Company ("CKD") Purchase Order Standard Terms & Conditions

1. COMPANY Purchase Orders including any attachments, contain the complete and final agreement between CKD (Buyer) and Supplier (Seller).
2. Upon acceptance of any Purchase Order by Seller, all the terms and conditions of the transaction and no term or condition at variance with the Order proposed by Seller in acknowledging or accepting this Order will be binding on Buyer unless specifically accepted in writing.
3. Buyer will not approve vendors that are debarred from doing business with the US Government or are listed on the US Department of State list of debarred persons / entities.
4. Neither the Order, any interest therein, nor shall claim there under, be assigned or transferred by the Seller except as expressly authorized by the Buyer.
5. Neither all, nor substantially all, of any order may be further subcontracted by the Seller without the prior written consent of the Buyer.
6. Buyer may, at any time, in writing make changes to an order. If any such change causes an increase or decrease in the cost or time required for performance of the work, the price and/or delivery schedule shall be equitably adjusted and the Purchase Order so modified. The Seller shall submit any claim for adjustment to the Buyer within seven (7) days following receipt of the Buyer's written Change Order. Failure of the parties to agree to an adjustment shall be considered a dispute under the Disputes clause hereof; however pending resolution of any dispute, the Seller shall immediately proceed with the work as changed.
7. Payment terms shall be NET 30 days after receipt and acceptance of material. If a vendor wishes to have payment in advance, all trade references must be verified and a management determination by Buyer will be made. Even in these circumstances, specifically for initial / first time procurement, it is Buyer policy to only accept payment on delivery (POD) or upon verification of material actually in our possession to ensure a) delivery is actually made and b) material is in conformance with documentation provided and c) visual inspection to ensure goods are airworthy and in conformance with desired condition requested on the purchase order.
8. Buyer has the right of final approval of products supplied based on compliance to drawings, standards, and raw material certification requirements.
9. Seller must notify Buyer of any non-conforming processes, products or services.
10. To comply with Buyer's requirements of their QMS, Buyer may conduct vendor evaluations, scorecards or other performance evaluations as defined on the Seller.
11. Most interactions between Buyer and Seller will be over electronic mail or telephone. Buyer does on occasion use online sourcing portals to inquire and receive initial quotations.
12. Buyer, as a distributor, normally has no specific design or development control requirements. Any special requirements, critical items or key characteristics on a "build to print" item or an item to be manufactured to a Buyer supplied drawing, will be listed on our PO.
13. If applicable, Buyer may request on-site product verification and inspection, at supplier's premises, when source inspection is required.

14. All material delivered must be accompanied by a signed Certificate of Conformance ("C of C") stating the material complies with the requirements of Buyer's Purchase Order and drawing (when applicable). If not provided upon receipt, if not provided upon receipt, the invoice may be aged for payment based on final date of certifications received.
15. For Commercial aviation items, including parts in NE, NS, OH and RP conditions, an FAA8130-3 shall be supplied whenever possible. Buyer cannot automatically accept parts Commercial parts with a C of C only.
16. Seller shall supply a proper Bill of Lading signed by carrier or any other legal applicable documents providing title to the goods to the purchaser upon delivery, fully protecting all parties in case of damages in transit. All costs incurred due to improper packaging will be borne by the supplier.
17. Buyer reserves the right to designate requirements for first article reports or tests, specimens, design approval, inspection/verification sampling, statistical techniques, and/or key characteristics. Additional requirements above and beyond the normal deliverable items will be specified on the Purchase Order.
18. Seller must maintain the proper identification and revision status of specifications, drawings, process, requirements, inspection/verification instructions, and other relevant technical data. The latest revision of the specification or drawing to be used in manufacture and inspection, unless specific written instruction requesting a previous revision is specified.
19. Seller may be required to maintain compliance to a Quality Management System standard and notify Buyer of changes to certification status. (i.e. ISO9001, AS9100, AS9120, etc.)
20. Seller is required to notify Buyer of major changes to company operation, such as a change in manufacturing location, company name changes.
21. Seller is required to maintain records associated with the Purchase Order as required for a period of no less than 5 years.
22. Buyer retains the right of access of Buyer's personnel, our customer, our regulatory authorities (including FAA and EASA), to the applicable areas of all facilities, and at any level of the supply chain, for the purposes of auditing the maintenance activity, relative to the Purchase Order in question.
23. Seller is required to prevent delivery of counterfeit parts or material. Contact Buyer for any questions related to counterfeit material prevention and control.
24. Seller is required to ensure that their personnel meet the requirements of the drawings, standards and Purchase Order requirements supplied by Buyer.
25. Seller must flow applicable requirements, including key characteristics and customer requirements, down to secondary level suppliers and subcontractors as necessary for compliance to requirements.
26. Seller is expected to maintain a standard for ethics, service conformity, and product safety.

27. No rights in any plans, drawings, or other data furnished by the Buyer or derived there from shall pass to the Seller in fulfillment of the order or be released to third parties without the written consent of the Buyer. To the extent that the items ordered are manufactured to designs not originated by Buyer, Seller guarantees that the sale and/or use of such items delivered hereunder will not infringe any United States or foreign patents. Seller agrees to indemnify and save Buyer harmless from any expense, loss, cost, damage or liability that may be incurred on account of infringement or alleged infringement of patent rights against the Buyer.

28. ITAR Compliance: Supplier acknowledges that items, technical data, or services provided under this purchase order may be subject to the International Traffic in Arms Regulations (ITAR). Supplier agrees to: Comply with all applicable U.S. export control laws and regulations, Not export, disclose, or transfer any ITAR-controlled items or technical data to any foreign person or foreign country without prior written authorization, Restrict access to ITAR-controlled information to authorized U.S. persons only, unless properly licensed, Flow down these requirements to any sub-tier suppliers. Supplier shall immediately notify Buyer of any known or suspected violation of ITAR requirements.