



1919 East Northern Street | Wichita, KS 67216 USA | Tel: +1 316.943.6100 | [turbinerotables.com](http://turbinerotables.com)

## **Standard Terms & Conditions of Purchase**

These terms and conditions constitute the Standard Terms and Conditions of Purchase for Aerospace Turbine Rotables, Inc., d/b/a AeTR, and are incorporated in their unmodified entirety by reference into all AeTR Orders issued to Seller unless otherwise specified thereon. Any modification of these terms and conditions shall require the signature of an authorized representative of AeTR.

### **1. ACCEPTANCE OF ORDER**

This proposed Order, which incorporates by reference these Terms and Conditions of Purchase and all other terms and conditions set forth in the proposed Order, is Buyer's offer to purchase the goods and any related services and/or other deliverables (collectively, the "Goods") from Seller. Acceptance is strictly limited to the terms and conditions in this offer. Modifications hereto, to be binding, must be in writing and signed by Buyer's Authorized Purchasing Representative. Seller's acknowledgement, acceptance of payment, or commencement of performance shall conclusively evidence acceptance of this offer as written. Buyer hereby objects to any additional or different terms contained in Seller's acceptance.

### **2. ASSIGNMENT, DELEGATION AND SUBCONTRACTING**

Seller shall not assign (whether voluntary, involuntary, by merger, change of control, consolidation, dissolution, operation of law, transfer, or any other manner) any of its rights or interest in the Order or subcontract for all or substantially all of its performance of the Order, without Buyer's prior written consent. Seller shall not delegate any of its duties or obligations under the Order. Seller may assign its right to monies due or to become due. Any attempt to assign or delegate in violation of this Article is void. No assignment, delegation or subcontracting by Seller, with or without Buyer's consent, will relieve Seller of any of its obligations under the Order or prejudice any of Buyer's rights against Seller whether arising before or after the date of any assignment. This Article does not limit Seller's ability to purchase standard commercial supplies or raw materials in support of this Order.

### **3. BUYER AUTHORIZATION**

The Buyer's Authorized Purchasing Representative and Executive Management have authority to make contractual commitments on behalf of the Buyer, to provide contractual direction, and to change contractual requirements as defined in the Order. Buyer's engineering, quality, technical personnel and other representatives may from time to time render assistance or give technical advice or discuss or effect an exchange of information with Seller's personnel concerning the Goods hereunder. No such action will be deemed a change under the "Changes" Article of these Terms and Conditions and will not be the basis for an equitable adjustment.

### **4. BUYER'S PROPERTY**

Seller shall clearly mark, maintain an inventory of, and keep segregated or identifiable all of Buyer's property and all property to which Buyer acquires an interest by virtue of the Order. Seller assumes all risk of loss, destruction or damage of such property while in Seller's possession, custody or control, including any transfer to Seller's subcontractors. Upon request, Seller shall provide Buyer with adequate proof of insurance against such risk of loss. Seller shall not use such property other than in performance of the Order without Buyer's prior written consent. Seller shall notify Buyer's

Authorized Purchasing Representative if Buyer's property is lost, damaged or destroyed. As directed by Buyer, upon completion, termination or cancellation of the Order, Seller shall deliver such property, to the extent not incorporated in delivered Goods, to Buyer in good condition subject to ordinary wear and tear and normal manufacturing losses. Nothing in this Article limits Seller's use, in its direct contracts with the Government, of property in which the Government has an interest.

## **5. CHANGES**

- A. Buyer's Authorized Purchasing Representative may, without notice to sureties and in writing, direct changes within the general scope of the Order in any of the following: (i) technical requirements and descriptions, specifications, statement of work, drawings or designs; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of Buyer-furnished property; (vi) terms and conditions of the Order required to meet Buyer's obligations under Government prime contracts or subcontracts; and, if the Order includes services, (vii) description of services to be performed; (viii) time of performance (e.g., hours of the day, days of the week, etc.); and (ix) place of performance. Seller shall comply promptly with such direction. Except for the rights granted to Buyer under this Article, a change pursuant to this Article shall not give rise to nor authorize any other modification of or amendment to the terms and conditions of the Order.
- B. If such change increases or decreases the cost or time required to perform the Order, Buyer and Seller shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. Buyer shall modify the Order in writing accordingly. Unless otherwise agreed in writing, Seller must assert any claim for adjustment to Buyer's Authorized Purchasing Representative in writing within a maximum of 25 days, and deliver a fully supported proposal to Buyer's Authorized Purchasing Representative within a maximum of 60 days, after Seller's receipt of such direction. Buyer may, at its sole discretion, consider any claim regardless of when asserted. If Seller's proposal includes the cost of property made obsolete or excess by the change, Buyer may direct the disposition of the property. Buyer may examine Seller's pertinent books and records to verify the amount of Seller's claim. Failure of the Parties to agree upon any adjustment shall not excuse Seller from performing in accordance with Buyer's direction.
- C. If Seller considers that Buyer's conduct constitutes a change, Seller shall notify Buyer's Authorized Purchasing Representative immediately in writing as to the nature of such conduct and its effect upon Seller's performance. Pending direction from Buyer's Authorized Purchasing Representative, Seller shall take no action to implement any such change.

## **6. CLAIMS ADJUSTMENT**

Buyer may at any time deduct or set-off Seller's claims for money due or to become due from Buyer against any claims that Buyer has or may have arising out of the Order or other transactions between Buyer and Seller.

## **7. COMPLIANCE WITH LAWS; BUSINESS CONDUCT AND ETHICS**

- A. Seller shall comply with all national, state, provincial and local laws, ordinances, rules, and regulations applicable to the performance of the Order, including those relating to trade compliance, pollution control, waste disposal, hazardous substances, and protection of the environment. Seller shall defend, indemnify, and hold Buyer harmless from and against any and all liability due to Seller's failure or alleged failure to so comply.

