

**ABSOLUTE MANUFACTURING**  
**SUPPLIER TERMS AND CONDITIONS**  
**IMPORTANT – READ CAREFULLY**

1. **Complete Agreement/Additional Terms:** The terms, conditions, and provisions of this Agreement together with the descriptions, specifications, drawing, schedules, exhibits and attachments or riders annexed hereto and by this reference made a part of this Agreement (collectively “Attachments”) constitute the entire Agreement between the parties hereto and shall supersede all previous communications, representations, or agreements, either verbal or written between the parties with respect to the subject matter of this Agreement. There are no terms, agreements or understandings between the parties that are not expressly set forth herein. Buyer’s offer to purchase is conditioned upon Seller/Supplier’s acceptance of all the terms and conditions set forth in this Agreement without alternation of any kind whatsoever. Under no circumstances is work to be transferred from your facility to another facility. If there is a process that will not yield conforming results due to either temporary or permanent incapability, Absolute Manufacturing must be notified immediately.

2. **Warranties:** Seller/Supplier warrants that all goods are new (unless otherwise specified in this Agreement) and warrants, whether new or used, that the goods supplied under this Agreement are fit and sufficient for the purpose intended, are merchantable, of good quality and free from defects, whether patent or latent in material, workmanship and design and that the goods conform to the specifications and requirements of this Agreement, including, but not limited to those set forth in the Attachments. Seller/Supplier hereby warrants that it has marketable title to the goods or right to perform the services supplied that are free and clear from all liens and encumbrances of any nature whatsoever, and the Seller/Supplier shall warrant and defend such title forever against all claims and demands. Seller/Supplier further warrants that it has complied with all applicable laws, regulations, standards, procedures and general requirements. Seller/Supplier warrants to Buyer that it will promptly repair or replace non-conforming goods or re-perform such services including reimbursement to Buyer or removal/installation costs and transportation charges (for a period of one (1) year following acceptance of the goods or for the period of the Seller/Supplier’s warranty, whichever is greater). All repairs, modifications, corrections and/or replacements shall be made by Seller/Supplier unless Buyer and Seller/Supplier agree that Buyer shall make such repairs, modifications, corrections and/or replacements. All repairs and corrections performed by Buyer shall be at Seller/Supplier’s expense, including all material and direct labor costs. Seller/Supplier shall maintain a documented control system to assure special processes are performed in adequate facilities by qualified personnel and that full compliance with the requirements for governing specifications is achieved. This system shall provide for definitive, written procedures for the accomplishment of special processes which shall be available in areas of performance. As applicable, Seller/Supplier shall provide adequate training and certification of personnel and equipment for the performance of special processes. Seller/Supplier shall impose these requirements on all suppliers performing special processes on deliverable articles.

3. **Time of the essence:** Absolute Manufacturing expects 100% quality and 100% on time delivery from its suppliers. Seller/Supplier and Buyer acknowledge that time is of the essence in performance of their obligations under the terms of this Agreement.

4. **Confidentiality:** Seller/Supplier shall not (a) disclose any information concerning the subject matter of this Agreement to any third party except as agreed to in writing in advance, and/or (b) disclose any information which Buyer considers private, proprietary, competition-sensitive or confidential and/or (c) advertise or publish the fact that Seller/Supplier has furnished or contracted to furnish to Buyer the goods or services herein mentioned, without first obtaining the written consent of Buyer.

5. **Intellectual Property:** Seller/Supplier warrants that the sale or use of the goods covered by this Agreement does not infringe upon any United States or foreign patent, trademark or copyright. Seller/Supplier shall indemnify defend and hold Buyer, its subsidiaries and affiliates and their officers, directors , agents and employees harmless from and against any and all royalties, liabilities, damages, settlement costs and expenses, losses, claims, actions, lawsuits, demands, fines, penalties of any third party (“Claimed Infringement”) and all court costs and attorney fees incurred by Buyer, expenses associated with any of all the foregoing or associated with the successful establishment of the right to indemnifications hereunder based upon, caused by, arising from or in any manner connected with goods or services (when used separately or with any good(s) or service(s) whether or not supplied by

