
AEVEX Standard Terms and Conditions

1. ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS

Seller's acknowledgment, acceptance of payment, or commencement of performance or acceptance of this offer in any manner shall constitute Seller's acceptance of this offer as written. Unless specifically agreed to in writing by Buyer's Authorized Representative, Buyer objects to, and is not bound by, any term or condition that differs from or adds to this offer.

2. COMPLETE AGREEMENT

This Order sets forth the entire agreement between the Parties hereto and supersedes all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. All special terms and conditions or supplemental attachments, schedules, exhibits or appendices which may be annexed hereto or referenced herein by the Buyer, are made part of this Order as though fully set forth herein.

3. DEFINITIONS

The following terms shall have the meaning set forth below:

- (a) "Buyer" means AEVEX Aerospace ("AEVEX") or any of its subsidiaries as represented by an authorized representative. The only authorized representatives for this Purchase Order are as specified in the Purchase Order.
- (b) "Customer" means the party with whom Buyer's contract exists to delivery products or services for which Work is to be subcontracted to Seller
- (c) "FAR" means the Federal Acquisition Regulation, issued as Chapter 1 of title 48, Code of Federal Regulations.
- (d) "Government" means the United States Government or its authorized representatives.
- (e) "Order" means this Subcontract/Purchase Order, or modification thereof.
- (f) "Prime Contract" means the contract, if any between Buyer and Government.
- (g) "Proprietary Information" means all information, knowledge, or data (including without limitation financial, business, and product strategy information; product specifications; product designs; procedures; studies; tests; and reports) in written, electronic, tangible, oral, visual, or other form, (i) disclosed by, or obtained from, Buyer, or (ii) conceived, created, acquired, or first reduced to practice in connection with an Order. If Buyer furnishes Buyer owned property or material to Seller, such property or material shall be used and the information obtained therefrom shall be treated as if they were Proprietary Information disclosed in connection with an Order.
- (h) "Seller" means the party with whom the Buyer is contracting.
- (i) "Seller Engaged Personnel" mean any of Seller's employees, Seller's contingent, contract, or temporary workers, or Seller's agents or Subcontractors (and their employees) engaged, directed, or allowed by Seller to provide Work, directly or indirectly, to Buyer under this Order.

- (j) "Work" means all required articles, materials, supplies, goods and services constituting the subject matter of this Order and ordered by this Order. The terms "Work" and "Product" shall have the same meaning and be interchangeable.

4. INDEPENDENT CONTRACTOR

- (a) Seller relationship with Buyer shall be that of an independent contractor for all purposes and does not create a partnership, or joint venture relationship between Buyer and Seller.
- (b) Seller shall have complete control over the performance of, and the details for accomplishing, the Work. Seller assumes full responsibility for the actions and supervision of Seller's personnel while performing the Work under this Order.
- (c) Buyer assumes no liability for Seller personnel. In no event shall Seller or its agents, representatives or employees be deemed to be agents, representatives, or employees of Buyer.
- (d) Buyer may, at its sole discretion, require Seller to withdraw the services of any person and require that Seller promptly provide replacements for such persons satisfactory to Buyer.
- (e) In addition to the other indemnification provisions within this Order, Seller specifically agrees to indemnify and hold harmless Buyer from and against all losses, cost, claims, any liabilities, damages or expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs arising from Buyer's exercise of its rights hereunder.
- (f) Seller will promptly notify Buyer and provide a report of any accidents or security incidents involving loss or misuse of, or damage to, Buyer's or Customer's assets (intellectual or physical) and all physical altercations, assaults, or harassment.
- (g) Seller shall inform Buyer if a former employee of Buyer will be assigned work under this Order, and any such assignment shall be subject to Buyer approval.

5. ASSIGNMENT

Performance of this Order shall not be assigned by Seller in whole or in part without the prior written consent of the Buyer.

