

SENIOR AEROSPACE JET PRODUCTS DIVISION
TERMS AND CONDITIONS OF PURCHASE

- 1) **ACCEPTANCE:** This Terms and Conditions of Purchase ("Order Terms") apply to orders by Senior Operations LLC thru its Senior Aerospace Jet Products Division ("Buyer") for products and/or services ("Goods"). Buyer hereby objects to any additional or different terms in any response to this offer. Any trade usage or course of dealing conflicting with any term in this offer is expressly negated. The parties intend that these Order Terms together with the description of Goods and other information on Buyer's Purchase Order constitute the final, complete, exclusive and fully integrated terms of the contract. Any other prior or contemporaneous agreements, oral or written, are hereby negated. Any modification or waiver of these Order Terms, whether evidenced by language or conduct, shall be null and void unless they are evidenced by a writing signed by an authorized representative of Buyer.
- 2) **PACKING:** The Goods shall be packed and shipped by Seller in accordance with Buyer's instructions and good commercial practice to insure that no damage shall result from weather and transportation, and the cost thereof shall be included in the price of the Goods.
- 3) **INVOICE:** Seller shall send invoices upon shipment of the Goods. The full purchase price for the Goods sold hereunder is set forth on the Purchase Order (the "Purchase Price"). Except as may otherwise be specified in the Purchase Order, the Purchase Price specified includes all federal, state, local or foreign taxes, levies, duties or other governmental charges upon the manufacture, sale or transportation of the Goods described therein. Unless authorized in writing to the contrary by Buyer, Seller shall not manufacture, produce, or deliver the Goods in advance of the schedule or otherwise anticipate Buyer's requirements. In the event the Purchase Order is designated a Blanket Purchase Order (a "Blanket Purchase Order"), these Order Terms shall still apply, but all quantities set forth on the initial Blanket Purchase Order shall be estimates. Buyer will thereafter provide to Seller firm releases ("Releases") for specific quantities.
- 4) **PAYMENT:** All payments shall be due within sixty (60) days of receipt of invoice. Payment by Buyer for Goods supplied hereunder shall not constitute acceptance thereof if subsequent inspection discloses defective material or workmanship or a failure to meet the specifications or instructions of Buyer or a breach of Seller's warranties (express or implied). Buyer will process payment for Goods when shipped in a manner acceptable to Buyer and when entered into Buyer's system. Buyer may withhold or set off from any payment any amount as to which a dispute exists under any Purchase Order or against any amount due Buyer under any transaction with Seller.
- 5) **RISK OF LOSS:** Title to Goods described herein shall not pass to Buyer until said Goods have actually been received against this Purchase Order notwithstanding any agreement to pay freight, express or other transportation or insurance charges. Risk of loss or damage in transit prior to such actual receipt by Buyer shall be borne by the Seller. Unless otherwise stated in this Purchase Order, Seller will bear all risks and costs of delivery of the Goods, including shipping and insurance charges, duties, taxes and other charges.