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Seller/Supplier) purchased or supplied hereunder or any portion thereof. Seller/Supplier agrees upon notification to promptly assume full responsibility for defense of any suit or proceeding if it so desires and the costs for such representations shall be by the Seller/Supplier. In the event of any Claimed Infringement, Seller/Supplier shall, to ensure there is no interference with Buyer's use of the goods, promptly either obtain for Buyer the right to use the infringing article, or portion thereof, so that it becomes non-infringing or replace, modify, substitute or update the infringing goods, or portion thereof so that it becomes non-infringing. Not patent or copyright application shall be made by Seller/Supplier in connection with goods manufactured by Seller/Supplier hereunder which are of Buyer's original design.

6. **Law Governing:** This Agreement shall be deemed to have been made in the State of Oklahoma, U.S.A. and shall be interpreted, and the rights and liabilities of the parties hereto determined in accordance with the law of the State of Oklahoma, U.S.A., without regard to conflicts of law principles.

7. **Indemnity:** Seller/Supplier shall defend, indemnify and hold harmless Buyer together with its parents, directors, officers, employees, assignees, agents and shareholders (herein after collectively called the "Indemnified Parties"), from and against all claims, demands suits, obligations, liabilities, damages, losses and judgments, including costs and expenses related thereto (including but not limited to reasonable attorney's fees and expenses and any obligation or liability for loss of use or any other incidental or consequential damage and all fees and expenses incurred by the Indemnified Parties in establishing the right to indemnification hereunder), which may be asserted against, suffered by, charged to or be result from the Indemnified Parties by reason of Seller/Supplier's performance of this Agreement.

8. **Cancellation/Termination:** Buyer reserves the right, in its sole discretion, to terminate this Agreement or any part hereof, by written notice and to refuse delivery or, at Seller/Supplier's cost, return goods already delivered or to refuse performance of services (a) at any time prior to acceptance by Buyer, (b) if shipment is made later than the date specified or note within reasonable time if no time is otherwise specified.

9. **Severability:** If any provision of this Agreement shall be declared illegal, void or otherwise unenforceable, the remaining provisions shall remain in full force and effect.

10. **Certificate of Conformance:** C of C – Certificate of conformance (Compliance) must be provided for each shipment and item in a shipment and include a statement that all applicable specification(s), drawing(s), including reference to appropriate revision level(s), and purchase order requirements have been met or exceeded. If, at any time, information comes to light that would invalidate the certification you supplied for your work you must notify Absolute Manufacturing within 48 hours. If the purchase order identifies work as affecting a "critical" or "key" characteristic then you must state on your certification the inspection criteria used to verify product conformity

11. **Inspection and Acceptance:** The specific quantities of goods or services ordered must be performed or delivered in full in compliance with the itemized delivery schedule and cannot be changed by Seller/Supplier without the written consent of Buyer. All goods, and services, including all material, workmanship and design, must be subject to inspection, test and acceptance by Buyer within a reasonable time after delivery to Buyer. Buyer reserves the right to reject any goods or services damaged or defective in material workmanship or design. Rejected goods must be removed at the expense of Seller/Supplier, including transportation both ways and other related costs, promptly after notification of rejection and Seller/Supplier must bear all risk of loss of or damage to rejected goods. Notwithstanding Buyer's right to inspect and test after tender of delivery (except where specialized inspections or tests are to be performed solely by Buyer), Seller/Supplier must perform, prior to delivery, inspections and tests reasonably required to substantiate that the goods or services conform to the requirements of this Agreement, including (where applicable) the technical requirements for the manufacture's part numbers specified herein. With respect to latent defects that are not apparent upon inspection, Buyer shall advise Seller/Supplier promptly upon discovery. Any advance payments by Buyer shall not constitute acceptance by Buyer and shall not be a waiver of Buyer's right to inspect and reject the goods or services. All Absolute Manufacturing suppliers must be able to verify product and process conformance to all requirements and specifications on the Absolute Manufacturing purchase order. In cases where SPC or sampling is used for acceptance, these sampling rates must meet or exceed any requirements that are part of the specifications referenced on the purchase order.

