



## **GENERAL TERMS OF PURCHASE**

The following Terms and Conditions of Purchase shall apply to purchases of goods or services by **Aerodyne Worldwide, LLC ("A2W")**, its subsidiaries and/or affiliates, pursuant to a Purchase Order incorporating these Terms and Conditions of Purchase.

### **1. DEFINITIONS**

- (A) For the purposes of these Terms and Conditions of Purchase the following terms shall take on the assigned meanings:
  - (i) "Order" shall mean a Purchase Order issued to and acknowledged by the Seller;
  - (ii) "Terms of Purchase" shall mean the Order and these A2W Terms and Conditions of Purchase collectively;
  - (iii) "Buyer" shall mean A2W; and
  - (iv) "Seller" shall mean the party identified on the Order as the Seller.

### **2. CRITICAL PROVISIONS**

- (A) These Terms of Purchase will constitute the entire agreement and understanding between the parties (except for any additional warranties or service guaranties given by Seller, or specifications provided by Buyer) with respect to the goods or services covered by these Terms of Purchase, unless a written agreement expressly referring to these Terms of Purchase expressly modifies or supplements these Terms of Purchase is signed by Seller and Buyer's contract administrator.
- (B) Seller's acceptance is limited to these Terms of Purchase and any additional terms stated on the Order.
- (C) If any terms or conditions of these Terms of Purchase conflict with any terms and conditions expressly stated in the Order, the terms and conditions of the Order issued by Buyer shall prevail and govern
- (D) All previous or concurrent negotiations and agreements with respect to the goods and services covered by these Terms of Purchase are superseded by these Terms of Purchase.
- (E) Buyer rejects any additional or inconsistent terms and conditions offered by Seller at any time, whether or not such terms or conditions materially alter these Terms of Purchase and regardless of Buyer's acceptance of or payment for Seller's goods or services.
- (F) These Terms of Purchase shall be deemed accepted by Seller upon the return of the acknowledgment of the Order (or deemed approval) and/or a copy of these Terms of Purchase, complete or partial performance by Seller, or by any other expression of acceptance by Seller.
- (G) All shelf limited items are required to have a minimum of 80% shelf life remaining, Unless otherwise authorized by Buyer.
- (H) Any changes in process, product, or services shall require advanced notification and written approval by Buyer.



- (I) All items on Order require a Certificate of Conformity from both the Seller and the Original Equipment Manufacturer (if they are different legal entities). Test reports, or authorized release certificate are also required, as applicable, to show that verification, validation, and inspection activities have been performed and that the items meet all requirements. Identification and traceability for each lot must be maintained and linked to the Seller's Certificate of Conformity and any test reports and/or authorized release certificates.
- (J) **Right of Access:** The Buyer, its customers, and government authorities intend to perform verification activities at Seller's premises, when warranted, and to assure product and services conform to specified requirements. Advance notification will be provided. Seller agrees to grant access to their premises and any documented information relevant to any Order over which these Terms and Conditions govern. This requirement must flow down to all levels down the supply chain.
- (K) **Incoterms:** Unless otherwise agreed to by the Buyer, specifically, in full or in part and in writing, the Seller shall make all deliveries under the "Delivered Duty Paid" (DDP) as defined in the latest revision of Incoterms as published by the International Chamber of Commerce. The Seller bears all risk and costs associated with shipping and delivery, including customs tariffs and other fees.

