

MACKENZIE AIRCRAFT PARTS, INC.

PURCHASE ORDER TERMS & QUALITY CLAUSE CONDITIONS

001: TERMS

A: Seller shall keep confidential all technical and proprietary information furnished to Seller by Buyer in connection with this order, including blueprints, data, designs, drawings, engineering data for production, product know-how, and any other information furnished to Seller by Buyer in connection with this contract. Seller shall not use such items or information in the design, manufacture, or production of any goods, or for any other purchase or for the manufacture or production of larger quantities than those specified, except with the express consent in writing from the Buyer. Seller, including its agents, employees, and representatives will exercise extreme caution to prevent disclosure of such information to third parties. The obligations of this provision shall survive the completion of performance and expiration or termination of this contract.

B: Buyer and authorized representatives of Buyer's Customers and / or Regulatory Authorities shall have direct access to all applicable areas of all Seller's and Seller's Subcontractor's Plants (at any level of the supply chain) where work under this P.O. is being performed, to review progress, records and witness testing of the items related to this P.O. Seller shall include this clause in all of Seller's subcontracted Purchase Orders.

C: Prior to shipment, Supplier shall notify MacKenzie Aircraft Parts, Inc. if a non-conformance condition exists with the product and obtain approval for nonconforming product disposition. If a non-conformity is found by the Supplier after the part has shipped, then Supplier shall notify MacKenzie Aircraft Parts, Inc. immediately.

D: Supplier shall notify MacKenzie Aircraft Parts, Inc of changes in product and/or process changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval.

E: Supplier shall flow down to the supply chain the applicable requirements including customer requirements. Specific requirements may include, but are not limited to requirements for design, testing, inspection, verification, use of statistical techniques, and related instructions for acceptance (including critical items and key characteristics).

F: Quantity variances and / or partial shipments are not permitted unless prior written authorization is received from the buyer.

G: When the drawing, specification, or purchase order lacks specific packaging instructions, the supplier shall use best commercial practices to ensure that the quality of the delivered part(s) is maintained and that damage, deterioration, and loss in transit are prevented, so product is safe for use.

Packaged items shall be free of dirt and other contaminants that would contribute to deterioration of the item or which would require cleaning prior to use. Items susceptible to corrosion or deterioration shall be provided protection such as preservative coatings, volatile corrosion inhibitors, or a desiccated environment. Items requiring protection from physical and mechanical damage, or which are fragile, will be protected by wrapping, cushioning, or other means to mitigate shock and vibration, and to prevent damage during handling and storage. Cushioning or wrap can be any suitable, appropriate

material; except newspapers may not be used when painted surfaces are involved. Partitions or divisions must be used when necessary.

Items susceptible to damage by ESD shall be packaged in antistatic bags of conductive carbon ("black poly") or antistatic bags per MIL-B-81705 Type III. All external and internal packaging shall be properly identified with "ESD Sensitive Item" labels. Transparent "pink poly" bags or material shall not be used where the material can come into direct contact with the product

H: Accelerated delivery is encouraged. Any modification that is going to delay delivery requires written authorization from the buyer.

I: Supplier Certificate of Conformance is required with all orders. The certification shall include, for each item covered by the certification, the following minimum information: Purchase order number, part number and revision of the item supplied, quantity, serial or lot numbers covered by the certification (as applicable), a legible signature and title of a Quality Assurance Manager or other responsible person. The certification shall include a statement that the item meets all drawing, specification, and/or purchase order requirements. If different from the supplier, the certification must have the manufacturers name and address.

Material received without certification is subject to rejection and return to the supplier at the supplier's expense.

J: If Supplier is debarred, or has an active exclusion listed on SAM.gov, Seller is required to inform the Buyer of such prior to processing any orders. If the Supplier is debarred while an order is being processed, then the Seller is required to notify the Buyer ASAP, and no parts are to ship without the Buyers approval.

K: No parts that have been exposed to hazardous / corrosive chemicals, temperature extremes, under gone extreme stress, or been in an accident shall be supplied without prior written authorization from the buyer.

