

ENSIGN-BICKFORD AEROSPACE & DEFENSE COMPANY – PURCHASE ORDER TERMS AND CONDITIONS

1. **OFFER, ACCEPTANCE, CONFIRMATION** – This Purchase Order may be construed as an offer, an acceptance of an offer, or a confirmation of a contract. In the event the Purchase Order is construed as an OFFER, the offer expressly limits acceptance to the terms of the offer and constitutes notice of objection to any additional or different terms in the acceptance so as to preclude the inclusion of any different or additional items in any resulting contract. If this Purchase Order is construed as an ACCEPTANCE, the acceptance is expressly conditioned on the seller's assent to any additional or different terms contained herein. If this Purchase Order is construed as a CONFIRMATION of an existing contract, such confirmation is expressly conditioned on the seller's assent to any additional or different terms contained herein. All sections of the Uniform Commercial Code which expressly or impliedly protect the Buyer are hereby incorporated by reference in this form, whether it be construed as an offer, acceptance, or confirmation.
2. **EQUAL EMPLOYMENT** – In performance of the work hereunder, Seller shall comply with all equal employment requirements including Executive Order (E.O.) 11246, as amended, with 41 CFR60, and with E.O. 11578 and Section 503 of the Rehabilitation Act of 1973, as amended and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, (38 USC 4212) as amended and regulations promulgated there under and E.O. 13201 (29CFR Part 470), Notification of Employee Rights Concerning Payment of Union Dues or Fees.
3. **APPLICABLE LAW** – The validity, performance and construction of this order shall be governed by the laws of the state shown in Buyer's address on this order.
4. **ASSIGNMENT** – Seller shall not assign this order or any rights under this order without the prior written consent of Buyer, and no purported assignment by Seller shall be binding on Buyer without such consent.
5. **COMPLETE AGREEMENT** – This order, which includes Seller's EEO compliance certificate (if applicable) and any supplemental sheets and riders annexed by Buyer, contains the complete and entire agreement between the parties and supersedes any previous communications, representations or agreements, whether oral or written with respect to the subject matter of this order.
6. **COMPLIANCE WITH LAWS** – In performance of this order, Seller shall, at all times, comply with, and give all stipulations, representations and certifications required by, all applicable executive orders, Federal, state, municipal and local laws, and rules, orders, requirements and regulations issued thereunder.
7. **CHANGES** – Buyer may at any time, by written Purchase Order Change, suspend performance in whole or in part, make changes in drawings, designs, specifications, method of shipment or packing, or time or place of delivery or require additional or diminished work. If any such change causes an increase or decrease in the cost of, or the time required for performance of this order, an equitable adjustment shall be made in the contract price or delivery dates or both, and this order shall be modified in writing accordingly. Any claim for adjustment under this Article shall conclusively be deemed to be waived unless asserted in writing (including the amount of the claim) and delivered to Buyer within thirty (30) days from the date of receipt by Seller of the Change Order. If the cost of property made obsolete or excess as a result of a change is paid by Buyer, Buyer may prescribe the manner of disposition of such property. Buyer's engineering and technical personnel may from time to time render assistance to Seller concerning the items or services to be furnished pursuant to this order, but such personnel are not authorized to change the items ordered or the provisions of this order. No Change Order will be binding on Buyer unless issued by an authorized representative of Buyer's Purchasing office. Nothing in this Article shall excuse Seller from proceeding with the Purchase Order as changed. Seller (subtier supplier) must notify Buyer (subcontractor) of any proposed changes to subcontractor-approved design, parts, materials, or fabrication methods or processes, and to obtain subcontractor approval prior to change incorporation. Seller (subtier supplier) must immediately notify the Buyer (subcontractor) of a change in manufacturing or processing facility location.
8. **INSPECTION** – The Buyer, their customer and regulatory authorities have right of access to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records. All items covered by this order may be inspected and tested by Buyer, its customers, higher tier contractors and the U.S. Government, at all reasonable times and places. Seller shall provide, without additional charge, all reasonable facilities and assistance for such inspections and tests. Seller shall use an inspection system accepted by Buyer in writing. All inspections records relating to items covered by this order shall be available to Buyer during the performance of this order and for such longer periods as specified by Buyer in its acceptance of the inspection system. If any items covered by this order are defective or otherwise not in conformity with the requirements of this order, Buyer may, by written notice to Seller, (i) rescind this order as to such items, (ii) accept such items at an equitable reduction in price, or (iii) reject such items and require the delivery of replacements. Deliveries of replacements shall be accompanied by a written notice specifying that such items are replacements. If Seller fails to deliver required replacements promptly, Buyer may (i) replace or correct such items and charge Seller the cost occasioned Buyer thereby, or (ii) terminate this order for default as provided in Article 21 (b). No inspection (including source inspection), tests, approval (including design approval), or acceptance of items ordered shall relieve Seller from responsibility for defects or other failures to meet the requirements of this order. Rights granted to Buyer in this article are in addition to any other rights or remedies provided elsewhere in the order or in law. Final inspection and acceptance shall be at destination unless otherwise specified in this order. Such final inspection and acceptance shall be conclusive except as to latent defects, fraud, and such gross mistakes as amount to fraud, and Seller's warranty obligations.
9. **INVOICING** – After each shipment made under this order, Seller shall send a separate invoice, including Buyer's Purchase Order and part numbers (if applicable). Payment of invoice shall not constitute acceptance of items ordered and shall be subject to appropriate adjustment for failure of Seller to meet the requirements of this order. Buyer may set off any amount owed by Seller or any of its affiliated companies to Buyer against any amount owed by Buyer under this order.
10. **LIABILITY FOR INJURY** – Seller shall indemnify Buyer against loss and liability for all personal injury and property damage caused by items furnished or services performed by Seller pursuant to this order, whether performed on the premises of Seller or Buyer or elsewhere. Seller shall carry and maintain insurance coverages satisfactory to Buyer to cover the above, and upon Buyer's request, shall furnish to Buyer appropriate evidence of such insurance.
11. **LIEN WAIVERS** – Seller shall furnish, upon Buyer's request, waivers by Seller and all other persons entitled to assert any lien rights in connection with the performance of this order.
12. **MATERIALS AND TOOLS** – If Buyer furnishes Seller material or equipment (such as special dies, molds, jigs, tools, test equipment, etc.) or pays for such material or equipment, title thereto shall remain or vest in Buyer, and Seller shall indemnify, maintain and preserve such material and equipment and shall dispose of it (including scrap) in accordance with Buyer's direction.
13. **NOTICE OF LABOR DISPUTES** – Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, Seller shall immediately notify Buyer in writing of all relevant information with respect to such dispute.
14. **PACKING AND SHIPPING** – No charge shall be made by Seller for packaging or storage. All items shall be packaged, marked and otherwise prepared in accordance with good commercial practices to obtain lowest transportation rates. Seller shall mark on containers handling and loading instructions, shipping information, Buyer's Purchase Order number and stock number (if applicable), shipment date and names and addresses of Seller and Buyer. An itemized packing list must accompany each shipment and shall include Buyer's Purchase Order numbers and part numbers (if applicable).