- B. To the extent applicable, the equal employment opportunity and affirmative action requirements set forth in 41 C.F.R. Part 60-1.4(a) (women and minorities), 41 C.F.R. Part 60-250.5(a) (covered veterans), and 41 C.F.R. Part 60-741.5(a) (individuals with disabilities), and the employee notice announcements set forth in 29 C.F.R. Part 471, Appendix A to Subpart A, are hereby incorporated by reference into these Terms and Conditions, and Seller shall comply with these requirements at all time during performance of the Order.
- C. Seller recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten and gold (the "Conflict Minerals") from the Democratic Republic of Congo and adjoining countries ("DRC countries"). Accordingly, Seller shall comply with Section 1502 of Dodd-Frank and its implementing regulations. In particular, Seller has in place a supply chain policy and processes to undertake (1) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into Products it provides to Buyer; (2) due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the DRC countries directly or indirectly support unlawful conflict there, and (3) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Seller shall take all other measures necessary to comply with the Act and its implementing regulations, as they may amended over time.
- D. Seller shall at the earliest practicable time notify Buyer in writing if Seller is (i) suspended, debarred, or proposed for suspension or debarment from doing business with the U.S. Government, or (ii) listed or is proposed to be listed by the U.S. Government in any "denial orders" as a "blocked person," "specially designated national," or "specially designated terrorist" for U.S. export administration purposes (collectively, "Debarment"). Debarment of Seller shall be cause for termination for default pursuant to the provisions set forth in these Terms and Conditions.
- E. Seller has not and shall not offer or give anything of value (in the form of entertainment, gifts, or otherwise) to Buyer's employees or representatives for the purpose of obtaining the Order of favorable treatment under the Order. Seller represents and warrants that it has not made, nor will it make, or offer to make any political contributions, or pay any fees or commissions in connection with this Order.
- F. Seller shall adopt and comply with a policy statement or code of conduct regarding business ethics ("Code"). The Code will be suitable for Seller's business and as a minimum will require compliance with all applicable laws and regulations. The Code shall assure a safe and healthy work environment, prohibit the use of child or forced labor, provide for the protection of the environment and minimization of waste, emissions, energy consumption and the use of materials of concern, and prohibit engagement in corrupt practices (by way of example and not limitation, facilitating, offering or paying any bribe or kickback). This provision creates no additional duties for Buyer with respect to Seller and confers no rights on third parties.

## **8. COUNTERFEIT GOODS**

- A. Seller shall not furnish Counterfeit Goods to Buyer, defined as Goods or separately identifiable items or components of Goods that: (i) are an unauthorized copy or substitute of an Original Equipment Manufacturer or Original Component Manufacturer (collectively, "OEM") item; (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but not disclosed as such or are represented as OEM authentic

or new; or (v) have not passed successfully all OEM required testing, verification, screening, and quality control processes. Notwithstanding the foregoing, Goods or items that contain modifications, repairs, re-work, or re-marking as a result of Seller's or its subcontractor's design authority, material review procedures, quality control processes or parts management plans, and that have not been misrepresented or mismarked shall not be deemed Counterfeit Goods. Counterfeit Goods shall be deemed nonconforming to this Order.

- B. Seller shall implement an appropriate strategy to ensure that Goods furnished to Buyer under this Order are not Counterfeit Goods. Seller's strategy shall include, but is not limited to, the direct procurement of items from OEMs or authorized suppliers, conducting approved testing or inspection to ensure the authenticity of items, and, when items are to be procured from non-authorized suppliers, obtaining from such non-authorized suppliers appropriate certificates of conformance that provide one or more of the following: (i) the OEM's original certificate of conformance for the item; (ii) sufficient records providing unbroken supply chain traceability to the OEM; or (iii) test and inspection records demonstrating the item's authenticity.
- C. If Seller becomes aware or suspects that it has furnished Counterfeit Goods to Buyer under this Order, Seller promptly, but in no case later than thirty (30) days from discovery, shall notify Buyer and replace, at Seller's expense, such Counterfeit Goods with OEM or Buyer-approved Goods that conform to the requirements of this Order. Seller shall be liable for all costs related to the replacement of Counterfeit Goods and any testing or validation necessitated by the installation of authentic Goods after Counterfeit Goods have been replaced.
- D. Seller bears responsibility for procuring authentic Goods or items from its subcontractors and shall ensure that all such subcontractors comply with the requirements of this Article.

## **9. DELIVERY, TITLE**

- A. The FOB point shall be as designated in the Order. Title will pass to Buyer upon acceptance (except as otherwise specified within the Order); however, passing of title shall not relieve Seller of any other obligations under the Order.
- B. All deliveries shall be strictly in accordance with the applicable quantities and schedules set forth in the Order.
- C. Seller shall strictly adhere to the shipment or delivery schedules specified in the Order, and the delivery dates set forth in the Order shall mean on that date at the Buyer's plant or other destination set forth in the Order.
- D. In the event of any anticipated or actual delay, including but not limited to delays attributed to labor disputes, Seller shall: (i) promptly notify Buyer in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay; (ii) provide Buyer with a written recovery schedule; and (iii) if requested by Buyer, ship via air or other expedited routing, at no additional cost to Buyer, to avoid or minimize delay to the maximum extent possible.
- E. If Seller is unable to meet the required delivery schedules for any reason, other than a change directed by Buyer, Buyer may, without liability: (1) terminate the Order, or (2) fill such Order or any portion thereof, from sources other than Seller and to reduce Seller's Order quantities accordingly at no increase in unit price, without any penalty to Buyer, or (3) accept late delivery and recover from Seller any costs Buyer incurs caused by the late delivery. This condition shall not limit buyer's rights under the "Termination for Default" Article contained herein.

- F. Buyer agrees to accept shipments up to ten (10) days prior to the delivery date set forth in the Order. Seller shall not deliver Goods prior to the scheduled delivery dates set forth in the Order unless authorized in writing by Buyer's Authorized Purchasing Representative. Buyer reserves the right to return early shipments at Seller's expense.
- G. Buyer may, at no additional cost, retain Goods furnished in excess of the specified quantity or in excess of any allowable overage unless, within 45 days of shipment, Seller requests return of such excess. In the event of such request, Seller shall reimburse Buyer for reasonable costs associated with storage and return of the excess. If Goods are manufactured with reference to Buyer's proprietary information or materials, Seller agrees that, pursuant to the "Intellectual Property" and "Proprietary Information" Articles of these Terms and Conditions, it shall not sell or offer such Goods for sale to anyone other than Buyer without Buyer's prior written consent.
- H. All Parties expressly agree that time is and will remain a material element of the Order and no acts of Buyer, including without limitation, modifications to the Order or acceptance of late deliveries, shall constitute a waiver of this provision.

## **10. DISPUTES**

Any dispute that arises under or is related to the Order that cannot be settled by mutual agreement of the Parties may be decided by a court of competent jurisdiction. Pending final resolution of any dispute, Seller shall proceed with performance of the Order according to Buyer's instructions so long as Buyer continues to pay amounts not in dispute.

