

Terms and Conditions, (2017)
Shuttle Aerospace (Shuttle)

The following requirements apply based on the Purchase Order received from Shuttle

PACKING AND SHIPPING. Supplier must prepare/package product for Shuttle to prevent shipping damage and deterioration.

SHIPMENT/DELIVERY. Shipments or deliveries, as specified in a Shuttle Purchase Order, shall be in accordance with the specified quantities and the specified schedules. Supplier is encouraged to notify Shuttle of any anticipated or actual delay.

SHUTTLE FURNISHED MATERIALS. All materials furnished by Shuttle are to be returned with the product upon completion of the order unless other arrangements have been made.

NON-CONFORMING MATERIAL. For material supplied by Shuttle, supplier must notify Shuttle of any nonconforming product and make arrangements for approval if submitting any nonconforming product.

SUBCONTRACTING/APPROVED SUPPLIERS. Any Shuttle supplier may subcontract work to another supplier provided that Shuttle is provided with the same rights and protection as stated in the Purchase Order and the Shuttle Terms and Conditions. Suppliers may only use approved suppliers of Shuttle and/or its customers.

RIGHT OF ENTRY. Supplier shall allow Shuttle representatives, Shuttle customers, statutory and regulatory agencies right of entry into the applicable areas of Supplier's facilities and the entire supply chain to verify all processes and records.

QUALITY. Supplier shall provide and maintain an inspection system which will assure that all delivered products conform to Purchase Order requirements, whether manufactured or processed by the supplier or a sub-tier supplier. Supplier shall maintain controls and perform all inspections and tests required to substantiate product conformance to Purchase Order requirements. If not specified in the Purchase Order, contact Shuttle for required revision of drawings, specifications and other requirements. Supplier is required to notify Shuttle of changes in product and/or process definition to obtain Shuttle's approval prior to such changes.

INSPECTION AND TEST EQUIPMENT. Supplier shall maintain inspection and test equipment to assure calibration traceable to a known national or international standard. Calibration records must be maintained and made accessible to Shuttle, if required.

FOREIGN OBJECT DAMAGE. Supplier shall control/prevent foreign object damage or contamination during manufacture, assembly, inspection and/or shipment. The FOD program requirements must be made accessible to Shuttle upon request.

RECORDS. The Supplier shall maintain records of work performed for Shuttle. Records shall include the COC provided to Shuttle as well as records that support the certificate. Records must be available to Shuttle upon request. Records must be maintained for a minimum of ten (10) years. Disposition required is; a) hard copy records – shred, b) electronic/digital files – delete.

CERTIFICATIONS. Supplier must ensure that individual parameters within a given specification have been met. Certifications must reflect that all applicable manufacturing and process specifications called for on the engineering drawing have been met.

FIRST ARTICLE INSPECTION. If required by Shuttle on the Purchase Order, first article inspections are to be recorded on form AS9102, current revision or on a form compliant with AS9102.

CALIBRATION SERVICES ONLY. Calibration of inspection equipment shall be performed traceable to National Institute of Standards and Technology (NIST) or other national or international standards. Certificates of Calibration shall be provided.

CHANGES. Any change to the requirements as stated on the Purchase Order must be approved by Shuttle prior to taking action on those proposed changes.

COUNTERFEIT PARTS PROGRAM. Supplier shall have a counterfeit parts plan per AS6174. Supplier's plan shall ensure that only new and authentic materials are used to manufacture or process any component delivered to Shuttle. The Supplier may only purchase materiel directly from original manufacturers; manufacturer franchised distributors, or authorized aftermarket manufacturers. Use of materiel that was not provided by these sources is not authorized unless first approved in writing by Shuttle. If suspect/counterfeit materiel is furnished under this purchase agreement, such items shall be impounded. The supplier shall promptly replace such items with items acceptable to the Shuttle and the Supplier may be liable for all costs relating to impoundment, removal, and replacement. Shuttle may turn such items over to Authority having Jurisdiction for investigation and reserves the right to withhold payment for the suspect items pending the results of the investigation. Any known instances of fraud or attempted fraud shall be documented in writing to Shuttle Aerospace.

