



HABCO INDUSTRIES, LLC

("HABCO")

AS9100D TERMS AND CONDITIONS OF PURCHASE

Supplier's (i) full or partial performance under, or indication thereof, or (ii) acknowledgement of the Order, is acceptance of the Order and all terms and conditions contained in the Order, including these Terms and Conditions. Any terms and conditions proposed in Supplier's acceptance or in any acknowledgment, invoice, or other form of Supplier that add to, vary from, or conflict with the terms herein are hereby rejected. If the Order is an acceptance of a prior offer by Supplier, such acceptance is limited to the express terms set forth in the Order.

1. Supplier warrants to Buyer that all Goods provided under the Order shall be and continue to be: (i) merchantable and fit for the purpose intended; (ii) new, unless specifically authorized by the Buyer; (iii) free from defects in material and workmanship; (iv) free from defects in design if the design is not provided by Buyer; (v) manufactured in strict accordance with the Specifications; and (vi) free from liens or encumbrances on title, and (vii) prevent the use of counterfeit parts (collectively, for this Section "Warranty").

2. Buyer may require Supplier to promptly repair or replace, at Buyer's option, any Goods which breach the Warranty. Buyer may return ship the Goods on the fastest available commercial carrier at Supplier's expense and risk of loss. Goods returned to Buyer hereunder shall be shipped at Supplier's expense and risk of loss and shall be accompanied by notice stating whether they are new replacements or repaired originals, and shall continue to be covered under this warranty. Supplier shall conduct intake, review, analysis and any other activity required to evaluate whether the returned Goods are covered by the warranty at no expense to Buyer.

3. Notwithstanding any other provision, in addition to the foregoing, Supplier shall be liable for Buyer's actual costs, expenses and damages related to or arising from Goods not conforming to the warranty, including but not limited to labor and other costs related to transportation of Goods, expediting, removal, disassembly, failure analysis, fault isolation, assembly, reinstallation, re-inspection, retrofit, missing documentation and any and all other such corrective action costs incurred by Buyer.

4. The Supplier is required to:
 - a. Notify Buyer of nonconforming product or material.
 - b. Obtain Buyer's approval for nonconforming product disposition.
 - c. Notify Buyer of changes in product and/or process, changes of suppliers, and changes of manufacturing facility locations.
 - d. Flow down to the supply chain the applicable requirements including customer requirements.

5. Buyer's Required Dates shall be considered Need Date and Supplier shall use all commercially reasonable efforts to meet Buyer's Required Dates. If Supplier agrees to the Required Date, the Required Date shall be considered the Promised Delivery Date. The order is considered on time if order is received at destination on or before Promised Delivery Date unless specifically directed by buyer not to deliver prior to Promised Delivery Date. Supplier must notify Buyer immediately of delivery delay or discrepancy between written or verbal orders.

6. If Supplier is unable to deliver Goods by the Required Date, Buyer may, without liability: (i) reduce or cancel its requirements for any part of the quantity of the Goods that cannot be delivered by the Required Date, (ii) reallocate to another Order, or reschedule, any portion of the Goods that cannot be delivered by the Required Date, or (iii) waive the Required Date and accept Goods on the Delivery Date. In addition to any other rights and remedies that Buyer may have, in the event of Supplier's nonconformance with any of the requirements under this Section or any other delivery obligation, Supplier shall be responsible for all shipping costs and expenses incurred with respect to such nonconformance, including the costs of expediting shipment with respect to late deliveries.

7. Shipment shall be to the location directed by Buyer. Invoicing, delivery terms, shipping, packing and waste reduction instructions shall be provided to Supplier through an attachment to, or printing on the face of, the Order, or incorporated into the Order by reference to a web site. In the absence of such instructions, the delivery terms for Goods shall be FOB Origin. Title and risk of loss shall pass to Buyer upon departure from point of origin.

8. Supplier shall provide a proper Bill of Lading signed by Carrier, or any other legally applicable documents providing title to the goods to Buyer upon delivery, fully protecting all parties in case of damages in transit. All cost incurred due to improper packing will be paid by Supplier.

9. Supplier shall only tender Goods to Buyer that have passed inspection in accordance with the Supplier's inspection system and that otherwise conform to all requirements of an Order. Supplier shall obtain approval prior to change in sub-tier, product/or process definition.

