

SALES ORDERS – TERMS AND CONDITIONS

- 1. APPLICABILITY:** Unless other terms have been agreed to in writing, these terms and conditions of sale are applicable to any customer (hereinafter “Customer”) of WG Henschen Co. (hereinafter “WG Henschen”). By accepting delivery, Customer agrees to be bound by these terms and conditions of sale, notwithstanding Customer’s terms and conditions—whether or not supplied to WG Henschen at any time.
- 2. ORDER ACKNOWLEDGMENT:** WG Henschen will acknowledge receipt of purchase orders, and acceptance or denial within five (5) business days.
- 3. ORDER MINIMUMS:** Unless other terms have been agreed to in writing, minimums are \$50.00 per order for sales in North America (USA and Canada), \$100.00 per order anywhere else and \$25.00 per line for orders received.
- 4. AVAILABILITY OF STOCK:** Stock is subject to prior sale.
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- 5. PRICING:** Prices are in \$US dollars and subject to change without notice. WG Henschen will inform customers of any price change before an order is accepted.
- 6. PAYMENT TERMS:** Unless other terms have been agreed to in writing, payments from customers who have been given credit terms must be received at the address shown on the invoice within thirty (30) days of the WG Henschen’s invoice date; a late payment charge of 5% of any balance past due will be applied on the day after the payment due date, and this 5% charge will be applied each month until the overdue amount is paid. Invoices commence at the time of shipment. Shipments to customers who have not established credit terms will be made on a C.O.D. basis or charged to a credit card (VISA, MasterCard, AMEX). Credit card charges accepted only in writing from the customer.
- 7. DELIVERY:** Unless other terms have been agreed to in writing, shipping terms are FOB WG Henschen’s dock. Title and risk of loss shall pass to Buyer at Seller’s dock. Seller shall not be liable for delays in delivery, performance, or failure to perform, manufacture or deliver for causes beyond its reasonable control.
- 8. CANCELLATION / RESCHEDULE:** No Customer purchase order may be cancelled or rescheduled without WG Henschen prior written authorization and, in such event; Customer will be liable to WG Henschen for any additional costs and expenses incurred by WG Henschen to fulfill the purchase order, up to and including the full cost of the order in WG Henschen's sole discretion.
- 9. CERTIFICATION:** A Manufacturer’s Certificate of Conformance (MCC) will be provided for each lot of material on this Purchase Order, which states that the product supplied meets all drawing, specification and purchase order requirements. A full certification package (i.e., sub-tier supplier on certifications including material and processes) can be provided upon request (a charge may be applied). This request must be stipulated on the request for quotation and the subsequent purchase order. A copy of the manufacturer certificate of conformance and/or a test report can be provided upon request (a charge may be applied).
- 10. EXPORT RESTRICTIONS:** Customer agrees to be in full compliance with all United States laws and regulations including the Export Administration Regulations and the International Traffic in Arms Regulations. Customer is responsible for complying with any local laws in Customer’s country, which may impact Customer’s right to import, export, or use of the parts. WG Henschen requires End-Use Statements for orders involving international shipments
- 11. WARRANTY:** WG Henschen warrants that articles delivered hereunder conform to final specifications, drawings, and other descriptions agreed in writing, and are free from defects in materials and workmanship. These warranties shall run to the Buyer, its successors, assigns and customers. These warranties shall expire twelve (12) months after delivery of the article to the Buyer; or any other period of service life or performance granted in writing by the Seller. These warranties shall not apply if the articles or any parts thereof have been subjected to; any maintenance, overhaul, installation, storage, operation, use, handling or environment which is improper or not in accordance with Seller’s instructions; any alteration, modification, or repair by anyone other than Seller or its authorized representative; or any accident, misuse, neglect, or negligence after delivery by Seller. Warranties shall not apply for defect or non-conformities attributable to any part not supplied by or approved by the Seller.
- 12. DISCLAIMER OF WARRANTY:** The forgoing warranties are exclusive and in lieu of, and seller disclaims and buyer waives, all other warranties of merchantability, fitness for a particular purpose and of any other type, whether express or implied, arising by law (Statutory or otherwise) and whether or not occasioned by sellers negligence.
- 13. RETURN POLICY:** Under certain conditions, shipments of parts regularly carried in stock may be returned within thirty (30) days of invoice date. Within this time requirement, contact a WG Henschen sales representative for a Return Material Authorization (RMA) number. A Customer who does not obtain an RMA# will be responsible for any excess costs incurred. Parts must be returned in the original WGH packaging/labeling for traceability requirements and a copy of the original shipment’s paperwork. Parts not returned in WG Henschen packaging, or without a valid RMA#, may not be accepted. Where parts are returned for reasons other than an error by WGH, restocking fees may be charged, up to and including the full cost of the order at WG Henschen's sole discretion.
- 14. APPLICABLE LAW / DISPUTES:** Any Agreement/ Purchase Order This contract shall be governed by the laws of the state of Arizona. Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association of Phoenix, AZ under its Commercial Arbitration Rules, the exclusive venue shall be in Maricopa County Arizona, and judgment on the award rendered by the Arbitrator may be entered in any court having jurisdiction thereof.
- 15. EXCLUSIVITY OF REMEDY, LIMITATION OF LIABILITY:** In the event Customer claims that WG Henschen has breached any of its obligations under this agreement, WG Henschen may request the return of the products and tender to the Customer the purchase price paid by Customer and WG Henschen shall have no further obligations under this agreement except to refund such purchase price. The remedies provided for in this paragraph shall constitute the sole recourse of customer against WG Henschen for claims relating to the sale or use of products, whether the claim is made in tort or in contract, including claims based on warranty, negligence, strict liability, product liability, or otherwise. WG Henschen shall not be liable for indirect, incidental, or consequential damages, any damage to aircraft, or loss of use.
- 16. QUANTITIES:** All quotations are based on buyer accepting over-run or under-run on each individual item not exceeding 5% of quantities on quantity ordered. Where closer control of quantity is required, special arrangements must be made.

