

**STANDARD TERMS AND CONDITIONS****Ref. Buyer:****Revisión: 0**

The following terms and conditions shall apply to this Purchase Order between 'Brig. San Martín' S.A. hereinafter the BUYER and the SELLER.

These Terms and Conditions shall prevail over any other conditions including but not limited to SELLER's terms and Conditions

**1. EFFECTIVE DATE OF COMMERCIAL ORDER:**

Commercial Order shall become effective upon SELLER's receipt and acceptance. The Purchase Order, duly signed by SELLER shall be confirmed by the BUYER, by fax or email.

**2. PRICES:**

CO prices shall be firm and subject to no adjustment whatsoever unless otherwise agreed upon in writing between the parties. BUYER shall not pay any additional cost not included in the PO.

**3. LEADTIME:**

Items shall be shipped according to delivery date stated in PO. Any extensions to delivery dates specified herein must be clearly justified and shall be accepted in writing by BUYER.

**4. BILLING:**

Identifying data, such as P/N, description and quantity, listed in the invoices must match exactly those on the items listed on PO. Any difference between the data on invoice and this PO must have been previously approved in writing by BUYER. Total amount of Invoices shall not exceed Grand Total in PO. Non compliance of this requirement may result in delay of payments. Additional Costs billed but neither detailed in the CO nor in SELLER's quote shall not be paid by BUYER.

Invoice must include Seller's TAX Id, Country of Origin and country of Procecence of the materials.

SELLER shall send Original Invoice to the following address: Av. Fuerza Aerea Argentina 5500 (zip code 5010), Cordoba, Argentina

Attn: General Account, Payroll & Accounts payable.

Invoices also need to be sent by e-mail to the original buyer of the PO and also to accountspayable@fadeasa.com.ar

**5. PAYMENT:**

Payment shall be settled after material has been accepted by BUYER Quality Control and according to Payment Terms stated in PO. Payment shall be settled by means of a WIRE TRANSFER. In order to facilitate the wire transfer SELLER shall send the original Invoice to the address detailed in 2. SELLER shall inform the following,

\* Name of beneficiary: Account Name

\* Beneficiary Account Number

\* Name of Bank

\* Route: ABA Number

\* DDA Number (in case of Citibank account)

\* Bank Address

\* Bank identification data (if any) such as SWIFT, CHIPS, etc.

**6. MATERIAL RECEIVING, INSPECTION AND REJECTION:**

Freight Forwarder only checks the number of packages delivered by SELLER; he neither opens nor inspects them.

Material inspection shall be accomplished by Quality Control at BUYER's facilities within 10 (ten) days after its receipt.

**7. MATERIAL AND CERTIFICATION WARRANTY:**

Unless specified, all warranties shall be valid for one year after delivery.

**8. MATERIAL REJECTION:**

BUYER has the right to reject the items that do not comply with all the specifications called forth in this CO. Material shall be accepted or rejected after inspection by our Quality Control Department at BUYER's facilities. In the event any item is rejected (surplus, lack of certification, etc.) BUYER shall notify SELLER of such rejection. Within 15 days SELLER shall give BUYER all necessary instructions to return (RMA) or dispose the material. SELLER shall inform BUYER new delivery date of material in proper condition or item cancellation from the CO. If within the 15-day period no instructions are received, BUYER shall cancel the item from the CO and ship rejected material back to SELLER without any previous notice. Any cost resulting from material return shall be paid by SELLER.

**9. EXPORT LICENSE:**

SELLER shall comply with all Export Regulations required by the Government of the country of origin in order to legally export purchased material to Argentina. SELLER shall bear in mind that the material requested herein is to be used for MILITARY AIRCRAFT. In the event such an Export License is not obtained, this CO shall be cancelled by BUYER and BUYER shall not be liable for any expenses incurred by SELLER.

