

Bigorre Aerospace Corporation	BAC TERMS AND CONDITIONS			FM-pur-741TC	REV: C
	REVIEWED BY:	Pierre Schmitt	APPROVED BY:	Eric Ladjimi	Revision Date: 5/1/2017

BAC Terms and Conditions

External Providers are aware of their contributions to BAC product conformity, product safety and the importance of ethical behavior.

When Bigorre Aerospace Corporation creates a Purchase Order to buy goods or services, the following Terms and Conditions are referenced on P.O. and apply as appropriate:

- a) requirements for approval of product, procedures, processes and equipment,
- b) requirements for qualification of personnel,
- c) quality management system requirements,
- d) the identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data,
- e) requirements for design, test, inspection, verification (including production process verification), use of statistical techniques for product acceptance, and related instructions for acceptance by the organization, and as applicable critical items including key characteristics,
- f) requirements for test specimens (e.g., production method, number, storage conditions) for design approval, inspection/verification, investigation or auditing,
- g) requirements regarding the need for the supplier to
 - notify the organization of nonconforming product,
 - obtain organization approval for nonconforming product disposition,
 - notify the organization of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organization approval, and
 - flow down to the supply chain the applicable requirements including customer requirements,
- h) records retention requirements: 10 years,
- i) right of access by the organization, their customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

Flow down via P.O. Ref. **AC 21-20C, Appendix A**

- Supplier must maintain a quality system.
- Supplier must inform BAC of any changes to its certification.
- Supplier must inform BAC of any changes to material, process or design details.
- Supplier must maintain measuring and test equipment traceable to NIST.
- Supplier must have documentation retention control.
- Supplier must maintain traceability throughout manufacturing, inspection, and test.
- BAC must approve use of substitute process.
- Supplier shall have NO MRB authority.
- Supplier must guarantee customer/regulatory agency access.

Additional Terms and Conditions are recorded on the next page.

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Addendum

BY ACCEPTANCE OF THIS PURCHASE ORDER (the "Order") THE SELLER (identified on the front side) HEREBY AGREES TO BE BOUND BY THE FOLLOWING TERMS, CONDITIONS AND INSTRUCTIONS:

A. OFFER-ACCEPTANCE.

This Order constitutes Bignorre Aerospace Corporation's (the "Buyer") offer to purchase the goods and/or services stated on the front side of this Order subject to and conditioned upon Seller's acceptance of the following terms, conditions and instructions. This Order is not valid unless signed by Buyer's authorized representative. This offer is deemed accepted by Seller upon Buyer's receipt of Seller's written Order acknowledgment. Any variation of the terms and conditions of this Order, including additions and deletions, shall be deemed void and without legal force and effects unless accepted in writing by Buyer.

B. PRICE AND PAYMENT.

(1) Seller, by its acceptance of this Order, warrants that the prices on the front side of this Order are correct, complete and reflect the maximum price for the goods and/or services acquired hereunder. Seller agrees to adjust this price downward in the event a lower price is in effect on the date of shipment of the goods and/or services.

(2) The payment terms identified on the front side of this Order shall commence on that date when Buyer receives an accurate invoice from Seller or on the date Buyer receives the first item shipped under this Order, whichever is later. Buyer may submit payment for the Order during any applicable discount period and prior to its inspection of goods, without limiting or waiving any of its rights under the law or as provided herein.

C. DELIVERY AND RECEIPT.

(1) Buyer reserves the right to reject at any time any goods and/or services which contain defective material or workmanship or which does not conform to the specifications of samples, revealed by inspection, analysis or by manufacturing use after delivery. Buyer may so reject notwithstanding the fact that such goods and/or services may have been previously inspected and accepted and notwithstanding prior payment to obtain cash discount. All rejected goods and/or services may be returned at the Seller's risk and expense at full invoice price plus transportation charges both ways. Rejected goods and/or services are not to be replaced without prior written authorization from the Buyer. Buyer reserves the right to decline to accept any goods and/or services which is not shipped or delivered as promised.

