

OMAHA AIRPLANE SUPPLY TERMS AND CONDITIONS

FOR

SUPPLIERS/SUB-TIER SUPPLIERS

By accepting this purchase order, your company agrees to immediately report to Omaha Airplane Supply and the Federal Aviation Administration any failure, malfunction, or defect in any product, part, or process of articles manufactured by Supplier or its Sub-tier Supplier within 72 hours of discovery. This is to be made initially by phone and then followed up with an email detailing the non-conformity, Purchase Order(s), part number(s), and or Lot Number(s) affected by the nonconforming material(s). Supplier also agrees to allow Omaha Airplane supply and the Federal Aviation Administration access to inspect any part(s) and processes performed on any part(s).

If you do not consent to allow such inspection and operation by Omaha Airplane Supply and the Federal Aviation Administration, you are hereby directed not to perform any activity with this purchase order and to notify the purchasing representative immediately.

ADDITIONAL TERMS AND CONDITIONS FOR SUPPLIERS/SUB-TIER SUPPLIERS

As a Supplier to Omaha Airplane Supply (OAS) you agree to comply with the additional terms and conditions listed below in the respect to any product or service(s) provided to OAS if any such product or service relates to any aerospace application, project or machine or any request for quote, purchase order or similar document issued by OAS contains any reference to the AS9100 standards. The terms and conditions issued below are in addition to and are deemed to be an integral part of OAS's standard terms and conditions of purchase.

TRAINED PERSONNEL: Supplier agrees to use trained personnel in processes which require the use of trained personnel (for example: Certified Welders when a Specification Requires).

PROCESS, PRODUCT OR LOCATION CHANGES: Any changes in your manufacturing process, materials, or engineering drawings; product site of manufacture including change of Suppliers or Sub-tier Supplier shall require advanced notification to OAS and new Supplier/Vendor Audit form filled out.

SUB-TIER SUPPLIERS, FLOW-DOWN REQUIREMENTS: Suppliers may not outsource or subcontract any product, component, service or other work for or on behalf of OAS to any Sub-tier Supplier without the prior written approval of OAS. Supplier acknowledges and agrees that OAS's customers may require the use of pre-approved sources, (such as painting, coating, heat treatment, welding and similar services). If OAS approves the use of any Sub-tier Supplier, Supplier must flow down to Sub-tier Supplier any applicable OAS, statutory, regulatory, and/or AS9100 requirements including, but not limited to, requirements in any purchase order issued by OAS. All service work (such as painting, coating, heat treatment, welding and any other services) performed by a Sub-tier Supplier must strictly comply with all OAS, regulatory, statutory, and customer requirements.

CERTIFICATE OF CONFORMANCE: Supplier must provide a Certificate of Conformance for all orders and lots. Verify that all products and lots meet applicable OAS, any regulatory, and customer order specifications and requirements. All products and lots must be clearly identified and labeled and must be traceable to and linked to the Certificate of Conformance. Supplier's records with respect to each other must be retained for a minimum of **10 years**.

NONCONFORMING PRODUCTS AND MATERIALS: If at any time Supplier becomes aware that any shipped product or material is nonconforming, Supplier will notify OAS by telephone and promptly confirm in writing. All nonconforming products and materials must be documented and investigated. Supplier's investigation shall include root cause analysis, impact/assessment of scope and identification and timely implementation of effective corrective actions. All investigations will be documented and records maintained. Supplier shall obtain OAS's prior written approval with respect to the disposition of any nonconforming products or materials. Rejected nonconforming products shall be replaced by the Supplier at the Supplier's expense. Nonconforming products rejected by OAS shall be returned to the Supplier at the Suppliers expense and risk of loss.

RIGHT OF ACCESS: OAS, and government authorities and their respective representatives intend to perform verification activities at Suppliers premises when warranted and to assure product(s) and service(s) conform to specified requirements. Supplier shall provide OAS, and government authorities and their respective representatives with access to all of Supplier's facilities and records relating to the performance and processing of OAS's orders. In accordance with 14 CFR 145.223 any Supplier that accepts parts, which are regulated by the Federal Aviation Administration (FAA), must provide facility access to the FAA for surveillance of these part(s).

QUALITY: Supplier shall be responsible for the specific quality, performance, productivity provisions, and documentation requirements, if any, set forth in the Agreement. In addition, Supplier shall be responsible for imposing the applicable quality assurance requirements on and all of its Sub-tier Suppliers. Any inspection or verification activities undertaken by OAS or governmental authorities shall not be used as evidence of effective control of quality and shall not absolve the Supplier of the responsibility to provide acceptable, conforming products and services, nor shall it preclude OAS or its customers from rejecting any product or service provided by the Supplier.

RECORDS RETENTION REQUIREMENTS: Supplier shall maintain complete and accurate quality records in connection with the product(s) and service(s) supplied and traceable to its origin under this agreement. To include but not limited to, purchase orders or agreements, inspection and test record(s), and Certificates of Conformance(s) for the products supplied for a minimum of **10 years** after completion of this purchase order.

END OF DOCUMENT