PURCHASE ORDERS - TERMS AND CONDITIONS

1. PURCHASE ORDER ACCEPTANCE: These purchase order's Terms and Conditions together with the purchase order form to which these Terms and Conditions are attached (collectively, the "purchase order") constitute an offer by WG Henschen. This purchase order shall be deemed accepted by you ("Supplier") upon prompt acknowledgement or shipment of goods ordered hereunder. Supplier's acknowledgment, commencement of performance, or shipment of goods shall constitute Supplier's unqualified acceptance of this Contract. Unless expressly accepted in writing by WG Henschen, additional or differing terms or conditions proposed by Supplier or included in Supplier's acknowledgment are objected to by WG Henschen and have no effect.

2. COMPLIANCE WITH STATUTES AND GOVERNMENT REGULATIONS: The Supplier warrants that in the performance of work under WG Henschen's Purchase orders, it has complied with or will comply with all applicable federal, state, and local laws and ordinances and all lawful orders, rules and regulations. Supplier agrees to conform to all ITAR and EAR export regulations and related executive orders. Supplier shall defend, with counsel of WG Henschen's choosing, indemnify and hold harmless WG Henschen from and against all claims, demands, causes of action, losses, costs, fees and damages arising directly or indirectly, from any actual or alleged failure by Supplier to comply with any federal, state or local statutes or other legal obligations.

3. SUPPLIER QUALITY SYSTEM: Suppliers of military goods (AN, MS, NAS, MIL, etc.) must have a quality system compliant to the applicable military quality system standard: ISO9001, AS9100, or AS9120, or equivalent to. WG Henschen reserves the right to conduct quality system audits at the Supplier facility. Supplier quality system must ensure control of sources of goods inclusive of but not limited to the flow down of quality requirements through the supply chain, configuration (drawing, parts list, specification, etc.) requirements, management of quality documentation, certifications, nonconformance documentation, obtaining corrective actions and performing corrective actions. Supplier quality system must ensure availability and/or retrieval upon request of quality and manufacturing records from source of goods.

4. RECORD RETENTION: Quality / inspection records shall be retained on file by the supplier. Non-serialized parts and radiographic file record retention 10 (ten) years, Serialized parts twenty five (25) years.

5. NOTIFICATION OF CHANGE: The Supplier shall notify WG Henschen within 10 working days in the event of any of the following:

- Loss or denial of Quality System certification
- Put on suspension by a registrar
- Change in location of supplier facility
- Change in supplier business ownership
- Change in supplier senior management
- Change in supplier quality management

6. LOT INTEGRITY: Unless a written authorization is granted by WG Henschen's Purchasing Department to Supplier to ship multiple lots, each line item on the Purchase order must be provided from a single manufacturer's lot, if required. In the event, a written authorization is granted to Supplier to ship multiple lots, the goods shall be segregated into lots and each lot shall be clearly identified. The supplier shall package each lot to ensure that no mixing of lots occurs at any time.

7. MERCURY FREE: The Supplier is responsible to ensure that the goods supplied did not contain or come into contact with mercury during the manufacturing or subsequent processing.

