



Supplier Terms and Conditions

Revision 2026.2 — Effective 2026

(Supersedes all prior versions including 8/1/2011)

0. DEFINITIONS

“Company” means B&B Specialties, Inc/ GS Aerospace, having its principal place of business at 4321 E. La Palma Ave., Anaheim, CA 92807, including its successors and permitted assigns.

“Seller” or **“Supplier”** means the legal entity identified on the applicable Purchase Order (or Seller’s quotation/acknowledgment accepted by Company) that provides goods and/or services to Company, including its successors and permitted assigns.

“Purchase Order” or **“PO”** means any purchase order (including all referenced documents) issued by Company to Seller.

“Goods” and/or **“Services”** mean the items and/or work described in the PO.

1. Acceptance

All Products are supplied pursuant to this Contract. This Contract becomes legally enforceable upon Seller’s acknowledgment, commencement of performance, or shipment of Products. Any additional or conflicting terms proposed by Seller are rejected unless expressly agreed to in writing by Company.

2. Pricing & Most Favored Customer

Prices are firm and inclusive of all costs unless otherwise agreed in writing. Company reserves the right to benchmark pricing.

3. Taxes

Seller is responsible for all taxes except those lawfully required to be collected from Company.

4. Inspection, Quality Assurance & Aerospace Right of Access

All products and services provided under this contract are subject to inspection, testing, verification, and audit by the company and/or its customers or regulatory authorities, as applicable. The supplier shall grant the company reasonable access to the supplier’s facilities, processes, records, and applicable sub-tier suppliers for the purpose of inspection, testing, audits, and surveillance, during normal business hours and at no additional cost to the company.



The supplier warrants that it maintains an effective quality management system compliant with AS9100 or ISO 9001, as applicable to the scope of work performed, including documented procedures, trained personnel, inspection and test controls, calibration systems, record retention, and change control. The supplier shall maintain complete and accurate quality records, including inspection results, test data, material traceability, and special process certifications, in accordance with contractual and regulatory requirements.

The supplier shall provide Certificates of Conformance (C of C), test reports, and all required objective evidence demonstrating compliance with specifications, drawings, purchase order requirements, and applicable standards at the time of delivery, at no additional cost to the company. Records shall be retained and made available to the company upon request.

The company's inspection, acceptance, or audit of products shall not relieve the supplier of responsibility for conformity, quality, safety, or regulatory compliance, nor waive any contractual or warranty obligations.

5. Supplier Rejection & Nonconforming Product

If any products or services do not conform to the requirements of the contract, purchase order, specifications, drawings, or applicable quality requirements, the company reserves the right, at its sole discretion, to:

- a) Return any or all nonconforming products to the supplier for reimbursement, credit, replacement, or rework;
- b) Correct, rework, and/or repair the products, with all associated material, labor, outside processing, freight, and overhead costs charged to the supplier; or
- c) Hold any or all nonconforming products, at the supplier's risk and expense, for disposition or corrective action in accordance with the supplier's instructions.

6. Supplier Processing Scrap Allowance

When supplier performs outside processing, special processing, or subcontracted manufacturing on company-supplied material, the supplier shall exercise reasonable care and industry best practices to minimize scrap and yield loss.

The following scrap limits shall apply unless otherwise approved in writing by company:

- Up to and including 2.00% scrap of the quantity issued on the PO, not to exceed 1,000 pcs is considered allowable.
- Scrap between 2.01% and 5.00% of the quantity issued on the PO is unacceptable. For scrap within this range, the company reserves the right to proportionally reduce the purchase order value or invoice amount to offset the cost of the scrapped material and associated losses.
- Scrap exceeding 5.00% of the quantity issued on the PO is considered a major nonconformance.

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A Nonconforming Material Report (NCR) will be generated, and the supplier will be issued a formal Corrective Action Report. In addition, the supplier shall be financially responsible for all scrapped material more than the allowable 2.00%, including material cost, processing cost, and any associated administrative or recovery costs incurred by the company.

The supplier shall notify the company immediately upon discovery of any scrap, yield loss, or abnormal processing conditions that may impact delivery, quality, or cost. Scrap quantities shall be documented and traceable to the applicable purchase order and lot. All scrap (set up parts included) shall be returned to the company.

Company reserves the right to audit the supplier's scrap records, yield calculations, procedures, work instructions and corrective actions as part of supplier performance monitoring.

7. Warranty

Seller warrants Products conform to all specifications, are free from defects, and are authentic and new.

8. Indemnification & Liability

Seller shall indemnify and hold harmless Company from all claims arising from Products or Seller performance.

9. Insurance

Seller shall maintain Workers' Compensation, Employer's Liability (\$1,000,000), and Commercial General Liability (\$2,000,000 per occurrence).

10. Cancellation

Company reserves the right to cancel the purchase order, in whole or in part, for cause, including but not limited to Supplier default, delivery of nonconforming product, failure to meet delivery requirements, or failure to comply with applicable regulatory or quality system requirements.

11. Payment Terms

Net 30 days from receipt of valid invoice and conforming Products.

12. Confidentiality & Data Protection

Seller shall protect Company confidential information and return or destroy it upon request.

13. Regulatory & Aerospace Compliance

Supplier shall comply with all applicable federal, state, and local laws and regulations, including but not limited to FAA, ITAR, EAR, and DFARS requirements, as applicable to the products or services provided.



Where required by contract or when applicable, Supplier shall also comply with NIST SP 800-171 (for Controlled Unclassified Information), Conflict Minerals reporting requirements, and environmental regulations such as REACH and RoHS. Data privacy requirements such as CCPA shall apply where personal information is processed.

14. Counterfeit Parts Prevention & Traceability

Seller certifies all materials are genuine, traceable and shall comply with AS6174 as applicable.

15. NADCAP & Special Process Control

Where special processes apply, supplier shall maintain NADCAP accreditation and notify the company of any status change.

16. Records Retention

Seller shall retain quality and manufacturing records for a minimum of 10 years unless otherwise specified.

17. Force Majeure

Neither party shall be liable for failure due to events beyond reasonable control with prompt notice.

18. Cybersecurity

Seller shall maintain cybersecurity controls aligned with NIST or ISO/IEC 27001 and notify Company of breaches within 72 hours.

19. Environmental, Social & Governance

Seller shall comply with environmental and labor laws and prohibit forced or bonded labor.

20. Electronic Invoicing

Invoices shall be submitted electronically unless otherwise approved.

21. Supplier Performance Monitoring

The company will evaluate the supplier's performance and disqualify for poor performance based on the requirements in the companies Supplier Handbook.

22. Governing Law & Dispute Resolution

California law governs. Disputes shall proceed through negotiation, mediation, then binding arbitration under AAA rules.