12. **Calibration Services:** Suppliers who provide calibration services must be compliant with ISO 17025 and must meet Sikorsky Aircraft's requirement stated in SSQR-01 for annual eye examinations for individuals performing calibration of M & T resources.

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13. **Quality Management System:** All suppliers must have a QMS that provides an effective framework for implementing, controlling, monitoring all their processes and guaranteeing conformity of products and services. Documented information must be maintained to verify an effective QMS.
14. **Article Inspection/Test:** All articles must be inspected and/or tested by Seller/Supplier, as necessary to assure full compliance with requirements prior to presentation for Buyer's acceptance. The fact that inspections and/or tests may be performed by Buyer does not relieve Seller/Supplier of this responsibility.
15. **In-Process Inspection and Test:** Seller/Supplier shall identify inspection and test points throughout the entire course of fabrication and assembly. Inspection and test points shall be planned at appropriate stages to verify compliance of characteristics and parameters that cannot be readily examined after subsequent assembly.
16. **Final Inspection and Test:** Seller/Supplier shall assure that final inspection and test verified compliance with all requirements specified by Buyer as well as Seller/Supplier's internal requirements. Documented evidence of acceptance through prior examinations is acceptable verification.
17. **First Article Inspection:** When invoked on PO via Quality Condition Code 21, Seller/Supplier shall perform a First Article Inspection per AS9102.
18. **Records:** Records of inspections, test and other quality control activities shall be retained for a minimum of 15 years and be filed in a manner that will allow access within 24 hours. If our purchase order designates a part as "Flight Safety", those records must be kept for 40 years. At the conclusion of the retention period, you may continue to maintain documents in a secure location, or permanently destroy them so they can't be used to support a counterfeit enterprise.
19. **Processing of Non Conformities:** The Seller/Supplier does not have the authority to perform material review on any supplies or products that do not conform to contractual requirements. Nonconforming products or supplies or processes must be reported to Buyer's purchasing department. Under no circumstance shall supplies, products, materials be shipped without prior disposition from the Absolute Manufacturing quality department. Any nonconforming parts must be segregated, and Absolute Manufacturing notified with the count and reason(s) for nonconformance. Absolute Manufacturing approval must be obtained for nonconforming product disposition.
20. **Sub-Tier Suppliers:** It is the Seller/Supplier's responsibility to ensure that all of their sub-tier suppliers meet all terms and conditions **listed within this Agreement.**
21. **Changes:** Buyer reserves the right to make changes in drawings, designs, specifications, scope of work to be performed, time and place of delivery and method of transportation. If such change is to be made, it will be evidenced in writing by Buyer. If any such change has an effect on the price, warranty, delivery date or indemnification provisions of the order, an equitable written acknowledgement of the effect on the changed provisions shall be indicated by Seller/Supplier. Seller/Supplier may not make any change in drawings, design specifications, scope of work to be performed, Seller/Supplier's facility location, Seller/Supplier's sub-tier suppliers, time and place of delivery and method of transportation without Buyer's written acknowledging the change. Any such changes by the Seller/Supplier not authorized by the Buyer may result in termination of this Agreement. Any parts for which there is an established process, that process cannot be changed in any significant way without permission from Absolute Manufacturing. If a basic process in your shop has changed and you receive parts from Absolute that have not been done with that process, you must notify Absolute so that a test plan can be configured to establish the viability of the process.
22. **Buyer Assistance to Seller/Supplier:** Upon request from Seller/Supplier and at the option of Buyer, assistance may be provided to the Seller/Supplier in fulfilling the requirements of this specification.
23. **Quality Audits by Buyer:** Seller/Supplier shall permit Buyer to conduct audits of Seller/Supplier's quality system to evaluate the degree of compliance with ISO 9001 / AS9100 and/or contractual requirements. Seller/Supplier shall make available to Buyer during audits a copy of each specification, procedure, record or special requirement deemed by Buyer to be necessary for proper evaluation. Buyer may use one or more requirement specific assessment checklist during the audits to determine compliance. All supplier quality systems and manufacturing process systems (ISO, AS, Nadcap) must be at the current revision level and valid at the time of processing this purchase order. If any certifications have lapsed you must notify Absolute Manufacturing within 48 hours and stop work on any Absolute Manufacturing supplied product in your facility.

