



## AEROTRON AIRPOWER INC. D/B/A FOKKER SERVICES AMERICAS TERMS AND CONDITIONS OF PURCHASE, November 2019

- 1. Applicability and scope:** These Terms and Conditions of Purchase apply to all Purchase Orders (Orders) regarding the supply of products and services by Seller to Fokker Services Americas (FSAm). Seller shall mean the party to whom an Order is directed. The applicability of Seller's general conditions is expressly excluded. Deviations from or additions to these Terms and Conditions of Purchase shall only be binding if and to the extent FSAm has given its consent thereto in writing.
- 2. Confirmation of Order:** Within three business days after the date of an Order, Seller shall duly sign and return to FSAm an Order confirmation, to include an estimated ship date for each item on the Order. FSAm shall have the right to cancel Orders free of charge up to fourteen (14) working days after receipt by FSAm of the Order confirmation. There are no minimum unit or dollar volumes of products guaranteed by FSAm to Seller hereunder or under any subsequent Order.
- 3. Modification:** FSAm shall at any time have the right to make changes in the quantities, specifications or delivery schedule. Changes to the Order and change in pricing resulting there from shall only be valid if agreed upon by an authorized representative of FSAm in writing.
- 4. Quality:** All products and services ordered will be supplied in accordance with FAA regulations. Products and services supplied shall meet the requirements in the applicable technical specifications, manuals and documentation. It shall be the sole responsibility of Seller to monitor that the technical specifications regarding materials, methods, form, fitness, and function are observed, whether or not the products have been manufactured by Seller or by any of the Seller's subcontractors. Where no specific requirements are stated, good industry and craftsman-like practice shall be observed.
  - a. Products bearing part numbers other than those listed on the Order will not be accepted, unless agreed upon by FSAm in writing in advance.
  - b. All Age Controlled products must have 75% of the life remaining upon receipt by FSAm as per limits established by MIL-STD-1523A. The manufacture date, batch number, lot number, and expiration date are required.
  - c. All applicable hardware under an Order must conform, including but not limited to all certifications including the full manufacturer name and date of manufacture.
  - d. An airworthiness release, in the form of an FAA 8130-3 or JAA Form One, including teardown and final test reports are required with all repaired and overhauled components.
  - e. Where applicable, a current calibration tag and date are required.
  - f. Pull test reports are required with all new cables, and pressure test reports are required with all new hoses.
  - g. A complete kit list is required with all kits.
- 5. Supplier Flow Down Requirements:** The requirements below apply to Seller and Seller's sub-tier suppliers and are binding upon acceptance of the Order. Seller is not authorized to outsource any portion of the Order without prior written approval from FSAm. Seller will flow down these requirements to all applicable sub-tier suppliers.
  - a. FSAm Orders provide information on the processes, products, and services to be provided including the identification of relevant technical data (e.g. specifications, drawings, process requirements, work instructions, etc.).
  - b. FSAm reserves the right of final approval of:
    - i. Products and services;
    - ii. Methods, processes, and equipment;

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- iii. The release of products and services
- c. Seller shall ensure that their employees are competent and properly trained in Seller's Quality Management System, all applicable FAA regulations, and all applicable processes related to the products and services on the Order.
- d. Seller shall not disclose any information regarding the terms and conditions of any Order to any third party, or advertise or release any publicity concerning any Order, as well as The performance by either party under any Order without the prior written approval of FSAM. All confidential information of FSAM disclosed in accordance with any Order shall be treated in strict confidence by Seller at all times and shall not be used for any purpose other than the purpose of the performance of the Order.
- e. FSAM will monitor Seller's performance to the Order requirements and if applicable, include Seller in FSAM's Supplier Performance Program. Corrective actions will be issued to Seller as required. Late shipments, corrective actions, and failure to perform may result in removal of Seller from the FSAM approved supplier list.
- f. FSAM and its customers reserve the right to perform verification and/or validation activities at Seller's premises.
- g. FSAM reserves the right of approval for design and development of products manufactured to FSAM specifications and services provided to FSAM specifications and instructions.
- h. FSAM special requirements, critical items, and key characteristics for products and services are detailed in section 4 Quality above.
- i. Seller shall maintain a quality / inspection system that shall ensure all goods and services conform to Order requirements whether manufactured or processed by Seller or procured from sub-tier suppliers.
- j. Seller will use 100% inspection for product acceptance and will not use statistical sampling, unless otherwise agreed upon in writing by FSAM.
- k. Seller shall:
  - i. Implement a Quality Management System - If Seller is not approved by the FAA, Seller's quality system shall comply with the International Standard ISO 9000 series and Seller shall deliver Products with a duly authorized document (Certificate of Conformity) certifying that the Products have been manufactured and inspected in full compliance with the applicable technical specifications, drawings, material specifications and requirements set forth in the Order. Seller shall document its quality policy and quality system in a Quality Manual or other corporate document and shall make that document available to FSAM upon request.
  - ii. Use customer-designated or approved external providers, including process sources (e.g. special processes) – When required by FSAM or FSAM's customers, Seller will use customer specified sources.
  - iii. Notify FSAM of nonconforming processes, products, or services and obtain approval for their disposition.
  - iv. Prevent the use of counterfeit parts - To prevent the purchase of counterfeit or suspected unapproved parts and to ensure product identification and traceability, Seller will institute controls that include the requirement of Material Certificates, Certificates of Conformity, and/or other supporting documentation as is appropriate.
  - v. Notify FSAM of applicable changes - Seller shall inform FSAM of any changes to its quality policy, quality system, key processes, products, services, external providers, or location of manufacture that are applicable to the Order. Approval to



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proceed with the Order must be obtained from an authorized representative of FSAm in writing.

