



GLOBAL PARTS AERO MANUFACTURING INC.

**Terms and Conditions
Form 046**

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GLOBAL PARTS AERO MANUFACTURING

TERMS AND CONDITIONS

REV E

January 27th, 2018

The Seller, by acceptance of an Order that references these Terms and Conditions, accepts all the terms and conditions hereof. Acceptance of such Order shall take place either by execution and return of the signed copy of such purchase Order or by part performance of such Order. Any modifications, or alterations or additions to the terms and conditions of such Order, to be binding must be in writing, signed by an authorized representative of the Buyer and delivered by the Buyer to the Seller. Any term, Condition, or reservation inconsistent with the terms hereof that may be contained in any printed or standard acknowledgement, invoice form or other document issued by Seller shall be of no effect (Buyer hereby objects to any such inconsistent terms, conditions, or reservations and notifies Seller that they are rejected) notwithstanding Buyer's act of accepting or paying for any shipment or otherwise performing the obligations on its part to be observed or performed hereunder.

PACKING AND SHIPPING – No charges will be allowed for packing or crating unless stated in the order. Each container must be marked to show order number, and a packing list with the order number must be included in each package or single unit.

SHIPMENT / DELIVERY – Seller shall not ship in advance of schedule except as otherwise specified or consented to by Buyer. Seller shall not be liable for delay in shipment due to causes beyond Seller's control and without Seller's fault or negligence, provided Seller exercises due diligence in promptly notifying Buyer of conditions which will result in delay. Buyer reserves the right to cancel this order, or any part thereof, if Seller does not make deliveries as specified in this order. Stating that, time shall be of the essence on all orders. The goods must be delivered strictly in accordance with the quantities, specifications and delivery schedule specified.

INVOICES – Payment of Seller's invoice is subject to adjustment for any shortage or for rejection. Individual invoices must be issued for each shipment applying against this order and other changes must be shown separately.

CHANGES –Buyer shall have the right to modify specifications relating to this order. Upon such change, proper adjustment in the price and in the shipping schedule shall be made.

ASSIGNMENTS – No assignment of this order, of any money due or to become due there under, shall be binding upon Buyer until Buyer's written consent is obtained.

PUBLIC LIABILITY INSURANCE – Seller shall hold buyer and its customer harmless from all injuries, damages and claims arising from performance of work or services covered by this order. Seller shall maintain such insurance as will protect the Seller, the Buyer and his customer from claims under Workmen’s Compensation Acts and from any other claims for damages, personal injury or death to employees of the Seller, the Buyer or his Customer or any other persons which may arise from performance of work or services covered by this order whether performed by the Seller, his sub-contractor, or anyone directly or indirectly employed by either of them.

WARRANTIES – Seller warrants that all of materials delivered hereunder shall be free from defects of material or workmanship, and that all parts conform to specifications and / or drawings. The warranties of the Seller together with the service warranties and guarantees, if any, shall run to the Buyer and its customers.

PATENT PROTECTION – In regard to articles which are not a design originated by manufacturer, Seller agrees it will save and hold harmless Buyer and its agents or customers from any loss, damage or liability which may be incurred due to infringement of United States patent rights. Seller shall, at its own expense, define any action, suit or claim in which such infringement is alleged with respect to the sale or use if the articles or materials delivered hereunder.

DISCRIMINATION – In performance of work under a Government contract, Seller shall not discriminate based on race, religion, color, national origin, age, sex, handicap, veteran or disabled veterans.