### 3. PERFORMANCE OF CONTRACT

- (A) Seller shall strictly comply with the times, rates of performance and other provisions of these Terms of Purchase, all of which are material provisions of these Terms of Purchase.
- (B) At Buyer's request, Seller will provide Buyer with a performance assurance plan prepared in accordance with procedures established by Buyer and showing Seller's work in progress and yield factors for each major process step.
- (C) The performance assurance plan will demonstrate that, based upon Seller's work in progress and yield factors, there is no significant risk that Seller may not meet its performance or delivery requirements. Seller shall not procure or manufacture items in advance of Seller's reasonable schedule for delivery.
- (D) Seller shall promptly notify Buyer of any actual or threatened labor dispute or other occurrence that may delay timely performance under these Terms of Purchase, along with such information about the dispute or other occurrence as Buyer may request.
- (E) In the event Seller delivers goods or services after the scheduled delivery date, in addition to all other rights and remedies available to Buyer hereunder, Buyer shall be entitled to an equitable reduction in the invoice price.
- (F) Seller is specifically required to flow the terms in this section, including, specifically, the immediately-preceding sentence in any subcontract hereunder.

### 4. PACKAGING, SHIPPING, & DELIVERY; RISK OF LOSS

- (A) All goods shall be suitably packed, marked conspicuously with Buyer's order number, and shipped in accordance with shipping instructions specified in these Terms of Purchase or elsewhere by Buyer, from time to time, and otherwise in such a manner as to obtain the lowest transportation cost without jeopardizing the time



- of delivery.
- (B) Goods shall be packaged as directed by Buyer and otherwise in accordance with good commercial practices in a manner sufficient to ensure arrival in undamaged condition.
  - (C) No charge shall be made to Buyer for packaging, transportation or insurance unless separately itemized on the Order.
  - (D) Immediately upon shipment, Seller shall notify Buyer of complete shipping information.
  - (E) Title and risk of loss to goods covered by these Terms of Purchase shall pass to Buyer upon receipt by Buyer at Buyer's facility unless otherwise provided under these Terms of Purchase.
  - (F) Seller shall, at its expense, ship by express mail or air shipment or by the most expeditious way if timely delivery is endangered for any reason, other than solely the Buyer's fault.
  - (F) Seller shall deliver the goods and perform the services, in the quantities and within the times provided in these Terms of Purchase.
  - (G) Goods received in advance of Buyer's delivery schedule may, at Buyer's option, be returned at Seller's expense or be retained, in which case payment shall become due at the same time as if the goods had been delivered on the scheduled date.
  - (H) Buyer may reject all or any portion of any delivery that varies from the quantity authorized by Buyer for shipment.

## 5. TERMINATION

- (A) Buyer may terminate the Order in whole or in part at any time and from time to time by written notice to Seller stating the extent and effective date of such termination. In the event of such a termination, Buyer shall pay to Seller:
  - (i) the price set forth in the Order for all goods delivered and services rendered which have, as of that date, been accepted by Buyer and not previously paid for; and
  - (ii) Seller's actual (and documented) costs reasonably incurred, unless it appears that Seller would have sustained a loss on the Order had it been completed.
- (B) In no event shall the amount paid by Buyer to Seller under clause 5(A) exceed the total Order price as reduced by the amounts of payments paid to Seller prior to the termination. Seller shall take all necessary action to reduce and avoid costs incurred on the terminated work and, to the extent not terminated, shall continue to perform any work not affected by the termination.
- (C) Notwithstanding the foregoing, Buyer may, at Buyer's option, require Seller to repurchase all goods in Buyer's possession, at the price paid by Buyer plus actual transportation.
- (D) Should the work be governed by the Federal Acquisition Regulations ("FAR"), upon delivery of notice of termination under clause 5(A) The rights of the parties will be governed by Subsection 52.249-2 of the FAR as in effect on the date of the Order, which is incorporated into these Terms of Purchase by reference, provided, however, that: (w) all



references to "1 year" in Paragraph (e) thereof shall be deemed to read "6 months", (x) Paragraph (j) thereof shall be deemed to require all disputes to be resolved pursuant to these Terms of Purchase, (y) the "90 days" time period in Paragraph (l) thereof shall be deemed to read "45 days", and (z) all references therein to the Government or the Contracting Officer shall mean Buyer or its designees (including the Government or its representatives if so designated by Buyer).