**10. PACKING AND LABELING INSTRUCTIONS:**

All packages containing hazardous material must be labeled according to IATA Dangerous Goods Regulations or International Maritime Dangerous Goods Code. Other material should be labeled according to standard shipping guidelines.

Packaging of parts to be delivered to BUYER shall be made in accordance with best commercial practices depending on the means of transportation and on the kind of item to be packed. It shall be appropriate enough to protect the part against corrosion, leakage, moisture and any other damage caused by loading, shocks, vibrations or adverse environmental conditions as expected for a usual shipment and until received at BUYER's facilities.

Packaging shall include plastic wrapping, bubble packing, carton, wood boxes or special appropriate containers, as applicable.

In case special packing is needed, such a need shall be informed in ADDITIONAL NOTES.

All wood packaging and wood accommodation material sent to Argentina, shall meet ISPM # 15 (NIMF 15)

**\* SPECIAL PACKAGING (METALLIC RAW MATERIAL)**

Materials will be packed in a strong wooden box or pallet.

Steel banding will be added across the pallet and lengthwise. Pallet shall have wooden beams in its whole length to prevent flexure.

Wooden blocks or cleats shall be attached below to allow space for forklift.

Items will be sealed with plastic wrapping to protect against moisture and water.

\*Keep Dry\* labels shall be added to each pallet or box.

If requested, Aluminum and stainless steel sheets will have PVC protective coating on both sides.

Steel items will be oiled and wrapped in VCI paper.

Box will not exceed 2500 lbs

<p><b>11. DELIVERY:</b>  SELLER shall inform BUYER when materials are ready for delivery and before sending any shipment to FREIGHT FORWARDER. Deliveries may be rejected if, without previous coordination, they are sent to a Forwarder Agent, Warehouse or other delivery point different from the one instructed by FAdA in point 3 of the Purchase Order. For deliveries under 200 dollars or equivalent in other currencies, do not ship to freight forwarder unless you receive authorization from buyer. If you have other materials or scheduled deliveries in the short term for the same PO, please consolidate. Do not ship in the same packing materials in OH, SV or RP condition with materials FN or NE. Please pack and invoice separately.</p>
<p><b>12. MARKINGS AND CONSIGNMENT:</b>  Markings shall be stamped or written on 2 (two) opposite sides of the boxes except on the top covers. Markings shall be those stated in the CO.</p>
<p><b>13. PACKING LIST AND BILLING INVOICE</b>  SELLER shall place one (1) copy of the packing list inside each box, parcel, package, container, crate, etc. as well as one copy on the outside in a waterproof envelope, including Export License Number or corresponding Export Regulation Numbers as required by law. PACKING LIST SHALL CLEARLY SPECIFY THOSE ITEMS PACKED INSIDE EACH BOX. Along with packing list, SELLER must include copies of the Certificates requested in paragraph 20 above. Original Certificates shall be mailed together with the Original Invoice to the address stated in point 2 of this CO. SELLER shall also place an ORIGINAL BILLING INVOICE in the waterproof envelope on the outside. This document is necessary for Customs Proceedings.  NOTE: The materials shall come in separated boxes according to their condition. OH - NS or SV should NOT be packaged together with FN or NE.</p>
<p><b>14. ASSIGNMENT:</b>  Unless previously authorized in writing by BUYER, SELLER is not entitled to assign nor to transfer, either as a whole or in part, the execution of this CO to third parties.</p>
<p><b>15. TERMINATION:</b>  BUYER may terminate this Purchase Order at any time in whole or in part upon SELLER's failure to comply with any of the terms set forth herein.</p>
<p><b>16. OPERATION WARRANTY:</b>  According to commercial practices and/or manufacturer/vendor terms.</p>
<p><b>17. PENALTY FOR DELAYS IN DELIVERY:</b>  In the event SELLER fails to comply with delivery, either as a whole or in part, of the item/s requested in this CO, BUYER has the right, except in case of Force Majeure, to claim penalties in an amount equal to 1% of the total purchase value of the delayed item/s for each week of delay or fraction of more than 3 (three) days. This penalty shall not be higher than 15% of the original price of the item/s whose delivery is delayed and shall be enforced by the sole fact of the expiration of the delivery date without previous notification to SELLER or any other formality. BUYER shall collect penalty amount by means of  * A wire transfer from SELLER to BUYER  * A deduction from any outstanding invoice  BUYER has the right to start legal actions against SELLER for any damage these delays may cause.</p>
<p><b>18. WARRANTY:</b>  FAdA S.A. shall notify Seller of any failure or defective item detected under warranty. Within 5 working days from receipt of FAdA S.A.'s notification, Seller shall notify FAdA S.A. if the item will be fixed or replaced. If Seller notifies FAdA S.A. that the item needs to be sent out of FAdA S.A.'s facility, FAdA S.A. will ship the item to the location indicated by Seller, at Seller's expenses. Shipping costs to return the repaired or replaced item to FAdA S.A.'s facility will be at Seller's expenses.</p>
<p><b>19. MATERIAL CONDITION:</b>  Items shall be supplied in the condition in which they were quoted and as it is shown in the Purchase Order.  * FN (Factory New)  * NE (New Condition): New material from stock, traceable.  * OH: Overhauled with corresponding certificates  * SV (Serviceable)  * NS (New Surplus)</p>

