

## **SUMMIT AVIATION, INC.**

### **TERMS AND CONDITIONS OF PURCHASE**

#### **1. FORMATION OF CONTRACT**

This Purchase Order ("Order") is Summit Aviation, Inc.'s ("Buyer's") offer to purchase the goods and/or services (herein after referred to as "Goods") described herein from the Seller and does not constitute an acceptance by Buyer of any offer to sell, quotation, or proposal by the Seller. This Order shall become a binding contract under the conditions set forth herein only when the Seller accepts this Order. Buyer's placement of this Order is expressly conditioned upon acceptance by Seller of all of the terms contained herein and on the face of this Order and any supplements, specifications or documents expressly incorporated herein by reference or attached hereto.

Any additional or different terms or conditions which may appear in any communication from Seller are hereby expressly objected to and shall not be effective or binding unless specifically agreed to in writing by Buyer.

Seller expressly acknowledges that Buyer is purchasing the Goods covered by this Order solely for the purpose of resale and export. Since Buyer is not the ultimate user of said goods, it is necessary that certain rights of the Buyer be extended to third parties, referred to herein as "Buyer's designee."

#### **2. PRICE AND PAYMENT**

All prices shall be firm and fixed unless otherwise agreed in writing by Buyer. However, if Seller reduces its published or standard prices for goods covered by the contract before Seller completes its performance thereunder, such reduced prices shall apply to any Goods undelivered to Buyer at the time Seller reduces its price(s).

Seller's invoice(s) must exactly match Buyer's Order to avoid payment delay. Any discrepancies in Seller's invoice may result in a delay in payment by Buyer.

Payment terms shall be net 30 days unless otherwise specified. Seller agrees not to deliver goods on a sight draft basis.

Seller shall be responsible for the payment of all taxes that may arise out of its sale of the Goods to the Buyer, except as otherwise provided herein. Buyer agrees to provide Seller with a Tax Exempt Certificate if required.

#### **3. DRAWINGS AND DATA**

Seller must strictly adhere to Buyer's drawings, specifications, or other data provided by Buyer. Deviations are not allowed unless advance written approval is provided by Buyer.

If this Order requires the submission of drawings or other data for approval by Buyer or Buyer's designee, Seller shall submit same to Buyer on or before the time specified by the Order (or if no time is specified, as soon as possible prior to shipment). All drawings or data are subject to approval by Buyer or Buyer's designee unless otherwise agreed to in writing by Buyer. Buyer will not reimburse Seller for any additional expense incurred by Seller as a result of proceeding with its performance prior to such approval being granted.

#### **4. DELIVERY PERFORMANCE**

Unless otherwise stated herein or on the Order, all Goods are to be shipped freight prepaid F.O.B. Seller's factory. Buyer has the option to specify routing, carrier and shipment methods.

Time is of the essence for this Order. One hundred percent (100%) on-time delivery in accordance with the Order delivery schedule is MANDATORY, and unless specifically authorized by the Buyer in writing, any deliveries received after the specified date will be considered delinquent. Where the delinquent delivery situation is determined to be the fault of the Seller, Seller shall be liable for the transportation costs, loss of production time, etc., or any other damages as a result of delinquency.

Seller is responsible for ensuring on-time deliveries from its suppliers so as to ensure on-time delivery of the Goods to the Buyer. Seller shall not be excused from its delivery requirements due to the fault of its suppliers.

In the event Seller's Goods become delinquent, Seller must proactively provide regular delivery status reports in writing to the Buyer until the delinquent status is fully resolved to Buyer's satisfaction and Goods are delivered complete to Buyer's premises. At a minimum, Seller's reports shall include the Goods part number(s), part description(s), Order number(s), past due quantity, current status of Goods, and projected ship dates. Reports shall be in Microsoft Excel format unless otherwise directed by Buyer. Buyer expects that such reports will be the exception, as 100% on-time delivery is required and expected.

Early delivery by Seller is not permitted unless authorized in writing by the Buyer.

Premium/Expedited shipping costs are not allowed unless authorized in writing by Buyer. Seller is responsible for the difference between premium/expedited shipping costs and standard shipping costs unless Seller obtains authorization in writing from Buyer to ship via premium/expedited shipping.