- 6) **DELIVERY AND INSPECTION:** Time is of the essence in Seller's performance of the Purchase Order. Delivery must be affected within the time stated on the Purchase Order or otherwise specified by Buyer. Seller will deliver all Goods in accordance with Buyer's instructions about volume, mix, packaging and delivery dates and times. If shipments are delayed for any cause, Seller must notify Buyer promptly. All Goods, and all raw materials and work in process, components, and intermediate assemblies to be used in the Goods and Seller's plant and premises may be inspected and tested by Buyer or its customer to the extent practicable at all times and places, including the period of performance and manufacture. If any inspection or test is made on the premises of Seller or a subcontractor, there shall be provided all reasonable facilities and assistance for the safety and convenience of the inspectors without additional charge to Buyer or its customers. Buyer reserves the right to charge Seller for any additional cost of inspection or test in the event the Goods or supplies are not ready or available for an inspection or test as represented by Seller or its subcontractor or in the event such inspection or test is necessitated by repeated prior rejections. Seller shall provide and maintain an inspection system acceptable to Buyer with respect to the Goods and supplies. Records of all inspection work by Seller shall be kept complete and available to Buyer or its customers during the performance of the Purchase Order and the warranty period specified herein and for a period of seven years thereafter. Goods purchased hereunder are subject to final inspection and acceptance at Buyer's plant, notwithstanding any other inspection, unless otherwise specifically stated on the Purchase Order. Seller shall make all necessary certifications. Without limiting other rights Buyer may have under this Agreement or by law resulting from Seller's delivery of defective Goods, such defective Goods may be rejected by Buyer and the unit price thereof debited against the invoice covering the shipment in which such defective Goods were included. Goods rejected will be held at Seller's risk and subject to Seller's disposal for a reasonable time and, if not disposed of by Seller, will be sold or otherwise disposed of by Buyer for Seller's account. Buyer's payment of Seller's invoice for any Article prior to final inspection shall not be deemed an acceptance of the Article or a waiver of the right of inspection or any other right of Buyer or relieve Seller of any obligations of liability hereunder.
- 7) **WARRANTY:** Seller makes the following warranties for the Goods to the Buyer, its successors, assigns, customers and the users of their respective customers' products and all such warranties shall be in addition to any and all other warranties, express or implied, which may be prescribed by law or in equity: (a) Seller warrants that Seller shall, at the date of delivery, have full, good and marketable title to the Goods; (b) Seller warrants that the Goods shall be free and clear of any and all liens, restrictions and encumbrances; (c) Seller warrants that the Goods shall be new, fit and sufficient for their intended uses, sufficient to meet all applicable industry standards, conform to specifications, drawings, and other descriptions and shall be free from defects (patent or latent) in materials and workmanship; (d) Seller warrants, to the extent the Goods are not manufactured pursuant to detailed designs furnished by Buyer, that they will be free from defects in design; (e) Seller will comply with all quality standards and procedures furnished by Buyer or generally applicable in the industry and will comply with all applicable laws, regulations, standards, ordinances and orders in performing the Purchase Order and will furnish Buyer and its designees with such certificates or reports of legal compliance as Buyer may request from time to time; and (f) Seller warrants that the prices charged Buyer, as indicated on the schedule of this Purchase Order, are no higher than prices charged on orders placed by others for similar quantities on similar conditions during the sixty (60) day period prior to the execution hereof. In the event Seller breaches Section 7, (f) the prices of the Goods shall be reduced accordingly. Such warranties, including warranties prescribed by law, shall run to the Buyer, its successors, assigns, and customers, and to users of the Goods, for a period of one (1) year after delivery unless otherwise stated.
 - a. In the event of any nonconformity of the Goods, Buyer, at its option, may: (i) cancel the Purchase Order as to such rejected Goods, in which case Seller will refund to Buyer all amounts paid for such rejected goods within thirty (30) days of Buyer's cancellation; or (ii) require Seller to promptly replace such rejected Goods with conforming Goods without additional charge to Buyer. Rejected Goods shall be removed after notification of rejection. Seller shall bear all costs of inspection of Goods and all risk of loss of rejected Goods.
 - b. In the event Seller has been provided notice of such rejection and has failed to promptly correct such defect, Seller shall reimburse Buyer for repairs or replacements made by Buyer or its designee to correct such defect. The remedies provided to Buyer in this Section shall be in addition to and not in lieu of any additional remedies Buyer may have in law or in equity based on Seller's failure to perform its obligations under the Purchase Order.
- 8) **INDEMNITY:** Seller is responsible for the manufacture of the Goods and, as such, shall to the fullest extent permitted by law, indemnify, defend and hold Buyer, its successors, assigns, customers, affiliates, employees, agents, and users (collectively the "Indemnified Parties"), harmless from and against any and all claims, liabilities, losses, fines, penalties, duties, damages and expenses (including reasonable attorneys' fees and court costs) which the Indemnified Parties may sustain or incur as a result of any claim of damage, loss, injury or death to any person or entity or property of any person or entity relating to or resulting from (i) defective material or workmanship of the Goods, failure of the Goods to conform to specifications, or failure of the Goods to comply with applicable laws, regulations, or government orders; (ii) claimed infringement of any patent, trademark, trade secret, copyright, or other proprietary right of any other party with respect to all Goods; or (iii) the work of Seller or any of its subcontractors under the Purchase Order. Buyer agrees to notify Seller promptly of an action or claim of any nature that may be the subject of Seller's indemnification obligations hereunder.