- (E) Buyer may terminate the Order in whole or in part at any time and from time to time for Seller's default if Seller:
  - (i) does not perform strictly in accordance with these Terms of Purchase or fails to make progress so as to endanger performance hereunder, or
  - (ii) becomes insolvent or suspends any of its operations or if any petition is filed or proceeding commenced by or against Seller under any state or federal law relating to bankruptcy, reorganization, receivership or assignment for the benefit of creditors. Any such termination will be without liability to Buyer except for completed goods which were, as of that date, delivered and accepted by Buyer. Buyer may require Seller to transfer title and deliver to Buyer any or all property produced or procured by Seller for performance of the work terminated and Seller shall be credited with the reasonable value thereof not to exceed Seller's cost or the contract price, whichever is less. Seller will be liable for damages caused by or resulting from its default. If, after a default termination, it is determined that Seller was not in default, the termination shall be considered to have been made pursuant to Paragraph 5(A) above. Termination of the Order for default shall be without prejudice to any other rights and remedies of the Buyer under statute, common law, or otherwise.
- (E) Notwithstanding the foregoing, Buyer may, at Buyer's option, require Seller to repurchase all goods in Buyer's possession, at the price paid by Buyer plus actual transportation.
- (F) To the extent the Order is not terminated by Buyer, Seller shall continue performance under these Terms of Purchase.
- (G) Upon direction of Buyer, Seller shall also protect and preserve property in its possession in which Buyer or any of its direct or indirect customers may have an interest.
- (H) Buyer shall have the right to audit all matters relating to any termination claim, or any potential termination claim and Seller shall make available to Buyer on request all books, records and information relating thereto.

## **6. INSPECTION & REJECTION**

- (A) Notwithstanding payment, passage of title, or prior inspection or test, all goods are subject to final inspection and acceptance or rejection by Buyer at Buyer's facility and goods shall not be deemed accepted until actually so inspected.
- (B) Buyer, its direct and indirect customers, and representatives of the Federal Aviation



Administration and other regulatory bodies may inspect and test the goods to be furnished under these Terms of Purchase at the places where the work is being performed, including those of the Seller's suppliers, and Seller shall provide, without additional charge, reasonable facilities and assistance for safe and convenient inspection and test.

- (C) Buyer may inspect all or a sample of all goods at Buyer's option, and Buyer shall have the right to reject all or any portion of the goods if any such inspection reveals them to be, in Buyer's sole opinion, defective or nonconforming.
- (D) Seller shall reimburse Buyer for any losses or damages incurred (including, but not limited to, shipping costs) in connection with such rejection. Seller shall provide and maintain a test and inspection system acceptable to Buyer and its direct and indirect customers.
- (E) Records of all inspection work by Seller shall be kept complete and available to Buyer and its direct and indirect customers during the performance of these Terms of Purchase and for **SEVEN** years after final payment by Buyer or for such longer period as may be specified elsewhere in these Terms of Purchase or as may be required by applicable law or regulation.
- (F) Buyer may inspect its property delivered to Seller and Seller's records relating to the goods and services furnished under these Terms of Purchase.
- (G) Seller shall not replace goods returned as defective unless so directed by Buyer in writing.
- (H) Seller shall keep adequate records of hours of direct labor and all costs incurred in the performance of these Terms of Purchase, which records shall be subject to audit by Buyer.
- (I) All rejected materials will be held or returned at Seller's risk and expense. Without limiting Buyer's other remedies, all goods and services found nonconforming or defective as to material, workmanship, manufacture, or otherwise will immediately be repaired, corrected or replaced by Seller without expense to Buyer or, at the option of Buyer:
  - (i) Seller will refund the price of (or issue a credit for) all such nonconforming or defective goods and services,
  - (ii) such nonconforming or defective goods and services may be retained by Buyer subject to an equitable adjustment to price determined by Buyer,
  - (iii) Buyer may have such nonconforming or defective goods and services repaired, corrected or replaced at Seller's expense; or
  - (iv) the Order may be terminated in whole or in part for Seller's default.
- (J) If Buyer, in its sole discretion elects, Buyer may repair defective material that has been delivered by Seller if Buyer's delivery schedule requires such action and charge the cost thereof to Seller.
- (K) Seller shall also be responsible for all costs relating to such defects or noncompliance, including, but not limited to, costs of removal, disassembly, failure



analysis, fault isolation, reinstallation, re-inspection and retrofit.