## **11. ENTIRE AGREEMENT**

The Order, together with all purchase orders, change orders, attachments, exhibits, supplements, specifications, and other terms referenced in the Order, contains the entire agreement of the Parties and supersedes any and all prior agreements, understandings and communications between Buyer and Seller related to the subject matter of the Order.

## **12. FORCE MAJEURE**

- A. Seller shall not be liable for excess re-procurement costs pursuant to the "Termination for Default" Article of this Order incurred by Buyer because of any failure to perform this Order under its terms if the failure arises from causes beyond the control and without the fault or negligence of Seller. Examples of these causes are: (a) acts of God or of the public enemy; (b) acts of the Government in either its sovereign or contractual capacity; (c) fires; (d) floods; (e) epidemics; (f) quarantine restrictions; (g) strikes; (h) freight embargoes; and (i) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of Seller.
- B. If Seller's failure is caused by the failure of a subcontractor of Seller, and if such failure arises out of causes beyond the reasonable control of both, and if such failure is without the fault or negligence of either, Seller shall not be liable for excess re-procurement costs unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedules.
- C. Seller shall notify Buyer in writing within ten (10) days after the beginning of any such cause(s). In all cases, Seller shall use reasonable efforts to avoid or minimize all such failures, including exercising work-around plans or obtaining the Goods from other sources.
- D. Buyer shall be excused for any failure or delay in performance due to any cause beyond its reasonable control, including any cause attributable to Buyer's Customers.

### **13. GOVERNING LAW**

The Parties agree that, irrespective of the place of performance of the Order, the Order shall be construed and interpreted according to the law of the state from which the Order is issued, as identified in the Order, without regard to the conflict of law rules thereof. This order excludes the application of the United Nations Convention on Contracts for the International Sale of Goods.

### **14. GOVERNMENT CLAUSES**

In the event the Order states it is in support of a prime contract or subcontract with the United States Government, Seller shall comply with all those Federal Acquisition Regulation ("FAR") and Defense Federal Acquisition Regulation Supplement ("DFARS") provisions required by law or regulation, or as necessary for Buyer to comply with the requirements of its contract and United States Government procurement regulations, including, without limitation, certification of current cost or pricing data ("Flow-downs"). Where applicable, Buyer shall provide Seller with Order-specific Flow-downs, which shall be appended hereto and incorporated herein by reference.

### **15. INDEMNIFICATION**

Seller covenants and agrees to defend, indemnify, protect, and hold harmless Buyer, its officers, directors, employees, customers and agents ("Indemnified Person") from and against any liability, claim of liability, allegation, judgment, cost, expense (including reasonable attorney's fees), cause of action, loss, or damage whatsoever, including, without limitation, death or injury to any person or damage to any property, resulting from or arising out of Seller's performance under this Order, howsoever arising, including, without limitation, by reason of negligence, breach of warranty, defect in design, material, workmanship or Service, or strict liability, unless caused by the sole negligence of the Indemnified Person.

### **16. INSPECTION: ACCEPTANCE AND REJECTION**

- A. All Goods are subject to Buyer's inspection and acceptance, unless mutually agreed otherwise and stated in the Order.
- B. Goods shall comply with Original Equipment Manufacturer's specifications and tests, as well as all applicable specifications and standards provided by Buyer and/or required by law or regulation, wherever and however incorporated, including by reference or otherwise. Where applicable, Buyer must provide Seller with additional, Order-specific quality assurance requirements, which shall be appended to the Order or incorporated therein by reference.
- C. Certification of Conformance of all Goods must accompany the Goods from Seller's facility, including a statement of the condition of the Goods, back-up data on file for inspection, and signed by an authorized representative of Seller. Should such certification not accompany the shipment, Goods will be held in quarantine and no payment will be processed until the proper certification is received. Buyer reserves the right to be supplied with and/or audit such certification on all new items purchased. This may require traceability and full source documentation. All raw material, machining, and processing certifications shall be supplied at no cost if requested. All Certifications and related documentation must be retained on file by Seller for a period of at least ten (10) years after completion of the Order.
- D. Buyer reserves the right to inspect Goods prior to acceptance and payment, in accordance with the quality requirements set forth herein. If this Order is identified as being in support of a United States Government ("USG") contract, then the USG shall also have the right to inspect Goods prior to acceptance and payment, in accordance with the quality requirements set forth herein. If any Goods are defective and/or otherwise not in conformity

with the requirements of the Order, the provisions of the "Invoices and Payment" Article shall take precedence.

- E. All costs, expenses, and loss of value incurred as a result of or in connection with nonconformance and repair, replacement or other correction may be recovered from Seller by equitable price reduction or credit against any amounts that may be owed to Seller under the Order or otherwise.

## **17. INSURANCE**

- A. Seller agrees to secure and carry during the performance of the Order, as a minimum (i) General Liability Insurance, including Premises and Contractual Liability, in which the limit of liability for property damage or injuries, including accidental death, shall be no less than \$3,000,000 for any one occurrence; (ii) Workers' Compensation Insurance, inclusive of an alternate employer endorsement, in an amount sufficient by virtue of the laws of the country, state, or locality in which the work or any portion of the work will be performed; (iii) Employer's Liability Insurance in the amount of \$1,000,000 for any one occurrence; (iv) Automobile Liability Insurance in which the limit of liability for property damage and bodily injuries, including accidental death, shall be a combined single limit of \$1,000,000 for any one occurrence; (v) if Seller has Buyer's materials or equipment in its care, custody or control, All Risk Property Insurance in an amount sufficient to meet or exceed the replacement value of such materials or equipment; and (vi) if Seller is performing professional services for Buyer, Professional Liability Insurance with a limit of not less than \$3,000,000.
- B. Such insurance shall be issued by companies authorized to do business under the laws of the applicable governmental authority for the place in which Seller is located, and shall be in form satisfactory to Buyer. All such insurance policies will be primary in the event of a loss arising out of the Seller's performance of the Order. For Orders in excess of \$100,000, certified copies of certificates evidencing such insurance and naming Buyer as an additional insured shall be provided to Buyer upon request within thirty (30) days after the date of the Order and within a reasonable time after any renewals or changes to such policies are issued. Any failure of Buyer to request evidence of such coverage shall in no way reduce or affect Seller's obligation to name Buyer as an additional insured.

