

**ASSOCIATED AIRCRAFT SUPPLY CO. LLC
GENERAL TERMS AND CONDITIONS AND QUALITY SYSTEM DOCUMENTATION
SUPPLY OF PARTS TO ASSOCIATED AIRCRAFT SUPPLY CO. LLC**

General Terms and Conditions

- 1. Scope:** These terms and conditions and quality system documentation (these “Terms and Conditions”) shall apply to any Master Supply Agreement or purchase order entered into by Associated Aircraft Supply Co. LLC (“Associated”) and a supplier (“Supplier”), pursuant to which Associated purchases parts or equipment (“Parts”). These Terms and Conditions are incorporated by reference into all Agreements. No changes, additions, or deletions to the Terms and Conditions hereof will be effective, unless approved in writing by Associated. Associated may revise these Terms and Conditions from time to time, in its sole discretion. Associated and Supplier are sometimes referred to herein collectively as the “Parties” and each, individually, as a “Party”.
- 2. Precedence:** In the event of conflicting provisions between the Terms and Conditions and Agreements, the following descending order of precedence shall prevail: (a) typed or written provisions on the face of Purchase Orders; (b) the printed portions of any Agreement; and (c) these Standard Terms and Conditions.
- 3. Acceptance:** An Agreement becomes a binding contract, subject to these Terms and Conditions, (a) when executed by each of Associated and Supplier, (b) when accepted by written or verbal acknowledgement, (c) or upon commencement of performance. Acceptance of an Agreement must be made on its exact terms and if additional or different terms are proposed by Supplier, such response will constitute a counter-offer and no contract shall come into existence without Associated’s written assent to the counter-offer. By acceptance of an Agreement, Supplier has satisfied itself as to the nature of the work, the character, quality of materials, and equipment that will be required, and all matters that can in any way affect performance. Supplier shall acknowledge receipt and acceptance of all Purchase Orders within 48 hours, which such acknowledgement can be emailed to the buyer or the administrative assistant. The acknowledgement can also be faxed to (214) 339-9840
- 4. Invoices and Payment:** (a) Supplier shall submit separate invoices, in duplicate, for each delivery to the attention of “Accounts Payable”. All invoices will be stated in U.S. currency and all payments will be made in U.S. currency. The information on Supplier’s invoice shall include, at a minimum, the Agreement number, a Part reference number (e.g., part number, SKU number.), a Part description, quantities, unit value, and freight charges (if applicable). (b) With respect to U.S. imports, information provided on Supplier’s invoice shall conform to the requirements specified in U.S. Code chapter 19 Section 1481 (19 USC 1481) and the Code of Federal Regulations chapter 19 section 141.86 (19 CFR 141.86). (c) Any terms and conditions that may be printed on attached to or incorporated in Supplier’s invoice shall not be enforceable in the case that they are not incorporated in the applicable Agreement or they are inconsistent with any terms and conditions as stated in an Agreement (d) A bill of lading/packing list must accompany each invoice. (e) All invoices submitted by Supplier to Associated are subject to adjustment by Associated for errors, shortages, and/or rejected or Non-Conforming Parts (as defined below) as reasonably determined by Associated. (f) Associated shall not be required to pay the disputed portion of any invoice pending resolution of that dispute; provided, however, that Associated notifies Supplier with written notice of disputes prior to the payment due date of the invoice containing the disputed amount. (g) Upon submission of proper invoices, Supplier shall be paid the prices set forth in an Agreement for Parts delivered and accepted. (h) The time for payment shall not commence before actual or scheduled receipt of Parts, whichever is later, at their destination and in accordance with the requirements of an Agreement. (i) If certification or test data are required under the applicable Agreement, but not delivered, Associated may withhold remaining payments (or portions thereof) until such data is furnished.
- 5. Federal, State, and Local Taxes:** Tax laws, regulations, and rules in effect as of the date of an Agreement apply in their entirety. Any taxes applicable under these conditions, not included on voucher or invoices submitted by Supplier for payment, are the liability of Supplier without limitation to time.
- 6. Packaging/Packing:** All items shall be packaged for ease of handling and in such a manner as to assure their protection during shipment and storage and to conform to the requirements of carrier’s tariffs, unless other packaging criteria are specified by Associated in an Agreement. Dangerous materials shall be packaged and marked in accordance with current published issues of tariffs and regulations. No additional charges of any kind, including, but not limited to, charges for boxing, packing, licenses, permits, cartage, or other extras shall be allowed in connection with Supplier’s compliance with packaging specifications. The parts shall be manufactured, packaged, shipped and delivered in a manner so as to permit traceability to lot, batch, factory, and source of origin materials for each of the Parts and each component that makes up a part. Further, Supplier specifically represents and warrants that the parts and any component, ingredient, or material used to manufacture the part will be traceable, as may be required by law, rule, or regulation.

