

Accurus Aerospace, Tulsa OK General Purchase Order Terms and Conditions

1. **ACCEPTANCE:** This purchase order is Buyers offer to Seller, and acceptance is strictly limited to its terms. Buyer shall not be bound by and specifically objects to any terms or conditions which are different from or in addition to the provision of this purchase order. Seller's commencement of performance or acceptance of the purchase order in any manner shall conclusively evidence Sellers acceptance of the purchase order as written. Buyer may revoke any purchase order prior to Buyers receipt of Sellers written acceptance or Sellers commencement of performance.
2. **DEFINITIONS:** Wherever used in this purchase order, (A) "Product" means (1) goods purchased and described on any purchase order and (2) services purchased and described on any purchase order; (B) "FAR" means the Federal Acquisition Regulations in effect at the date of the purchase order; (C) "Purchase Order" means this purchase contract, including the provisions on its face, these general provisions, and all of the specifications, technical descriptions, statements of work, drawings, designs, documents, and other requirements and provisions attached to, incorporated into or otherwise made a part of this purchase contract by Buyer; (D) "Buyer" shall mean Accurus Aerospace, Tulsa OK; and (E) "Seller" shall mean the legal entity to whom this purchase order is issued; (F) "Parties" shall mean Buyer and Seller collectively.
3. **QUALITY SYSTEM:** Seller shall maintain an effective Quality System based upon the product complexity and Buyer contractual requirements. Responsibility for control of Quality shall be clearly designated within the Seller's organizational structure. The system shall provide controls capable of maintaining design conformance, product quality and integrity. The system shall also comply with all applicable requirements of this purchase order and all applicable flow down requirements of the Buyer's Customer. The complete Quality Assurance Manual is located at <http://www.accurusaero.com/locations/accurus-aerospace-tulsa/> .
4. **SHIPMENT:** The Incoterms shall be designated on the purchase order. Risk of any loss and/or damage to Products occurring before receipt at the delivery point specified shall be Seller's responsibility. Title shall pass to Buyer upon acceptance (except as otherwise specified within the purchase order); however, passing of title shall not relieve Seller of any other obligations under this purchase order.
5. **DELIVERIES:** Seller deliveries shall be strictly in accordance with the specified quantities, without shortage or excess; the specified schedules; and other requirements of this purchase order. Seller shall promptly notify Buyer in writing of any anticipated or actual delay, the reasons therefore, and the actions being taken by Seller to overcome or minimize the delay. If requested by Buyer, Seller shall at Seller's expense ship via air freight or other fast transportation to minimize the delay to the maximum extent possible. NOTE: PARTS TO BE SHIPPED NO SOONER THAN TWO (2) WEEKS PRIOR TO THE PURCHASE ORDER ON DOCK DATE.
6. **PACKAGING / SHIPPING:** Seller shall prepare and pack the goods to prevent damage and deterioration, to conform to any specified packing requirements if listed on the purchase order; and to comply with carrier tariffs. Charges for preparation, packaging, etc., are included in the price unless separately specified in the order. The risk of loss of the goods shall remain with Seller until delivery of the goods in an acceptable condition to the destination specified herein.
7. **INVOICE AND PAYMENT:** Unless otherwise noted in the applicable purchase order, a separate invoice in duplicate shall be issued for each shipment of goods and no invoice shall be issued prior to shipment of the products. Payment due date will be computed from date of receipt of goods or correct invoice, whichever is later. All original invoices are to be mailed and not shipped with the goods. A valid purchase order number and pack slip number must appear on all invoices. Invoices may be electronically submitted to accounting.tulsa@accurusaero.com .
8. **FIRST ARTICLE INSPECTION:** Seller shall perform First Article Inspection on first unit, part or assembly for each item of this purchase order. Documented results shall show actual dimensions or values of each feature and be provided with the first shipment of each part. They shall also be available at the Seller's facility upon request. All first article documentation shall conform to the requirements of AS9102. After completion of first article inspection, if in Buyer's sole judgment Seller is incapable of performance hereunder, Buyer may at its option and without cost or liability to Buyer, terminate this purchase order. Approval of first article does not guarantee acceptance of subsequent deliveries.
9. **PART CONTROL:** Seller agrees not to make any changes in material or design, which would affect the part, or any component thereof. Seller is to notify Buyer of any changes in Seller's process or location. Changes in Seller's process or location will require Seller to submit an amended or new First Article Inspection Report to Seller for review.

