

***AIRPARTS***

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**PURCHASE ORDER TERMS AND CONDITIONS**

1. **PARTIES, AGENCY, AND DEFINITIONS:** "Seller" means the person, firm, or corporation to which the applicable Purchase Order is addressed. "B&B" means B&B Airparts and any of its Affiliates (as stated on the face of the Purchase Order), and the company that is executing this Agreement. The term "owners" refers to B&B Airparts. The terms "Agreement" and "Purchase Order" as used herein are synonymous. The term "Goods" refers to the items and related documentation referenced on the face of the Purchase Order and shall include any incidental services performed by Seller and this Agreement.
2. **ENTIRE AGREEMENT:** The Purchase Order, these Terms and Conditions, any specifications or drawings, and any Special Terms and Conditions incorporated into and attached hereto, constitute the sole and entire agreement between the parties concerning the subject matter of hereof. No other terms or conditions shall be binding unless accepted in writing by B&B or referenced on the face of a Purchase Order accepted by B&B. In case of any discrepancies or questions, the Seller shall refer to B&B for instructions or interpretation. The Purchase Order expressly limits the Seller's acceptance to the terms of the Purchase Order. These Terms prevail over any terms or conditions contained in any other documentation and expressly exclude any of Seller's general terms and conditions of sale or any other document issued by Seller in connection with the Purchase Order: provided, however, that if the Seller's proposal is incorporated in this Agreement by reference on the face hereof, such proposal shall be effective only to the extent that its terms are consistent with the other terms of the Purchase Order. No course of prior dealing shall be relevant to supplement this Agreement.
3. **ACCEPTANCE OF PURCHASE ORDER:** Written confirmation or delivery of any items ordered constitutes acceptance hereof by Seller and establishes a binding contract between B&B and Seller which shall supersede any other agreements covering the subject matter of this Agreement made prior to the date of this Purchase Order. Seller has (2) two days to respond to B&B with any modifications to the Purchase Order or the Purchase Order will be deemed accepted to the Seller. Any other provisions proposed by the Seller's acceptance or any agreement modifying this order shall not be binding unless agreed upon in writing by a duly authorized representative of B&B.
4. **WARRANTIES:** Seller warrants that all Goods delivered under this Agreement will (a) be free from defects in material and workmanship, (b) will conform to the requirements of this Agreement including but not limited to the applicable descriptions, specifications, and drawings, (c) be fit for their intended purpose and operate as intended, (d) be merchantable, (e) no infringe or misappropriate any third party's patent or other intellectual property right, and (f) be free of any liens, claims, or encumbrances against said Goods. Seller shall assign qualified and competent personnel to the performance of any incidental services required by

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this Agreement, and Seller and such personnel shall use their best efforts to perform the services described in this Agreement, in the most expeditious and professional manner consistent with the interest of B&B. Seller warrants that the services will be performed in conformance with the highest standards of care and practice appropriate to the nature of the services rendered. These warranties survive any delivery, inspection, acceptance, or payment of or for the Goods by B&B. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations run from the date of B&B's discovery of the noncompliance of the Goods with the foregoing warranties.

