



Aequs Aero Machine, Inc.
Paris, TX

GENERAL TERMS AND CONDITIONS OF PURCHASE

Doc No: QMS-AP-841

Rev No: 00

Effective date: 22nd Feb 2020

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Aequs Aero Machine, Inc.

2220 W, Park St.

Paris - 75462, Texas – U.S.A

GENERAL TERMS AND CONDITIONS OF PURCHASE

Original Revision Approvals

	Name	Function	Date
Prepared by	Charles Westbrooks	Supply Chain Manager	21 st February 2020
Approved by	Doc Holladay	Quality Manager	21 st February 2020
Authorized by	Layne Miller	General Manager	21 st February 2020

Current Revision Approvals

	Name	Function	Date
Prepared by	Charles Westbrooks	Supply Chain Manager	21 st February 2020
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Revision History

Date	Revision	Change content	Changed by
02/21/2020	00	Original Document	Charles Westbrooks

GENERAL TERMS AND CONDITIONS OF PURCHASE**GENERAL TERMS AND CONDITIONS OF PURCHASE**

1. These terms and conditions are deemed to be accepted when Supplier returns the acknowledgment copy of purchase order(s) within seven days of receipt of the purchase order(s) or begins performing under the purchase order(s), whichever is earlier. (These terms and conditions, purchase order(s) and annexure to Purchase Order(s) hereinafter collectively referred to as "Order").
2. Only written Orders shall be valid and binding. Verbal instructions and understandings, unless confirmed in writing subsequently, will not be admissible.
3. Any reference to Supplier's quotation, bid, or proposal does not imply acceptance of any term, condition, or instruction contained in that document. No course of prior dealing or usage of the trade may modify, supplement, or explain any terms used in the Order and/or document. No terms or conditions set forth by Supplier in accepting or acknowledging the Order and no such terms or conditions shall be binding upon Aequs whether inconsistent with or in addition to these terms and conditions or otherwise, unless expressly accepted by Aequs in writing. These terms and conditions together with the specifications, drawings, or other documents referred to on the face of the Order, or attached, or any documents incorporated by reference, supersede any prior or contemporaneous communications, representations, promises, or negotiations, whether oral or written, respecting the subject matter of the Order.
4. Time is of the essence in the performance of the Order. Supplier shall deliver goods in the quantities and perform the services on the date(s) specified in the Order or Order schedule releases. If Supplier fails to meet the agreed upon delivery schedules specified by Aequs, then Supplier, at the discretion of Aequs, shall be compelled to ship by other than designated routing to expedite the delivery to Aequs and costs relating to such expedite delivery shall be borne by Supplier. Supplier shall also be liable for all the cost of expedite delivery by Aequs to its customer if such delivery is exclusively due to the delay attributable to the Supplier.
5. In the event of late delivery of the goods or non-timely supply/performance of services, Aequs shall have the right to delay the payment of the other goods supplied or other services provided under this or other Order, until the delivery to Aequs of the last delayed goods is made and this right shall be without prejudice to any other rights and remedies of Aequs under the relevant Order. Aequs reserves the right to invoke a delinquency charge upon the Supplier, in the event of a late delivery, in the amount shall not be less than 0.5% per day with a cap of 50%, based upon the value of the subject Order, and deduct from the invoice for the late delivered goods. If Aequs elects to pursue delinquency charges, advance notice will be given to Supplier prior to payment.
6. Supplier shall send shipping documents and a copy of the packing list along with the goods. Invoices may be sent either through electronic communication or otherwise. Supplier shall accept Aequs's count as final and conclusive for any shipment. Supplier shall not make partial shipments or deviate from the shipping instructions of the Order without Aequs's prior express written consent.
7. Payment by Aequs shall be after all statutory deduction, as applicable for the time being in force.
8. In case the Order is for supply of chemical, petroleum products, oils, rust preventive oils, cleaning agents, synthetic oils, such supplies shall be accompanied with Safety Data Sheet (SDS). Further all other relevant documentation concerning shelf life, date of manufacturing, date of expiry, certificate of conformance and method of identification should accompany the consignment. Without these, supplies may be kept at quarantine area at Supplier's risk.

