

# CHROMALLOY

## TERMS AND CONDITIONS FOR PURCHASE (NORTH AMERICA)

**Chromalloy Gas Turbine LLC, its operating divisions and subsidiaries** are each herein referred to individually and collectively as “Buyer” and the person or entity selling goods or services (collectively the “Products”) to Buyer is referred to as “Seller.” These terms and conditions (hereinafter the “Terms and Conditions”), any price list or schedule, quotation, acknowledgment or invoice from Buyer relevant to the sale of the Products and all documents incorporated by specific reference herein or therein, constitute the complete and exclusive statement of the terms of the agreement governing the sale of Products by Seller to Buyer (the “Purchase Order”). Seller’s delivery of the Products will manifest Seller’s assent to these Terms and Conditions. Seller’s commencement of work on the Products subject to this Purchase Order, shipment of any such Products, returning a signed copy of this Purchase Order to Buyer, sending any form of sales confirmation to Buyer, retaining this Purchase Order for ten (10) days without making written objection thereto, billing Buyer for any part of the Products, or indicating in some other manner its acceptance of this Purchase Order, whichever occurs first, shall be deemed acceptance of this Purchase Order and these Terms and Conditions. Any acceptance of this Purchase Order is limited to acceptance of the express Terms and Conditions contained on this and the following pages. Any terms or conditions stated in Seller’s order acknowledgment, quotation, invoice or other order documentation are expressly rejected unless agreed to in writing by Buyer.

**1. Prices:** Unless otherwise specified in writing by Buyer, the price quoted or specified by Seller for the Products shall remain in effect for sixty (60) days after the date of Seller’s quotation or acknowledgment of Buyer’s order for the Products, whichever occurs first. Seller warrants that the prices for the Products sold to Buyer hereunder are not less favorable than those currently extended to any other customer of Seller for the same or similar articles in similar quantities. In the event Seller reduces its price for such articles during the term of this Purchase Order, Seller agrees to reduce the prices herein correspondingly. Seller warrants that prices shown on this Purchase Order shall be complete, and no additional charges of any type shall be added without Buyer’s express written consent. Such additional charges include, but are not limited to, shipping, packaging, labeling, customs duties, taxes, storage, insurance, boxing, and crating. In the event that no price is stated in the order, the price shall be deemed to be the price last supplied to and acknowledged by Buyer or the current market price, whichever is lower. All prices shall be in United States dollars.

**2. Payment; Taxes and Duties:** All payments shall be conditioned upon Products being supplied in all respects in accordance with the Purchase Order and upon supply to Buyer of a proper invoice from Seller. Such invoice shall correctly specify the Purchase Order number, order date, a description of the Products supplied, the date of supply, and the sum due and properly addressed and referenced. Unless otherwise stated, terms of payment shall be net ninety (90) days from date on which Buyer pays accumulated invoices in accordance with its accounting policies. Seller is encouraged to register with Buyer’s electronic settlement vendor to allow for faster and more efficient electronic payments and remittances; please inquire to your Buyer representative concerning registration with Buyer’s electronic settlement vendor. Seller shall be solely responsible for filing all appropriate tax forms and paying all applicable tax, duty, export preparation charges and export documentation charges resulting from the purchase of the Products under this Purchase Order. Buyer may withhold, deduct and/or set off all money due, or which may become due to Seller arising out of Seller’s performance under this Purchase Order or any other transaction with Buyer.

**3. Delivery; Title and Risk of Loss; Shipment:** Time is of the essence in delivering Products under these Terms and Conditions. Unless otherwise specified in the Purchase Order. Any Seller located outside of the United States shall ship any Products it sells to Buyer FCA Seller’s Location (Incoterms 2010) to the appropriate Buyer Facility (for the purposes of this FCA delivery, the Seller shall be considered to be the “Seller.” and Buyer shall be considered to be the “Buyer”). Each delivery from Seller to Buyer shall include a commercial invoice with the following information: (i) detailed description of the items being shipped (including Component description and Engine platform); (ii) quantities and weight of the shipment both net and gross weight; (iii) value of the shipment both net value and gross value in United States Dollars; (iv) first six digits of the HTS Classification; (v) Country of Origin; (vi) Importer of Record (“IOR”); (vii) the applicable Incoterms (should match those set forth in the Purchase Order); (viii) final destination; (ix) the Export Control Classification Number/US Munitions List category of the items being shipped; (x) the export license number applicable to the items being shipped (indicate “NLR” if no license is required); (xi) all commercial invoices must be written in English or have an English translation attached; and (xii) Customs Clearance Instruction Statement should be noted on all Commercial Invoices; “UPS Brokerage at [jfkdocturnover@ups.com](mailto:jfkdocturnover@ups.com)” should always be included in the “Notify” section of the AWB/CI. If delivery of Products (including rendering of services) is not completed by the time promised, Buyer reserves the right without liability, in addition to its other rights and remedies, to terminate this Purchase Order by notice effective when received by Seller as to Products not yet shipped (or services not yet rendered) and to purchase substitute items or services elsewhere and charge Seller for any loss incurred. Buyer shall not be obligated to accept early, late, partial or excess deliveries. Unless otherwise specified in writing, title of all Products covered by this order shall pass to Buyer upon receipt at Buyer’s facility identified on the face of this Purchase Order. Buyer shall have the option to call for delivery of Products in two (2) or more lots, according to any schedule of deliveries issued by Buyer to Seller. If in order to comply with Buyer’s required delivery date it becomes necessary for Seller to ship on an expedited basis, any increased transportation costs resulting therefrom shall be paid for by Seller unless the necessity for such rerouting or expedited shipping or handling has been caused solely by Buyer.