- vi. Flow down to external providers applicable requirements including customer requirements – Seller shall flow down to sub-tier suppliers the applicable requirements as noted on the Order either specifically or by reference.
  - vii. Provide test specimens – When requested by FSAm, Seller will provide test specimens for design approval, inspection/verification, investigation, or auditing.
  - viii. Retain documented information and disposition requirements - Seller shall comply with all applicable FAA record retention requirements. Seller's books, records, documents and other supporting data directly related to the Order shall be made available to FSAm or its authorized representatives for inspection and audit as reasonably required by FSAm or the FAA. Seller shall cause similar provisions to be included in all agreements with its subcontractors for the performance related to the Order.
- I. Access to Work - FSAm and its Customers (coordinated by FSAm), at their cost and upon prior coordination with Seller, may access Seller's or subcontractor's plant(s) and offices where the activities to be undertaken by Seller in the performance of its obligations under the Order (the "Work") are performed. The Work will be open to examination, evaluation and inspection by FSAm at any reasonable working hour on a non-interference basis and solely for the purpose of assessing the performance of Seller under the Order. All Seller confidential information so accessed or disclosed to FSAm and its Customers shall be treated in strict confidence and shall not be used for any other purpose than that set out herein.
- m. Seller awareness and obligations – Seller shall ensure through effective communication and training that their employees and their subtier suppliers are aware of:
- i. Their contribution to product and service conformity
  - ii. Their contribution to product safety
  - iii. The importance of ethical behavior

**6. Safety Data Sheet (SDS):** An SDS is required for all chemicals supplied. The Seller shall include a copy of the current SDS, the lot and/or batch number, the manufacture date, and the expiration date of the product with each shipment.

**7. Packaging:** All packing and packaging shall comply with best industry standards for protection from weather and damage during shipment based on the size and weight of the products. All products will be packed in accordance with Aviation Transport Association (ATA) Spec 300. All products must be packed in accordance with manufacturer specifications. All Hazardous Materials/Dangerous Goods shipped to or on behalf of FSAm must be packaged, labeled, and shipped in accordance with, and comply with the International Air Transport Association (IATA) regulations, as well as any and all other applicable laws and regulations. All required packing and packaging material is included in the price of the products on the Order.

**8 .Delay in Delivery:** If Seller becomes aware of any circumstance that is likely to delay delivery, Seller shall immediately notify FSAm in writing stating the reason for the delay and a new delivery date. In the case of a delay in delivery, FSAm reserves the right to cancel the Order without liability to Seller or any other third party.

**9. Delivery:** Delivery shall take place Ex Works as defined in the Incoterms 2010 issued by the





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International Chamber of Commerce or the latest version, as amended from time to time, or as otherwise provided for in the Order. Shipments shall be made using FSAm designated carrier and account number as provided on the Order. Extra charges resulting from noncompliance with this requirement will be deducted from the invoice.

- 10. Acceptance:** Upon actual receipt thereof, FSAm shall inspect the product and its accessories on manifest discrepancies, deficiencies or damage (hereinafter collectively referred to as "Discrepancies"). In the event FSAm identifies a Discrepancy upon inspection of the product or its accessories, FSAm shall be entitled to give notice of non-acceptance of the product within thirty (30) days of receipt thereof. Following notice of non-acceptance, FSAm may at its sole option require Seller either to replace the product or to restore any Discrepancy to the product or its accessories, at no additional costs to FSAm. If Seller does not restore such Discrepancy or supply the required certificates or other accessories within the term indicated by FSAm, then FSAm may at its sole option either (i) dissolve the agreement under the Order by written notice, (ii) restore the Discrepancy itself or have such Discrepancy restored by a third party, at Seller's costs or, as the case may be, (iii) certify the product itself or arrange for the required accessories, at Seller's costs. The above rights of FSAm are without prejudice to any additional or other rights FSAm may have hereunder (including the warranty and remedy provisions) or under applicable law.
- 11. Prices:** All prices are stated in U.S. Dollars and stay firm during the entirety of the Order. Seller will absorb any price increases. The price will include all taxes except state or local sales or use taxes or similar taxes, which Seller is required by law to collect from FSAm. Such taxes, if any, shall be separately stated in Seller's invoice and paid by FSAm unless an exemption is available.
- 12. Payment:** Seller will deliver a separate original invoice for each Order or for each shipment (if more than one) made on an Order. Unless Seller and FSAm have agreed to separate credit conditions, payment shall be made within thirty (30) days of receipt of the relevant invoice or, if later, the receipt of the relevant products. If the requirements of the Order are not met, payment will be delayed a corresponding amount of time until such requirements are met.
- 13. Warranty:** Seller warrants that the products or services to be supplied hereunder are fit and sufficient for the purpose intended; that they are merchantable, of good quality and free from defects, whether patent or latent, in material and workmanship; and will conform to applicable specifications, instructions, drawings, data and samples. The Seller warrants that it has good title to all products supplied and that they are free and clear from all liens and encumbrances. Such warranties, together with service warranties and guarantees, shall run to FSAm, its officers, directors, employees, successors, assigns, and customers.
- 14. Patent protection:** Seller shall defend, indemnify and hold harmless FSAm, its officers, directors, employees, successors, assigns and customers against proceedings at law, claims, suits, losses, damages, judgments, fines, costs and any and all liability or expense arising out of or in connection with any claim that the use of products or materials furnished by the Seller hereunder, infringes any existing patent, copyright, trade secret, trademark or other proprietary right. If any of the products ordered purport to be protected by one or more patents or copyrights, and a decree or judgment be entered in a court of competent jurisdiction holding invalid any such patents or copyrights or any of the protection which it purports to give, the relevant Order may forthwith be cancelled by FSAm.
- 15. Indemnity:** The Seller agrees that it will defend at its own expense, indemnify, and hold harmless