#### **5. PACKAGING AND LABELING**

Seller shall include shipping marks, as specified by Buyer, on all packaging. Seller shall package the Goods in such a manner as to be safe from damage, deterioration, or FOD intrusion while in transit or storage under foreseeable circumstances. Seller shall also ensure packaged Goods and packaging materials/manner pose no safety hazard to persons handling Goods while goods are in transit and when received at Buyer's facility.

It is Seller's responsibility to ensure that all shipments of dangerous Goods and hazardous materials are compliant with the requirements of 49CFR and any other applicable state or federal regulation. Material Safety Data Sheets/Safety Data Sheets (MSDS/SDS) must be shipped with each delivery in order for Seller to receive payment

No charges of any kind, including charges for boxing or cartage, will be reimbursed to Seller unless specifically agreed to in writing by Buyer.

Seller is required to attach shipping labels to all containers, boxes, and packages of Goods when shipping Buyer.

Shipping labels must include the following at a minimum:

- A. Buyer's part number, part description, Purchase Order number.
- B. Quantity included in container/box/package.
- C. Lot number, serial number, heat number, etc.
- D. Seller's full company name and shipping address.

Seller is required to individually identify Goods (include part number, etc. on each individual part) if so instructed by Buyer provided drawings, specifications, special instructions, etc. Seller is required to include shelf-life/cure date/expiration date on all Goods if applicable.

## 6. QUALITY

Seller is required to provide Buyer with a Material Certification and Certificate of Conformance for all Goods provided to Buyer. Seller shall attach these documents to the packing slip or place them in the container with the Goods.

Seller must submit a First Article Inspection (FAI) to the Buyer with delivery of initial Goods when applicable. All FAI's must be submitted in accordance with the latest revision of AS9102.

Where required by an Order, drawings, specifications, etc., Seller must use Buyer or Buyer's designee's Customer Approved special process sources. Seller must consult with Buyer when Seller is unsure whether a Customer Approved source is required.

Seller must inform Buyer in writing in the event of nonconforming goods. Arrangements for the correction and approval of Seller's nonconforming goods will be as directed by the Buyer.

Seller is required to notify Buyer in advance in writing if any changes to location, product or process are to be made. Buyer must approve changes in writing before they are made.

Seller understands that all customer/regulatory/AS9100/AS9110 requirements are required to be flowed-down to Seller and all of Seller's suppliers, including requirements contained in the Order and key characteristics (where required).

Buyer requires that all Goods provided by Seller be correct and free of defect per the supplied Order.

Buyer may take specific actions when timely or effective corrective actions to an issue(s) are not achieved by the Seller. Buyer's actions may include, but are not limited to, any or all of the following: withholding payment to Seller until the issue is resolved, removal of Seller from the Buyer's Approved Supplier List, and/or any legal action available to Buyer.

If the DPAS rating symbol **DX** or **DO** appears on the Buyer's Order, the Order is considered a Rated Order Certified for National Defense use. In this case, the Seller is required to follow all the provisions of the Defense Priorities and Allocations System Regulation (15 CFR Part 700).

All design, test, inspection, verification (including production processes), statistical techniques for product acceptance, related instructions for Buyer's acceptance, and any critical (or key) characteristics will be included on the Order if applicable.

## 7. INSPECTION AND AUDIT RIGHTS

Seller shall inspect the Goods, including running performance tests before shipment to Buyer, to ensure Goods completely meet the requirements of the Order and any Buyer provided drawings, specifications, etc. Seller shall make such reports available to Buyer upon request. Buyer or Buyer's designee shall have the right and opportunity to verify the product performance to the requirements of the Order, drawings and specifications at the Seller's premises. Such verification shall not be used by the Seller as evidence of effective control of quality by the Seller nor shall the verification by the Buyer or Buyer's designee absolve the Seller of the responsibility to provide acceptable Goods nor shall it preclude subsequent rejection of the Goods by the Buyer. Seller shall furnish, without additional charge, all reasonable facilities and assistance for the safety and convenience of Buyer or Buyer's designee and shall in no way impair Buyer's or Buyer's designee's rights in the case of nonconforming or defective goods.

Seller shall maintain complete inspection records for all Goods under this Order which shall be available to Buyer or Buyer's designee in accordance with the performance of the Order or any regulatory requirements and until the later of:

(i) four (4) years after final payment is received by Seller, (ii) final resolution of any dispute involving the Goods delivered hereunder, (iii) the latest time required by an Order, (iv) the latest time required by applicable laws and regulations, (v) as otherwise directed by Buyer.