**4. Inspection/Testing:** Payment for the Products delivered hereunder shall not constitute acceptance thereof. Buyer shall have the right to inspect such Products and to reject any or all of said Products which are in Buyer’s good faith judgment defective or non-conforming. Inspection of Products shall be made by Buyer or its designee at the location designated by Buyer. Products rejected and Products supplied in excess of quantities called for herein may be returned to Seller at Seller’s expense and, in addition to Buyer’s other rights, Buyer may charge Seller for, without limitation, all expenses of unpacking, examining, repacking, reshipping and any other naturally arising damages that may result from any defect or non-conformity in any Products. In the event Buyer receives Products containing any defects or non-conformities that are not apparent on visual examination, Buyer reserves the right to require replacement, as well as payment of damages. Nothing contained in this Purchase Order shall relieve in any way Seller from the obligation of testing, inspection and quality control. Seller agrees to inspect 100% of all Products prior to shipment to Buyer, unless Buyer approves a Seller-proposed sampling plan in writing. Buyer reserves the right to verify the conformance of materials or services to specified requirements at the site of Seller, its supplier or subcontractor. This can be accomplished by Buyer, its customer or representative. This verification may be performed by United States government regulatory bodies or agencies which have oversight responsibilities of Buyer. Non-conformities found prior to or after shipment or delivery of Products (including performance of any service) shall be reported to Buyer’s purchasing department no later than the end of the next normal business day. Seller shall not substitute Products, parts or materials without Buyer’s written consent. Seller must notify Buyer when any non-conforming Products or changes to any Products (or process used to make or deliver such Products) are detected and obtain prior written approval from Buyer before delivery or any other disposition of such Product. Seller shall notify Buyer in writing of changes in product and/or process, changes of suppliers, changes of manufacturing

facility location. Notwithstanding the foregoing, nothing contained herein shall prevent Buyer from recovering any costs, expenses, liabilities or other damages from Seller if any defects or non-conformities are identified following the inspection and testing processes described herein.

**5. Changes:** Buyer shall have the right at any time to make changes in drawings, designs, specifications, materials, samples, packaging, time and place of delivery, and method of transportation. If any such changes cause an increase or decrease in the cost, or the time required for the performance, an equitable adjustment shall be made and this Purchase Order shall be modified in writing accordingly. Seller agrees to accept any such changes subject to this paragraph. Without Buyer's prior written approval, Seller will not make any changes to: the Products; materials used for production affecting form, fit or function; approved suppliers; manufacturing location; manufacturing lines affecting form, fit or function; method or manner of manufacture affecting form, fit or function; performance; quality; labeling or packaging of any material, part or Product ("Changes"). Seller will notify Buyer in writing at least 12 months prior to the proposed start of the implementation of any Changes plan, any such plan is subject to Buyer's written approval, and such plan cannot negatively impact the flow of Products to Buyer. Any Changes proposed and/or agreed to by Buyer shall be flowed down to Seller's sub-tier suppliers.

**6. Buyer Property:** All equipment, jigs, tools, drawings, fixtures, dies, molds, patterns, materials and other such items supplied to Seller by or at the expense of Buyer shall remain Buyer's property (hereinafter "Buyer's Property"). Seller will maintain such items in good working order. Seller shall ensure that the above items are clearly marked and stored as being the legal property of Buyer and that they are not used to perform under any contract for any third party. While such items are in the possession of Seller, Seller shall make provision to adequately insure, against all normal risks, all such items that are Buyer's Property, and Buyer shall be named as an additional insured.

