



## ALIGN AEROSPACE LLC PURCHASE ORDER GENERAL TERMS AND CONDITIONS

- 1. Terms and Conditions.** The terms and conditions set forth in this Order or in subsequent changes hereto (the "Order") constitute the entire agreement between the parties regarding the goods and services (collectively the "Goods") set forth in any subsequent Order. No terms and conditions, other than the terms and conditions set forth in the Buyer orders, including terms and conditions contained in Seller's Order acknowledgement shall be binding upon Buyer, unless accepted in writing. Seller shall ensure its personnel understand the role they play in conformity, product safety, and ethical behavior, as part of meeting the final product requirements. Seller will be deemed to have assented to all terms and conditions contained herein upon receipt of Seller's acknowledgement of receipt of this Order, or if all or any part of the goods covered by Buyer's orders are shipped.
- 2. Compliance with Statutes and Government Regulations.** Seller warrants that in the performance of work under Buyer orders, it has complied with or will comply with all applicable federal, state, and local laws and ordinances and all lawful orders, rules and regulations thereunder, including but not by way of limitation, the Fair Labor Standards Act of 1938 as amended (29 U.S.C. Sections 201-219), the Walsh-Healy Public Contracts Act as amended (41 U.S.C. Sections 35-45) or the Eight-Hour law of 1912 as amended (40 U.S.C. Sections 324-326) Copeland Anti Kickback Act (41 U.S.C. Sections 51-54), Service Contracts Act of 1965 (41 U.S.C Section 351), Davis Bacon Act (40 U.S.C. Section 276(a)), Contract Work Hours Standards Act of 1962 (40 U.S.C. 327-330), as amended, Occupational Safety and Health Act of 1970, as amended (29 U.S.C. Sections 651-678) and the Fastener Quality Act (15 U.S.C. 5401-5414). Supplier agrees to conform to all ITAR and EAR export regulations and related executive orders. Seller shall defend, with counsel of Buyer's choosing, indemnify and hold harmless Buyer from and against all claims, demands, causes of action, losses, costs, fees and damages arising directly or indirectly, from any actual or alleged failure by Seller to comply with any federal, state or local statutes or other legal obligations.
- 3. Inspection.** Notwithstanding (i) payment, (ii) passage of title, or (iii) prior inspection or test, all Goods are subject to final inspection and acceptance or rejection by Buyer at Buyer's facility. At all reasonable times including the period of manufacture, Buyer, its customers, and/or representatives of the Federal Aviation Administration or other cognizant aviation regulatory bodies may inspect and/or test the Goods to be furnished hereunder at the places where the work is being performed, including those of the Seller's suppliers. Seller shall provide, without additional charge, reasonable facilities and assistance for safe and convenient inspection and test. Buyer shall have the right to reject all or any portion of the Goods or lot of Goods. Buyer may return such goods to Seller, or have them corrected, in either event at Seller's sole expense. Seller shall provide and maintain a test and inspection system acceptable to the Buyer and its customers. Records of all inspection work by Seller shall be kept complete and available to Buyer and its customers during the performance hereof and for ten (10) years after final payment by Buyer or for such longer period as may be specified elsewhere herein. Inspection or failure by Buyer to inspect and reject goods shall neither relieve Seller from its warranties nor other responsibility for such goods.
- 4. Nonconforming Product.** The Supplier is responsible for establishing controls to ensure that products / services not conforming to the purchase order are identified, segregated, dispositioned, and controlled to prevent inadvertent use. All costs associated with non-conforming material (including freight, handling, material replacement, inspection costs, rework, etc.) may be charged back to Supplier. Supplier authorization to return nonconforming product is required within 24 hours of notification. In the event that Supplier identifies a nonconformance with products or material, Supplier shall notify Buyer. Supplier must quarantine and contain suspect lot(s) and withhold shipment of these lot(s) until authorized by Buyer's quality representative. Supplier is responsible to address containment of the nonconforming product in transit and at Supplier's facility. If suspect product has been shipped, Supplier must notify Buyer's Quality and Purchasing representative within 24 hours and provide complete traceability information for known or suspect nonconforming product shipped, including but not limited to batch/lot number, purchase order, part identification, and dates of shipment.
- 5. Patent, Copyright and Trademark Indemnity.** Seller shall indemnify and hold harmless Buyer from any and all damages, costs, including legal fees, losses, and liabilities resulting from a suit or proceeding from infringement of any patent, trademark or copyright by reason of the sale or use of any product sold to Buyer hereunder, and from reasonable expenses incurred by Buyer in defense of such suit or proceeding. In the event of an injunction or restraining order, Seller shall, at its