5. **COST OF GOODS:** Seller represents that any price or prices specified in the Purchase Order do not exceed the Seller's current selling pricings for the same or substantially similar Goods. Unless otherwise stipulated, all prices referenced on the face of a Purchase Order shall represent the total cost to B&B at the point of delivery specified herein, including all sales taxes, excise taxes, custom duties and other government and municipal taxes, levies and charges of every description, charges for packing, crating, boxing, storage, and shipping charges. If the price is not stipulated on the Purchase Order, it is not to be filled at higher prices than last previously quoted or charged without written authority of B&B.
6. **INVOICES, PAYMENT, AND SET OFF:** Unless otherwise provided in this Agreement, no invoices shall be issued, nor payments made prior to delivery. Individual invoices must be issued for each shipment under this order. Discount invoices will be payable based on applicable discount, period computed from the date of delivery of the Goods ordered, or the date of the receipt of the correct invoice, whichever is later. Applicable freight, taxes, or duties shall be shown on invoices as separate items. No sales or use tax shall be added to any invoices for Goods used in the manufacturing process without B&B's prior written approval. If Seller is to invoice B&B for freight charges, a copy of the prepaid freight bill must accompany the invoice before payment can be made. Unless freight and/or other charges are itemized, any discount will be taken on the full amount of invoices. All payments are subject to adjustment for shortage or rejection. Without prejudice to any other right or remedy it may have, B&B reserves the right to set off at any time any amount owing to it by Seller against any amount payable to B&B to Seller.
7. **TERMS:** Unless otherwise provided in this Agreement, terms are Net (30) Thirty after delivery of Goods and receipt of invoices.
8. **DELIVERY SCHEDULE:** Deliveries shall be strictly in accordance with the schedules set out or referred to in this Agreement and in the exact quantities ordered. Time is of the essence. Whenever it appears Seller will not meet its delivery schedule, Seller shall notify B&B and, upon request of B&B and in addition to any other rights or remedies provided to B&B, ship via expedited routing with the difference between the expedited routing and order routing costs to be borne by Seller. B&B may also cancel the Purchase Order if not filled within the time and in accordance with the terms of this Agreement. However, Seller shall not be liable for delays in delivery due to causes not reasonably foreseeable which are beyond its reasonable control, such as acts of God, governmental acts or war or riot (collectively, "Force Majeure Events"). In the event of any Force Majeure Event, Seller shall notify B&B of the causes and the status of resolution of the Force Majeure Event and if the Force Majeure Event lasts more than (5) five business days, the parties will meet (even if via telephone/email) to ascertain going forward plans and remediation efforts to resolve impact to B&B.
9. **INSPECTION:** The Goods are subject to final inspection and acceptance by B&B at the delivery destination notwithstanding any prior payment or inspection at the source of delivery. Acceptance of Goods by B&B shall not be deemed to alter or affect the obligations of Seller or the rights of B&B under any provision of this Agreement. No payment shall be made to Seller for any Goods which are rejected on such inspection. B&B

reserves the right to reject any portion of any shipment not strictly in accordance with specifications and in such case will pay to Seller a reasonable price, therefore, will be held for Seller's instructions and at its risk and expense. If instructions are not received within (15) fifteen days after notice of rejection, Goods will be returned at Seller's expense. No Goods returned as defective shall be replaced unless agreed upon in writing. Where re-work is required to meet specification requirements, Seller, at no cost to B&B, shall arrange for such re-work. Payment for Goods shall not constitute acceptance thereof by B&B nor shall B&B's inspection or omission to inspect relieve Seller of its obligation to furnish all Goods in strict accordance with this Agreement.

- 10. CHANGES:** B&B may at any time, by written order, make changes within the general copy of this Agreement, in any one or more of the following: (a) drawings, design, or specifications, (b) method of shipping or packing, (c) place of inspection, delivery, or acceptance, (d) quantities, (e) delivery schedules. If any such changes cause an increase or decrease in cost of or the time required for the performance of any part of the work under this Agreement, an adjustment shall be made, as determined by B&B in its reasonable discretion, in the price to reflect any additional costs or savings, and/or an adjustment shall be made in the delivery schedule to reflect any increase or decrease in time and this Agreement shall be modified in writing accordingly.
- 11. PACKING AND SHIPPING:** All Goods must be suitably packed and prepared for shipment and must be packed so as to secure lowest transportation rates consistent with B&B's best interests and comply with carrier regulations. No charges will be paid by B&B for packing, crating, or cartage unless stated in the Purchase Order. All Goods shall be shipped F.O.B. Origin as referenced on the face of the Purchase Order. If Goods are shipped F.O.B. Destination, shipping charges must be prepaid or charged to the appropriate account number given by a B&B representative. Purchase Order number, item number, and/or tag number(s) must appear on all shipping papers, packing lists, and containers. One copy of the packing list must be included with each shipment. B&B reserves the right to bill Seller for added expenses due to changes in shipping method.
- 12. TERMINATION:** B&B may, by written notice to Seller, terminate or suspend the whole or any part of this Agreement, and the whole or any part of any other order to the Seller for the same or similar Goods constituting a series of the orders or agreements in the event of the default as defined herein or as otherwise defined by law, provided that B&B shall pay to Seller the reasonable value of all Goods actually delivered and accepted by B&B, which conform to the terms of this Agreement. Default is defined as the failure of the Seller to deliver the items covered by this Agreement within the time specified herein and in accordance with the terms of this Agreement, the suspension of Seller's business, the insolvency of Seller, the appointment of trustee or receiver of Seller's property or business or any assignment by Seller for benefit of creditors.
- 13. RESPONSIBILITY OF PROPERTY:** Unless otherwise provided in the Purchase Order, Seller, upon delivery to it, or manufacture or acquisition by it, of any materials, parts, tooling, or other property which are owned or leased by B&B, assume the risk of and shall be responsible for any loss thereof or damage thereto until returned to B&B. Seller shall not use any such property for any purposes other than in performance of this Agreement. Seller, in accordance with the provisions of this Agreement, but in any event upon completion thereof, shall return such property to B&B in the condition in which it was received except for reasonable wear and tear and except to the extent that such property has been incorporated in Goods delivered under this Agreement, or has been reasonably consumed in performance of work under this Agreement.