Buyer, Buyer's designee, and all regulatory authorities (FAA, DCMA, etc.) shall retain the right of access to all Seller facilities (including those of Suppliers) involved in the Order and to all applicable records related to the Order.

All Goods furnished under this Order by Seller to Buyer shall be subject to inspection and testing by Buyer and/or Buyer's designee. Should such inspection and testing by Buyer or Buyer's designee reveal that the Goods or any part thereof do not conform to the specifications or guarantees set forth herein or are defective, Buyer or Buyer's designee may, at its option:

- A. Reject the Goods and return them to Seller at Seller's risk and expense;
- B. Arrange for the repair of Goods or make Goods otherwise acceptable at Seller's expense in accordance with Buyer's timely instructions or make such repairs within reasonable time.
- C. Accept the Goods at a reduced price.

Freight costs for rejected Goods are the sole responsibility of the Seller and shall include all freight charges from the point at which the Goods are rejected. If rejection occurs outside of the United States, Seller will bear any taxes and duties incurred in the transportation of the Goods to the Buyer or Buyer's designee.

Calibration of all measuring and gaging equipment must be traceable to the N.I.S.T. Standard.

## **8. DEFECTIVE GOODS NOTIFICATION**

In the event defective Goods are received from Seller at the Buyer's or Buyer designee's premises, Buyer will notify Seller by email and/or phone as soon as the defective Goods are detected. A Supplier Corrective Action Request will be issued to Seller's designated quality representative. Issued Corrective Action Requests must be completed and returned to the Buyer by the date assigned within the Corrective Action Request. Supplier's failure to complete the Corrective Action Request as required may result in Supplier being removed from Buyer's approved supplier database.

Buyers or Buyer's Designee's remedies may include, but are not limited to, the following at the Buyer's or Buyer's designee's sole discretion:

- A. Return any defective Goods to Seller at Seller's risk and expense, in which case Seller shall promptly deliver new Goods to Buyer or Buyer's designee, as Buyer shall direct; or Seller shall make the returned Goods conform to the Buyer provided drawings, specifications, etc., and return corrected goods back to the Buyer or its designee, as the Buyer shall direct, all at Seller's risk and expense.
- B. Buyer will arrange for the repair or make the Goods otherwise conform to the Buyer provided drawings, specifications, etc., at Seller's risk and expense in accordance with Seller's timely instructions, or in accordance with Buyer's or its designee's best judgment (at Seller's risk and expense) if Seller does not provide such instructions or make such repairs or provide replacements within a reasonable time.

In addition to all remedies provided herein, Seller shall be liable for any and all direct and consequential damages to Buyer and Buyer's designee incurred as a result of any defect or breach of warranty in any item covered by this Order, including the costs of product recall or litigation resulting from the Goods.

## 9. WARRANTY

Seller warrants to the Buyer that goods supplied and work or services performed under this Order are (i) merchantable and fit for the purpose intended; (ii) new; (iii) free from defects in material and workmanship; (v) free from defects in design if design is not provided by Buyer; (vi) manufactured in strict accordance with Buyer provided drawings, specifications, etc.; and (vii) free from liens or encumbrances on title (hereinafter "Warranty" or "Warranties"). Buyer or Buyer designee's written approval of designs furnished by Seller shall not relieve Seller of its obligations under this Warranty.

Notwithstanding any other provision, in addition to the foregoing, Seller shall be liable for Buyer's and Buyer's designee's actual costs, expenses and damages related to or arising from Goods not conforming to the Warranty, including but not limited to labor and other costs related to transportation of Goods, expediting, removal, disassembly, failure analysis, fault isolation, assembly, reinstallation, re-inspection, retrofit, and any and all other such corrective action costs incurred by Buyer or Buyer's designee.

Unless otherwise specified by the Buyer, Seller's Warranty shall extend indefinitely. Buyer and Buyer's designee shall have the benefit of any other Warranty which may be applicable.

In the event Buyer or Buyer's designee discovers a breach of any of the Warranties specified herein with respect to any Goods thereof within the Warranty period, Buyer or its designee may, at its option:

A. Return such Goods to Seller at Seller's risk and expense, in which case Seller shall promptly deliver new Goods to Buyer or its designee, as Buyer shall direct; or Seller shall make the returned goods conform to the Buyer provided drawings, specifications, etc., and return corrected goods back to the Buyer or its designee, as the Buyer shall direct, at Seller's risk and expense.

