

The following terms apply as indicated on the face of the Purchase Order. If you cannot meet any applicable term(s), notify the responsible Kemco Aerospace Buyer immediately. Any exception to any of the Purchase Order clauses must be approved, in writing, and signed by the responsible Buyer, Quality Manager and /or Engineering Representative. The Purchase Order issued by Kemco Aerospace shall be binding on the Supplier, unless the Supplier expressly rejects such Order in a written form, within a maximum delay of 4 (four) calendar days of the date of issuance of the Purchase Order by Kemco Aerospace. Where no such acknowledgement of receipt is issued, the commencement of performance of the Purchase Order shall be considered by the fact itself, the acceptance of the terms of the Purchase Order.

K1 Kemco Aerospace Right of Inspection: Kemco Aerospace reserves the right to inspect any or all materials included in this order at the Vendor's plant.

K2 Kemco Aerospace Source Inspection: Kemco Aerospace Inspection is required at seller's facility. Evidence of such Inspection will be indicated on the shipping report, process certification, or fabrication order accompanying each shipment. Seller will notify Kemco Aerospace Quality Assurance Department at least Five days prior to processing or manufacturing so that appropriate planning for Kemco Aerospace Source Inspection can be accomplished.

Note: Seller shall provide a copy of the purchase contract to the Buyers Quality Representative serving their plant upon request.

K3 Kemco Aerospace Right of Surveillance: Work under this Purchase Order is subject to Kemco Aerospace's surveillance audit at Vendor's location, Kemco, Customers, and Regulatory Authorities shall have right of access to all facilities involved in the purchase order and to all applicable records. Kemco Aerospace's Quality Assurance Representative may elect to conduct Inspection on a surveillance basis, or perform 100% Inspection. Vendor will be notified by Kemco Aerospace if Inspection or surveillance is to be performed on specific shipments. No shipments are to be held for Kemco Aerospace Inspection unless notification, in writing, is received prior to the scheduled ship date. The frequency of audits will be in direct correlation to the quality of product delivered.

K4 Government Source Inspection: Government Source Inspection is required prior to shipment from vendor's plant. Upon receipt of this order, promptly notify the Government Representative who normally services your plant, so that appropriate planning for Government Inspection may be accomplished. The vendor shall furnish the Government Representative with all drawings and specification's necessary for Inspection. In the event a Government Representative cannot be located, the responsible Buyer shall be notified immediately.

NOTE: Government Source Inspection does not relieve the vendor of the responsibility for the product meeting all applicable Drawing/Specification requirements.

Note: Seller will provide evidence Of Government Inspection on shipping report accompanying each shipment.

K5 Government Inspection: During performance on this contract, your quality control or Inspection system & manufacturing process is subject to review, verification, & analysis by an authorized Government representative. Government source Inspection or release of product prior to shipment is not required unless notification in writing is received prior to the scheduled ship date.

K6 Kemco Aerospace Customer Source Inspection: During performance on this contract, your quality control or Inspection system & manufacturing process are subject to review, verification, & analysis by authorized customer representative. Kemco Aerospace Customer Source Inspection or release of product prior to shipment is not required unless notification in writing is received prior to the scheduled ship date.

K7 Kemco Aerospace's Customer Source Inspection: Kemco Aerospace Customer Source Inspection is required prior to shipment from vendor's plant. Upon receipt of this order, promptly notify Kemco Aerospace Quality Assurance department so that appropriate planning for Kemco Aerospace Customer Source Inspection may be accomplished. The vendor shall furnish the Representative with all drawings and specifications necessary for Inspection.

Note: Seller will provide evidence of Kemco Aerospace Customer Source Inspection on shipping report accompanying shipment.

K8 SOURCE First Article Inspection: Kemco Aerospace's Quality Assurance Department reserves the right to perform a Source First Article Inspection. The vendor shall notify the Buyer 72 hours in advance that the article/item is ready for Inspection. Evidence of such Inspection will be indicated on the shipping report, process certification, or inspection document accompanying each shipment.

K9 General Compliance: By the acceptance of this Purchase Order, the seller agrees that materials, items and/or finished parts shall be controlled, Inspected and tested in compliance with, and will meet all specified Purchase Order requirements drawing/specifications, and that applicable records are on file for at least five (5) years, subject to Kemco Aerospace or Kemco Aerospace's Customer examination.