(2) Seller shall deliver all goods under this Order in packaging which is commercially acceptable and individually marked to indicate the package contents. Each package must be accompanied with packing slips, if no slips are furnished, Buyer's count will be conclusive. The Order number appearing on the front side of this Order must appear on all packages, packing slips, airway bills, invoices and bills of lading. Unless otherwise agreed to on the front side of this Order, the price herein includes all charges for packing and delivery to the F.O.B. point. Buyer may, by written notice to Seller, modify the packing requirements, the method of shipping or delivery points.

(3) Unless otherwise indicated herein, title to and risk of loss on all goods and/or services shipped by Seller shall pass to Buyer at the F.O.B. point designated on the front side of this Order. Any and all costs for returned shipments shall be borne by Seller and, in such event, title and risk of loss shall pass to Seller at Buyer's business address unless otherwise agreed by Buyer, in writing, at the time of such return.

(4) The obligation of Seller to meet the delivery dates, specifications and quantities as set forth herein is of the essence of this Order, and Buyer may cancel this Order and Seller shall be responsible for any loss to or claim against Buyer arising out of Seller's failure to meet such delivery dates, specifications and/or quantities.

D. WARRANTY-PRODUCT LIABILITY.

(1) Seller warrants that all goods and/or services will be merchantable, fit and sufficient for the particular purpose intended, and will conform to specifications, drawings, samples and any other descriptions furnished or adopted by Buyer and will be of good workmanship in material and free from defects for the term of the manufacturer's stated warranty period, or in the absence of such an established warranty period for one year from the date of receipt or acceptance by Buyer, whichever is later. All warranties hereunder shall survive inspection and acceptance by Buyer. All repairs or replacements covered under this warranty shall be completed by Seller, including all necessary parts and labor, without costs to Buyer, immediately upon receipt of notice from Buyer of a warranty defect. Seller represents that all goods and/or services sold pursuant to this Order do not infringe any United States or other patents. Seller agrees to protect, defend, indemnify and hold Buyer harmless from any and all claims, liabilities, suits, damages, actions, expenses and costs which Buyer may incur in connection with any infringement or alleged infringement of any patent right relating to the goods and/or services hereunder.

(2) Unless waived by Buyer, Seller shall be covered by "products liability" insurance and if requested shall provide Buyer with an underwriter's certificate identifying such coverage in amounts as are acceptable to Buyer.

E. COMPLIANCE WITH LAWS. Seller warrants that:

(1) Seller shall comply, in the performance of this Order, and all items purchased hereunder will conform, with all applicable state, federal and local laws, rules and regulations including, but not limited to, the Fair Labor Standards Act, the Robinson-Patman Act and all executive orders, regulations, rulings and guidelines implementing legislation pertaining to equal employment opportunity;

(2) Seller has complied with all terms and conditions required by the United States for eligibility to furnish materials and supplies for use on public contracts; and all goods and/or services under this Order, at the time of delivery, shall be in full compliance with all applicable requirements of the Federal Aviation Administration (the "FAA") and the applicable requirements of the FAA regulations. Seller shall be responsible for obtaining and continuously maintaining such compliance and shall deliver to Buyer evidence of compliance in the form of certificates or other written approval as required by the FAA or requested by Buyer.

F. GENERAL ITEMS.

(1) The provisions of this Order shall be construed in accordance with the Uniform Commercial Code as enacted in the State of Florida. The contract rights and obligations created under this Order may not be assigned or delegated by Seller without the express prior written consent of Buyer.

(2) Buyer's remedies herein reserved shall be cumulative and in addition to any other or further remedies provided in law or equity. No waiver or breach by Buyer of any provision of the contract created under this Order shall constitute a waiver of or any other breach of such provisions.

(3) Any goods and/or services covered by this Order subject to a state and/or local sales tax or use tax, Seller shall show Seller's tax registration number on invoice.

(4) Should Buyer prevail in litigation enforcing any terms of the contract created by this Order then Seller shall reimburse Buyer for all costs of litigation including attorneys' fees and costs at trial and appeal.