

TERMS OF PURCHASE

- 1) **Acceptance:** The Seller shall acknowledge receipt and other delivery terms of order within 48 hours.
- 2) **Amendments:** Amendments to price, part number, quantity and documentation shall be specified in writing on the PO.
- 3) **Shelf-life:** Age sensitive product must have no less the 80% remaining shelf life, unless otherwise noted on the PO.
- 4) **Cure/lube dates** must be recorded on certifications.
- 5) **Substitutes:** Substitute part numbers or manufacturer's (where indicated) will not be accepted without prior written approval.
- 6) **PMA** marked parts are not acceptable, unless otherwise authorized.
- 7) **Delivery:** Ship on or before "Ship Date" unless otherwise indicated. Ship complete lines unless otherwise agreed.
- 8) Sellers are requested to ship single lot, per part, where possible; 2 lots maximum, unless otherwise authorized.
- 9) **Packaging:** The Seller shall package product to good commercial standards/or per purchase order instructions (where noted) to ensure protection from damaged and/or loss. All shipments must be marked with Farsound's purchase order number. The maximum carton weight shall not exceed 50 lbs unless otherwise authorized. Carton must be rated for weight packaged.
- 10) **Foreign Object Debris:** The Seller shall have in place a system to detect and remove FOD.
- 11) **Non-conforming Product:** The Seller shall promptly notify Farsound upon becoming aware that non-conforming product has been shipped and shall detail any action to be taken.
- 12) **Product Deviations:** The Seller shall notify Farsound of changes in product definition or processes relating to this order, including changes of their external providers or location of manufacture. Seller must obtain Farsound's approval in writing (such approval to be given or withheld at Farsound's entire discretion) where applicable, prior to shipment of changes in product and / or process definition which it proposes to make.
- 13) **Flow-down:** The Seller shall flow-down applicable requirements of the PO through the supply chain.
- 14) **Right of Access:** Farsound and/or its designated customers' reserve the Right of Access to the Seller's facilities, with suitable notification, to review processes, procedures and records applicable to this order.
- 15) **Record Retention and Disposal:** Records pertaining to this order shall be retained for a minimum of 10 years unless otherwise noted within the PO. Records shall be made available upon request by Farsound.
- 16) **Conflict Minerals:** The Seller shall perform due diligence to ensure that product supplied to Farsound does not contain conflict minerals (gold, tin, tantalum, and tungsten) as defined in Bill C46 (Dodd-Frank Act). All conflict minerals must be report.
- 17) **REACH:** Where applicable, the Seller must ensure that REACH regulations (European Chemical Agency) are fulfilled for delivered items.
- 18) **Mercury and Mercury Compounds:** The Seller is responsible to ensure that the products supplied did not come into contact with mercury or mercury compounds during manufacturing or subsequent processing.
- 19) **Electrical Components:** Electrical Authorized Distributors must include manufacturer component authority letter for assembled part numbers.
- 20) **Counterfeit Parts:** The Seller is required to have in place a system to detect and ensure counterfeit parts are not supplied to Farsound. Farsound shall be notified, by the Seller, in event that suspected counterfeit parts have been supplied.
- 21) **Non-Domestic Shippers:** Attach a copy of commercial invoices, specifying the Country of Origin to the outside of the carton for customs clearance. Enclose all quality documents on the inside of the carton (packing slip, certifications, etc.),
- 22) **Insurance:** Do not insure unless otherwise indicated.
- 23) **Freight:** Please contact the Farsound Buyer for routing instructions for shipments over 150 lbs.
- 24) **Awareness:** Vendors shall insure that their employees are aware of:
 - a. Their contribution to product or service conformity
 - b. Their contribution to product safety, and
 - c. The importance of ethical behavior.

DEFINITIONS

Rev Level: When the FAI purchase order is for new manufactured product with a lead time the revision level to be supplied is the revision of the drawing in effect when the order is placed with the manufacturer. Only exception to above is when a specific revision level is noted on the purchase line.

MFR Certs: A certification on company letterhead that contains the name, stamp or signature of the authorized quality representative for release of product along with the date of release. Certification must indicate who the product is being sold or shipped to, otherwise a packing slip must also be supplied. Certification must contain the part number as ordered on FAI purchase order; no substitutions allowed. Certification to state that the product has been produced in accordance with drawing standards and/or specification or that the order has been released in accordance with the customer purchase order. Where parts have been produced to a drawing containing a revision level it should be indicated. Certification must contain a unique identification number for traceability purposes that has been assigned by the manufacturer, (i.e., batch, lot, job, work order, date code) and that is associated with the quantity being released.

Chem/Phys: The Chemical composition and physical properties, heat number and material specification are provided on any one of the following documents, original mill certification, material distributor certification or a manufacturers test certificate/report. The certification being provided MUST contain the issuing company details, ship to/sold to, name, stamp or signature of the release signatory and date of release.

Test Reports:

Raw Material Certificates: All certificates from the mill through to the manufacturer shall be provided. There shall be NO breaks in the Chain of Custody ownership throughout the supply chain. The original mill certificate must contain the chemical and physical data associated with a specific heat or cast number. All material certificates must contain the heat number, sold/ship to, material specification number, quantity/weight, name, stamp or signature of the release signatory and date of release.

Processing Certificates: All certificates pertaining to outsourced processes by the manufacturer as required by the drawing/procurement specifications (i.e., heat treat, plating NDT, etc.). All process certificates must have the ship to address of the manufacturer, process specification being performed, quantity processed, name, stamp or signature of the release signatory and date of release. In addition, traceability must be provided back to the manufacturers lot in question. Processes performed in-house by the manufacturer need to be identified as completed by the manufacturer, but separate certifications are not required.

DFARS: When DFARS is identified as a line requirement on the FAI PO this refers to DFARS Specialty Metals Clause 252.225-7009. Evidence of compliance to this clause must be explicitly noted on either on the material mill certificate or the manufacturers certificate of the part. Any exceptions are required to fall within the scope of 252.225-7009 and proof must be provided.

Full Trace: A certificate of conformance from each party, that has held Chain of Custody ownership of the finished part is required. All documents must be traceable through a unique identification number (i.e., batch, lot, job, work order, date code). All documents to contain certifying company name, customer name, ship to address, statement of conformity and the name, stamp or signature of the release signatory and date of release.

Dual Cert: Where this line requirement is identified on the FAI PO, the manufacturer shall certify to the primary part number ordered and any other item(s) indicated on the FAI PO line. Revision levels to each part number shall be identified as appropriate. Dual certification of a finished item to multiple part numbers can only be performed by the manufacturer of the finished item. Use of manufacturers cross-reference lists or catalogues are not acceptable methods of dual certification unless otherwise authorized in advance.

8130 Req'd: When identified as a line requirement on the FAI PO, an Authorized Release Certificate must be provided along with the parts. FAA Form 8130-3 certificates are preferred, however, any Authorized Release Certificate from an approving Civil Aviation Authority/country are acceptable.