9. In case of goods such as but not limited to tools, jigs and fixtures, approved drawings should accompany the consignment. In case of standard products, catalog reference in the dispatch documentation shall be quoted.
10. In case of supply of machines and the parts thereof, all the catalogs, handbooks, maintenance manuals and other relevant documents should be supplied along with the consignment.
11. For supply of raw material in any form, test certificates such as mill test certificates, certificate of conformance, material test reports, dimensional inspection reports and/or any other reports mentioned in the Order shall be submitted along with the supply. Material test bars wherever applicable need to accompany the consignment.
12. Supplier shall notify Aequs immediately if it appears that the delivery schedule set forth in the Order may not be met. Such notification shall include the reasons for anticipated delays, steps being taken by Supplier to remedy any such delays, and a proposed revised delivery date that is acceptable by Aequs, however such delay shall be subject to Clause 5 above.
13. Supplier shall ship the goods as per the agreed Order or mutually agreed terms. All goods shall be packaged as per the manufacturer standard, or according to good commercial practice in a manner sufficient to ensure receipt of goods in an undamaged condition. No charges will be paid for packing, crating, drayage or storage unless specified in the Order. Aequs shall not be liable for any discharge, spill or other environmental incident (including clean-up costs) involving any goods shipped under the Order. No Hazardous, prohibited and/or legally banned goods shall be used for the packing. Supplier shall be liable for all the loss, damage and consequences arising due to usage of hazardous, prohibited and/or legally banned goods.
14. Unless otherwise specified, an increase in the quantities called for by Order will not be accepted by Aequs. If an increase in the quantities under the Order shall occur, whether caused by conditions of loading, packing, or otherwise, Supplier shall notify Aequs prior to shipment. Any increased quantity shipped to Aequs without prior acceptance may be returned by Aequs to Supplier at Supplier's sole expense and risk.
15. Any returnable material and/or Special cases and/or boxes for the goods will not be paid for by Aequs and shall be collected by the Supplier from delivery place, within a reasonable time period, failing which they will be returned to the Supplier at the Supplier's cost and risk.
16. In case of Orders wherein Aequs's raw material and property are supplied to Supplier, title to all Aequs's raw material and property supplied shall remain with Aequs and shall not pass to Supplier under any circumstances. Supplier shall not lien, security interests, charges, or encumbrances of any kind to be created over any of Aequs's raw material and property and Supplier must defend, indemnify and hold Aequs harmless from and against any and all such liens, security interest, charges, claims, and other encumbrances. Traceability must be maintained for such raw material and property (heat number, part number and Order/Delivery tracking number shall be traceable as per Aequs requirements). Proportionate replacement cost of such raw material and property towards rejections / short supplies shall be charged to Supplier. Any scrap or byproducts generated at the time of manufacturing process, must be returned to Aequs or follow as per the instructions given by the Aequs in writing.
17. The representatives and customers of Aequs shall at all times have the right to enter into the premises of the Supplier for any purpose including but not limited to inspection and shall not be restricted access to the premises of the Supplier for any reason whatsoever.

