



PURCHASE ORDER GENERAL TERMS AGREEMENT

Unless otherwise specified in the PO/RO/Contract the general requirements below apply to all orders:

1. **ACCEPTANCE OF TERMS:** This PO is expressly conditioned on Seller's acceptance of all the terms and conditions set forth herein. PHS expressly objects to any additions, deletions or differences in the terms or conditions contained in Seller's quotation, proposal, acknowledgment or other document, whether or not such additions, deletions or differences materially alter this PO. This PO may be issued in addition to other duly signed Precision Heli-Support, LLC ("PHS") agreements, exhibits and schedules incorporated therein ("Agreement") made with respect to the subject matter of this PO. In the event of an inconsistency or conflict between the provisions of any Agreement and this PO, the inconsistency or conflict shall be resolved by giving precedence in the following order: (a) the Agreement; (b) the provisions appearing on the front and reverse side of this PO or (c) other provisions when attached and agreed to in writing by PHS.
2. **PERFORMANCE:** Time is of the essence in the performance of this PO. If goods are not delivered, or services not provided in the manner and at the times specified, PHS reserves the right without liability and in addition to its other rights and remedies to take either or both of the following actions: (a) direct expedited delivery of the goods or performance of services, with any difference in cost caused by such change paid by Seller, and/or (b) purchase substitute goods and charge Seller with any loss or additional costs PHS incurs. Seller shall promptly advise PHS of any delay in performance, including notice with regard to any goods placed on backorder. Seller's performance is not deemed completed until the goods or services have been accepted by PHS.
3. **CHANGES:** Seller may not substitute "equivalent" items in place of those items on the PO. PHS may, by written notice to Seller, make changes to any one or more of the following: (a) specifications for services or goods, (b) quantity, and (c) place and/or time of performance. If any such change or suspension causes an increase or decrease in the cost or time required for the performance of services or provision of goods hereunder, an adjustment may be made in the price or delivery schedule, or both, and the PO shall be modified. Any claim for adjustment by Seller shall be deemed waived unless asserted in writing within ten (10) days from receipt by Seller of the notice of change.
4. **SUBCONTRACTS AND ASSIGNMENTS:** Seller agrees to obtain PHS's approval before subcontracting or assigning this PO or any portion thereof. This PO shall not be assigned or delegated by Seller without the prior written consent of PHS.
5. **DISTRIBUTORS:** The technical and quality requirements of the purchase order apply to both Seller and the manufacturer of the material. As the direct supplier to PHS and the representative of the manufacturer, Seller is responsible for compliance with all purchase order requirements.
6. **TERMINATION FOR CONVENIENCE:** PHS may terminate this PO in whole or in part at any time and without cause. Upon notice of termination, Seller shall inform PHS of the extent to which it has completed its performance under this PO as of the date of the notice and collect and deliver to PHS any goods or Work Product which then exists. PHS will pay Seller for goods or services accepted and performed through the effective date of termination provided that PHS will not be obligated to pay more than the payment that would have been due had Seller completed or provided the goods or services. PHS will have no further payment obligation in connection with any termination.
7. **TERMINATION FOR DEFAULT:** PHS may, without liability, and in addition to any other rights or remedies provided herein or by law, terminate this PO in whole or in part by written notice of default if the Seller: (a) fails to deliver the supplies or perform the services within the time specified; (b) fails to make sufficient progress with the work, thereby endangering completion of performance within the time specified; or (c) fails to comply with any of the other instructions, terms, or conditions of the PO; (d) Seller becomes insolvent or subject to proceedings under any law relating to bankruptcy or the relief of debtors or admits in writing its inability to pay its debts as they become due. PHS's right to terminate for default may be exercised if the Seller does not cure the failure within ten (10) business days (or such longer period as the PHS authorizes in writing) after receiving Precision Heli Support's notice of such failure. If PHS terminates this PO in whole or in part, Seller shall use its best effort to mitigate the costs associated with such termination and shall promptly submit a final termination settlement proposal to the PHS, but no later than three (3) months from the effective date of termination.
8. **WARRANTY:** Seller expressly warrants that the goods or services provided under this PO shall be performed in accordance with PHS's specifications and instructions. Seller further warrants that the goods and services will be merchantable, non-infringing, free from defects and fit and sufficient for the purpose intended. Further, the services will be performed with the highest degree of skill and judgment exercised by recognized professionals performing the same or similar services. These warranties shall be in addition to all other warranties, express, implied or statutory. Payment for, inspection of, or receipt of the goods or services shall not constitute a waiver of any breach of foregoing warranties. In the event of any breach of the foregoing warranty, Seller shall at its own expense and at PHS's option either: (a) provide replacement goods satisfactory to PHS, (b) re-perform the nonconforming services to the satisfaction of PHS, or (c) refund to PHS the total amount paid for such goods or services. Seller shall extend all warranties it receives from its suppliers to PHS and to PHS's customers.
9. **PAYMENT:** Invoices shall contain all of the following: PO number, part numbers, description of services, prices, extended totals and attachment of all supporting documentation, if any. To the extent applicable, all invoices shall include any tax amounts and shall be listed separately. Calculation for terms begins after receipt of a correct invoice or acceptance of goods or services by PHS, whichever occurs later. Payment shall not constitute final acceptance. PHS may offset against any payment hereunder any amount owed to PHS by Seller or its affiliates.
10. **RELATIONSHIP OF THE PARTIES:** Seller is an independent contractor and nothing contained in this PO shall be deemed or construed to create a partnership, joint venture, agency or other relationship other than that of supplier and customer. Seller shall be solely responsible for payment of all compensation owed to its employees as well as employment related taxes. Any agreements or commitments entered into by Seller shall not be binding on PHS and further PHS assumes no liability with respect to any agreements or commitments entered into by Seller with its employees, agents, suppliers and the like.
11. **COMPLIANCE WITH LAWS:** Seller shall comply with the applicable provisions of all federal, state or local laws or ordinances and all orders, rules and regulations issued thereunder.