B. Buyer may arrange for the repair or make the Goods otherwise conform to the Buyer provided drawings, specifications, etc., at Seller's risk and expense in accordance with Seller's timely instructions, or in accordance with Buyer's or Buyer's designee's best judgment (at Seller's risk and expense) if Seller does not provide such instructions or make such repairs or provide replacements within a reasonable time.

In addition to the other remedies provided herein, Seller shall be liable for all damages to Buyer and Buyer's designee incurred as a result of any defect or breach of warranty in any item covered by this Order, including but not limited to costs of product recall or litigation related to the Goods.

Seller's Warranties shall survive the termination of this Order and any contract resulting from the Order.

## 10. INDEMNIFICATION

Seller shall indemnify and save harmless Buyer, Buyer's designee, Buyer's insurers and Buyer's affiliates and their employees, agents, officers and directors for and from all suits, claims, judgments, awards, losses, damages, costs or expenses (including attorney's fees) relating to, arising out of, or caused by the performance of Seller or its Suppliers hereunder, and any act or omission of Buyer or its Suppliers related to any Goods provided under this Order. Seller's indemnification obligations cover, without limitation, injuries, sickness, diseases (including occupational disease whenever occurring), or death of Seller's employees.

## 11. ASSIGNMENT

Seller shall not assign this Order or any contract resulting therefrom or the right to payment due hereunder without Buyer's prior written consent.

## **12. LIENS, CLAIMS AND ENCUMBRANCES**

Seller warrants and represents that all the Goods will be free and clear of all liens, claims and encumbrances of every kind. Seller shall indemnify Buyer for any claims resulting from any alleged breach of the foregoing warranty.

## **13. BUYER-FURNISHED ITEMS**

Buyer shall have no liability to Seller for any delays or failures of Buyer Furnished Items, (including but not limited to tooling, parts, materials, drawings, information, and specifications). If Buyer Furnished items are not delivered to Seller in sufficient time to enable Seller to meet Buyer's required delivery dates, Seller must notify Buyer of the delay in writing and shall be entitled to an extension of the delivery schedule equal to the period of delay. Any such adjustments shall be Seller's sole remedy under this section.

Buyer Furnished items shall be used only for the purpose of the Order. Seller shall not use Buyer Furnished Items on any other Order without written authorization from Buyer. Seller shall, at its own expense, (i) establish and follow a preventative maintenance, calibration and repair program for Buyer Furnished items, (ii) safely store (separated from other material where practicable) Buyer Furnished Items, and (iii) maintain all Buyer Furnished Items in good, workable condition.

Use of Buyer Furnished Items shall not absolve Seller from responsibility to provide Goods that totally satisfy the requirements of this Order, Buyer provided drawings, and specifications. If Seller discovers Buyer provided tooling is not capable of producing goods that totally meet Buyer's requirements, Seller shall immediately notify Buyer in writing whereby, after investigation, Buyer may request Seller to submit an engineering change request.

Title to any Buyer Furnished Items shall remain with Buyer or Buyer's designee, as the case may be. Buyer, in order to protect its interests, may require Seller to execute documents that are related to the Buyer Furnished Items. Seller shall plainly mark and adequately identify Buyer Furnished Items as being Buyer's property. Seller shall not substitute any property for or modify or dispose of Buyer Furnished Items without Buyer's written authorization.

Upon Buyer's request, Seller shall provide an annual written audit/inventory of Buyer's Furnished Items, including certification of compliance with this section and proof of adequate insurance covering full replacement cost of Buyer Furnished Items.

Seller shall, immediately upon discovery, provide written notification to Buyer if any Buyer Furnished Items are lost, damaged or destroyed while in the Seller's custody, care, or control. Seller, at its own expense, is responsible to repair or replace any Buyer Furnished Items that are damaged, lost, or destroyed while in its care. Seller must obtain written authorization from Buyer before disposing of any Buyer Furnished Items.

## **14. CONFIDENTIAL INFORMATION**

In the course of their dealings with each other, Buyer may disclose certain technical information, i.e. drawings, specifications, etc., to Seller. Such information is considered "Intellectual Property" and is deemed CONFIDENTIAL unless specifically designated otherwise in writing by Buyer. Seller shall safeguard all such information in an appropriate manner and shall not disclose to third parties except in the normal course of conducting business with, and on behalf of, Buyer.