- 7. Shipping and Delivery:** (a) Title to and risk of loss on all Parts shipped by Supplier to Associated under an Agreement shall pass to Associated only upon delivery of the Parts to Associated in conformity with, and as specified in, an Agreement, and then only after such Parts have been accepted, and not rejected, within the timeframes established in the applicable Agreement. If not otherwise specified, Supplier shall ship Parts to the address set forth on an Agreement. (b) Consistent with the terms specified in an Agreement, Supplier will deliver the Parts on the dates and to the locations specified in such Agreement. All shipments are required to be shipped complete, unless otherwise specifically provided in an Agreement. Time is of the essence in the performance of all Agreements. (c) In the event that Supplier fails to meet the delivery dates and delivery locations specified in an Agreement, such delivery failure shall constitute a breach of such Agreement. In such cases, Supplier shall also be liable for the cost of expedited freight to the original location specified in the Agreement. (d) Parts received in advance of the delivery date specified in an Agreement may, at Associated's option, be accepted or rejected and returned to Supplier at Supplier's expense. Should Associated accept delivery of Parts received in advance of the relevant delivery date, such acceptance shall not waive Associated's right to reject subsequent early deliveries and such acceptance will not serve to accelerate the time for payment for the parts. (e) In the event that Supplier determines that only a portion of the Parts will be available to meet the delivery dates and delivery locations specified in an Agreement, Supplier shall immediately notify Associated. In such cases, Associated shall have, in its sole discretion, the right but not the obligation to either (1) terminate or cancel any or all of the applicable Agreements, or (2) adjust the applicable Agreement to reflect the quantities represented by the partial delivery. Alternatively, Associated may, in its sole discretion, permit Supplier to satisfy the order through two or more partial deliveries provided that either (A) the cost of delivering the Parts in two or more partial shipments is equal to or lesser than the cost of a complete delivery or (B) any increase in the cost of delivering the Parts in two or more partial shipments over the cost of a complete delivery is solely borne by Supplier. In the event that Associated elects to permit Supplier to satisfy an Agreement through two or more partial shipments, such agreement shall be documented in writing executed by the Parties. (f) Should Supplier deliver a quantity of Parts in excess of that specified in an Agreement (an "Over Delivery"), Associated may either reject such Over Delivery and return to Supplier at Supplier's expense or retain such Over Delivery at no cost to Associated. (g) Supplier shall not deliver any Parts to Associated in the absence of an Agreement or that otherwise do not conform to the terms contained in any Agreement. Parts so delivered may, at Associated's option, be rejected and returned to Supplier at Supplier's expense or retained by Associated at no cost to Associated. (h) Associated's name, Agreement number, and Part number(s) shall appear on all shipping labels. (i) In cases where there are multiple boxes per shipment, each box will be identified "1 of X, 2 of X", etc., where X = total boxes shipped in a particular shipment. (j) Every shipment by mail shall be insured or registered for minimum value to allow for tracking. All other shipments shall be made at the maximum valuation for which the carrier will be responsible without payment of insurance premium and at the lowest rate or rating specified under applicable tariffs or classifications. (k) International Chamber of Commerce Incoterms 2010 will apply to all Agreements.
- 8. Schedule:** (a) Supplier shall strictly adhere to the shipment, delivery, or completion schedules set forth in all Agreements. In the event of any anticipated or actual delay, including, but not limited to, delays attributed to labor disputes, Supplier shall (1) promptly notify Associated in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay and (2) provide Associated with a written recovery schedule. If Associated requests, Supplier shall, at Supplier's expense, ship the Parts via air or other expedited routing to avoid the delay or minimize it as much as possible. (b) Supplier shall not deliver the Parts prior to the scheduled delivered dates, unless authorized by Associated.
- 9. Supplier's Notice of Discrepancies and Changes:** Supplier shall notify Associated in writing when discrepancies in Supplier's process or product are discovered or suspected regarding Parts.
- 10. Variation in Quantity:** No variation in the quantity of any Parts to be delivered pursuant to an Agreement will be accepted, unless such variation has been caused by conditions of loading, shipping, packing, or allowance in manufacturing process, and then only to the extent specifically authorized by Associated.
- 11. Quality, Inspection, and Acceptance:** The documentation and all parts are subject to inspection by Associated Aircraft. Associated shall have the right either to accept the parts or reject the parts and contact source for an RMA. Records of all inspection work by Supplier shall be complete and available to Associated during the term of the applicable Agreement and for a period of not less than 10 years thereafter.
- 12. Tooling:** Title to, and the right to immediate possession of, all designs, tools, jigs, dies, fixtures, templates, patterns, drawings, and other information and items paid for by Associated shall remain Associated's property and shall not be encumbered or disposed of in any way by Supplier. Supplier shall maintain such tools in first class condition and shall use them exclusively for performance under all Agreements. To the extent that the price of any Part includes a component for the cost of tooling, the Parties will execute an addendum that will be incorporated by reference to the applicable Agreement, which addendum will specifically address the cost and ownership of any tooling required for the manufacture of the Parts (the "Tooling Addendum"). Unless and until such a Tooling Addendum is executed by the Parties, Supplier represents and warrants that the prices for the