6. CHANGES

- (a) Buyer may at any time, by written direction only from the Authorized Representative of the Buyer, and without notice to any surety, if any, make changes within the general scope of this Order in any one or more of the following:
 - 1. Performance of this Order, in whole or in part
 - 2. Method of shipment or packing
 - 3. Place of delivery, inspection, or acceptance
 - 4. Description of Work to be performed
 - 5. Time of performance
 - 6. Place of performance
 - 7. Delivery schedule
 - 8. Drawings, designs, or specifications

- (b) Seller shall comply immediately with such direction. If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part under this Order, whether changed by this Order, Seller may submit a request for equitable adjustment to be reviewed and negotiated in good faith by Buyer. If an equitable adjustment is made, this Order shall be modified accordingly.
- (c) The Seller must submit any "proposal for adjustment" (hereinafter referred to as "adjustment proposal") under this clause within twenty (20) days from the date of receipt of the written change. However, if Buyer decides that the facts justify such, Buyer may receive and act upon an adjustment proposal submitted at any time before final payment of this Order.
- (d) If Seller's adjustment proposal includes the cost of any property made obsolete or excess by the change, Buyer shall have the right to prescribe the manner of the disposition of the property.
- (e) Buyer has the right to examine any of Seller's pertinent books and records for the purpose of verifying Seller's proposal.
- (f) Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the Seller from proceeding with this Order as changed.
- (g) Notwithstanding the foregoing provisions of this clause, the estimated or target cost of this Order and, if this Order is incrementally funded, the funds allotted for the performance thereof shall not be increased or deemed to be increased except by specific written modification of this Order indicating the new Order estimate cost and the new amount allotted to this Order.
- (h) When costs are a factor in any determination of an equitable adjustment, such costs shall be in accordance with Part 31 of the Federal Acquisition Regulations as in effect on the date of this Order.

7. DISPUTES

All disputes under this Order that are not settled by mutual agreement of the parties may be decided by a court of competent jurisdiction in the San Diego, California metropolitan area. Upon written approval of both parties, the dispute shall be resolved through the use of mediation or non-binding arbitration under the auspices of a generally recognized arbitration organization in the San Diego, California metropolitan area. In the event of any legal action arising from this Order, the prevailing Party will be entitled to reimbursement of its reasonable attorneys' fees and costs.

8. TERMINATION

Termination for Default—Performance of work under this Order may be terminated by Buyer, in whole or in part, if Seller fails to perform, discharge or fulfill its obligations under this Order including, but not limited to failure to observe or comply with any of the instructions, drawings, terms, conditions, or warranties applicable to this Order, fails to make progress so as to endanger performance of this Order, or fails to provide adequate assurance of future performance within ten (10) calendar days after receipt of a written notice from Buyer that Buyer considers Seller to be in default under this Order. Buyer shall not be liable for any nonconforming Work. Buyer may require Seller to deliver to Buyer any supplies and materials, manufacturing materials, and manufacturing drawings the Seller has specifically produced or acquired for the terminated portion of this Order. Seller shall continue all work not terminated.

Termination for failure to cure – Performance of work under this Order may be terminated by Buyer, in whole or in part, if Seller fails to cure any material or fails to provide adequate assurance of future

performance within ten (10) calendar days after receipt of a written cure notice from Buyer that Buyer considers Seller to be in default under this Order.

Termination for Convenience—For work not specially performed under this Order, Buyer may terminate in whole or in part this Order for its convenience by giving written notice to Seller and Buyer's only obligation to Seller shall be payment of mutually agreed upon restocking or service charges. For work specially performed for Buyer, Buyer may terminate in whole or in part this Order for its convenience by giving written notice to Seller. Seller shall be entitled to its costs already incurred in the performance of the work canceled, plus (unless Seller would have sustained a loss on the entire Order had it been completed) a reasonable profit on such costs, which together may not exceed the Order price, or the work canceled. Buyer is not liable for work performed or costs incurred by Seller after notice of termination, which reasonably could have been avoided. In no event shall Buyer be liable for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Order price. Seller's termination claim shall be submitted within fifteen (15) calendar days from the effective date of the written notice of termination. Seller shall continue all work not terminated.

9. NOTICE OF LABOR DISPUTES

Whenever Seller has knowledge that any present or potential labor dispute is delaying or threatens to delay the timely performance of this Order, Seller shall immediately give notice to Buyer including all relevant information. Seller agrees to insert the substance of this clause, including this sentence, in any lower-tier subcontract/orders where a labor dispute might delay timely performance of this Order.

