



SUPPLIER / VENDOR TERMS & CONDITIONS

ACCEPTANCE

Unless otherwise specifically agreed to in writing, the following terms and conditions (as applicable to the products/services requested) shall apply to the **SUPPLIER'S** acceptance of Purchase Order and **Aero-Craft Hydraulics, Inc.(ACH)** acceptance of ordered items. In addition to these general requirements, any other applicable requirements shall be stated on the Purchase Order. The acceptance of order by the **SUPPLIER** shall be conclusive evidence of the **SUPPLIER'S** approval, consent, and agreement to the Purchase Order and the terms and conditions herein. **SUPPLIER'S** acceptance of such shall be implied by full or partial performance under, or indication thereof of the Purchase Order. Any terms and conditions listed on any **SUPPLIER** documents which are in addition to or in conflict with the Purchase Order or these terms and conditions are objected to unless otherwise mutually agreed upon in writing.

Upon acceptance of the Purchase Order **SUPPLIER** certifies that personnel are appropriately trained, qualified, and certificated (where applicable) for work performed while executing the Purchase Order. **SUPPLIER** shall also ensure that persons are aware of their contribution to product or service conformity, their contribution to product safety and the importance of ethical behavior.

QUALITY

SUPPLIER shall maintain a quality management system; preferably one that is approved by FAA, EASA or ISO/AS standards or which is acceptable and appropriate for the items supplied hereunder and shall comply with general industry standards. Items supplied shall meet the requirements of the applicable technical specifications and documentation (drawings, specifications, standards, etc.). The **SUPPLIER** shall comply with the revision in effect at the time the Purchase Order is issued unless otherwise specified on the Purchase Order. It shall be the sole responsibility of the **SUPPLIER** to monitor the technical specifications regarding materials, methods, form, fitness, and function are observed, whether or not the items have been manufactured by **SUPPLIER** or by any of the **SUPPLIER'S** subcontractors. If no specific requirements are stated, good industry and craftsman-like practice shall be observed.

ACH selects suppliers who meet and continue to meet the requirements stipulated in this document. **SUPPLIER** performance is monitored based on the **SUPPLIER'S** ability to provide quality product/services and on time delivery. **ACH** will periodically review **SUPPLIER** performance. Unsatisfactory **SUPPLIER** performance may result in Corrective Action request and change of approval status.

CERTIFICATION AND TRACEABILITY

All items must conform to the Original Equipment Manufacturer's (OEMs) specifications and tests. An 8130-3 tag or Certification of Conformance must accompany the items from **SUPPLIER'S** facility, including a statement of the condition of the item, back-up data on file for inspection, and signed by an authorized representative of the **SUPPLIER**. Should such certification not accompany the shipment, items will be held in quarantine and no payment will be processed until the proper certification is received. **ACH** reserves the right to be supplied with and/or audit such certification on all new items purchased. **ACH** will require traceability back to a valid FAA, EASA, OEM, or an approved source (such as a 121 operator or a 145 repair station) and full source documentation. The **SUPPLIER** shall control a process, appropriate to the **SUPPLIER** and its scope of work, that identifies and prevents the use of unapproved and suspected unapproved parts. All raw material, machining, and processing certifications shall be supplied at no cost if requested.

LIABILITY

The **SUPPLIER** is liable for all defects in items delivered, including concealed defects, even if they are recognizable and discovered only upon processing, installation, and/or use, and this is not subject to any time limit for claim by **ACH**. The **SUPPLIER** shall indemnify and hold **ACH** harmless from all claims arising from infringement of industrial proprietary rights, patents, copyrights, and other third-party rights, and **SUPPLIER** agrees that it will defend at its own expense any and all suits against **ACH** for infringement of any United States or foreign patent, copyright, or other intellectual property right. **ACH** has the option to reject nonconforming items. All rejected items will be returned at **SUPPLIER'S** expense. In urgent cases or in the event of delay in supplying a replacement, **ACH** shall, at the **SUPPLIER'S** expense, have the right to remedy the defects, or to procure a replacement elsewhere. This shall not affect **ACH'S** statutory warranty and liability claims, which are in addition to those expressly set forth herein.

FOREIGN OBJECT DEBRIS CONTROL (FOD)

The **SUPPLIER** shall maintain a FOD program/process that shall ensure work is accomplished in a manner preventing foreign object debris and damage to deliverable items. The Supplier shall maintain good work area housekeeping practices, parts protection, hardware and tool accountability and parts and material storage and handling in a manner adequate enough to preclude the risk of FOD incidents.