- (L) Buyer will not be required to return defective materials prior to replacement and Seller agrees to accept the report of Buyer and/or any government authority in respect to such defective items. Rejected items shall not be resubmitted for acceptance without a concurrent notice of the prior rejection.

## **7. NONCONFORMITY MANAGEMENT, ANALYSES, & CORRECTIVE ACTION**

- (A) When the supplier detects a nonconforming product and would like to request an exemption, deviation or waiver of any requirement, they must contact and inform Buyer prior to shipment.
- (B) Any non-compliance detected by Buyer will undergo a extensive quality review, with the Buyer reserving the option to return any nonconforming product to the Seller.
- (C) At our discretion, the Buyer may asks the Seller to provide a comprehensive analysis of nonconformities detected utilizing appropriate problem-solving techniques (8D, 5P, Ishikawa/Fishbone analysis, etc.). The Seller agrees to determine the root cause of the nonconformity and use this as the basis for corrective action.
- (D) The Seller must return to the Buyer, within 10 business days, an analysis of the nonconformities detected, a report of all containment actions required, a valid root cause and an immediate corrective action to rectify the affected product. Also required will be a permanent corrective action plan that will prevent the failure from reoccurring. The Buyer reserves the right to require containment and read-across actions to be performed within 48 hours of detection in order to determine the size and scope of the problem.
- (E) If the Seller's supplier caused or contributed to the defect, the Seller agrees to flow down our request for analysis and corrective action. Regardless of fault, ultimate responsibility to deliver the analysis and corrective plan rests solely on the Seller.

## **8. CHANGES & REVISIONS**

- (A) Buyer may at any time, by a written change order, without notice to any sureties, make changes in any one or more of the following:
  - (i) drawings, designs, specifications, where the articles to be furnished are to be specially manufactured for the Buyer in accordance therewith,
  - (ii) method of shipment or packing,
  - (iii) place or time of inspection, delivery, or acceptance, and
  - (iv) the amount and types of Buyer's Property.
- (B) If any such change causes an increase or decrease in the cost of, or time required for, performance of these Terms of Purchase an equitable adjustment shall be made in the price or delivery schedule or both and these Terms of Purchase shall be modified accordingly.
- (C) Any changes in process, product, or services shall require advanced notification and written approval by Buyer.
- (D) Any change made by Seller, without written approval by the Buyer, shall be deemed voluntary by Seller and not compensable in the cost of or time required for performance and nothing in this clause shall excuse Seller from proceeding with performance of these



Terms of Purchase as contemplated by the Purchase Order prior to the change.

## 9. REPRESENTATION & WARRANTIES

- (A) In addition to its standard warranty and/or service guaranty, Seller represents and warrants to Buyer and Buyer's direct and indirect customers that:
- (i) Seller has good and merchantable title to all goods supplied hereunder and that such goods shall:
    - (a) be free and clear of all liens and encumbrances;
    - (b) be in conformance with all functional and performance requirements;
    - (c) be free from any defects in design, material or workmanship,
    - (d) be of good and merchantable quality,
    - (e) conform to applicable specifications, drawings, samples and designs; and be fit for the known purposes for which purchased hereunder, and comply and have been produced, processed and delivered in conformity with all applicable federal, state or other laws, and administrative regulations and orders.
- (B) All services performed under these Terms of Purchase shall be free from defects in workmanship, will meet all applicable requirements and specifications, will be performed to the highest standards in the industry in conformity with all applicable federal, state or other laws, and administrative regulations and orders.
- (C) The warranty period shall be suspended and tolled upon notice to Seller that nonconforming goods or services have been furnished until they have been repaired, corrected or replaced and redelivered to Buyer or, in the case of nonconforming services until they have been corrected.
- (D) Seller warrants that none of the goods furnished under these Terms of Purchase are surplus, used, remanufactured or reconditioned, and that none of such goods are of such age or so deteriorated as to impair the usefulness or safety of such goods.