10. EXPORT CONTROL

- (a) Seller shall comply with its obligations pursuant to the International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR"). If Seller is a US company that engages in the business of either manufacturing or exporting Defense Articles or furnishing Defense Services, the Seller certifies by acceptance of this Order that it shall maintain an active registration with the US Department of State Directorate of Defense Trade Controls throughout the performance of Work under this Order.
- (b) Seller shall control the disclosure of and access to Defense Articles, Commodities, Technology, and Software (collectively, "Export Controlled Items") received under this Order in accordance with US export control laws and regulations, including but not limited to the ITAR and EAR. Seller agrees that no Export Controlled Items provided by the Buyer in connection with this Order shall be provided to any non-US Persons, including without limitation, a foreign subsidiary of Seller, without the express written authorization of the Buyer and the Seller's obtaining of the appropriate export authorizations.
- (c) It shall be the responsibility of Buyer to notify and properly mark all Export Controlled Items provided under this Order to Seller in accordance with the ITAR and EAR. If any Export Controlled Item is received by the Seller from the Buyer and is not so marked, the Seller shall request from the Buyer, and the Buyer shall provide the Seller with the proper jurisdiction and classification prior to the Seller releasing the Export Controlled Item to a non-US Person in accordance with the terms herein.
- (d) Seller shall immediately notify Buyer if it is or becomes listed on any Excluded or Denied Party List of an agency of the US Government or its export privileges are denied, suspended, or revoked. Should the Seller's Work originate from a foreign location, such Work may also be subject to the export control laws/regulations of the country in which the Work originates. Seller agrees to comply with all applicable export control laws/regulations of that originating country.

- (e) The Buyer may be required to obtain information concerning nationality or export status of Seller Engaged Personnel. Seller agrees to provide such information as necessary and certifies the information to be true and correct. Seller shall defend, indemnify, and hold harmless Buyer for all Damages that may be imposed on or incurred by the Buyer in connection with Seller's violations of export and import laws and regulations.
- (f) In the event Seller is shipping any Work to Buyer from a location outside the US, Seller or Seller Engaged Personnel must be listed as the importer of record and fulfill all applicable customs entry requirements. Seller must notify the Procurement Representative in writing no less than five (5) days prior to such shipment.
- (g) As used in this clause, the following terms are defined in the referenced regulations: "Defense Article" (ITAR: 22 CFR §120.6), "Commodity" (EAR 15 CFR Part 772), "Technology" (EAR Part 772), "Software" (ITAR § 121.8(f) and EAR Part 772), "Defense Services" (ITAR §120.9), and "US Person" (ITAR §120.15).

11. WARRANTY

Seller warrants all Products to be free from defect in design, materials, and workmanship and to conform strictly to the specifications, drawings, or samples specified or furnished; to be new and of the most suitable grade of their respective kinds; to be suitable for the purpose intended; and to meet all of the performance requirement. The aforesaid express warranties shall be in addition to any standard warranty or guarantee of Seller, shall be construed as conditions as well as warranties and shall not be exclusive. All warranties shall survive any inspection, design approval, delivery, acceptance, or payment by Buyer. All warranties shall run to Buyer, its successors, assigned customers, and the users of the Products. Seller agrees to replace or to correct promptly without expense to Buyer, including transportation and handling costs, any Products not conforming to the foregoing requirements when notified by Buyer during a period of twelve (12) months after acceptance or until Order completion, whichever is later. If Seller, upon notice of any defect, fails promptly to correct or replace Products as required herein, Buyer may, without further notice, correct or replace such Products and Seller agrees to reimburse Buyer for all costs incurred thereby. Products, which have been rejected, shall not thereafter be tendered for acceptance unless the former rejection and correction is identified, and such repaired or replacement Products shall be subject to the provisions of this article to the same extent as the original supplies. All warranties shall then run from the latter delivery date.

Seller warrants that all software, firmware, and hardware products provided by the Seller, having date-dependent functionality containing or calling on a calendar function to process date and time data will accurately process the date and time data. In the event of a discovery of any date-dependent functionality non-compliance, the discovering party shall notify the other party immediately. At the Buyer's option, the non-compliant products shall be repaired or replaced by the Seller at no cost to the Buyer.

The remedies provided in this clause are in addition to any other remedies provided to Buyer either at law or in equity and will be cumulative rather than alternative.

Seller warrants that the price(s) specified in this Order do not exceed the current selling price for the same or substantially similar supplies/services, whether sold to the Government or to any other purchaser, taking into account the quantity and conditions of sale

Seller warrants that to the best of its knowledge, information, and belief, the prices charged for supplies/services covered by the Order are not in excess of the prices permitted by any applicable law or regulation.

