



Supplier Terms and Conditions

Supplier's acceptance of this purchase order shall constitute an agreement to all terms and conditions; including but not limited to purchase order price, quantity, delivery, specifications, terms, quality requirements, and regulatory requirements.

Acknowledgement

Supplier acknowledgement MUST be sent within two business days after receipt of the order. Please email confirmation to: purchasing@espspares.com

Agreement

Upon acceptance and acknowledgement this purchase order constitutes a binding agreement between the Supplier and ESP Spares, Inc. The terms and conditions cannot be changed without prior consent of both parties.

Order Amendment

Amendments to this order, or ESP Spares, Inc. Supplier Terms and Conditions shall be set forth in writing, via purchase order change notice, and/or revisions to the purchase order terms and conditions. ESP Spares, Inc. will consider sellers request to modification of, or exception to, only if such request is made in writing, prior to the acceptance of the order (*ref. Conformance clause*). Supplier shall notify ESP Spares, Inc. of any changes to the product or the process definition.

Cancellation

If this order is not delivered by the due date on the face of the ESP Spares, Inc. purchase order, ESP Spares, Inc. reserves the right to cancel the order without notice and at no cost to ESP Spares, Inc.

Right of Entry

The buyer and buyer's customer, and their customers, or any applicable regulatory agency will have the right to enter the seller's facility to perform inspection or ensure compliance to the contract.

Awareness

Supplier is to ensure that persons are aware of:

1. Their contribution to product or service conformity
2. Their contribution to product safety
3. The importance of ethical behavior

Pricing

Price as stated on this order covers all goods and services to be provided by the seller as specified in the order. These prices also cover all charges for packaging, containers, and transportation, unless specifically depicted otherwise on the face of the order.

Shipment

Shipment of the goods and services under this order shall be F.O.B. as set forth on the face of this order. Seller shall follow buyers' instructions regarding method of shipment, except where buyer has so stated on the face of the order.

Delivery Schedule

Schedule for delivery will be the responsibility of the seller. The seller shall not be held liable for damages in respect to delivery delay due to causes beyond sellers' reasonable control. However, if the seller does not meet the delivery date as directed on the face of the order, the buyer may approve a revised delivery schedule, or terminate the order without liability for such termination.

Packaging and Protection

Packaging and Protection of the product shipped shall be in accordance with the ESP Spares, Inc. PO or best commercial practice to protect the product from damage and/or deterioration.

Foreign Object Debris Protection Policy (FOD)

ESP SPARES, Inc. suppliers shall have a documented FOD program/ or equivalent using NAS 412 as a guideline. The FOD program shall ensure work is accomplished in a manner preventing foreign object debris, trash and/ or damage in deliverable items.

Export Compliance

Suppliers must comply with all applicable laws and regulations regarding export-controlled items, including but not limited to:

1. Export Administration Regulations (EAR), 15 CFR 730-774
2. International Traffic in Arms Regulations (ITAR), 22 CFR 120-130
3. Arms Export Control Act, 22 USC 2751-2794

If the Supplier engages in the U.S. in the business of manufacturing or exporting of defense articles or furnishing defense services, the Supplier is hereby acknowledging that it is registered with the U.S. Department of State Directorate of Defense Trade Controls, as required under ITAR 122.1, and that it fully understands and complies to the rules and regulations of EAR and ITAR. Supplier will provide ESP Spares, Inc. with applicable export control classifications (ECCN or USML# and Schedule B#) for the products supplied and agrees to notify ESP Spares, Inc. if any product within this P.O. is restricted by export control laws or regulations. The Supplier will immediately notify ESP Spares, Inc. if the Supplier is or becomes listed in any Excluded, Debarred, or Denied Parties List or if Supplier's export privileges are denied, suspended or revoked in any capacity by any U.S. Government Agency.

Quality Assurance

The supplier shall have and maintain a documented quality system in accordance with one of the following: ISO 9001 (latest revision), AS9100 (latest revision), or ESP Spares, Inc. approved equivalent as specified by the ESP Spares, Inc. supplier survey or purchase order. The quality system shall be subject to audit and approval by ESP Spares, Inc. or its customer.

Supplier agrees to implement and maintain the Quality or Inspection System during the performance of this contract. Additional ESP Spares, Inc. Quality Requirements (ESP Spares, Inc. Quality clauses) apply when referenced by PO. Note: this clause does not apply to contracts for ESP Spares, Inc. non-deliverable goods and services.

Traceability

The supplier shall maintain a documented traceability system to track all raw material from delivery and inspection through to final completed parts/components, testing and verification.

Record retention is 10 years unless specified otherwise on the purchase order.

Hazardous Material

The seller agrees to furnish the applicable Safety Data Sheets (SDS) with each shipment, for products designated by industry, state or federal agencies as hazardous material.

Compliance with Laws

Suppliers must comply with State and Federal Equal Opportunity Employment, Affirmative Action, Employment Compliance / Reporting and Regulatory Requirements. Upon request a certificate attesting to such compliance may be required.

