, including VBI customer requirements.*
- 6. Notify VBI of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain approval.*
- 7. Notify VBI quality department prior to transferring any VBI work to a new facility. VBI's Quality Manager will determine prior to the transfer if the supplier may perform the transfer of work.*
- 8. Notify VBI quality department of nonconforming product and obtain VBI approval for product disposition.*
- 9. Maintain records of evidence of conformity for a minimum of forty (40) years, unless otherwise specified, after final payment for goods and services; properly destroy (i.e. shred) documented information after retention period.*
- 10. Quality System must comply with one of the following: MIL-I-45208, AC7004, ISO 9001 or AS9100 Standards.*
- 11. Agree to conduct root cause analysis and implement corrective action in response to VBI complaints regarding specific performance or overall performance (minimum 90% combined OTD and Quality).*
- 12. Specifications, drawings, process requirements, inspection /verification instructions and any other technical data detailed on this purchase order or on the blueprint furnished must be in accordance to the current revision.*
- 13. Machining Suppliers must furnish inspection reports, Certificate of Conformance, and as applicable Material and Processing Certifications for the parts they submit.*

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14. *Processing suppliers must furnish processing certifications to the purchase order requirements, and shall not process any parts for which they are not certified or approved.*
15. *Material suppliers must furnish material certifications to the purchase order requirements, and shall not supply material for which they are not certified or approved.*
16. *Raw material and hardware must comply with DFARS requirements unless the purchase order explicitly states otherwise. Refer to DFARS 252:212-7014 Preference for Domestic Specialty Metals.*
17. *Calibration labs must comply with the latest edition of ISO 17025, ANSI/NCSL Z540.1 or ISO 10012.*
18. *Prevent the use of any conflict minerals (tin, tantalum, tungsten & gold) in the manufacturing or processing of furnished products.*
19. *All suppliers and their personnel must be aware of their contribution to product or service conformity, product safety and the importance of ethical behavior.*
20. *Counterfeit Prevention - Suppliers shall establish and maintain a program to prevent the delivery of counterfeit parts and materials to VBI in accordance with Aerospace Standard AS6174 and/or AS553*
21. *Foreign Object Damage/Debris - Unless otherwise specified on Purchase order supplier shall have a FOD prevention program that meets the requirements of NAS 412.*
22. *The purchase order and any associated hardware and technical data may contain information subject to International Traffic in Arms Regulation (ITAR) or Export Administration (EAR) of 1979, which may not be exported, released, or disclosed to foreign nationals, inside or outside the United States, without first obtaining an export license.*
23. *If the purchase order states that it supports a government rated order, or bears a DPAS rating, then the purchase order is considered a government rated contract. Federal law requires these orders to take preference over all unrated orders as necessary to meet required delivery dates. Persons receiving rated orders must give them preferential treatment as required by Government Regulations DPAS 15CFR700.*

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24. Additional requirements may apply which are specific to the product's design authority. If the purchase order refers to a drawing, examine the drawing to determine the name of the design authority. Obtain these external documents from the suggested website source, or from the VBI purchasing agent, before accepting the contract.

- a) If the design authority is **Moog**, then the following requirements apply. See <http://www.moog.com>.
- MOOG "STANDARD TERMS AND CONDITIONS"
 - FORM 116-32 (MOOG "SUPPLEMENTAL TERMS")
 - SQR-1 (MOOG QUALITY SYSTEM REQ'S)
 - MRQ52620 ("WORKMANSHIP STANDARDS")
 - Clauses S103, S104, S275, S292
- b) If the design authority is **Hutchinson** or **Barry Controls Aerospace**, then document QOP-7.4.2-A ("Purchase Order Quality Clauses") applies. Obtain from VBI Purchasing.
- c) If the design authority is **Parker Hannifin**, then document **Parker HSD Product Integrity Terms and Conditions** applies. Obtain from VBI purchasing.
- Records must be retained for 15 years
- d) If the design authority is **Arkwin**, then document **Quality Assurance Requirements** applies. Obtain from VBI purchasing.
- e) If the design authority is **Wilshire Precision Products**, then document **QF-1100 Wilshire Precision Products Special Purchase Order**. Obtain from VBI purchasing.
- f) If the design authority is **Woodward**, then documents **WPQR-9100** and **2-OF-02142** apply. All clauses within these documents are considered to be contract requirements – except for those clauses which have no relevance to the scope of work being performed under the contract. The requirements include (but are not limited to):
- Records must be retained for 40 years
 - A FOD Prevention program per AS9146 must be in place
 - Components/chemicals which are subject to a QPL requirement must be purchased from approved QPL sources; Evidence of QPL compliance and custody chain must be maintained, with evidence retrievable within 48 hours upon request; supplier's quality system must include provisions for ensuring materials are purchased from QPL sources.
- g) then certain requirements within document 2-OF-02142 ("Supplemental Quality System Requirements") apply to the contract. These are "Right of Access", "8.2.5 Specialty Metals and High-Performance Magnets", "8.5.1.3.1 First Article Inspection", and any other paragraphs which state they apply to sub-tier suppliers.
- h) If the design authority is **Meggitt Defense Systems**, then the following documents apply. See <http://www.mdsi-us.com>.
- MDSI PURCHASE ORDER TERMS AND CONDITIONS (all clauses which state they apply to suppliers or subcontractors of the Supplier).
 - MDSI QUALITY TERMS FOR PURCHASE ORDERS (all clauses which state they apply to sub-tier suppliers).
- i) If the design authority is (Meggitt) **OECO** or **Pacific Scientific**, then the following documents apply. See <http://www.OECO.com>.
- OECO FAR/DFARS Flow-Down Clauses (Form 1729)
 - Meggitt global standard purchasing conditions (any clauses which state they apply to suppliers or subcontractors of the Seller), available at <http://www.meggitt.com>

