


	<b>SOP 7 Terms and Conditions</b>
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## External Provider General Terms and Conditions

1. **TERMS:** Unless otherwise specifically agreed upon in writing between FASNAP (Buyer) and the External Provider, whose name appears on the Purchase Order or Requisition Purchase Order, these terms and conditions govern the entire agreement between the External Provider and FASNAP regarding goods and services covered by the Purchase Order or Requisition Purchase Order. The acceptance of the Purchase Order or Requisition Purchase Order by the External Provider shall be conclusive evidence of the External Provider's approval, consent and agreement to the terms and conditions herein.
2. **CONFIRMATION OF ORDER:** The External Provider must acknowledge the Purchase Order or Purchase Requisition Order and notify FASNAP, within two business days, if the order will be fulfilled or not.
3. **PRICES:** All prices shall be stated in U.S. Dollars, unless otherwise agreed upon by both parties, and shall stay firm during the entirety of the Purchase Order or Requisition Purchase Order. Any price increase shall be absorbed by the External Provider.
4. **PAYMENT:** All invoice payments will be approved within seven working days after the receipt and acceptance of materials. Upon approval, payment will be issued in accordance to previously agreed upon payment terms. Discrepancies between Fasnep Purchase Orders or Requisition Purchase Orders and the Vendor/Supplier Invoice will delay payment until complete resolution of the issue is agreed upon between Buyer and Seller.
5. **SCHEDULE AND DELIVERY:** The External Provider shall strictly adhere to all Purchase Order schedules and requirements. If the External Provider becomes aware of any circumstances that will actually or potentially cause a delay in delivery of the ordered items, the External Provider shall immediately notify FASNAP in writing stating the reason for the delay. Such notice shall include a revised schedule and shall not constitute a waiver to FASNAP's (Buyer) rights and remedies hereunder.
6. **SUB-TIER SUPPLIERS:** The External Provider is responsible for the flow down of all requirements to any/all of their supply base where Purchase Orders have been released for production of FASNAP orders.
7. **SPECIFICATIONS:** All goods and services furnished pursuant to the Purchase Order shall strictly conform to explicit and implied specifications, descriptions and warranties set forth in such Purchase Order or any written specifications provided by FASNAP (Buyer) to the External Provider. No materials shall be supplied to FASNAP which have less than 75% of useful life remaining. Or one year, whichever is less.
8. **CHANGES:** The External Provider shall not direct or implement any changes or substitutions (which affect fit, form or function) to the contracted Purchase Order without prior notification and written approval from FASNAP (Buyer). The Buyer (FASNAP), from time to time, may direct changes for


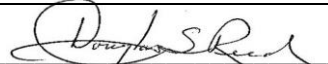
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technical requirements, shipment and packaging requirements, place of delivery, place of performance, inspection and acceptance, reasonable adjustments in quantity, delivery schedule or the amount of Buyer furnished property. If any change causes an increase or decrease in the price or in the time required for its performance, the External Provider shall promptly notify FASNAP thereof and insert its claim for equitable adjustment within 30 days after the change is ordered and an equitable adjustment shall then be made. Nothing in this provision shall excuse the External Provider from proceeding immediately with the directed change(s). Changes shall not be binding upon FASNAP except when specifically confirmed in a written Purchase Order or Change Order.

9. **QUALITY:** The External Provider shall have and maintain a documented Quality Management System which is acceptable and appropriate for the items or services supplied hereunder and shall comply with general industry standards. Items and services supplied shall meet the requirements of the applicable specifications and documentation (e.g. drawings, specifications, standards etc.). It shall be the sole responsibility of the External Provider to monitor technical specifications regarding materials, methods, fit, form and function whether or not the items or services provided have been manufactured by the External Provider or by any of the External Provider's subcontractors.
10. **COMPLIANCE TO LAWS:** The External Provider shall comply with all applicable provisions of International, Country, Federal, State and Local Laws and Ordinances and all lawful orders, rules and regulations.
11. **MATERIALS, PACKAGING AND SHIPPING:** All goods to be delivered hereunder shall consist of new materials or materials provided by FASNAP (Buyer), modifications may be required. The External Provider shall prepare and package all goods to prevent damage or deterioration and shall use best commercial practices for packing and packaging of items to be delivered under the contract, unless otherwise specified in the Purchase Order.
12. **COUNTERFEIT PARTS PREVENTION**  
FASNAP requires sellers provide only products from original manufacturer's or their authorized distributor chain. No products can be acquired from independent distributors or brokers unless approved in advance and in writing by FASNAP. When requested the external provider shall provide documentation from the manufacturer that authenticates traceability of item to the applicable manufacturer. The external provider shall notify FASNAP immediately when they become aware or suspect that they have furnished counterfeit products. The external provider shall establish and maintain a counterfeit detection process that is similar to and meets the intent of SAE AS5553, counterfeit parts, avoidance, detection, mitigation and disposition for the prevention and control of parts identified as counterfeit.
13. **DOCUMENTATION:** The External Provider shall provide all documentation requested by FASNAP (Buyer), as specified on the Purchase Order. This documentation may include, but not limited to the following: Certificate of Compliance, First Article Inspection, Material Certifications, Chemical Certifications, Test Report Data and Production Part Approval Process (PPAP) requirements.