PURCHASE ORDER GENERAL TERMS AGREEMENT (continued)

12. **COMPLIANCE WITH UNITED STATES CONTROL LAWS AND REGULATIONS:** Seller will comply with all applicable U.S. export control laws and regulations, including, but not limited to, the Arms Export Control Act (22 U.S.C. 2751-2794), the International Traffic in Arms Regulations (22 C.F.R. 120 et seq.), the Export Administration Act (50 U.S.C. app. 2401-2420) and the Export Administration Regulations (15 C.F.R. 730-774), including the requirement to obtain an export license or agreement, if applicable.

Accordingly, each party represents and warrants that it shall not transfer the other party's technical data directly or indirectly to any individual, employee, company, or other entity without first complying with all requirements of the ITAR and the EAR, including the requirement for obtaining any export license, if applicable. Furthermore, the Receiving Party shall first obtain the written consent of the Disclosing Party prior to submitting any request for authority to export or transfer any such technical data. Technical data that is controlled by the ITAR or the EAR shall not be released to foreign individuals, employees, companies or other entities, whether within or outside the U.S., by a U.S. person unless the U.S. person obtains, in advance of the transfer or export, the appropriate export license or other approval from the U.S. Government. This requirement for prior U.S. Government authorization also applies to the return, to the country of origin, of foreign origin technical data that incorporates any U.S. origin technical know-how, content, improvements, or other design modifications. The parties' obligations to adhere to the ITAR and EAR shall survive the expiration or termination of this Agreement.