Seller shall be free to use non-confidential information in any manner as it reasonably determines provided, however, nothing contained herein shall be deemed to grant any license under any patent.

Acceptance of this Order by the Seller indicates that Seller agrees to abide by the requirements of Buyer's "Mutual Confidentiality and Non-Disclosure Agreement." Buyer will make this document available to Seller upon request.



## 15. DEFAULT AND TERMINATION

Buyer has the right to cancel the Order to Seller for Goods, in whole or in part, without liability to Seller if Order cancellation occurs prior to commencement of lead-time. Further, Buyer may cancel the whole or any part of this Order without liability or exercise any other remedy available to Buyer by law or in equity including any remedy under the Uniform Commercial Code, in any of the following circumstances:

- A. If Seller fails to make delivery of the Goods or to perform the services within the time specified herein or any extension thereof.
- B. If, in Buyer's good faith judgment, the Seller fails to perform any of the other provisions of this Order or fails to make progress so as to endanger performance of this Order in accordance with its terms, or such longer period as Buyer may authorize in writing.
- C. Seller is in breach of any of the terms or conditions of this Order.
- D. Seller becomes insolvent, makes a general assignment for the benefit of creditors, or is the subject of proceedings under any law relating to bankruptcy, insolvency or relief of debtors, however designated.

Buyer's failure to insist upon strict performance of the terms of this Order or to exercise any rights hereunder shall not be construed as a waiver of the rights of the Buyer or Buyer's designee.

## 16. INTELLECTUAL PROPERTY INFRINGEMENTS

Seller warrants that Buyer's and/or Buyer's designee's purchase, installation, and/or use of the Goods covered hereby will not result in any claim of infringement, of any patent, trademark, copyright, or other intellectual property right. Seller agrees to defend any action brought against the Buyer and/or Buyer's designee arising out of such infringement, and Seller shall indemnify and hold Buyer and/or Buyer's designee harmless from and against all claims, losses, expenses, damages, causes of action and liabilities of every kind and nature, including without limitation, attorney's fees (without waiver of Seller's obligation to indemnify Buyer and/or Buyer's designee hereunder), arising from or out of any breach of the foregoing warranty. The rights granted under this section shall survive termination of this contract.

## 17. INSURANCE

Without limiting Seller's duty to hold harmless and indemnify Buyer and Buyer's designee hereunder, Seller agrees to secure and carry as a minimum the following insurance with respect to all work to be performed under the Order for the duration of the Order: (i) Workers' Compensation Insurance, inclusive of an alternate employer endorsement, in an amount sufficient by virtue of the laws of the U.S., foreign country, state, or other governmental subdivision in which the work or any portion of the work is performed and Employer's Liability Insurance in the minimum amount of \$1,000,000.00 for any one occurrence; (ii) Commercial General Liability Insurance, including Premises Liability and Contractual Liability, in which the limit of liability for property damage and bodily injuries, including accidental death, shall be a minimum, a combined single limit of \$5,000,000.00 for any one occurrence; (iii) if Seller vehicles are used on Buyer's premises and/or used to accomplish work under the Order or otherwise on behalf of Buyer, Automobile Liability Insurance in which the limit of liability for property damage and bodily injuries, including accidental death, shall be a combined single limit of \$1,000,000.00 for any one occurrence; (vi) if Seller or its subcontractors have Buyer's materials, tooling or equipment in its care, custody or control, Seller shall have and maintain All-Risk Property Insurance in an amount sufficient to meet or exceed the value of such material, tooling and equipment; and (v) if Seller is performing professional services on behalf of Buyer, Seller shall maintain Professional Liability Insurance with a limit of no less than \$5,000,000.00.

The following requirement shall apply if Seller is providing Goods such as products, component parts, materials or work to be incorporated in aircraft where such products, parts or materials are classified as Flight Safety Parts (FSP) or its equivalent or having Critical Characteristics (CC) Seller shall maintain Aircraft Product Liability, Completed Operations Liability and, if applicable to the Goods or Services, Hangar Keepers Liability insurance coverage in a minimum amount of Combined Single Limit of \$50,000,000.00 for any one occurrence and in the aggregate where applicable, including AV52 coverage (War Risks Insurance). In the event Seller carries higher limits of liability, the higher limits of liability must be certified to Buyer. Such insurance shall remain in effect for two (2) years after the expiration or termination of Order.