18. All goods may be inspected and tested by Aequs at all reasonable times and places. If an inspection or a testing is made on Supplier's premises, Supplier will provide, without additional charge, all reasonable facilities and assistance required for the inspection and tests. In its standard inspection and testing of the goods, Supplier will use an inspection system accepted by Aequs in writing. All inspection records and reports, including records relating to the goods, will be maintained by Supplier and made available to Aequs during the performance of the Order, and for a minimum period of ten years or any longer period as may be specified by Aequs.
19. If Aequs performs any inspection (other than the standard inspection) after identifying defective or nonconforming goods, any additional inspection costs shall be paid by Supplier. No inspection or acceptance of the goods relieves Supplier from responsibility for warranty or any latent defects, fraud, or negligence. If the goods are found defective or otherwise do not conform to the requirements of the Order whether at Aequs facility or at Aequs customer's facility, Aequs may, by written notice to Supplier: (a) rescind the Order as to the goods in part or full; (b) accept the goods at an equitable reduction in price; or (c) reject the goods in part or full (d) require the delivery of replacements. Delivery of replacements will be accompanied by a written notice specifying that such goods are replacements. Supplier shall be responsible for all the cost of transportation related to the return and replacement of any defective goods rejected for failure to meet specifications and other quality terms. In all cases, the incidental costs associated with the replacing or correcting defective or noncompliant goods shall be borne by Supplier. If Supplier fails to deliver required replacements promptly, Aequs may correct itself or through third party any retained defective or nonconforming goods at Supplier's expense; or replace them with goods from third party and charge the Supplier the cost thereof, including cover, and any incidental costs; or terminates the Order for cause.
20. Supplier warrants that the prices charged for the goods to be delivered or services to be performed under the Order are the competitive prices charged by Supplier to any of its other customers for similar volumes of similar goods or similar transactions. If Supplier charges any external customer a competitive price for a similar volume of similar goods or similar transactions, Supplier must notify Aequs and apply that price to all goods or services ordered under the Order. If at any time before full performance of the Order, Aequs notifies Supplier in writing that Aequs has received a written offer from another Supplier for goods or services similar to those to be provided under the Order at a price competitive than the price set forth in the Order Supplier will make all efforts to meet the competitive price.
21. Unless otherwise provided on the face of the Order, the prices include all packaging and freight to the specified delivery point; all applicable taxes and other government charges including, but not limited to, all sales, use, or excise taxes; and all customs duties, fees, or charges as may be applicable. Save as provided in this document, the agreed prices are valid throughout the period of the Order.
22. Aequs, with the consent of the Supplier, shall have the right to make changes at any time in the shipment, packaging and/or scope of services related to the Order where the goods to be furnished, services to be delivered are to be provided to Aequs in accordance therewith. No changes shall be effective unless expressly authorized in writing by Aequs, including, but not limited to, substitutions of or alterations to any requirements of the Order. If such change results in delay or an increase or decrease in expense to Supplier, Supplier shall notify Aequs immediately and Aequs and Supplier will negotiate an equitable adjustment, provided that Supplier shall continue to supply the goods and/or services contracted for under the Order as so changed.

23. Supplier warrants to Aequus and its successors, assigns that, upon delivery, and during the entire warranty period specified on the face of the Order, all goods furnished and services provided (including all replacement or corrected goods that Supplier furnishes under warranty) will shall (a) be free from defects in goods and free from deficiency in services, (b) conform to applicable specifications and other descriptions furnished or specified by Aequus, (c) be fit for the intended purposes and operate as intended, (d) comply with all applicable laws, (e) be free and clear of any and all liens, restrictions, reservations, security interests, or encumbrances and all services rendered are free from deficiencies. All warranties shall survive inspection, acceptance and final payment by Aequus. Claims for breach of warranty do not accrue until discovery of noncompliance and/or deficiency even if the goods and/or services were previously inspected. Warranty period shall be Five years from the date of delivery to Aequus, unless specified otherwise in the Order.
24. Supplier is responsible for the costs of repairing, replacing or correcting nonconforming goods, cost of services by third parties and for all related costs, expenses and damages including, but not limited to, the costs of removal, disassembly, failure analysis, fault isolation, reinstallation, re-inspection, and retrofit of the nonconforming goods or of Aequus's affected end-product, all freight charges and all corrective action costs (i.e., costs of additional inspection or quality-control systems). Unless set off by Aequus, Supplier will reimburse Aequus for all such costs upon receipt of Aequus's invoice.
25. Notwithstanding any contradictory terms, the following additional terms shall be applicable for FAI goods to be supplied.
- 25.1. Supplier shall perform and submit a full First Article Inspection (FAI) or a partial FAI for affected characteristics, when (i) there is a change in the design affecting fit, form or function of the goods/part; (ii) there is a change in manufacturing source(s), process(es), inspection method(s), location of manufacture, tooling or materials that can potentially affect fit, form or function; (iii) there is a change in numerical control program or translation to another media that can potentially affect fit, form or function of the goods/part; (iv) an event occurs either natural or man-made event or otherwise, which may adversely affect the manufacturing process of Aequus; or (v) whenever a trial part / batch is taken up for validation purposes.
- 25.2. The FAI reports shall be in writing and shall be completed either electronically or in permanent ink in English language or in a language specified by Aequus.
- 25.3. FAI is not complete until Aequus closes all non-conformance's affecting the part and implements corrective actions. Supplier shall rework on FAI for those affected characteristics and shall record the results in writing.
- 25.4. The FAI records will be retained according to Aequus or its customer or regulatory requirements.
- 25.5. All nonconforming products to be identified and physically defaced. In case of Aequus supplied goods, the nonconforming products to be identified and physically defaced before supplying to Aequus with prior notice to and approval by Aequus.
- 25.6. At Minimum all FAI's will meet AS9102 requirements.
26. Aequus may, with a reasonable prior written notice, terminate all or any part of the Order at any time without cause and without liability to Aequus from Supplier. The provisions of this subparagraph shall not limit or affect the right of Aequus to terminate the Order for cause.
27. If Supplier fails to make any delivery or perform in accordance with the agreed delivery date or schedule, or otherwise fails to observe or comply with any of the other instructions, terms, conditions or