13. **CONFIDENTIAL INFORMATION:** PHS and Seller acknowledge that in their course of dealings, Seller may acquire from PHS confidential and proprietary information about PHS, its business activities and operations, its employees, trade secrets or any other information which by its sense or nature should reasonably be considered confidential (the "Confidential Information"). The confidential information of PHS shall only be disclosed to Seller's employees, agents or consultants with a need to know and who are under a written obligation to keep the information confidential. Seller shall not disclose the Confidential Information to any third parties. Seller shall use the same degree of care but no less than a reasonable degree of care that it uses with regard to its own confidential information to prevent the disclosure of PHS Confidential Information.
14. **PATENTS AND DATA:** All records, software, files, data, reports, information, work product, notes, plans, strategies, intellectual property and other information provided by PHS or prepared or developed by or for PHS pursuant to this PO ("Work Product") shall be the property of PHS and shall constitute works made for hire under applicable law. Seller assigns all intellectual property rights in the Work Product to PHS and agrees to complete any documents requested by PHS to perfect its ownership in the Work Product. Seller waives all moral rights related to the Work Product. Seller grants to PHS an unlimited, nonexclusive license to use, copy, modify or create derivative works of any materials delivered to PHS which are developed prior to or outside of this PO. All materials, equipment and other information supplied to Seller by PHS shall remain the property of PHS and shall be returned to PHS when no longer needed by Seller in the provision of services or goods and in any event upon the expiration or earlier termination of this PO.

In the event that an exchange of technical data is required, PHS will require the Seller to perform the necessary due diligence, and to certify that only U.S. persons or U.S. Citizens have access to such technical data.

15. **INDEMNIFICATION:** Seller shall indemnify, defend and hold PHS, its officers, directors, resellers, employees, agents and customers harmless from and against any and all losses, liabilities, costs, claims, damages and expenses (including attorneys' fees and costs) arising out of or related to this PO including but not limited to the provision of goods or services under this PO or Seller's breach of any term or provision of this PO, including any claims that any such goods or services infringe any patent, copyright, trademark, trade secret or any other proprietary right of any third party.
16. **RIGHT OF ENTRY:** PHS, PHS customers and/or representatives of involved regulatory agencies may inspect any and all material and/or records related to parts included in this order at the Seller's, manufacturer's, and/or sub-supplier's facilities.
17. **INSURANCE:** Seller shall secure and maintain insurance providing sufficient coverage to comply with its obligations and duty to indemnify as required under this PO. Seller agrees to provide PHS with a certificate of insurance evidencing coverage.
18. **PUBLICITY AND DISCLOSURE:** Without securing the prior written consent of PHS in each instance, Seller shall not use the name or logo of PHS or PHS's customer in any news release, public announcement, advertisement, or other form of publicity, or disclose any of the terms or subject matter of this PO to any third party except as may be required to perform this PO.
19. **SURVIVAL:** Both parties agree that any term or condition of this PO which by its sense or nature should be deemed to survive the expiration or termination of this PO shall so survive.
20. **GOVERNING LAW:** This PO shall be governed by and construed in accordance with the laws of the State of Arizona. Seller agrees that the state and federal courts in Phoenix, AZ shall have the exclusive jurisdiction and venue over any claims arising out of or related to this PO.
21. **ETHICS:** It is the responsibility of the vendor to review the PHS ethics policy available at [click here](#).
22. **INFORMATION FOR EXTERNAL PROVIDERS:** It is the responsibility of the vendor to review the PHS Information for External Providers available at [click here](#).



MATERIALS PURCHASE ORDER ADDITIONAL PROVISIONS

Unless otherwise specified in the PO/Contract, the provisions below apply when applicable to purchase order containing materials.