10. Supplier shall provide proof of competency and qualification of personnel as needed.

11. Supplier shall maintain quality records applicable to the purchase order. The following identified quality records shall be maintained for the minimum retention periods specified below:

- a. 40 years from time of manufacture = Flight safety, critical/major rotor parts and radiographs
 - b. 30 years = Manned space program hardware
 - c. 10 years = All other parts except off-the-shelf industry parts.
 - d. 5 years – Off-the-shelf/industry standard parts (e.g. AN, AS, MS, JAN, etc.)
12. Supplier shall flow down to sub-tier suppliers, the applicable requirements in purchasing documents, including key characteristics where required. Supplier shall provide proof of a quality management system or agree to follow Buyer's quality requirements. Buyer reserves the right to review and approve Suppliers Quality Management System. Standard QMS requirements include:
- a. Suppliers providing special processing must maintain a system for validating processes.
 - b. Customer directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer in question.
 - c. Suppliers initially approved for use via certification (ISO, AS9100, ISO 17025, AS9120, etc) must notify Buyer of any changes to that certification
13. Supplier must grant Buyer, or Buyer's customer, and any regulatory agency access to all facilities involved in the order and applicable records.
14. The Supplier shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data. All discrepancies in technical data or questions arising from technical data should be directed to the buyer for resolution.
15. The Buyer reserves the right to approve or specify any designs, tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items including key characteristics. The Buyer reserves the right to designate requirements for test specimens for design approval, inspection/verification, investigation or auditing.
16. The Buyer may, with respect to any Goods that do not conform in any respect to the Order as determined by Buyers Quality System: (i) reject all or a portion of such nonconforming Goods; (ii) accept all or a portion of such nonconforming Goods with a price reduction for the cost of repair or the diminution of value; or (iii) accept any conforming Goods and reject the rest.
17. All Suppliers providing Calibration Services must be Certified ISO17025 (or equivalent). All Calibration Certificates must identify standards used and must be traceable to NIST (National Institute of Standards Technology).
18. Certification of Materials and/or Process performed must accompany materials/parts received, including a certificate of conformance (CofC) when required per the Purchase Order. Supplier may be required to complete Buyer specific forms that must be completed and provided with the delivery of Goods. Invoice will be aged for payment based on date Certification(s) is received.

19. Supplier agrees and shall ensure that only new and non-counterfeit parts, materials and components are used in products required to be delivered to buyer. No other parts, materials or components shall be used unless approved in advance in writing by Buyer. To further mitigate the possibility of the inadvertent use of counterfeit parts, materials or components, Supplier shall only purchase parts, materials and components directly from the Original Equipment Manufacturers (OEMs), directly through the OEM's authorized distribution chain, or directly from Independent Distributors. If procured from Independent Distributors, Supplier shall make available to Buyer upon adequate OEM documentation in Buyer's sole judgment that authenticates the traceability of the parts, materials and components to the applicable OEM. If the required items cannot be procured from the above identified three sources, use of parts, materials or components product without appropriate traceability documentation from independent brokers or any other sources is not authorized unless first approved in writing by Buyer. Supplier must present full, complete and compelling support for its request and include in its request all actions to ensure that the parts, materials and components thus procured are legitimate and not counterfeit. Buyer may also request at any time a certification of traceability from the Supplier and/or Supplier's sources.

20. Any disputes arising out of any Contract issued pursuant to the Terms and Conditions shall be interpreted in accordance with and governed by the Laws of the State of Connecticut, USA.

21. As applicable, the Supplier shall comply with the DPAS priority ratings, imposed by the Federal Government, referenced on the purchase order. DPAS Ratings: (DX) Highest national defense urgency. (DO) Critical to national defense. The DPAS guidebook can be found at: (<http://guidebook.dcmamail>)

22. All external providers to HABCO Industries, must be aware of the importance of their contribution to product and service conformity, their contribution to product safety, and the importance of ethical behavior, including consequences for their actions.

23. EXPORT/IMPORT/ITAR COMPLIANCE

Warning: Information furnished to Supplier under this purchase contract may contain data subject to U.S. Export Laws and Regulations. Supplier is advised that such data may not be exported or re-exported to foreign persons, employed by or associated with, or under contract to Supplier or Supplier's lower tier suppliers, without the prior written consent of HABCO Industries, LLC, and under the authority of an export license or applicable license exemption. If such data is marked as export controlled, Supplier shall indemnify and hold buyer harmless from and against any and all claims, liabilities and expenses resulting from Suppliers' failure to comply with the Export Laws and Regulation of the1 United States.