



TERMS AND CONDITIONS FOR SUPPLIERS

G1 DEFINITIONS

- **Stoddard** refers to Stoddard International.
- **Supplier** refers to the entity which is receiving the Purchase Order and fulfilling the actual Purchase Order. The Supplier may be a Distributor, Manufacturer, Producer, Retailer, Provider of a Service or Information, or any other entity empowered to sell the goods or services contracted by the Purchase Order.
- **Authorized Purchasing Agent** refers to the Stoddard International representative whose name appears on the Purchase Order. If transmitted via email, the authorized Purchasing Agent will be the sender of said email with the appropriate signature/footer identifying the sender as an employee of Stoddard International.

G2 ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS

Supplier's acknowledgement, acceptance of payment, or commencement of performance shall constitute Supplier's unqualified acceptance of Stoddard's Terms and Conditions. Failure to meet terms and conditions of Purchase Order may result in delayed payment of invoice, cancellation of order, return of merchandise at Supplier's expense, or reduction in future orders.

Q1 RIGHT OF ACCESS

Acceptance of this Purchase Order by the Supplier grants representatives from Stoddard, Stoddard's customers (only if needed or authorized by Stoddard), and regulatory agencies the right of entry to all applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records for the purpose of verifying that purchased materials or processes conform to specified requirements.

Q2 COUNTERFEIT MATERIALS

Suppliers must only provide products that originate from an original manufacturer or authorized distributor. The supplier will notify Stoddard immediately if it becomes aware or suspects any counterfeit product/material has been distributed by the supplier to Stoddard.

Q3 QUALITY SYSTEM

The Supplier must maintain a documented Quality System (manual). This documented Quality System must include provisions for the Supplier to manage the competence, awareness, and training of all personnel. Stoddard reserves the right to request evidence of a documented quality system of the Supplier and applicable sub-tier Suppliers. If the supplier is ISO certified it will serve as proof that they have a satisfactory Quality system.

Q4 FOREIGN OBJECT DEBRIS (FOD) MANAGEMENT

The supplier will maintain housekeeping practices to assure timely detection and removal of all foreign residue/debris, if any are present, during normal daily operation.

Q5 SUBSTITUTIONS

No substitutions allowed whatsoever. The product shipped to Stoddard must exactly match those shown on the Stoddard Purchase Order. To ship an alternate or "better than" product, a Supplier must receive prior written authorization from Stoddard (formal change order to the Purchase Order). Product deviations from the Purchase Order may be rejected at the dock and returned to the Supplier freight collect.

Q6 SHELF LIFE

In cases of materials with expiration dates, at least **80%** of shelf life is required upon delivery unless otherwise agreed upon or specified.

Q7 NONCONFORMANCE OF PRODUCT

If at any time Supplier becomes aware that shipped material is nonconforming product, Supplier must immediately notify buyer to negotiate arrangements for disposition. Stoddard does not accept nonconforming material, and no oral agreement or action of any kind may alter this provision without specific written agreement by Stoddard.

Q8 CHANGE IN PRODUCT AND/OR PROCESSES

Any change in the product and/or process, changes of suppliers, and/or changes of manufacturing facility location must be made known in advance of shipment to Stoddard for authorization/approval, as applicable.

Q9 FLOW DOWN

The supplier shall flow down all applicable requirements in this document to sub-contractors/suppliers at every tier.

Q10 IDENTIFICATION AND TRACEABILITY

Stoddard requires that all purchased products – including raw materials and packaging – are clearly identified by part number, trade name, or chemical name – and that lot numbers and/or batch numbers are clearly designated on the delivery paperwork. Date of Manufacture and Shelf Life/Expiration Date must also be clearly labeled on all products that have a shelf life as well as on corresponding paperwork.

Q11 RECORDS RETENTION

All records, including certification as required under the terms of this purchase order and which document the quality of the items provided, shall be stored, protected, and controlled to ensure that they remain identifiable, legible, and useful and to be retained for a minimum of the current calendar year and 10 years after the final shipment unless otherwise specified in the purchase order or contract.

Q12 SUPPORT OF BOEING PRODUCT

When the purchase order specifies "Boeing Product" the following shall apply:

This procurement is under Boeing's Federal Aviation Administration (FAA) issued Production Certificate 700 quality system supplier control program. Unless explicit contractual direction is given to the contrary, no articles (or constituent parts thereof) ordered by Boeing Commercial Airplanes shall contain any Federal Aviation Administration – Parts Manufacturer Approval (FAA-PMA) markings and the accompanying paperwork (e.g. packages, shippers, etc.) shall not contain any FAA-PMA markings.

THE SELLER WILL PLACE THE FOLLOWING STATEMENT ON THE SHIPPING DOCUMENTATION OF ALL SHIPMENTS TO BOEING;

"Seller hereby acknowledges that the parts and/or materials being shipped under this order are intended for use under Boeing's Federal Aviation Administration (FAA) issued Production Certificate 700 and no articles (or constituent parts thereof) or the accompanying paperwork (e.g., packages, shippers, etc.) contain any Federal Aviation Administration – Parts Manufacturer Approval (FAA-PMA) markings."

APPLICATION NOTE FOR SUPPLIER: THE PREFERRED LOCATION FOR THE STATEMENT IS ON THE SHIPPING DOCUMENT, NEXT TO, OR FOLLOWING, THE CERTIFICATE OF CONFORMANCE (C of C). THE STATEMENT MAY BE PRINTED, STAMPED OR ATTACHED AS A LABEL OR STICKER TO THE SHIPPING DOCUMENTATION. IT IS ALLOWABLE TO REPLACE "Seller" WITH THE COMPANY NAME OR "WE".