- warranties applicable to the Order, or fails to make progress so as to endanger performance of the Order, or in the event of any proceeding by or against Supplier in bankruptcy or insolvency or appointment of a receiver or trustee or an assignment for the benefit of creditors, Aequs may, in addition to any right or remedy provided by the Order or by law, terminate all or any part of the Order by written notice to Supplier without any liability to Aequs. Any rights and/or obligations of the parties that have accrued as of any termination of the Order shall survive any such termination of the Order.
28. Supplier shall indemnify, defend and hold Aequs including , its officers, directors, promoters, shareholders, affiliates and employees harmless from and against any and all actions, obligations, claims, demands, losses, damages, liabilities, awards, costs and expenses (including all court costs, expert witness fees, investigative costs and attorneys' fees), resulting from death, disease or injury to any person or damage to any property or the environment, arising out of, in conjunction with or related in any way to (a) The goods and/services acquired or purchased by, provided to, or performed for Aequs hereunder. (b) Breach of any provisions of the Order.
29. Failure by Supplier to comply with the product specifications and performance obligations, in addition to any other rights or recourses that Aequs may have in the circumstances, entitles Aequs to withhold from any payment due to Supplier such amounts as Aequs may consider necessary to protect itself from any liability real or contingent which Aequs may incur because of Supplier's default or failure to observe the provisions of the Order.
30. The Supplier shall comply with all applicable laws, rules, regulations, governmental orders and applicable codes of practice including but not limited to compliances such as AS9100, OHSAS 18001, EMS 14001, REACH, Safety Data Sheet while supplying chemicals (SDS), Aequs policies for vehicles, safety and emergency In the event Supplier commits breach of this clause or any default under any approvals, licenses and permits or defaults in the compliance with the quality and timely delivery of the deliverables and if Aequs suffers any loss, damage or any prejudice whatsoever due to such failure, noncompliance or default, Supplier shall be liable to indemnify Aequs for all such losses, damage and prejudice suffered by Aequs including but not limited to providing legal counsel at the expenses of the Supplier.
31. Supplier is an independent contractor and agrees to indemnify and hold harmless Aequs, its officers, shareholders, promoters, directors, affiliates and employees ("indemnified parties") from any and all cost, damage, expense or other loss or liability incurred or paid, arising out of or on account of claims of or suits whether in law or in equity, which may be asserted or brought against any of the indemnified parties hereunder, for property damage or destruction, personal injury or death or any other loss or damage of whatsoever nature or kind, including claims of consequential loss and breach of contract, in any way related to Supplier's goods or the actions and/or omissions of the Supplier or its employees, agents, or subcontractors, except for claims arising through the exclusive negligence of Aequs.
32. If Aequs and/or its customer are made subject to any claims by third parties based on domestic or foreign product liability law in connection goods supplied by the Supplier, Aequs and/or its customer shall notify the Supplier of such claims. Supplier shall indemnify Aequs and/or its customer against all justified claims of third parties as well as the costs (including in particular lawyers and court costs) provided such claims are arising out of any defect or deficiency from Supplier.
33. Except to the extent of Supplier's obligations and liabilities mentioned herein, neither Aequs nor Supplier shall be liable to the other for any indirect, special, punitive, exemplary or consequential damages, including, but not limited to, damages for lost production, lost revenue, lost product, lost profits, lost