**20. QUALITY REQUIREMENTS****RAW MATERIAL**

\* Raw material for parts manufacturing: metals, rubbers, composites, semi-elaborated parts

\* Textile raw materials: cloth, ribbons, cords

\* Paints, thinners

\* Sealants

\* Structural and non-structural adhesives

\* Oils, hydraulic fluids

\* Chemical products for special processes and other uses, paint strippers

**QUALITY REQUIREMENTS (RAW MATERIALS)**

Certificate of Conformance from the manufacturer

Exempted raw material certificate supplied by FAdeA to Vendor

Material test report showing that the item meets the requested standards and/or specifications.

Every production batch shall have its own report.

Statistical records and acceptance criteria.

Container identification: product, manufacturer, batch, manufacturing date and due-date,

quantity and concentration.

If special handling considerations should be observed, this information shall be written on the container label.

For Hazardous material (paints, varnishes, chemicals, etc) this condition shall be written on the container label

and Material Safety Data Sheet (MSDS) shall be attached to the product.

Limited life products shall not have less than 75% shelf life when delivered.

Dimensional report regarding design characteristics.

If applicable, calibration certificates of the equipment/instrument used for part verification issued by either or international agencies shall be supplied.

Acids shall be supplied in either high density polyethylene containers or metal bins.

Packing shall meet material requirements; it shall guarantee permanent protection and preservation.

For raw material in general, surplus or samples shall be requested in order to perform acceptance tests.

SELLERS shall inform BUYER when sending any shipment to FREIGHT FORWARDER.

**SPARE PARTS FOR MILITARY AIRCRAFT****QUALITY REQUIREMENTS - GENERAL**

Effective January 2012, the Argentinean Airworthiness Military Regulation will be applied to every aeronautical product used by the armed

forces. Therefore airworthiness approval forms (Argentinian Military DIGAMC 8130-3M or Argentinean Civil 8130.3 or FAR 8130-3 or EASA

Form One or any equivalent civil airworthiness certificate) shall always be provided, unless the nature of the item does not require it,

typically military exclusive parts. In this case suitable certificates from OEM or Repair Station, as applicable, shall be provided.

Repair Stations shall also provide their authorization either by the OEM or MoD.

If applicable, airworthiness certificate shall include cycles, remaining hours or other relevant evaluation data.

Items shall have Certificate of Conformance from the SELLER if being distributor and not manufacturer.

SELLER shall inform Warranty Terms for any item quoted in OH or SV condition.