own expense, either procure for Buyer the right to continue to sell and use the product, or replace or modify the product so that it becomes non-infringing. Seller shall also indemnify Buyer's customers and agents for such infringement if and to the extent that Buyer has agreed so to indemnify them, but to no greater extent than Seller has indemnified Buyer herein and under the same conditions as set forth herein.

6. Time of Performance, Delivery and Shipment. Delivery of the goods, related data, documentation and/or services in accordance with the schedule is a material requirement of this Order. TIME IS OF THE ESSENCE. Seller shall, at its expense, ship by express or air shipment if the delivery schedule is endangered for any reason other than Buyer's fault. If the delivery of parts is not completed by the time promised, or if it appears Seller will not be able to meet the schedule set forth in orders, the Buyer reserves the right, in addition to its other rights and remedies, to terminate orders, to purchase substitute goods/services elsewhere and charge the Seller with any loss incurred. Seller shall notify Buyer in writing immediately of any event that would delay Seller's performance of Buyer orders. Delivery of defective parts or parts without the required documents shall not be deemed to satisfy the delivery requirements of Buyer's orders. Buyer reserves the right to reject all or any part of any delivery that varies from the quantity authorized by Buyer for shipment. All Goods shall be packaged in accordance with Buyer's instructions or, if none are specified, in accordance with good commercial practice in a manner sufficient to ensure arrival in an undamaged condition. Items shipped more than ten (10) days in advance of Buyer's delivery schedule may be returned at Seller's expense, unless the order is coded as "or sooner". Seller shall give notice of shipment to Buyer at the time of delivery of any shipment of Goods to a carrier for transportation. Title and risk of loss to Goods shall pass to Buyer at the f.o.b. point specified in the Order.
7. Assignment or Subcontracting. No assignment or subcontracting of Buyer orders by Seller shall be made without the express written approval of Buyer. Payment to assignee of any claim under this Order shall be subject to set-off or recoupment for any present or future claim or claims which Buyer may have against Seller.
8. Required Certification. Seller shall deliver to Buyer the parts and documents required by this Order, each of which shall identify the lot to which it relates. Written notice of nonconforming parts must be forwarded to Buyer immediately for items already shipped, or prior to shipment. Such notice shall state whether the non-compliance affects form, fit or function of the part. Unless otherwise set forth on the face of Seller's invoice, Seller certifies it is the manufacturer of the part, or an authorized dealer of such manufacturer and has documentation to trace each part by lot number to the manufacturer; and the parts have been manufactured in the United States of America. If any part is manufactured to a specification prepared, called out or governed by any Original Equipment Manufacturer ("OEM") or other customer of Buyer, Seller represents that the manufacturer of the part is listed on the Qualified Products List (QPL), Approved Equivalent Parts List (AEPL) or the equivalent list of the OEM or customer for the specification for that particular part at the date of the shipment of the part.

Each part shall be delivered in a container conspicuously marked with the name of the manufacturer, the part number and specification and the lot number. Parts shall contain all the markings required by the Act and Regulations, if applicable.

Seller shall provide the following quality records and documentation, as noted in the Order:

Manufacturer's Certificate of Conformance ("Mfg. C. of C."). A certification signed with a legible signature by an authorized representative of the manufacturer, whose name and title shall also be printed or typed, that the parts have been manufactured according to the standards and specifications to which it represents such part to have been manufactured and the requirements of the applicable standards and specifications for such part, and any revision thereof as of the date of shipment of the part, and (i) if any Fastener Quality Act ("Act") is presently in effect and applicable to a part, that such part has been inspected and tested by a laboratory accredited pursuant to the regulations under the Act ("Regulations") and that the original laboratory test reports ("Accredited Report") required by the Act are on file with the manufacturer, and (i) if the Act is not applicable to a part that original signed laboratory test reports ("Report") are on file with the manufacturer.