15. PATENTS AND COPYRIGHTS – Seller will defend, at its own expense, any suit or claim that may be instituted against Buyer or any customer of Buyer for alleged infringement of patents relating to the maintenance, sale or use of items furnished pursuant to this order, except for any such infringement resulting from detailed designs provided by Buyer, and Seller shall indemnify Buyer and its customers for all costs and damages arising out of such alleged infringement. Buyer shall have the right at no additional charge to use and/or reproduce the Seller's applicable literature, such as operating and maintenance manuals, technical publications, prints, drawing, training manuals and other similar supporting documentation and sales literature. Seller agrees to advise Buyer of any updated information relative to the foregoing literature and documentation with timely notifications in writing.

16. PRICE AND DELIVERY – Seller shall furnish the items called for by this order in accordance with the prices and delivery stated on the face of this order. If prices and/or delivery dates are not stated, Seller shall offer its lowest prices or best delivery dates, both of which shall be subject to written acceptance by Buyer. All prices include all applicable taxes, except sales tax which is separately shown where applicable. Seller warrants that the prices charged for the items covered by this order will be as low as the lowest prices charged by the Seller to any other customers purchasing similar items in the same or lesser quantities and under like circumstances. Buyer may return or store at Seller's expense any items delivered more than five days in advance of the delivery date specified for such items.

17. PROPRIETARY INFORMATION – All written information obtained by Seller from Buyer in connection with this order and which is identified as proprietary is received in confidence and shall remain the property of Buyer, and shall be used and disclosed by Seller only to the extent necessary for the performance of this order except that, upon prior written notice to the Buyer, Seller may use such information in the manufacture of end items for direct sale to the U.S. Government to the extent the Government has the right to authorize such use by Seller, and, provided that Seller, to the extent practical, prominently identifies each such end item as being manufactured by Seller for direct sale to the U.S. Government.