12. PACKING AND SHIPPING

- (a) Unless otherwise specified in this Order, Seller shall pack the Products required under this Order in accordance with Buyer drawings and documentation supplemented with best available commercial practices and in compliance with international transportation regulations, to insure safe delivery to the destination.
- (b) The Seller shall provide the item description, item number, and the serial number of the Product on the Packing List.
- (c) For each shipment:
 - Seller shall provide a Certificate of Conformance (CofC) signed by the Seller's Quality Assurance organization. Each CofC shall refer specifically to the Product being shipped.
 - For machined products, Seller shall provide copies of their inspection and test reports.
 - For machined products, Seller shall provide copies of the CofC and test reports for the raw materials.
- (d) All Products shall be prepared for shipment and suitably packed to prevent damage or deterioration. The Seller is solely liable for packaging design unless otherwise directed in writing by the Buyer. All charges for design, boxing, drayage, bundling, containers, preparation, packing, crating, or cartage shall be included in this Order price.
 - Electrostatic Discharge (ESD)sensitive/susceptable (ESDS) assemblies shall be packaged individually in ESD Shielding Bags, the interior of which shall not degrade the assembly or components. The use of "pink-poly" materials is not acceptable.
 - ESDS components shall be packaged in the original manufacturer's packaging. Repackaged components shall emulate the original manufacturer's packaging as closely as possible.
 - Moisture-sensitive components, including unpopulated printed circuit boards (PCBs), shall be protected and sealed per current industry standards.
- (e) The Seller shall ship all Products to the destination specified by Buyer in this Order. Interior and exterior containers shall be marked with this Order number. Also, each package and Bill of Lading shall be marked with this Order number.
- (f) All shipping documents, shipping labels, and packing sheets must show full and complete information as to the appropriate consignee and this Order number. A complete packing list shall be enclosed with all shipments.
- (g) Buyer reserves the right to specify the mode of shipment.
- (h) Any expense incurred by Buyer as a result of improper preservation, packaging, packing, marking, or method of shipping shall be reimbursed by the Seller.
- (i) Seller will notify Buyer, before shipping, of any conflict between the Buyer and the carrier's packaging requirements.

13. QUALITY MANAGEMENT SYSTEM REQUIREMENTS

Seller agrees to implement and maintain a Quality Management System acceptable to Buyer or the Government, where applicable, for the Work purchased under this Order. Seller shall permit both the Buyer and Government reasonable access to Seller's facilities to review procedures, practices,

processes, and related documents to determine such Quality Management System acceptability. Seller is responsible for the quality of all sub-tier products. Seller shall flow down all applicable AEVEX Purchase Order requirements, including, but not limited to Terms and Conditions and Quality Clauses to sub-tier suppliers performing Work involving this Purchase Order.

Seller shall notify the Buyer of changes to processes, products, or services, including changes of their suppliers or location of manufacture, and obtain the Buyer's approval.

Seller shall have a continuing obligation to promptly notify Buyer of nonconforming processes, products, or services, or any violation of or deviation from Seller's approved inspection/Quality Management System, and obtain approval for their disposition. Should the Seller have a product defect not meeting Order requirements that cannot be addressed through the Seller's standard rework process, then prior to shipment, the Seller shall submit a deviation request to AEVEX Buyer for review and disposition. Dispositions of use-as-is or repair for the acceptance of nonconforming products shall only be implemented after approval by an authorized representative of the organization responsible for design or by persons having delegated authority from the design organization. For product shipped with approved deviations, a supplier certification is required that must reference the deviation request number.

Seller shall maintain records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to Buyer and Government during Seller's performance under this Order and for a period of seven (7) years (unless a longer period is specified on the face of this Order) after Buyer's acceptance of all goods delivered or services rendered under this Order. Seller agrees to include the substance of this paragraph, including this sentence, in each of its orders under this Order.

Seller shall maintain a Foreign Object Debris (FOD) Prevention Program and ensure that all parts must be cleaned, free of dirt, oil, or any lubricant compound prior to shipping. All Electrostatic Discharge (ESD) classified parts shall meet ESD requirements for packaging, marking, and handling per ANSI S20.20 Protection of Electrical and Electronic Parts, Assemblies, and Equipment (or equivalent).

The Seller shall be aware of their contribution to product or service conformity, their contribution to product safety, as well as the importance of ethical behavior.