**7. Ownership of Work Product:** All materials, any inventions (whether or not patentable), works of authorship, trade secrets, ideas, concepts, trade names and trade or service marks created or prepared for Buyer (collectively "Inventions") shall belong exclusively to Buyer. Standard Products manufactured by Seller and sold to Buyer without having been designed, customized or modified for Buyer do not constitute Inventions. Furthermore, any works conceived or reduced to practice by Seller which were developed entirely on Seller's own time without using Buyer's Property, Buyer's facilities or Buyer's Information do not constitute Inventions. Seller hereby assigns the worldwide rights, titles and interests in and to the Inventions to Buyer. Buyer shall have the right, at Buyer's option and expense, to seek protection by obtaining patents, copyright registrations and any other filings related to proprietary or intellectual property rights. Seller agrees to execute, and to cause its employees to execute, at Seller's expense, such documents, applications and conveyances and to supply information as Buyer shall request, in order to permit Buyer, at Buyer's expense, to protect, perfect, register, record and maintain its rights in the Inventions and effective ownership of them throughout the world. These obligations survive the expiration or termination of this Purchase Order.

**8. Patents and Copyrights:** Seller warrants that the Products sold do not infringe any valid United States patent or copyright in existence as of the date of shipment. In the event such Products are held to infringe such a United States patent or copyright in such suit, and the use of such Products is enjoined, or in the case of a compromise or settlement by Seller, Seller shall, at Buyer's option, procure for Buyer the right to continue using such Products, or replace them with non-infringing Products, or modify the same to become non-infringing, or grant Buyer a credit for the depreciated value of such Products and accept return of them.

**9. Stop Work Order:** Buyer may, from time to time, require Seller to stop all or any portion of the work called for by the Purchase Order for a period of up to 120 days at each such time, or such longer period of time as may be required by Buyer's customers ("Stop Work Period"). 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, including, without limitation, in respect of any associated storage. Within the Stop Work Period, Buyer may either: (a) cancel the stop-work order and Seller shall resume work; or (b) terminate the work covered by the stop-work order, for default or convenience, as the context requires, in accordance with the provisions of these Terms and Conditions and the Purchase Order. If Buyer has not exercised its rights set forth in either (a) or (b) above prior to the expiration of the Stop Work Period, then at least thirty (30) days prior to said expiration, Seller shall notify Buyer of its intent to resume work under the applicable Purchase Order and shall obtain Buyer's written consent prior to resuming work.

**10. Warranty:** Seller expressly warrants that all Products furnished under this Purchase Order shall strictly conform in every respect to any specifications, drawings, samples or descriptions provided by Buyer or upon which this order is based and shall be of the highest quality, and free from defects in design, material or workmanship. Seller warrants that all such Products will conform to any statements made on any containers or labels or advertisements for such Products, and that any Products will be adequately contained, packaged, marked, and labeled. Seller warrants that the Products shall conform to any and all applicable technical and safety provisions and comply in all respects with any and all applicable industry, federal, state and local laws, regulations, directives and standards including, but not limited to, those concerning safety, labor, health, environmental and fire. Seller further warrants that all Products furnished hereunder will be merchantable, and will be safe and appropriate for the purpose for which Products of that kind are normally used. If Seller knows or has reason to know the particular purpose or end-use for which Buyer intends to use the Products, Seller warrants that such Products will be fit for such particular purpose or end-use. Seller warrants that Products furnished will conform in all respects to samples. Seller warrants that all Seller employees, representatives and agents who are involved in the manufacture of Products hereunder have been trained and are qualified and/or certified, as necessary and appropriate. Inspection, testing, acceptance or use of the Products furnished hereunder shall not affect Seller's obligation under this warranty, and such warranty shall survive inspection, testing, acceptance and use. Seller warrants that it has good title to and the right to sell the Products and that Buyer shall have quiet possession of the Products, free and clear of all claims, liens and other encumbrances of any kind. Seller's warranty shall run to Buyer, its successors, assigns, customers and users of Products sold by Buyer. Seller agrees to replace or correct defects of any Products not conforming to the foregoing warranty promptly, without expense to Buyer, when notified of such non-conformity by Buyer, provided Buyer elects to provide Seller with the opportunity to do so. In the event of failure of Seller to correct defects and/or replace non-conforming Products promptly, Buyer, after reasonable notice to Seller, may make such corrections or replace such Products and charge Seller for the cost incurred by Buyer in doing so.

