

GENERAL TERMS AND CONDITIONS FOR PURCHASE ORDERS

1. Acceptance

Vendor is the company named on the purchase order. Buyer is Dallas Avionics, Inc.'s authorized person named on the purchase order.

Acknowledge receipt of purchase order with expected shipment dates within 3 working days of receipt of a purchase order.

2. Certification

Dallas Avionics, Inc. requires an FAA form 8130 (when applicable), Foreign Country FAA 8130-3 equivalent (such as Transport Canada Form 1 or EASA Form 1 for example), Manufacturer's signed C of C (certificate of conformance) and/or a signed Company C of C (certificate of conformance), if applicable.

Provide ECCN number (Export Control Classification Number), if available. Vendor will supply a packing slip for all products on the purchase order.

3. Rated Orders per 15 CFR 700

When applicable, Dallas Avionics, Inc. will flow down Rated Order requirements based on our customer's requirements. The flow down info will include the appropriate Contract Number, appropriate priority rating and program identification symbol (e.g., DOA1, DXA4, DON1). Vendor agrees that if and when a Rated Order Code is flowed down in accordance with 15 CFR 700, that the vendor will comply with the requirements as follows: "This is a rated order certified for national defense use and you are required to follow all the provisions of the Defense Priorities and Allocations System regulations (15 CFR part 700)."

4. Shipping

Do not insure any orders, Dallas Avionics, Inc. carries sufficient inbound coverage. Transportation of purchased products will be complied with by the vendor as requested on the purchase order. No changes will be accepted unless approved by the buyer. No shipment will be received or processed for payment by the Quality Department without a vendor packing slip and certification.

Packaging of products by the vendor will be the most cost effective to ensure the best protection for the products purchased. Any multiple orders with a vendor will be consolidated to provide efficient management of transportation and costs.

5. Cancellation/Changes

Upon written request to the vendor, the buyer may cancel all or any separate part of this purchase order.

Buyer may make changes in the part number, quantity of the goods, transportation or ship to address. The buyer's changes will be relayed to the vendor in writing and any adjustments to the pricing related to the changes will be approved by the buyer in a timely manner (not to exceed 15 days).

The vendor will make no change or revision without the buyer's prior consent and any changes requested by the buyer will be subject to review for impact on the vendor's warranty policy. No price change by the vendor will be instituted without authorization by the buyer.

6. Nonconforming Product

In the event that product is non-conforming, the vendor must notify Dallas Avionics, Inc. and make arrangements for non-compliant material to be dispositioned. Approval is required by Dallas Avionics, Inc.

7. Counterfeit Parts

Vendor will confirm that no counterfeit parts will be shipped to Dallas Avionics, Inc. The vendor will only purchase parts directly from the Original Equipment Manufacturer, Original Component Manufacturer or through an authorized distributor of the manufacturer.

Vendor will notify the buyer with all documents pertaining to any parts that are identified as counterfeit parts from the supply chain, that were shipped to Dallas Avionics, Inc.

If there is an occurrence of a counterfeit parts receipt the vendor will, at their expense, replace subject parts with certified parts.

The vendor will establish and maintain a Counterfeit Parts Prevention and Control Plan.

8. Warranty/Product Claims

Dallas Avionics, Inc. has the right to return, reject or refuse any unacceptable part as deemed necessary by the Dallas Avionics, Inc. Quality Department, without any penalty from the vendor.

Vendor will respond, promptly to the buyer on any claims.

The vendor will provide the buyer with any changes to the standard warranty policy established by the vendor.

9. Drop Shipments – Products and Services provided directly to the customer by vendors on behalf of DAI

All Vendors that accept a “Drop Shipment P.O.” from Dallas Avionics, Inc. agree that before shipping the product, the vendor will send (by E-mail or FAX) a copy of the packing list or slip and all applicable Certs (including FAA Form 8130-3 tags) to the Dallas Avionics, Inc. buyer requesting the Drop Shipment.

Dallas Avionics, Inc. fully understands that we are ultimately responsible for the Conformity of all Products we sell including those “Drop Shipped” to our customers. Dallas Avionics, Inc. requires applicable objective evidence of the conformity of the product from our vendor before the vendor drop ships the order. Dallas Avionics, Inc. will review all applicable objective evidence of the conformity of the product received from our vendor prior to the drop shipments to ensure the conformity of the product ordered. If the review demonstrates a conforming product, then DAI will OK the shipment.

10. General Requirements

Vendors must have an established quality management system and apply appropriate controls to their direct and sub-tier vendors to ensure that the requirements of Dallas Avionics, Inc. P.O. are met. Vendors must flow down to sub-tier vendors the applicable requirements in this purchase order. Right of access by Dallas Avionics, Inc., our customers and approved persons (e.g. Regulatory authorities) involved in this P.O. to applicable areas of facilities and all applicable documented information pertaining to the P.O. at any level of the supply chain.

Documented information created by and / or retained by vendors are required to be retention for 10 years by the vendor and disposition documented information by shredding. Vendor must notify Dallas Avionics, Inc. of all changes in product and / or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain Dallas Avionics, Inc. approval.

As part of Dallas Avionics, Inc. control and monitoring for vendor approval, Dallas Avionics Inc. is monitoring the vendor's processes, product and service conformance (including warranty returns) which we require a $\geq 95\%$ conformance and the vendor's actual on-time-delivery must be $\geq 90\%$.

Dallas Avionics, Inc. requires vendors to have the necessary competence to perform all requested work on the P.O. Dallas Avionics, Inc. determines the necessary competence for personnel doing work under our control that affects our Quality Management System and any competence required is listed on the P.O. By accepting the P.O. the vendor certifies that the required competence is available at the vendor's company.

Dallas Avionics, Inc. wants our vendors to be aware of their contribution to our product and services conformity, to be aware of their contribution to product safety and ensure that all our vendors conduct their business for Dallas Avionics, inc. in an ethical manner.