8. CONFLICT MINERAL: The Supplier is requested to have its own Conflict Mineral Policy in the event the goods contain tin, tantalum, tungsten, or gold.

9. REACH & SUBSTANCES OF VERY HIGH CONCERN (SVHS): WG Henschen supports the objectives and requirements of the REACH (Registration, Evaluation, Authorization, & Restriction of Chemicals) regulations to support products that are free from substances identified as SVHC candidates. Suppliers are obligated to notify WG Henschen of the presence of SVHC candidate substances in any concentration contained in components provided to WG Henschen for distribution. WG Henschen is dependent on its supply chain for relevant chemical composition information. To view the candidate list of SVHC, please visit <http://echa.europa.eu/information-on-chemicals>

10. FOREIGN OBJECT DETECTION (F.O.D.): The supplier shall establish, document, and maintain a program to control and eliminate foreign object damage and/or contamination during the suppliers manufacturing, assembly, test and inspection and shipping process. Goods shall be shipped free of any foreign object, debris, or contamination. Packaging methods shall exclude the use of staples and/or paperclips.

11. NON-CONFORMING GOODS: The Supplier is responsible for establishing controls to ensure that goods not conforming to the purchase order are identified, segregated, dispositioned, and controlled to prevent unattended use. All costs associated with non-conforming material (including but not limited to freight, handling, and inspection costs) may be charged back to Supplier. Supplier's authorization to return non-conforming goods is required within 24 hours of notification. In the event that Supplier identifies a non-conformance with goods, Supplier shall notify WG Henschen. Supplier must quarantine and contain suspect lot(s) and withhold shipment of these lot(s) until authorized by WG Henschen's quality representative. If suspect goods have been shipped, Supplier must notify WG Henschen's Quality and Purchasing representative within 24 hours and provide complete traceability information for known or suspect non-conforming goods shipped, including but not limited to batch/lot number, purchase order, part identification, and dates of shipment.

12. FLOW-DOWN OF REQUIREMENTS: Applicable WG Henschen supplier requirements shall be flowed down to sub-tier suppliers and processors. WG Henschen supplier requirements are as stated on the WG Henschen's Purchase order. Supplier requirements include, but are not limited to:

- Customer specific flow-downs
- Special requirements for key and critical characteristics
- Special process controls
- Inspection requirements
- Certification requirements
- Special packaging

13. REVISION LEVEL/ CONTROL: Unless explicitly specified on the Purchase order, the goods shall be produced and certified to the latest revision of the specification effective at time of purchase order, unless otherwise required on the WG Henschen's purchase order. The revision level shall be clearly indicated on packaging and certification documents.

14. CERTIFICATE OF CONFORMANCE: The Supplier shall submit with each shipment a certificate of conformance stating that the goods are in compliance with the WG Henschen requirements including the Purchase order and as applicable, any drawing or specification. Reference WG Henschen Quality Clauses.

15. RIGHT OF ACCESS: WG Henschen, its customers and regulatory authorities reserve the right of access to the supplier's facility for the purpose of audit and inspection. The Seller shall allow access to its facilities during normal business hours upon a minimum of 48 hours prior notice.

16. SUSPECT/COUNTERFEIT GOODS: Supplier shall supply goods that are not and do not contain suspect/counterfeit goods. Supplier shall establish and maintain a Counterfeit prevention and control program in accordance with AS5553 to ensure that suspect/counterfeit goods are not delivered to WG Henschen.

17. ASSIGNMENT OR SUBCONTRACTING: Supplier may not assign or subcontract this Purchase order without the express prior written consent of WG Henschen's Purchasing Department.

18. APPLICABLE LAW; JURISDICTION: This Purchase order, and all disputes arising hereunder or related hereto, shall be governed in all respects by the laws of the State of Arizona, without giving effect to any conflict of law principles that would require the application of the laws of a different state. Both parties hereby consent to exclusive jurisdiction in the state and federal courts in Maricopa County, Arizona.

19. ENTIRE ORDER: Except as otherwise expressly agreed in a written and executed agreement, this Purchase order constitutes the entire agreement between WG Henschen and Supplier with respect to the subject matter hereof. No amendment or modification of this Purchase order shall be binding upon WG Henschen unless set forth in a written instrument signed by WG Henschen's duly authorized representative. The rights and remedies afforded to WG Henschen or its customers pursuant to any provision of this Order are in addition to any other rights or remedies afforded by any other provision of this Purchase order, by law, or otherwise.