Special Certifications - some parts or products need special requirements fulfilled in order to be installed, for instance:

Crew or pax cabin interior shall certificate accomplishment with flammability requirements under FAR 25.853, barometric altimeters

shall declare accomplishment with DNAR 43, FAR 43 appendix E or RAAC or FAR 91.411, ATC transponder shall declare accomplishment with

FAR 43 appendix E or RAAC or FAR 91.413.

Test reports, when applicable.

Identification stating Item Part Number / Serial Number / Batch Number

QUALITY REQUIREMENTS: NEW AND IMPORTED (FN, FACTORY NEW - NE, NEW CONDITION)

FAA 8130-3 for export / EASA Form One for export/Manufacturer Certification /or Equivalent.

Service Bulletins Compliance Status, when applicable.

Particular Certification, when applicable.

Material traceability: raw material, manufacturing date, due date, revision date or number (for components with shelf life)

QUALITY REQUIREMENTS: OVERHAULED / REPAIRED (OH, OVERHAULED)

FAA 8130-3 /EASA Form One /ANAC 8130-3 /DIGAMC 8130-3M /Military MRO CofC signed by authorized person at Repair Station

Work Order: Description of the maintenance tasks accomplished, and/or changes made, when applicable.

Test Bench Report including data showing compliance with the requirements in the manufacturers technical data.

Airworthiness Directive Status, if applicable.

Service Bulletins Compliance Status, when applicable.

Maintenance records (as per FAR/DNAR 43.9), when applicable.

Material traceability records, leading back to the manufacturer.

List of accessories and included units, if applicable.

Particular Certification, when applicable.

Serviceable tag.

When applicable, documents stating cycles, remaining hours or any other relevant element evaluation data.

**INSTRUMENTS/EQUIPMENT FOR MEASUREMENT AND TESTING****QUALITY REQUIREMENTS FOR NEW INSTRUMENT OR EQUIPMENT**

All items shall be supplied in appropriate containers that guarantee permanent protection and preservation.

If applicable, any accessories and/or tools needed for operation shall be supplied with the instrument or equipment, as well as charts,

drawings, software, instruction manual, etc.

Calibration certificate issued by national or international agencies, proving that the equipment is ready to use.

Original equipment manufacturer certificate, stating that the item meets technical specifications as per standards requested in purchasing documentation.

Items shall be tested at receiving for acceptance.

Availability of spare parts and technical assistance.

Viscosity standards with limited life shall be received with no less than 95% shelf life left.

**REQUIREMENTS AND CONDITIONS FOR CONTRACTS OF CALIBRATION SERVICES**

Issue a Calibration Certificate with the measurements results, included the measurement uncertainty or a statement of the conformity with a

identified metrological specification; traceability of measurements to primary pertinent standards in the International System of units (IS)

and a statement of compliance with the international standard ISO 17025 or belonging to National Systems of calibrations laboratories

internationally recognized.

**MACHINES, EQUIPMENT, TEST BENCHES AND TOOLS**

QUALITY REQUIREMENTS FOR item chosen from a catalogue and/or whose technical specifications have been settled by the manufacturer

Item shall be supplied with any accessory or tool necessary for its operation, as well as drawings, software, instructions manual, etc

After-sales service shall include:

Training for operation

Spare parts available from stock

Technical assistance

List of suppliers for the periodical calibration of the equipment of for any caliber within its structure.

SELLERS shall inform BUYER when sending any shipment to FREIGHT FORWARDER.

**TECHNOLOGICAL SERVICE HIRING****QUALITY REQUIREMENTS FOR manufacturing of metal, plastic or elastomeric parts**

Manufacturer shall provide with certifications from DIGAMC Argentina or local aeronautical or defense authorities.

Raw material certification (as per RAW MATERIAL Quality Requirements above)

Quality certificate stating that items delivered meets technical specifications requested.

Dimension report of items characteristics.

Test reports.

If applicable, calibration certificates of equipment/instruments used when verifying the parts, issued by national or international agencies.