10. **INSPECTION AND ACCEPTANCE:** All products purchased are subject to inspection and test, where applicable, at all times and places, including the period of manufacture. Notwithstanding prior inspection or test or any prior payment, all products ordered are subject to final inspection and acceptance at Buyers plant or other point of destination. If any inspection or test is made on Sellers premises, Seller, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of Buyers inspectors. Such inspections and tests will be performed in such a manner as to not unduly delay the work.
11. **REJECTION:** Buyer may reject, refuse acceptance or revoke acceptance of any or all of the products which are not strictly in conformance with all of the requirements of this purchase order, and shall notify Seller of such rejection in a timely manner. At Sellers risk and expense, all such products shall be returned to Seller for immediate rework, replacement, or other corrective action and expense, Buyer may: (A) hold; retain or return such products, without permitting any rework, replacement or other correction by Seller; (B) hold or retain such products by rework by Seller as Buyer may require; (C) hold such products until Seller has delivered conforming replacements for such products; (D) hold such products until conforming goods are obtained from a third party; or (E) return such products with instruction to Seller as to whether the products shall be reworked or replaced and as to the manner of redelivery. All rework, replacement and other corrections and redelivery shall be completed within such time as Buyer may require. All costs and expenses (to include freight) and loss of value incurred as a result of or in connection with non-conformance and rework, replacement or other correction may be recovered from Seller by equitable price reduction, set-off or credit against any amounts which may be owed to Seller under this purchase order.
12. **WARRANTIES:** Seller warrants to Buyer that the products shall conform in all respects to all of the requirements of this purchase order; be free from all defects in materials and workmanship, and to the extent not manufactured pursuant to detailed designs furnished by Buyer; be free from all defects in design and fit for the intended purpose.
13. **TOOLS:** If Buyer furnishes Seller equipment (such as special dies, molds, jigs, tools, gages, tapes, etc.) or pays for such equipment, title thereto shall remain or vest in Buyer and Seller shall identify, maintain and preserve such equipment and shall dispose of it in accordance with Buyer's direction. Unless otherwise authorized in writing by Buyer, Seller shall use such equipment solely in the performance of purchase orders for Buyer. Seller shall be responsible for any loss or damage, or destruction to such equipment, but Seller shall not include any insurance cost therefore or cost to store in the prices charged under this purchase order. Buyer also reserves the right to request and receive a list of Buyer owned tools in supplier's possession and to audit said list against actual tools at supplier's facility.
14. **MATERIALS:** If Buyer furnishes any material for fabrication hereunder Seller agrees: (A) not to substitute any other material in such fabrication without Buyer's consent; (B) title to such materials shall not be effected by incorporation or attachment to any other property, (C) to maintain strict accountability to ensure positive individual lot integrity of finished product, and (D) all such material "except that which becomes normal industrial waste or is replaced at the Sellers expense" will be returned in the form of product or unused material to Buyer. In addition, Seller shall inspect any Buyer furnished material and shall have the right to reject any non-conforming material, but in the event of losses or addition thereafter Seller shall be responsible for replacing such material at Seller's expense. Inaccuracies, out of tolerance condition or inadequacies in quality of materials accepted by the Seller shall not excuse performance in strict accordance with the applicable specifications and/or drawings.
15. **MATERIAL AND SCRAP ALLOWANCE:** Scrap Allowance is defined as two percent (2%) of the total purchase order quantity or one (1) part, whichever is greater. Cost figures to be debited to Seller are calculated as follows: (A) If Buyer has labor and subcontract costs into the job at the time that Seller scraps parts in excess of the Scrap Allowance, then total debit to Seller will be equal to [(Time into part)(\$80/hour)+(Cost of material)+(Subcontract cost)][1.18]; and (B) If Buyer has material cost only into the job at the time of Seller scraps parts in excess of the Scrap Allowance, then total debit to Seller will be equal to (Cost of Material)(1.18).
16. **CHANGES:** Buyer may at any time, by a written change order, issued by an authorized representative of Buyer, make changes within the general scope of this order at no cost as follows: (A) schedule, provided that at least three (3) months notices is given to Seller in which any deceleration or acceleration in the delivery schedule is to take effect; (B) drawings, designs or specifications; or (C) place of delivery. If any such change causes an increase or decrease in the cost of, or in the time required for the performance of any part of the work under this order, an equitable adjustment shall be made in the price or delivery schedule, or both, and this order modified in writing accordingly. The amount of the price adjustment for each product shall be determined by multiplying the original unit price plus any negotiated changes which are incorporated into the individual product price by three tenths of one percent (.3 of 1%) for each month that fails outside the changes at no cost period set forth above. No claim by Seller will be valid unless submitted in writing within sixty (60) days from the receipt of any change notice, provided, however, that the Buyer may in its discretion, receive an act upon any such claim so made at any time prior to that payment under this order. Nothing in this clause shall excuse the Seller from proceeding without delay to perform this order as changed.
17. **STOPWORK:** Buyer may, at any time, by written order to Seller, require Seller to stop all, or any part, of the work called for by this purchase order for a period of up to ninety (90) days after the stop work order is delivered to Seller, and for any further period to which the Parties may agree. Upon receipt of a Stop Work notice, Seller shall immediately comply with its terms and take all reasonable steps to minimize the

