



## Purchase Order Terms & Conditions

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In this document the Seller is the supplier to ONAMAC and the Buyer is ONAMAC Industries, INC. Data means all designs, dimensions, specifications, drawings, patterns, know how, or other information concerning methods, manufacturing processes, equipment, gauges and tools used in the design and manufacture of Products. Data may be recorded in a written, printed document, computer or electronic file, software, or any other tangible form of expression.

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| <b>General Purchase Order Clauses</b> |   |
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| <b>G-01</b>                           | <p><b>General</b></p> <p>The Seller, by acceptance of an Order that references these Terms and Conditions, agrees that it will comply with the following requirements. Under this contract, the seller shall flow down the substance of this document to all suppliers. Additional agreed terms and conditions can be stipulated using the signed Buyer's Procurement Agreement.</p>  |
| <b>G-02</b>                           | <p><b>Regulatory Requirements</b></p> <p>The Seller must comply with all Statutory and Regulatory Agency requirements. Seller will conduct operations in a manner that is fully compliant with all the applicable laws and regulations pertaining to fair wages and treatment, freedom of association, personal privacy, workplace safety and environmental protection. Special provision for Ozone depleting chemicals (Reference EPA 40 CFR Part 82 sub part E) requires seller to label products which contains or are produced with such chemicals. (Reference 42 U.S.C. 7671j (b-d))</p> <p>Any material violation by Seller of applicable laws relating to basic working conditions and human rights, including laws regarding slavery and human trafficking, of the country or countries in which the Seller is performing work under this agreement may be considered a material breach of this agreement. Seller shall also flow these requirements to any sub-contractor.</p>   |
| <b>G-03</b>                           | <p><b>Compliance with Laws</b></p> <p>Seller shall be responsible for complying with all legal requirements, including, but not limited to the provisions of any statute, ordinance, rule, regulation, judgment, decree, order, permit, approval, license or registration applicable to its performance under this Agreement. Seller shall notify Buyer of any aspect of Seller's performance that is prohibited under any legal requirements, at the earliest opportunity, but in all events sufficiently in advance of Seller's performance of such obligation, so as to identify and implement alternative methods of performance. Seller shall notify Buyer in writing at the earliest possible opportunity of any aspect of its performance, which becomes subject to any additional legal requirement after the date of execution of this Agreement or which Seller reasonably believes will become subject to additional regulation during the term of this Agreement. Seller agrees to indemnify and to hold harmless Buyer from any failure by Seller to comply with any legal requirement.</p> <p>In addition, Seller shall (i) comply with all applicable country laws relating to anti-corruption or anti-bribery, including but not limited to legislation implementing the Organization for Economic Co-operation and Development "Convention on Combating Bribery of Foreign Public Officials in International Business Transactions" (the "OECD Convention") or other anti-corruption/anti-bribery convention; (ii) comply with the requirements of the Foreign Corrupt Practices Act, as amended, (FCPA) (15 U.S.C. §§78dd-1, et. seq.), regardless of whether Seller is within the jurisdiction of the United States; and (iii) neither directly nor indirectly, pay, offer, give, or promise to pay or give, any portion of monies or anything of value received from Buyer to a non-U.S. public official or any person in violation of the FCPA and/or in violation of any applicable country laws relating to anti-corruption or anti-bribery.</p> |

