

UNITED INSTRUMENTS – QI-100
TERMS AND CONDITIONS APPLICABLE TO ALL PURCHASE ORDERS

ALL UNITED INSTRUMENT PURCHASE ORDERS ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS AND MAY BE ACCEPTED ONLY ON THE TERMS SET FORTH HEREIN. TERMS IN ANY ACCEPTANCE OR INVOICE THAT ARE IN ADDITION TO OR NOT IDENTICAL WITH THE TERMS SET FORTH HEREIN SHALL NOT BECOME PART OF THE CONTRACT. IN THE EVENT OF A CONFLICT WITH THE REQUIREMENTS OF THIS DOCUMENT AND THE PO, OR CONTRACT, THE ORDER OF PRECEDENCE SHALL BE: PO OR CONTRACT REQUIREMENTS, AND QI-100 TERMS & CONDITIONS.

1. As used herein, the terms "Purchaser" means UNITED INSTRUMENTS, INC; "Seller" means the person, firm or corporation to whom this Purchase Order is addressed; "goods" includes personal property or merchandise of every type, kind and description, as specifically described in this Purchase Order; and "services" includes all work, conduct or services to be performed for Purchaser.
2. This Purchase Order, when properly executed on behalf of Purchaser and bearing its order number, is the only form which will be recognized by Purchaser as authority for charging goods or services to its account. All written communication concerning this Purchase Order shall be in the English language. If there is a Conflict between the native language and the English language, the language in the English document shall take precedence.
3. The quantity of goods delivered by Seller to Purchaser or services performed by Seller for Purchaser must not be greater than the amount specified in this Purchase Order (PO), unless an additional amount is first ordered by Purchaser in writing of its Purchase Order Form.
4. A notice of shipping receipt must be sent to Purchaser each time any goods are shipped. Each shipping receipt shall state the number of the order, the kind of goods, the Seller's name, and the route by which shipment is made. Seller's bills of lading shall contain commodity descriptions which will produce the lowest lawful freight charges and Seller shall reimburse Purchaser for any penalty or additional charges due to use of improper commodity descriptions. Unless otherwise noted, a Certificate of Conformance (CoC) is required with every shipment. Seller must ensure that all certifications eg: Manufacturers Certificate of Conformance, Inspection/Test Reports, Process Certs, Raw Material for a part(s) is traceable by either a lot number, date code, heat number, revision level, job or work order number or material to the PO number. Unless otherwise noted, each shipment must have a packing list showing, if applicable: United Instruments PO number, part number (with revision level if applicable), delivery number, quantity, and a complete description of contents including HTS Classification and Country of Origin. A CoC and Packing List may be one document, provided all the required information is included.

B 10/20/12 UPDATE PARA. 10
A 6/11/12 updated para. 7 & 11
REV DATE

10/19/17 UPDATE PREAMBLE, PARA. 2, 4, 6, 7, 10, 11, 13
CHK REV DATE

PREP. BY
APPR. BY
CHECKER
CHK NAME DATE
3/23/11
3/29/11

UNITED INSTRUMENTS, INC.

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3625 COMOTARA AVE
WICHITA, KS 67226

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5. If the goods specified on the reverse hereof are to be sold f.o.b. their ultimate destination, Seller shall deliver the goods to Purchaser at such destination, and Seller shall assume and bear all risk of loss to the goods from any cause whatsoever until said goods are delivered to Purchaser at such destination. If the goods specified in this Purchase Order are to be delivered to Purchaser at some point other than their ultimate point of destination, the goods shall be delivered by Seller to a common carrier at such specified point, properly consigned to Purchaser at the point of ultimate destination, and Seller shall assume and bear all risk of loss to the goods from whatever cause until said goods are delivered to such carrier; but upon delivery of said goods to such carrier, any loss or damage thereof thereafter occurring shall be borne by Purchaser shall be thereafter bear all risk of loss. If Seller fails to deliver goods of the quantity and quality specified within the time and under the conditions herein specified, Purchaser may, at its option, cancel this order and decline to accept and pay for any goods, shipped or unshipped; and upon the exercise of such option Purchaser may buy the goods elsewhere and charge Seller with any loss and expense incurred thereby.