Parts set forth in the applicable Agreement do not include any allocation for the recovery of costs and expenses related to tooling necessary to manufacture the Parts.

- 13. Supplier Change Agreement:** (a) By written order, Associated may from time to time, order work suspension or make changes in quantities, drawings, designs, specifications, place of delivery or delivery schedules, or methods of shipment and packaging relating to the Parts (“Changes”). If Changes cause an increase or decrease in the price of an order or in the time required for its delivery, Supplier shall promptly notify Associated and assert Supplier’s claim for adjustment within 20 days after Changes are ordered by Associated, and the Parties will endeavor in good faith to agree to an equitable adjustment to take such Changes into account. Nothing in this Section 13 shall excuse Supplier from delivering the order with the required Changes pursuant to the terms of the applicable Agreement. Whether made pursuant to this Section 13 or by mutual agreement, Changes shall not be binding upon Associated unless specifically confirmed in writing by a member of Associated’s Purchasing Department. The issuance of information, advice, approvals, or instructions by Associated’s technical personnel or other representatives shall be deemed expressions of personal opinions only and shall not affect Associated’s or Supplier’s rights and obligations under any Agreement until documented in writing executed by the appropriate Associated personnel, and expressly stating that the Changes constitute an amendment to the applicable Agreement. (b) Supplier agrees: (1) To not make any changes or substitutions to the Parts after their initial acceptance/qualification by Associated, including, but not limited to, changes to the materials, processes, procedures, design, software, plant facilities, location of manufacture, sources of supply, or any alteration that could affect the safety, reliability, performance, or interchangeability of Associated’s products that incorporate Parts; (2) to request Associated’s review and approval of any proposed change or substitution prior to incorporation into an Associated product; and (3) to request Associated’s review and interpretation of any event that affects Supplier’s manufacture and delivery of Parts, even though Supplier may not construe the event as a change requiring Associated’s review.
- 14. Associated Furnished Material:** Title and right of immediate possession of any property furnished by Associated pursuant to an Agreement shall remain with Associated. If Associated furnishes any material for fabrication under an Agreement, Supplier agrees not to use any other materials in fabricating the Parts without Associated’s consent. All property furnished under an Agreement (except that which becomes normal industrial waste or is replaced at Supplier’s expense) shall, upon completion of any order, be returned to Associated in the form of parts, unused material, and tooling, unless Associated notifies Supplier otherwise.
- 15. Warranties:** Supplier warrants to Associated that all parts will be manufactured packaged and delivered in accordance with the specifications and any industry standards applicable to the Parts and will be free from mechanical, material, and manufacturing related defects, in each case due to faults in either material or workmanship (the “Quality Warranty”). Warranties shall remain in effect for a period of one year from the date of acceptance by Associated and shall be in addition to any other warranty or service guarantee of Supplier and shall be equally applicable to Associated and Associated’s customers. Supplier release, approval, or reference to data, drawings, or specifications will not relieve Supplier of any warranty hereunder. Supplier warrants that it has good and marketable title to the parts and that the parts will be transferred free and clear of all liens, claims or encumbrances.
- 16. Catastrophic Failure:** “Catastrophic Failure” shall exist if the Parts: (a) contain mechanical, material, or workmanship defects or do not meet the Specifications at a rate greater than five percent (or such other rate set forth in an Agreement) of Parts purchased in the prior four week period (or such other period set forth in an Agreement) as a result of or in connection with a particular type or kind of breach of the Quality Warranty or a group of breaches of the Quality Warranty which are generally similar in nature, kind, or cause or (b) fail to meet any consumer product safety standard or banning regulation applicable to the Parts, contain a defect that could create a substantial product hazard to consumers, or creates an unreasonable risk of serious injury or death. Each Party shall notify the other in writing within 24 hours of becoming aware of a defect or Non-Conforming Parts that does or could give rise to Catastrophic Failure. In the event of Catastrophic Failure and in addition to any other equitable remedies available under an Agreement, Supplier will, in addition to the financial remedy for the breach of the Quality Warranty generally, (a) reimburse Associated for all costs incurred by Associated retroactive to the beginning of the specific failure to (b) undertake a systematic effort to locate the Part(s) in the field and to develop and implement a solution to refund, repair or replace them, including, without limitation, the cost of customer refunds and costs related to field service inspection and replacement, shipping, packaging material, and labor, service center labor, monitoring, and reporting procedures, professional services and attorneys’ fees, and other costs reasonably necessary to both satisfy Associated customers and meet any regulatory requirements occasioned by such Catastrophic Failure.
- 17. Force Majeure:** No liability or loss of rights under any Agreement shall result to either Party from delay or failure in performance caused by force majeure or other circumstances not existing as of the Effective Date of an Agreement and beyond the reasonable control of the Party affected thereby, however, the Party claiming force majeure must exert all reasonable efforts to avoid or remedy such force majeure and thereafter takes all reasonable steps to mitigate any such delay in performance under any Agreement and any damages that may be incurred by the other Party thereby. The Party so prevented in the performance of its obligations under any Agreement shall notify the other Party of such as soon as is reasonably practicable given the circumstances and shall use diligent efforts to resume performance as quickly as possible. The Parties shall proceed under the

