

All sales shall be subject to the Terms and Conditions set forth. Terms and Conditions are subject to change without Notification.

Sonic Aerospace Inc

VENDOR Terms and Conditions:

1. **RIGHT OF ENTRY.** During the course of this contract, Vendor and their sub-tier vendors will allow Sonic Aerospace personnel, Sonic Aerospace customers and regulatory authorities to enter and inspect its facilities and records involved with this order upon request. Vendor shall retain all quality records relating to this order, including material test reports and processing records, for a minimum of 7 years.

2. **NON-CONFORMING MATERIAL.** Vendor will notify Sonic Aerospace of any non-conformity found in the purchased product within 24 hours of discovery of such non-conformity, regardless of whether it is prior, during, or after receipt of the product. Sonic Aerospace or its customer shall have the right to approve or disapprove of any suspect or non-conforming product. No known non-conforming product shall be supplied to Sonic Aerospace without written authorization from Sonic Aerospace.

3. **CHANGES TO PURCHASE ORDER SPECIFICATIONS.** After its receipt of the order, Vendor will notify Sonic Aerospace of any changes to product or process specifications, and Sonic Aerospace will have the right to approve any such change or, alternatively, cancel or modify the order. Sonic Aerospace shall notify its customer immediately if there is any discrepancy between the requested revision level or specification and the current or provided revision level or specifications. Vendor shall notify Sonic Aerospace of any changes in product and/ or process definition or configuration and obtain prior approval from Sonic Aerospace prior to shipping product.

4. **CERTIFICATIONS.** When it is indicated that the Purchase Order can affect end item quality, certifications must accompany product delivery. Sonic Aerospace reserves the right to refuse delivery of any shipment without applicable certifications. Delivery will not be complete until appropriate certification is received. Vendor shall ensure that all products are inspected and validated using acceptable monitoring and measuring equipment prior to shipment.

Vendor shall ensure that all tools used for final acceptance are calibrated to NIST standards and equipment calibrations are current.

5. **FLOW DOWN.** Vendor will flow down information and requirements specified on this Purchase Order to sub-tier vendors, sub-contractors, etc. paying particular attention to key characteristics or requirements. When it is determined that the vendor is responsible for:

1) The root cause of a non-conforming product.

2) Ineffective Corrective Action

3) Failure to respond with the specified time, a corrective Action will be issued.

4) Acceptance of this PO indicates your agreement with flow down requirements and/or proper end item user process specification requirements.

6. **ITAR (MILITARY STATEMENT).** Documents and data supplied by Sonic Aerospace may contain technical data within the definition of the International Traffic and Arms Regulations (ITAR) and is subject to the Export Control Laws of the U.S. Government. Transfer of this data by any means to a foreign person or foreign entity, whether in the United States or abroad, without an export license, ITAR exemption or other approval from the U.S. Department of State is prohibited.

7. **PAYMENT TERMS.** Unless otherwise indicated on the face hereof, Sonic Aerospace shall pay in full the net amount of each invoice submitted to Vendor within 60 days of the date thereof.

8. **FORCE MAJEURE.** The obligations of both Vendor and Sonic Aerospace under this agreement are subject to any delays or cancellations caused by any condition or occurrence beyond the control of the performing party, including but not limited to strikes, fires, riots, wars, acts of God, inability to obtain materials, access to restricted or proprietary data or intervening government regulation.

9. **ENFORCEMENT OF CONTRACT.** Suit to enforce or set aside this agreement or suit over any of the rights and obligations arising from the work to be performed hereunder must be brought in a court having jurisdiction Sonic Aerospace in the State in which Sonic Aerospace resides. In the event any party brings suit to construe or enforce the terms of this agreement or raises this agreement as a defense in a suit brought by another party, the prevailing party as determined by the court is entitled to recover its reasonable attorneys', consultants' and experts' fees and expenses.

10. **NOTICES.** All notices to be made under this agreement shall be addressed to the recipient at the address specified by the recipient.

11. **NO WAIVER.** No failure on the part of either part to exercise, and no delay in exercising, any right granted hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise of any other right.

12. **AMENDMENT.** No amendment of this agreement shall be effective unless it is in writing and signed by Sonic Aerospace and Vendor.

13. **ASSIGNMENT.** Neither party shall assign its rights and obligations under this contract without the written approval of the other party, which consent will not be unreasonably withheld.