Manufacturer's Test Reports ("Mfg. Test Reports"). A copy of all the accredited reports and reports including all physical and chemical tests of the parts as required by the standards and specifications for such parts.

Manufacturer's "Mfg. Phys. & Chem. Reports". A copy of all the raw material used in the part certified by the person making such report.



Manufacturer's "Smelt Source Report". A copy of smelt source including country of smelt for the raw material used in the part certified by the person making such report.

Process Certification ("Process Certs."). A certification by an outside facility with respect to processes or operations performed for the manufacturer.

Supplier's Certificate of Conformance ("Supplier's C of C") by a Seller other than the manufacturer. Seller has on file a Mfg. C of C, a copy of which shall accompany Supplier's C of C.

9. Required Record Keeping. Seller agrees to retain quality records for a minimum period of ten (10) years from the date of shipment. Quality records include, but are not limited to Approved Certificates of Conformity, Test Reports, Raw Material Certifications, Special Process Certifications, FAIR's in accordance with AS9102, Travelers and Calibration records. Seller agrees to make the original and/or copies of each record available per Buyer or of any direct or indirect customer of the Buyer's request.
10. Changes. 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 Goods 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; (iv) the quantity and/or type of services ordered, and (v) the work or service schedules. If any such change causes an increase or decrease in the cost of or time required for performance of this Order, an equitable adjustment shall be made in the price or delivery schedule or both. No claim by Seller for adjustment hereunder shall be allowed unless made in writing for a specified amount within twenty (20) days from the date of Buyer's notice of such change. Only Buyer has authority to approve a change. Nothing in this clause shall excuse Seller from proceeding with performance of this Order as changed.
11. Seller's Changes. During performance of this Order, Seller shall not make any changes in the design of Goods to be furnished by Seller under this Order without advance written notification to and written approval of the Buyer. If there is a change in Supplier facilities, utilized equipment, process that affects product, upper level management, or sub-tier Suppliers, Supplier shall notify Buyer of such change in writing. In addition, if Supplier loses an accrediting agency certification or is put on suspension by a registrar, Supplier shall notify Buyer's Purchasing and Quality representative of the occurrence in writing within 10 working days. When Supplier's certificate expires, a copy of the new certificate shall be forwarded to Buyer immediately. Notwithstanding the above, or any other provision of this Order, Seller hereby agrees that no changes to the Goods that may be required by Seller in order to meet the specified performance requirements of this Order shall entitle the Seller to any adjustment in either price or delivery.
12. Warranties. Seller warrants to Buyer, its successors, assigns and customers that for a minimum period of twenty-four (24) months after delivery to Buyer, that all Goods furnished will be free from defects in material and workmanship, will conform to applicable drawings, designs, specifications and samples, will meet all functional and performance requirements and, be merchantable and fit for the intended purpose.  
  
Seller shall repair or replace any nonconforming products within ten (10) days of rejection by Buyer. The failure of Seller to timely repair or replace rejected products shall entitle Buyer at its election and in addition to any other rights or remedies it may have at law or in equity, to have such nonconforming products repaired or replaced at Seller's expense. In addition, Seller shall be responsible for the costs of removal, disassembly, failure analysis, fault isolation, reinstallation, re-inspection and retrofit required to deliver conforming products and/or services. A new warranty period shall commence upon return to Buyer of repaired or replaced nonconforming Goods.
13. Gratuities. Seller warrants that neither it, nor its employees, agents and representatives have, or will offer gratuities to any officer or employee of Buyer for the purpose of securing favorable treatment under any Contract or Order.
14. Setoff. Buyer may setoff any amount due from Seller to Buyer, whether or not under this Order, from any amounts due to Seller under this Order.
15. Designs, Drawings and Data. With respect to Goods for which any technical information, written, oral or otherwise, i) has been supplied to Seller by or on behalf of Buyer; or ii) Seller has designed at Buyer's expense; or iii) Seller has designed



