



Magellan Aerospace Processing, New York 165 Field St. West Babylon, NY 11704  
T: 631 694-1818 F: 631 694-1848

Document Title: MAP Processing Terms and Conditions

Document: LR-03-SP-003

Rev: B

Date: 01/06/2023

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WHEN STAMPED IN RED  
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Magellan Aerospace Processing, Long Island, Inc.- TREATMENT TERMS AND CONDITIONS ("Conditions" Acceptance by Magellan Aerospace Processing, Long Island, Inc. (Hereinafter referred to as "Magellan") of any Order is expressly limited to the Conditions contained herein and any terms proposed by the Buyer are hereby rejected unless otherwise agreed by Magellan in writing by the authorized Magellan Representative.

**Definitions:**

**Order:**

Means, collectively and individually, any method (i.e. paper or electronic [e.g., but without limitation, fax, e-mail, data-file, etc.]), whereby Buyer communicates an obligation and commitment (commonly known as a purchase order), in a form acceptable to Magellan, to purchase Services under the terms described in these Conditions. Order shall include any original or new Order as well as any Buyer requested change to an existing Order.

**Buyer:**

Means the legal entity placing the Order with Magellan.

**Excusable Delay:**

Has the same meaning as set forth under paragraph 22.

**Magellan Representative:**

Means the individual identified in writing who is empowered by Magellan to make commitments on behalf of Magellan.

**Quotation:**

Means a written proposal by Magellan for the provision of Services which identifies the details of price, delivery and other relevant terms for the Order.

**Item:**

Means the component, sub-assembly or assembly provided by the Buyer to Magellan upon which the Service(s) are to be performed.

**Service(s):**

Means the particular treatment or treatments which Magellan will apply to the Items in accordance with agreed drawing or specification requirements as described in the Order and accepted by Magellan.

**VAT:**

Means Value Added Tax or any other tax or duty applied by a government agency or otherwise.

1. QUOTATIONS AND ORDER ACKNOWLEDGEMENT – Quotations by Magellan shall, unless stated therein, be open for acceptance for a period of 30 calendar days from the date of issue, and can be withdrawn at any time by Magellan. Acceptance of a Quotation by the Buyer shall be by means of an Order. No contractual obligation shall come into existence until (1) Magellan's written acceptance of any Order. In issuing an Order, the Buyer agrees to be bound by the Conditions contained herein and the appropriate terms of the Quotation (which shall be identified on the face of the Order). The Buyer certifies the individual acting on behalf of the Buyer has been authorized by the Buyer to do so. The Order, including these Conditions, contain the entire agreement between Magellan and the Buyer and may not be varied or modified, nor shall any other terms apply, unless agreed in writing between the Magellan Representative and the Buyer. Magellan has the right not to accept any Order.



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THIS QUOTATION IS SPECIFIC TO THE ABOVE PART NUMBER(S) AND MAY NOT BE TRANSFERRED TO ANY OTHER PART NUMBER(S).

2. **TERMS AND SHIPMENT** – Unless otherwise stated all prices exclude, freight, insurance, delivery charges and other taxes and duties. A 6% energy surcharge will be added on all invoices if applicable. A handling charge will be added for shipments made via parcel post or common carrier if applicable. A storage fee of \$25 per order per day will be added to all orders where Magellan waited for direction or COD payment from the Buyer for more than 5 business days upon completion of the work. VAT is additional and will be added to the invoice as will any other costs and will be payable by the Buyer. Payment of Magellan's invoices as required is the essence of the Order. All prices are net 30 days from the date of issue of the Magellan invoice, such invoice will be paid in full and the Buyer is not entitled to any discount or set off. Magellan will submit invoices immediately upon fulfillment of the full or partial level loaded order with 'Ex-Works' or FOB 'Origin' shipping terms and Buyer agrees to pay accordingly. Magellan reserves the right to establish open account terms and limits as well as cash before shipment when it deems it advisable to do so. Without prejudice to any other right of Magellan, if a Buyer fails to pay the invoice by the due date Magellan reserves the right to charge Buyer interest on the overdue amount from the date on which payment was due to that on which payment was made on a daily basis at the rate allowed under the United States Law, and to reimburse Magellan all costs and expenses including legal costs incurred in the collection of any overdue amount. Magellan may also suspend work on or deliveries of any other work or Order(s) for the Buyer. Buyer will pay the seller interest on overdue accounts based on the overnight interest rate published by the Central Bank on the date the payment becomes overdue plus two and a half percent (2.5%) per month on any undisputed amount that is overdue, from the date that amount becomes overdue until the date of payment, inclusive. An amount becomes overdue when it is unpaid on the first day following the day on which is due and payable according to the Subcontract. The Seller shall provide notice to the Buyer for interest to be due and payable. In addition to the prices specified, Buyer agrees to pay any federal, state or local excise, sales, use, occupational, or similar tax now in force or to be enacted in the future, assessed against Magellan or Buyer by reason of this transaction. The Buyer is responsible for collection and transport of all Items and all shipments are made Ex-Works (INCOTERMS 2010) Magellan's plant, unless otherwise specified. Buyer agrees to assume freight charges and all risks of transportation, including delay, damage, and loss. Unless otherwise specified, Magellan will package the parts in the same manner as received, using packaging materials supplied by the Buyer. If shipment is delayed by Buyer, date of readiness for shipment shall be deemed date of delivery for invoicing and payment purposes.
  
