



TERMS AND CONDITIONS

ACKNOWLEDGEMENT: Immediate acknowledgment is required. Any exceptions must be clearly defined.

QUALITY: Material is subject to Buyers inspection and approval at a reasonable time after delivery: if specifications are not met, material may be returned at Seller's expense.

Seller shall provide and maintain an inspection and test system which will ensure that all material submitted to the Buyer will conform to requirements.

Seller shall permit the Buyer access to make inspection tests while work is in progress and make available to the Buyer accurate, complete, and current records of its inspection and test work.

Seller shall identify measurement, inspection and test equipment calibration status including the equipment's and the equipment's standards:

- 1) Date of last calibration.
- 2) Name of performer of calibration.
- 3) Due date of next calibration.

Seller shall maintain traceability (by certificate) of measurement, inspection, and test equipment to the U.S. National Bureau of Standards.

The seller's purchase documents shall provide access to the sub-tier supplier's premises by Buyer representatives, who may or may not be accompanied by his End Customer's representatives and/or authority's representatives.

Seller shall notify the Buyer of any nonconforming process or product and obtain concurrence on the disposition.

Seller and all sub-tier suppliers shall retain evidence of an implemented Quality Measurement System

DISCOUNT: Discount, if taken, is computed from the date an acceptable invoice is received by the Buyer.

BILL OF LADING: The original or a comparable document must accompany the invoice.

DRAFTS: Will not be honored.

PACKAGES: Must bear Buyer's order number and show gross, tare, and net weights and/or quantity. No charge is allowed by Buyer unless otherwise agreed.

CARTAGE: No charge is allowed by Buyer unless otherwise agreed.

TAXES: The Seller agrees to pay any taxes imposed by law upon or on account of the within materials unless otherwise agreed.

TOOLS: Tools of all kinds held by seller for making Buyer's parts must be repaired, renewed and fully insured against possible loss or damage.

DELIVERY: Must be made within the time stated on the purchase order, failing which Buyer reserves the right to purchase elsewhere and charge seller with any loss incurred, unless delay in making delivery is due to unforeseeable causes beyond the control and without the fault or negligence of the seller

PATENTS: The Seller shall hold and save Mercury Aircraft Inc., its officers, agents, servants, and employees harmless from liability of any nature or kind for or on account of the use, sale, or lease of any patented or unpatented invention, article, or appliance furnished or used hereunder.

PRICE: If price is not stated on order, Seller agrees to invoice at the lowest prevailing market price.

In accepting this purchase order, Seller represents and warrants that the price charged does not exceed the applicable ceiling prices established pursuant to the Defense Production Act of 1950, and all ceiling price regulations issued there under.

WAGES AND HOURS: In accepting this order, Seller agrees that in the manufacture of the products ordered and/or in the performance of services, Seller has complied with the Fair Labor Standards Act of 1938, as amended by the Fair Labor Standard Amendments of 1949; and that the goods were produced and/or services performed, in compliance with said act as amended, and Seller agrees to so certify on all your invoices.

COUNTERFEIT PARTS: Seller agrees and shall ensure that counterfeit goods are not delivered to Mercury Corporation. Seller shall immediately notify Buyer if Seller becomes aware or suspects that it has furnished counterfeit goods. If suspect/counterfeit goods are furnished under this order or are found in any of the goods delivered hereunder, such items will be impounded by Buyer and parts will not be returned to the vendor. Upon request of Buyer, Seller shall immediately provide documentation that authenticates traceability of the affected goods to the applicable manufacturer. Buyer may make available a sample batch for viewing by the Seller at Mercury's premises for verification and authentication. Seller shall promptly replace such suspect/counterfeit goods with goods acceptable to Buyer. Seller shall be liable for all costs, including but not limited to Buyer's internal and external costs relating to the removal and replacement of said goods and subsequent testing of said goods. Buyer will address any detrimental impacts caused by suspect/counterfeit goods. Counterfeit components have zero value.

Ethics and Conduct: This clause shall be flowed to subordinate suppliers at all tiers.

- 1) Buyer will conduct its business fairly, impartially, and in an ethical and proper manner.
- 2) Seller shall conduct its business fairly, impartially, and in an ethical and proper manner.
- 3) Supplier shall implement an awareness program to ensure employees understand their contribution to Product/Service conformity, product safety, and the importance of ethical behavior.

**EQUAL EMPLOYMENT OPPORTUNITY:**

There are incorporated in this Order the provisions of Executive Order 11246 (as amended) of the President of the United States on Equal Employment Opportunity and Rules and Regulations issued pursuant there to which the Seller represents that he will comply, unless exempted. Also included on this Order are the provisions of section 503 of the Rehabilitation Act of 1973 and Section 402 of the Vietnam Era Readjustment Assistance Act of 1974 and the Rules and Regulations issued pursuant to these laws, which the Seller represents that he will comply, unless exempt.