COMPLIANCE WITH LAWS – Seller warrants that in performance of all work under this Purchase Order Seller and its consultants and subcontractors have complied with or will comply with all applicable federal, state, local and foreign laws and ordinances, as amended, including, but not limited to all export laws, restrictions and regulations of the Department of Commerce, Department of State or other United States or foreign agency or authority governing the export of goods and services, the Occupational Safety and Health Act of 1970 (29 U.S.C. Sections 651, 678), the Fair Labor Standards Act of 1938, (29 U.S.C. Sections 201-219), the Work Hours and Safety Act of 1962 (40 U.S.C. Sections 327, 333), the Equal Employment Opportunity Act (42 U.S.C. Sections 2000e, et seq.) and Equal Employment Opportunity Clause prescribed by Executive Order 11246 dated September 24, 1965, as well as any other regulations promulgated under such Act and Executive Order. Seller warrants that in performance of work under this Purchase Order, Seller and its consultants and subcontractors have complied with all laws, regulations, statutes and ordinances of all governmental entities including local, state, federal and foreign, now or hereafter enacted or amended, which regulate any material because it is radioactive, toxic, hazardous or otherwise a danger to health, reproduction or the environment including, but not limited to, the Comprehensive Environmental Response Compensation and Liability Act of 1980 (42 U.S.C. Sections 9601,9615, 9631-9633, 9641, 9651 9657), the Resource Conservation Recovery Act of 1976, the Federal Water Pollution Control Act (33 U.S.C. Sections 1251, et seq.), the Clean Air Act (42 U.S.C. Sections 7401, et seq.), the Montreal Protocol on Substances that Deplete the Ozone Layer (42 U.S.C. Sections 7671, 7642), the Toxic Substances Control Act (15 U.S.C. Sections 2601, et seq.) and similar laws, rules, statutes, treaties or orders and international understandings.

Seller further agrees to comply with all applicable laws regarding requirements for small business and small disadvantaged business and women-owned small business concerns including, if appropriate, FAR 52.219-1 (MAY 1999), 52.219-2 (OCT. 1995), 52.219-8 (OCT. 1999) and 52.219-9 (OCT. 1999). Upon request, Seller agrees to issue certificates certifying compliance with any laws or regulations as may be

applicable to the material, products or services furnished hereunder. Any clause required by any law, ordinance, rule or regulation to be included in a contract of the type evidenced by this Purchase Order shall be deemed to be incorporated herein.

Seller shall also provide all reasonable assistance to Buyer as may be requested by Buyer to ensure Buyer's compliance with all laws and regulatory reporting requirements. This includes, but is not limited to compliance with: U.S. and international export/import control laws and licensing requirements, FAA regulations and conflict mineral reporting requirements.

REMEDIES – The remedies herein provided shall be cumulative and in addition to any other remedies provided in law or equity. No waiver of a breach of any provision of this order shall constitute a waiver of any other breach.

The seller shall be responsible for the conformity of all products purchased from its suppliers, including product from sources defined by the customer. Seller shall notify GPAM of changes in product and / or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain GPAM approval.

QUALITY SYSTEM – Seller shall comply with a Quality Assurance Standard as defined by GPAM which may include, but shall not be limited to ISO9000 / AS9100

CALIBRATION – Seller shall ensure all tools used for product acceptance are calibrated in accordance with National Institute of Standards and Technology (NIST) or any other accepted international or national standards. Suppliers performing calibration processes on GPAM tools or tools used on GPAM product Items for calibration shall be traceable to international or national standards. Certificates of Calibration shall be provided with each calibration.

PRODUCT FLOW DOWN – The Seller shall flow all applicable requirements including customer special requirements, critical items, or key characteristics to sub-tier suppliers. Proper documentation shall be accessible to the Buyer.

CUSTOMER APPROVED PROCESSES – Seller shall use only end item customer approved processing sources.

DOCUMENTATION – All documentation supplied by Buyer will be destroyed upon completion of the contract. Buyer will not maintain records or documents issued to seller.

INSPECTION AND REJECTION – All articles are subject to inspection by Buyer or its agent at destination. No payment will be made to Seller in respect of any Goods that are rejected on such inspection. Buyer reserves the right to retain any portion of any shipment not strictly in accordance with specification and in such case will pay to Seller a reasonable price therefore, but such retention shall not preclude Buyer from rejections of the remainder of any or other shipments. Rejected Goods will be held for Seller's instructions and at its risk and expense. If instructions are not received within fifteen (15) days after notice of rejection, Goods will be returned at Seller's expense. No Goods returned as defective shall be replaced without Buyer's written permission. Where re-work is required to meet specification requirements, such re-work shall be arranged for by Seller at no cost to Buyer. Payment for Goods shall not constitute

acceptance thereof by Buyer nor shall Buyer's inspection or omission to inspect relieve Seller of its obligation to furnish all Goods in strict accordance with all terms and provisions of any Order.

