

SKYTRAC SYSTEMS LTD. TERMS AND CONDITIONS

GENERAL

- 1) Supplier is responsible to comply with stated Quality Clauses and all SKYTRAC Purchase Order (PO) requirements.
- 2) Unless otherwise stated, the Supplier is responsible for the oversight and control of its chosen subcontractors and suppliers. Supplier is responsible to flow down applicable quality clauses and requirements, including SKYTRAC customer requirements, requirements for Record retention, notification of nonconforming product, and product/process changes.
- 3) Standard Clauses A - Pare incorporated as part of all SKYTRAC PO's. Other material, part or PO specific purchasing information may also be noted on the PO, including any applicable requirements for qualification of personnel, and requirements for approval of product, procedures, methods, processes and equipment.
- 4) This order becomes a binding contract on the terms set forth herein when accepted by Supplier by any of:
 - a) Giving SKYTRAC formal written acknowledgement on Purchase Order;
 - b) via email;
 - c) Supplier's order acknowledgement form; or
 - d) The commencement by Supplier of any of the work called for by this order.
- 5) In case of any conflict with this document or other requirements, the order of precedence is:
 - a) SKYTRAC PO;
 - b) Drawings, Specifications, and/ or related Electronic Files.
- 6) SKYTRAC reserves the right to exercise the final decision and responsibility of the release of any products and services to SKYTRAC's customers.
- 7) The SKYTRAC Purchaser, identified in the "Created by" field on the PO, is designated as the primary point of contact related to this PO.

A. QUALITY MANAGEMENT SYSTEM

A-1) Supplier compliance and/or certification to ISO 9001 or AS9100, or equivalent is preferred, but not mandatory. The Supplier shall maintain a quality program that ensures adequate control of quality throughout the performance of this purchase order; and demonstrates adequate process control ensuring PO requirements can be met. Please provide a copy of any Management System Certificate of conformance to AS9100 or ISO 9001 or other equivalent standard.

B. RECORDS & RETENTION

B-1) Supplier shall maintain all records relating to manufacturing, inspection, testing, acceptance, rejection and certification for a period of at least ten (10) years after closure of this purchase order. These records shall be available for review by representatives of SKYTRAC and/or its customers and/or regulatory authorities at any reasonable time during the Supplier's working hours throughout the retention period. SKYTRAC, at its option, may elect to keep these records on behalf of the Supplier.

C. IDENTIFICATION AND REVISION STATUS

C-1) The identification and revision status of specifications, drawings, process requirements, inspection /verification instructions and other required technical information shall be maintained relevant to the PO.

C-2) All custom parts must list the SKYTRAC Systems part number and revision on the packing slip.

D. NONCONFORMANCES, MATERIAL DISPOSITION AUTHORITY & CORRECTIVE ACTION

D-1) Material disposition, including repair and use-as-is, authority is retained by SKYTRAC. Any request to ship discrepant material must be in writing with a written approval from SKYTRAC prior to any disposition action. Supplier will notify SKYTRAC at the earliest possible time when discrepancies in the Supplier's process or product are discovered or suspected that have or may affect material or parts or assemblies delivered or to be delivered to SKYTRAC. Any item rejected by SKYTRAC that is being resubmitted by the Supplier after correction shall have an indication of those items on the Supplier's shipping document such as an RMA number. Corrective Action may be required, stating the action(s) taken to correct the discrepancies.

E. COUNTERFEIT PARTS, AVOIDANCE, DETECTION, MITIGATION, AND DISPOSITION

E-1) Supplier shall prevent and mitigate the use of counterfeit parts. It is preferable that supplier complies with the requirements of AS5553 for electronic components and AS6174 for non-electronic products.

F. RIGHT OF ACCESS

F-1) At times it may be necessary for SKYTRAC, our customers and regulatory authorities to visit supplier facilities and/or their suppliers for the purpose of verifying contract compliance and product conformity and records related to the contract. Arrangements for such visits will be coordinated with the Supplier.