specifically to meet Buyer-furnished technical requirements (hereinafter designated "Information"), Seller, in consideration of Buyer's furnishing of such Information and/or design funding, agrees that it will not use, or assist others in using, such Information, design funding or tooling to develop (including obtaining a Parts Manufacturing Approval (PMA) from the Federal Aviation Administration (FAA) pursuant to Part 21.303 of the Federal Aviation Regulations (FAR) or sell such Goods (or similar interchangeable or substitute Goods, or parts thereof) to anyone other than Buyer, either as production, spare or repaired Goods, without Buyer's prior written consent. Seller shall not use or disclose such information except in the performance of orders for Buyer, and, upon Buyer's request, such information and all copies thereof shall be returned to Buyer. If Seller develops, seeks a PMA or sells the Goods hereunder, or assists others in doing so, (or similar interchangeable or substitute Goods, or parts thereof) to anyone other than Buyer, the burden shall be on Seller to establish that Buyer's Information, funding or tooling was not used.

16. Termination. Buyer may terminate this Order for convenience in whole or in part at any time by written or electronic notice stating the extent and effective date of such termination.

Buyer reserves the right to terminate this Order in whole or in part upon written notice for Seller's default, if: (i) Seller fails to deliver within the time specified or fails to perform or make progress in any other provision of the Order so as to endanger performance hereunder and does not cure the failure within ten (10) days after receipt of Seller's notice; or (ii) Seller becomes insolvent, suspends any of its operations, or any petition is filed or proceeding commenced by or against Seller under any state or federal law relating to bankruptcy, arrangement, reorganization, receivership or assignment for the benefit of creditors. Any such termination will be without liability to Buyer except for completed Goods delivered and accepted by Buyer. Seller shall be liable for damages caused by or resulting from its default, including but not limited to excess costs of re-procurement. Buyer or its designee shall have the right to audit all elements of any termination claim and Seller shall make available on request all books, records, and papers relating thereto. Termination of the Order for default shall be without prejudice to any other rights and remedies of Buyer under statute or common law. To the extent this Order is not terminated, Seller shall continue performance.

17. Stop Work Orders. Buyer may order the temporary stoppage of all or part of the work. Immediately upon receipt of such stop work order, Seller shall comply with its terms and take all reasonable steps to minimize the costs allocable to the work stoppage. Following such stoppage period, or any extension thereof to which the parties shall have agreed, Buyer shall either: (i) cancel the stop work order, (ii) let such order expire, or (iii) terminate the work covered by such order pursuant to the termination provisions herein. If a stop work order is cancelled or the period of any extension expires, Seller shall resume work as previously agreed.

18. Confidentiality. The Seller agrees: (i) to treat all information disclosed to Seller, whether oral or written, as confidential information; (ii) not to make or cause to be made, or permit any of its subcontractors (including lower tier subcontractors) without the prior written consent of Buyer, any release of information concerning this Order or any other information related to Buyer (other than to Seller's employees and subcontractors as required for the performance of their duties), including providing copies of this Order or identifying the Articles sold by Seller to Buyer; and (iii) not use the name of Buyer in any advertising or publicity.

19. Priorities, Allocations and Allotments. Regardless of whether a Government priority rating is shown on the face of the order, the Seller shall follow the provisions of the Defense Priorities and Allocation Systems Regulation (15 CFR Part 700, et seq.) (the "DPAS") and all other applicable regulations and orders of the Office of Industrial Resource Administration, Department of Commerce in obtaining and providing controlled materials and other products needed to fill a Buyer order which is now or hereinafter becomes a rated order pursuant to the DPAS.

20. Waiver and Severability. Any actions or inaction by Buyer shall not constitute a waiver of any right or remedy herein. The failure of Buyer to enforce at any time any of the provisions of an order or to exercise any option herein provided, or to require at any time performance of any of the provisions hereof, shall in no way be construed to be a present or future waiver of such provisions, nor in any way to affect the validity of an order of any part thereof, or the right thereafter to enforce each and every such provision. The express waiver of any provision, condition or requirement of an order shall not constitute a waiver of any future obligation to comply with such provision, or condition or requirement. A determination that any term of an order is unenforceable or invalid shall not affect the enforceability or validity of any of the remaining portion of an order.