## **18. INTELLECTUAL PROPERTY**

- A. "Intellectual Property" means all inventions, patents, software, copyrights, mask works, industrial property rights, trademarks, trade secrets, know-how, proprietary information and rights and information of a similar nature. Such information includes, without limitation, designs, processes, drawings, prints, specifications, reports, data, technical information, and instructions.
- B. Buyer shall own all Intellectual Property and tangible work product conceived, created, acquired, or first reduced to practice in connection with this Order ("Foreground Intellectual Property"). Seller hereby irrevocably assigns to Buyer all right, title and interest to all Foreground Intellectual Property. Seller agrees to do all things reasonably necessary to enable Buyer to secure and perfect Buyer's rights in Foreground Intellectual Property, including, without limitation, executing specific assignments of title in Foreground Intellectual Property by Seller to Buyer and cooperating with Buyer, at Buyer's expense, to defend and enforce Buyer's rights in any such Foreground Intellectual Property. All Foreground Intellectual Property assigned to Buyer pursuant to the Order shall be considered Buyer's Proprietary Information (defined hereinafter). Seller agrees that, for any works of authorship created by Seller or any employees or any others used by Seller in the course of this Order, those works that come under one of the categories of "Works Made for Hire" in 17 U.S.C. §101 shall be considered "Works Made for Hire". For any works of

authorship that do not come under such categories, Seller, warranting that it has the right to do so, hereby assigns all right, title, and interest to any copyright in such works to Buyer, and will execute, or cause to be executed at Buyer's expense, any documents required to establish Buyer's ownership of such copyright.

- C. Seller shall indemnify and hold harmless Buyer, its affiliates, subsidiaries, agents, directors, officers, and employees, and each subsequent purchaser or user, from any losses, costs, damages, and liabilities, including, without limitation, any attorney's fees, court costs and fines, arising from any potential or actual claim, suit, injunction, action, proceeding, or investigation alleging (i) infringement or violation of any Intellectual Property rights or license, related to the manufacture, use or sale of any Goods delivered or performed in connection with this Order; or (ii) improper, inaccurate, false and/or invalid patent, copyright and/or trademark markings. If the manufacture, use or sale of the Goods is enjoined by a court, if delivery is precluded by a government entity, or should Seller refuse to supply Goods to avoid a potential third party claim, Seller shall avoid any disruption to Buyer and shall (i) secure for Buyer the right to use or sell such Goods; (ii) modify or replace such Goods with equivalent non-infringing Goods; or (iii) provide such other solution acceptable to Buyer. Seller shall reimburse Buyer for Buyer's costs incurred in obtaining all internal, external and customer approvals, qualifications, certifications, and the like, necessary for making, using and selling alternate non-infringing Goods. Seller shall refund to Buyer the purchase price of any such Goods that Buyer is prohibited from using or selling.
- D. Notwithstanding the foregoing, nothing in this Article shall be construed or interpreted to limit or restrict in any way the right of the USG in regards to data it owns or has a right to use.

## **19. INVOICES AND PAYMENT**

- A. COD Shipments
  - i. All Orders with COD payment terms require a shipping notice to be emailed or faxed to Buyer's Authorized Purchasing Representative at time of shipment.
  - ii. The notice must include the shipment tracking number and total amount due at time of delivery, and also specify if payment by other than company check is required.
- B. Unless otherwise authorized in writing by Buyer's Authorized Purchasing Representative, Seller shall issue a separate original invoice for each delivery of Goods that shall include Buyer's Order number, line item number, unit and extended prices as applicable.
- C. Seller shall forward its invoice to ap@turbinerotables.com or fax to (316) 943-2917 unless otherwise specified in the Order.
- D. Unless freight or other charges are itemized, Buyer may take any offered discount on the full amount of the invoice.
- E. Payment due date, including discount periods, shall be computed from the later of the scheduled delivery of Goods date, the actual delivery of Goods date or the date of receipt of a correct invoice.
- F. Payment shall be deemed made on the date Buyer's check is mailed or payment is otherwise tendered.
- G. Seller must promptly repay Buyer any amounts paid in excess of amounts due to Seller
- H. Except for amounts invoiced under "Termination for Convenience" or "Termination for Default" Articles, Seller shall be deemed to have waived all charges and fees that are not



invoiced within ninety (90) calendar days after the end of the calendar year in which the charges were incurred.

## **20. LABOR DISPUTES**

Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay timely performance of the Order, Seller shall immediately give notice thereof, including all relevant information, to Buyer.

## **21. LIMITED SHELF LIFE**

If Goods ordered have a limited shelf life, the material must be identified on each container with the applicable specification, lot number, date of manufacture, and expiration date. Such shelf life must not be less than eighty (80) percent of full life from date of shipment, unless the Order states otherwise. All materials supplied must be free of asbestos substance.

## **22. NONCONFORMING GOODS**

If Seller fails to deliver or delivers defective or nonconforming Goods, Buyer may:

- A. Accept all or part of the defective or non-conforming Goods at an equitable price reduction; or
- B. Reject all or any part of a delivery of defective or non-conforming Goods, and demand delivery of conforming Goods. All rejected Goods shall be shipped to Seller at Seller's expense; or
- C. Make, or have a third party make, all repairs, modifications, or replacements necessary to enable such Goods to comply in all respects with Order requirements and charge the expense incurred to Seller; or
- D. Terminate the Order for default in whole or in part.

## **23. ORDER OF PRECEDENCE**

If there are any inconsistencies or conflicts regarding the terms, specifications, or standards applicable to the Order, precedence shall be given in the following order: (i) any FAR, DFARS or other federal acquisition clauses and provisos that apply to the Order; (ii) the requirements specified on the Order including quality, price, specifications, shipping, drawings, statement of work, and specific modifications to these Terms and Conditions; (iii) the terms of any other agreement specifically referenced and incorporated into the Order (by way of example and not limitation, a memorandum of agreement, non-disclosure agreement, part marking agreement, long-term agreement, master terms agreement, etc.); (iv) these Terms and Conditions, including appendices, exhibits and/or attachments hereto; and (v) all other attachments, exhibits, appendices, documents or terms incorporated by reference or attached to this Order.

## **24. PACKING AND SHIPPING**

- A. Seller shall package and pack the Goods to prevent any damage or deterioration during transport.
- B. Seller must not ship partials (order or line item) without written authorization of Buyer's Authorized Purchasing Representative.