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24. **Inspection by Buyer at Seller/Supplier's Facility:** Buyer and Buyer's customers shall have the right to visit Seller/Supplier's facility to witness and/or perform inspection and tests on articles related to Buyer's Purchase Orders (PO) and determine the acceptability of such articles. This right shall also extend to Seller/Supplier's source of supply. Buyer shall also have the right to maintain continuous article inspection at Seller/Supplier's facility. Any contact by Buyer with Seller/Supplier's sources of supply must be coordinated through Seller/Supplier.

25. **Seller/Supplier's inspection and test equipment:** quality records and necessary personnel shall be made available to Buyer for use at Seller/Supplier's facility to determine conformity of articles to contractual requirements.

26. **Buyer's inspection and/or test at Seller/Supplier's facility does not guarantee acceptance at destination nor does it relieve Seller/Supplier of responsibility for the acceptability of contracted articles.**

27. **All inspections referred to will be coordinated through, or by authority of, Buyer's Purchasing Department.**

28. **Counterfeit Parts and Material Avoidance:** All suppliers must have an active counterfeit prevention program in place to ensure the integrity of their materials and processes. Components and parts shall be procured only through Original Equipment Manufacturers (OEMs)/Original Component Manufactures (OCMs) or their franchised dealer or distributors. The Seller/Supplier shall verify the procurement source and associated certifying paperwork. Appropriate incoming inspection test methods shall be used to detect potential counterfeit parts and materials. The Seller/Supplier shall flow this requirement down to all sub tier Seller/Suppliers to prevent the inadvertent use on counterfeit parts and materials. **Material Distributors:** Distributors must guarantee authenticity and full traceability for supplied material back to its original manufacture, including the accuracy of heat lot/manufacturing lot information. The preferred method is heat lot or production lot number stenciled on the material traceable to the identical number on the certificate of conformance. In cases where there is no stenciling the supplier is responsible for the cost of verifying the material matches the dimensions and specifications on the certificate of conformance.

29. **Conflict Minerals:** Seller/Supplier will disclose whether Goods contain any conflict minerals as defined under Section 1502 of the U.S. Dodd-Frank Act and its implementing regulations (collectively the "Conflict Minerals Law") that are necessary to the production or functionality of the Goods ("Conflict Minerals"). If Goods contain any Conflict Minerals Seller/Supplier must: (i) assure that those Conflict Minerals are "DRC conflict-free" as defined in the Conflict Minerals Law; (ii) provide on request information on Conflict Mineral smelters in the relevant supply chains including whether those smelters are DRC conflict-free; and (iii) provide on request such other information as Absolute Manufacturing may reasonably require to determine the DRC conflict-free status of Conflict Minerals used in Goods.

30. **Foreign Object Debris:** You must have an active FOD(D) – foreign object debris & foreign object damage -- program and have documented evidence that your employees are aware of its importance.

31. **Mercury:** All items under this PO shall contain no mercury or mercury compounds and shall be free of mercury contamination (i.e. during the manufacturing process, test and /or inspections).

32. **REACH Compliance/Substances of Very High Concern (SVHC):** All items supplied under this PO shall comply with all requirements of the REACH regulations and contain no SVHC or have any SVHC contamination. Refer to ECHA website (<http://echa.europa.eu/candidate-list-table>) for latest list of SVHC names.

33. **Suppliers are Required to Ensure that Personnel are Aware of:** Their contribution to product or service conformity; the importance of ethical behavior; and their contribution to product safety. Any persons working on parts for Absolute Manufacturing must be sufficiently trained or experienced for the work and, where training certifications apply, their certification must be up to date with documented information supporting this. Where suppliers have developed special tooling, jigs or fixtures for processing, details of their use must be documented and maintained so as to provide continuity in the event of personnel changes.

34. **Handling:** Please prevent part-to-part contact during handling and processing at your facility. Absent any specific packaging instructions on our purchase order, please pack so parts are not in direct contact with each other, in a box or container with sufficient integrity to prevent damage during return shipment to us.

/end