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| <p><b>G-04</b></p> | <p><b>Assurance of Performance</b></p> <p>If Buyer determines, at any time or from time to time, that it is not sufficiently assured of Seller's full, timely and continuing performance hereunder, or if for any other reason Buyer has reasonable grounds for insecurity, Buyer may request, by notice to Seller, written assurance (hereafter an "Assurance of Performance") with respect to any specific matters affecting Seller's performance hereunder, that Seller is able to perform all of its respective obligations under any Order when and as specified herein. Each Assurance of Performance shall be delivered by Seller to Buyer as promptly as possible, but in any event no later than ten (10) calendar days following Buyer' request therefore and each Assurance of Performance shall be accompanied by any information, reports or other materials, prepared by Seller, as Buyer may reasonably request. Except as to payment for accepted goods, Buyer may suspend all or any part of Buyer' performance hereunder until Buyer receives an Assurance of Performance from Seller satisfactory in form and substance to Buyer.</p>   |
| <p><b>G-05</b></p> | <p><b>Cancelation for Default</b></p> <p>The occurrence of any one or more of the following events shall constitute an "Event of Default".</p> <p>Any failure by Seller to deliver conforming Products or perform conforming Services, when and as required by this Agreement or any Order, except when work has been suspended; or</p> <p>Any failure by Seller to provide an acceptable Assurance of Performance within the time specified in clause G-04, or otherwise in accordance with applicable law; or,</p> <p>Any failure by Seller to perform or comply with any obligation set forth in clauses G-02 &amp; G-03; or,</p> <p>Seller is or has participated in the sale, purchase or manufacture of airplane parts without the required approval of the FAA or appropriate non-U.S. equivalent regulatory agency; or</p> <p>Buyer revokes Seller's Quality Assurance System approval, if applicable; or,</p> <p>Any failure by Seller to perform or comply with any obligation set forth in this Agreement and such failure shall continue unresolved for a period of ten (10) days or more following receipt by Seller of notice from Buyer specifying such failure; or (1) the suspension, dissolution or winding-up of Seller's business, (2) Seller's insolvency, or its inability to pay debts, or its nonpayment of debts, as they become due, (3) the institution of reorganization, liquidation or other such proceedings by or against Seller or the appointment of a custodian, trustee, receiver or similar person for Seller's properties or business, (4) an assignment by Seller for the benefit of its creditors, or (5) any action of Seller for the purpose of effecting or facilitating any of the foregoing; or any failure by Seller to perform or comply with any obligation to obtain Buyer's consent pursuant to clause G-06.</p> |
| <p><b>G-06</b></p> | <p><b>Inclusion of Taxes in Price</b></p> <p>Unless this Agreement, specifies otherwise, the price of this contract includes, and Seller is liable for and shall pay, all taxes, impositions, charges and exactions imposed on or measured by this Agreement and the Orders issued hereunder, except for sales or use taxes on sales to Buyer ("Sales Taxes") for which Buyer specifically agrees to pay and which are separately stated on Seller's invoice. Prices shall not include any taxes, impositions, charges or exactions for which Buyer has furnished a valid exemption certificate or other evidence of exemption.</p>  |

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| <b>G-07</b> | <p><b>Purchase Orders</b></p> <p>Buyer will issue purchase order(s) directly which will specify the complete liability of Buyer to the Seller for the Purchase Order. Any item not specified with the Purchase Order will not be considered as part of the purchase order agreement between the parties. Each Purchase Order will specify an agreed purchase price, part quantity, delivery date, part number and quality/manufacturing specifications as applicable for the goods and/or services. Upon acceptance of the Purchase Order, no changes will be allowed without the written agreement of the parties. Only purchase order(s) or written direction of Buyer will authorize the seller to start production activities. Buyer shall not be responsible for any cost or expense incurred at seller without the authorization by purchase order(s) or written direction by Buyer.</p>  |
| <b>G-08</b> | <p><b>Non-recurring Costs</b></p> <p>All Non-recurring costs shall be included in the recurring price unless specified in the accepted Purchase Order.</p>  |
| <b>G-09</b> | <p><b>Expedited Products or Services</b></p> <p>Product for which the buyer has paid an expedite charge will not incur such charge if the product is not delivered by the promised expedite date.</p>   |
| <b>G-10</b> | <p><b>Order Changes</b></p> <p>Buyer's Representative may at any time, by a written order make changes within the general scope of the Order, in any one or more of the following:</p> <ol style="list-style-type: none"> <li>a. Data</li> <li>b. Method of shipment or packing</li> <li>c. Place of inspection, delivery or acceptance</li> <li>d. Reasonable increases in quantities</li> <li>e. Reasonable changes in delivery schedules</li> <li>f. The amount of Buyer-furnished property</li> </ol> <p>Seller shall immediately perform the Order as changed. If any such change causes an increase or decrease in the cost of or in the time required to produce the Product, an equitable adjustment shall be made in the purchase price or delivery schedule, or both. The order shall be modified in writing accordingly to reflect any such adjustment. Unless otherwise agreed, any claim by Seller for adjustment under this clause must be asserted within thirty (30) days from the date of a written receipt by the Seller. Buyer has the right to examine any of Seller's pertinent records to verify the Seller's claim. Nothing in this clause shall excuse Seller from proceeding with the modified order, including failure of the parties to agree upon any adjustment to be made. <i>All changes to a product or process definition made by Seller must be approved in writing by Buyer before proceeding with such changes.</i></p> |
| <b>G-11</b> | <p><b>Packaging and Shipping</b></p> <p>All Products are shipped Free on Board (FOB) to Buyer's destination unless otherwise stated on the face of an Order. Shipping charges must be prepaid in all cases. No insurance premium or shipping costs will be allowed unless authorized in writing. Charges accrued through Seller's failure to ship in accordance with Buyer's shipping instructions will be charged to Seller's account. All Products shall be described, prepared for shipment and packed to prevent damage. No charges will be paid by Buyer for preparation, packing, crating or cartage unless separately stated in the order. Each container shall be consecutively numbered and marked with purchase order numbers. Containers and purchase order numbers shall be indicated on bill of lading. Packing lists showing purchase order numbers shall be attached to each container of each shipment.</p>   |