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14. **INSPECTION AND ACCEPTANCE:** FASNAP’s (Buyer) final acceptance of goods or services is subject to FASNAP’S final inspection after receipt at its facility or another place as designated by FASNAP (Buyer). The External Provider and its external sources shall maintain quality control and inspection programs that ensure delivered product meet all customer requirements as specified through the Purchase Order and/or other technical documentation. FASNAP (Buyer) or its representatives shall have the right of access, on a non-interference basis, to any area of the External Provider’s or its external sources’ premises where any part of the work is being performed. The External Provider, without any additional cost to FASNAP (Buyer), shall provide all reasonable in-plant accommodations, facilities and assistance for the safety and convenience of the Buyer (FASNAP) and the Buyer’s representatives in the performance of their duties. The External Provider shall keep and maintain inspection, test and related documents, which shall be made available to the Buyer (FASNAP) or the Buyer’s representatives. The External Provider agrees to comply with all retention times specified by FASNAP on the Purchase Order and shall allow copies to be made and furnished to the Buyer or the Buyer’s representatives upon request.
15. **REJECTION:** If the External Provider delivers non-conforming goods or services, FASNAP (Buyer) may, at its option and the External Provider’s expense; return the goods for refund or credit, complete a Supplier Corrective Action Request (SCAR) if one is assigned, require the External Provider to promptly correct or replace the goods or services or obtain the goods or services from another source.
16. **TERMINATION OF CONVENIENCE:** FASNAP (Buyer) by notice in writing, may direct the External Provider to terminate work under this agreement, in whole or in part, and at any time, and such termination shall not constitute default. FASNAP may take immediate possession of all work performed upon notice of termination. The External Provider shall immediately stop work and limit costs incurred on the terminated work.
17. **CODE OF ETHICS EXPECTATIONS:** FASNAP expects its external providers to meet our ethics expectations. FASNAP will only do business with external providers that comply with applicable and controlling laws, rules, and regulations. It is FASNAP’s expectation that external providers, their employees, sub-tier contractors and any other parties involved with the execution of FASNAP work, similarly comply with applicable laws, rules and regulations. FASNAP expects the following, without limitation, including respecting the human rights of employees from all its external providers.
18. **SUBSTANCE REGULATIONS:** FASNAP is required to comply with an increasing number of substance regulations around the world in order to sell our products. We ask that our External Providers be observant of this and fully comply with these relevant regulations.
- A) **REACH/RoHS COMPLIANCE:** The External Provider shall ensure all goods comply with the requirements imposed by the European Directive 2011/65/EU of the European Parliament and of the European Council of 8 June 2011 on the restrictions and use of certain hazardous

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substances in electrical and electronic equipment (RoHS). The External Provider shall comply with any amendments to RoHS which the European Parliament may impose and by any further instructions given by FASNAP (Buyer). In addition, the External Provider covenants that it will comply with Regulation EC 1907/2006 (REACH) in every aspect. The External Provider shall notify FASNAP, without delay, should substances contained, in whatsoever form or concentrations, in deliveries to FASNAP, be considered Substances of Very High Concern (SVHC).

- B) **CONFLICT OF MINERALS:** The External Provider shall commit to comply with Section 1502 of Dodd-Frank Wall Street Reform and Consumer Protection Act associated with sourcing of Tin, Tantalum, Tungsten and Gold from the Democratic Republic of the Congo and adjoining countries. The External Provider shall have in place a Supply Chain Policy to undertake a reasonable inquiry into the country of origin of conflict minerals incorporated into product/services it provides to FASNAP, as well as, perform due diligence of its supply chain as necessary.

Date	Revision	Description of Change	Approved By
5/1/2018	0	Initial issue of document	Doug Reed/President