L: For products supplied on a MacKenzie Aircraft Parts, Inc. purchase order, the supplier shall maintain an adequate records system. All records shall be retained in electronic or paper format for a minimum of ten (10) years from completion of the purchase order.

M: Suppliers shall disclose any conflict minerals used in the production of any product subject to this agreement. In the event such materials are used, supplier shall submit, as applicable, either (1) its report filed with the Security and Exchange Commission under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection act, or (2) a description reasonably acceptable to MacKenzie Aircraft Parts, Inc. of measures taken to assure the appropriate sourcing and chain of custody of such materials. Conflict minerals shall have the meaning ascribed to it under Dodd-Frank and shall include, without limitation, columbite-tantalite (coltan), cassiterite, gold, wolframite, or their derivatives, or any other mineral or its derivatives determined by the US Secretary of State to be financing conflict in the Democratic Republic of the Congo.

N: We expect our suppliers to develop, implement, and maintain methods and processes appropriate to their products to prevent the introduction of counterfeit parts and materials into deliverable products. Suppliers must ensure that effective processes are in place

to detect counterfeit parts and materials, as applicable, and exclude them from the delivered product

O: We require suppliers to maintain an effective ethics and compliance program. Our suppliers should provide their employees with avenues for raising legal or ethical issues or concerns without fear of retaliation. Our suppliers should also take action to prevent, detect, and correct any retaliatory actions.

P: We require our suppliers to comply with all applicable health and safety laws, regulations, and directives. Suppliers should protect the health, safety, and welfare of their people, visitors, and others who may be affected by their activities.

Q: We require our suppliers to ensure all their employees involved in the processing and handling of products and services, be aware of their contribution to product and service conformity and product safety.

Q02: MANUFACTURER CERTIFICATE OF CONFORMANCE

Manufacturer Certificate of Conformance is required with shipment. The certification shall include, for each item covered by the certification, the following minimum information: Purchase order number, part number and revision of the item supplied, quantity, serial or lot numbers covered by the certification (as applicable), a legible signature and title of a Quality Assurance Manager or other responsible person. The certification shall include a statement that the item meets all drawing, specification, and/or purchase order requirements.

Supplier shall notify the buyer prior to shipment if specification has been replaced / superseded / updated. List specification as shown on drawing, and then list the replacement specification with current revision.

Material received without correct documentation is subject to rejection and return to the supplier at the supplier's expense.

Q03: SPECIAL PROCESS CERTIFICATION

A Certificate of Conformance to the special processes specified on the purchase order, drawing or specification is required with shipment. Material received without certification(s) is subject to rejection and return to the supplier at the supplier's expense. The certification shall contain, as a minimum, the following information: Purchase order number, part number, revision and serial or lot number(s) of the part(s) covered by the certification. In addition the certification shall include the applicable specification including, as applicable: revision, notice, amendment, type, grade, class, method, or other qualifier, as specified on the purchase order, drawing or specification. The certification shall have a legible signature, and title of a Quality Assurance Manager or other responsible person.

Q04: MATERIAL CERTIFICATION AND TEST REPORTS

Certification(s) for all material and Test Reports are required with shipment. All Certifications must be traceable to the original Mill Lot and Heat Number. The certification shall include, for each item covered by the certification, the following minimum information: Purchase order number, part number and revision of the item supplied, quantity, serial or lot numbers covered by the certification (as applicable), a legible signature and title of a Quality Assurance Manager or other responsible person. The certification shall include a statement that the item meets all drawing, specification, and/or purchase order requirements.

All Certifications must show the part number, quantity, process being performed, specification, revision number, and have a legible printed and signed signature and title of responsible person signing the certification.

Supplier shall notify the buyer prior to shipment if specification has been replaced / superseded / updated. List specification as shown on drawing, and then list the replacement specification with current revision.

Q05: CALIBRATION

All calibrated tools used or calibration performed, must be in compliance with ANS/NCL Z540-1-1994, using standards which traceable to the National Institute of Standards and Technology (NIST) through documentation.