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| <b>G-12</b>                    | <b>Loss or Damage</b><br>Except as otherwise agreed to by the Parties, title to and risk of any loss of or damage to the Products shall pass at the F.O.B. or Incoterm Point Seller's primary location, except for loss or damage thereto resulting from Seller's fault or negligence.   |
| <b>G-13</b>                    | <b>Payment to Seller</b><br>Payment will be made by Buyer to the seller in net 60 days from the date of acceptance by Buyer of the goods by the seller in accordance with the Quality terms and conditions specified herein.   |
| <b>General Quality Clauses</b> |  |
| <b>QC-01</b>                   | <b>Right of Access</b><br>The Buyer retains right of access, with reasonable notice, to the applicable areas of all facilities, at any level of the supply chain and all applicable records of Product Realization. Right of access includes the buyers Customer, and all applicable Statutory and Regulatory Agencies.  |
| <b>QC-02</b>                   | <b>Quality System Requirements</b><br>Seller will maintain a quality and calibration system meeting one of the following requirements as applicable: AS9003, AS9100, ISO 9000 or equivalent to insure the requirements of the material and workmanship clause are complied with. The system shall also be responsive to the Corrective / Preventative action process (CAPA) and address non-conforming product or processes. Seller shall provide and maintain a quality control system acceptable to Buyer. Buyer reserves the right to approve any Seller based on requirements and resources.   |
| <b>QC-03</b>                   | <b>Document &amp; Data Controls</b><br>All Data issued with the purchase order must be the most current revision in effect on the date of the purchase order unless otherwise specified. <i>Seller can request any specification or engineering revision required for the manufacturing process from the Buyer.</i> Seller shall keep confidential and protect from disclosure all Data and Proprietary Information obtained from the Buyer except for flow down requirements to a sub-supplier. Seller shall provide evidence that requirements have been flowed down if requested by Buyer. In the event of completion or termination of the Order, <i>Seller shall return all such Data including drawings to the Buyer or make such other arrangement as directed.</i> |
| <b>QC-04</b>                   | <b>Certificate of Conformance &amp; Records</b><br>A Certificate of Conformance to contractual requirements is required with each shipment, including as applicable; material certifications, process specifications and compliance to engineering design. Certification is also required for all special processing (e.g. Penetrant inspection, heat treat, shot peen, chrome, etc.). Special processes shall only be performed by approved sources as specified in applicable purchase order/contract, drawing or specification. Supplier shall furnish functional test reports or results as required. The COC shall be identified with the part number, manufacture date, and the manufacturer's order and/or lot number.  |

