



Purchase Order Terms and Conditions (Acknowledgment Copy)

I. Hillsboro Aviation Inc. General Provisions

EXTERNAL PROVIDER ENSURES, WITH THE ACCEPTANCE OF THIS PURCHASE ORDER, THAT PERSONS ARE AWARE OF THEIR CONTRIBUTION TO PRODUCT OR SERVICE CONFORMITY INCLUDING THEIR CONTRIBUTION TO PRODUCT SAFETY AND THE IMPORTANCE OF ETHICAL BEHAVIOR AND FURTHER AGREES TO THE FOLLOWING CONDITIONS AS SPECIFIED BY THE INTERNATIONAL STANDARD (AS9100/AS9120/AS9110) AND/OR CUSTOMER REQUIREMENTS WHICH INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING:

1. **Definitions:** The following definitions will apply to all purchase order: a. "Buyer" shall mean Hillsboro Aviation, Inc. b. "Contract" shall mean the Purchase Order, these General Terms and Conditions. c. "Seller" shall mean the party identified as the Seller in this Contract.
2. **Compliance with Laws.** The seller warrants that in the performance of this PO, seller shall comply with all applicable statutes, rules, regulations and orders of the Government and any of the state or political subdivision thereof, and agrees to indemnify our company against any loss, damage, cost or liability by seller's violation of this warranty. Upon Buyer's request, Seller shall furnish evidence demonstrating such compliance.
3. **Acceptance of Purchase Order.** This Purchase Order supersedes all written or verbal agreements and becomes a binding agreement between the Seller and the Buyer. Subject to the specific terms and conditions stated herein.
4. **Assignment/Subcontracting.** Seller shall not assign this Purchase Order, or any rights, interest, or payments, or the performance of any of its duties under this order without the prior written consent of Buyer.
5. **Taxes.** The price of the supplies/services procured hereunder includes all applicable federal, state and local taxes and duties unless otherwise stated in the Purchase Order.
6. **Information Disclosed to Buyer.** Any information or knowledge Seller discloses to Buyer regarding this order shall not be deemed confidential or proprietary unless expressly agreed upon by the parties in writing.
7. **Payment Terms.** Unless otherwise specified in this Purchase Order, terms of payment are Net 30 days. If a discount for prompt payment of Seller's invoice is allowed, payment shall be made within the allowable period to qualify for such discount. The time allowable for payment shall begin after receipt of Seller's invoice, and delivery of acceptable supplies or performance of satisfactory services.
8. **Invoices.** An itemized invoice shall be submitted to the address shown on the face of the order to the attention of the Accounts Payable Department. Payment of invoices may be delayed pending correction of any errors or omissions.
9. **Work on Buyer's or Buyer's Customer's Premises.** If this order requires Seller to perform work on Buyer's or Buyer's customer's premises, Seller shall take all necessary precautions to prevent any injury to persons or damage to property during the progress of such work. Additionally, Seller or agrees to indemnify Buyer and its customer against all loss or liability resulting from any act or omission of Seller, its employees, agents, or subcontractors.
10. **Warranty of Supplies/Services.** (a) (AS9110C, 8.4.3a) Seller warrants that all supplies/services furnished under this Purchase Order shall conform to the Buyer's drawings, specifications, or other description.

(b) (AS9110C, 8.4.3b) The Goods and/or Services will be of good material and workmanship and free of defects. Supplies/services that do not conform to the above warranties may, at any time after delivery be rejected and returned to Seller, at Seller's expense, for correction or replacement.
11. **Changes.** Buyer may, at any time, in writing, make changes to this order. Delivery schedule shall be adjusted and the Purchase Order so modified, Seller shall immediately proceed with the work as changed.
12. **Disputes.** Any dispute arising under this order shall be settled by agreement between the parties. Pending final resolution, Seller shall proceed with the performance of this order in accordance with Buyer's instructions.