3. **WARRANTY** – Magellan Service(s) that is found to be defective or that fails to conform to the requirements of an Order will be corrected or re-performed by Magellan, or Magellan may, at its option, refund fifty dollars (US\$50.00) or twice the price paid by Purchaser for the value of the specific Service(s) which is non-conforming, whichever is the greater. Any claim by Buyer must be presented within fourteen (14) calendar days after delivery of the Item(s) worked on by Magellan. Magellan must be given a reasonable opportunity to inspect the Items. Items may not be returned except with Magellan's Return Material Authorization Policy. This warranty is void and Magellan will have no liability hereunder as to any Item reworked without Magellan's express written approval or as to any Item which Buyer believes to be defective yet incorporates into a larger assembly without Magellan approval. Except as modified by specific written agreement between Magellan and Buyer, the foregoing constitutes Buyer's Exclusive Remedy for deficiencies in the Service(s) performed by Magellan, BUYER AGREES MAGELLAN SHALL HAVE NO OBLIGATION OR LIABILITY, WHETHER ARISING IN CONTRACT (INCLUDING WARRANTY), TORT (WHETHER OR NOT ARISING FROM THE NEGLIGENCE OF MAGELLAN OR ITS AGENTS) OR OTHERWISE, FOR INTERRUPTION OF SERVICE, LOSS OF USE, REVENUE OR PROFIT OR FOR ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES WITH RESPECT TO ANY NON-CONFORMANCE OR DEFECT IN ANY ITEMS OR OTHER THINGS OR SERVICE PROVIDED OR IN ANY WAY RELATED TO THIS AGREEMENT. BUYER ACKNOWLEDGES THAT IT IS PURCHASING SERVICES FROM MAGELLAN AND MAGELLAN MAKES NO WARRANTIES TO BUYER EXCEPT AS SET FORTH IN THE WARRANTY SECTION TO THIS



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AGREEMENT. THE WARRANTIES, CONDITIONS, REPRESENTATIONS, OBLIGATIONS AND LIABILITIES OF MAGELLAN AND THE REMEDIES OF BUYER SET FORTH HEREIN ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND BUYER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF MAGELLAN AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF BUYER AGAINST MAGELLAN, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMANCE OR DEFECT IN ANY SERVICES OR ANY OTHER ITEMS PROVIDED UNDER ANY ORDER, INCLUDING BUT NOT LIMITED TO:

- a. ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE;
- b. ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE;
- c. ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY IN TORT, WHETHER OR NOT ARISING FROM THE NEGLIGENCE OF MAGELLAN OR ITS AGENTS; AND
- d. ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OF OR DAMAGE TO ANY PROPERTY, INCLUDING, WITHOUT LIMITATION, AIRCRAFT, EQUIPMENT, INVENTORY OR ANY THING INCORPORATING THE ITEMS OR THE SERVICE(S) SOLD TO BUYER HEREUNDER.

4. INSPECTION – Magellan affords access to its facilities at all reasonable hours and upon reasonable notice for Buyers to inspect any Item(s) covered by their order(s).

5. DELIVERY SCHEDULES – Estimated Delivery dates are business days after receipt of parts and complete processing instructions and may vary depending on our work load at the time of receipt of order. Magellan shall use reasonable endeavours to meet the due delivery dates required by the Buyer, however Magellan shall have no liability for any failure to achieve such dates. Magellan shall not be liable for any penalty, loss, injury or expense arising from any delay or performance from any cause whatsoever, nor shall such delay or failure entitle the Buyer to refuse to accept any delivery or performance or repudiate, or not comply with, the contract. Customer demand that is unstable and non-level loaded may negatively impact cost and schedule performance. It is understood that the Buyer will make every effort to level load its demand and work with Magellan to mitigate cost and / or deliver impact due to unstable demand.