NONCONFORMING PRODUCT – The seller shall notify GPAM of nonconforming product, and obtain GPAM approval for nonconforming product disposition prior to shipment. If buyer allows for nonconforming product to be shipped to GPAM the seller shall identify the product as nonconforming (segregated from conforming product) along with the nonconformance description. Description of nonconformance shall include:

- Where the nonconforming feature is defined (e.g. Ref. Dwg. XXXXX Rev. XX Zone XXX, Ref. Model XXXXX Rev. XX)
- Description of what the feature should be along with tolerance requirements
- Description of what the feature is.

REVISION STATUS OF SPECIFICATIONS – Seller shall perform in accordance with the latest applicable revision level of all specifications used in the execution of this purchase order, unless otherwise stated. As stated below the Certificate of Conformance shall indicate what revision level the goods were manufactured or processed in accordance with.

FIRST ARTICLE REQUIREMENT – When the purchase order specifies a first article requirement the seller shall perform a first article in accordance with AS9102 requirements and include the FAI report with shipping documentation. When the purchase order does not specify a first article the seller shall perform first article inspection in accordance with AS9102 however the report does not need to be included with the shipping documentation.

SAMPLING INSPECTION – Sampling inspection shall not be performed without prior written approval from Buyer and our Customer. Seller shall provide the Buyer with the seller's sampling plan for approval prior to implementation on GPAM purchase orders.

CERTIFICATE OF CONFORMANCE – Seller shall provide Buyer with a Certificate of Conformance (C of C) for Goods identified on shipping document. If Seller is not manufacturer, a manufacturer's C of C shall also be included in addition to the Seller's C of C.

Seller's C of C shall include Seller's name and address and reference to Buyer's purchase order number and line item number. Manufacturer's C of C shall include manufacturer's name and address. The following shall be included on C of C and / or shipping document with each shipment:

Signed or stamped and dated statement attesting that Goods provided under this contract conform with all contract requirements

Part number and dash number (as applicable) for each item

Revision level / version (as applicable) to which the Goods were manufactured and / or processed.

Trace information, as applicable, representative of each item – to include the lot trace (e.g., date, batch, heat) or the individual item trace (e.g. serial number)

When multiple item manufacturers and / or multiple lots are included in one shipment, Seller shall separate and identify respective manufacturer's lots, and indicate each lot quantity.

Note: Seller's C of C information may be included as part of Seller's established shipping document.

DISCLOSURE – The supplier must promptly notify GPAM, in writing, when a product or article has been released from the supplier and subsequently found not to conform to GPAM product specific requirements (Purchase order requirements).

The company letterhead is to be used and a management representative must sign the notification. The supplier shall submit the notification to the buyer.

The letter should be addressed to the Director of Quality, Global Parts Aero Manufacturing, Inc.

The notification must include the information below as a minimum and GPAM reserves the right to request additional information as deemed necessary by GPAM:

Clear description of the nonconformity (Including what it should be)

Affected part number(s) along with traceability number (serial number, batch number, heat lot , mfg date, test reports, etc.)

Delivered quantity, reference PO number, and shipping date.

Short term corrective action (containment plan) including replacement parts availability (schedules) and recovery plan.

Inspection procedure, test data sheets along with acceptance criteria, as required.

Potential impact on aircraft safety, if known.

Root cause analysis.

Corrective action implementation (effectivity).

Long term corrective action.

RECORD RETENTION – Seller shall maintain on file all quality data / records such as; certificates of material and / or processes, acceptance test reports, inspection records, and other applicable quality control data, for a minimum of 15 years from completion of purchase order.