1. **CERTIFICATIONS:** Seller shall notify PHS immediately if relevant certifications/accreditations (i.e. ISO9001, AS9100, NADCAP, Repair Station Certificates) were not renewed or were revoked.
2. **CERTIFICATE OF COMPLIANCE:** Seller shall provide, with each shipment, a Certificate of Compliance ("C of C") that all materials, processes, and/or finished items supplied under this order conform to applicable material and/or process specifications and are as specified in the PHS Purchase Order. The C of C shall identify the items covered by the certification. When C of C from Seller is based on Certifications of tests and inspections received from the manufacturer or another supplier, Seller will ensure that these Certifications are received and retained, and that adequate traceability exists to the manufacturer of the products. Materials received without certification may be rejected and returned at vendor's expense.
3. **NONCONFORMING MATERIAL:** Nonconforming material shipped without prior approval is subject to return at the Seller's expense. Seller must request PHS approval to ship nonconforming product. Seller must report to PHS, as soon as reasonably possible, after it becomes aware that a product or article has been released which is subsequently found not to conform to applicable design data.
4. **PACKAGING:** As a minimum, the Seller shall package, or cause to be packaged, all material in a manner that will ensure protection against corrosion, oxidation, deterioration and physical damage during shipment to PHS. Items damaged due to inadequate packaging will be rejected and returned to the Seller.

Wood pallets fabricated outside of the United States must be treated for infestations and identified on the pallet in accordance with U. S. Regulations.

All materials, devices, or assemblies capable of being degraded, damaged, or destroyed by electrical static discharges (defined as ESD sensitive) must be packaged as follows:

- a. Packaging next to parts may not be static causing, and must be at least static dissipative per MIL-B-81705 type II.
 - b. An outer bag or box must be part of the packaging system. This outer package must be an electrostatic barrier per MIL-B-81705 type III, unless packaging next to parts is conductive per MIL-B-81705 type III or coated transparent plastic per EIA541.
 - c. Packaging (including unit, intermediate, and shipping containers) must have proper EST labeling on the outer static barrier.
5. **RAW MATERIAL IDENTIFICATION:** All raw material, included plate, bar, extrusion, sheet, etc. of aluminum, steel, or other material, must be identified per the applicable specification. Identification to PHS Purchase Order Number is also requested.
 6. **CHEMICALS:** All chemical shipments shall comply with appropriate EPA, RCRA, OSHA, and DOT requirements for safe transportation, labeling (smallest unit containers and outer packaging), special or unusual handling requirements, and spill instructions. A copy of the MSDS, if applicable, shall be provided with each shipment.
 7. **LIMITED SHELF LIFE ITEMS:** All materials and articles which have definite characteristics of quality degradation with age or environment must be identified. When environment is a factor in determining useful life, the identification shall include the storage conditions required to achieve stated life. Unless otherwise agreed, PHS requires a minimum of 80% of the applicable material/article shelf life remaining upon receipt by PHS.
 8. **PARTS SOLD IN LENGTHS:** Unless otherwise specified, each reel, spool, coil, or other individual section of wire, braid, sleeving, tubing or cable must be provided in lengths as stated on the PO/Contract. No pieces, splicing, melting or bonding will be accepted.
 9. **COMMERCIAL AIRCRAFT PARTS IDENTIFICATION:** In accordance with Federal Aviation Administration (FAA) Regulations parts must be identified with at least one of the following, as applicable:
 - a. FAA Form 8130-3, "Authorized Release Certificate", "Airworthiness Approval Tag"
 - b. FAA Technical Standard Order (TSO) markings on part and associated TSO certification
 - c. FAA Parts Manufacturing Approval (PMA) markings on part and associated PMA certification
 - d. FAA Production Certificate statement on associated shipping documents that indicates the part was produced under FAA Production Certificate
 - e. Certificate of Conformity from the Supplemental Type Certificate (STC) holder; shipment of parts based on a STC must be shipped with documentation referencing the STC
 - f. Maintenance Release Documentation with all applicable information and accomplished by those authorized to perform maintenance, preventive maintenance and alterations IAW FAR Part 43
10. **SUSPECTED UNAPPROVED PARTS (SUP) AND *COUNTERFEIT PARTS:** PHS strictly abides by the following:
 - a. 14 CFR 21 Certification Procedures for Products and Articles
 - b. FAA AC 21-29D Detecting and Reporting Suspected Unapproved Parts
 - c. FAA AC 20-62E Eligibility, Quality, & Identification of Aeronautical Replacement Parts
Any Suspected Unapproved Parts are quarantined immediately, with notification sent to the FAA in accordance with FAA Form 8120-11, Suspected Unapproved Parts Report.