- business or business interruptions regardless of the sole, joint, and/or current negligence of either party, and each party hereby releases the other in this regard.
34. Supplier shall at its own expense, indemnify defend any action in which any infringement or unauthorized use is alleged with respect to the manufacture, sale, use or performance of such goods delivered hereunder and/or rendering of services hereunder. If the use or performance of any goods ordered is prohibited, Supplier shall, at its own expense, either (a) obtain for Aequs, the right to continue using such goods, (b) replace or re-perform such goods with one that is non-infringing, (c) modify the goods (if possible) so that it becomes non-infringing, provided no loss of anticipated benefit is received by Aequs, or (d) remove or not provide such goods and refund Aequs with the full price, including transportation and installation costs (where applicable), of any such goods provided, however, if any of the foregoing are proposed by Supplier as a means of settling an infringement action against Aequs for which Supplier is providing a defense, Aequs shall have the right to approve any settlement prior to it becoming final.
35. All information, including without limitation data, documents, goods and other technical, business, or financial information, that: (a) is supplied to Supplier by or on behalf of Aequs, whether transmitted in writing, orally, or otherwise and whether supplied to Supplier prior to or after the issuance of the Order and is marked as "proprietary" "or "confidential"; (b) Supplier develops, or creates in connection with the Order at Aequs's expense; (c) Supplier develops, or creates to meet Aequs furnished technical and other requirements; or (d) is a derivative of (a), (b), or (c) that Supplier designs, develops or creates in connection with the Order is deemed to be "Information"
36. Information will remain the property of Aequs, shall not be used by Supplier for any purpose other than for performing the Order, shall not be disclosed to any third party, and shall be returned to Aequs upon the earlier of Aequs's written request or completion of the Order. If, with Aequs's prior written approval, Supplier furnishes Information to a sub-contractor, Supplier shall bind the sub-contractor to the requirements substantially identical to this clause and Supplier shall remain responsible to Aequs for any breach of this clause by its sub-contractor.
37. All particulars furnished by Aequs to Suppliers such as samples, drawings, models etc. shall be returned to Aequs free of charge immediately on execution of the Order in the good condition except normal wear and tear. In no circumstances must these be shown to third parties.
38. Supplier shall not disclose to any third party without the written consent of Aequs to advertise or announce that Supplier supplies goods/services to Aequs.
39. Supplier will keep all the records, trade documents in relation to the performance under the Order as required by applicable quality standards, laws and regulations in effect for the Supplier or as specifically required by Aequs. The same shall be preserved and produced to Aequs on request.
40. Supplier shall not assign the deliverables under the Order or any rights or obligations or subcontract all or any material aspect of the deliverables called for without the prior written approval of Aequs. Any assignment without Aequs's prior written approval will be voidable at the option of Aequs. Aequs may assign the Order or any of its rights or obligations to any of its subsidiaries or affiliates, or to any purchaser or successor to all or a portion of the assets of the business or product line to which the Order relates upon written notice to Supplier.
41. Supplier guarantees that the manufacture, sale, performance and delivery of the goods/services ordered hereunder shall be subject to all laws, rules and regulations.

42. All applicable and requisite insurance shall be maintained by Supplier.
43. If Supplier is unable by reason of force majeure to carry out any of its obligations under the Order, then, upon Supplier giving notice and particulars in writing to Aequs within a reasonable time after the occurrence of the cause relied upon, such obligations shall be suspended. Force majeure shall include acts of god, laws and regulations, government action, war, civil disturbances, strikes, delays of carriers to Supplier, lightning, fire, flood, washout, storm, breakage or accident to equipment or machinery, shortage of raw material and any other causes that are not reasonably within the control of Supplier. During the term of any force majeure event, Aequs may satisfy its requirements for any goods or services under the Order as it deems appropriate and any such action by Aequs shall reduce any obligations hereunder accordingly, but shall not be deemed to be a breach of the Order by Aequs. Should any force majeure event extend for a period of more than thirty (30) consecutive days, then, Aequs shall have the right to terminate the Order after the thirtieth (30th) day without any further obligations or liability to Supplier.
44. The failure of Aequs in any one or more instances to insist upon performance of any of the terms or conditions or to exercise any right or privilege in the Order and terms and conditions of the purchase shall not be construed as a waiver of any such terms, conditions, rights or privileges and the same shall continue and remain in full force and effect. If any provision of the Order is held by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions of the Order shall remain in full force and effect as written.
45. Nothing in the Order will be construed to place Supplier and Aequs in an agency, employment, franchise, joint venture, or partnership relationship. Neither party has the authority to obligate or bind the other in any manner, nor nothing contained in the Order will give rise or is intended to give rise to rights of any kind to any third parties. Neither party will make any representation to the contrary. The parties agree that Supplier will perform its obligations under the Order as an independent contractor. Supplier retains the right to exercise full control of, supervision over and responsibility for Supplier's performance hereunder, including the employment, direction, compensation and discharge of Supplier's personnel, as well as compliance with workers' compensation, unemployment, disability insurance, Labor welfare, withholding and all other laws, rules, codes, regulations and ordinances governing such matters.
46. Supplier shall be responsible for strict compliance of safety regulations, safe methods of working and proper use of safety equipment by its employees / representatives/ agents/ persons engaged by Supplier to do any work (in pursuance of this Order), under applicable enactments / it's safety regulations.
47. If Supplier or its agents, employees, or subcontractors enter onto Aequs facility or worksites to perform the work or for any other reason under the Order, then Supplier shall comply with the all Aequs applicable policies in relation to safety and security.
48. Supplier shall implement all the necessary process to prevent counterfeit parts. Supplier shall be compliant with AS9100 Rev. D Section 8.1.4.
49. Supplier shall comply with the Aerospace Industries Association of America (AIA) Global Principles of Ethics in the Aerospace & Defense Industry.
50. In the event of any conflict or inconsistency between any of the provisions of the Order, the face of the Order and this document, precedence shall be as follows: a) face of the Order/s, b) specific terms and conditions of the Order, c) general terms and conditions of purchase.