G. MATERIALS, PROCESS OR DESIGN DETAIL CHANGE

G-1) Supplier agrees not to make any change in materials, process or design detail which would affect the product or any component part thereof and rework or repair procedures without prior approval of SKYTRAC, and without revision of the part numbers and the originals of all drawings or data. Supplier will ensure all its subcontractors for Supplier identified purchased material will abide by this clause.

H. SUPPLIER NOTICE OF CHANGE

H-1) Work performed against this PO shall not be further sub-contracted out without written consent from SKYTRAC. The Supplier shall notify SKYTRAC immediately of changes to:

- a) The Supplier's management (ownership);
- b) Facility Location;
- c) Supplier part configuration (design, shape or function);
- d) Processes used; or
- e) Sub-contracting of work to other suppliers.

I. INSPECTION, TESTING AND VERIFICATION

I-1) Supplier is responsible for performing all of the PO requirements, including supplies or services furnished and inspections and tests necessary to substantiate conformance of product. This may involve the use of statistical techniques for product acceptance, related instructions for acceptance by SKYTRAC, and as applicable, critical items including key characteristics identified on the PO.

I-2) If applicable, requirements for test specimens (e.g., production method, number, storage conditions) for design approval, inspection/verification, investigation or auditing may be included in this responsibility.

I-3) Records demonstrating compliance with this clause must be created and retained in accordance with the Records & Retention clause (B) of this document.

I-4) Contract Manufacturing Services Suppliers must perform yearly vision exams for all inspectors of SKYTRAC products. The inspector must pass having near vision requirements (either corrected or uncorrected) of Snellen 14/18, (20/30), or Jaeger 2. The inspector must also be capable of adequately distinguishing and differentiating colors (this exam is only required once per inspector).

J. FOREIGN OBJECT DEBRIS (FOOD)

J-1) Supplier establishes, documents and maintains a program to control and eliminate Foreign Object Debris (damage) (FOD) and/or contamination during Supplier's (or Supplier's sources) manufacturing, assembly, test and inspection operations affecting this PO.

K. SHELF LIFE MATERIALS

K-1) Supplier provides the manufacturing date, shelf life, and expiration date for all limited shelf life items under this order. All items have 75% or more of their shelf life remaining at the time of shipment to SKYTRAC. All items are packaged, labeled and transported per their applicable regulatory requirements.

L. CERTIFICATIONS

L-1) A legible and reproducible copy of each manufacturer's Certificate of Conformance (CofC) is required as appropriate.

Certifications shall be to the latest specification revision unless otherwise indicated by the Purchase Order. When Supplier furnishes the items on this purchase order, the Certificate of Conformance (CofC) will include the manufacturer's certification or distributor's certification. Payment for product received will not be made until all required certifications have been accepted.

L-2) SKYTRAC also requires Material Certificates for all materials and coatings/finishes used in the manufacture of metalwork assemblies.

M . PROVIDERS OF CALIBRATION SERVICES

M -1) Calibration Supplier performs calibration services in accordance with nationally accepted methods/ procedures (i.e. accredited or compliant to ISO 17025 or ISO 10012 or equivalent) and provides calibration certificates containing the appropriate information. Notification will be made on a timely basis of out-of-tolerance conditions enabling SKYTRAC to respond quickly to such an issue. Supplier will use standards traceable back to NIST or an equivalent regulatory body, acceptance tolerances are in accordance with manufacturer's recommendations unless specified otherwise.

N. DESIGNATED SOURCES

N-1) When SKYTRAC indicates on the PO that "The sources for parts, materials, and/or processes are restricted" the supplier agrees to use only those sources designated on SKYTRAC's F405-2 Approved Supplier list.

O . CANCELLATION

O-1) SKYTRAC reserves the right to cancel all or any part of the undelivered portion of this order if Seller does not make deliveries as specified in the schedules as promised, or if Supplier breaches any terms hereof, including the warranties of Supplier, said rights to cancellation to be exercised by SKYTRAC without penalty.

P. SUPPLIER CODE OF CONDUCT

P-1) SKYTRAC Suppliers and their personnel or representatives are aware of their contribution to SKYTRAC product or service conformity; and product safety.

P-2) SKYTRAC and its Suppliers shall strive to conduct their businesses in accordance with the highest standards of ethical behavior.