PACKAGING & SHIPPING

Unless otherwise specified, all packing and packaging shall comply with best commercial practice. The price includes all charges for such packing, packaging and transportation to the shipping point. All items must be packed in accordance with manufacturer specifications. All Hazardous Materials/Dangerous Goods shipped to or on behalf of **ACH**, must be packaged, labeled, and shipped in accordance with, and comply with the International Air Transport Association (IATA) and Federal Aviation Administration (FAA) regulations, as well as any and all other applicable laws and regulations. All shipments must be packaged in a way that shipped material will not be damaged.

SUPPLIER shall include with each shipment a packing slip containing the Purchase Order number, the item nomenclature/description, the item part number, the item serial number (where applicable), and the quantity of items.

If an SDS is required for this material, the **SUPPLIER** shall include one copy of the SDS, and it shall be identifiable and provided with each shipment of the items furnished under the order.

NONCONFORMING PRODUCT

ACH shall be contacted to provide disposition instructions when appropriate for nonconforming items that result from the Purchase Order, whether produced through manufacturing process, or a product from overhaul/repair maintenance activity. If an item/product is found to be nonconforming after being sent to **ACH**, the **SUPPLIER** must then notify **ACH** immediately of the nonconforming item/product.

PRICING & DELIVERY

All prices are stated in U.S. Dollars and shall stay firm during the entirety of the Purchase Order. Any price increases will be absorbed by the **SUPPLIER**.

If the **SUPPLIER** becomes aware of any circumstances that are likely to cause a delay in delivery of the ordered item(s), the **SUPPLIER** will immediately notify **ACH** in writing stating the reason for the delay and the updated delivery date. Upon receipt of this information, **ACH** reserves the right to keep or cancel the Purchase Order without liability or penalty. **ACH** also reserves the right to cancel a Purchase Order if the **SUPPLIER** cannot meet the needs of an expedited Purchase Order.



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RIGHT OF ENTRY

SUPPLIER hereby grants to **ACH**, its customers, and any applicable regulatory agencies, the right to enter on its premises as well as other necessary places, during normal business hours, for the purpose of inspection of **SUPPLIER'S** facilities and systems to ensure **SUPPLIER'S** compliance with the terms and requirements of order, including the quality of the contracted work, records, and materials. If **ACH** or its customer intends to perform verification or validation activities at the **SUPPLIER'S** facility, those activities shall be stated on the Purchase Order and coordinated with the **SUPPLIER**.

ASSIGNMENT & MODIFICATION

SUPPLIER shall not assign, sell, or subcontract the Purchase Order, or any part thereof, without **ACH'S** prior written consent. Where required, **SUPPLIER** shall use **ACH** designated suppliers including process sources. **SUPPLIER** shall notify **ACH** of changes in products and services; equipment, methods and/or processes; changes of suppliers; changes of facility location and, where required, obtain **ACH** approval. No modification of the order shall be binding, unless agreed to in writing by an authorized representative of **ACH**.

All **SUPPLIER** requirements mandated by **ACH** must be flowed down to sub-tier suppliers, as applicable.

OUTSIDE MAINTENANCE FUNCTIONS

SUPPLIER shall meet all the requirements set forth by FAA and EASA (where applicable) to be able to perform maintenance functions for **ACH**. This includes having an FAA approved drug program and a quality management system, etc...

CORRECTIVE ACTION

SUPPLIERS must have a system for Corrective Action. **SUPPLIERS** must provide a Corrective Action response within 30 calendar days. If a Corrective Action is not responded to within 60 days of receipt, **ACH** reserves the right to terminate, for cause, any open Purchase Orders with the **SUPPLIER**. Unusual circumstances that require additional time to resolve should be arranged in advance by the **SUPPLIER** through **ACH'S** Quality department.

SUPPLIER RECORDS

The **SUPPLIER** shall maintain a documented procedure, maintaining and controlling Quality records in accordance with acceptable quality system standards. Upon request, **SUPPLIER** shall be capable of retrieving and delivering records to **ACH**.

RECORD RETENTION

Unless otherwise approved by **ACH** in writing, **SUPPLIER** shall maintain all records that provide objective evidence of compliance to **ACH** Purchase Order requirements for a minimum of 5 years after the last delivery of products and/or services listed on the Purchase Order received by **ACH**. Prior to discarding, transferring to another organization, or destruction of such records, the **SUPPLIER** shall notify **ACH** Quality department in writing and give **ACH** the opportunity to gain possession of the records. These requirements are applicable to records generated by **SUPPLIER'S** sub-tier sources.

DUTY TIME LIMITATIONS

SUPPLIER shall relieve each person performing a maintenance or preventive maintenance function from duty for a period of at least 24 consecutive hours during any seven consecutive days, or the equivalent thereof within any one calendar month.