14. MANUFACTURING

This Section only applies to manufacturing orders.

(a) Unless otherwise specified, Printed Circuit Board Assembly shall:

- Assemble per IPC J-STD-001 Class 3 Requirements for Soldered Electrical and Electronic Assemblies
- Assembly to use "Leaded" solder
- Inspect per IPC-A-610 Class 3 Acceptability of Electronic Assemblies
- Conduct Rework, Modification, and Repair of Electronic Assemblies per IPC-7711/7721
- The CofC from Seller shall verify compliance with the assembly requirements

(b) Unless otherwise specified, PCB Fabrication shall include:

- Electrical tests per IPC-9252 Guidelines and Requirements for Electrical Testing of Unpopulated Printed Boards, Class 3
- The CofC from Seller shall verify compliance with the test requirement

(c) Unless otherwise specified, assemble and inspect cable and wire harness assemblies per IPC/WHMA-A-620, Class 3

- The CoFC from the Seller shall verify compliance with the specification

15. DELIVERY

Delivery shall be strictly in accordance with the specified quantities and schedule. In the event of any anticipated or actual delay, Seller shall (1) immediately notify Buyer in writing of the reasons for the delay and the action being taken to overcome or minimize the delay; and (2) provide Buyer with a written recovery schedule. If, for any reason, Seller does not comply with Buyer's delivery schedule, Buyer may, at its option and without liability, either approve a revised delivery schedule or Terminate this Order for Default. Seller shall make every effort to avoid or minimize the delay to the maximum extent possible including the expenditure of premium time and most expeditious transportation. If the Seller is late, Seller shall pay the added premium transportation cost. Unless otherwise stated on the PO, Seller shall not deliver Products prior to the schedule delivery date without the prior written consent of the Buyer. Buyer may, from time to time, change or direct temporary suspension of delivery schedule.

16. ACCEPTANCE OF WORK

Buyer may provide written notice of acceptance of the Work to Seller. However, in the absence of Buyer's written acceptance and notwithstanding (i) prior inspection of, (ii) payment for, (iii) use of, (iv) delivery of, or (v) transfer of title to or risk of loss of the Goods to Buyer, acceptance shall not be deemed to occur until 12 months following Buyer's receipt of Work ("Inspection Period").

During the Inspection Period, Buyer may: (i) reject all or a portion of any nonconforming Goods; or (ii) accept all or a portion of such nonconforming Goods with a price reduction for the cost of repair or the diminution of value.

Buyer may reject or return, at Seller's risk and expense, Work in excess of the Order amount or quantities more than 14 calendar days in advance of the scheduled Delivery Date. Buyer may defer payment, and transfer of title to Buyer shall not occur, on Work delivered or performed in advance of the Order schedule.

17. INVOICE AND PAYMENT

Unless otherwise authorized by Buyer, Seller shall not issue an invoice prior to the actual delivery date of products. Seller shall forward to Buyer, with the invoice, receipt or Bill of Lading signed by the carrier, evidencing the fact that shipment has been made. Payment due dates, including discount periods, shall be calculated from the date of the later of the scheduled delivery date, the actual delivery date, or the date of receipt of a compliant invoice. The cash discount period to Buyer, if any, will date from the later of (1) the receipt of a compliant invoice (not from date of the invoice) (2) the actual date of acceptance of the Products, or (3) the delivery date specified in this Order. If no discount is offered, payment of invoices will be made within thirty (60) days after the latest of the above unless otherwise stated in the Order. Unless freight and other charges are itemized, any discount shall be taken on the full amount of the invoice. Invoices shall be supported by such documents in such form as Buyer requests and shall bear such certification as may be required by law, regulations, or this Order.

Submit invoices to AP@AEVEX.com and include the following:

1. Invoice number and date prepared
2. Company name and remittance address
3. Point of contact to include phone number and email address

4. Buyer Order number
5. Invoice lines that reference the corresponding Order line item

All payments are contingent on acceptance of the goods or services by Buyer. Seller shall issue separate invoices for each shipment showing the amount of material shipped. Buyer's Order number and part number shall appear on all invoices, packages, crates or boxes, bills of lading, express receipts, correspondence, and other instruments used in connection with this Order. Invoices shall be mailed to Buyer within ten days after shipment. All containers, drums, carboys, etc., to be returned shall be shipped on a no charge or consignment basis unless otherwise specified in this Order. Buyer shall pay for only such containers that it does not return within a reasonable time. Payment shall not constitute acceptance of Work.