Please include all applicable requirements on the purchase order including the revision level of all applicable specs (Nadcap requirement).

Magellan will require design data (DPD, MBD, etc as applicable) to investigate and facilitate masking templates as necessary to support delivery schedule.

Please add 2 Business days for Government / Customer Source Inspection if applicable.

**Paint/Special Coating Stock**

- It is not possible for Magellan to stock every combination of organic coating that may be required for a given order. If your order requires a coating that is not on our Commonly Used Paints list, Magellan will need to be notified 8 to 12 weeks in advance of your order so we may procure the required product.
- Special coatings may be billed directly to the customer unless otherwise noted. Many paint manufacturer/distributors require a minimum number of kits to be purchased. The cost of the minimum order of special coatings will be shared with the Buyer.
- Our Commonly Used Paints list is available upon request. Please email [MAPNY@magellan.aero](mailto:MAPNY@magellan.aero) for the latest copy.

6. TITLE – Title to the Items and Risk of loss or damage to the Items shall remain with the Buyer at all times during the process of delivery of the Items to Magellan, the provision of Service(s) by Magellan and the return transportation of the Items to the Buyer. Notwithstanding, Magellan will have a lien over the Items until such time as Magellan receives payment for the Service(s).



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7. **SUBCONTRACTING** – Magellan may sub contract the Order in whole or in part without informing the Buyer or obtaining its approval. Any such sub contracting shall use suppliers approved to carry out such Service(s).
8. **CHANGES** – Change in the Service(s) to be performed or any other terms of this Order may be made with the written agreement of Magellan Representative. If such changes cause an increase or decrease in the amount due under the Order, or the time required for its performance, an equitable adjustment shall be made and the Order modified accordingly. Any changes in drawings, materials or design of the parts, units, tools or fixtures which affect costs will be subject to an equitable adjustment. A request from the Buyer to stop certain work, indefinitely or for a stated period of time, shall be deemed a change under this paragraph. Quoted price may need to be adjusted upon first production run of the quoted parts if necessary.
9. **TERMINATION** – Orders cannot be partially or wholly terminated, cancelled, or modified or releases held up by the Buyer after the Items have been received at Magellan for processing except with written consent from the Magellan Representative and the Buyer agrees to indemnify Magellan against all costs incurred or losses suffered subject always to a minimum charge of one thousand five hundred (US\$1,500). Magellan may suspend or cancel the Order at any time if, in the reasonable opinion of Magellan, the Buyer's ability to pay becomes questionable or the Buyer is late in payment.
10. **DEFAULT** – Delivery of defective Service(s) by Magellan shall give the Buyer the rights set forth in Paragraph 3 hereof but shall not be deemed a default for purposes of termination. However, any other default on Magellan's part shall not subject Magellan to liability, through payment by Magellan, set off or otherwise, for any damages, whether direct, consequential or incidental, and whether sought under contract or tort.
11. **ASSIGNMENT** – Neither this Order nor any claim against Magellan arising directly or indirectly out of or in connection herewith shall be assignable by a Buyer or operation of law except with the written consent of Magellan.
12. **PATENTS, INVENTIONS, TECHNICAL DATA** – Buyer does not and shall not acquire ownership or any rights in Magellan patents, inventions and/or technical data or intellectual property under this order, regardless of when such patents, inventions and/or technical data may be or have been issued, conceived, generated or produced, and shall not be reproduced or used by Buyer for any purpose whatsoever without Magellan's written permission.
13. **SCRAP ALLOWANCE** – Magellan will use reasonable endeavours to carry out the Service(s) without any loss of or damage to the Items, however, the Buyer recognises the nature of the Service(s) may result in scrapped Items. Any Items which are scrapped during the course of the work are the responsibility of the Buyer and will need to be replaced by the Buyer to support Magellan in completing the Order. If sufficient Items are not provided to Magellan for completion of the Order then Magellan will not be obligated to complete the Order. Magellan will be under no liability whatsoever for parts scrapped.
14. **LIMITATION OF LIABILITY** – Except as otherwise specifically set forth in these terms or any Order, Magellan's liability for any deficiency of any nature whatsoever in its performance under this order or the result of such performance shall not exceed One Hundred Dollars (US\$100.00) or twice the processing price paid by the Buyer for the value of the specific Service(s) affected whichever is greater. This limitation applies regardless of the cause of the deficiency, be it negligence on the part of Magellan and/or any one or more of its employees, or otherwise. In no event shall Magellan be liable for loss of profits, loss of use, or other consequential damages.
15. **DEFICIENT PURCHASER FURNISHED ITEMS** – Magellan will notify Buyer following discovery that any Items furnished by Buyer are defective or have been damaged or are for any other reason unsuitable for further processing by Magellan. Magellan shall have no responsibility for loss, damage, destruction or deterioration of such Items, and all risk of further loss, damage or destruction or deterioration remains with the Buyer. Magellan