21. Applicable Law, Forum and Disputes. Seller and Buyer agree that any Buyer order shall be governed, interpreted and construed in accordance with the laws of New York. Any action or claim by Seller with respect hereto shall be brought solely in the appropriate state or federal court in New York. Pending resolution of any dispute, action or claim relating to or arising out of a Buyer Order, Seller shall proceed diligently with performance of a Buyer Order in accordance with Buyer's decision and direction.
22. Indemnification. Seller will indemnify and save harmless Buyer, its directors, officers, employees, agents and invitees from and against all liability, demands, claims, losses, costs, damages and expenses, including but not limited to attorneys' fees, by reason of or on account of economic harm, either direct or indirect, to either Buyer or Buyer's customers, property damage, death and personal injury to Buyer or any third party of whatsoever nature or kind arising out of, as a result of, or in connection with the performance of this Order that is occasioned by the acts or omissions of Seller or its subcontractors or suppliers of any tier.
23. Taxes. The prices stated herein include all applicable federal, state and local taxes and duties except state and local sales and use taxes which by statute may be passed on to Buyer. Such sales and use taxes shall be separately stated on Seller's invoice and Buyer agrees either to pay such amount or furnish Seller with evidence sufficient to sustain an exemption therefrom. In the event it is determined that any taxes included in the prices herein are not required to be paid, Seller agrees to notify Buyer, and for taxes paid, to make prompt application from the refund thereof, to take all proper steps necessary to obtain same, and when received, to remit same to Buyer, or if not remitted, to decrease the order price accordingly.
24. Ozone Depleting Substances. Seller shall comply with the labeling requirements for Class I and Class II ozone depleting substances as required by Section 611 of the Clean Air Act Amendments of 1990 and the final rules (40 C.F.R Part 82) implementing the same (collectively, the "Ozone Act"). Seller shall accurately label, consistent with the requirements of the Ozone Act, any products which it is supplying to Buyer that contain a controlled substance or are manufactured with a controlled substance. In the event Seller discovers that it has failed to comply with the labeling requirements of the Ozone Act, it shall immediately notify Buyer of those products which failed to comply with the labeling requirements of the Ozone Act.
25. Brominated Fire Retardants. Seller certifies that Goods / products provided to fulfill the buyers order(s) do not contain brominated fire retardants Pentabromodiphenyl ether (PentaDBE) and / or Octabromodiphenyl ether (OctaDBE).
26. Quality System. Suppliers of military products (AN, MS, NAS, MIL, etc) must have a quality system compliant to the applicable military quality system standard as well as the latest version of ISO 9001. Buyer reserves the right to conduct quality system audits at the Supplier facility.  
  
Supplier quality system must ensure control of product sources inclusive of but not limited to the flow down of quality requirements through the supply chain, configuration (drawing, parts list, specification, etc.) requirements, management of quality documentation, certifications, nonconformance documentation, obtaining corrective actions and performing corrective actions. Supplier quality system must ensure availability and/or retrieval upon request of quality and manufacturing records from product source.
27. Right of Entry. The seller shall allow Buyer, and Buyer's customers, and regulatory agencies rights of entry to any place necessary to determine and verify the quality of contracted work, records and material, and to peaceably take possession of any work in process, goods, Goods, tools or test equipment owed to or owned by Buyer in the event Seller defaults under this Order.
28. Rights and Remedies of Buyer. The rights and remedies of the Buyer set forth herein shall be in addition to any other rights and remedies provided in law or equity and the failure or delay by Buyer to exercise any rights or remedies under this Order shall not operate as a general waiver thereof.
29. Most Favored Customer. The supplier warrants the prices shown in this Agreement are no higher than those which would be charged other customers or the United States Government in similar transactions.