applicable Agreement when the cause of such non-performance has ceased or has been eliminated.

- 18. Labor Disputes:** Supplier agrees that whenever any actual or potential labor disputes delays or threatens to delay the timely performance of an Agreement, Supplier shall immediately give notice thereof to Associated with such detailed information as Associated may specify.
- 19. Obsolescence:** Associated may determine, in its sole discretion, that certain Parts have or will become obsolete. Associated shall notify Supplier in writing of its plans to obsolete any Parts and the planned schedule for obsolescence. At that time, Associated and Supplier shall work together to adjust any inventory or safety stock, if any, as may be contained in an Agreement in an effort to minimize or eliminate stocks of raw materials, work-in-process, or finished Parts in a manner that is consistent with the planned schedule for obsolescence. Supplier shall not initiate any changes to inventory or safety stock (if any) related to a Part subject to obsolescence without first notifying Associated and Associated agreeing to such change. Provided that Supplier has cooperated with efforts to minimize stocks of raw materials, work-in-process, or finished Parts, Associated shall, at the end of the planned scheduled for obsolescence, purchase from Supplier (a) all finished inventory of such obsolete Parts (including safety stock, if any), (b) raw materials purchased by Supplier that are exclusive to the Parts purchased by Associated, provided that the quantity of such raw materials are consistent with both the then-current forecast and the schedule of obsolescence and at a price equal to the cost incurred by Supplier in purchasing said raw materials, and (c) all Parts that are in a state of work-in-process to the extent that the quantity of such work-in-process is consistent with both the then-current forecast and the schedule of obsolescence and then at a price equal to Supplier's cost in producing such work-in-process and not to exceed the then current prices set forth in the applicable Agreement. Associated shall not be obligated to purchase any inventory, raw materials, or work-in-process to the extent such inventory, raw materials, or work-in-process is in excess of that required to support Associated's volume requirements, including safety stock (if any), as reflected in the most current forecast or the schedule of obsolescence, whichever is less. In no event shall Associated be obligated to purchase any raw materials, work-in-process, or Parts that do not comply with Specifications set forth in an Agreement.
- 20. Hazardous Materials:** Supplier agrees to furnish Associated sufficient warning and notice in writing, including appropriate labels on Parts, containers, and packing, of any hazardous material that is a component of or an ingredient in or part of any of Parts, together with such special handling instructions as may be necessary to advise Associated and permit Associated to advise its employees, customers, and other vendors of how to exercise that measure of care and precautions that will best prevent bodily injury or property damage in the handling, transportation, processing, use, or disposal of the Parts, containers or packing.
- 21. Compliance:** Supplier represents and warrants that all Parts will be manufactured, processed, packaged, labeled, marked, tagged, tested, certified, weighed, inspected, loaded, shipped, and/or sold by Supplier under all Agreements in compliance with all applicable federal, state, provincial, or local laws, rules, regulations, and standards including, but not limited to: (a) those relating to health, safety, environment, serial numbers, labeling, and country of origin designations; (b) all applicable United States regulations including, without limitation, 16 CFR §1632 and 16 CFR §1633; (c) those relating to toxic substances and other environmental standards including, but not limited to, the European Union's Directive 2002/95/EC, Restrictions on Hazardous Substances (RoHS) and similar regulations that may be adopted by other countries or states, and the collection, treatment, recycling, and disposal of waste electrical and electronic equipment (WEEE), and similar regulations; (d) The United States Consumer Products Safety Act (CPSA); (e) The United States Consumer Products Safety Improvement Act (CPSIA), (f) The United States Food, Drug and Cosmetic Act (FD&CA); (g) The United States Occupational Safety Health Act (OSHA); (h) The United States Federal Labor Standards Act (FLSA); (i) All applicable civil rights laws, rules, regulations and orders; (j) Executive Order 11246 and the rules and regulations promulgated thereunder; (k) California Proposition 65 and its implementing regulations; (l) The Trafficking Victims Protection Reauthorization Act(TVPRRA);and (m) all applicable child labor laws.
- 22. Conflict Minerals Act:** Supplier represents and warrants that it is in full compliance with conflict minerals laws, including, without limitation, Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended from time to time, and any regulations, rules, decisions, or orders relating thereto adopted by the U.S. Securities and Exchange Commission or any successor or other governmental agency responsible for adopting regulations relating there to.
- 23. Export Control:** The Parties acknowledge that the confidential information or the Parts disclosed or provided by and to each of them under any Agreement may be subject to export controls under the laws and regulations of the United States. Each Party shall comply with such laws and regulations and agrees to not knowingly export, re-export, or transfer any of the other Party's confidential information or Parts, to the extent permitted in an Agreement, without first obtaining all required authorizations or licenses from the appropriate authorities.
- 24. CISG Exclusion:** The United Nations Convention on Contracts for the International Sale of Goods (CISG), and any amendments thereto, shall not apply to any Agreement.

