

## **TERMS & CONDITIONS OF PURCHASE**

- 1. Northeast Aero Compressor ("NEACO") reserves the right to immediately cancel a Purchase Order for any goods or services (the "Parts &\* Tooling") purchased by NEACO.
- 2. All Parts and accompanying documentation are subject to NEACO inspection and acceptance at its own discretion. If Product is rejected, NEACO withholds the right to either return the Product, free of charge, accept the Product with an agreed to price reduction or request a replacement, free of charge.
- 3. All Parts supplied to NEACO shall be accompanied with documentation showing full chain of custody (trace) back to the certificated source (121,129, OEM or 145) identified by the Purchase Order requirements as well as a signed statement of non-incident from the certificated source. The statement of non-incident shall include a similarly worded statement certifying the part was not obtained from any government or military source nor were they subject to extreme stress or heat (as in major engine failure, accident or fire), or immersed in saltwater. Product obtained from a Government, Military or Private source will not be accepted.
- 4. All Parts shall be accompanied with a material certification (ATA-106) and a signed statement of non-incident from the seller. Certification containing to "To the best of my knowledge" or similar statement is subject to NEACO rejection.
- 5. FAA/EASA dual release 8130-3 is mandatory for all New, Serviceable, or Overhauled parts.
- 6. Parts represented in a Serviceable (Modified, Inspected, Tested, Repaired, Overhauled or Rebuilt) condition must be accompanied with an original Airworthiness Certificate, as specified by the NEACO Purchase Order requirements, substantiating the material's condition. A Report describing the maintenance activity in greater detail is required unless otherwise specified in the Purchase Order requirements.
- 7. Where an original Airworthiness Certificate is provided, the data used for maintenance and issuance of the Return / Release To Service shall not deviate from the current manufacturer's Maintenance Manual or Instructions for Continued Airworthiness ( No DER, IEN, ORI etc.) without explicit approval provided in writing by the Purchaser.
- 8. If the quantity ordered is less than the fully quantity indicated on the Airworthiness Certificate, a True Certified Copy shall be provided,
- 9. Unless otherwise specified and agreed to in the NEACO Purchase Order, Parts represented in a "Repaired" condition shall be warranted to NEACO for 6 months from the date of the Airworthiness Certificate and part's represented in an "Overhauled" condition shall be warranted to NEACO for 1 year from the date of the Airworthiness Certificate.
- 10. Where a part has been determined to be BER (Beyond Economical Repair) by NEACO a 145 Certified Repair Station, from either the absence of repair methods or available

- repair methods more costly than the product's current market value and/or agreed upon repair cap, NEACO reserves the right to return to the supplier.
- 11. As Removed parts will not be approved and accepted until the parts have been inspected by NEACO for proper inspection and evaluation.
- 12. Inspection/evaluation of As Removed material: Adequate time will be given by the supplier for NEACO to fully evaluate the material to determine its acceptance. NEACO will do its best to have the material inspected and disposition provided within 30 days from the date of shipment.
- 13. Where an RMA is requested for the return and credit of Product, it shall be provided within seven (7) business days or the product will be shipped back to the supplier without the benefit of having an RMA.
- 14. Shelf-life sensitive parts must be identified and marked with a cure date and/or expiration date.
- 15. Interchangeable or alternate parts are not accepted without explicit prior approval in writing by an NEACO representative.
- 16. Packaging of parts shall be appropriate to the material being shipped and adequately protected from any handling or in-transit damage.
- 17. Please ensure the provided Shipping Instructions are followed. NEACO will not be responsible for additional costs incurred from shipping errors and may pass these costs onto the Supplier.
- 18. Any Purchase Order information or information related to the Purchase Order shall be confidential.
- 19. Where necessary, suppliers shall flow down to their suppliers the requirements specified by the NEACO Purchase Order.
- 20. Acceptance of an NEACO Purchase Order provides right of access by NEACO, our customer and/or regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.
- 21. The supplier shall notify NEACO of any nonconformities affecting product supplied to NEACO and notify NEACO of any major changes to the supplier's QMS which may affect product quality.
- 22. A Quality Management System, appropriate for the size and scope of the organization, shall be implemented, which includes processes for the prevention of suspected unapproved parts and counterfeit parts as well as being aware of the supplier's contribution to product / service conformity, product safety and the importance of ethical behavior.
- 23. Records relating to product supplied to NEACO shall be retained for a minimum of 3 years from the date of sale.
- 24. Acceptance of an NEACO Purchase Order constitutes acceptance of the terms and conditions stated herein.