

PURCHASE ORDER TERMS AND CONDITIONS

Each Order shall include as appropriate:

1. The type, trade name of the materials required, with any other relevant precise identification, such as supplier code number
2. The title or other positive identification relating to applicable specification, drawings, process requirements and other relevant technical requirements such as Certification, batch sampling, SPC, test specimens, inspection where applicable
3. The reference number and issue level of any specifications, drawings and applicable International or National Standard to be applied to the product
4. Name of Supplier, with references to specific quotes where applicable
5. Required delivery date
6. Quantity required
7. Details of cost, if known
8. Customer Specific Requirements
9. Purchasing Terms & Conditions:

1. Definitions

“Contract” shall mean any contract resulting from this order

“Order” shall mean this purchase order

“Buyer” shall mean Kepston Ltd

“Seller” and/or “Supplier” shall mean the person on whom this order is placed

“Goods” shall mean the supplies to be delivered under the contract and shall be deemed to include any service(s)

2. Acceptance

This purchase order constitutes buyer’s offer to seller, and is a binding contract on the terms and conditions set forth herein when it is accepted by seller either by the acknowledgement or the commencement of performance hereunder. No condition stated by the seller in accepting or acknowledging this order shall be binding upon buyer if in conflict with, inconsistent with, or in addition to the terms and conditions contained herein unless accepted by buyers written approval.

3. Revisions

No revision of this order of any of the terms and conditions hereof shall be valid unless in writing and signed by an authorised representative of buyer’s purchasing department.

4. Delivery

- 4.1. Delivery shall be strictly in accordance with the delivery schedule set out in this order. Notwithstanding this provision, the seller shall not be liable for delays or defaults due to causes

beyond its control and without its fault or negligence, provided however, that if the seller has reason to believe that deliveries will not be made as required, due to such cases, written notice setting forth the cause of any anticipated delays shall be given immediately to buyer.

4.2. The supplier shall complete and deliver the goods at the time or times specified in the order and in this respect time shall be of the essence.

4.3 The buyer may at any time or times by notice in writing to the seller postpone the date(s) of delivery of any goods without thereby incurring any liability and the seller shall deliver such goods on the revised date(s) so notified and shall not make any claim for adjustment in price

or otherwise in respect of any such postponement unless otherwise agreed in writing by the buyer.

5. Deliveries Made

5.1 If the supplier delivers quantities in excess of the quantity due the purchaser shall have the right to accept or reject the quantity in excess of that due.

5.2 The buyer shall not be obliged to accept delivery of any goods prior to the delivery date and if the seller shall do so:

a) the buyer shall be entitled to charge storage to the supplier and

b) the date for payment shall be calculated according to the due delivery date

6. Termination

Failure to comply with the specification, terms and conditions of this order, or to deliver material in accordance with seller's promise shall be grounds for cancellation without penalty to buyer. 44333`

7. Acceptance and Rejection

All articles will be subject to final inspection and acceptance by the buyer within a reasonable time after receipt at the designated destination, irrespective of prior payment. The buyer may reject any article which contains defective material or workmanship or does not conform to specifications, samples or warranties. Any article so rejected may be returned to seller at seller's risk and expense, and at full invoice price plus applicable transportation charges both ways. No defective article or material shall be replaced unless requested by the buyer.

7.1 Certificate of Conformance (Required for Goods Intended for Aircraft Applications and for Goods where required on the Relevant Drawing or requested by Customer)

The certificate of conformance is a quality record that shall include the Buyer's part number, purchase order number, quantity shipped, date shipped, manufacturer's part number, manufacturer's date code (see below), original material certification, and details of certified quality system. It should be signed to indicate compliance with the requirements of this document. These are to be either (i) submitted with parts delivered to the Buyer, or (ii) held on behalf of the Buyer for a minimum period of 15-years or as explicitly stated on the purchase order.

7.2. Date Code/Lot Number Control (Required for Goods Intended for Aircraft Applications and for Goods Where Required on the Relevant Drawing or requested by Customer)

Deliveries of parts/components with multiple date codes or multiple lot numbers must be segregated such that each part/component is identifiable by its date code or lot number. The paperwork must also reflect if multiple date codes or lot numbers have been delivered with the associated quantity.

7.3. First Article Inspection (Required for Goods Intended for Aircraft Applications and for Goods Where Required on the Relevant Drawing or requested by Customer)

The buyer requires that when requested all first deliveries of parts to include a full first article inspection report be filled out by the manufacturer. The sample, on which the FAI was performed, shall be clearly marked, both on the sample and the FAI report. Where the drawing has been updated and there is a change in the form, fit or function of the part, then an FAI must be submitted for the change/update only.

The FAI should confirm that all processes, materials and dimensions are met. In the case of raw material or process i.e. paint, chromate, proof of acceptability shall be made available either through records or attached certificates. Drawing notes should be referenced and their acceptance confirmed.

Any discrepancies detected by the manufacturer during the FAI shall be notified to the Buyer's and a deviation should be sought in advance of any parts being shipped to the Buyer. Under no circumstances shall a nonconforming part be sent to the Buyer without a written approved deviation from the Buyer. Failure to comply with the above requirements will result in the Buyer rejecting the product.

7.4. Record Retention

In addition to contractual requirements the supplier shall retain verifiable objective evidence of inspection and tests performed. Quality records shall be made available for evaluation for a contractually agreed upon period. Unless otherwise specified, this period shall be the life of the aircraft.

7.5. Notification of Non-Conforming Product

The supplier to notify the organisation of changes in product and/or process definition and, where required, obtain organisation approval

7.6. Right of Access by the Buyer, Their Customer and Regulatory Authorities

In accordance with contractual agreements, right of access by the buyer, their customer, and regulatory authorities shall be afforded to all facilities involved in the order and to all applicable records,

7.7. Key Characteristics

Where Identified within the specification, drawing and/or purchase order the supplier shall flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required.

8. Product or Process Changes

The Seller shall notify the buyer of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organisation approval.

9. Ethics

Supplier shall comply with the Aerospace Industries Association of America (AIA) and Aerospace and Defence Industries Association of Europe (ASD) "Global Principles of Ethics in the Aerospace & Defence Industry," available for review here: <http://www.asd-europe.org/about-us/ethics/>

10. Counterfeit Goods

The supplier warrants that only new, unused, authentic, genuine and legitimate goods shall form part of the supplies supplied to the buyer. The supplier shall maintain a method of traceability that ensures tracking of the supply chain back to the manufacturer of all goods supplied. If counterfeit or suspect counterfeit goods are supplied or furnished under the purchase order such goods shall be impounded. The supplier shall promptly replace such goods with goods acceptable to the buyer and the supplier shall be liable for all costs relating to impoundment, removal and replacement.

11. Product Safety & Product / Service Conformity

The seller is fully responsible for ensuring that all persons involved with the processing and fulfilment of the buyer's order are aware of their contribution to product or service conformity and their contribution to product safety.

12. Conflict Minerals

Seller warrants that, to its knowledge, no tantalum, tin, tungsten and/or gold ("Conflict Minerals"), contained in any goods subject to this order, originated from the Democratic Republic of the Congo or an adjoining country, unless the Conflict Minerals were processed by a facility listed as conformant pursuant to the RMI Responsible Minerals Assurance Process. Seller agrees to cooperate and work with its sub-suppliers in an attempt to ensure traceability of Conflict Minerals, at least to the smelter or refiner level, to maintain and record all Conflict Minerals traceability documentation for five years and to provide such documentation to buyer upon request.