

faavio e.k. (hereafter mentioned as faavio)

## General/Applicability

These requirements are applicable to all vendors and their services provided to faavio, whether manufacturer, distributor or service provider. In case that vendor terms and condition are divergent or dissimilar from faavio purchasing terms and conditions these shall only be valid if they have been particularly accepted in writing by faavio.

Approvals of vendors by faavio is facilitated by completion of a questionnaire and acceptance of these requirements by the vendor. In addition, quality audits or other forms of evaluation may be used at the discretion of the faavio quality management. Vendors are required to have an AS/EN 9100, AS/EN 9110, AS/EN 9120 or ISO9001 quality management system or equivalent.

faavio reserves the right for final approval of products, procedures, processes and equipment. All special processes required by faavio must be performed by qualified personnel.

faavio reserves the right to review and approve the vendor's quality management system. Standard quality management system requirements include:

- a) vendors providing special processing must maintain a system for validating processes
- b) customer directed sources must operate in accordance with approved specifications and standards
- c) vendors initially approved for use via certification (ISO, EN, etc.) must notify faavio of any change to that certification.

The vendor shall maintain the proper identification and revision status of specification, drawings, process requirements, inspection/verification instructions and other relevant data. faavio reserves the right to approve or specify any design, test, inspection plans, verification use of statistical techniques for product acceptance and related instructions for acceptance.

The vendor is required to:

- a) notify faavio of non-conforming product and obtain faavio's approval for non-conforming product disposition
- b) notify faavio of changes in product and/or process, changes of suppliers, and changes of manufacturing facility locations
- c) flow down to sub-tier level suppliers and supply chain the applicable requirements including faavio key requirements identified in the purchasing information.

faavio, our customer's representative and regulatory authorities shall be afforded the right to verify at the supplier's premises that subcontracted products and services conforms to specified requirements.

## Purchase Order and Order Acknowledgements

The faavio purchase order encloses a comprehensive description of the items to be supplied, the price and the fixed delivery date. The item price stated in the purchase order is binding and includes packing, certification and value added tax if applicable. If not otherwise agreed no delivery charges will be accepted by faavio.

The vendor should send an order acknowledgment (purchase order confirmation) within maximum two (2) business days of receiving the faavio purchase order. After this period faavio reserves the right to cancel the purchase order at no cost to faavio. After this period, the purchase order is automatically accepted including all conditions shown on it. No deviation from the purchase order will be accepted without written permission from faavio. Should the vendor be unable to meet all requirements of the order they should inform the faavio purchasing department immediately. If the deviation is considered acceptable the vendor will be informed by an amended purchase order.

The vendor invoices should be sent in duplicate. The vendor shall indicate on the invoices, shipping documents and delivery notes the faavio order number, order date, references to ordered quantity, batch or Lot number, specification number and its vendor number. To the extent that this is not done, faavio shall not be responsible for delays that result.

## Delivery

The delivery schedule stated in the purchase order is firm and binding. All delivery times begin from the date of the order. If the vendor determines it is not able to meet the delivery date, faavio must be immediately notified in writing. If the vendor fails to deliver all items in accordance with the purchase order requirement or delays occur in making delivery faavio may at its option cancel this purchase order or any part thereof without incurring any obligation or liability to seller and at no cost to faavio. In case of a delay by the vendor, faavio is entitled to demand compensation for the delay, including the right to demand damages for liability to its customers if faavio cannot deliver on time resulting from delays on the part of the supplier, as well as any standard industry contractual penalties that faavio services must pay to its customers due to the delay. All other statutory claims are not affected. Partial delivery is only permitted with the written approval of faavio.

## Packaging

Regarding the Air Transport Association of America (ATA 300) and/or International Air Transport Association (IATA) Dangerous Goods Regulations all ordered items shall be packed in accordance these guide lines.

## Delivery Terms

Unless otherwise specified in the purchase order, the goods shall be delivered by the vendor DDP (within the EU) or DAP (outside of the EU) to the destination named by faavio. Incoterms2010 shall be applicable.

## Traceability

Material supplied to faavio must be traceable back to source. All ordered items shall be accompanied by documents showing full traceability of the items to the original manufacturer or approved source. All delivered items must be send with its certificate of conformity and/or test report and/or airworthiness certificate. Records are to be maintained tracing all materials used in the manufacturer of each batch of product back to the original supplier of the materials. These records must be maintained for a minimum period of ten (10) years. Records shall be stored to prevent damage, deterioration or loss. Material shall be Factory New (FN). Shelf life limited items shall have at least eighty percent (80%) if not expressly accepts by faavio in written.

## Inspection & Deviations

faavio reserves the right for final approval of product, procedures, processes and equipment. Following receipt of the goods, faavio shall be obliged within a reasonable amount of time to examine the goods for possible deviations of quality and quantity. Notification of defects must be made within a reasonable period minimum ten (10) working days. faavio has the right to reject all, or any portion, of the delivered goods which in faavio reasonable opinion is defective or inferior in quality of material or design. The vendor, at its expense, will immediately replace the rejected items to meet the agreed delivery schedule or cancel the Purchase Order.

## Warranty

The vendor warrants that the products and services will conform to the faavio purchase order, will be fit and sufficient for the purpose intended, or satisfactory quality, merchantable, and free from any defects in material or design for a period of twelve (12) months after being placed in operation, or twenty-four (24) months from date of delivery of the products or completion of the work, whichever occurs first.

## **Compliance with law and regulations**

The goods supplied must match the national and international legal provisions in force, regulations and directives of the government, security agencies of the government and trade associations, and with the latest technology and specifications, data, standards and quality requirements in the purchase order, for export control (ITAR, EAR, the EU) or national regulations and environmental regulations (REACH, CLP, ROHS). The supplier shall inform faavio in writing of any limitations on the use and reporting of customs duties for the goods supplied.

## **Applicable Law**

The relationship between faavio and the vendor is governed by German law. Any dispute regarding the existence, validity, interpretation, performance, termination of agreements shall be in the jurisdiction of the Commercial Court of Freiburg, Germany even in cases of multiple defendants or call of guarantee.

## **Severability**

If any provision of these terms of purchase or any provision under other agreements are invalid or become invalid, the validity of the other provisions or agreements would not be affected.