20. CONFIDENTIALITY: Unless expressly agreed to in writing, all information disclosed by a Party to the other Party that a reasonable person would understand to be confidential or proprietary shall be maintained in confidence by the receiving Party. The receiving Party shall not disclose such information to any third person without the disclosing Party's prior written consent, and shall not use such information for any purpose other than the performance of its obligations or enforcing its rights under this Purchase order. The receiving Party shall promptly return or destroy any such information upon disclosing Party's request. Notwithstanding the foregoing, nothing contained herein shall prevent either party from disclosing the other party's confidential information where such disclosure is required by applicable law or regulation.

21. SHIPMENT AND DELIVERY: Delivery of the goods and related documentation in accordance with the schedule is a material requirement of this Purchase order. **TIME IS OF THE ESSENCE.** Supplier shall deliver the goods in accordance with the specified schedule. Supplier will at its own expense ship by the most expeditious way if the delivery schedule is endangered for any reason other than WG Henschen's fault. If the delivery of goods is not completed by the time promised or if it appears Supplier will not be able to meet the schedule set forth in Purchase orders, the WG Henschen reserves the right, in addition to its other rights and remedies, to terminate Purchase orders by written notice to Supplier, to purchase substitute goods or service elsewhere and charge the Supplier with any loss incurred. Supplier shall notify WG Henschen immediately of any event that would delay Supplier's performance of WG Henschen's Purchase orders. Delivery of defective goods without the required documents shall not be deemed to satisfy the delivery or time requirements of WG Henschen Purchase orders. Supplier shall give notice of shipment to WG Henschen of any late shipment of goods. The quantity tolerance for this Purchase order is $\pm 0\%$. Any deviation from this tolerance must be approved by WG Henschen's Purchasing Department prior to shipment. WG Henschen reserves the right to reject all or any part of any delivery that varies from the quantity authorized by WG Henschen for shipment. All goods shall be packaged in accordance with WG Henschen's instructions or, if none are specified, in accordance with good commercial practice in a manner sufficient to ensure arrival in an undamaged condition. Goods shipped more than seven (7) calendar days in advance of WG Henschen's delivery schedule may be returned at Supplier's expense, unless the Purchase order is coded as "or sooner". Title and risk of loss to goods shall pass to WG Henschen at the f.o.b. point specified in this Purchase order.

22. STOP WORK PURCHASE ORDER: WG Henschen may order the stoppage of all or part of the work for a period of thirty (30) calendar days. Immediately upon receipt of such stop work Purchase order, Supplier shall comply with its terms and take all reasonable steps to minimize the costs allocable to the work stoppage. Within such period, WG Henschen shall either: (i) cancel the stop work Purchase order, (ii) let such Purchase order expire, or (iii) terminate the work covered by such Purchase order pursuant to the termination provisions herein. If a stop work Purchase order is cancelled, Supplier shall resume work. If the suspension has a material effect on cost or delivery, an equitable adjustment shall be made in price (excluding profit) and/or delivery. No claim shall be allowed unless made in an amount stated within ten (10) calendar days after the suspension ends.

23. TERMINATION: WG Henschen may terminate this Purchase order in whole or in part at any time by written notice stating the extent and effective date of such termination. WG Henschen reserves the right to terminate this Purchase order in whole or, from time to time, in part for Supplier's default (i) if Supplier fails to perform in accordance with any of the requirements of this Purchase order or to make progress so as to endanger performance hereunder or (ii) if Supplier becomes insolvent or suspends any of its operations or if any petition is filed or proceeding commenced by or against Supplier under any state or federal law relating to bankruptcy, arrangement, reorganization, receivership or assignment for the benefit of creditors. Any such termination will be without liability to WG Henschen except for completed goods delivered and accepted by WG Henschen, payment for which can be set off against damages to WG Henschen. WG Henschen may require Supplier to transfer title and deliver to WG Henschen any or all property produced or procured by Supplier for performance of the work terminated and Supplier shall be credited with the reasonable value thereof not to exceed Supplier's cost or the contract price, whichever is less. Supplier will be liable for damages caused by or resulting from its default including but not limited to excess costs of re-procurement. Termination of the Purchase order for default shall be without prejudice to any other rights and remedies of the WG Henschen under statute or common law.

24. CALIBRATION REQUIREMENTS: The Supplier shall establish, document and maintain a calibration system that is in compliance with the current revision of the ANSI/NCSS Z540-3 standard, or equivalent.

25. EXTERNAL PROVIDER INFORMATION: The Supplier shall ensure that persons are aware of (1) their contribution to product or service conformity (2) their contribution to product safety and (3) the importance to ethical behavior.