K10 Specific Compliance: The vendor shall furnish a Certificate of Compliance (C of C), signed by an official representative for the vendor. Materials, Processes, Services and/or furnished items, in accordance with the instructions, drawings/specifications furnished with the Purchase Order shall have signed Certification included with the Packing Slip in the form of a C of C. Each C of C shall identify the Purchase Order number, part number, revision, Serial Number, (if applicable), Specification, Drawing, and lot/batch number as applicable to the content of the Purchase Order. Inspection and Test data shall be maintained for five (5) years, unless otherwise specified, and is subject to Mastercraft Aerospace or Mastercraft Aerospace's Customer examination. For Boeing Related Job Materials, vendors must comply with Boeing Clause H900, Section A, Paragraph 26. The C of C must state the name of the manufacturer when ordered from a distributor, and shall accompany each shipment.

K11 Inspection/Test Data: One (1) copy of the actual Inspection/Test Data shall accompany each shipment.

K12 Corrective Action: The seller shall on request, provide statements of Corrective Action on failures of seller's hardware on designated forms supplied by the buyer. Corrective Action statements, at buyer option, may require approval signature by Buyer Quality and/or Government Quality representatives. All rejected articles resubmitted by seller to Buyer shall bear adequate identification including reference to Buyer's rejection document.

K13 Dimensional Data: The vendor shall submit Recorded Dimensional findings with each shipment. Vendor's Inspection Equipment shall be calibrated and be traceable to the NIST.

K14 Workmanship: All items on this order shall be fabricated, processed, protected and finished in such a manner as to be uniform in quality and appearance and be free of defects that will affect form, fit, function, life, safety or serviceability.

K15 Manufacturing & Inspection Control Plan: The seller will submit a manufacturing & inspection control plan for Kemco Aerospace approval. As a minimum, the plan will delineate the sequence of manufacturing operations to be performed, the type of each Inspection specified, and, if applicable, the specifications that define each Inspection requirement. This plan will be submitted to Kemco Aerospace's purchase order originator & reviewed by Kemco Aerospace Quality Assurance and Engineering.

Prior to production of the product ordered. Kemco Aerospace's approval of this plan does not relieve Seller of the responsibility to perform all Inspection required by the applicable specifications. After approval by Kemco Aerospace's Quality Assurance, the seller will comply with the plan submitted. Any changes to the approved plan will be submitted to Kemco Aerospace for re-approval.

K16 First Piece Inspection: The vendor shall submit a First Piece sample item for dimensional and/or functional approval prior to producing production items. The vendor shall notify Kemco Aerospace Buyer when the item is ready for approval examination. Kemco Aerospace may choose to perform examination at vendor's facility or may require vendor to ship sample part(s) to Kemco Aerospace for examination. Notification of place of examination, in either case, will be made in writing by Kemco Aerospace.

K16A First Piece Inspection w/ Product: The vendor shall submit a First Piece sample item for dimensional and/or functional approval with production delivery. Supplier may produce part at their own risk.

K17 Traceability/Record Retention: The vendor shall retain records as a means of objective evidence of the quality of items supplied (manufactured, fabricated, assembly, Inspection, Test, Special Processes, etc.) for a minimum of five (5) years, or as otherwise indicated on the Purchase Order. All records shall be maintained in a manner to prevent deterioration. Records shall be subject to examination by Kemco Aerospace and/or Kemco Aerospace's Customer.

Copies of these records shall also be available upon request. Once the required retention time has passed all records shall be shredded and disposed of.

K18 Age Control: The vendor shall include the material type, condition, lot or batch number, specifications, Manufacturer, date of Manufacture, and shelf life expiration date on all perishable/shelf life material Certifications. The vendor shall supply the Hazardous Material Identification System (HMIS), the Manufacturing Data Sheets, and when applicable, the Material Safety Data Sheets (MSDS) with the material, as required.

K19 Dealers and Distributors: The vendor must supply Manufacturers Certification with each shipment. Suppliers shall provide Kemco with raw materials test reports / certification results / laboratory analysis requirements (e.g. tensile strength, stress rupture, hardness, chemical composition, etc.), as defined by the product definition and/or the PO. This requirement is applicable to all purchased raw materials, parts, and hardware (i.e., rivets, plate nuts, bar or plate stock, supplier manufactured parts). Suppliers shall prevent and mitigate the use of counterfeit parts. The requirements of SAE AS 5553 for electronic components and SAE AS 6174 for non-electronic product apply. Supplier must be compliant to the applicable Defense Federal Acquisition Regulation Supplement (DFARS) for government contracts (i.e., DFARS 252.246-7007).