**SPECIAL PROCESSES: HEAT, SURFACE, CHEMICAL TREATMENTS, ETC.****QUALITY REQUIREMENTS**

Quality Certificate stating that the item delivered meets the contractual technical specifications.

Process data, diagrams, outlines; description or the process the part complied with, traceability.

Identification of equipment used, when applicable.

Test reports.

If applicable, calibration certificates of the equipment/instruments used for the verification of the parts, issued by national or international agencies.

Packaging according to material type, in order to guarantee permanent protection and preservation.

**HARDWARE (CONSUMABLES, STANDARDS, CONNECTORS, OTHERS.)****QUALITY REQUIREMENTS**

Quality Certificate stating the item delivered meets standards required. Drawings and specifications stated in Commercial Order.

Packaging, identification and batch number.

\*\*\* EQRS KC390 \*\*\*

OPR (4.100.03) M.002.2018: \*FAdeA/EMBRAER, its customers, or Airworthiness Authority's representatives shall have the right to conduct audits, inspections or evaluations at Supplier's facilities at any time, which may include visits to subtiers or vendors' facilities.

OPR (4.100.03) M.003.2018: \*FAdeA/EMBRAER shall also have the right to access internal and 3rd party certification audit reports and data.

OPR (4.240.01) M.009.2018: \*Supplier shall keep retained documented information on file and available to FAdeA/ EMBRAER's representatives according to the following criteria: \*b) Records shall be kept for at least 10 years.

OPR (7.511.09) M.011.2018: \* Supplier shall apply First Article Inspection (FAI) when changes occur in production and quality processes, in a modification or evolution of parts, in a new production assembly line or Subtier. \*Note: SAE AS 9102 - Aerospace First Article Inspection Requirement may be used as a guide.

OPR (7.520.07) M.012.2018: \*Supplier shall control outsourced special processes, including at least: \*Qualification, maintenance criteria, control of nonconforming product and corrective action. \*Note: Applicable only if the outsourced special processes are not NADCAP accredited.

OPR (8.300.06) M.013.2018: \*Any suspected or confirmed non-conformance, detected by the Supplier after delivery of the parts and that were not previously detected or reported by FAdeA/EMBRAER, shall be notified through the Supplier Quality Engineer's email. \*Supplier shall complete a Notification of Escape (NoE) an equivalent Supplier document, including at least the following information: \*a) Part number and part description; \*b) Quantity of parts; \*c) Units affected (serial number, batch number, PO number and line); \*d) Problem description; \*e) Containment action. \*Supplier shall respond to any other FAdeA/EMBRAER requests during investigation and problem solution.

OPR (8.300.09) M.014.2018: \*Supplier's disagreements to and FAdeA/EMBRAER's non-conformity report issuance shall be sent to FAdeA Supplier Quality Department with the technical evidences that the products are according to the specifications. Otherwise, Supplier is considered responsible for the product non-conformance. \*Note: When necessary, part may be returned to supplier for further investigation. The date to have the investigation concluded shall be agreed between Supplier and FAdeA technical teams.

OPR (8.300.16) M.017.2018: \*For Suppliers without a MRB delegation by FAdeA, all nonconformities shall be submitted to EMBRAER for disposition, review, and approval, except when rework is described in FAdeA/EMBRAER technical standards.

OPR (8.520.01) M.022.2018: \*When required by FAdeA/EMBRAER, Supplier shall submit the corrective action plan within the agreed due date.

OPR (7.520.02) OPR.010.2018: \*Supplier shall have its special processes accredited by NADCAP: \*Aerospace Structural Assembly; \*Chemical Processing; \*Coating; \*Electronics; \*Heat Treating; \*Non-Destructive Testing; \*Composites; \*Materials Testing Laboratories; \*Surface Enhancement; \*Welding. \*Note: Information concerning NADCAP accreditations can be consulted at [www.primetech.org](http://www.primetech.org) and [www.eauditnet.com](http://www.eauditnet.com).