- C. Buyer may charge Seller for damage to or deterioration of any Goods resulting from improper packing or packaging.
- D. Upon Buyer's request, Seller shall identify packaging charges showing material and labor costs for container fabrication.
- E. If the Order specifies FOB destination (place of delivery), then in addition to any other shipping instructions, Seller shall forward Goods freight prepaid. Seller shall make the transportation arrangements, pay the shipping costs, and remain responsible for the Goods until the Goods are delivered and the Buyer takes possession at the destination.
- F. If the Order specifies FOB origin (place of shipment), then in addition to any other shipping instructions, Seller shall forward Goods collect. Seller must ship the Goods in accordance with the following guidelines, unless otherwise set forth in the Order:
  - i. For shipments of standard size weighing 1 to 70 pounds, ship via Federal Express Ground Account. (Seller must request alternative carrier account information from Buyer if FedEx Ground is not available to the Seller).
  - ii. For oversized shipments, shipments weighing in excess of 70 pounds, hazardous material, and/or wood/material crate or pallet shipments, contact Buyer's Authorized Purchasing Representative identified in the Order.
  - iii. Do not prepay freight charges and add them to the invoice without written authorization of Buyer's Authorized Purchasing Representative.
- G. Do not include declared value or insurance on any shipment without written authorization of Buyer's Authorized Purchasing Representative. AeTR maintains an independent insurance policy for goods in transit. A copy of the Certificate of Insurance may be provided upon request.

H. Non-Manufactured Wood Product Packing Materials

If the Order includes the statement "NMWP APPLIES – REFER TO SPECIAL REQUIREMENTS IN AeTR TERMS AND CONDITIONS OF PURCHASE, the following special requirements apply:

- i. Non-Manufactured Wood Product Packing Materials  
In accordance with EU emergency measures for Non-Manufactured Wood Product (NMWP), all wood packing materials used require one of the following treatments:
  - Heat treatment or kiln drying to a minimum of 56 degrees C for at least 30 minutes
  - Chemical pressure impregnation
  - Fumigation
- ii. The NMWP shall bear a marking enabling the identification of where and by whom the above treatment has been carried out. This marking should be placed in such a way so as to enable an effective and rapid check at time of import. Goods received at Buyer's plant that do not comply may be rejected and returned (at Seller's expense) to be packed in accordance with this requirement.

**25. PRODUCT SAFETY PRINCIPLES**

- A. Seller's fulfillment of the Order guarantees adherence to the following product safety principles:

- i. Product is free of any damage or incident attributable to a foreign object, the presence of which may degrade the product's safety and/or performance characteristics; and
- ii. Product is free of any substance, debris, or article foreign to it that has invaded the product and could cause damage; and
- iii. Product is free of any item foreign to its design, including a substance, debris or article that does not belong where it is found; and
- iv. Manufactured product shall be free from burrs and sharp edges

Seller shall notify AeTR of any products deemed unsafe and shall not ship such product in fulfillment of any AeTR Order.

## **26. PROPRIETARY INFORMATION**

- A. "Proprietary Information" shall mean all information, knowledge or data (including, without limitation, financial information; business information; specifications; designs; procedures; analyses; reports; products, equipment, and materials) in written, electronic, tangible, oral, visual or other form, (i) disclosed by, or obtained from, Buyer, or Buyer's parent or affiliates or (ii) conceived, created, acquired, or first reduced to practice in connection with the Order.
- B. Seller shall: (i) use the Proprietary Information solely for the purposes of the Order, and not for any other purpose; (ii) safeguard the Proprietary Information to prevent its disclosure to or use by third parties; (iii) not disclose the Proprietary Information to any third party; and (iv) not reverse engineer, disassemble, or decompile the Proprietary Information. Seller may disclose the Proprietary Information to officers, directors, employees, contract workers, consultants, affiliates, agents, or subcontractors of the Seller who have a need to know such Proprietary Information for the purposes of the Order, and who have executed a written agreement with the Seller obligating such entity or person to treat such information in a manner consistent with the terms of this Article.
- C. The Order shall not restrict the Seller from using or disclosing any information that, as proven by written contemporaneous records kept in the ordinary course of business: (i) is or may hereafter be in the public domain through no improper act or omission of the Seller or a third party; (ii) is received by the Seller without restriction as to disclosure by the Seller from a third party having a right to disclose it; (iii) was known to Seller on a non-confidential basis prior to the disclosure by the Buyer; or (iv) was independently developed by employees of the Seller who did not have access to any of Buyer's Proprietary Information. Seller may disclose Proprietary Information that is required to be disclosed pursuant to judicial process, but only if Seller promptly provides notice of such process to Buyer. Seller shall fully cooperate with Buyer in Buyer seeking a protective order or otherwise contesting such a disclosure.
- D. Obligations in this Article regarding Proprietary Information shall continue until such time as all Proprietary Information is publicly known and generally available through no improper act or omission of the Seller or any third party. Unless required otherwise by law or the Order, the Seller shall promptly return, or otherwise dispose of Proprietary Information as the Buyer may direct. Buyer shall have the right to audit all pertinent documentation of the Seller, and to make reasonable inspection of the Seller's premises, in order to verify compliance with this Article.
- E. Buyer may disclose all Seller information to (i) Buyer's parent, affiliates, subsidiaries, and employees, as needed in conjunction with this Order, including for the purposes of qualification and technical part validation; and (ii) to the FAA, the EASA, any other governing international airworthiness certifying authority, and any other department or

agency of the U.S. Government, for the purpose of obtaining necessary government approvals.

- F. Notwithstanding the foregoing, nothing in this Article shall be construed or interpreted to limit or restrict in any way the right of the USG in regards to data it owns or has a right to use, or to prohibit or otherwise restrict Seller or its employees from lawfully reporting waste, fraud, or abuse to a designated investigative or law enforcement representative of a federal department or agency authorized to receive such information under the procurement.

## **27. PUBLICITY**

Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has contracted to furnish Buyer the Goods ordered by Buyer, or use any trademarks or trade names of Buyer in Seller's advertising, recruiting, or promotional materials.

## **28. QUALITY CONTROL**

Seller shall maintain a quality management system acceptable to Buyer and appropriate for the Goods supplied hereunder, and shall comply with general industry standards, unless otherwise previously approved by Buyer. Seller shall permit Buyer to review procedures, practices, processes and related documents to determine such acceptability. Seller shall have a continuing obligation to promptly notify Buyer of any violation of or deviation from Seller's approved inspection/quality control system and to advise Buyer of the quantity and specific identity of any Goods delivered to Buyer during the period of any such violation or deviation. Seller must notify Buyer in writing when discrepancies in Seller's process or Goods are discovered or suspected regarding Goods delivered or to be delivered under the Order.

## **29. RELIANCE**

Seller represents and warrants that Seller is an expert fully competent in all phases of the work involved in producing and supporting all Goods and performing all Services purchased under the Order.