K20 Material Test Reports: The vendor shall submit a copy of the Chemical and Physical Test Report with actual Test Data for the materials shipped under this order. Seller will mark each individual item and applicable document, test report, shipping report, & certification to show clear traceability to lot, heat lot, or batch number. Unless otherwise directed by purchase order or the specification, when the size of the item does not permit marking of individual items, Seller will label each package or box furnished.

K21 Retained Data: Physical and Chemical Test Data of raw materials used in the fabrication of articles on this order shall be retained on file by the supplier for a period of five (5) years, and are subject to Kemco Aerospace or Kemco Aerospace's Customer examination, and a copy furnished upon request.

K22 Lot Control: Lot identification number(s) shall be supplied with material/items, Inspection Records/Data traceable to the lot number identification, and shall be available upon Kemco Aerospace's request. In the event Kemco has supplied the Vendor with material that has been serialized, or lot tagged, the vendor is responsible for maintaining lot control. Vendor is responsible for masking tags if paint or prime is required in the process to insure legibility of the tags after processing.

K23 SPC: SPC requirements including SPC Data is required on this order.

K24 Configuration Control: The vendor shall supply the revision(s) specified on this Purchase Order unless a change is authorized in writing by Kemco Aerospace Buyer prior to shipment.

K25 Casting /Forging Information: All Castings on this order shall be identified by a permanent casting number, part number and configuration, or by a method that will give complete traceability of the mold used in fabrication. Physical and Chemical Test Data of raw materials furnished on castings produced on this order shall denote the applicable heat number, batch or lot number, date of manufacture, and shall be furnished with each shipment.

K26 Packaging: Packaging materials shall not have a harmful effect on items shipped on this order. Packaging, unless otherwise specified, shall be performed to completely protect items from damage or deterioration during shipment. The Vendor is responsible for adequately packaging all items described in the purchase order, when returning to Kemco or shipping to any other authorized subcontractor. The contractor will be charged up to the full value of the part for any shipping damage that may occur as a result of inadequate package protection.

In addition, it is equally important that any shipping damage on any items shipped from Kemco is reported PRIOR to processing if applicable..

K27 Sub-Contracting of this Purchase Order: Sub-Contracting of this Purchase Order other than original release is prohibited without prior written authorization from Kemco Aerospace's Buyer and Kemco Aerospace's Quality Assurance Department.

K28 Process Control: The vendor shall maintain control and approval of all Manufacturing (i.e.. welding, soldering, plating, painting, etc.) and Inspection/Test, used in the performance of this order. The vendor shall maintain objective evidence of process qualification in accordance with applicable specifications. The approval status shall be subject to review and approval/disapproval by Kemco Aerospace or Kemco Aerospace's Customer.

K29 Over/Under Shipments: No Over/Under shipments are allowed on this order without prior written authorization from Kemco Aerospace's buyer

K30 Calibration Control: The vendor shall control the Calibration of all Measuring and Test Equipment (M &TE) against Certified Measurement Standards, traceable to the NIST. The Calibration Control System shall conform to specification MIL-STD-45662 "Calibration System Requirements" or equivalent.

K31 Sellers Compliance with ISO 9001:2015: Seller will comply with ISO 9001:2015 Inspection System Requirements or equivalent. The seller is required to be on Kemco Aerospace's approved supplier listing.

K32 Sellers Compliance with AS9100: Seller will comply with AS9100 Inspection System Requirements or equivalent. The seller is required to be on Kemco Aerospace's approved supplier listing.

K33 Notification of Non-Conforming Product: Seller shall notify Kemco Aerospace immediately after discovering non-conforming product. Kemco Aerospace will then determine the disposition of the product. If the disposition is use-as-is, the non-conforming material shall be tagged and inspection data describing the non-conformance shall accompany the product. If the disposition is nonconforming, Kemco Aerospace will provide seller with specific instructions.

K34 Customer Approved Sources: Seller is required to use Customer Approved Special Process Sources. Upon request, the purchase order issued by Kemco Aerospace will be accompanied by a list of Customer Approved Special Process Sources. The processes which require the use of these sources will be identified on the purchase order.

K35 Domestic Material: Seller is required to follow all guidelines of the Defense Federal Acquisition Regulation Supplement (DFARS). See Part 255 -Foreign Acquisition.

K36 Special Processing: The vendor shall maintain control and approval of all special processing (i.e. welding, soldering, plating, magnetic particle and penetrant inspection, etc.) and Inspection/Test, used in the performance of this order. The vendor shall maintain objective evidence of process qualification in accordance with applicable specifications. The approval status shall be subject to review and approval/disapproval by Kemco Aerospace's Customer.