*Note: Under FAA guidelines Counterfeit Parts are classified as Suspected Unapproved parts.
11. **SUPPLIER SUB-TIER CONTROL:** Seller is responsible for ensuring the following:
 - a. All items procured from its sub-tiers conform to all relevant requirements of the purchase order.
 - b. All applicable provisions of this document are flowed to its suppliers and/or subcontractors including copies of the latest revision process specifications.
 - c. Sub-tier supplier quality systems shall be compliant to the same or a higher level than the supplier requirement.
 - d. Non-disclosure agreements need to flow down to sub-tiers when providing proprietary drawings, specifications or data.

12. **RECORDS:** All Quality Records are to be legible, reproducible, and identifiable to the purchase order. Quality Records are to be stored and maintained in such a way that they are readily retrievable in facilities that provide a suitable environment to minimize deterioration or damage and to prevent loss. This applies to Seller and any lower-tier suppliers. Retention period for Quality Records is 10 years from Purchase Order completion unless otherwise specified. PHS and Government or Regulatory Agency representatives shall have access to review quality records as they pertain to this order and copies shall be furnished upon request.
13. **CORRECTIVE ACTION:** When deemed necessary, PHS may require Root Cause/Corrective Action for nonconformities that are identified with materials, parts, or services that are provided. If this occurs Seller may be contacted to provide information or will be required to complete a Corrective and Preventive Action Request if one is issued.



SERVICE PURCHASE ORDER (OSR) ADDITIONAL PROVISIONS

Unless otherwise specified in the PO/Contract, the provisions below apply when applicable to a purchase order containing services.

1. **CERTIFICATIONS:** Seller shall notify PHS immediately if relevant certifications/accreditations (i.e. ISO9001, AS9100, NADCAP, Repair Station Certificates) were not renewed or were revoked.
2. **FAA REPAIR STATIONS:** FAA Certificated Repair Stations performing work under this contract must be accomplished in compliance with Seller's applicable valid air agency certificate. All documentation required by this contract and regulation must be included with each shipment. The return to service must comply with all regulatory requirements including but not limited to, current FAA orders and memoranda.
3. **NOTIFICATION OF CHANGES:** When performing work to PHS specifications (i.e. PHS Drawing/Print) Seller shall notify PHS in writing of all process, design, fabrication, testing, facilities and material affecting form, fit, function, reliability or interchangeability of the end item specification or drawing requirements during the performance of this contract. Seller shall afford PHS an opportunity to examine such changes for compliance to the contractual Quality Assurance requirements including necessary approvals.
4. **SPECIAL PROCESS CONTROL:** When specified by PHS, Certificates shall be submitted with each shipment to specify that all special processes or inspection methods, such as plating, anodizing, chemical conversion, heat-treating, non-destructive testing and destructive testing, demonstrate compliance with the requirements of the drawings, specifications, or purchase order and are accomplished by an approved source using approved equipment and personnel.
5. **RECORDS:** All Quality Records are to be legible, reproducible, and identifiable to the purchase order. Quality Records are to be stored and maintained in such a way that they are readily retrievable in facilities that provide a suitable environment to minimize deterioration or damage and to prevent loss. This applies to Seller and any lower-tier suppliers. Retention period for Quality Records is 10 years from Purchase Order completion unless otherwise specified. PHS and Government or Regulatory Agency representatives shall have access to review quality records as they pertain to this order and copies shall be furnished upon request.
6. **CORRECTIVE ACTION:** When deemed necessary, PHS may require Root Cause/Corrective Action for nonconformities that are identified with materials, parts, or services that are provided. If this occurs Seller may be contacted to provide information or will be required to complete a Corrective and Preventive Action Request if one is issued.