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| <b>QC-05</b> | <b>Preservation of Quality Records</b><br>Seller shall retain and maintain quality records from deterioration for 10 years after last production date. No records shall be destroyed unless written approval from the Buyer's Quality Manager is obtained. Sufficient safeguards shall be in place to preserve these records.  |
| <b>QC-06</b> | <b>Acceptance Authority Media</b><br>Seller shall comply with the AS/EN/JISQ 9100 requirements and 14CFR Part 21.2 regarding the application of the Acceptance Authority Media (AAM) requirements.<br>Seller shall ensure that the use of AAM is clearly defined within its Quality Management System<br>Seller shall, upon the Buyer's request, be able to demonstrate evidence of communication to its employees and to its supply chain.<br>Seller shall maintain compliance to the AAM requirements by assessing its process and supply chain as part of its internal audit activities. The areas of focus for assessment shall include; <ul style="list-style-type: none"> <li>• Audit completed work orders for AAM application errors (i.e. omissions, typos, legibility).</li> <li>• Review in-process work orders to ensure that AAM application is accomplished in a timely manner (i.e. documentation is completed as planned, "stamp/sign as you go").</li> <li>• Assess in-process and completed work orders and training records to ensure that no AAM application misrepresentation occurs (i.e. uncertified personnel, falsification of documentation, work not performed as planned).</li> <li>• Review training course material and records to ensure that AAM application training adequately communicates subjects such as ethics, culture awareness, and proper use of AAM.</li> <li>• Flow down AAM requirements to sub-tier suppliers.</li> </ul> |
| <b>QC-07</b> | <b>Changes in Process</b><br>The Seller shall notify and obtain prior approval from the Buyer of changes in product and/or processes, changes in suppliers, and/or manufacturing facility location.  |
| <b>QC-08</b> | <b>Responsibility of Sub-Suppliers</b><br>The Seller shall be responsible for the conformity of all products purchased from their suppliers, including product or processing from sources defined by the Buyer.  |
| <b>QC-09</b> | <b>Counterfeit Products</b><br>The seller shall plan, implement and control a process appropriate to the product that prevents the use of counterfeit product and either inclusion in product(s) delivered to the Buyer.   |
| <b>QC-10</b> | <b>External Providers Clause.</b><br>Seller shall ensure that persons in their employ and any subcontracted entities are aware of their contribution to product or service conformity, product safety and the importance of ethical behavior.  |
| <b>QC-11</b> | <b>Foreign Object Damage/Debris</b><br>The Seller shall ensure product purchased is free from materials that could result in FOD. Machines, tooling and handling equipment are to be maintained in a state of cleanliness and repair sufficient to prevent FOD   |
| <b>QC-12</b> | <b>Excess Inventory</b><br>The Supplier shall control all inventory of customer proprietary product which is more than contract quantity to prevent the product from being sold or provided to a third party without prior authorization from the Buyer.   |

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| <b>QC-13</b> | <b>Warranty</b><br>Seller represents, warrants and guarantees that all Products or materials delivered shall be free from defect, and that such Products or materials when delivered will conform to specifications, drawings, descriptions specified, and the Buyer's Terms outlined in this document and purchase order requirements.  |
|              | <b>Conditional Quality Clauses (if specified on the purchase order)</b>  |
| <b>QC-14</b> | <b>Frozen Planning</b><br>No changes allowed in process without prior approval from buyer  |
| <b>QC-15</b> | <b>Dimensional Report</b><br>A dimensional inspection report of key dimensions for each lot is required.   |
| <b>QC-16</b> | <b>First Article</b><br>First Article Inspection shall be conducted in accordance with the latest revision of AS9102. Identify the part as the FAI. A copy of the full report shall accompany the part to the Buyer.   |
| <b>QC-17</b> | <b>Special Processes</b><br>Sellers that perform special processes must be NADCAP accredited for the applicable process and be an approved processor for the Customer/Manufacturer. (i.e., to process a Boeing part, the seller must be on the D1-4426 Approved Processors document for the process that the PO requires.) Seller must notify buyer immediately if approval is lost.   |
| <b>QC-18</b> | <b>Purchased Complete Product / Traceability</b><br>A certificate of conformance shall accompany each shipment and include a statement that the product meets the controlling engineering and purchase order requirements. The certificate of conformity shall also include the seller's traceability to production lot numbers, references to all special processes or sub-supplier. This will include the processor / supplier name and what processes they performed (Specification, type, class and or grade, Material condition etc. as applicable. Location and method of the final part marking will be determined by the customer's engineering.   |
| <b>QC-19</b> | <b>Calibration of Product Acceptance Tools</b><br>Calibration services shall meet the requirements of ISO10012 of ANSI/NCSL Z540.1 or equivalent standard. Each calibration performed shall be traceable to NIST or other recognized international standards.  |
| <b>QC-20</b> | <b>ITAR Requirement</b><br>Under this contract, the supplier shall flow down the substance of this clause to all subcontracts awarded.<br>IMPORTANT/CONFIDENTIAL: This PO (and any data accompanying it) may contain confidential information, including information protected by the United States Government. The information is only intended for use of intended recipient(s). Delivery of this PO to anyone other than the intended recipient(s) is not intended to waive any privilege or otherwise detract from the confidentiality of the PO. If you are not the intended recipient, or if this PO has been addressed to you in error, do not read, disclose, reproduce, distribute, disseminate or otherwise use this information, rather please promptly notify the sender by phone or email, and then destroy all copies of the PO and its attachments, if any. |

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