Payment shall be deemed to have been made on the date Buyer's check is mailed or payment is otherwise tendered. Seller shall promptly repay Buyer any amounts paid in excess of amount due Seller.

Invoices that do not agree with prices or other terms of the Order will be returned to the Seller for corrections. Payment schedule shall commence upon receipt of the corrected and compliant invoice by Buyer.

18. NEW MATERIALS

Unless expressly authorized in writing, all work to be delivered hereunder shall consist of new materials, as defined in DFARS 52.211-5 Material Requirements.

19. COUNTERFEIT ELECTRONIC PARTS

Seller shall prevent the use and purchase of counterfeit parts. Seller represents and warrants that only new and authentic components, subcomponents, parts, material, and supplies are procured, used, incorporated into, and/or delivered in performance of this Order. Seller shall only purchase products to be delivered from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM); OCM/OEM authorized distributor chain, Aftermarket Manufacturer, or Authorized Reseller. See DFARS 252.246-7007 *Contractor Counterfeit Electric Part Detection and Avoidance System* for defined terms

20. CONFLICT MINERALS

Seller shall not provide any Product containing conflict minerals as specified by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Refer to the U.S. Securities and Exchange Commission (SEC) Conflict Minerals Rule.

21. SPECIALTY METALS

Seller shall comply with the Berry Amendment (10 USC 4862) and all applicable regulations concerning the provision of certain specialty metals, including, without limitation, DFARS 252.225-7008 and 252.225-7009.

22. F.O.B., TITLE AND RISK OF LOSS

Unless otherwise specified, F.O.B. shall be Buyer's designated location. Title to any goods covered by this Order shall pass to Buyer upon final inspection and acceptance, regardless of when or where Buyer takes physical possession.

Seller agrees that all dies, tools, jigs, fixtures, designs, drawings, patterns, and other special items, which are furnished by Buyer without charge, shall be the Property of Buyer.

Risk of loss or damage to articles shall remain with the Seller until:

- Delivery of the goods to an authorized carrier if delivery is F.O.B. Origin; or
- Final acceptance by Buyer or receipt of goods by Buyer at the destination specified in this Order, whichever is later, if transportation is F.O.B. Destination.

Notwithstanding the above, the risk of loss or damage to goods, which fail to conform to this Order as to give rise to a right of rejection, shall remain with the Seller until cure or final acceptance.

23. PATENT, TRADEMARK, AND COPYRIGHT INDEMNITY

Seller shall defend, indemnify, and hold Buyer, Buyer's officers, agents, employees, and customers harmless against all claims suits, actions, awards (including, but not limited to, awards based on intentional infringement of patents known at the time of such infringement, exceeding actual damages and/or including attorneys' fee and/or costs), liabilities, damages, costs, and attorneys' fees related to the actual or alleged infringement of any United States or foreign intellectual property right (including but not limited to, any right in a patent copyright, industrial design or semiconductor mask work, or based on misappropriation or wrongful use of information or documents) and arising out of the manufacturing, sale or use of products by either Buyer or its customer delivered under this Order. Buyer and/or its customer will duly notify Seller of any claims, suits or actions; and Seller shall, at its own expense, fully defend such claims, suit or action on behalf of indemnitees or obtain such licenses as are necessary to remove such infringement.

Seller's obligations shall not apply to products manufactured by Seller pursuant to detailed designs developed by Buyer and furnished to Seller under this Order, which does not require research, development, or design work, by Seller.

Seller's obligation shall also not apply to any infringement arising from the use or sale of products in combination with items not delivered by Seller if such infringement would not have occurred from the use of sale of such products solely for the purpose for which they were designed or sold to Buyer.

24. INDEMNITY AND REIMBURSEMENT

Seller shall indemnify and hold harmless Buyer, and their directors, officers, employees and agents from and against all actions, causes of action, liabilities, claims, suits, judgments, liens, awards and damages of any kind and nature whatsoever for property damage, personal injury or death (including without limitation injury to or death of employees of Seller or any subcontractor thereof) and expenses, costs of litigation and counsel fees related thereto or incident to establishing the right to indemnification, arising out of or in any way related to this Order, the performance thereof by Seller or any subcontractor thereof or other third parties, including, without limitation, the provision of services, personnel, facilities, equipment, support, supervision or review. In no event shall Seller's obligations hereunder be limited to the extent of any insurance available to or provided by Seller or any subcontractor thereof.