- 25. Cancellation:** Unless otherwise provided in an Agreement, Associated can by written notice immediately cancel any Agreement or any part thereof at Associated's convenience and, except for when Supplier defaults pursuant to Section 26 (Default) below, Associated shall be liable for reasonable cancellation charges.
- 26. Default:** Unless otherwise provided in an Agreement, (a) Associated may by written notice of default to Supplier, terminate any Agreement or any part thereof if Supplier fails: (i) to deliver Parts in accordance with the delivery schedule specified in the Agreement, or any extension thereof by change order or amendment; (ii) to replace or correct defective Parts in accordance with these Terms and Conditions; or (iii) to perform any of the other provisions of an Agreement in accordance with its terms, and in any of the circumstances specified, does not correct such failure within a period of ten days (or longer period as Associated may authorize in writing) after receipt of notice from Associated specifying such failure. In the event that an Agreement provides for the furnishing of Parts in more than one lot, the entire order, including all lots, may be terminated for default upon Supplier's failure as described above in connection with any one lot or part thereof. (b) In the event of termination pursuant to this Section 26, Associated may purchase similar Parts elsewhere as it deems appropriate and Supplier shall be liable to Associated for any excess costs occasioned by such action. (c) Associated may by written notice, terminate any order in whole or in part for default if, in Associated's opinion, Supplier appears to be in solvent or in an unsound financial conditions so as to endanger performance.
- 27. Rights and Remedies:** Unless otherwise provided in an Agreement, any failures, delays, or forbearances of either Party in insisting upon or enforcing any provisions of an Agreement, or in exercising any rights or remedies thereunder, shall not be construed as a waiver or relinquishment of any such provisions, rights, or remedies; rather, the same shall remain in full force and effect. Except as otherwise limited in an Agreement, the rights and remedies set forth in all Agreements are cumulative and in addition to any other rights or remedies that the Parties may have at law or in equity. Unless otherwise provided in an Agreement, if any of the provisions of an Agreement is or becomes void or unenforceable by law, the remainder of the provisions shall be valid and enforceable.
- 28. Indemnification:** (a) Supplier will defend, indemnify, and hold harmless Associated and its affiliates and the officers, directors, managers, employees, successors, assigns, licensees, distributors, contractors, and agents of the other (collectively, "Indemnified Parties") from and against any and all claims, damages, liabilities, assessments, losses, costs, and other expenses (including, without limitation, reasonable attorneys' fees and legal expenses) arising out of or resulting from: (a) Supplier's actual or alleged breach of any of its representations, warranties, or covenants under an Agreement; (b) any actual or alleged negligent act or omission, willful misconduct or strict liability of Supplier; (c) any actual or alleged property damage or bodily injury (including death), if and to the extent the same is attributable to the fault, negligence, or strict liability of Supplier, or any employee, contractor, or supplier of a Supplier, or any other person acting under the direction or supervision of a Party or its subcontractors or suppliers; or (d) a Supplier's misuse of Associated's Intellectual Property Rights. For the purposes of this Section 28, "Intellectual Property Rights" means all patents and all patent applications (including, without limitation, originals, divisions, continuations, continuations-in-part, continued prosecution applications, requests for continued examination, provisional, extensions, or reissues), design rights (whether registered or not and all applications therefor), copyrights, database rights, topography rights, mask work rights, applications to register any of the aforementioned rights, trade secrets, rights in unpatented know-how, rights of confidence and any other intellectual or industrial property rights of any nature whatsoever in any part of the world.
- 29. Insurance:** (a) Supplier agrees that it will have in effect at the time of its acceptance of all Agreements, property damage, accident, casualty, and public liability insurance in reasonable limits so as to indemnify and hold Associated, its officers, directors, agents, and employees harmless and free from liability from any loss, cost, damage expense, or liability by reason of property damage and personal injury of whatsoever nature or kind arising out of and as a result of its performance under any Agreement. (b) Supplier agrees to carry proper workman's compensation insurance for all employees. Supplier agrees to cause all agreements with lower-tier suppliers and subcontractors to provide for similar indemnification provisions to Associated's benefit.
- 30. Assignment:** No Agreement or any rights under any Agreement, in whole or in part, shall be assignable or transferable by either Party without the written consent of the other Party, and any attempted assignment or transfer in violation hereof shall be void; provided, however, that either Party may assign any Agreement or any interest therein, or delegate any of its duties under any Agreement to an affiliate, without the approval of the other Party.
- 31. Disputes:** Unless otherwise provided in an Agreement, any controversy or claim or question of fact arising out of or relating to an Agreement, or any breach thereof, which is not disposed of by negotiation, may be settled by appropriate legal action at law or in equity or by such other procedures as may be agreed to by the Parties.
- 32. Texas Law to Govern:** Unless otherwise provided in an Agreement, all Agreements shall be governed by, subject and construed according to, the laws of the State of Texas. The Parties agree that in the event a law suit should arise from this order, such law

suit must be adjudicated in Tarrant County, Texas.

- 33. Certificate of Conformance:** Supplier shall submit with each shipment a certificate of conformance stating products shipped are in compliance with PO requirements and all applicable drawings & specifications. The certificate shall include P.O. number, part number with revision level, quantity, lot/batch number, serial number (where applicable), cure date/lube date (where applicable), and be signed by an Authorized Company Representative including title. All certification must be clearly legible. Poor copies may result in rejection of order at seller's expense. Unless agreed in writing by Buyer, when the supplier is not the Manufacturer, the Manufacturer's Certificate of Compliance is required, together with certification from any intervening distributor. Material Safety Data Sheets: with any delivery of hazardous material, supplier shall provide the current edition of the Material Safety Data Sheet ("MSDS") published by the manufacturer.