GPAM FURNISHED MATERIALS & RESPONSIBILITY FOR PROPERTY – Seller assumes the risk and shall be responsible for any loss to tooling, blueprints, Mylar or other property in which title remains in Buyer or Buyers customer. When the tooling is no longer required, Seller shall return it to Buyer in the condition in which the property that was received with the following exceptions: 1) reasonable wear and tear, 2) if such property has been incorporated in items furnished Buyer pursuant to this order, or 3) property that has been consumed in normal performance of work under this order. Seller shall not, without Buyer's written consent, use such tools in the manufacture of any articles for any party other than the Buyer.

RIGHT OF ACCESS – The end customer, regulatory authorities and / or the Buyer shall have the right to enter the premises of the Seller involved in the order and to all applicable records. This includes all levels of the supply chain, including Seller sub-tier suppliers. The Seller shall notify Buyer of any major design change in components affecting form, fit, or function. Seller may be subject to source inspection by Buyer.

COUNTERFEIT PART PREVENTION - Supplier is responsible of sending part from Original Component Manufacturers and avoid sending counterfeit parts per AS9100 Rev D requirements.

FOREIGN OBJECTIVE DEBRIS/DAMAGE - Supplier shall develop and maintain a Foreign Object Debris/Damage (FOD) Prevention Program to prevent introduction of foreign objects into any item delivered under this purchase order.

MATERIAL - Suppliers shall provide evidence of compliance to ITAR, ROHAS, DFAR when applicable.

HUMAN RESOURCES - Suppliers shall ensure that their employees are aware of: (1) Their contribution to product or service conformity; (2) Their contribution to product safety and (3) The importance of ethical behavior

CUSTOMER SPECIFIC REQUIREMENTS:

Boeing – Suppliers who provide product and / or service for Boeing part(s) shall be compliant with GPAM purchase order terms and conditions. Suppliers are also required to be compliant with Boeing supplier requirements Suppliers must use Boeing approved special processors for processes listed in the latest revision of Boeing document D1-4426. The supplier is responsible for verifying the potential processor is Boeing approved for all processes to be performed. This document can be viewed at <http://www.boeingsuppliers.com/d14426/index.html>.

Material to be used on Boeing product must be procured through TMX (either purchased direct or through GPAM). This includes all aluminum and titanium. This is a Boeing Commercial Aircraft requirement.

Gulfstream – Suppliers who provide product and / or service for Gulfstream part(s) shall be compliant with GPAM purchase order terms and conditions. Suppliers are also required to be compliant with Gulfstream supplier requirements.

Suppliers must use Gulfstream approved special processors for processes listed in the latest revision of Gulfstream Approved Special Process Listing. The supplier is responsible for verifying the potential processor is Gulfstream approved for all processes to be performed.

The list of processes and Gulfstream approved suppliers can be provided by GPAM upon request.

Cessna – Suppliers who provide product and / or service for Cessna part(s) shall be compliant with GPAM purchase order terms and conditions. Suppliers are also required to be compliant with Cessna supplier requirements. Supplier can obtain the Cessna CQRS requirements from the website or GPAM can provide upon request.

Suppliers must use Cessna approved special processors for processes listed on the Cessna website. The supplier is responsible for verifying the potential processor is Cessna approved for all processes to be performed. This document can be viewed at <https://supplier.cessna.com/cgi-bin/quality/view.pl?nadcap=Y>.

Cessna quality notes can be viewed at <https://supplier.cessna.com/cgi-bin/business/quality-notes.pl>.

Northrop Grumman Corporation (NGC) – Suppliers who provide product and / or service for NGC part(s) shall be compliant with GPAM purchase order terms and conditions. Suppliers are also required to be compliant with the latest revision of NGC Terms and Conditions P351-F01.

Suppliers must use NGC approved special processors for processes listed in the Northrop Grumman Approved Special Processors List (ASPL).

Documentation for F35 Program – Supplier must maintain records of traceability (material certification / test report, processing certifications, quality records, etc.) for a minimum of 30 years after contract completion.

Metallic Raw Material Suppliers/Distributors shall periodically validate selected physical and/or chemical properties documented on mill certification test reports (other than hardness and conductivity) in accordance with internally established requirements for all metallic raw materials. Such validation will be documented and retained for record purposes and will be provided at no cost when requested. Any questions please contact GPAM buyer.

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