Suppliers in support of a Boeing program must also comply with the latest revision of Boeing's form X31764.

Q13 FIRST ARTICLE INSPECTIONS (FAIs)

Unless otherwise noted on the purchase order, supplier shall supply with delivery of first production products a First Article Inspection Report (FAIR) documenting the results of the First Article Inspection results per AS/EN/SJAC 9102.

Q14 CERTIFICATE OF CONFORMANCE

Supplier shall supply with each shipment a Certificate of Conformance (CoC) certifying the conformance of the product or services applicable to the purchase order. In addition, a member of the supplier's quality department will provide a signature and title of the authorized representative approving the information is included.

Q15 BOEING COMPLIANCE

Only customer approved special process sources shall be used, for example, boeing d1-4426 approved process sources can be found at: <http://active.boeing.com/doingbiz/d14426/specindex.cfm>. The seller's purchasing information shall conform to the purchasing data requirements of boeing document d1-4426 appendix d. These purchasing data requirements can be found at: <http://active.boeing.com/doingbiz/d14426/appendix-d.pdf>

For other than Boeing orders please contact your buyer or contact Stoddard Quality for customer approved source listings.

A. For Boeing commercial airplane orders seller shall comply with the most current revision of Boeing form x31764

1. Seller shall comply with the requirements of form x31764 "Boeing quality purchasing data requirements". To ensure seller is performing to the latest Boeing form X31764, seller shall access this form by selecting "supplier quality" from the menu bar and "other quality requirements" of "doing business with Boeing" home page located at the following url address: <http://www.boeingsuppliers.com/>. When entering the URL, use lower case letters only.

2. Form x31764 identifies the sections, sub-sections, and applicable items the seller shall evaluate for flow-down to its supply chain. If the seller determines the item is not applicable, due to the complexity of the item being procured, they shall retain documented information to justify this decision.

3. For purposes of this PO note, "supply chain" means seller's complete network of material, equipment, information, and services integrated into deliverable products and services provided to seller by seller's direct first tier supply contracts and seller's sub-tier or lower tier supply contracts as applicable based on the product requirements being procured.

B. As/en/jisq 9100 flow-down requirements - in accordance with as/en/jisq 9100, seller shall flow-down to its supply chain the applicable provisions/requirements of as/en/jisq 9100.

C. Seller is required to establish and maintain a FOD prevention program in compliance with the 'as/en/sjac 9146 foreign object damage (FOD) prevention

C1 COMPLIANCE WITH LAWS AND REGULATIONS

Supplier warrants that they have been duly authorized to do business in the jurisdiction in which the work is to be performed; that they have obtained at no cost to Stoddard or Stoddard's customer(s) all necessary and required licenses and permits required in connection this Purchase Order, and that they will comply fully with all pertinent laws, decrees, regulations, and labor standards of such country or countries during the performance of this Purchase Order.

C2 EXPORT/IMPORT CONTROL

Supplier will comply with all applicable export, import, and sanctions laws and regulations applicable to the export or import of goods including the United States Export Administration Regulations ("EAR"), the United States International Traffic in Arms Regulations ("ITAR"), the United States Foreign Corrupt Practice Act, the United States Arms Export Control Act and regulations and orders administered by the United States Treasury Department's Office of Foreign Assets Control (collectively, "Export/Import Laws").

C3 OVER SHIPMENTS

No over shipments will be accepted without prior written authorization from Stoddard (formal change order to the Purchase Order). The quantity set forth in the Purchase Order is the contract quantity. Without authorization, the overage portion of the shipment may be returned by freight collect which will require a re-

delivery/re-invoice consistent with the quantity or pricing specified in the Purchase Order. In the case of rolled goods, shipments can be +/- 10%

C4 CHANGE TO ORDER

Any additional charges must be submitted and approved by Stoddard prior to starting said change.

C5 PRICE INCREASES

Price increases must be submitted in writing or electronic correspondence to the current Buyer. If price change or correction is communicated at time of purchase, acceptance shall be in the form of a revised Purchase Order with corrected pricing and with the vendor acknowledging receipt of POC. Stoddard International may rescind Purchase Order prior to acceptance of new or revised pricing.

C6 PENALTIES ASSOCIATED WITH FRAUD

Any knowing and willful act to falsify, conceal or alter a material fact, or any false, fraudulent, or fictitious statement or representation in connection with the performance of work under this purchase order may be punishable in accordance with applicable legal statutes. The provisions of this contractual condition shall be included in all lower tier contracts. Any inability or unwillingness of a lower-tier supplier to comply with this provision should be documented in writing and submitted to Applied Aerospace Structures Corp. purchasing prior to delivery.

C7 GUARANTEE OF MATERIAL SOURCE(S)

The seller shall ensure that only new and authentic materials are used in material delivered to the Buyer. The Seller may only purchase material directly from original manufacturers, manufacturer franchised distributors, or authorized aftermarket manufacturers. Use of material that was not provided by these sources is not authorized unless first approved in writing by the Buyer. The seller must present compelling support for its request (e.g., original manufacturer documentation that authenticates traceability of the material to the original manufacturer) and include in its request all actions to ensure the material thus procured is authentic and conforming.

C8 SUPPLY CHAIN TRACEABILITY

The seller shall maintain a method of commodity and item level traceability that ensures tracking of the supply chain back to the manufacturer of all material being delivered. The traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the material. Manufacturer's commodity or item level identification should include item(s) such as date codes, lot codes, batch identifications, serializations, or other unique item identifiers.