18. PUBLICITY – Seller shall not make or authorize any news release, advertisement or other disclosure which shall deny or confirm the existence of this order without the prior written consent of Buyer, except as may be required to perform this order.

19. RISK OF LOSS – The risk of loss for items covered by this order shall be governed by the terms specified on the face of this order as described in the Uniform Commercial Code (UCC) or the International Commercial Terms 1990 (Incoterms 1990), as applicable.

20. SUBCONTRACTS – Seller shall not subcontract for complete or substantially complete parts of work called for by this order without Buyer's prior written approval.

21. TERMINATION – (a) WITHOUT CAUSE. Buyer may at any time by written notice cancel this order or any part thereof at its convenience and for other than default as contemplated under Article 21 (b) hereof, in which event Buyer shall be liable for payment of reasonable cancellation charges in accordance with industry practice. In no event, however, shall Buyer be liable for cancellation charges in excess of the total contract price. (b) WITH CAUSE. If (i) Seller fails to make any delivery or perform any services in accordance with the specified delivery dates or otherwise fails to comply with this order and does not remedy such failure within ten (10) days after receipt of written notice thereof, (ii) Seller fails to make progress to such an extent that performance of this order is endangered or (iii) any proceeding is filed by or against seller in bankruptcy or insolvency, or for appointment for the benefit of creditors, Buyer may (in addition to any other right or remedy provided by this order or by law) terminate all or any part of this order by written notice to Seller without any liability and may purchase substitute items elsewhere and Seller shall be liable to Buyer for any excess cost occasioned Buyer thereby. Except with respect to defaults of subcontracts at any tier, Seller shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Seller. If the failure to perform is caused by the default of a subcontractor at any tier, and if such default arises out of causes beyond the control of both the Seller and subcontractor, and without the fault or negligence of either of them, the Seller shall not be liable for any excess cost unless the supplies or services to be furnished by the subcontractors were obtainable from other sources in sufficient time to permit the Seller to meet the required delivery schedule. If this contract is terminated as provided in this clause, the Buyer, in addition to any other rights provided in this clause may require the Seller to transfer title and deliver to the Buyer (i) any completed supplies, and (ii) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights as the Seller has specifically produced or specifically acquired for the performance of this contract as has been terminated. If, after notice of termination of this contract "With Cause", it is determined that the failure to perform is due to causes beyond the control and without the fault or negligence of the Seller, such notice of default shall be deemed to have been issued pursuant to the clause of this contract entitled "Termination Without Cause", and the rights and obligations of the parties hereto shall in such event be governed by such cause.

22. WAIVER – The failure of Buyer to insist upon the performance of any provision of this order, to exercise any right or privilege granted to Buyer under this order shall not be construed as waiving any such provision, and the same shall continue in force.

23. WARRANTIES – In addition to any other express or implied warranties, Seller warrants that items furnished pursuant to this order will be (i) free from defects in workmanship and material, (ii) free from defects except to the extent that such items comply with detailed designs provided by Buyer, (iii) suitable for the purposes, if any, which are stated on the face of this order and (iv) in conformity with all other requirements of this order. In addition to any other rights Buyer may have, if items delivered pursuant to this order are found, within one year after acceptance not to be as warranted, Buyer may return such items to Seller, at Seller's expense, for correction, replacement or credit, as Buyer may direct. Any items corrected or furnished in replacement shall also be subject to all the provisions of this Article to the same extent as items initially furnished.

24. U.S. GOVERNMENT CONTRACTS – (a) FEDERAL ACQUISITION REGULATION (FAR). If a U.S. Government Contract number appears on the face of this order the clauses referenced on Buyer's form ADPUR-03 apply. Buyer will furnish form ADPUR-03 to Seller. (b) If a U.S. Government Contract number appears on the face of this order the following paragraph applies: This is a rated order certified for national defense use, and you are required to follow the provisions of the Defense Priorities and Allocations System regulation (15 CFR 350).

Questions about the Defense Priorities and Allocations Systems should be directed to the Office of Industrial Resource Administration, Room 3876, U.S. Dept. of Commerce, Washington, D.C., 20230, Ref. DPAS; or telephone (202) 482-3634. In case of any conflict between these Terms and Conditions and the other portions of this order, such other portions shall control.

25. E-VERIFY – For employers with federal contracts or subcontracts that contain the Federal Acquisition Regulation (FAR), the E-Verify clause (48 Parts 2, 22 and 52) is mandatory.