- 9) **INTELLECTUAL PROPERTY RIGHTS:** If Buyer furnishes the design for the Goods or reimburses Seller in whole or in part for designing them, then Buyer will own all intellectual property rights relating to the design. In such case, (i) Seller hereby assigns such intellectual property rights to Buyer and Buyer hereby grants Seller a non-exclusive, limited license to use such intellectual property to manufacture the Goods solely for Buyer and to rework, repair or replace any defective or non-conforming Goods; and (ii) Seller will supply any necessary documentation to Buyer upon Buyer's request regarding the assignment of rights, claims or other intellectual property rights in any design to Buyer and agrees to execute any and all documents deemed necessary by Buyer to effectuate Buyer's rights under this Section 9.
- 10) **BUYER - FURNISHED PROPERTY:** Seller shall not use, reproduce or appropriate for or disclose to anyone other than Buyer any material, tooling, dies, drawings, designs, and other property or data furnished by Buyer nor shall Seller use the same to produce or manufacture articles other than those required hereunder, except in fulfillment of contracts for the United States Government, provided that the Government shall have clearly demonstrated its right to use, or have other use, the same in the performance of Government contracts and provided further that Seller shall have notified Buyer immediately upon receipt of an inquiry, IFB or RFP from the Government involving such use. Title thereto shall be and remain in Buyer at all times. Seller shall bear the risk of loss or damage to such property furnished by Buyer unless such loss or damage is solely, directly and proximately caused by Buyer's negligence. All such Buyer furnished property, together with spoiled surplus materials, shall be returned to Buyer at termination or completion of the Purchase Order unless Buyer shall otherwise direct in writing.
- 11) **CONFIDENTIAL INFORMATION:** Except as necessary to perform the Purchase Order, as required by law (upon prior written notice to Buyer), or with Buyer's prior written consent, Seller will, at all times, keep confidential all information, drawings, specifications and data furnished by Buyer (whether in writing, electronically, orally, or visually) or derived or developed by Seller for the purpose of performing the Purchase Order ("Confidential Information"). Seller agrees to take all reasonable steps to ensure and preserve the confidentiality of Buyer's Confidential Information. Upon termination of the Purchase Order, and, at any time upon written request, Seller will return all copies of Buyer's Confidential Information to Buyer. Seller will not publish or advertise the existence or nature of the Purchase Order without Buyer's prior written consent. Seller acknowledges that a breach of this Section may cause irreparable harm and money damages would not be a sufficient remedy

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and that Buyer may seek injunctive relief in addition to other remedies available at law or equity. Seller's obligations under this Section 11 shall survive termination or completion of the Purchase Order.

- 12) **TERMINATION FOR CAUSE:** Buyer may terminate the Purchase Order or any part thereof by telegraphic or written notice of default to Seller under any of the following circumstances: (1) If Seller refuses or fails to make deliveries or perform the services within the time specified or extension thereof; (2) If Seller fails to comply with other provisions of the Purchase Order, or so fails to make progress as to endanger performance of the Purchase Order in accordance with its terms, and does not cure any such failure within a period of ten (10) days (or such longer period as Buyer may authorize by written notice) after receipt of notice from Buyer specifying such failure; and (3) If Seller becomes insolvent, or makes a general assignment for the benefit of creditors, or files or has filed against it a petition of bankruptcy or for reorganization, or pursues any other remedy under any other law relating to the relief for debtors, or in the event a receiver is appointed for Seller's property or business. In the event of such termination, Buyer may purchase or manufacture similar supplies and/or require Seller to transfer title and deliver to Buyer any and all property produced or procured by Seller related to the Purchase Order, and Seller shall be liable to Buyer for any excess cost to Buyer. Any termination by Buyer, whether for default, or otherwise, shall be without prejudice to any claims for damages or other rights of Buyer against Seller. Seller shall continue performance of the Purchase Order to the extent not terminated.
