

STANDARD TERMS & CONDITIONS OF SALE AND SERVICE

All orders issued/accepted by SpecTech USA Inc are subject to the following express Terms and Conditions which shall be substituted for any other Conditions which may appear on any Order form of Correspondence unless expressly agreed to in writing by SpecTech USA. Each order or acceptance of a quotation for Goods by the customer from SpecTech USA shall be deemed to be an offer by the customer to buy the goods subject to these Terms. Buyer's Agreement/Purchase Order is accepted subject to the following terms and conditions and no others, unless the same have been agreed to in writing by the Seller. The placing of orders by Buyer shall be decisive evidence of the Buyer's approval of and consent to the terms and conditions contained within.

GENERAL CONDITIONS

SpecTech USA will not be held responsible for any delay or cancellation of any contract if it is prevented from or delayed in the carrying on of its business due to circumstances beyond its reasonable control including but not limited to Acts of God, Labor Disputes, War, Accidents, Flood, or Dearth of Raw Materials, New Duties or Laws including Export License Regulations imposed by Government.

QUOTATIONS

Quoted prices and dispatch times are valid for 30 days from date of quotation unless otherwise agreed in writing.

ACCEPTANCE

No orders shall be deemed accepted by us other than upon a receipt of our official Acknowledgment.

PRICE

The price acknowledged on acceptance of an order is based upon the cost of materials, labor, transport, and statutory obligations ruling at the date of acknowledgment. All prices are in US dollars. If between that date and completion of the work, variations, either by rise or fall, shall occur in these costs, then the price shall be amended to provide for these variations. Unless otherwise agreed by SpecTech USA in writing, the price for the goods shall be the price set out in SpecTech USA's price list published on the date of delivery or deemed delivery of the goods. Every endeavor will be made to execute the work at the price acknowledged. The time for payment shall be of the essence. All prices quoted and acknowledged are net of any Sales Taxes as applicable.

DISPATCH

Every endeavor will be made to execute the work in the time stated, but no liability is accepted in regard thereof. All dates quoted or acknowledged are estimated dates for dispatch from works. SpecTech USA reserve the right to part ship orders unless specific instructions are given by the customer in writing.

CARRIAGE AND PACKING

Carriage and Packing is charged extra at cost at time of dispatch. Carriage will only be arranged at the written request of the customer otherwise all goods are deemed to be ex-works packed.

QUANTITIES

Every endeavor will be made to dispatch correct quantities ordered. Owing to difficulty in the measuring of exact quantities of some products, SpecTech USA reserve the right to deliver 10% more or less in completion of any order where this difficulty exists, the same to be charged or deducted pro-rated.

SHORTAGES and/or DISCREPANCIES

Any shortages or discrepancy must be reported in writing within twenty (20) working days from receipt of goods.

DIMENSIONAL TOLERANCE

In the absence of our written agreement to the contrary, SpecTech USA do not undertake to check the size and tolerances of items supplied.

MATERIALS AND MATERIAL FINISHES

SpecTech USA only procure from approved sources and order to National Standards where applicable. All materials and material finishes are checked against available specifications and certifications of conformity. This is the extent of SpecTech USA's inspection and no warranty is given or implied as to the suitability of materials and material finishes used by the manufacturer or their intended use.

SPECIAL DISPATCHES/AIRCRAFT ON GROUND (AOG)

Should dispatch be required urgently outside normal manufacturing times, every effort will be made to secure such items within the specified time limit. The customer in such cases must make reasonable allowance and extra charge will be made for such items for special dispatch. All additional costs including out of hours working extra or special transport costs incurred will be charged to cover the enhanced costs.

SUSPENDED OR SPREAD OVER ORDERS

In the absence of our written agreement to the contrary, goods will be dispatched and invoiced when delivery from the manufacturer/supplier is completed. Unless otherwise agreed by SpecTech USA in writing payment of the price for the goods is due by thirty (30) days following the date of the invoice. In the event of the customer requesting dispatch of goods to be postponed or extended over a long period, SpecTech USA retain the right to purchase total quantities and amend the price to reflect the revised conditions. Dispatch may not be postponed or extended, unless by contract, for more than one year from the date of the order.

CANCELLATION

In the event of cancellation of whole or part of an order, the Customer shall pay for all goods received by SpecTech USA. In the event of a collation charge being levied by the Supplier to SpecTech USA this shall be passed onto the customer in full plus administration charges.

PAYMENT TERMS

Net 30 days, if credit facilities have been agreed, payment is due thirty (30) days following the date of the invoice.

TITLE OF GOODS

Title and risk of loss to goods shall pass to Customer at the f.o.b. point specified in this Purchase order.