SPECIFIC ADDITIONAL PURCHASE ORDER PROVISIONS (incorporated by reference)

The following Quality requirements apply only when specifically incorporated by numerical or named reference on the PO/Contract.

1. **TRACEABILITY:** Traceability shall be maintained from receipt of raw material through finished product. Records and material must be identified by lot number, material type, specification and applicable revision identifier or date of issue, heat number, serial number, etc., as required to maintain traceability. Records shall be maintained on file at Seller's facility. If a time limit is not specified, records shall be kept for five (5) years subsequent to completion of purchase order deliveries.
2. **PART IDENTIFICATION:** When part marking is called out on PHS specifications (i.e. Drawing/Print) parts shall be marked in accordance with the applicable drawing and shall include the manufacturer's cage code preceded by MFR. The marking shall be accomplished IAW MIL-STD- 130 ((latest revision or as specified on PO). Marking shall be applied in the approximate area and using the same method as depicted on the drawing.
3. **PART TAGGING:** Parts not required to be marked per drawing shall be individually bag and tagged, IAW MIL-STD-130. Tag shall include nomenclature, part number, revision, and manufacturer's cage code preceded by the letters MFR. When Department of Defense Federal Acquisition Regulations Supplement (DFARS) 252.211-7003 (Item Identification and Valuation) is listed as a requirement, an IUID marking is required.
4. **PART SERIALIZATION:** Products ordered on this Purchase Contract/Order shall be serialized by the Supplier using serialization scheme as defined in applicable drawings/specifications. The Supplier's serialization scheme shall include provisions to ensure that serial numbers are not duplicated on products with the same part number and provide an audit trail to all material, fabrication, assembly, inspection and test documentation.
7. **FASTENERS:** Each container of fasteners shall be conspicuously marked with the number of the lot from which such fasteners were taken. Seller shall provide one Certificate of Conformity for each part number contained in a fastener shipment. This document shall contain at a minimum the Seller's name, the standards and specifications, name of the manufacturer, lot number, purchase order number, item number when applicable, and a factual statement that a copy of a written certificate by the Manufacturer is on file at the Seller's facility available for review by PHS upon request.

The Manufacturer's certificate shall state that –

 - a. The fasteners have been manufactured according to the requirements of the applicable standards and specifications and have been inspected and tested by a laboratory,
 - b. An original laboratory testing report is on file with the manufacturer and available for inspection.
5. **BEARINGS:** A specific certification stating that the bearing was made in the US or Canada for all Government contracts is required.
6. **CALIBRATION CONTROL:** Seller shall control the calibration of all measuring devices against certified standards traceable to the NIST. The calibration program shall conform to Specification ANSI/ISO/IEC 17025:2005, "Calibration System Requirements." Calibration certificates must accompany special tools/test equipment.
7. **SOURCE INSPECTION:** Seller is responsible for presenting a fully conforming product to PHS Quality Assurance Representative for additional inspection. Seller shall provide or cause to be provided, an adequate work area, a current copy of the purchase order, packing slips, all applicable drawings and specifications, required certification/test reports, and all necessary inspection equipment that the PHS Quality representative may require. The source inspection requirement will be identified on the Purchase Order or subcontract.
8. **FIRST ARTICLE:** First Article Inspection required per the AS9102 Standard. A first article Inspection (FAI) shall be performed on new product of the first production run in accordance with SAE AS 9102. Lot size will be negotiated between Seller and PHS. Subsequent deliveries shall not be shipped until PHS approves the First Article samples. PHS disclaims responsibility for any parts shipped prior to approval of First Articles. The First Article Inspection Report must accompany the product. Approval of sample parts does not guarantee acceptance of subsequent parts.
9. **BOEING SUPPLIERS:** Only Boeing approved suppliers may be used for this procurement. These suppliers are listed in the D1- 4426 database. Seller must notify PHS immediately if not Boeing approved.
10. **BUY AMERICAN:** Certification and Country of Origin must be supplied with all delivered raw material in accordance with DFAR-Clause 252.225.7002.