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FSAm, its officers, employees, and agents (collectively "FSAm") against and from all claims, suits, judgments, losses, damages, fines or costs (including reasonable attorneys fees and expenses) resulting from any claim, suit or demand by any third party, including but not limited to injuries to or deaths of persons or loss of or damage to property, arising out of (i) the provision of any services or products by Seller under the relevant Order, or (ii) any failure of supervision, negligence, or willful misconduct of Seller in connection with Seller's performance under the relevant Order, all except to the extent caused by the proven negligence of FSAm. Seller's obligations under this section will survive the termination of the relevant Order.

- 16. Insurance:** Seller shall maintain appropriate insurance, where applicable to the type of service or delivery being performed, such as but not limited to, Aviation General Liability (including Products), Property Damage and Workmen's Compensation.
- 17. Assignment:** Neither party may assign this Order or any rights or obligations herein without first obtaining the written consent of the other party; provided that consent is hereby given to an assignment to any corporation with which either party may merge or consolidate or which may succeed to its business.
- 18. Independent contractor status and liability:** Seller agrees that it is an independent contractor and as such shall be solely responsible for injury to or death of persons and damage to or loss of property resulting from the quality of or manner in which work is performed pursuant to the relevant Order. All persons performing work hereunder shall be under the exclusive care, custody, control and direction of Seller and Seller shall have the sole right to employ, discharge and direct such persons. All work shall be performed in a professional and workmanlike manner.
- 19. Notices:** Unless specified otherwise by FSAm, all notices shall be given in writing either by personal delivery, by mail, or by electronic data transmission, addressed as specified in the Order. The date upon which any such communication is personally delivered or, if such communication is transmitted by mail or by electronic transmission, the date upon which it is received by the addressee, shall be deemed to be the effective date of such communication. Each party shall promptly advise the other in the event of any change in their respective addresses.
- 20. Compliance with laws:** Seller agrees to comply with all applicable state, federal and local laws, including, but not limited to, all applicable requirements in regard to the Federal Government, pertaining to non-discrimination in employment and facilities. If applicable, the Order incorporates by reference the federal contract clause and requirements found at 48 C.F.R. 52.219-8, "Utilization of Small Business Concerns." Seller, as a service provider, shall have an FAA approved drug and alcohol program in compliance with 14 CFR Part 21 Appendix I and J.
- 21. Export Compliance:** Both Seller and FSAm shall comply with all export control laws and regulations (including, but not limited to, the U.S. Export Administration Regulations and the U.S. International Traffic in Arms Regulations) to the extent applicable to their respective activities under these terms and conditions and / or a specific Order. The receiving party shall control access to any technical data disclosed under these terms and conditions and / or a specific Order in accordance with all U.S. export laws and regulations including, without limitation, confining the disclosure of any such technical data to U.S. persons unless disclosure to foreign persons is specifically authorized and appropriately licensed by the proper U.S. Government agency. The receiving party shall limit dissemination of technical data to its employees who have a need to know as it relates to the purpose of this Agreement and who have agreed to



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abide by the Export Control provisions contained herein, and who are U.S. citizens or permanent resident aliens (or who are otherwise authorized to receive such Information pursuant to these terms and conditions and / or a specific Order and U.S. Export Laws). The receiving party shall exercise the same care to protect any and all technical data, embodying or setting forth all or part of the technical data as it uses to protect its own technical data, but in no case less than reasonable care to assure proper control and security of such information and documentation.

- 22. Law and jurisdiction:** Any Order and the contractual relationship resulting there from between FSAm and Seller shall be governed by the laws of the State of Georgia with the exclusion of the provisions of the United Nations Convention on Contracts for the International Sale of Goods of 1980 as amended from time to time. Any dispute between FSAm and Seller regarding an Order or the contractual relationship resulting there from between FSAm and Seller shall be finally settled by a court of competent jurisdiction in the State of Georgia.