51. All provisions of the Order which by their nature should apply beyond their terms will remain in force after any termination or expiration of the Order.
52. Any dispute, controversy or claim arising out of or in relation to Order and terms and conditions to the Order, including any question regarding its existence, validity or termination, shall be settled amicably in so far as possible by means of negotiations between the Parties. All such disputes as are not settled in the manner prescribed above within ninety (90) days (or other time frame as mutually agreed to by the parties) after the receipt by either party of written notification from the other party of the existence of a dispute shall be submitted court of law at Paris, Texas USA.
53. The Order shall be governed by and construed in accordance with the laws of USA and courts of Paris, Texas USA will have exclusive jurisdiction of any dispute and any dispute arising out of or relating to the Order, including the breach, termination or validity thereof.
54. ITAR & EAR Compliances: Information exchanged under this Order may be subject to U.S. export control laws and regulations, such as the U.S. International Traffic in Arms Regulations (“ITAR”) or the Export Administration Act. Supplier agree that information subject to the export control laws and regulations shall not be disclosed or transferred to a third party without first obtaining written approval from the disclosing party and complying with all applicable U.S. export control laws and regulations.
55. Supplier agrees that it will comply with any current and future U.S. Securities and Exchange Commission disclosure rules or other regulations regarding “conflict minerals” promulgated under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as may be amended and/or supplemented from time to time. Supplier further agrees to undertake periodic inspections of any subcontractor and manufacturer involved to ensure compliance with the foregoing.
56. Mandatory intimidation by Supplier:
- 56.1. In the event that the Supplier, for whatever reason(s) elects not to continue supplies to Aequs including but not limited to reasons such as (i) bankruptcy, insolvency, appointment of receivership whether voluntary or involuntary and whether anticipated or not; (ii) is acquired or proposed to transfer the assets of Supplier associated with the products to be supplied to Aequs; or (iii) voluntary decision of discontinuation of business or product, shall inform Aequs to the extent possible, three months prior notice, to delivery scheduled for the products.
- 56.2. Supplier shall inform immediately (preferably within five days) if Supplier not able to supply the product for whatsoever reason including but not limited to prohibition from regulatory bodies, change in law, not being able to make any delivery or perform in accordance with the agreed delivery date or schedule, closure/suspension of business voluntary or otherwise, non-production of products, any force majeure event, repeated obstacles in manufacturing, labor strike, or fails to make progress so as to endanger performance of the Order.
- 56.3. In the event Supplier receives an offer, desires to make an offer or otherwise seeks to solicit, negotiate, discuss, accept or otherwise engage in any activity or transaction to sell or acquire all or any part of the business of Supplier which have material impact on supply of agreed items/products, then Supplier shall provide immediate written notice thereof to Aequs.
- 56.4. 56.4 Neither the Supplier nor any of its affiliates, any officer or director, any agent, employee or affiliate of the Supplier or any of its affiliates, is aware of or has taken any action or will take any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder and any other

applicable anti-bribery or anti-corruption rules or regulations. Supplier agrees to abide by the Anti-Kickback Act of 1986 (41 U.S.C. 51 through 58) and FAR 52.203-7. In addition to any other remedies that Aequs may have, Supplier shall indemnify Aequs against all claims and procedures based upon actual or alleged violations of foregoing rules/regulations.