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13. **Termination for Convenience or Default.** Buyer reserves the right, at any time, in its own best interest, and without liability, to terminate this order in whole or in part, by written notice of termination for convenience to Seller
14. **Termination for Default.** Buyer may, without liability, and in addition to any other rights or remedies provided herein or by law, terminate this order in whole or in part by written notice of default if Seller fails to deliver the supplies or perform the services within the time specified.
15. **FOD prevention, Packaging and Packing.** Seller shall maintain a FOD prevention program and is responsible for properly packing and packaging the supplies in suitable containers for protection during shipment in accordance with transportation regulations. Seller shall prepare an itemized packing list to be placed in the shipping container bearing the Purchase Order number, description of items, part number, and quantity shipped for each package. A second copy of the packing list shall accompany Seller's invoice.
16. **Buyer's Property and Information.** (AS9110C, 8.4.3j) Buyer's property, such as drawings, specifications, data and the like, furnished to Seller for performance of the work shall remain the property of Buyer, shall be considered private and confidential Buyer information, and shall not be used by Seller for its own purposes or given to a third party without the express written consent of the Buyer.
17. **Inspection and Test.** (AS9110C, 8.4.3f) Buyer and its customer may inspect and/or test materials, final acceptance of Goods or Services is subject to Buyer's final inspection within thirty (30) days after receipt at Buyer's facility or such other place as may be designated by Buyer, notwithstanding any payment or prior test or inspection. (b) Seller and its suppliers shall establish and maintain a quality control and inspection program as specified in the Purchase Order.
18. **Transportation Charges.** Unless otherwise provided in this Purchase Order, transportation charges shall be prepaid and invoiced to Buyer.
19. **Delivery.** Seller shall strictly adhere to all Purchase Order schedules. Time is, and shall remain, of the essence in the performance of this Contract.
20. **RIGHT OF ACCESS:** (AS9110C, 8.4.3h) Right of access by Buyer, our customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records to include verification and validation on site, as defined on the PO and arranged with the supplier.
21. **Quantity.** It is Seller's responsibility to furnish the quantity of supplies/services called for in this Order. No variation in the quantity specified herein will be accepted as compliance with this Order. Buyer reserves the right to return excess shipments at Seller's expense.
22. **Quality Management System:** (AS9110C 8.4.3g) External Provider including their sub-tier providers must have implemented a Quality Management System (QMS) or Quality Control System that meet acceptable standards. Our organization reserves the right to review and approve the Quality Management System. Standard QMS **Requirements Include:** (a) Vendors providing calibration services must provide evidence of calibration traceable to NIST. Certificates must also identify AS RECEIVED and AS RETURNED conditions in whatever terminology deemed appropriate. Notification must be made if items are determined damaged or unable to calibrate as soon as possible for potential impact review. (b) External providers that are approved for use via Certification (AS9100, AS9120, ISO9001, ISO17025, etc.) must notify Hillsboro Aviation of any changes to that certification within 3 business days. (c) Seller shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.
 - (b) The Seller needs to ensure that their persons are aware of: (AS9110C, 8.4.3i)
 1. Their contribution to conformity of the product or service;
 2. Their contribution to product safety;
 3. The importance of ethical behavior.
 4. Prevent the use of unapproved parts/counterfeit parts
23. **PREVENTION OF COUNTERFEIT PARTS:** (AS9110C, 8.1.4) External provider shall plan, implement and control their process for the prevention of counterfeit or suspect counterfeit parts from use or inclusion into goods or services supplied to Hillsboro Aviation.



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24. **Assignments and Subcontracting:** (AS9110C, 8.4.3d) Nothing in this Contract may be transferred, notated, assigned or delegated by Seller without the prior written consent of Buyer. The Seller shall at all times be deemed to be an independent contractor.
25. **Control and Monitoring of External Providers** (AS9110C, 8.4.3e)
- (a) Goods and services received from the Seller for aircraft maintenance shall have receiving inspection accomplished by the Buyer.
 - (b) The Sellers performance shall be rated in accordance with criteria outlined within Hillsboro Aviation Purchasing procedures. Suppliers are reviewed periodically, during which time OTD and Quality ratings are reviewed and are expected to remain above 95%. Suppliers who fall below these requirements shall be notified in writing via Letter of Concern. Suppliers who consistently maintain below expected ratings may be subject to Supplier Corrective Action Request in accordance with applicable internal procedures.
 - (c) **Nonconforming Product.** (AS9110C, 8.4.3l) In the event that Seller realizes they have shipped nonconforming product or have in-process nonconforming product, malfunctions, defects, or unairworthy conditions, notify Hillsboro Aviation Inc. President, Vice President or Quality Manager and obtain the following: Hillsboro Aviation Inc. approval for nonconforming product dispositions.
26. **Required Certifications** (AS9110C, 8.4.3k)
- (a) Manufacturer Certs required with shipment. Make sure certs are signed and lot or batch number matches what is stenciled/stamped on the parts.
 - (b) Shipping or packing slips must reflect the Hillsboro Aviation, Inc. P.O. number, part number and quantity. All parts must be properly identified and labeled.
 - (c) C of C or FAA Form 8130-3 Authorized Release Certificate (EASA Form 1) for services provided based on the requirements of the PO and the FAA CRS ratings held by the Seller.
27. **Representations** (AS9110C, 8.4.3c) The Seller represents and warrants that it will select and furnish personnel experienced, skilled, qualified and competent in the type of work they are to perform under the Contract and that the Services to be performed under the Contract will be performed with due care and diligence and in a workman like manner within the turnaround time specified by the Buyer and in accordance with the Buyer's requirements. In the event the Services or part thereof do not conform to the requirements under the Contract, the Seller shall, upon demand in writing by the Buyer, re-perform the Services. Services that are re-performed are then subject to the same warranty period as the original service upon acceptance by the Buyer.
28. **Records.** The Supplier is required to keep records for a minimum of three years.
29. Raw stock or Mil-Spec material shall have Certificate of Conformance and Manufacturing Specification traceable to the OEM. Documents shall reference the appropriate PO from Buyer.
30. **International Trade Compliance Requirements.** It is the policy of Hillsboro Aviation Inc. to follow all international trade regulations, and Hillsboro Aviation Inc. will not conduct business with the sanctioned and embargoed countries listed by Office of Foreign Assets Controls (OFAC)