K37 Customer Designated Source: In those cases where a customer approved supplier / subcontractor uses an outside source to fulfill KEMCO's purchase order, that sub-tier supplier / subcontractor must also be approved by KEMCO's customer. This includes suppliers that provide special processes.

K38 Kemco Supplied Material: The Supplier will keep all Kemco Aerospace supplied material, including parts requiring further processing, clearly marked and will maintain a complete Inventory thereof. Supplier assumes all risk of loss, destruction, or damage to such material while in Suppliers custody or control. Supplier agrees to not use substitute material in performance of this purchase order without written consent of buyer.

K39 Kemco Aerospace Owned Tooling: Tooling and Special Test Equipment itemized as such in the Purchase Order as such is the property of Kemco Aerospace, and shall be shipped to Kemco Aerospace along with the deliverable product unless Kemco Aerospace gives permission to store at Supplier facility in writing. Any Kemco Aerospace owned tooling shall be properly identified by etching or permanently affixed label and stored at the Supplier free of charge. The Supplier will also take adequate measures to properly store tooling to prevent degradation or damage.

K40 Confidentiality: By accepting this request for quote or purchase order, the Supplier undertakes to treat as confidential all information supplied by Kemco Aerospace and shall take all necessary measures to ensure that neither the Supplier, nor any of its employees, agents, Suppliers, subcontractors, or other interested parties, whether involved on permanent or temporary basis, shall communicate or divulge to any third party any information, in particular specifications, formulae, designs and drawings concerning Kemco Aerospace request for quotes or purchase orders. This requirement of confidentiality shall be maintained for a period of five years from the date of completion. The Supplier is prohibited from making public any details in relation to its business dealings with Kemco Aerospace except where the later has been given express written permission.

K41 ITAR: The information contained in this Purchase Order and any files transmitted with it may contain information that is subject to the International Traffic in Arms Regulation (ITAR) or the Export Administration Regulation (EAR). This information may not be exported, released or disclosed to foreign nationals inside or outside the United States without first complying with the export license requirements of the ITAR and/or the EAR.

K42 DPS Rating:

IMPORTANT:

If DPAS Rating on this Purchase Order lists a DO-xx or DX-xx rating then provisions of 15 CFR 700 must be followed. (Found at <http://www.ecfr.gov>) If N/A is listed then this is an unrated order. DO rated orders take precedence over unrated orders and DX rated orders take precedence over DO and unrated orders. Seller must provide buyer with written acceptance or rejection of this order within 5 days of receipt. Seller must include reasons for rejection of this rated order. Seller's written acknowledgement of this rated order shall constitute written acceptance of DPAS Rating.

K43: EXPEDITE: This order is considered highest priority. Agreed to EXPEDITE CHARGES APPLY

K44: EXPEDITE FREIGHT: This order is considered highest priority. Agreed to EXPEDITE FREIGHT CHARGES APPLY

K45 Buy AMERICAN: * THIS ORDER IS SUBJECT TO THE "BUY AMERICAN ACT" AS IMPLEMENTED BY FAR 52.225-3

K46 Preference for Domestic Materials:

- A) THIS ORDER IS SUBJECT TO THE REQUIREMENTS OF DFAR 252.225-7014 - PREFERENCE FOR DOMESTIC SPECIALTY METALS.
- B) B) THIS ORDER IS SUBJECT TO THE REQUIREMENTS OF DFAR 252.225-7012-PRFERENCE FOR DOMESTIC COMMODITIES.

K47 Certificate of Conformance: A CERTIFICATE OF CONFORMANCE, SIGNED BY THE SUPPLIER'S AUTHORIZED REPRESENTATIVE, SHALL ACCOMPANY ALL MATERIALS SHIPPED AGAINST THIS ORDER. AS A MINIMUM, THE CERTIFICATE SHALL INCLUDE THE FOLLOWING:

- * THE KEMCO AEROSPACE PURCHASE ORDER NUMBER.
- * PART NUMBER
- * REVISION LEVEL
- * QUANTITY
- * SERIAL NUMBER, WHEN APPLICABLE
- * SHELF LIFE, WHEN APPLICABLE
- * LOT NUMBER, WHEN APPLICABLE
- * UNIT OF MEASURE
- * A STATEMENT THAT CERTIFIES COMPLIANCE TO THE DRAWING AND/OR SPECIFICATION.
- * THE APPLICABLE CHEMICAL, PHYSICAL AND/OR MECHANICAL TEST DATA IS ON FILE AND AVAILABLE FOR KEMCO AEROSPACE AND OR KEMCO AEROSPACE CUSTOMER REVIEW
- * SIGNATURE, DATE AND TITLE OF THE SELLERS RESPONSIBLE REPRESENTATIVE.

