



Purchase Order Terms and Conditions

SUPPLY CHAIN MANAGEMENT: Vendor must be willing to identify the entire supply chain, which includes ongoing monitoring of subcontractor quality and delivery performance. It is the vendor's responsibility to ensure that all AHI requirements are met by all subcontractors used in the manufacturing process. The vendor is responsible to notify AHI of any changes in product and/or process, suppliers or subcontractors, and manufacturing facility location. AHI and their representatives must be granted right of access to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

TRACEABILITY AND SERIALIZATION: Product traceability is a requirement. Seller must provide unique identification of product batch number, lot number, or if required by the drawing, serial number. The batch, lot, or serial number must be traced to all raw material, manufacturing, and inspection records.

- If raw material is supplied by AHI, you must assure parts are traceable by lot number serial number to the raw material heat code or AHI assigned traceable number.
- If items supplied by AHI are serialized, you must assure that traceability is maintained during processing.
- If parts are serialized, you must provide with each shipment a list of serial numbers in the shipment either on the packing slip or the certification.

CERTIFICATIONS: Seller must submit all certifications (raw material, special processes, etc) and certified tests reports for each shipment. Certifications and certified tests report must include:

- AHI Purchase Order Number
- AHI Part Number
- Drawing Number and Revision
- Parts List and Revision
- Process preformed or material provided, including type/class/grade, as applicable
- Specification number and revision as applicable
- Quantity Shipped.
- Date shipped
- Name/and or Title of authorized representative from the company the manufactured the material, or performed the process or tests
- Unique traceability number (certification number, heat code number, batch number, etc)
- Part Serial Number, if applicable
- Statement certifying that the parts covered by the certification are in compliance with the applicable purchase order number, drawing and specification requirements
- Raw Material Certification must state material is in compliance with DFAR 252.225-7014 "Alternate 1"

FAA INSPECTION: During the performance of this order, Seller's quality control or inspection system and manufacturing processes are subject to review, verification, and analysis by the Federal Aviation Administration (FAA). FAA inspection is not required unless you are otherwise notified.

FAA ANTI-DRUG AND ALCOHOL MISUSE PROGRAM: WHEN PERFORMING MAINTENANCE FOR AHI CERTIFIED REPAIR STATION (AMS) Seller are required to maintain an anti-drug and alcohol misuse program IAW 14 CFR Part 121, Appendices I and J. All employees who perform a safety sensitive function (i.e. maintenance) must be tested under a FAA regulated drug and alcohol testing program. If Seller is a CRS under FAR Part 145, your Operations Specification paragraph A449 must state that the Seller have implemented a FAA regulated anti drug and alcohol misuse prevention program. If Seller is a non-certified maintenance source, Seller must have a document that registered your FAA regulated anti-drug and alcohol misuse prevention program with the Drug Abatement Division of the FAA. It is Seller's responsibility to ensure that all 14 CFR Part 121, Appendices I and J regulated requirements are met by all Seller's subcontractors used in the maintenance process. Each shipment of parts on which maintenance has been preformed by Seller and any of your sub-tier contractors, shall be accompanied by evidence that have a FAA regulated anti-drug and alcohol misuse prevention program. This can be accomplished by including one of the following:

- Including a copy of your operations Specifications page A449
- Including a copy of the document that registered Seller's anti-drug and alcohol misuse prevention program with the Drug Abatement Division of the FAA.

ACCEPTANCE: This Purchase Order constitutes AHIs (Aerotech Holdings Inc.) offer to purchase from Seller the goods described herein upon the terms and conditions stated herein and shall become a binding Agreement when accepted by Seller either by the earlier of signing and returning acknowledgement copy to AHI or shipment of conforming goods. Any variance or amendment to any part of this Purchase Order (including any supplements, specifications or other documents incorporated herein by reference) is hereby objected to and is void unless expressly accepted by AHI in writing. AHI shall not be deemed to have accepted any offer of Seller and shall not be responsible for goods shipped to AHI there under except in accordance with the terms and conditions of this Purchase Order executed by AHI and delivered by AHI to Seller.

CANCELLATION: AHI reserves the right to terminate the Purchase Order or any part thereof, by written notice, and to refuse to accept delivery, or at Sellers cost, to return goods already delivered (a) at any time prior to acceptance by Seller, (b) if shipment is made later than the day specified or not within a reasonable time if no time is otherwise specified, (c) if Seller breaches or anticipatorily breaches any of the terms hereof (including any express or implied warranties of Seller), (d) if Seller makes an assignment of creditors, or bankruptcy proceedings are instituted by or against Seller or a receiver or trustee is appointed for Sellers assets, or (e) if Seller or any shipments are not in accordance with Buyers shipping instructions, including but not limited to specification of delivering carrier.

INVOICES: Seller shall mail invoices in triplicate at the time of shipping, showing purchase order number, part number and description whether articles are prepaid or collect point of shipment, method of shipment in accordance with instructions on page one of Purchase Order. Any time period applicable for AHI to pay shall begin the day AHI is in receipt of an acceptable invoice of Seller or in receipt of conforming goods, whichever is later. On collect shipments, Seller shall attach a copy of the Bill of Lading or transportation receipt to the invoice and retain the original copy of such documents on file. Consumer taxes shall be excluded from the price charged for the goods and such taxes shall be shown separately on Sellers invoice.

CHARGES: No charges shall be made for cartons, wrapping, packing, boxing, crating, droppage or other costs, unless written authority from AHI for such charges is expressly incorporated herein by AHI.

DELIVERY: Seller shall deliver the goods on the delivery terms to AHI specified facility on page one of Purchase Order. If the goods or the tender of delivery fail to conform to this Agreement, AHI may reject the goods in whole or in part without liability.

PACKING REQUIREMENTS: All packaging must be of sufficient quality to carefully and safely transport the goods purchased hereunder and to assure lowest transportation costs. Material and/or goods incorrectly packaged where damage may or has occurred, will be subject to rejection at no cost to AHI. Packing sheets must accompany each shipment and order number and part serial number shall appear on all shipping labels, packing slips, transport documents, invoices, and correspondence. AHI shall have the right to reject and ship back at Sellers expense shipments which do not meet AHI shipment requirements as specified herein.

RECORD RETENTION: Vendor is responsible to retain all records relating to the order as defined under the Traceability and Serialization and Certification sections of the Terms and Conditions for a period of 7 years from date of shipment.

NOTIFICATION OF NON-CONFORMING PRODUCTS: Vendor must notify AHI immediately upon identification of any non-conforming product that had been shipped to AHI or designated address on the purchase order. The Vendor must communicate and receive approval of the recommended disposition prior to