- 34. Compliance with federal state and local laws:** Seller has complied with and shall comply with all applicable Federal, State, and Local laws and ordinances and all order, rules and regulations hereunder. Seller shall save and hold Buyer harmless from and reimburse it for, any and all costs, damages and expenses (including attorney's fees) suffered or occasioned to it through any failure of Seller to comply with any laws, orders, rules, regulations or ordinances.

- 35. Counterfeit Parts Protection Plan (CPPP):** Supplier must maintain a Counterfeit Parts Protection Plan containing all elements of AS5553 paragraphs 4.11 through paragraph 4.17 and all elements of AS6174 paragraphs 3.1 through 3.1.7. All CPPP prevention requirements must be flowed down to their sub-tier suppliers throughout the supply chain.

- 36. Foreign Object Debris (FOD) Prevention Plan:** Supplier must maintain a FOD plan to prevent Foreign Object Debris in parts sent to Associated Aircraft Supply Co., LLC, in accordance with NAS412 standard. All FOD prevention requirements must be flowed down to their sub-tier suppliers throughout the supply chain.

Conditions Applicable to Orders Placed Under United States Government Contracts (FAR)

- 1) 52.203-3 Gratuities
- (2) 52.203-6 Restrictions on Subcontractor Sales
- (3) 52.203-7 Anti-Kickback Procedures
- (4) 52.203-12 Limitation on Payment to Influence Certain Federal Transactions
- (5) 52.204-2 Security Requirements
- (6) 52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment
- (7) 52.2 1 1-5 Material Requirements
- (8) 52.21 1-15 Defense Priority and Allocation Requirements
- (9) 52.215-2 Audit & Records – Negotiation
- (10) 52.2 15- 10 Price Reduction for Defective Cost or Pricing Data
- (11) 52.215-1 1 Price Reduction for Defective Cost or Pricing Data – Modifications
- (12) 52.215-12 Subcontractor Cost or Pricing Data
- (13) 52.215-13 Subcontractor Cost or Pricing Data Modifications

- (14) 52.215-14 Integrity of Unit Prices & Alternate I
- (15) 52.215-15 Pension Adjustments and Asset Reversions
- (16) 52.2 15-1 8 Reversion or Adjustment of Plans for Post-Retirement Benefits Other than Pensions (PRB)
- (17) 52.215-19 Notification of Ownership Changes
- (18) 52.2 19-8 Utilization of Small Business Concerns
- (19) 52.222-4 Contract Work Hours and Standards Act -Overtime Compensation
- (20) 52.222-20 Walsh-Healey Public Contract Act
- (21) 52.222-2 1 Prohibition of Segregated Facilities
- (22) 52.222-26 Equal Opportunity
- (23) 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era and Other Eligible Veterans
- (24) 52.222-36 Affirmative Action for Workers with Disabilities
- (25) 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era and Other Eligible Veterans
- (26) 52.223- 14 Toxic Chemical Release Reporting
- (27) 52.225-1 Buy America Act – Supplies
- (28) 52.225-8 Duty Free Entry
- (29) 52.225-13 Restrictions on Certain Foreign Purchases
- (30) 52.227-1 Authorization and Consent
- (31) 52.227-9 Refund of Royalties
- (32) 52.227-1 1 Patent Rights - Retention by the Contractor (Short Form)
- (33) 52.227-12 Patent Rights -Retention by the Contractor (Long Form)
- (34) 52.236-13 Accident Prevention
- (35) 52.242-15 Bankruptcy
- (36) 52.242-15 Stop Work Order
- (37) 52.245-17 Special Tooling
- (38) 52.245-18 Special Test Equipment
- (39) 52.215-20 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA (OCT 2010) (Note 2 applies.)