incurrence of costs allocable to the work covered by the Stop Work notice during the period of work stoppage. Within the period of the work stoppage, Buyer shall either (A) cancel the Stop Work notice, or (B) terminate the work covered by such Stop Work notice as provided in the Termination Without Cause term within this purchase order. If the Stop Work notice is cancelled, the Seller shall resume work. An equitable adjustment shall be made in the delivery schedule or purchase order price, or both, and the purchase order shall be modified in writing accordingly.

18. **TERMINATION:** (A) Without Cause: Buyer may terminate this contract in whole or from time to time in part, effective as of the date specified by Buyer, in accordance with the provisions of the termination clause in FAR 52.249-2, which provisions are incorporated herein by reference, however, in FAR 52.249-2, "Contractor" shall mean "Seller", and "Contracting Officer" and "Government" shall mean "Buyer", throughout paragraph (e) substitute six (6) months for one (1) year; in paragraph (l) substitute forty-five (45) days for ninety (90) days, and paragraph (d) is deleted.

(B) With Cause: If Seller fails to make delivery of the products, or fails to perform the services, in accordance with the delivery dates specified in the purchase order, or fails to perform with any other provisions of this order, or so fails to make progress as to endanger performance of this order in accordance with its terms, and does not cure such failure within seven (7) days after notice from the Buyer. Buyer may (in addition to any other right or remedy provided by this order or by law) terminate all or any part of this order by written notice to Seller without liability and purchase substitute goods elsewhere, and seller shall be liable to Buyer for any excess costs incurred by Buyer. Seller shall continue performance of this order to the extent not terminated pursuant of this Section. If this order is terminated as provided in this Section, the Buyer, in addition to any other rights provided herein may require Seller to transfer title and deliver to the Buyer (i) any completed goods and (ii) such partially completed goods and materials parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights as the Seller has specifically produced or specifically acquired for the performance of this order.
19. **TERMINATION LIABILITY:** Notwithstanding any other clause of this order, including but not limited to the termination-convenience and changes clauses, Buyer shall not in any event be liable for any costs associated with the production of the goods herein incurred in advance of one-hundred twenty (120) calendar days prior to the purchase order on dock date/dates set forth in this order. Any such costs incurred will be at the Seller's risk and expense.
20. **RESPONSIBILITY FOR PERFORMANCE:** Seller must exercise reasonable business judgment in performing the terms of this order with consideration given to changes which may from time to time be required and subject to the conditions set forth in the "CHANGES" Section above. Buyer's issuance of this order is based in part on Buyer reliance upon Seller's ability, expertise and awareness of the intended use of the goods and in the use of good business practices in manufacturing those goods.
21. **SUBCONTRACTING:** Seller may subcontract a portion or its entire obligation under this purchase order to a sub-tier provided all Seller subcontracts and purchase orders provide the Buyer the same rights and protection by flowing down the terms and conditions of the Buyer's purchase order.
22. **EXPORT AND IMPORT COMPLIANCE:** Seller shall comply with the laws and regulations of the United States relating to exports and foreign transactions, including, but not limited to, the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR). Specifically, Seller shall not disclose any technical data, nor deliver or export any product manufactured by use of technical data, out of the United States, or to any foreign entities within the United States, without proper written authorization from the United States Government.
23. **SELLER'S DISCLOSURE:** Seller will immediately notify Buyer in writing when discrepancies in Seller's processes or product are discovered or suspected for Products Seller has delivered or will deliver under this purchase order.
24. **ASSIGNMENT:** Seller shall not assign any of its rights under this purchase order without Buyer's prior, written consent, except as specifically stated in this clause. Seller may assign to a bank, trust company, or other financing institution including any federal lending agency, claims for money due or to become due to Seller from Buyer under this purchase order, provided: (A) the Assignment is limited to one (1) party, covers all amounts payable under the purchase order and not already paid, is not subject to further assignment, and is made specifically subject to reduction and set-off or recoupment for any present or future claim or claims or indebtedness which Buyer may have against Seller, and (B) Seller furnishes to Buyer written notice of assignment and a true copy of the instrument of assignment. Buyer may make direct settlements or adjustments in price, or both, with Seller under the terms of this purchase order notwithstanding any assignment of claims for money due or to become due under this purchase order and without notice to any assignee.
25. **DISPUTES:** Any dispute that may arise under or in connection with this purchase order with respect to the rights, duties, or obligations of the Parties shall be reduced to writing and submitted for resolution to ascending levels of management of the respective Parties up to the Senior Executive of Procurement for the Buyer, and Seller's equivalent executive level.