520.02) OPR.018.2018: \*When Supplier's quality performance is out of the required target or agreed limits, FAdeA/EMBRAER reserves the right to request an action plan or take other actions such as EMBRAER's or third party source inspection, \*process audit, etc., to be performed at Supplier's or Subtiers' facilities in order to support the action plan accomplishment.

OPR (7.410.02) OPR.009.2018: \*When required by EMBRAER, Supplier shall provide the Subtierlist, \*including quality performance metrics and corrective actions. This list \*shall be submitted to Supplier Quality Department.

**21. CERTIFICATES REQUIRED:**

The certificates shall be accepted by FAdeA S.A.. They shall be sent to FAdeA S.A. together with the parts.

\* CERTIFICATES REQUIRED: PARTICULAR

Any specific certificate requirement shall be detailed in ADDITIONAL NOTES.

Certificates of Conformance issued either by SELLER OR Commercial Companies shall be accepted only in addition to Certificates from OEM.

Certificates of Conformance shall be considered part of a commercial warranty but they can never replace any airworthiness Certification detailed in 20.

**22. COMMERCIAL INTEGRITY**

The suppliers of FAdeA SA will comply with the commercial and ethical rules in force applicable to their organizations and their transactions with FAdeA SA, which includes knowledge, consideration and respect for the Argentine legal system as well as FAdeA's internal regulations and transparency policies.

SELLER will comply with National's Executive decree 202/2017 Conflicts of Interest, and will provide the required Sworn statement .

If a Supplier wishes to file a complaint to FAdeAs Ethics Office, the following means of contact are at disposal:

-In person, at the Ethics Office located in Pavilion 1 at FAdeAs premises

-Through e-mail: [transparencia@fadeasa.com.ar](mailto:transparencia@fadeasa.com.ar)

-Through phone: +54 351 4668787 ext 6851.

-Through the available form on FAdeAs web page.

**23. APPLICABLE LAW AND JURISDICTION:**

This Agreement issued hereunder shall be governed by, interpreted and construed, and performance hereunder shall be determined in accordance with the Laws of Argentina, without reference to its conflict of laws rules. Any disputes arising hereunder shall be settled in state or federal court sitting in Córdoba, Argentina and the Parties irrevocably consent to personal and exclusive jurisdiction and forum of, and agree to be bound by any judgment and orders rendered by these courts.

**24. ACKNOWLEDGMENT:**

Seller acknowledges and agrees that the nature of any business that arise from this Agreement, performed by FADEA, are excluded from any commercial activity and are performed under the mandatory condition conferred by the National Government to FADEA to provide for the needs of the Argentine MOD- National Government in the purchase of materials. Any activity is performed under these agreements, the purpose of which is to provide for the National Defense and Security; therefore, the assets arising from this contractual relationship are protected against any injunction by the 1976 Sovereign Immunities Act if applicable.

**25. CONFIDENTIAL INFORMATION**

Seller shall keep confidential all information and all property furnished or disclosed to Seller by Buyer in connection with this PO ,provided such information is not otherwise available to Seller through no breach of confidence nor is in the public domain. Unless otherwise authorized by Buyer in writing, Seller shall use such information and property only in the performance of this PO, and shall be responsible for maintaining such information and property in the condition in which it was received. Upon completion or termination of this Purchase Order, Seller shall make such disposition of all such information and property as may be directed or approved by Buyer.

**26. ACCESS TO AUDITS**

Supplier must allow access FAdeA and its customers and regulatory authorities to perform audits at its facilities or its supply chain in the facilities used for the manufacture , packaging or storage products that FAdeA purchase. At any time , the representatives of FAdeA and its customers and regulatory authorities should be given access and allow audit / inspection of the manufacturing plant and / or storage of materials used in the manufacture of products for FAdeA SA.

**27. ADDITIONAL NOTES:**