6. All goods hereby ordered are subject to the inspection of the Purchaser upon arrival at destination, even though payment may have been made for the same prior to such arrival. Purchaser's count shall be accepted as final and conclusive on all shipments not accompanied by a packing list. All goods shipped or services rendered must conform to this Purchase Order. No known nonconformance shall be shipped to United Instruments, Inc. without written authorization from United Instruments, Inc. If discovered that nonconforming product has been shipped to United Instruments, Inc. the seller shall notify United Instruments, Inc. Quality Department within 24 hours of the discovery. Any goods or services which deviate from the specifications of this Purchase Order will be rejected. If upon inspection such goods or services are found to be unsatisfactory for any reason, including but not limited to, because of defective material, inferior quality or workmanship, or failure to meet any other requirements of this order, they will be returned to Seller and all amounts theretofore paid by Purchaser to Seller on account of the purchase price, together with any costs incurred by Purchaser in connection with the handling and shipment of goods shall be repaid by Seller to Purchaser; and Seller shall not thereafter ship to Purchaser other goods to replace such unsatisfactory or rejected goods unless thereafter Purchaser shall in writing order such goods to be replaced. Seller further agrees to correct and/or replace, at its own expense, any failure of the goods or services covered by this purchase order to meet Purchaser's requirements and/or any defect in materials and/or workmanship which may develop within one (1) year after delivery of the goods or services to Purchaser. Purchaser reserves the right even after it has paid for said goods or services, to make a claim against Seller for credit on account of any goods or services hereby ordered which do not prove to be satisfactory or which are defective.

7. Seller warrants as follows:

- (a) That the goods or services correspond with the description of the Purchase Order to which these terms and conditions relate, conform to the specifications, drawings, samples or other description furnished or adopted by Purchaser;
- (b) The goods are fit and sufficient for both Purchaser's intended use and the ordinary purpose for which they are used, are of the quality specified (or, in the event no quality is specified, will be of the best and merchantable quality);
- (c) That by use of statistical techniques for acceptance the goods are free of all defects in workmanship and materials, and will operate and function satisfactorily and reliably under all conditions, if the seller is a distributor then it shall have a quality control system including

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prepacking and preshipping inspection/test activities, and that data from these activities be made available to the buyer;

- (d) That Seller will clearly identify parts, supplies, and/or associated documentation with indications of inspection status;
- (e) That Seller shall immediately notify Purchaser in writing of any changes in the goods or services subject to any Purchaser's order, including any changes in any of Seller's suppliers, changes in manufacturing facilities or locations, and where required, obtain Purchaser's approval for such changes; and that the seller's suppliers conform to the buyer's quality assurance standards and requirements;
- (f) That Seller will have a documented traceability system for mechanical and/or electronic parts and supplies, and will prevent the use of counterfeit products;
- (g) That Seller shall immediately notify Purchaser in writing of any nonconforming goods, and in the event any nonconforming goods are in Purchaser's possession shall immediately accept the return of such nonconforming goods, all costs and expenses of return shipment, and all risk of loss associated therewith to be on Seller's account. If said nonconforming goods are no longer in Purchaser's possession, Seller shall fully cooperate with Purchaser in obtaining the replacement of such nonconforming goods at Seller's sole cost and expense;
- (h) If Purchaser has already paid for such nonconforming goods, Seller shall immediately return said payment to Purchaser, together with Purchaser's costs and expenses of shipment.
- (i) That Seller must assure that all product shipped is adequately packed and/or packaged to prevent damage, contamination, deterioration and/or the introduction of Foreign Object Debris (FOD).
- (j) That Seller shall, for product having a limited or specified shelf life, indicate the expiration date, and when applicable, any special storage instructions or handling conditions. Remaining shelf life at time of delivery shall not be less than 75% of total life
- (k) First article, if required, should be done using AS9102 latest revision. If a company FAIR form is used all information required on AS9102 shall be included, at a minimum. Prototype parts are not to be used for any United Instruments FAI. Any revisions require a Delta FAI per AS9102.
- (l) Sellers are required to notify United Instruments, Inc, and regulatory agencies (as required) of any changes to the company's ownership, location, Management Representative, and/or Quality Policy Manual, including revisions to, suspensions of, or withdrawals of any QMS certifications
- (m) That Seller shall provide safeguards for all Electrostatic Discharge (ESD) sensitive components and assemblies, including packaging and transporting in electrostatic shielding containers. All ESD containers or cushioning materials must have mechanical characteristics to properly protect parts against damage. All ESD packaging containers must have an ESD caution label affixed to the outer surface.
- (n) That Seller shall ensure that persons are aware of:
 - 1. Their contribution to product or service conformity.
 - 2. Their contribution to product safety.
 - 3. The importance of ethical behavior.
- (o) In addition to the other requirements within this document, seller's quality system shall comply with the latest revision of the appropriate quality system standard(s).
- (p) Preference will be given to sellers who maintain a QMS that is certified, registered, or compliant to latest rev of ISO9001, AS9100 and/or AS9120.

