



# ATEI-T/C1 Terms & Conditions

1. Aero-Tech Engineering purchase documents (or referenced attachments) will include, where applicable, requirements for approval of product, procedures, processes, and equipment, as well as any applicable requirements for qualification of personnel.
2. Aero-Tech Engineering will include in the Purchase Order (or referenced attachments) any quality management system requirements that may be required of the supplier.
3. The Purchase Order will include the name or other positive identification, and applicable issues of specifications, drawings, process requirements, inspection instructions and other relevant technical data. If not specified, the supplier is required to use, as applicable, the most current revision of specifications, drawings, process requirements, inspection instructions and other relevant technical data.
4. If required by Aero-Tech Engineering, the Purchase Order will list all requirements for test, examination, inspection, and related instructions for acceptance by Aero-Tech Engineering.
5. The supplier may, in special situations, be required to provide test specimens (such as production method, number, storage conditions) for design approval, inspection, investigation or auditing. These requirements will be listed on the Aero-Tech Engineering Purchase Order.
6. Suppliers are required to notify Aero-Tech Engineering in writing of nonconforming product and make arrangements with Aero-Tech Engineering for disposition. Contact ATEI procurement specialist or quality department within 48 hours when a non-conforming issue occurs.
7. Suppliers must notify Aero-Tech Engineering of changes in product and/or process definition and, when required in the Purchase Order, obtain Aero-Tech Engineering's approval.
8. Aero-Tech Engineering reserves the right of access by Aero-Tech Engineering, its customers and/or regulatory authorities to all facilities involved in the order and to all applicable records.
9. Supplier must notify Aero-Tech Engineering in writing before any process flow down of Purchase Order requirements (including key characteristics) to sub-tier suppliers.
10. Suppliers are required to maintain the following records for a minimum of ten (10) years: Certificates of Conformance, records that support certificates and any record that may be listed on the Aero-Tech Engineering Purchase Order. These records are required for work performed by any sub-tier suppliers.
11. Purchase orders received from Aero-Tech Engineering designating DPAS or DFARs are considered rated orders for the National Defense use, and seller is required to follow all the provisions of the Defense Priorities and Allocations System regulation (15 CFR 700).



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12. Sub-tier suppliers to Aero-Tech shall adhere to the additional requirements as applicable on the AQQC-001 Quality Clauses.

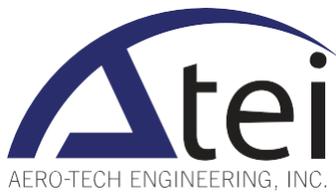
13. The following administrative fee shall apply if elected by Buyer for Seller nonconformance. Buyer may debit Seller's account, or recover by offset or otherwise, \$125.00 USD plus cost for material as an administrative fee for each Quality Notification ("QN") where the non-conforming goods are determined to be caused by Seller. Such fee is solely for a one-time instance of issuance and processing of the Quality Notification paperwork for each QN and excludes all other costs. The parties agree that this administrative fee is neither a liquidated damage nor a penalty, and the fee is in addition to any damages recovery for non-conforming goods allowed under this Order.

14. Purchase Orders received from Aero-Tech Engineering designating DPAS or DFARS are considered rated orders for the National Defense and all material purchased must be DFARS Subpart 225.1 ([https://www.acq.osd.mil/dpap/dars/dfars/html/current/225\\_1.htm](https://www.acq.osd.mil/dpap/dars/dfars/html/current/225_1.htm)) and 225.2 ([https://www.acq.osd.mil/dpap/dars/dfars/html/current/225\\_2.htm](https://www.acq.osd.mil/dpap/dars/dfars/html/current/225_2.htm)) compliant - International Sourcing Requirements and special restrictions imposed by the US Government (as applicable to customers' requirements). Note: Buy American Act, DFARS, Specialty Metals, Ball and Roller Bearings, US Munitions list sourcing restrictions.

15. Vendors/suppliers are expected to communicate with Aero-Tech Engineering whenever there is a problem with the Purchase Order requirements or other reason to contact ATEI. Communication should be with Aero-Tech's procurement or quality department.

16. Export Compliance; Release of Technical Information.

a. Technical information or data, whether classified or otherwise, shall not be disclosed by Supplier to any person or entity in violation of the Export Administration Regulations (EAR) of the United States Department of Commerce, 15 C.F.R. Subtitle B, Chapter 7, Subchapter C; the International Traffic in Arms Regulations (ITAR) of the United States Department of State, 22 C.F.R. Chapter 1, Subchapter M; OFAC Sanctions of the Department of Treasury, 31 C.F.R. Subtitle B, Chapter 5; or any other applicable laws or regulations of the United States ("Export Regulations"). Supplier shall require each person to whom they wish to disclose EAR-controlled and/or ITAR-controlled information to certify agreement to EAR and/or ITAR non-disclosure requirements. Supplier will provide verification of the individual certifications upon request from GKN. Supplier will also provide citizenship verification information, evidence of completed denied parties checks and description of applicable export authorizations obtained upon request from GKN for each person or entity to whom they wish to disclose EAR and/or ITAR controlled information or for whom they wish to request badge access to any GKN site. Supplier will complete these compliance activities prior to disclosure of controlled information. In performing under any purchase order, Supplier shall further perform all of its obligations in compliance with the Export Regulations.



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- b. A valid TAA or MLA for a Foreign Supplier or Foreign Persons shall be in place which allows defense services to be performed in support of the material review process.
- c. Manufacturing License Agreement (MLA) - An agreement whereby a U.S. person grants a foreign person an authorization to manufacture defense articles abroad and which involves or contemplates: Export of technical data or defense articles or the performance of a defense service, and use by the foreign person of technical data or defense articles previously exported by the U.S. person.
- d. Technical Assistance Agreement (TAA) - An agreement for the performance of a defense service or the disclosure of technical data, as opposed to an agreement granting a right or license to manufacture defense articles. Assembly of defense articles is included under this section, provided production rights or manufacturing know-how are not conveyed. Should such rights be transferred, a Manufacturing License Agreement is applicable.

17. Supplier recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”), the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten and gold (the “Conflict Minerals”) from the Democratic Republic of the Congo and adjoining countries (“DRC countries”). Accordingly, Supplier commits to comply with Section 1502 of Dodd-Frank and its implementing regulations. In particular, Supplier commits to have in place a supply chain policy and processes to undertake (1) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into products it provides UTC; (2) due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the DRC countries directly or indirectly support unlawful conflict there, and (3) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Supplier shall take all other measures as are necessary to comply with the Act and its implementing regulations, as they may be amended over time.

18. All Suppliers providing Calibration Services must be must identify standards used and must be traceable to National Institute of Standards Technology (NIST).



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## REVISION HISTORY

Rev 13 6/1/20: added DPAS to section 14.

Rev 14 8/6/20: added DFARS to section 11 and 14 including links

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