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shall be entitled to charge Buyer for storage of such Items if they have not been removed from Magellan premises within ten (10) days after Magellan gives the aforesaid notice. Such charge will be seventy five dollars (US\$ 75) per day up to five Items and one hundred and fifty dollars (US\$100) per day for six or more Items. Paper identification tags will be destroyed by the processing and should not be used for maintaining traceability. Tags should be attached only when required. Tags for Titanium and Aluminium parts be constructed of Teflon, vinyl, polyethylene and polypropylene tags and zip ties with sufficient thickness and durability for applicable high temperature applications to ensure they do not break during processing. Magellan recommends using PEEK Zip ties. Zip ties shall be placed through the holes or around the part area not requiring masking.

- 16. HAZARDOUS MATERIAL NOTIFICATION – Buyer agrees to notify Magellan if the Items contain or will release hazardous material as a result of processing by Magellan. It is the Buyer’s responsibility to ensure that the Items are suitable for processing.
- 17. CHANGES TO TERMS - Magellan reserve the right to amend these Terms and Conditions at any time.
- 18. LAW – This Order shall be governed in all respects, whether as to validity, construction, capacity, performance or otherwise, exclusively by the laws of the State of New York and the federal laws therein excluding the choice of laws provisions. Magellan and the Buyer irrevocably and unconditionally submit to the jurisdiction and venue in the courts located in the State of New York for any proceeding arising under this Order.
- 19 OWNERSHIP – The Buyer warrants that it is the owner of the Items.
- 20 CONFIDENTIAL INFORMATION – All documentation and information provided by Magellan is deemed to be confidential and the Buyer shall not disclose such information to any third parties.
- 21 INDEMNITY - The Buyer will indemnify Magellan in full from and against all direct, indirect and consequential liability, loss, damage, injury, cost and expenses awarded against or suffered by Magellan as a result of undertaking the Service(s) including claims that the Items or Service(s) infringe any patent, registered design or other intellectual property of any third party.
- 22 Excusable Delay- Magellan shall not be liable for any delays due to an Excusable Delay which includes, but is not limited to, acts of God, acts of nature, unusually severe weather, war, terrorist acts, riots, acts of government, fires, floods, epidemics, quarantine restrictions, freight embargoes, strikes or labour troubles causing a slowdown, interruption, or cessation of the provision of Service(s).
- 23 EXPEDITE CHARGES

Standard per job expedite fee:

- \$750 fee plus processing charges for jobs less than or equal to \$750.
- OR-
- 100% the processing cost plus processing charges for jobs that are greater than \$750 (total cost to customer is double the price)

Whichever is greater. Moves job to front of queue in every department. FIFO rules apply to other expedite jobs already in queue. Charged per order, does not include weekends/holidays. See below for standard weekend pricing.

Split order fee:

\$500 administration fee to split orders already in process. Charged per order.



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Weekend Charges:

Saturday (6AM-12PM) \$2500 per order requested, job specific.

\$7000 for multiple orders. Jobs to be expedited must be requested in writing on or before noon Thursday prior.

Sunday (6AM-12PM) \$5000 per order requested, job specific.

\$15000 for multiple orders. Jobs to be expedited must be requested in writing on or before noon the Friday prior. Actual request to open on Sunday must be made no later than COB the Wednesday prior.


All expedites must be requested on a purchase order.

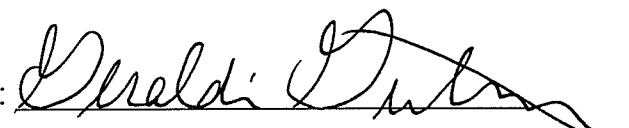
Due to the disruption of our production lines and the additional cost of handling, expedite fees will be charged regardless of customer due date. We will put forth our best efforts to meet customer request date, but we cannot guarantee that the date will be met.

DCMA Source Inspection is not within our control and may delay your shipment. If your order is delayed due to GSI, the expedite fee will still apply.

**DOCUMENT HISTORY**

Date	Rev	Revised By	Summary of Changes
12/13/17	NC	B. Patel	Initial Release
4/17/2018	A	B. Patel	2 – Added "The United States"
11/15/2022	B	B. Patel	2 – clarified payment terms and revised interest charges

Revised by:   
Bhavik Patel, Division Manager

Approved by:   
Geraldin Gutierrez, Director of Quality