

AEROSPACE COATINGS PURCHASE ORDER TERMS AND CONDITIONS

- DEFINITIONS

In these conditions and under any resulting Contract, “Buyer” means the Aerospace Coatings International (ACI) company representative that places the Order. “Seller” means the person or entity with whom this Order is placed. “Order” means these General Terms and Conditions of Purchase, the purchase order or purchase contract and any additional Buyer generated documents submitted as part of the Order or referenced therein. “Goods” means all deliverable goods, items, products, tools, materials or services or other deliverables described in this Order. “Acceptance” as a term title shall be used in these terms when reflecting the acceptance and/or rejection of Goods. Buyer and Seller may also be referred to herein as a “Party” or collectively as the “Parties.”

- ORDER AUTHORIZATION AND CONDITIONS

This Order, which incorporates by reference these General Terms and Conditions of Purchase and all other terms, conditions, or provisions set forth on the face of the Order constitutes Buyer’s offer to purchase the Goods as specified in this Order. Acceptance of this offer is strictly limited to the terms and conditions in this Order. Unless specifically agreed to in writing by Buyer’s Authorized Procurement Representative, Seller’s acknowledgement, acceptance of payment, or commencement of performance, shall conclusively evidence Acceptance of this Order as written. Buyer hereby objects to any additional or different terms contained in Seller’s acceptance. No work outside the terms of the Order shall be performed without the prior written authorization of Buyer’s Authorized Procurement Representative. Any work performed without prior written authorization of Buyer’s Authorized Procurement Representative will not be paid.

- ASSIGNMENT AND SUBCONTRACTING

Neither this Order nor any interest under it shall be assignable nor any duties delegable by Seller, voluntarily or involuntarily, without Buyer’s prior written consent. Any attempt to assign such interest or delegate such duties without Buyer’s written consent shall be void. Seller shall not subcontract the furnishing of any of the complete or substantially complete articles required by this Order without prior written approval of Buyer. It is the Seller’s responsibility to flow ACI terms and conditions to subcontracted entities.

- QUALITY SYSTEM

Seller shall establish and maintain a quality control system acceptable to Buyer in accordance with the Quality terms as specified in this Order. Seller shall permit Buyer, Regulatory agencies and Buyer’s customer access to Seller’s facility (including those facilities of Seller’s subcontractors) to permit Buyer’s review of all procedures, practices, processes and related documents to determine such acceptability. Seller’s quality system shall be designed and proven to eliminate rejects and strive toward a goal of zero defects. Seller agrees to maintain a minimum of three (3) years of quality records such as material

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specifications, lot numbers, and final acceptance records. Seller shall notify the Buyer of any changes in status of the Quality System (decertification or major findings).

- **QUALITY**

Seller warrants that the Goods will conform to all applicable descriptions and specifications and will be free from all defects in design, material and workmanship (other than Buyer's design). Equivalent material may be substituted from the requirements of the Order with the Buyer's written authorization. Buyer shall have the right to inspect and test any Goods before Acceptance if such inspection and test are made within a reasonable time or as provided in the specifications. Buyer may reject any and all Goods which are not conforming to the specifications, drawings, samples or descriptions.

- **DELIVERY**

Except as hereinafter specified, delivery shall be performed within a reasonable amount of time. Critical materials or services may contain a required by date listed on the Order (after being mutually agreed upon by both parties). Whenever it appears Seller will not meet the delivery schedule, Seller shall immediately notify Buyer of the reason and estimated length of the delay. Seller shall make every effort to avoid or minimize the delay to the maximum extent possible including the expenditure of premium time and most expeditious transportation. Any additional cost caused by these requirements shall be borne by Seller. Time is of the essence. If Seller is unable to meet the required delivery schedules for any reason, other than a change directed by Buyer, Buyer shall have the option to (a) terminate this Order for default; and/or (b) 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. All Parties expressly agree that time is and shall remain a material element of this Order and no acts of Buyer, including without limitation, modifications to this Order or acceptance of late deliveries, shall constitute a waiver of this provision.

- **PROCUREMENT CONTROL**

Seller shall review their sub tier suppliers to ensure that (a) all quality requirements of Buyer's Order are flowed down and met; (b) only Buyer-designated special process sources are used when required by contract and (c) quality assurance documentation including test data and manufacturer's material certification is made available to Buyer. The use of Buyer-designated sources does not relieve Seller of the commitment to meet all product requirements. Unless otherwise requested by Buyer, invoices shall (a) conform to the terms outlined in this Order; (b) be rendered separately for each delivery; (c) cover no more than one Order; and (d) indicate Buyer's Order number.

- **MAINTENANCE AND PREVENTIVE MAINTENANCE PERSONNEL DUTY TIME LIMITATIONS**

Within the United States, each certificate holder (or person performing maintenance or preventive maintenance functions for it) shall relieve each person performing maintenance or preventive maintenance from duty for a period of at least 24 consecutive hours during any seven consecutive days, or the equivalent thereof within any one calendar month.

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- BUYER AUDIT RIGHTS

Seller agrees to maintain its books, records, documents, computerized records, and other supporting data in accordance with generally accepted accounting principles and practices which properly reflect all direct and indirect elements of cost of whatever nature whether incurred or anticipated to be incurred for the performance of any work hereunder or anticipated work hereunder for same or similar Goods (“Documents”). Seller agrees to make such Documents available for inspection, audit, reproduction and retention by any authorized representative of Buyer or, at Buyer’s option, the Government department or agency having jurisdiction.

- COUNTERFEIT GOODS

Seller shall not furnish Counterfeit Goods to Buyer. All Goods provided by the Seller, including any Goods or components thereof, provided by the Seller’s subcontractors, must be original and genuine, and in full compliance with the entire Buyer’s contract requirements, specifications, certifications, and any supporting data representing contract performance.

- AEROSPACE PRODUCT SAFETY

It is the sole responsibility of the Seller to ensure their associates are aware of:

1. understanding their contribution to product or service conformity
2. contribution to product safety
3. importance of ethical behavior

- COMPLIANCE WITH LAWS

All Suppliers performing maintenance, whether they are a FAA Certified Repair Station or Non-Certificated, that perform work for ACI shall allow FAA/NTSB Inspectors to inspect and observe the work being performed on an article at their facilities under the FAA/CFR 145 requirements. 41 CFR 60-300.5(a): This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a). These regulations prohibit discrimination against qualified individuals on basis of protected veteran status or disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities. We are an EEO/Affirmative Action Employer and comply with 41 CFR 60-1.4, 300.5 and 741.5 and related Executive orders. Any personnel employed by any Supplier to perform safety sensitive maintenance function on behalf of Buyer shall subject to Drug and Alcohol testing under 49 CFR 40.

- CHOICE OF LAW

This Agreement shall be governed by and construed and enforced in accordance with and subject to the laws of the State of Alabama. Any legal proceeding brought by either party for enforcing any right or obligation under this Agreement, or arising under any matter pertaining to this Agreement or the services to be rendered hereunder, shall be submitted without jury before any court of competent jurisdiction in the State of Alabama. The parties hereto expressly waive trial by jury.

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