- (q) All sellers are required to have a current Supplier Survey on file at United Instruments, Inc. Sellers who do not return the form may be suspended at the discretion of United Instruments, Inc. President and/or Quality Manager.

Approval of design by Purchaser or acceptance of the goods or services by Purchaser shall not release Seller from its obligations under the foregoing warranties.

8. Seller warrants that said goods are free and clear of all liens and encumbrances whatsoever and that Seller has good and marketable title to the same Seller agrees to hold Purchaser free and harmless against any and all claimants to said goods.
9. Seller warrants that the goods or services covered by this Purchase Order do not infringe upon any United States patent, trademark, or copyright and that Seller shall at its own expense, hold Purchaser harmless from and defend it against any claim, demand, damages or liability asserted against Purchaser on account of any claimed infringements, together with all costs in connection therewith (including attorney's fees).
10. In the performance of this Purchase Order, Seller shall strictly comply with all applicable laws, ordinances, orders, rules and regulations (whether federal, state or local) and, upon request by Purchaser, Seller shall furnish Purchaser, at no cost or expense to Purchaser, with such evidence of compliance as Purchaser may require at any time. Without limitation of the generality of the foregoing, Seller shall strictly comply with all such laws, ordinances, orders, rules and regulations relating to rates of wages, hours of labor, prices and other matters which may be binding upon Purchaser in connection with any work or contract for or in connection with which the goods or services to be furnished by Seller hereunder are intended to be used. Seller shall comply, as appropriate, with requirements of qualification of personnel. Seller warrants that to the extent that the same are applicable, Seller shall strictly comply with all such laws, ordinances, orders, rules and regulations relating to the eligibility of the goods or services for use on public contracts. Seller shall establish, document, and maintain a program to control and eliminate Foreign Object Debris and/or Damage (FOD) during receiving, manufacturing, assembly, test, inspection, packaging, and shipping operations.
11. United Instruments, Inc., its customers and/or regulatory agencies reserve the right to inspect supplies, services, processes, procedures, and records that are applicable to United Instruments, Inc. orders at any level of the supply chain. Seller shall create and maintain a flow down to the supply chain of the applicable requirements of the United Instruments Contract, PO, Terms and Conditions, for manufacture of the goods, including any of Purchaser's requirements necessary to meet Purchaser's customer needs. Seller shall maintain all inspection and test records relating or pertaining to the manufacture of the goods for not less than ten (10) years after shipment of the goods, in compliance with all FAA Rules and Regulations, including but not limited to those set forth in Title 14 CFR Aeronautics and Space, pertaining to production records, record retention, testing and inspections of critical parts. All manufacturing facilities, production records, inspection and test records shall be available for inspection by Purchaser or Purchaser's designated agent upon reasonable notice.
12. By acceptance of this Purchase Order, Seller assumes all risks in the furnishing of the goods and/or in the performance of the services required by this Purchase Order, and will indemnify, save and hold harmless Purchaser and/or the owner to which the goods or services are being furnished, from and against any and all losses, damages, liabilities and claims of any kind whatsoever which may arise in

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any manner whatsoever in the performance of this Purchase Order including, but not limited to, loss of goods covered by this Purchase Order and injuries to property and to persons, including death.