All such insurance shall be issued by companies authorized to do business under the law of the State of jurisdiction in which Seller is performing the work under this Order, and must have an AM Best financial rating of A- or better or an equivalent rating as produced by another rating agency acceptable to Buyer.

The insurance coverage described above shall be in a form satisfactory to Buyer, and shall contain provisions prohibiting cancellation or material change except upon at least ten (10) days (seven (7) days in the case of War Risks Insurance) prior notice to Buyer. All such insurance policies will be primary in the event of a loss arising out of the Seller's performance of work and shall provide that where there is more than one insured the policy will operate, except for the limits of liability, as if there were a separate policy covering each insured and shall operate without right of contribution from any other insurance carrier by Buyer. Certificates evidencing such insurance and endorsements naming Buyer as an additional insured or, in the case of All Risk Property Insurance, naming Buyer as a loss payee, shall be provided to Buyer upon request. To the extent permitted by law, Seller and its insurer(s) agree that subrogation rights against the Buyer are hereby waived. Seller shall, if requested by Buyer, advise Buyer of the amount of available policy limits and the amounts of any self-insured retention.

Seller shall require its Suppliers to maintain insurance in the amounts and types required by this provision.

#### **18. FORCE MAJEURE**

Neither party shall be responsible for any delay or failure in performance of any part of this Order to the extent that such delay or failure is caused by events beyond its control and without its negligence ("force majeure condition"). If any force majeure condition occurs, the party delayed or unable to perform shall give immediate notice to the other party, and the party affected by the other's delay or inability to perform may elect to:

- A. Suspend this Order for the duration of the force majeure condition, buy elsewhere Goods to be bought for which commitments have been made elsewhere, or resume performance of the Order once the force majeure condition ceases with an option in the affected party to extend the period of this Order up to the length of time the force majeure condition endured.
- B. Terminate this Order or the part of it relating to Goods not already shipped if the force majeure condition continues for more than thirty (30) days.

#### **19. CHANGES**

Buyer shall have the right to make changes to this Order at any time, including any applicable drawings, specifications, and/or designs. If such changes impact shipment or delivery times or the amount to be paid by Buyer, Seller shall immediately notify Buyer in writing. Upon such notification, the parties shall enter into negotiation for a reasonable adjustment.



## **20. STOP WORK ORDER**

Buyer may, from time to time, require Seller to stop all or any portion of the work called for by the Order for a period of 120 days ("Stop Work Period") at each such time. Upon receipt of written notice detailing the length and scope of the Stop Work Period, Seller shall immediately comply with its terms at no charge. Within the Stop Work Period, Buyer shall: (i) cancel the stop-work order and Seller shall resume work; or (ii) terminate the work covered by the stop-work order, for default or convenience, as the context requires, in accordance with the provisions of the Order.

## **21. AVIATION UNIQUE REQUIREMENTS**

Seller shall immediately notify Buyer upon receipt of any Government-Industry Data Exchange Program (GIDEP) Alert related to Goods, and shall provide Buyer a list of all affected Goods by order, part number, invoice number, serial number, and any other identifying number and description as applicable. For GIDEP Alerts caused in whole or in part by the Goods, Seller shall immediately replace all affected Goods at its sole expense, including any installation and removal costs for the Goods so affected, and reimburse Buyer for any damages and commercially reasonable expenses incurred by Buyer.

If the Federal Aviation Administration (FAA), or other aviation authority, issues Airworthiness Directives (ADs), or the equivalent of Airworthiness Directives, related to Goods, Seller shall immediately remove the cause(s) of the ADs or AD equivalents in all Goods delivered and to be delivered to Buyer including but not limited to Goods utilized in the field. Seller shall reimburse Buyer for any costs and damages associated with removal and redelivery of Goods, incurred by Buyer as a result of such ADs or equivalent ADs which are attributable to the Goods.

Following completion of any Buyer required reviews and approvals, Seller shall provide all Service Bulletins, Safety Bulletins and Administrative Directives (collectively in this sub-Section "Bulletins") to Buyer immediately upon issuance. Seller shall implement Seller's recommendations contained in Bulletins on all Goods delivered and to be delivered.

## **22. COMPLIANCE WITH U.S. GOVERNMENT LAWS AND REGULATIONS**

Seller is required to follow all the requirements of DPAS (15 CFR Part 700) as required. Acceptance of the DPAS requirements, as applicable, will be automatic unless Seller provides written notification otherwise to the Buyer.

