

## Purchasing Terms & Conditions

Following are the terms and conditions (quality requirements) applicable to any purchase order issued by Flight Works, Inc., and which shall remain in effect indefinitely. A new revision to these terms and conditions may be issued without notice at any time; it is the responsibility of the supplier to review and comply with the latest revision of these terms on all orders. Additional conditions may apply in accordance with requirements as stated on the purchase order.

- 1. Acceptance and Governing Provisions.** This order must be accepted by written acknowledgment by the supplier to whom it is addressed (hereinafter called the "Seller") to Flight Works, Inc. (hereinafter called the "Buyer") at its address referenced on the order, or at the email of the purchasing contact. Upon acceptance, this order shall constitute the entire agreement between the parties, superseding any and all previous communications and negotiations. No term or provision of any quotation, acknowledgment, invoice or other form supplied by Seller shall be deemed applicable hereto unless expressly accepted by Buyer in writing.
- 2. Documents and Payment.** Buyer's Purchase Order number, appearing on the order's first page, must be shown on all packing lists, containers, invoices and correspondence relating to the order. A copy of the invoice and packing slip shall be mailed to Buyer's address referenced on the order either with the shipment of parts or promptly after shipment shall be made.
- 3. Delivery Delay and Anticipation.** Seller shall deliver the items, in the quantities and within the time or times, in accordance with the specifications, and at the process specified on the order or in any document attached thereto or referred to therein. Failure of Seller to comply with such requirements shall entitle Buyer, in addition to any other rights or remedies, to cancel this order and be relieved of all liability for any undelivered portion. Seller shall not, however, be liable to Buyer for any loss or damage to Buyer on account of any delay due to a cause beyond Seller's control and not attributable to any fault or negligence on Seller's part (including as consequence of an event of force majeure); provided, that Seller shall, as soon as it appears that any such delay is probable, give Buyer written notice of such delay, the cause and probable duration thereof. Seller shall not unreasonably anticipate delivery by purchasing materials or manufacturing quantities in excess of what is reasonably required to meet Buyer's delivery schedule. Items received in advance of Buyer's delivery schedule may, at Buyer's option, be returned at Seller's expense or be accepted and payment withheld until the scheduled delivery date.
- 4. Shipping and Packing.** All items shall be suitably packed, marked and shipped in accordance with any shipping instructions specified herein or on the order and otherwise in accordance with the requirements of common carriers so as to obtain the lowest transportation cost, while diligently protecting the items contained therein. Buyer shall have the right to route all shipments. No separate charge shall be made to Buyer for packing, boxing, or cartage unless specifically itemized on the order, but Seller shall be liable to Buyer for any loss or damage resulting from Seller's failure to act so as to provide adequate protection during shipment. Additional expenses, charges or claims incurred as a result of deviation from the specified route, non-compliance with other shipping instructions, or improper description of the shipment in shipping documents shall be Seller's responsibility. Buyer

and Seller shall assist each other in procuring all documents and other information required to ship items ordered hereunder or necessary for the prosecution of claims against carriers arising out of any such shipment.

5. **Documentation/Certification.** Seller is required to provide documented proof of relevant materials and/or processing (process certification, mill report, physical and or chemical test result, etc.) with each and every shipment/order. This may include a signed Certificate of Conformance, as well as any available material certs for raw materials. Certificates of Conformance or process certifications must identify the part number(s), revision or issue level(s), purchase order number, quantity, serial numbers (when applicable), and all relevant specifications, as well as the name, title, and signature of issuer and date of issue.
6. **Quality Management.** Seller shall implement and uphold a formal quality management system if possible, or if no formal quality system is present, practice good quality techniques and processes to ensure delivery of high-quality products and services. This system or set of practices will be subject to survey and review by Buyer at any time, in conjunction with Clause 7.
7. **Quality & Delivery Monitoring.** Buyer shall monitor Seller's quality and delivery metrics to ensure an acceptable level of conformity and on-time delivery. If those metrics drop below an acceptable threshold, Buyer may issue corrective actions, perform on-site audits, work with Seller on an improvement plan, and/or any other means deemed useful in improving those metrics above the acceptable standard.
8. **Right of Entry/Inspection.** All goods purchased hereunder, facilities involved in the fulfillment of the order, and applicable records (including those of Seller's sub-tier suppliers) shall be subject to access and/or inspection by Buyer (or any customer, regulatory, or governmental authorities) at any reasonable time and from time to time before, during or after manufacture and delivery, to ensure compliance with all applicable specifications and laws.
9. **Warranties.** In addition to its standard warranty and/or service guaranty, Seller warrants that all goods supplied hereunder shall
  - a) be free and clear of all liens and encumbrances, good and merchantable title thereto being in the Seller
  - b) be free from any defects in design, material or workmanship and of good quality;
  - c) conform to Buyer's specifications or the sample approved by Buyer, as the case may be.
  - d) consist solely of the materials specified by Buyer unless Buyer has consented to a change in material composition in writing; and
  - e) comply and have been produced, processed, delivered and sold in conformity with all applicable federal, state or other laws, administrative regulations and orders. The foregoing warranties shall survive inspection, delivery and payment.