57. Other Terms

- 57.1. Supplier shall use latest revision of specifications and shall use latest revision of material at time of manufacture.
- 57.2. In the event Supplier found any non-conforming product/goods, the Supplier shall notify Aequs of such nonconforming products/goods within 24 hours.
- 57.3. Approval/disposition of nonconforming product/goods is the responsibility of Aequs.
- 57.4. Supplier shall notify Aequs of any changes in product/goods or process and Supplier shall obtain Aequs approval.
- 57.5. Aequs, its customers, and any regulatory authorities shall have the right of access to all facilities involved in this Order and to all applicable records.
- 57.6. Aequs is entitled to monitor external providers performance, if any.
- 57.7. If Supplier intends to sub out any of work, Supplier shall obtain prior written consent from Aequs and shall be required to flow down the terms herein to sub-tiers and the applicable requirements in the purchasing documents, including key characteristics where required. The sub tier must be customer designated or approved external provider.
- 57.8. Supplier shall handle, wrap and package parts in a way that they will not be damaged during transport within Supplier's facility or between Supplier's facility and Aequs.
- 57.9. Supplier shall include Certification of Conformance with Aequs parts/material. On certification, Supplier shall include quantity, part/product number, specification number and revision, company name and address, and signature of authorized quality representative.
- 57.10. Supplier shall box each individual part number in its own individual box. Supplier shall not place multiple part numbers in a box.
- 57.11. Supplier shall maintain record for a minimum period of 10 years.
- 57.12. If Program indicates "Collins", Supplier must be compliant to the latest revisions of UTC requirements ASQR-01,
- 57.13. COL-ASQR-PRO-0003 and UTAS MP1004-2.
- 57.14. Supplier shall deploy its competent and certified resources for the purpose of performance of its obligation under the Order.
- 57.15. Supplier shall implement all the necessary process to prevent counterfeit parts. Supplier shall be compliant with AS9100 Rev. D Section 8.1.4.
- 57.16. Supplier shall provide OEM certificates where applicable.
- 57.17. All documents and technical data received from Aequs are proprietary in nature and are subject to all laws and control of the US Government in accordance with ITAR and EAR agencies; All suppliers are required to adhere to those regulations and controls.
- 57.18. Supplier shall comply with the Aerospace Industries Association of America (AIA) Global Principles of Ethics in the Aerospace & Defense Industry.

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- 57.19. If Supplier are performing part marking on Aequs parts, mark 'ON' the part when possible if that is one of the given options.
- 57.20. If Supplier are machining parts for us, it shall perform 100% Hardness Test and Conductivity test as applicable IAW BAC5946/ BAC 5650/ BAC5619/ BAC5613 to verify that the correct material is being used.
- 57.21. If scope of work includes calibration, Supplier shall provide as received condition.
- 57.22. Supplier shall be complaint of DFAR regulations.
58. The terms used in this document shall have the meaning given below.
- 58.1. Aequs means Aequs Aero Machine Inc (which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns).
- 58.2. Supplier means the party to which the Order is issued.
- 58.3. The word "including" followed by any specific item(s) is deemed to refer to examples rather than to be words of limitation. The word "person" includes a natural person, a partnership, a corporation, a limited liability company, an association and any other form of business association or entity
- 58.4. The word "goods" means the tangible property manufactured or supplied to Aequs by Supplier pursuant to an Order. Goods will be inclusive of all services necessary to bring the property manufactured or supplied to Aequs.
- 58.5. References to a law or regulation include any present or future regulation, rule, directive, requirement, or guideline (whether or not having the force of law) of any agency, authority, government department or any self-regulatory or other national entity having competent authority or jurisdiction.
- 58.6. References to any law or regulation include amendments or modifications to such law and regulation and any further rules issued thereunder or in replacement, therefore.