Seller agrees that in the event the Buyer's Customer withholds, reduces, and/or deletes the cost, overheads, and/or profits of the Buyer due to any action or inaction on the part of the Seller, the Seller shall immediately repay the Buyer for any such loss. Subsequent of receipt of the Seller's reimbursement, the Buyer shall, in its sole discretion, exercise the right of appeal to the Buyer's Customer on behalf of the Seller. Seller agrees to pay to the Buyer any and all costs incurred by the Buyer resulting from any such appeal.

In no event shall Buyer or Seller be liable to each other for special, incidental, or consequential damages of any nature.

25. INSURANCE

Seller shall carry and maintain, and ensure that all subcontractors thereof carry and maintain, throughout the period when work is performed and until final acceptance by Buyer, Commercial General Liability insurance with a limit of not less than \$1,000,000 per occurrence and not less than \$2,000,000 in the annual aggregate, Automobile Liability insurance for owned, non-owned and hired vehicles with a limit of not less than \$1,000,000 per accident, Workers' Compensation insurance with limits as required by statute and Employers Liability with limits of \$500,000 each accident.

Such insurance shall contain coverage for all premises and operations, broad form property damage, contractual liability and goods and completed-operations insurance. Such insurance shall not be maintained on a per-project basis unless the respective Seller or subcontractor thereof does not have blanket coverage.

Within 20 calendar days of the execution of the Order, Seller shall provide for Buyer's review and approval certificates of insurance reflecting full compliance with the requirements set forth above as requested by Buyer. Such certificates shall be kept current and in compliance throughout the Order period of performance and until final acceptance by Buyer and shall provide for 30 days' advance written notice to Buyer in the event of cancellation. Failure of Seller or any subcontractor thereof to furnish certificates of insurance, or to procure and maintain the insurance required herein or failure of Buyer to request such certificates, endorsements, or other proof of coverage shall not constitute a waiver of Seller's or subcontractor's obligations hereunder.

26. PROTECTION OF PROPERTY

Seller assumes and shall ensure that all subcontractors thereof and their respective employees assume the risk of loss or destruction of or damage to any property of the Buyer or its customer, whether owned, hired, rented, borrowed, or otherwise. At all times, Seller shall, and ensure that any subcontractor thereof shall, use suitable precautions to prevent damage to Buyer's or its customer property. If any such property is damaged by the fault or negligence of Seller or any subcontractor thereof, Seller shall, at no cost to Buyer or Buyer's customer, promptly and equitably reimburse Buyer or its customer, for such damage or repair or otherwise make good such property to Buyer's, or Buyer's customer, satisfaction. If Seller fails to do so, Buyer may do so and recover from Seller the cost thereof.

27. BUYER APPROVALS AND REVIEWS

The review or approval by Buyer of any work hereunder or of any designs, drawings, specifications, or documents prepared hereunder shall not relieve Seller of any of its obligations under this Order, nor excuse or constitute a waiver of any defects or nonconformities in any articles furnished under this Order, nor change, modify, or otherwise affect any of the provisions of this Order, including but not limited to, the prices and delivery schedules contained herein.

28. SEVERABILITY

Each clause, paragraph, and subparagraph of this Order is severable, and if one or more of them are declared invalid, the remaining provisions of this Order will remain in full force and effect.

If this Order is terminated for default or convenience, Seller shall NOT be relieved of those obligations contained in this Order for the following provisions:

- PROPRIETARY INFORMATION
- PATENT, TRADEMARK & COPYRIGHT INDEMNITY
- WARRANTY
- DISPUTES
- TERMINATION/ CANCELLATION
- INDEPENDENT CONTRACTOR RELATIONSHIP
- DEFECTIVE COST OR PRICING DATA
 - COMPLIANCE WITH LAWS
 - CHOICE OF LAWS
 - INDEMNITY & REIMBURSEMENT
 - RIGHTS & REMEDIES

29. ENTRY/ACCESS TO PROPERTIES

Seller shall comply with all the rules and regulations established by Buyer and Buyer's customer for access to and activities in and around premises controlled by Buyer or Buyer's customer.