If any such goods shall be found to be unsatisfactory, defective or inferior in quality or workmanship, or not to conform to Buyer's specifications or any other requirements hereof (including Seller's warranties), Buyer may, at its option, retain such goods at an adjusted price or for correction by Seller, or return them to Seller for repair, replacement, credit or refund, as Buyer shall direct. Buyer shall be reimbursed by Seller for all of its costs and expenses in connection with the storage, handling, packing and/or transporting of any such defective or

otherwise non-conforming goods; and Seller shall assume all risk of loss or damage in transit to goods returned by Buyer pursuant hereto.

- 10. Nonconforming Product.** Seller is required to notify Buyer of any nonconforming product produced as a result of their processes/services involved in the fulfillment of the order. Any nonconforming product must not be further processed without written authorization from the Buyer. In accordance with this condition, immediate notification must be made in writing to the Buyer of any process or product discrepancy discovered or suspected by the Seller after delivery, to prevent further processing and/or delivery of nonconforming products to Buyer's customers.
- 11. Notification of Changes.** Seller is required to notify Buyer of changes in product and/or process (i.e. specification changes or revisions, material substitution, etc.), changes of suppliers, and changes of manufacturing location and, where required, obtain Buyer's approval.
- 12. Sub-Tier Supplier Controls.** Seller is required to flow down all applicable order requirements and/or terms and conditions to sub-tier suppliers when applicable. Buyer must have previous knowledge and approval of all sub-tier suppliers involved in the fulfillment of the order.
- 13. Patents, Trademarks and Copyrights.** Except for goods ordered in accordance with Buyer's design, Seller warrants that the sale or use of goods furnished under the order will not infringe or contribute to infringement of any patent, copyright or trademark in the United States or elsewhere, and shall indemnify Buyer, its successors and assigns and its customers (whether direct or indirect), against any and all losses, damages and expenses (including attorneys' fees and other costs of defending any infringement action) which they, or any of them, may sustain or incur as the result of a breach of this warranty.
- 14. Special Design and Equipment.** Unless otherwise stated on the order, Buyer shall have no obligation to furnish or pay for any design work, drawings, tools or other equipment required for the performance of this order; provided, that Buyer may, at its option, purchase any such items especially required by Seller for this order at the current value thereof on Seller's books for income tax purposes and any item so purchased shall be deemed furnished by Buyer hereunder. Any design, drawing, tool or other equipment or materials or parts heretofore or hereafter furnished to Seller by Buyer, or the cost of which shall have been paid by Buyer or included in the aggregate price of this order, whether or not separately itemized hereon, shall be or remain Buyer's property, shall be promptly delivered to Buyer upon request, shall not be used in processing or manufacturing goods for others than Buyer, shall be treated as Buyer's confidential property, shall be protected from access by third parties, and, while in the possession of Seller, shall be Seller's responsibility and unless otherwise specified shall be adequately insured at Seller's expense for the benefit of Buyer against loss or damage by fire or other hazard. No change shall be made in any design, drawing, tool or other equipment furnished by Buyer without Buyer's express written consent.
- 15. Records.** Seller is required to retain process records, certifications, and test reports for a minimum of 10 years unless another specific, documented agreement has been made. These records must be made available for review by request of Buyer, Buyer's customers, and/or regulatory authorities in accordance with contract or

regulatory requirements. After retention time has expired, all such records must be delivered to Flight Works or destroyed.

- 16. Taxes.** Buyer shall not be liable for any taxes, duties, customs, or assessments in connection with the purchase and/or delivery of goods ordered hereunder, except such as are expressly set forth on the order.
- 17. Cancellation by Buyer.** Except as otherwise provided in the applicable provisions of a government contract, Buyer's liability for cancellation of this order without cause shall be limited to Seller's actual cost for work and materials applicable solely to this order which shall have been expended when notice of cancellation shall be received by Seller.
- 18. Foreign Imports.** All foreign goods imported to Flight Works, Inc. require country of origin marking in compliance with U.S. Law. When required by contract, raw material must be certified as domestic from a mill in a qualified country as listed on the Bilateral Airworthiness Agreement (BAA) and/or DFARS paragraphs 252.225-7014 ALT 1 and 225.872-1.
- 19. For Calibration Sources.** Seller is required to comply with the requirements of ISO 17025, ISO 10012 or equivalent. All certificates of calibration must reflect compliance.
- 20. Counterfeit Parts.** Where applicable, Seller is required to take necessary measures to avoid and detect sale and/or distribution of counterfeit electronic parts, in accordance with the guidelines of SAE standard AS5553.
- 21. Seller Awareness.** Seller is responsible to ensure that employed persons are aware of: their contribution to product or service conformity; their contribution to product safety; the importance of ethical behavior.
- 22. Conflict Minerals.** Seller is responsible to ensure that any/all materials sourced and supplied to Buyer are sourced according to the requirements of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* of 2010. This specifically applies when Seller is supplying products to Buyer containing gold, tantalum, tin, or tungsten.