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- j) If the design authority is **Meggitt Safety Systems**, then the following documents apply:
- MDSI PURCHASE ORDER TERMS AND CONDITIONS (all clauses which state they apply to suppliers or subcontractors of the Supplier).
 - MDSI QUALITY TERMS FOR PURCHASE ORDERS (all clauses which state they apply to sub-tier suppliers).
 - MSSI VENDOR QUALITY REQUIREMENTS (QC-046) (<http://mssi.onlineqms.com/vqr.php>)
- k) If the design authority is **Skurka Aerospace**, then the following documents apply.
- See <http://www.skurka-aero.com>
- SUPPLIER QUALITY ASSURANCE REQUIRMENTS (QSP P235) – all clauses which state they apply to sub-tier suppliers.
 - GENERAL PURCHASE ORDER PROVISIONS (P369) - all clauses which state they apply to sub-tier suppliers.

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l) If the design authority is L-3 Ocean Systems, then the following requirements apply.

- **GENERAL TERMS AND CONDITIONS CLAUSES.** THE L-3 COMMUNICATIONS GENERAL TERMS AND CONDITIONS AND SUPPLEMENTS 1 AND 2 (CC008, CC009, CC010) ARE HEREBY INCORPORATED INTO THIS PURCHASE ORDER BY REFERENCE HEREIN. THE L-3 COMMUNICATIONS GENERAL TERMS AND CONDITIONS, SUPPLEMENTS 1 AND 2, AND THE ANNUAL SUPPLIERS REPRESENTATIONS AND CERTIFICATIONS CAN BE ACCESSED AT: <https://www.l3t.com/suppliers/forms>
- **QUALITY CLAUSES.** SUPPLIER MUST ENSURE RECEIPT OF THE LATEST RELEASE QUALITY CLAUSES DOCUMENT #0132-2030. ALL REQUIREMENTS WHICH STATE THEY APPLY TO SUB-TIER SUPPLIERS ARE HEREBY INCORPORATED BY REFERENCE.
- **COUNTERFEIT PARTS RISK MITIGATION.** APPROVAL TO PROCURE PARTS AND MATERIALS FROM SOURCES OTHER THAN THE ORIGINAL COMPONENT MANUFACTURER (OCM), OR FRANCHISED DISTRIBUTORS IS REQUIRED PRIOR TO BUYING OR USING ANY PARTS OR MATERIALS FROM SOURCES OTHER THAN THE ORIGINAL COMPONENT MANUFACTURER (OCM), OR FRANCHISED DISTRIBUTOR. ONLY THE L-3 INDEPENDENT DISTRIBUTORS WITH "APPROVED" STATUS ON THE L-3 CORPORATE COUNTERFEIT PARTS TEAM WEBPAGE MAY BE SOLICITED. APPROVAL TO USE OR PROCURE SPECIFIC PARTS AND/OR MATERIALS FROM THESE INDEPENDENT DISTRIBUTORS MAY BE REQUESTED FROM L-3 THROUGH THE SIR PROCESS. A COMPLETE LIST OF L-3 AUTHORIZED INDEPENDENT DISTRIBUTORS AND REMANUFACTURERS IS AVAILABLE UPON REQUEST.
- **PRIME CONTRACT PUR123 PRIORITIES AND ALLOCATIONS SYSTEM REGULATIONS.** IF ANY LINE ITEM CONTAINED IN THIS PURCHASE ORDER IS RATED FOR NATIONAL DEFENSE, SELLER IS REQUIRED TO FOLLOW ALL DEFENSE PRIORITIES AND ALLOCATIONS REGULATIONS PER SUB PART 11.6 PROVISIONS 11.600 THRU 11.604 (15CFR PART 700).
- **NOTIFICATION OF VISA DENIAL.** FAR CLAUSE FAR 52.222-29 IS HEREBY INCORPORATED INTO THIS PURCHASE ORDER.
- **I.T.A.R. CLAUSE.** TECHNICAL DATA (DRAWING, SPECIFICATIONS, ETC.) TO U.S. ENTITY: THIS TECHNICAL DATA IS CONTROLLED UNDER THE U.S. INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR) AND MAY NOT BE EXPORTED TO A FOREIGN PERSON, EITHER IN THE U.S. OR ABROAD, WITHOUT THE PROPER AUTHORIZATION BY THE U.S. DEPARTMENT OF STATE.
- **EQUAL OPPORTUNITY.** THE EQUAL OPPORTUNITY CLAUSES REQUIRED BY EXECUTIVE ORDER 11246, AS AMENDED, THE VIETNAM ERA VETERANS' READJUSTMENT ASSISTANCE ACT OF 1974 AS AMENDED, 38 U.S.C. 4212 (FORMERLY 2012) SECTION 503 OF THE REHABILITATION ACT OF 1973, AS AMENDED, EXECUTIVE ORDER 13201, AS THEIR IMPLEMENTING REGULATIONS AT 41 CFR CHAPTER 60 (41 CFR 60-1.4, 41 CFR60-250.5, CFR60-300.5 AND 41 CFR60-741.5 RESPECTIVELY) ARE PART OF THIS PURCHASE ORDER AND BINDING UPON THE SELLER (SUBCONTRACTOR, VENDOR OR SUPPLIER) UNLESS EXEMPTED BY RULES, REGULATION OR ORDERS OF THE SECRETARY OF LABOR.