30. **REACH.** (Regulation 1907/2006 on the Registration, Evaluation, Authorization and Restriction of Chemicals) was adopted by the European Union in 2006 and puts specific requirements on suppliers to provide data on the content of any Goods they provide to the supply chain. As a supplier to Align you are obligated to ensure the goods you supply contain less than 0.1% by weight of any Candidate List Substances (CLS), or you are required to notify Buyer of which CLS's are present if greater than 0.1% by weight. The Candidate List pursuant to Article 59 of REACH has been published by ECHA at: [http://www.echa.europa.eu/chem\\_data/candidate\\_list\\_table\\_en.asp](http://www.echa.europa.eu/chem_data/candidate_list_table_en.asp)
31. **New Material and Counterfeit Parts Prevention.** Seller acknowledges that the goods purchased by Buyer under the Order will be used in the manufacture or maintenance of aircraft or in other similar applications where the necessity of providing genuine parts from Buyer's designated and approved manufacturer(s) (the "Approved Manufacturer") is critical. Accordingly, Seller warrants that all goods supplied pursuant to the Order shall be new, unused, authentic, genuine and legitimate goods made or produced by the Approved Manufacturer, and that no counterfeit goods, "gray market" goods or goods from a source other than an Approved Manufacturer will be supplied pursuant to the Order. Seller shall maintain a system of traceability for all good supplied hereunder that tracks such goods back to the Approved Manufacturer and includes the Approved Manufacturer's batch or production lot identification number. If, subsequent to shipment, Seller suspects or becomes aware that some or all of the goods shipped pursuant to the Order do not meet the foregoing warranties, Seller shall immediately notify Buyer in writing. If, either as a result of a notification from Seller or as a result of Buyer becoming independently aware (or if Buyer reasonably suspects) that any good(s) supplied under the Order do not meet the foregoing warranties, Buyer may demand that Seller promptly replace all such goods with conforming goods, and Seller shall do so as quickly as reasonably possible. In the alternative, Buyer may return the non-conforming goods (or suspect non-conforming goods) and receive a full refund of the purchase price of such goods. Further, in any such event, Seller shall be liable for all costs related to the (i) replacement of any non-conforming goods, (ii) any testing or validation of the goods, (iii) approval and replacement costs and (iv) any penalty, fees, fine or other damages incurred by Buyer as a result of Seller's failure to comply with the foregoing warranties.
32. **Conflict Minerals.** Seller shall, upon request of Buyer and no later than thirty (30) days following each calendar year in which Seller has delivered any Goods to Buyer, complete and forward to Seller a comprehensive Conflict Minerals report in the form requested by Buyer.

The following clauses are incorporated in their entirety herein by this reference except "Contractor" shall mean "Seller".

Clause	Reference
52.202-1	Definitions
52.203-3	Gratuities
52.203-5	Covenant Against Contingent Fees
52.203-6	Restrictions on Subcontractor Sales to the Government
52.203-7	Anti-Kickback Procedures
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity
52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
52.203-12	Limitation on Payments to Influence Certain Federal Transactions
52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment
52.211-5	Material Requirements
52.211-15	Defense Priority and Allocation Requirements
52.212-5	Contract Terms and Conditions Required to Implement Statutes or Executive Orders – Commercial Items
52.219-8	Utilization of Small Business Concerns
52.222-4	Contract Work Hours and safety Standards Act
52.222.20	Walsh-Healey Public Contracts Act
52.222-21	Prohibition of Segregated Facilities
52.222-26	Equal Opportunity
52.222-35	Equal Opportunity for Special Disabled Veterans
52.222-36	Affirmative Action for Workers with Disabilities
52.222-37	Employment Reports on Special Disabled Veterans
52.222-40	Notification of Employee Rights Under the National Labor Relations Act
52.222-41	Service Contract Act
52.222-50	Combating Trafficking in Persons



52.222-54	Employment Eligibility Verification
52.223-11	Ozone Depleting Substances
52.223-13	Contractor Policy to Ban Text Messaging While Driving
52.225-13	Restrictions on Certain Foreign Purchases
52.229-3	Federal, State and Local Taxes
52.243-1	Changes
52.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals
52.225-7016	Restriction on Acquisition of Ball and Roller Bearings