14. **SUBCONTRACTING:** Seller will not subcontract any Goods under this Agreement without prior written consent from B&B. Seller is fully responsible for satisfactory completion of all subcontracted Goods.
15. **CERTIFICATION:** A Certificate of Compliance (C of C) shall be created for each delivery against a Purchase Order and shall include inspection reports and certification required to satisfy all quality assurance provisions.
16. **FIRST ARTICLE INSPECTION:** A First Article Inspection Report (FAIR) shall be completed by the supplier using the format specified in AS9102. The article on which the FAI was performed shall be clearly marked on both the report and the part. The FAIR shall confirm that all processes, material specifications and dimensions are met. In the case of raw material process, proof of acceptability shall be made available either through records or attached certificates. Any discrepancies detected by the supplier during the FAI shall be reported to B&B. FAI reports do not constitute acceptance by B&B.
17. **ITAR:** The information provided by B&B may be subject to U.S. export control laws and regulations, including the International Traffic in Arms Regulations (ITAR). Seller may not export or re-export any information, technical data, or supplies except in strict compliance with all U.S. export control laws and regulations, including ITAR. Technical data that are controlled by ITAR shall not be released to foreign nationals, including employees, companies, or other entities, whether within or outside of the United States, unless the Seller shall first obtain written consent of B&B, and shall obtain the appropriate license or other advance approval from the U.S. Government. Seller's obligation to adhere to ITAR shall survive the expiration or termination of Purchase Order. Seller hereby agrees to defend and indemnify B&B from and against any liability B&B may incur as a result of Seller's violation of any U.S. export or re-export control law or regulation.
18. **PROPRIETARY INFORMATION:** B&B shall at all times have title to and Seller shall treat as proprietary all drawings, specifications, designs, processes, reports, data, and other technical information furnished or disclosed to Seller by B&B in connection with this Agreement. Seller shall use such items only in the performance of this Agreement and shall promptly return all copies of such material and information to B&B upon termination or upon B&B's request.
19. **RECORDS:** Seller shall maintain quality records for each Purchase Order for a minimum of (10) ten years
20. **COMPLIANCE WITH LAWS:** Seller warrants that in the performance of this Agreement, 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.
21. **GOVERNING LAW:** The rights and obligations of the parties arising out of this Agreement shall be governed in all respects by the laws of the state of Kansas without regard to its conflict of law provisions.
22. **RIGHT OF ENTRY:** Seller shall grant B&B's employees, agents, and B&B's customers full access to Seller's facilities and records. Access may be requested to verify product, review process quality requirements, or to audit quality procedures or production systems. Seller shall support reasonable requests for access and facilitate access to verify product or systems.
23. **COUNTERFEIT PARTS:** Seller bears responsibility for procuring authentic items and materials as required for performance of this Agreement.
24. **CONFLICT MATERIALS:** B&B is required to remain compliant with Section 1502 of the U.S. Wall Street Reform and Consumer Protection Act. All B&B approved suppliers are required to conduct due diligence on

the presence of Conflict Materials in their supply chain and provide accurate reporting and certifications on the presence of Conflict Materials in products delivered to B&B. Suppliers who are unwilling or not capable of providing the information or unwilling to implement procedures which assure only conflict free products are delivered to B&B may be removed from B&B's approved supplier status.

- 25. QUALITY SYSTEM:** Seller shall implement and maintain a Quality System that is acceptable to B&B and conforms as a minimum to the requirements of AS9100, or to the extent imposed by the provisions of applicable drawings, specifications, and/or Purchase Order. Seller must notify B&B of any changes in product and/or process, changes of suppliers, changed of manufacturing facility location, and where required obtain written approval from B&B.