## **30. RIGHT OF ENTRY**

Seller shall permit Buyer, its customers, and/or any applicable regulatory agencies, the right to enter Seller's premises and/or controlled facilities during normal business hours for the purpose of ensuring Seller's compliance with the terms and conditions of any Order, including but not limited to inspection of work, records and materials. Buyer's rights to perform inspections, surveillance and tests and to review procedures, practices, processes and related documents related to quality assurance, quality control, flight safety and configuration control must extend to the customers of Buyer that are departments, agencies or instrumentalities of the United States Government, including the United States Government Federal Aviation Administration and any successor agency or instrumentality of the United States Government. Buyer may also, at Buyer's option, by prior written notice from Buyer's Authorized Purchasing Representative, extend such rights to other customers of Buyer and to agencies or instrumentalities of foreign governments equivalent in purpose to the Federal Aviation Administration. Seller must cooperate with any such United States Government-directed or Buyer-directed inspection, surveillance, test or review without additional charge to Buyer. Nothing in the Order shall be interpreted to limit United States Government access to Seller's facilities pursuant to law or regulation.

## **31. RIGHTS AND REMEDIES**

Any failures, delays or forbearances of either Party in insisting upon or enforcing any provisions of the Order, or in exercising any rights or remedies under the Order, shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies; rather, the same shall remain in full force and effect. Except as otherwise limited in the Order, the rights and remedies set forth

herein are cumulative and in addition to any other rights or remedies that the Parties may have at law or in equity. If any provision of the Order is or becomes void or unenforceable by law, the remainder shall be valid and enforceable. Seller acknowledges and agrees that money damages would not be an adequate remedy for any actual, anticipatory or threatened breach of the Order by Seller with respect to its delivery of the Goods to Buyer. Buyer reserves the right to seek injunctive relief as a remedy to contractual violation(s) by Seller.

### **32. SURVIVAL**

All rights, obligations and duties under the Order, which by their nature or by their express terms extend beyond the performance, expiration or termination of the Order, including but not limited to warranties, indemnifications, maintenance of insurance, and perfection and/or protection of Intellectual Property and Proprietary Information and Materials, shall survive the performance, expiration or termination of the Order.

### **33. SUSPENSION OF WORK**

- A. Buyer's Authorized Purchasing Representative may, by written order, suspend all or part of the work to be performed under the Order for a period not to exceed 100 days. Within such period of any suspension of work, Buyer shall: (i) cancel the suspension of work order; (ii) terminate the Order in accordance with the "Termination for Convenience" Article of these Terms and Conditions; (iii) cancel the Order in accordance with the "Termination for Default" Article of these Terms and Conditions; or (iv) extend the stop work period.
- B. Seller shall resume work whenever a suspension is canceled. Buyer and Seller shall negotiate an equitable adjustment in the price or schedule or both if: (i) the Order is not canceled or terminated; (ii) the suspension results in a change in Seller's cost of performance or ability to meet the Order delivery schedule; and (iii) Seller submits a claim for adjustment within twenty (20) days after the suspension is canceled.

### **34. TAXES**

The price of the Order includes all applicable federal, state, and local taxes, duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice. Use or sales taxes for which Buyer has furnished a valid exemption shall not be included.

### **35. TERMINATION FOR CONVENIENCE**

- A. Buyer may terminate all or part of this Order for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to stop work. Subject to the terms of this Order, within ninety (90) days after the effective date of termination, Seller may submit to Buyer a claim reflecting the percentage of the work performed prior to the effective date of termination, plus reasonable charges that Seller can demonstrate to the satisfaction of Buyer using its standard record keeping system have resulted from the termination. Seller shall not be paid for any work performed or costs incurred which reasonably could have been avoided. Further, Seller shall not be paid, and in no event shall Buyer be obligated to pay, lost or anticipated profits or unabsorbed indirect costs or overhead. In no event shall Buyer be obligated to pay Seller any amount in excess of the Order price. The provisions of this Article shall not limit or affect the right of Buyer to cancel this Order for default. Seller shall continue all work not terminated.
- B. In the event the Order is in support of a U.S. Government prime contract or subcontract, Buyer may at any time terminate all or any part of the Order in accordance with the contract clause entitled Termination for Convenience of the Government (Fixed-Price) set forth at 52.249-2 of the FAR, which clause is hereby incorporated herein and made a part hereof

by this reference, except that the term contract therein shall mean the Order, the term Contracting Officer therein shall mean Buyer, the term Government therein shall mean Buyer except that in subparagraph (b) (8) and at the first occurrence thereof in paragraph (h) it shall mean Buyer or the Government and in paragraph (n) it shall mean Buyer and the Government, the term Contractor therein shall mean Seller, paragraphs (d) and (j) thereof are deleted, the period 120 days in paragraph (c) is changed to 60 days, the period 1 year in paragraph (e) is changed to 3 months and the period 90 days in paragraph (l) is changed to 45 days; provided, however, that if the Order is a first-tier subcontract under a U.S. Government prime contract, the period 1 year in paragraph (e) is changed to 180 days.

### **36. TERMINATION FOR DEFAULT**

- A. Buyer may, by written notice to Seller, terminate the Order or any portion thereof, for default without any liability or obligation whatsoever to Seller for the portion terminated, in the following circumstances: (i) Seller fails to perform any obligation hereunder, including delivery obligation; (ii) when Buyer has reasonable grounds for insecurity, and Seller fails to provide adequate assurances of performance within ten (10) days following Buyer's demand therefore; (iii) in the event Seller (a) becomes insolvent, (b) becomes unable to pay its debts as they mature, (c) makes a general assignment for the benefit of creditors, (d) has a receiver appointed for the whole or any substantial part of its assets, or (e) becomes in any way the subject of a bankruptcy petition.
- B. Seller shall continue all work not canceled.
- C. Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer, any (i) completed Goods, and (ii) any partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (collectively, "Manufacturing Materials") that Seller has specifically produced or acquired for the canceled portion of the Order. Seller shall also protect and preserve property in its possession in which Buyer or its Customer has an interest.
- D. Buyer shall pay the Order price for Goods accepted. In addition, any payment for Manufacturing Materials accepted by Buyer and for the protection and preservation of property shall be at a price determined in accordance with the "Termination for Convenience" Article of the Order, except that Seller shall not be entitled to profit. Buyer may withhold from any amount due under the Order any sum Buyer determines to be necessary to protect Buyer or Buyer's customer against loss because of outstanding liens or claims of former lien holders.
- E. If, after cancellation, it is determined that Seller was not in default, the rights and remedies of the Parties shall be as if the Order had been terminated according to the "Termination for Convenience" Article of the Order.