- 13) **TERMINATION FOR CONVENIENCE:** Buyer may terminate the Purchase Order in whole or in part, at any time for its convenience, by notice to Seller in writing. On receipt by Seller of such notice, Seller shall, to the extent specified therein, stop work hereunder and the placement of subcontracts, terminate work under subcontracts outstanding hereunder, and take any necessary action to protect property in Seller's possession in which Buyer has or may acquire an interest. In such event, Buyer shall pay to Seller, without duplication the (1) amounts due for Goods delivered and accepted or services completed in accordance herewith prior to the effective date of termination; plus (2) actual costs incurred by Seller if properly allocable under recognized commercial accounting practices to the termination portion of the contract, including liabilities to subcontractors which are so allocable, and excluding any charges for interest or material or parts which may be delivered to other orders. Such termination claim shall be submitted to Buyer within thirty (30) days after the effective date of the termination. If, after notice of termination of the Purchase Order under the provisions of Section 12, it is determined for any reason that the Seller was not in default under the provisions of that paragraph, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to this Section.
- 14) **STOP WORK NOTICE:** Seller shall stop work for a period of up to ninety (90) days in accordance with the terms of a written notice received from Buyer, and shall take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Purchase Order during the period of work stoppage. Within said ninety (90) day period, Buyer shall either terminate or continue the work upon written notice from Buyer to Seller. In the event of a continuation, equitable adjustment shall be made to the price, delivery schedule, or other provision affected by the work stoppage, provided that the claim for equitable adjustment is made within thirty (30) days after said continuation.
- 15) **CHANGE ORDER:**
- a. **Changes without Charge.** Buyer reserves the right at any time to make changes in any one or more of the following upon notification to Seller and without any charge to Buyer. Buyer may (i) make changes in the quantities ordered; (ii) change the method of shipment or packing or the place of delivery for the Goods; (iii) adjust the due dates for the Goods; or (iv) make changes in the design, specifications or drawings for the Goods, provided such changes do not result in additional cost to Seller.
 - b. **Other Changes.** If any such change specified in the Section above causes an increase or decrease in the cost of or the time required for delivery of the Goods, Seller shall notify Buyer in writing (with sufficient supportive detail and documentation) within ten (10) days after receipt of Buyer's change notice, the extent to which Seller believes such changes so affect the cost or time of performance. Seller shall proceed promptly to make such changes in accordance with the terms of such written and/or telegraphic order. An equitable adjustment shall be made of any price, time of performance, or other provisions of the Purchase Order required to be changed thereby and the Purchase Order shall be amended in writing accordingly. Any claim for adjustment under this clause must be in writing within thirty (30) days from the date of receipt by Seller of such change. In the absence of such notification, Buyer shall not be obligated to consider Seller's claim for an equitable adjustment, resulting from a change. Nothing in this clause shall excuse Seller from proceeding with the Purchase Order as changed.
 - c. Except as may be directed or agreed to in writing by a representative of Buyer's Purchasing Department. Seller shall not make any changes in any aspect of the work to be performed under the Purchase Order, including, but not limited to, drawings or specifications, quantity of Goods ordered, and delivery schedules.
- 16) **GOVERNMENT CONTRACTS. ADDITIONAL TERMS:** If the Purchase Order bears a U.S. Government contract number or if the Seller is otherwise informed that the Goods covered by the Purchase Order are to be supplied directly or indirectly to the U.S. Government, the terms and conditions which may be required to be agreed to by Seller as a condition to supplying the Goods pursuant to such U.S. Government contract are hereby incorporated by reference. In the event of any inconsistency between the required terms of such U.S. Government contract and the terms of the Purchase Order, the required terms of such U.S. Government contract shall apply.