## 10. INDEMNITIES

- (A) Seller shall indemnify and hold Buyer, its successors and assigns and their direct and indirect customers and their respective directors, officers, employees, affiliates, agents and invitees harmless from and against any and all losses, liabilities, damages and expenses (including reasonable attorneys' fees and other costs of defending any claim or action) which any of them may incur (by reason or on account of property damage, death, personal injury or otherwise) in connection with or relating to any actual or alleged: (i) claim of negligence, (ii) breach of representation and/or warranty, (iii) strict liability in tort, (iv) defect or fault in goods or services, or (v) other claim in connection with the performance of these Terms of Purchase.
- (B) Seller and Buyer shall keep and hold one another harmless from all damages, costs and liabilities arising out of or in connection with the presence of their personnel on the other's premises pursuant to these Terms of Purchase, provided, however, that such damage, loss and liability shall not have been caused by the negligence of the personnel of the



indemnified party.

#### **11. PRICES, INVOICES, & TAXES**

- (A) Seller agrees to execute and perform in accordance with these Terms of Purchase at the price shown on the Order. If Seller at any time during the effectiveness of these Terms of Purchase quotes or sells similar materials or services under similar conditions to any other customer at lower prices than those stated herein, such lower prices shall from that time be substituted for the prices stated on the Order.
- (B) Unless otherwise expressly provided on the Order, the price stated on the Order shall be deemed to include any and all taxes and other government charges, now imposed or hereafter becoming effective, upon the production, sale, shipment, or use of the goods and services and Seller shall pay and discharge all such taxes and charges without reimbursement from Buyer.
- (C) Invoices shall be submitted in duplicate and shall contain the following information: order number, item number, description of goods and services, sizes, quantities and unit prices.
- (D) Buyer will pay invoices submitted hereunder within 30 days after receipt of invoices and acceptance of delivered items. Buyer may make any adjustment in Seller's invoices due to shortages, late delivery, rejections or other failure to comply with the requirements of these Terms of Purchase before payment.
- (E) Payment periods and cash discounts will be computed from either the date of delivery or acceptance or the date of receipt of correct and proper invoices prepared in accordance with the Order, whichever is latest. Buyer may extend the payment date by the same number of days that the goods or services were delivered later than called for under these Terms of Purchase.
- (F) Seller shall be liable for any taxes, duties or other assessments in connection with the sale, delivery, transfer, export, import or transportation of the goods ordered or services performed, except as otherwise expressly provided on the Order.
- (G) Seller shall be responsible for obtaining all required governmental approvals in connection with these Terms of Purchase, including import and export licenses and exchange permits.

#### **12. WORK TRANSFERS, SUBCONTRACTS, & ASSIGNMENTS**

- (A) Seller shall not subcontract, assign or sublet the work to be done hereunder without the prior written consent of Buyer, but this provision shall not restrict Seller in the procurement of parts or materials.
- (B) To the extent that Seller procures any parts or materials to be furnished hereunder for which the Seller shall take full responsibility, Seller agrees to require compliance with these Terms of Purchase by its suppliers or subcontractors as though such suppliers or subcontractors were Seller.
- (C) These Terms of Purchase and Buyer's rights under these Terms of Purchase may be





assigned by Buyer without the consent of, or notice to, Seller.