### **37. TRADE CONTROL COMPLIANCE**

- A. The Parties shall comply with all export and import laws, regulations, decrees, orders, and policies of the United States Government and the Government of any country in which the Parties conduct business pursuant to this Order, including but not limited to the Export Administration Regulations ("EAR") of the U.S. Department of Commerce, the International Traffic in Arms Regulations ("ITAR") of the U.S. Department of State, the U.S. Customs & Border Protection Regulations, the Harmonized Tariff Schedule, and the antiboycott and embargo regulations and guidelines as set forth in the EAR and in the U.S. Department of the Treasury, Office of Foreign Assets Control (collectively, "Trade Control Laws").

- B. Seller shall control the disclosure of, and access to, controlled items or technical data provided by Buyer related to performance of this Order in compliance with all applicable Trade Control Laws. Seller shall not transfer (to include transfer to foreign persons employed by or associated with, or under contract to Seller, or Seller's sub-tier suppliers or Seller's non- U.S. subsidiaries) any export controlled item, data or services, without providing advance notice to Buyer and obtaining the requisite export and/or import authority.
- C. Subject to applicable Trade Control Laws, Seller shall provide Buyer with the export control classification of any commodity or technology including software.
- D. Seller represents that it maintains an effective export/import control compliance program in accordance with all applicable Trade Control Laws. A copy of process control documents and other documents reasonably requested by Buyer related to Seller's compliance with applicable Trade Control Laws shall be made available to Buyer upon request.
- E. Seller shall promptly notify Buyer if Seller is, or becomes, listed in any Denied Parties List or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any Governmental entity.
- F. Seller shall timely inform Buyer of any actual or alleged violations of any applicable Trade Control Laws, including any suits, actions, proceedings, notices, citations, inquiries, or other communications from any government agency concerning any actual or alleged violations, in Seller's performance under this Order and shall comply with all reasonable requests from Buyer for information regarding any such violations.
- G. Seller shall incorporate into any contracts with its sub-tier suppliers obligations no less restrictive than those set forth in this Article requiring compliance with all applicable Trade Control Laws.

### **38. REPRESENTATION REGARDING STATUS**

Seller represents and warrants that it is not, and will not be at any time during the performance of this Order, listed or named on, or affiliated with a party listed or named on, the excluded parties list on the System For Award Management website ([www.SAM.gov](http://www.SAM.gov)) as described in the Federal Acquisition Regulations (currently Section 9.404). In the event of a violation of this representation, without limiting its other rights and remedies, Buyer reserves the right to terminate this Order without penalty. As of the date of sale to Buyer, Seller shall immediately advise Buyer's purchasing representative in writing if Seller is unable to make any warranty or representative set forth above for any item covered by this Order. Do not ship such to Buyer unless instructed to do so in writing by Buyer's purchasing representative.

### **39. WARRANTY**

- A. Seller warrants that:
  - i. The Goods furnished under this Order shall conform to all specifications and requirements of this Order and shall be free from defects in materials and workmanship.
  - ii. To the extent the Goods are not manufactured pursuant to detailed designs and specifications furnished by Buyer, the Goods shall be free from design and specification defects;
  - iii. The Goods shall not infringe any patent, copyright, trademark, or other proprietary right of any third party or misappropriate any trade secret of any third party.

- iv. The Goods shall be free from liens or encumbrances;
  - v. The goods, if produced in the United States, were or will be produced in compliance with the Fair Labor Standards Act of 1938, as amended;
  - vi. The Goods shall not contain any viruses, malicious code, trojan horse, worm, time bomb, self-help code, back door, or other software code or routine designed to: (a) damage, destroy or alter any software or hardware; (b) reveal, damage, destroy, or alter any data; (c) disable any computer program automatically; or (d) permit unauthorized access to any software or hardware; and
  - vii. The Goods shall not contain any third-party software (including software that may be considered free software or open source software) that: (a) may require any software to be published, accessed or otherwise made available without the consent of Buyer; (b) may require distribution, copying or modification of any software free of charge; (c) may require disclosure, license or redistribution of source code; (d) may require the grant of rights in excess of those granted by the seller in its standard end user license agreements; (e) may require that others have the right to modify the code; or, (f) may impose additional requirements on redistribution such as inclusion of additional license agreements for specific code modules.
- B. This warranty shall begin upon Buyer's final acceptance of the Goods and shall survive inspection, test and payment for the Goods. The warranty shall extend for a period of one (1) year or such other period as set forth elsewhere in this Order, and Buyer shall give Seller notice after discovery of a defect or nonconformance in the Goods. The warranty shall run to Buyer and its successors, assigns and customers. In the event of any defect or nonconformance in the Goods, Buyer may, at its option and at Seller's expense: (i) require prompt correction or replacement of the Goods, or (ii) return the Goods for credit or refund. Return to Seller of defective or non-conforming Goods and redelivery to Buyer of corrected or replaced Goods shall be at Seller's expense. Goods required to be corrected or replaced shall be subject to the requirements of this Order in the same manner and to the same extent as Goods originally delivered under this Order, but only as to the corrected or replaced part or parts thereof. Even if the Parties disagree about the existence of a breach of this warranty, Seller shall promptly comply with Buyer's direction to: (i) repair, rework or replace the Goods, or (ii) furnish any materials or parts and installation instructions required to successfully correct the defect or nonconformance. If the Parties later determine that Seller did not breach this warranty, the Parties shall equitably adjust the Order price.



## **AS9100D / AS9110C External Provider Flow Down Requirements**

For the purposes of this document, External Provider means supplier, subcontractor, sub-tier supplier, processor, vendor, repair facility, and/or any other term used to reference an external party providing products and/or services to AeTR.

The External Provider requirements below apply to all external parties providing processes, products and services to AeTR. Acceptance of a Purchase and/or Repair Order (hereinafter "Order") from AeTR binds the External Provider to the Terms and Conditions listed in the Order and the requirements contained within this document. The External Provider shall not outsource any portion of the Order requirements unless AeTR specifically authorizes in writing, and must flow down these requirements to their supply chain. Note that these requirements correspond to the requirements of AeTR's customers and with the requirements of AS9100D, Clause 8.4.3, and AS9100C, Clause 8.4.3.