13. In the event that Seller shall, in the performance of this Purchase Order, have in its possession property of Purchaser, Seller shall be deemed an insurer thereof and shall be responsible for its safe return. For Sellers providing calibration services, the Certificate of Conformance statement shall indicate that all tests, calibrations, and equipment used is certified and traceable to the National Institute of Standards and Technology. Test and inspection reports are required.
14. The prices of the goods and/or services covered by this Purchase Order, as indicated in this Purchase Order, shall, unless otherwise noted, include: (a) All federal, state and other taxes; and (b) all charges for packing, loading and draying. Seller shall pay before delinquency all applicable sales, use, and other taxes and/or contributions of whatever kind and however imposed, now or hereafter imposed, directly and indirectly, upon or measured by the goods supplied or services performed under this Purchase Order and/or measured by the wages, salary or other remuneration paid to persons employed in connection with the performance of this Purchase Order, and Seller shall indemnify Purchaser harmless against any expense and liability in connection therewith, shall make all required reports, and shall credit Purchaser with such tax credits as Seller is entitled to by law in connection with this Purchase Order.
15. Seller shall state its payment and discount terms on invoices. Any discount period shall begin from the date Purchaser receives invoices or goods, whichever occurs last. Delay caused by correction of errors and omissions shall extend any discount period and shall be just cause for withholding payment without loss of cash discount by Purchaser.
16. This Purchase Order shall not be assigned, transferred, or sublet in whole or in part by Seller, by operation of law or otherwise, unless Purchaser's written consent hereto is first obtained, otherwise, this Purchase Order shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.
17. This Purchase Order shall constitute the entire agreement between the parties relating to its subject matter and no other understanding, oral or written, shall limit or modify its terms. This Purchase Order shall not be modified or changed, except by a written instrument executed by the parties hereto. Any waiver of strict compliance with the terms of this Purchase Order by Purchaser must be in writing and must specify the term or condition being waived, and any such waiver shall not be a waiver by Purchaser of the right to insist upon strict compliance with said term or condition at any other time, or act as or be interpreted as a waiver of any other term or condition.
18. Any monies due for goods or services furnished under this Purchase Order may, at the option of Purchaser, be applied by it to the payment of any sums which Seller may owe to Purchaser.
19. This Purchase order may be terminated by Purchaser (a) if Seller fails in any respect to use due diligence in proceeding with the performance of this Purchase Order, or, (b) fails to perform any of the covenants on its part to be performed hereunder, or (c) if Seller shall become insolvent, shall make an assignment for the benefit of creditors, be subject to any proceeding in bankruptcy, or if a receiver of Seller is appointed; or (d) if Seller fails to pay when due any charge for labor, materials, or services incurred in connection with this Purchase Order.

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20. In case of any dispute between Seller and Purchaser as to the interpretation of this Purchase Order, or with respect to any matter arising out of or in connection with it or the performance thereof, either party may demand that the dispute be submitted to arbitration. The demand shall be in writing, shall be served on the other party and shall specify the arbitration chosen by the party making the demand. Within seven (7) days after receipt of the demand the other party shall appoint an arbitrator, by written notice served on the party making the demand. The two arbitrators so chosen shall select a third arbitrator. The decision of any two arbitrators shall be binding and conclusive on the parties, shall be in writing and shall be a condition precedent to any right of legal action. In no case shall submission of a matter to arbitration be cause for delay or discontinuance by Seller of the performance of this Purchase Order. Each party shall bear the expense of its own arbitrator, and the expense of the third arbitrator and other costs of the arbitration shall be divided equally between the parties.
21. Any notice hereunder may be served by registered mail directed to the address of the party to whom notice is to be given, as shown on the reverse side of this order.
22. In the event this Purchase Order requires performance by Seller upon any property or project of Purchaser, the following conditions shall also be applicable:
- (a) Seller shall take all necessary precautions to protect all property and persons from damage or injury arising out of its work and shall observe and comply with all fire, life, safety and other regulations heretofore or hereafter prescribed by Purchaser or the owner of the project on which the goods are being installed or the services are being performed and shall be responsible for the observance thereof by all subcontractors and all employees, agents or representatives of Seller and/or any such subcontractors.
 - (b) Seller shall keep the premises and work free and clear of all mechanic's and other liens and claims and shall furnish Purchaser or the owner of the project, as the case may be with such affidavits, waivers and releases with respect thereto as Purchaser or owner may require.
 - (c) The work shall remain at Seller's risk prior to written acceptance by Purchaser and/or the owner of the project and Seller shall replace at its own expense any and all goods, personal property, fixtures, equipment or real property damaged or destroyed by any cause whatsoever.
 - (d) Seller shall observe and comply with, to the extent required by Purchaser, the wages, hours and working conditions established by Purchaser on the project or required of Purchaser by an applicable labor agreement.
 - (e) Seller shall act as an independent contractor and not as the agent or representative of Purchaser. All rights and remedies reserved to the Owner under Purchaser's agreement with owner shall apply to and be possessed by Purchaser, as well as by Owner, in all dealings with Seller.
 - (f) Seller shall perform its work in accordance with the schedules and work programs established by Purchaser; and shall fully cooperate with Purchaser and others engaged in work on the project so that the work on the entire project may be performed with the utmost speed, consistent with good practice. In case of conflict, Purchaser may direct the necessary coordination.
 - (g) Seller shall carry on its work so that the premises shall at all times be clean, orderly and free from debris and upon completion shall remove all equipment and unused materials from the project, clean up all refuse and debris, and leave the site of the work clean, orderly and in good condition.

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