PERSONNEL COMPETENCY. Shuttle may specify specific qualification for personnel performing, work related to the details of the Purchase Order provided. The supplier should be ready to provide evidence to Shuttle if requested.

PERSONNEL COMMUNICATION. Supplier is required to communicate with their personnel regarding the following:

- Their contribution to product or service conformity to requirements
- Their contribution to product safety
- The importance of ethical behavior

CONFLICT MINERALS SOURCING: Pursuant to The Dodd–Frank Wall Street Reform and Consumer Protection Act (Pub.L. 111–203, H.R. 4173; commonly referred to as Dodd–Frank) section 1502, Shuttle Aerospace, Inc expects its suppliers to maintain a policy to reasonably ensure that the tantalum, tin, tungsten, & gold (if present) contained within the product that they manufacture and supply to Shuttle Aerospace are “conflict free”. “Conflict free” means any “conflict minerals” (gold, columbite,-tantalite, also known as coltan, cassiterite, wolframite, or their derivatives: tin, tantalum or tungsten) necessary to the functionality or production of the supplied products, either do not originate from the “Conflict Region” situated in the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries or are from recycled or scrap sources. Shuttle Aerospace does not knowingly procure products containing any of the above-specified metals that originate from facilities in the “Congo Region” that are not certified as “Conflict Free”. Although Shuttle Aerospace is not regulated under the Securities Exchange Commission (SEC) we understand that many of our customers are; which requires us to maintain the same requirements as theirs in addition to our commitment to our moral & ethical responsibilities. Shuttle Aerospace requires that suppliers of products that contain any one of the conflict minerals to declare that they are compliant to the conflict mineral program. Suppliers to Shuttle Aerospace must adopt a policy regarding conflict minerals that is consistent with our policy and require their management systems to support compliance with their policy while requiring their own suppliers to also take the same measures to ensure they too have a policy with the same results. Shuttle Aerospace expects suppliers to establish their own due diligence program to ensure that the specified metals are being sourced only from smelters outside of the “Conflict Region” or from smelters which have been certified by an independent third party as “Conflict Free” if sourced within the “Conflict Region”. Smelters are qualified as “Conflict Free” if validated as compliant to the EICC Conflict Free Smelter (CFS) protocol, using the CFS Compliant Smelter List. Shuttle Aerospace expects suppliers to maintain compliance systems and be able to demonstrate a satisfactory record of written evidence (if required) to support their due diligence programs. Shuttle Aerospace may in its sole discretion asses & monitor ongoing performance and compliance with its conflict minerals policy, including but not limited to a review of appropriate supplier documents and review of past practices of the supplier. If Shuttle Aerospace discovers the use of conflict minerals produced in facilities that are considered to be “Non-Conflict free” in any supplied products or being used at any point in the supply chain they will take appropriate action to transition the supply of these products to a “Conflict Free” source.

SPECIFIC OEM REQUIREMENTS:

LOCKHEED-MARTIN:

When indicated in the Purchase Order the OEM is Lockheed-Martin, the following statement shall be considered part of the purchase order requirements:

“All processing to be accomplished in performance of this purchase order is directly related to a Lockheed Martin Aeronautics Company purchase order and must be accomplished in accordance with process specification(s) on this purchase order and Lockheed Martin Aeronautics Company Appendix QJ”

In addition:

- a) A copy of all purchase orders with this requirement referenced shall be maintained on file by the supplier and made available to Lockheed-Martin upon request
- b) The supplier must submit a Certificate of Conformance (“CoC”) with a unique certification number which contains the elements listed in Lockheed Martin Appendix QJ
- c) Fracture durability classification or serialization, when required
- d) Seller shall use suitable wraps, boxes or racks as applicable to guard against shipping damage and apply rust or corrosion protection whenever directed by Shuttle Aerospace.

If there are any questions, contact:
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Shuttle Aerospace
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