



Purchase Order and Service Order Terms and Conditions

1) Applicability

- a. Any purchase order issued by Davidson Logistics or Davidson Surface/Air Inc. (“Buyer”) is an offer for the purchase of goods specified on the face of this purchase order (“Goods”) from the party to whom the purchase order is addressed (“Vendor”) in accordance with and subject to these terms and conditions (“Terms”, together with the terms and conditions on the face of the purchase order, “Order”). This Order, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Order, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order. The Order expressly limits Vendor’s acceptance to the Terms of the Order. These Terms prevail over any terms or conditions contained in any other documentation and expressly exclude any of the Vendor’s general terms and conditions of sale or any other document issued by Vendor in connection with this order.

2) Acceptance; Change Orders

- a. Except as provided below, this Order is not binding on Buyer until Vendor accepts the Order in writing. Vendor shall be deemed to have accepted the Order subject to the Terms if Vendor starts to perform in accordance with the Order, even if Vendor has not accepted the Order in writing. Notwithstanding the foregoing, if Vendor does not accept the Order in writing or provide written notice that it has commenced performance within 15 days of Vendor’s receipt of the Order, this Order will lapse at the option of Buyer. Buyer may withdraw the Order any time before it is accepted by Vendor. For future deliveries Buyer may, at any time, by written change order, make changes without delay. Thereafter, Vendor may transmit to Buyer a statement of the effect, if any, of such change orders on Vendor’s cost and ability to make deliveries. Upon the basis of this and any other available information, Buyer and Vendor shall agree upon an equitable adjustment of the purchase price and any other relevant provisions, and such agreement shall be incorporated in a supplement to this Order.

3) Delivery Date

- a. Vendor shall deliver the Goods in the quantities and on the date(s) specified on the face of the Order or as otherwise agreed in writing by the parties (the “Delivery Date”). If no delivery date is specified, Vendor shall deliver the Goods within 30 days of Vendor’s receipt of the Order. Timely delivery of the Goods is of the essence. Vendor shall notify Buyer immediately of any circumstance which is delaying, or which threatens to delay the timely performance of this Order, but such notice shall not excuse performance by Vendor nor affect Vendor’s liability. If Vendor fails to deliver the Goods in full on the Delivery Date, Buyer may



terminate the Order immediately by providing written notice to Vendor and Vendor shall indemnify Buyer against any losses, claims, damages, and reasonable costs and expenses directly attributable to Vendor's failure to deliver the Goods in the Delivery Date. Buyer has the right to return any Goods delivered prior to the Delivery Date at Vendor's expense and Vendor shall redeliver such Goods on the Delivery Date.

4) Quantity

- a. If Vendor delivers more/less than the quantity of Goods ordered, Buyer may reject all or any excess Goods. Any such rejected Goods shall be returned to Vendor at Vendor's risk and expense. If Buyer does not reject the Goods and instead accepts the delivery of Goods at the increased/decreased quantity, the Price for the Goods shall be adjusted on a pro-rata basis. Buyer may upon 10 days' notice to Vendor, if prior to the date of shipment, request a change in the quantity of Goods to be delivered under the Order, and Vendor shall comply with such changes.

5) Delivery Location

- a. All Goods shall be delivered to the address specified on the face of the Order (the "Delivery Location") between 8:00 a.m. and 4:00 p.m. CST Monday through Friday (no delivery on Holidays), or as otherwise instructed by the Buyer.

6) Shipping Terms

- a. Delivery shall be specified on the face of the Order. Vendor shall give written notice of shipment to Buyer when the Goods are delivered to a carrier for transportation. Vendor shall provide Buyer all shipping documents, including the commercial invoice, packing list, air waybill/bill of lading and any other documents necessary to release the Goods to Buyer within 5 business days after Vendor delivers the Goods to the transportation carrier.

7) Specific External Provider Flow Down Requirements when Applicable

- a. Quality Management System Requirements.
- b. Use of customer-designated or approved external providers, including process sources. This can be called out on technical data or directly in PO.
- c. Notify Davidson of changes to processes, products, or services, including changes to their external provider or location of manufacturers.
- d. Sub-tier flow down of requirements to suppliers, this includes Davidson customer requirements.
- e. Specific certificate of conformity, test reports, or authorized release certificate, as applicable.
- f. External Providers will be evaluated at 80% or better Product Quality and 80% or better On-Time delivery. Failure to meet these requirements may result in the termination of the relationship with the external provider.

8) Records Retention Requirements

- a. The supplier will maintain records related to Davidson's order for 10 years.

9) Inspection and Rejection of Nonconforming Goods



- a. The Buyer has the right to inspect the Goods on or after the Delivery Date. Buyer, at its sole option, may inspect all of a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. Payment with respect to the Goods shall not constitute acceptance. If Buyer rejects any portion of the Goods, Buyer has the right to: (a) rescind the Order in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require replacement of the rejected Goods. If Buyer requires replacement of the Goods, Vendor shall, at its expense, promptly replace the nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective Goods and the delivery of replacement Goods. If Vendor fails to timely deliver replacement Goods, Buyer may replace them with Goods from a third party and charge Vendor the cost thereof and terminate this Order.

10) Suspected Unapproved, Unapproved or Counterfeit Parts

- a. The Supplier will have a process to handle suspected unapproved, unapproved or counterfeit parts.

11) Right of Access

- a. The Supplier will allow access to Davidson, our customer or the regulatory authorities to the applicable areas of facilities and to applicable documented information, at any level of the supply chain.

12) The Supplier Shall Ensure:

- a. Employees understand their contribution to product or service conformity;
- b. Employees understand their contribution to product safety;
- c. The importance of ethical behavior.

13) Price

- a. The Price of the Goods is the price stated in the Order (“Price”). If no price is included in the Order, the Price shall be the price set out in Vendor’s published price list in force as of the date of the Order, unless otherwise agrees by the parties in writing. Unless otherwise specified on the face of the Order, the Price includes all packaging, transportation costs to the Delivery Location, insurance, custom duties, fees and applicable taxes, including, but not limited to, all sales, use or excise taxes; and Vendor shall be solely responsible for paying all such amounts. No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of Buyer.