Ethics & Confidentiality

ESP Spares Inc.'s expectation is that Supplier will conduct its business fairly, impartially and in an ethical and proper manner. The Supplier agrees that all documents and information obtained from ESP Spares, Inc. and all ESP Spares customer and project related information shall be treated with strict confidentiality and that any such information will not be disclosed nor made available to any third party without a prior written consent from ESP Spares, Inc. This obligation also covers all documents or information created in fulfillment of any orders under the agreement.

This obligation shall continue after termination of this framework agreement. The Supplier shall take efficient measures to avoid any loss of data due to hardware failure or other events of any climatic, mechanic, electric or human origin, and protect their computers with state-of-the-art anti-virus software.

Tooling

Tooling furnished by ESP Spares, Inc. shall be maintained indoors. The seller is responsible to ensure adequate care is utilized within their facility, to maintain the tooling in good working condition. Any damages to this tooling, while in the care of the seller shall be reported to the

ESP Spares, Inc. buyer in writing. Seller shall disposition damaged tooling prior to further processing by the seller. Seller rework of ESP Spares, Inc. tooling shall be authorized in writing.

Conformance

All product received is subject to inspection by ESP Spares, Inc. The product shall conform to specifications, drawings, and any other descriptions in the purchase order, and product shall be free from defects in material and workmanship.

Non-Conformance

Upon acceptance of an ESP Spares, Inc. purchase order, the supplier agrees that ESP Spares, Inc. is entitled to reimbursement of ESP Spares, Inc. labor and material costs associated with seller responsible non-conformances and damages, including corrective action request documentation processing. The supplier shall provide ESP Spares, Inc. written notification of non-conformance's and is not authorized, under any circumstance, to perform material review activity without ESP Spares, Inc. approval. Supplier shall notify ESP Spares, Inc. of any non-conforming product that affects the customer process or product.

Nonconforming product discovered during ESP Spares inspection shall be reported to the Supplier. Removal and return disposition (at the expense of the Supplier) may be transacted promptly after notification of the nonconformance.

First Article Inspection Report (FAIR or FAI)

Supplier shall furnish a First Article Inspection Report with the first shipment to ESP Spares, Inc. when requested.

A new First Article Inspection Report (or delta report) shall be required for any of the following conditions:

1. a design or process change has been made that affects fit, form, or function of the item;
2. An item has not been produced for a period of 2 years;
3. A change in facilities utilized to produce the item has taken place;
4. Initial First Article rejection for re-inspection of those characteristics affected. The First Article Package shall consist of the documented inspection results for each drawing note and dimension, raw material certifications, and special processing certifications as applicable. The seller's format is acceptable unless specified differently on the purchase order.

Age Sensitive Material

Certificate of conformance for age sensitive material shall contain the following as a minimum. Date of manufacture, shelf life, expiration date or duration and storage conditions to achieve shelf life, if not stated on normal package. Product with less than 75% remaining shelf life is not acceptable.

DFAR (DFARS 252.225.7009)

When required by contract or PO, raw material, or items, which contain specialty metals (defined as certain steel and other alloys, titanium and zirconium) shall be acquired from domestic or qualifying country resources. Additional flow-downs as related to the purchase order requirements, including but not limited to purchasing documents and key characteristics.

Material Substitutions

Material Substitutions are not allowed unless specifically authorized in writing by ESP Spares, Inc.

Certificate of Conformity

When required by purchase order, the supplier shall provide a Certificate of Conformity, test reports, material certs and process certs. The supplier COC and/or manufacturer COC should include the following:

1. OUR PO NUMBER
2. REQUESTED PART NUMBER
3. MFR NAME, LOT NUMBER, REV, DESCRIPTION AND CONDITION OF PART
4. PRODUCTS THAT HAVE A CURE DATE MUST STATE THE SHELF LIFE AND EXPIRATION DATE (if applicable)
5. CERTS MUST BE SIGNED BY AN AUTHORIZED COMPANY REPRESENTATIVE

Notifications

The supplier shall notify ESP Spares, Inc. immediately of changes in product and/or process definitions, changes of suppliers, change of manufacturing facility location, withdrawal or suspension of accreditation/registration status and where else required to obtain ESP Spares, Inc. approval.

Flow Down

The supplier is required to flow down to its suppliers any and all requirements imposed by ESP Spares, Inc.

Counterfeit

Supplier shall assure that all products provided to ESP Spares, Inc. are genuine and no counterfeit product shall be used or shipped. Seller shall notify ESP Spares, Inc. immediately if seller suspects or is aware they have furnished counterfeit goods and promptly replace the counterfeit parts with genuine parts. Supplying counterfeit goods to ESP Spares, Inc. will hold the seller responsible for all costs associated with the replacement of said counterfeit parts.

Force Majeure

Neither party shall be responsible for any failure to fill an order when due to failure to obtain export licenses/authorization, fires, floods, earthquakes, riots, strikes, freight embargoes, transportation delays, shortage of labor, inability to secure fuel, material, supplies or power or other energy requirements, or on account of shortages thereof, acts of God or of the public enemy, or any existing or future laws or acts of Government (including specifically, but not exclusively, any orders, rules, or regulations issued by any official of any such government) affecting the conduct of either party's business which, or to any other cause beyond either party's reasonable control.