- 17) **TRADE CREDITS, COUNTRY OF ORIGIN:** All trade credits, export credits, custom drawbacks, tax and lien rebates and the like will belong to Buyer. Seller will cooperate with Buyer in obtaining these benefits and credits. Seller will furnish Buyer and its designees with such documentation establishing the country of origin and value of Goods as Buyer may request, as applicable, affidavits of manufacture.
- 18) **INSURANCE:** During the term of this Agreement and at its own expense. Seller will maintain insurance coverage for worker's compensation, public liability (including contractual liability and products liability) and automobile liability in amounts and with insurers satisfactory to Buyer. On request, Seller will furnish Buyer with certificates of insurance that evidence this coverage and name Buyer as an additional insured, and prohibit the cancellation or reduction of coverage without fifteen (15) days' ~~notice~~ prior written notice to Buyer. Compliance with this section will not relieve Seller of its defense and indemnification obligations set forth herein.
- 19) **LIMITATION OF LIABILITY:** IN NO EVENT WILL BUYER BE LIABLE TO SELLER FOR ANY SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES REGARDLESS OF THE LEGAL THEORY ON WHICH ANY SUCH LIABILITY CLAIM IS MADE. In no event will Buyer's liability to Seller exceed the amount due under the Purchase Order for conforming Goods.
- 20) **ASSIGNMENT:** All rights of Seller and all obligations of Buyer hereunder shall inure to their respective successors and assigns, but Seller, without the prior written consent of Buyer, shall not voluntarily or by operation of law assign the Purchase Order or delegate the performance of any of its obligations thereunder, including any payment due or to become due with respect thereto.
- 21) **MISCELLANEOUS:** If any Goods are to be made to Buyer's design, all subcontracting by Seller with respect thereto shall be subject to Buyer's prior written approval. Seller shall not advertise or publish the fact that Buyer has placed the Purchase Order without Buyer's prior written consent except as may be necessary to comply with a proper request for information from an authorized representative of the Government. These Order Terms together with any applicable Purchase Order and the performance of the parties hereunder shall be controlled and governed by the laws of the State of California without regard to its conflicts of law provisions. All disputes arising out of or in connection with this Purchase Order or under any order submitted for Goods shall be heard exclusively in the courts, state and Federal, located in San Diego County, California, and each of the parties expressly consents to the jurisdiction and venue of such courts, unless Buyer, in his sole discretion, brings a claim against Seller in another court of competent jurisdiction. The prevailing party in any dispute under this Agreement shall be entitled to recover its reasonable attorneys' fees and all other expenses of any kind incurred in relation to such dispute. No waiver of any provision or waiver of any failure to perform any provision of the Purchase Order shall be effective unless agreed to by Buyer in writing nor shall any such waiver constitute a waiver of any other provision or failure to perform. If any provision of these Order Terms is held illegal, invalid or unenforceable, that provision will be ineffective to the extent of such illegality, invalidity or unenforceability, without invalidating the remainder of that provision or the other provisions hereunder.
- 22) **NOTICE OF LABOR DISPUTES:** Whenever an actual or potential dispute is delaying or threatens to delay the timely performance of the Purchase Order, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to Buyer. Seller shall insert the substance of this paragraph in any subcontract hereunder as to which a labor dispute may delay the timely performance of the Purchase Order; except that each subcontract shall provide that in the event its timely performance is delayed or threatened by delay by any actual or potential labor dispute, the subcontractor shall immediately notify Seller of all relevant information with respect to such dispute.
- 23) **SUPPLIER RESPONSIBILITIES:** The supplier, contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. Suppliers are responsible for ensuring their employees are aware of their contribution to product or service conformity, their contribution to product safety, their awareness and significance in the prevention of counterfeit product, and the importance of ethical behavior. Suppliers are also responsible to ensure they do not provide Buyer with any materials or services which contain "Conflict Minerals", and will conduct business lawfully and with integrity.