30. PROPRIETARY INFORMATION

Unless Seller has received Buyer's express written consent to the contrary, Seller shall (i) use the Proprietary Information solely for the purposes of an Order, and not for any other purpose (including, without limitation, designing, manufacturing, selling, servicing or repairing equipment for entities other than Buyer; providing services to entities other than Buyer; or obtaining any Government or third party approvals to do any of the foregoing); (ii) safeguard the Proprietary Information to prevent its disclosure to or use by third parties; (iii) not disclose the Proprietary Information to any third party; and (iv) not reverse engineer, disassemble, or decompile the Proprietary Information. Seller may disclose the Proprietary Information to officers, directors, employees, contract workers, consultants, agents, affiliates, or subcontractors of Seller who have a need to know such Proprietary Information for the purposes of performing the Order and who have executed a written agreement with Seller obligating such entity or person to treat such information in a manner consistent with the terms of this Section.

31. RIGHTS AND REMEDIES

Failure by either party to enforce any of the provisions of this Order or applicable law shall not constitute a waiver of any such provisions, rights, or remedies; rather, the same shall remain in full force and effect. The rights and remedies set forth herein are cumulative and in addition to any other rights or remedies provided by law or in equity. If any provision of this Order is or becomes void or unenforceable by law, the remainder shall be valid and enforceable.

32. TAXES

Seller's price includes, and Seller is liable for and shall pay, all taxes, impositions, charges, and all charges for packing, shipping, hauling, storage, and transportation to the point of delivery.

33. STOP WORK

Seller shall stop work for up to one hundred (100) days in accordance with any written notice received from Buyer and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work during the period of work stoppage. Within such period, Buyer shall either terminate in accordance with the provisions of this Order or continue the work by written notice to Seller. An equitable adjustment per the "Changes" clause shall be made by performance affected by the work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after the date of notice to continue.

34. GRATUITIES/KICKBACKS

Seller warrants and certifies that neither it nor any of its employees, agents, or representatives has offered or given any gratuities of any kind, nature, or amount to Buyer's employees, agents, or representatives for the purposes of securing this Order or securing favorable treatment with respect thereto in violation of FAR 52.203-3.

35. PRIORITY RATING

If so identified, this Order is a "rated order" certified for national defense use, and the Seller shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).

36. CONTRACTUAL DIRECTION

Sole authority to make changes in or amendments to this Subcontract and to effect deviations (by way of addition or deletion) from the work specified herein is hereby granted to Buyer's Authorized Representative identified in the Subcontract. All contractual direction, in order to be valid, must be written and signed by the Buyer's Authorized Representative.

37. INSPECTION (APPLIES TO GOODS COVERED UNDER THIS ORDER)

Buyer, its customer, and higher-tier contractors have the right to inspect the Product at all reasonable times and places, including during manufacture and before shipment. Seller shall provide all information, facilities, and assistance necessary for inspection without additional charge.

Buyer has the right to reject such goods or require their correction. Except as otherwise specified in this Order: (1) Seller is responsible for all goods and for the risk of loss thereof until they are delivered at the designated delivery point, regardless of the point of inspection, and (2) Seller shall bear all risks as to rejected goods after notice of rejection, and (3) Seller shall pay all shipping costs on rejected goods.

38. PARTS OBSOLESCENCE

Buyer may desire to place additional orders for Work purchased hereunder. Seller shall provide Buyer with a "Last Time Buy Notice" at least twelve (12) months prior to any action to discontinue any Work purchased under this Order.

39. CHOICE OF LAW

This Order shall be governed by and construed and enforced in accordance with the laws of the State of California, including its provisions of the Uniform Commercial Code, as applicable, but excluding is choice of law rules and the application of the 1980 United Nations Convention on Contracts for the International Sales of Goods.

40. ALLOWABLE COST AND PAYMENT.

Invoicing – in accordance with the Order

In the event Buyer is required to flow down any additional or different terms, conditions, and/or certification requirements as a requirement of its prime contract, Seller agrees to negotiate in good faith with the Buyer the incorporation of such terms, conditions, and/or certification requirements.

41. ENTIRE AGREEMENT

The terms set forth within this Order constitute the entire agreement of the parties and supersede all previous verbal or written representations, agreements, and conditions with respect to the subject matter hereof. No modification of the requirements of this Order, and no communications which vary from or add to any terms of this Order will be binding unless in writing and signed by an authorized representative of Buyer.