DEFECTIVE GOODS

All products are purchased from approved sources and are subject to batch traceability. Any item(s) found defective will be returned to the supplier for replacement provided SpecTech USA is notified within 1 month of receipt by the customer and written details of the defect are received before being returned to SpecTech USA by the Customer. Reasonable endeavors will be made to ensure proper replacements are made. SpecTech USA shall endeavor to transfer to the customer the benefit of any warranty or guarantee given to SpecTech USA by the manufacturer. SpecTech USA will not be responsible for claims beyond replacement of such products. Approved RMA must accompany any return.

WARRANTY

All information, recommendations and descriptive material about products supplied by SpecTech USA are based upon manufacturer specifications and are believed to be reliable but to not constitute a warranty. All products supplied by SpecTech USA are sold on the understanding that the purchaser will independently determine their suitability for their purpose. No employee, representative or agent is authorized to give any guarantee or warranty whatsoever. All warranty claims will be passed to the SpecTech USA supplier if applicable for investigation and resolution.

LOSS IN TRANSIT

No responsibility will be taken for loss or damage of goods ordered by customers while in transit. Where SpecTech USA has been requested in writing by Customer to arrange transport full insurance cover will be taken out and the cost passed onto the Customer.

CUSTOMER'S PROPERTY

While every care will be taken of Customer's property in SpecTech USA's possession, no liability can be accepted for loss, damage by Fire, Theft or any other means.

LEGALITY

All goods are supplied on the strict understanding that the ultimate destination for them does not contravene the laws of the United States or the destination country.

INDEMNIFICATION

Seller will indemnify and save harmless Buyer, its directors, officers, employees, agents, and invitees from and against all liability, demands, claims, losses, costs, damages, and expenses, including but not limited to attorneys' fees, by reason of or on account

of economic harm, either direct or indirect, to either Buyer or Buyer's customers, property damage, death and personal injury to Buyer or any third party of whatsoever nature or kind arising out of, as a result of, or in connection with the performance of this Order that is occasioned by the acts or omissions of Seller or its subcontractors or suppliers of any tier.

DISPUTES

Any dispute arising will be subject to resolution under the laws and statutes of the United States and resolution will be through the Courts of that country.

CONFIDENTIALITY

Each party agrees and undertakes that it will keep confidential and will not use for its own purposes nor without the prior written consent of the other party disclose to any third party all information of a confidential nature (including trade secrets and information of commercial value), which may become known to such party from the other unless such information is public knowledge (other than by breach of this condition) or is required to be disclosed by a court of competent jurisdiction.

NEW MATERIAL & COUNTERFEIT PARTS PREVENTION

Seller acknowledges that the goods purchased Buyer under the Order will be used in the manufacture or maintenance of aircraft or in other similar applications where the necessity of providing genuine parts from Buyer's designated and approved manufacturer(s) (the "Approved Manufacturer") is critical. Accordingly, the Seller warrants that all goods supplied pursuant to the Order shall be new, unused, authentic, genuine and legitimate goods made or produced by the Approved Manufacturer, and that no counterfeit goods, "gray market" goods or goods from a source other than an Approved Manufacturer will be supplied pursuant to the Order. Seller shall maintain a system of traceability for all good supplied hereunder that tracks such goods back to the Approved Manufacturer and includes the Approved Manufacturer's batch or production lot identification number. If, subsequent to shipment, Seller suspects or becomes aware that some or all of the goods shipped pursuant to the Order do not meet the foregoing warranties, Seller shall immediately aware (or if Buyer reasonably suspects) that any good(s) supplied under the Order do not meet the foregoing warranties, Buyer may demand that Seller promptly replace all such goods with conforming goods, and Seller shall do so as quickly as reasonably possible. In the alternative, Buyer may return the non-conforming goods (or suspect non-conforming goods) and receive a full refund of the purchase price of such goods. Further, if any such event, Seller shall be liable for all costs related to the (i) replacement of any non-conforming goods, validation of the goods, (iii) approval and replacement costs and (iv) any penalty, fees, fine or other damages incurred by Buyer as a result of Seller's failure to comply with the foregoing warranties. AS6174 should be used as a guidance.