**11. Force Majeure:** Without liability to Seller, Buyer may delay delivery or acceptance of this Purchase Order, or cancel this Purchase Order completely, as a result of circumstances beyond Buyer's control which make performance commercially impractical including, but not limited to, acts of God, fire, unusually severe weather, flood, acts of war, government action or regulations, embargos, sanctions, customs issues, accident, labor difficulties or shortage, or inability to obtain materials, equipment or transportation. In the event of a delay, Seller shall hold Products subject to such delay at the direction of Buyer and shall deliver them when the causes affecting the delay have been removed.

**12. Termination for Convenience:** Buyer reserves the right to terminate this Purchase Order or any part hereof for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder, and shall immediately cause Seller's suppliers and subcontractors to cease such work. Buyer will reimburse Seller for reasonable, documented expenses (which shall not include indirect costs or lost profits) resulting directly from any

such termination for convenience. Seller shall not be paid for any work done after receipt of the notice of termination, or for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided. Seller shall not unreasonably anticipate the requirements of this Purchase Order.

**13. Termination for Cause:** Buyer may terminate this Purchase Order or any part hereof for cause in the event of any default by Seller, any late deliveries, deliveries of Products which are defective or which do not conform to this Purchase Order, or in the event that Seller fails to comply with any of the Terms and Conditions of this Purchase Order or fails to provide Buyer, upon request, with adequate assurance of future performance. In the event of termination for cause, Buyer shall not be liable to Seller for any amount, and Seller shall be liable to Buyer for any and all damages sustained by reason of the circumstances which gave rise to the termination for cause. If it should be determined that Buyer has improperly terminated this Purchase Order for cause, such termination shall be deemed a termination for convenience.

**14. Confidentiality; Advertising:** Seller shall consider all information furnished by Buyer ("Information") to be confidential and shall not disclose any such Information to any other person, or use such Information itself for any purpose other than performing this Purchase Order, unless Seller obtains written permission from Buyer to do so. Information shall include without limitation, any customer, prospect and price lists, plans, photographs, designs, component designs, drawings, blueprints, specifications, inventions, technical data, trade secrets and any other materials relating to this order or to the business of Buyer. All Buyer Information is and shall remain the property of Buyer. Upon Buyer's written request or the termination of this Purchase Order, Seller shall return to Buyer all Buyer Information. In no event will Seller use less than the degree of care and means that it uses to protect its own confidential information of like kind, but in any event not less than reasonable care to prevent the unauthorized disclosure or use of Buyer's Information. Seller will not, without the prior written consent of Buyer, advertise, publicly announce or provide to any other person information relating to the existence or details of this Purchase Order or use Buyer's name in any format for any promotion, publicity, marketing or advertising purpose. Unless otherwise agreed in writing, no commercial, financial or technical information disclosed in any manner or at any time by Seller to Buyer shall be deemed secret or confidential and Seller shall have no rights against Buyer with respect thereto except such rights as may exist under patent laws.

**15. Insurance:** Seller, and any of Seller's suppliers or subcontractors, if applicable, shall maintain all necessary insurance coverages including products liability, property damage, fire and explosion, and liability for accidents and injuries to the public or to employees in the following minimum amounts: (a) Comprehensive General Liability of at least \$1,000,000 per occurrence/\$2,000,000 aggregate; (b) Auto Liability: \$1,000,000 Combined Single Limit; (c) Workers' Compensation Insurance in accordance with state statutory requirements including Employer's Liability of \$1,000,000 per incident; (d) Umbrella Liability: \$5,000,000 per occurrence; and (e) Aircraft Product Liability (if applicable) of at least \$100,000,000 per occurrence. Buyer reserves the right to require higher limits depending on the Products and Services. All required policies shall include Buyer, its parent, directors and officers, and employees as additional insured (excluding Workers' Compensation) and shall contain a waiver of subrogation in favor of Chromalloy. Seller shall provide to Buyer a Certificate of Insurance prior to the commencement of this Agreement and annually upon policy renewal or whenever there is a material change in coverage. Seller's failure to provide a Certificate of Insurance, and Buyer's failure to request a Certificate of Insurance, shall not constitute a waiver of this requirement. All loss resulting from the failure to affect such insurance shall be assumed by Seller. The compliance of Seller with these insurance requirements shall not relieve or limit Seller's liability.