DFAR 252.225-7014, including alternates, is required on all hardware components if applicable.  
Buyer flows down all DFAR/FAR regulations as required.

Seller must disclose to Buyer any items on the United States Munitions List.

Seller must abide by the United States Government's regulations related to EAR AND ITAR

This Order is subject to the certification and disclosure of the "Byrd Amendment," 31 U.S.C. 1352 (Section 319 of Pub. L. No. 101-121).

As a condition of this Order, Seller shall provide to Buyer, if requested, information required by FAR 52-204-10, Reporting Executive Compensation and First Tier Subcontract Awards (Jul 2010).

This Order is subject to FAR 52.222-54, Employment Eligibility Verification (Jan 2009).

If the price of Buyer's contract with the US government is reduced for a violation of the Procurement Integrity Provisions of the Office of Federal Procurement Policy Act (41 U.S.C. 423) and if the violation is by or attributable to Seller, then Seller will indemnify and hold Buyer harmless from and against all claims, losses, expenses, damages, causes of action

and liabilities of every kind and nature related to the violation.

The Seller shall warrant that the goods called for by this Order have been or will be produced in compliance with the Fair Labor Standards Act of 1939 (29 U.S. Code 201-219) and any amendments thereto, and in so far applicable to this Order, the Walsh-Healy Public Contract Act (41 U.S. Code 35-45) and any amendments thereto, as well as with the provision of any other Federal Law enacted including P.L. 87-581 Work Hours Act of 1962 Overtime Compensation, and with any and all rules and regulations issued under each and every such act. The Seller agrees that this warranty may be considered as the certificate contemplated by the amendment dated October 26, 1949, to the Fair Labor Standard Act of 1938. The Seller of goods herein listed on this purchase order, asserts and warrants to the Buyer that the goods comply with all applicable standards of the Williams-Steiger Occupational Safety and Health Act of 1970. Seller shall comply with all applicable Federal, State or local laws, rulings, regulations and orders pertaining thereto in effect on the date of this Order.

Provisions of the Equal Opportunity Clauses: 41 CFR Section 60-1.4(a), 41 CFR Section 60-250.5(a) and Section 60-741.5(a) are incorporated as terms of this Order.

Seller shall be responsible for complying with any other governmental laws, including federal, state, provincial, and local laws, ordinances, rules, and regulations applicable to the performance of this Order except to the extent inconsistent with U.S. anti-boycott laws. It is the Seller's responsibility to be aware of and comply with these laws and regulations.

### **23. APPLICABLE LAW**

The contract shall be governed by and construed in accordance with the laws of the State of North Carolina. Buyer and Seller consent and hereby submit to the exclusive jurisdiction of the state and federal courts located in the county where the Summit facility is located, as set forth in the Order, for a determination of any and all issues between them relating to the Order or its subject matter. Seller hereby waves 1) the right to a jury trial in any and all proceedings; any and all objections to service of process by certified mail, return receipt requested, or equivalent commercial courier service.

### **24. GOVERNMENT SAFETY REQUIREMENTS**

All materials used in the manufacture of parts or materials shall satisfy current governmental and safety constraints on restricted, toxic and hazardous materials as well as environmental, electrical and electromagnetic considerations applicable to the country of manufacture and sale. Seller shall have a process to assure that governmental and safety constraints on restricted, toxic and hazardous substances are complied with relative to purchased products and the manufacturing process.

**SDS Sheet:** Seller is responsible to provide a Safety Data Sheet (SDS) with delivery of all chemicals or other hazardous materials. SDS sheet must be attached to the packing slip.

### **25. CUSTOMER SPECIFIC REQUIREMENTS**

Customer specific requirements that apply will be reflected on Buyer's Order to Seller. Seller is responsible to abide by the customer specific requirements.

"Customer Specific Requirements" in this case means requirements imposed on the Buyer from its customers that must be flowed down from Buyer to Seller.

These flow-down requirements must include the following to ensure that all pertinent persons are aware of:

- their contribution to product or service conformity;
- their contribution to product safety;

- The importance of ethical behavior.

## **26. SECURITY**

This provision is developed in support of U.S. Customs Trade Partnership against Terrorism and shall apply to Seller and its suppliers. Seller shall develop policies and procedures including personnel screening to assure illegal substances, goods, etc. do not enter the United States of America. Concurrence with this provision shall not relieve the Seller of any responsibility with respect to United States law, including U.S. Customs Regulations.