Cont'd on next page

EXTERNAL PROVIDER FLOW DOWN REQUIREMENT CLAUSE	AS9100D PARA.	AS9110C PARA.
the processes, products, and services to be provided including the identification of relevant technical data (e.g., specifications AeTR requires the External Provider to maintain the proper identification and revision status of drawings, specifications, process requirements, inspection/verification instructions, and all other documentation cited in the Order or necessary for the performance requirements stated therein.	a.	a.
the approval of: products and services; methods, processes and equipment; the release of products and services; Each shipment shall include the certifications and documentation specified in AeTR's Order, and shall conform to all stated requirements of the Order. AeTR reserves the right of approval on all shipments and on the release of products and services.	b.	b.
competence, including any required qualification of persons; External provider shall ensure that employees and people working on its behalf are competent and trained in accordance with the requirements of AS9100D.	c.	c.
the External Provider's interactions with AeTR; AeTR reserves the right to identify the requirements for interaction with our external providers including: • The use of interactive documentation • The use of email/facsimile • Documented confirmation methods for all verbal interactions	d.	d.
control and monitoring of External Provider's performance by AeTR; AeTR shall monitor our external provider's performance based on Quality of Product/Service, Delivery, and Performance Risk. AeTR shall issue corrective actions to External Providers, as warranted. External Providers that fail to meet delivery and quality requirements may receive further corrective actions and /or be removed from AeTR's Approved Supplier List.	e.	e.
verification or validation activities that AeTR, or its customer, intends to perform at External Provider's premises; AeTR reserves the right to designate requirements for verification or validation activities that we, or our customer, intend to perform at the external provider's premises.	f.	f.
design and development control; AeTR reserves the right to approve or specify any designs, tests, inspection plans, verifications, criteria for design and development required by AeTR from an external provider.	g.	N/A
special requirements, critical items, or key characteristics; AeTR reserves the right to approve or specify any special requirements, critical items, or key characteristics. As per the requirements of AS9100D, External Providers are responsible for the validation, and periodic revalidation, of their ability to achieve planned results of the processes for production and service provision, where the resulting output cannot be verified by subsequent monitoring or measurement.	h.	N/A
EXTERNAL PROVIDER FLOW DOWN REQUIREMENT CLAUSE	AS9100D PARA.	AS9110C PARA.
External Providers supplying product or services required to be performed by Approved parties, such as NADCAP, Boeing D1-4426 Processes, etc., or as required by AeTR Order, shall conform to all requirements, and use only Approved parties.		
test, inspection, and verification (including production process verification); AeTR reserves the right to approve or specify any test, inspection, and verification (including production process verification). External Provider shall maintain a quality/inspection system that can ensure all products and services conform to Order requirements, whether manufactured by External Provider or procured from their supply chain.	i.	N/A
the use of statistical techniques for product acceptance and related instructions for acceptance by AeTR; AeTR reserves the right to approve or specify the use of statistical techniques for product acceptance and related instructions for acceptance by AeTR and its customer.	j.	N/A
the need to: - implement a quality management system AeTR reserves the right to require External Providers to maintain a quality system in compliance with recognized Quality Management Systems (hereinafter QMS) and/or as required and approved by AeTR. - use customer-designated or approved external providers, including process sources (e.g., special processes); When required by AeTR or AeTR's customers, External Provider shall use customer-designated or approved external providers, including process sources (special processes). - notify AeTR of nonconforming processes, products, or services and obtain approval for their disposition; AeTR requires External Provider to notify AeTR of nonconforming product or services immediately upon discovery, and obtain AeTR's approval for nonconforming product disposition. - prevent the use of counterfeit parts iaw AS9100D, para. 8.1.4; - prevent the use of unapproved parts iaw AS9110C, para. 8.1.5; External Provider shall have a process in place that includes training, controls, supply chain traceability, detection methods, and other controls as necessary to prevent the purchase and/or use of counterfeit or suspect / unapproved products and to ensure product identification and traceability. - notify AeTR of changes to processes, products, or services, including changes of their external providers nor location of manufacture, and obtain AeTR's approval. External Provider shall notify AeTR of any change in ownership, management, or location, and may be subject to re-approval. External Provider shall notify AeTR of any product, process or service changes or changes in approval status that affect AeTR's Orders, and may be subject to re-approval. - flow down to external providers applicable requirements including customer requirements; External Provider shall flow down to its supply chain the applicable requirements (including customer requirements), as required by the order, either specifically or by reference. - provide test specimens for design approval, inspection/verification, investigation, or auditing (AS9100D only); When requested by AeTR or its customer, External Provider agrees to provide test specimens for design approval, inspection/verification, investigation, and/or auditing purposes.	k.	g.
EXTERNAL PROVIDER FLOW DOWN REQUIREMENT CLAUSE	AS9100D PARA.	AS9110C PARA.
- retain documented information, including retention periods and disposition requirements; AeTR requires all External Providers to retain all records associated with the Order for a minimum of ten (10) years, or as otherwise required by the Order. All records shall be made available to AeTR, AeTR's customers, or regulatory agencies upon request. AeTR requires the disposition of such documents to be controlled in accordance with the External Provider's QMS. - prevent Foreign Object Debris (AS9100D only) External Provider is required to establish and maintain a Foreign Object Debris (FOD) prevention program that employs appropriate housekeeping practices to assure timely detection and removal of residue/debris generated, during operations and normal daily tasks.		
the right of access by AeTR, AeTR's customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain; AeTR reserves the right of access by our representatives, our customers, and any regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the fulfillment of our Order. This right of access extends to all applicable records and documentation.	l.	h.
ensuring that persons are aware of: their contribution to product or service conformity; their contribution to product safety; the importance of ethical behavior. AeTR reserves the right to require and request evidence of External Provider's process to ensure their personnel are trained and can demonstrate awareness of: • their contribution to product or service conformity • their contribution to product safety • the importance of ethical behavior	m.	i.
specific authority and customer requirements;	N/A	j.
format and content of the external provider's delivery documentation system;	N/A	k.
conditions under which product malfunctions, defects, and unairworthy conditions have to be reported to the concerned stakeholders.	N/A	l.

## REVISION HISTORY

REVISION	DESCRIPTION OF CHANGE	DATE
A	Initial Release	12/21/2012
B	Complete review and update. Added AS9100D External Provider Flow Down Requirements	8/3/2018
C	Added AS9110C External Provider Flow Down Requirements and reformatted to compare AS9100D with AS9110C; added Article 25. Product Safety Principles IAW AS9110C 8.4.1.1.f.	4/9/2019
D	Complete review and correction of typo in 7.B.	2/22/2022

### 40. SEVERABILITY

If any provision of these Terms is determined by a court of competent jurisdiction to be illegal, invalid, or unenforceable, for any reason, the remainder shall remain valid in full force and effect.