- (40) 52.215-21 REQUIREMENTS FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA - MODIFICATIONS (OCT 2010) (Note 2 applies.)
- (41) 52.222-21 PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)
- (42) 52.222-40 NOTIFICATION OF EMPLOYEE RIGHTS UNDER THE NATIONAL LABOR RELATIONS ACT (DEC 2010) (Applies if this Contract exceeds \$10,000.)
- (43) 52.223-11 OZONE-DEPLETING SUBSTANCES (MAY 2001) (Applies if the Work was manufactured with or contains ozone depleting substances.)
- (44) 52.225-1 BUY AMERICAN ACT -- SUPPLIES (FEB 2009) (Applies if the Work contains other than domestic components. Note 2 apply to the first time "Contracting Officer" is mentioned in paragraph (c).)
- (45) 52.225-5 TRADE AGREEMENTS (AUG 2009) (Applies if the Work contains other than U.S. made or designated country end products as specified in the clause.)
- (46) 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (DEC 2009)
- (47) 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (Applicable to solicitations and contracts exceeding \$150,000)
- (48) 52.209-5 Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters
- (49) 52.222-22 Previous Contracts and Compliance Reports
- (50) 52.222-25 Affirmative Action Compliance

DFARS Reference:

- (1) 252.203-7001 Prohibition on persons Convicted of Fraud or Other Defense Contract Relate Felonies
- (2) 252.225-7001 Buy American Act and Balance of Payments Program
- (3) 252.225-7014 Preference for Domestic Specialty Metals & Alternate 1
- (4) 252.225-7016 Restriction on Acquisition of and Roller Bearings
- (5) 252.225-7025 Restriction on Acquisition of Forgings
- (6) 252.226-7001 Utilization of Indian Organizations and Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns
- (7) 252.227-7013 Rights in Technical Data -Noncommercial Items
- (8) 252.247-7023 Transportation of Supplies by Sea

Quality System Documentation

1. Any Agreement noting a United States Government Contract Number and associated Priority Rating shall be executed in accordance with the Defense Priority and Allocation System Program.
2. Supplier shall provide a Certificate of Compliance with each shipment along with the Manufacturer's Certificate.
3. Traceability for all material, revision status, date of manufacture, and inspections shall be maintained and records of such shall be kept on file and readily accessible for a minimum of ten years.
4. Supplier shall maintain a quality system that conforms to a nationally known standard (e.g., ISO9001, AS9100, AS9120 or FAR 21), which is applicable to the Parts.
5. In accordance with AS9100/9120 (paragraph 7.4.2 (I)), Associated reserves the right of access for Associated personnel, Associated customers and regulatory authorities to all Supplier facilities, as well as quality records pertaining to the execution of all Agreements, including verification at Supplier's premises conforming to the specific requirements of paragraph 7.4.3(54).
6. Supplier shall notify Associated as soon as possible when changes occur that will affect the Parts or Supplier's processes of quality system (including, without limitation, changes to address/location, ownership or control, name of Supplier, quality manager, or the quality system approval type/level) and, where required, obtain Associated's approval.
7. Supplier shall supply expiration dates on all "shelf-life limited" Parts.
8. Supplier shall establish, document, and maintain a program to control and prevent Foreign Object Damage/Debris ("FOD") during Supplier's manufacturing, assembly, testing, and inspection of Parts. Parts must be clean and free from any material/debris, including, without limitation, machined chips, burrs, grinding dust, forming materials, corrosion, oil, and other foreign material on surfaces to prevent FOD entrapment.
9. Supplier shall adequately and permanently (when possible) mark Parts with a part number and, when applicable, a date code.
10. Supplier shall comply with any special requirements additionally noted on any Agreement. Supplier is required to flow down to sub-tier suppliers the applicable requirements in all Agreements, including key characteristics, where required.
11. Any documentation, including, without limitation, Certificates of Conformance (C of Cs), Test Reports and First Article Inspections (FAIs), that are required must be provided to Associated in English.
12. Supplier will use best practices to prevent the sale of counterfeit and suspected unapproved Parts per AS5553. If Supplier has reason to believe that supplied Parts are counterfeit or unapproved, Supplier must notify Associated within 48 hours of forming such belief.
13. If a Defense Priorities and Allocations System (DPAS) rating (E.G. DOA-1) appears on the face of this order, then FAR 52.211-15 shall apply. DOA-1 or DO-C9E rating indicates this is a rated order certified for National Defense use. Seller is required to follow all the provisions of the Defense Priorities and Allocation System regulation (15 CFR 700).
14. Supplier shall ensure persons competence including any required qualification of persons.
15. The Supplier's quality performance will be reviewed on a quarterly and annual basis. Suppliers that consistently have an unsatisfactory rating may not be included in new business.
16. Ensure persons are aware of their contribution to product and service and conformity, product safety and the importance of ethical behavior.