26. **APPLICABLE LAW:** The validity, performance and construction of this order shall be governed by the laws of the State of Delaware. Venue for any action by the Buyer or Seller arising out of this purchase order shall be exclusively Delaware.
27. **COMPLIANCE WITH LAWS:** Seller warrants that it shall comply with all federal, state and local laws, rulings, and regulations in effect on the date of this purchase order. Seller may not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin.
28. **TAXES:** Seller's prices include applicable federal, state and local taxes. Items procured under this purchase order are for resale and are not subject to Oklahoma State and local sales or use tax.
29. **CONFIDENTIALITY:** Seller shall not disclose any details of this contract to a third party without Buyer's written consent.
30. **AUDIT AND SURVEY:** Buyer shall have the right to periodically audit or survey processes and methods used by Seller during fabrication or processing of items for the purpose of determining whether Seller is adhering to quality standards set forth by Buyer or its customers. All items of the purchase order are subject to surveillance/audit, including facilities, equipment, personnel, product, procedures, systems and records at Seller's facility; such surveillance may be jointly performed by a representative of Buyer and its Customer, and/or the Federal Aviation Administration (or non-domestic equivalent agency).
31. **ATTORNEY FEES:** In the event of Seller's breach of any of the terms of this purchase order, Seller agrees to pay Buyer's actual attorney's fees and costs.
32. **NON-WAIVER AND PARTIAL INVALIDITY:** Any and all failure, delay or forbearance of Buyer insisting upon or enforcing at any time or times any of the provisions of this contract, or to exercise any rights or remedies under this contract, shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies in those or any other instances, rather, the same shall be and remain in full force and effect. Further, if any provisions of this contract become void or unenforceable by law, the remainder shall be valid and enforceable.
33. **LABOR DISPUTES:** Seller shall immediately notify Buyer of any actual or potential labor dispute which may disrupt the timely performance of Seller's obligations hereunder. Seller shall insert the substance of this clause, including this sentence, in any permissible subcontract, if a labor dispute of the subcontractor would have the potential to delay the timely performance of Seller's obligations hereunder.
34. **ENTIRE AGREEMENT:** This order sets forth the entire agreement, and supersedes any and all other agreements, understandings and communications between the Buyer and the Seller and related to the subject matter of this order. The Buyer and Seller may amend, modify or supplement the terms and conditions of this purchase order, provided that such amendment, modification or supplement is in writing, duly executed by the Buyer.