

PURCHASE ORDER TERMS AND CONDITIONS

1. **ACCEPTANCE:** Supplier's acceptance of this purchase order shall constitute an agreement to all terms and conditions set forth herein, which prevail and supersede any other terms & conditions, and shall be governed by the laws of the province or the state where the purchase order is originating from. A signed acknowledgement shall be sent to Héroux-Devtek's buyer no later than ten (10) working days after receipt of purchase order. Failure to acknowledge will be deemed as acceptance by Supplier.
2. **AGREEMENT:** This purchase order constitutes a binding agreement between the Supplier and Héroux-Devtek. These terms and conditions cannot be changed without prior consent of Héroux-Devtek. Additionally, the goods delivered to Héroux-Devtek under this purchase order shall conform to specifications, attachments, models, drawings, HPS and any other requirements as described in the purchase order, and all goods shall be free from defects in material and workmanship. Title shall be transferred to Héroux-Devtek upon delivery of the goods to Héroux-Devtek's premises, and shall be free and clear of all liens, security interest and any other claims whatsoever. All correspondence regarding this purchase order must reference Héroux-Devtek's purchase order number.
3. **CERTIFICATION/QUALITY:** Any document required as specified in HPS-010 must accompany the goods at the time of shipment to Héroux-Devtek and one copy shall be maintained on site at Supplier's facility. All documentation pertaining to shipments shall be maintained by Supplier for a minimum of 10 years, unless otherwise stated in the purchase order. Héroux-Devtek may request Supplier to provide electronic copies of all relevant certification documents to Héroux-Devtek at time of shipment. The Supplier must notify Héroux-Devtek prior to destroying any records relating to shipments to Héroux-Devtek.
4. **AMENDMENT/CANCELLATIONS:** Héroux-Devtek reserves the right to amend this purchase order in part or whole at any time, or cancel this purchase order in part or whole, without penalty if terminated beyond the agreed lead-time.
5. **COMPLIANCE WITH LAWS:** Supplier agrees that all goods covered by this purchase order are manufactured in accordance with the requirements of all applicable government, federal, provincial, state, local laws, rules and regulations. Upon request, a certificate attesting to such compliance may be required.
6. **DELIVERY AND PACKING:** Delivery of all goods shall be made in accordance with the specified requirements on the purchase order. Failure to deliver goods on time or delivery of nonconforming goods may result in termination of the purchase order. Supplier may also be liable for any penalties, liquidated damages and additional costs incurred by Héroux-Devtek. Supplier shall package as per industry standard all goods for suitable and safe transportation to avoid damage.
7. **HÉROUX-DEVTEK PROPERTY:** Unless otherwise agreed in writing by Héroux-Devtek, all supplies, methods & programs, materials, tools and equipment furnished or paid for by Héroux-Devtek shall remain the "Property of Héroux-Devtek" and shall be so marked. If kept at Supplier's facility, it should be properly maintained and used exclusively for work performed for Héroux-Devtek. Supplier accepts responsibility for protecting Héroux-Devtek property on their premises, against loss or, damage, replacement costs and shall, upon request, return property in good condition, except for normal wear, to Héroux-Devtek.
8. **INSPECTION, REJECTION, AND EXCESS SHIPMENTS:** All goods are subject to inspection by Héroux-Devtek at Supplier's facility and/ or at Héroux-Devtek's facility. Rejected goods shall be removed, repaired or replaced by and at the expense of the Supplier promptly after notification of rejection. Final inspection and acceptance or rejection of the goods shall be made within a reasonable time, after receipt. Excess shipments over agreed upon quantity shall be rejected unless authorized in writing on purchase order or by buyer prior to delivery.
9. **SUBSTITUTIONS/PRICE INCREASES:** Material substitutions and/or price increases for the goods will not be accepted without prior written consent from authorized Héroux-Devtek buyer.
10. **TRANSPORTATION:** Unless otherwise specified on purchase order, all shipments are to be made in accordance with Incoterms 2010 FCA supplier's premises.
11. **NONCONFORMITY:** Any nonconformance or deviation from purchase order requirements requires Héroux-Devtek be notified immediately in writing, prior to shipment. Héroux-Devtek has the right to request written corrective action from the Supplier in order to address each nonconformance. The Supplier shall not use dispositions of use-as-is or repair, unless specifically authorized by Héroux-Devtek or Héroux-Devtek's customer if:



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- The goods are produced to Héroux-Devtek or Héroux-Devtek's customer design;
 - The nonconformity results in a departure from the contract requirement.
12. **NOTIFICATION OF CHANGE:** The Supplier shall notify Héroux-Devtek of changes in the goods and/or process definition, and where required, obtain Héroux-Devtek's approval.
 13. **REQUIREMENTS OF FLOWDOWN TO SUB-TIER SUPPLIERS:** The Supplier shall flow down to its sub-tier suppliers all applicable requirements, per Héroux-Devtek's purchase order and its attachments, including key characteristics, HPS, critical safety items, terms and conditions and Héroux-Devtek's customer contractual requirements if any.
 14. **TECHNICAL DATA:** The Supplier is responsible for obtaining and maintaining the technical data necessary to fulfill purchase order requirements.
 15. **RIGHT OF ACCESS:** The Supplier shall provide access to its facilities and records for employees of Héroux-Devtek, Héroux-Devtek's subcontractors, any airworthiness authorities or customers, as required for quality or management system reviews, goods and/ or process validation or investigations. This requirement shall be flowed down to Supplier's sub-tier suppliers.
 16. **APPROVED SOURCES FOR SUB-TIER WORK:** The Supplier shall ensure the capability of all sub-tier suppliers and is responsible for the quality of sub-tier work. The Supplier shall ensure that suppliers of special processing are currently approved for the special process/specifications by Héroux-Devtek and/ or by its customer.
 17. **MANUFACTURING PLANS:** Suppliers are required to ensure that manufacturing sources maintain documented records of manufacturing steps and sequence. Supplier shall submit written manufacturing plans and special processing techniques for approval by Héroux Devtek prior to initiating manufacturing in accordance to HPS-010, if applicable.
 18. **FIRST ARTICLE REQUIREMENTS:** Héroux-Devtek has the right to require first article inspection independent of end customer requirements. Héroux-Devtek will list all first article inspection requirements in purchase order. The Supplier is responsible for complete inspection of first articles, associated documentation and scheduling Héroux-Devtek inspection to verify product. Documentation required for any first article is described in HPS-010.
 19. **SELF-VERIFICATION OF THE GOODS:** Héroux-Devtek will permit Suppliers to self-verify the goods in accordance with Héroux-Devtek's programs documented in HPS-012 (Preferred Supplier & Delegated Inspection Programs).
 20. **STANDARD HARDWARE:** Supplier is responsible for maintaining traceability of all standard hardware to manufacturing source and manufacturing lot.
 21. **PRICING, TAXES, CUSTOMS AND DUTIES:** All and any taxes (except sales tax), duties, fees and other charges levied by any relevant authority in connection with the Supplier's performance of the purchase order, costs and expenses associated with any custom formalities (including all appropriate licenses and authorizations) necessary for export shall be the responsibility of the Supplier and included in the purchase order Pricing.
 22. **TERMS OF PAYMENT:** Subject to its right to withhold payment, Héroux-Devtek will affect all payments in accordance with the terms specified in the purchase order, and upon receipt of the suppliers invoice or delivery of the goods, or works in accordance with the purchase order delivery schedule, whichever is the latest.
 23. **WITHHOLDING AND RIGHT TO SET-OFFS:** In the event, the Supplier is in breach of any obligations under the purchase order, Héroux-Devtek shall be entitled to withhold payments otherwise due to the Supplier under any purchase order until the position is rectified. All costs, liquidated damages or expenses incurred by Héroux-Devtek for which the Supplier is liable under the purchase order or otherwise may be deducted by Héroux-Devtek from any moneys due or becoming due from Héroux-Devtek to the supplier with prior notification, or alternatively shall be recoverable as a debt.
 24. **EMPLOYEE ELIGIBILITY VERIFICATION & CERTIFICATION REGARDING RESPONSIBILITY MATTERS:** If applicable, Federal Acquisition Regulation (FAR) clause 52.222-54 & 52.209-5 are incorporated by reference; (clause 52.222-54 is applicable to purchase orders in support of any U.S. Government Prime Contract or Subcontract when the order is for construction or commercial or non-commercial services (except commercial services that are: (i) part of a purchase of a Commercial off-the-shelf (COTS) item or an item that would be a COTS item, but for minor modifications, performed by the COTS provider, and that are normally provided for that COTS item); (ii) has a value more than \$3000.00; and (iii) includes work performed in the United States.