K48 100% Inspection: ***100% OPERATOR INSPECTION REQD ON THE FOLLOWING ITEMS: *** INSPECTED BY_

_____ DATE _____

K49 Welding Inspection: ***VISUALLY INSPECT WELD 100%*** WELD INSPECTION BY _

DATE _____

K50 First Article Inspection: AS9100 First Article Paperwork is required with the shipment.

K51 Cancellation:

Cancellation for Default

- a) Kemco Aerospace may, by written notice to Seller, cancel all or part of this contract if (i) the Seller fails to deliver goods within the time specified by the contract; (ii) Seller fails to perform on any other provisions of the contract; (iii) in the event of Seller's suspension of business, insolvency, appointment of a receiver for Seller's property or business, or any assignment, reorganization or arrangement by Seller for benefit of creditors.
- b) Seller shall continue work not canceled. If Buyer cancels all or part of this contract for default, Seller shall be liable for Kemco Aerospace excess re-procurement cost.

K52 Termination for Convenience (Gov. Contract):

Kemco Aerospace may terminate all or part of this contract effective as of the Date specified by Kemco Aerospace, in accordance with the provisions of Federal Acquisition Regulations ("FAR") 52.249-2 (Sept 96), "Termination for Convenience of the Government (Fixed Price)," which provisions, except for subparagraphs (d) and (j), are incorporated herein by reference. The term "Government" and "Contracting Officer" shall mean "Seller," and the phrase "1 year" is deleted each place it occurs and "six months" is substituted in its place. The time for requesting an equitable adjustment under subparagraph (l - lower case letter L) is reduced to 45 days. Settlements and payments under this article may be subject to approval by the contracting officer and the Settlement Review Board.

K53 Termination for Convenience (Commercial):

Kemco Aerospace may at any time and for any reason terminate Supplier's services and work at Kemco Aerospace convenience. Upon receipt of such notice, Supplier shall, unless the notice directs otherwise, immediately discontinue the work and placing of orders for materials, facilities and supplies in connection with the performance of this Agreement. Upon such termination, Supplier shall be entitled to payment only as follows: (1) the actual cost of the work completed in conformity with this Agreement; plus, (2) such other costs actually incurred by Supplier as are permitted by the prime contract and approved by Kemco Aerospace; (3) plus ten percent (10%) of the cost of the work referred for overhead and profit. There shall be deducted from such sums the amount of any payments made to Supplier prior to the date of the termination of this Agreement. Supplier shall not be entitled to any claim or claim of lien against Kemco Aerospace for any additional compensation or damages in the event of such termination and payment."

K54 DELAYS - If Supplier finds it is unable to keep to the agreed delivery period, or if a delay appears likely, Supplier shall so notify Kemco Aerospace Representative in writing or by telefax, or e-mail, indicating the date when Supplier expects to be able to make delivery.

Supplier is required to receive acknowledgement from Kemco Aerospace Representative that notification of late deliver has been received by Kemco Representative. If the Kemco Aerospace Representative has received such information of delay and modifies Purchase order to allow for such delay in writing or by telefax, or e-mail, at least seven (7) days before the agreed time of delivery, no penalty shall be paid.

K55 Delivery: Supplier shall deliver goods or services defined in the purchase order by the purchase order line due date. On time delivery shall be considered up to one (1) week early and zero (0) days late.

Delivery changes may be required for this order. Seller is required to delay delivery on materials and services by up to 120 days after receiving notification from Kemco Buyer in writing, 10 workings days prior to scheduled delivery date.

K56 PENALTY - If no information has been given according to Clause K55 within said time period of 7 days, penalty for late delivery (part delivery) shall be paid to Kemco Aerospace at a rate of one half percent (1/2) % per day(s). The penalty shall be calculated on the basis of the price of the products delayed. The total sum of penalties for late deliveries shall not exceed twenty five (25) % of the price of the products delayed. Apart from the above, Kemco Aerospace is not entitled to any compensation for damage in case of late delivery.

K57 FOD - FOD Prevention Program: Supplier shall establish and maintain a Foreign Object Debris/Damage prevention program in compliance with AS 9146.

K58 AWARENESS - Supplier shall ensure that employees performing work on this purchase order are aware of the importance of and their contribution to: the conformity of the products and services to the requirements; ensuring product safety; and promotion of ethical behavior.