### **13. LEGAL & REGULATORY COMPLIANCE**

- (A) Seller agrees and certifies that the goods and services to be manufactured or furnished hereunder have been and/or will be produced in compliance with all applicable laws, executive orders, rules and regulations.
- (B) Seller agrees to comply with applicable Export Laws and Regulations of the United States and further agrees to comply with any and all export laws and regulations regarding the export and transfer of information.
- (C) Seller further acknowledges that the transfer of aircraft components or information may require an individual validated export license from the U.S. government in order to export, re-export, transship or otherwise provide same to a non-U.S. person (even if such person is in the U.S. at the time of receipt). Such persons include, but are not limited to, employees of either party who are not U.S. citizens and non-U.S. divisions and subsidiaries of either party.
- (D) Seller shall not export or otherwise transfer such covered components or information to a non-U.S. person without the Buyer's prior written permission.

### **14. JURISDICTION, APPLICABLE LAW, DISPUTES, & ATTORNEYS' FEES**

- (A) These Terms of Purchase shall be governed by and construed under the laws of the State of Florida without resort to Florida's conflicts of laws rules.
- (B) Buyer and Seller hereto irrevocably submit to the jurisdiction of the courts of the State of Florida and the Federal courts of the United States of America located in Broward County in the State of Florida, in any action or proceeding arising out of or relating to these Terms of Purchase, or any document or agreement delivered in connection with or in furtherance of these Terms of Purchase, and Buyer and Seller hereby irrevocably agree that all claims in respect of any such action or proceeding must be brought and/or defended only in such courts.
- (C) Buyer and Seller irrevocably waive, to the fullest extent each may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.
- (D) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, trial by jury in any suit, action or proceeding arising hereunder.
- (E) The prevailing party in any litigation arising hereunder will be entitled to recover its reasonable costs thereof, including, without limitation, reasonable attorneys' fees and expenses.
- (F) If Seller is incorporated outside the United States, to the extent that Seller or any of its property is or becomes entitled at any time to any immunity on the grounds of sovereignty or otherwise from any legal action, suit or proceeding, or other legal process in any jurisdiction, Seller for itself and its property does hereby irrevocably and unconditionally waive, and agrees not to assert, plead or claim, any such immunity with respect to its obligations, liabilities or any other matters resulting from or arising under or in connection



with these Terms of Purchase for the subject matter hereof.

- (G) Pending the resolution of any dispute hereunder (whether prior to litigation, during litigation or upon appeal), at Buyer's option, Seller shall proceed diligently with performance under these Terms of Purchase.

#### **15. CONFIDENTIALITY**

- (A) Except as required by law, the Seller shall not directly or indirectly disclose (or permit its employees, agents, subcontractors or suppliers to disclose) any and all information supplied by or on behalf of Buyer which Buyer deems to be confidential, valuable or proprietary or which Seller should reasonably believe to be confidential, valuable or proprietary to Buyer, including, but not limited to, the prices and terms hereof.
- (B) Unless the written consent of Buyer shall first be obtained and except as required by law, Seller shall not in any manner advertise or publish or release for publication any statement mentioning Buyer or the fact that Seller shall have furnished or contracted to furnish to Buyer goods and services or quote the opinion of any employee of Buyer.

#### **16. SEVERABILITY**

- (A) If any part of these Terms of Purchase shall be held invalid, illegal and/or unenforceable, it shall be deemed separable and the remainder of these Terms of Purchase shall continue in full force and effect, and in lieu of such invalid, illegal and/or unenforceable provision there shall automatically be added as part of these Terms of Purchase a provision as similar in terms to such invalid, illegal and/or unenforceable provision as may be possible which is valid, legal and enforceable.
- (B) If Buyer deems that any provision automatically added to these Terms of Purchase pursuant to the immediately aforementioned sentence adversely affects it, Buyer may cancel, amend, and/or waive all, or any part, of these Terms of Purchase.