QUALITY MANAGEMENT SYSTEM

- **MANUFACTURERS-** A quality management system in compliance with AS9100, ISO9001 or equivalent is required.
- **DISTRIBUTORS-** A quality system in compliance with AS9120 or equivalent is required.
- **SUPPLIERS-** Suppliers of military products (AN, MS, NAS, MIL, etc.) must have a quality system compliant to the applicable military quality system standard as well as ISO9001. Buyer reserves the right to conduct quality system audits at the Supplier facility. Supplier quality system must ensure control of product sources inclusive of but not limited to the flow down of quality requirements through the supply chain, configuration (drawing, parts list, specification, etc.) requirements, management of quality documentation, obtaining corrective actions and performing corrective actions. Supplier quality system must ensure availability and/or retrieval upon request of quality and manufacturing records from product source.
- **Employee Competence, Awareness, and Ethical Behavior:** Any employee or contractor in the supply chain must be aware of their contribution to the quality of the products they are delivering, their contribution to the product safety of the products they are delivering and the importance of ethical behavior in regards to non-conforming parts they may be delivering.
- **Supplier Performance.** Performance for ALL supply sources are evaluated and discussed for ongoing approval. Continued poor performing suppliers will be submitted a Corrective Action and potentially removed from approved status.

THE FOLLOWING APPLIES TO SUPPLIERS ONLY

- **RECORDS-** It is a requirement that suppliers must retain any Media form, records regarding lot traceability of all items supplied to SpecTech USA for at least 7 years.
- **DRAWINGS-** Full drawing control must be in place at the manufacturer/supplier. And that the latest issue is used in all manufacturing processes of the goods supplied to SpecTech USA, unless otherwise agreed or requested by SpecTech USA in writing. SpecTech USA should be notified if the drawing(s) being used is more than twenty years old.

- **SHIPPING TOLERANCE-** The quantity tolerance for this purchase order is $\pm 0\%$. Any deviation from this tolerance must be approved by SpecTech Purchasing Department prior to shipment.
- **OBSOLESCENCE-** Any part ordered by SpecTech USA is assumed to be of current manufacture and specification. If however the item(s) are either obsolete or are about to become obsolete, SpecTech USA must be informed in writing. Where an alternative is offered, full specifications and test reports must be supplied to SpecTech USA if specified in writing.
- **TITLE OF GOODS-** Title and risk of loss to goods shall pass to SpecTech USA at the f.o.b. point specified in this Purchase order.
- **REQUIRED CERTIFICATION-** Seller shall deliver to Buyer the parts and documents required by this Order, each of which shall identify the lot to which it relates. Written notice of nonconforming parts must be forwarded to Buyer immediately for items already shipped, or prior to shipment. Such notice shall state whether the non-compliance affects form, fit or function of the part. Unless otherwise set forth on the fact of Seller's invoice, Seller certifies it is the manufacturer of the part, or an authorized dealer of such manufacturer and has documentation to trace each part by lot number to the manufacturer.
- **CERTIFICATE OF CONFORMANCE**
 - Manufacturers shall provide a certificate of conformance with each shipment, which states that the product supplied meets all drawing, specification and purchase order requirements. The C of C shall reflect the part number(s) listed on SpecTech USA's purchase order, the production lot numbers, and shall be signed by an authorized supplier representative of the manufacturer.
 - Distributors shall provide the manufacturer's certificate of conformance as described above in addition to their own C of C.
- **FLOW DOWN**
SpecTech USA reserves the right to flow down any other conditions or requirements placed upon it by its own customer(s) including the right to on-site Q&A inspections by SpecTech USA or its customer. Any other requirements of hardware purchased will be flowed down in writing on purchase order and are to be adhered to, flowed down to the supplier, to any sub tiers, and to the manufacturer.
- **RIGHT OF ACCESS-** SpecTech USA, our customers, and regulatory authorities reserve the right of access to the supplier's facility for the purpose of audit and inspection. Should this become necessary, reasonable notice will be given to the supplier prior to visitation.
 - If a nonconformance is discovered prior to shipment that does not affect form, fit, or function, a request for waiver may be submitted. All such requests must be made in writing. Under no circumstances shall shipment be made without written approval from SpecTech USA.
 - If a nonconformity is discovered subsequent to shipment the supplier is required to notify SpecTech USA within 48 hours with nonconformance details and proposed action to be taken.
- **CHANGES IN PRODUCT DEFINITION, PROCESSES, FACILITIES, EQUIPMENT, MATERIALS, OR SUPPLIERS** - Supplier must notify Spec Tech USA regarding any changes to product specifications, processing, equipment, materials, suppliers, or facilities regarding this order PRIOR to shipping product to fulfill an order. Such changes represent a potential risk of nonconforming product and will require a review, which could include our customers and end users to determine if changes will be accepted without affecting form, fit or function.
- **FOD AWARENESS** – Supplier must have a Foreign Object Debris/Damage (FOD) Awareness and Prevention program to ensure products provided are free from any objects that can cause issue down the supply chain. issue can include (but not limited to) traceability, preservation, and safety concerns.