**16. Indemnification:** Seller shall indemnify, defend and hold harmless Buyer, Buyer's customers, insurers and affiliates and their managers, officers, members, parents, affiliates, subsidiaries, employees, agents, successors and assigns against any suits, actions or proceedings at law or in equity (including consequential and incidental costs, expenses and reasonable attorney's fees incurred in connection with the defense of any such matter) and all claims, losses, damages, judgments, obligations, liabilities, costs and expenses arising out of or resulting in any way from: (i) any breach of the representations, warranties, covenants, agreements and/or obligations of Seller hereunder or under Applicable Laws and Standards (as hereinafter defined); (ii) any defects in the Products purchased hereunder; (iii) any acts or omissions of Seller, its agents, employees or subcontractors; or (iv) any claim of infringement (including patent, trademark, copyright, industrial design, proprietary right or other intellectual right, or misuse or misappropriation of trade secret) arising out of the purchase, sale or use of the Products covered by this Purchase Order whether such Products were provided alone or in combination with other goods, services, software or processes. Seller expressly waives any claim against Buyer that such infringement arose out of compliance with Buyer's specification. In complying with the provisions of this paragraph, Seller shall actively and at its own expense defend against any claim, provided that, if in Buyer's sole opinion, Seller fails to mount an adequate defense to any claim, Buyer shall have the right to so defend and Seller shall cooperate with such efforts and shall indemnify Buyer therefore as provided in this paragraph. If Seller fails to fulfill any of its obligations under this paragraph or this Purchase Order, Seller agrees to pay Buyer all costs, expenses and attorney's fees incurred by Buyer to establish or enforce Buyer's rights under this paragraph or this Purchase Order. This indemnification shall be in addition to the warranty obligations of Seller. Seller's indemnification obligation hereunder covers, without limitation, injuries, sickness, diseases (including occupational disease whenever occurring), or death of Seller's employees. Seller's obligations hereunder shall survive the expiration or termination of this Purchase Order.

**17. Product Campaigns.** If Buyer reasonably determines that there is any defect (including, without limitation, the failure of the Products to conform to Applicable Laws and Standards or Product specifications or drawings provided to Seller by Buyer) in the design, material or workmanship of any Products sold by Seller to Buyer hereunder and which have been incorporated or integrated in any of Buyer's products, Buyer may determine that a retrofit or rectification campaign shall be conducted. In such circumstance, Buyer may, at its sole option, elect to proceed as follows:

(i) Buyer may conduct such campaign itself. In that event, Seller shall: (a) provide to Buyer at no cost and in a timely manner all necessary repair or modification parts or provide to Buyer new Products which do not contain such defects (in the event that repair or modification is not reasonably feasible or cannot be accomplished in a timely manner); (b) reimburse Buyer for all reasonable costs that Buyer incurs and indemnify Buyer for any claims of any nature of Buyer's distributors, customers, or other persons (including, without limitation, personal injury or property damage) which arise out of or are related to such defects or campaigns; and (c) provide all other assistance as Buyer may require in connection with any such campaign;

(ii) Buyer may elect that Seller shall directly conduct any such retrofit or rectification campaign. In such event, Buyer shall provide reasonable cooperation to Seller, and Seller shall: (a) conduct, at Seller's sole expense, such campaign in a timely manner and in accordance with the standard procedures of Buyer for conducting such campaigns; (b) reimburse Buyer for all reasonable costs that Buyer incurs and indemnify Buyer for any claims of Buyer's distributors, other customers or any other persons (including, without limitation, personal injury or property damage) which arise out of or are related to such defects or campaigns; and (c) provide confirmation to Buyer regarding the completion of the campaign;

(iii) If a rectification or retrofit campaign is conducted by or on behalf of Seller on products which have been sold to other customers of the Seller and such products have the same or similar specification to the Products sold by Seller to Buyer, then Seller shall provide Buyer with timely notice of such campaigns and a campaign shall be conducted also on such Products sold by Seller to Buyer in accordance with the terms of the above section; and/or

(iv) The obligations of Seller to Buyer with respect to any of the campaigns described herein shall also apply in the event that any governmental entity determines that there is a defect in the Products, irrespective of whether Buyer and Seller agree with the determination of such governmental entity.

**18. Government Contracts:** [If Applicable] For Purchase Orders placed in support of and charged to a United States government prime contract or subcontract procuring an item meeting the Federal Acquisition Regulation ("FAR") definition of a "commercial item," the relevant provisions from the FAR or the Defense Federal Acquisition Regulation Supplement ("DFARS") in effect as of the date of said prime contract are hereby incorporated herein by reference. The parties recognize that such provisions may change from time to time and agree that any such change will not affect the applicability of the material referenced. In provisions listed herein the terms "Government" shall mean Buyer and "Contractor" shall mean Seller. In DFARS 252.215-7003, the term "Offeror" shall mean Seller. Seller agrees to comply with 15 CFR 700 (Defense Priorities and Allocation System) and all Subparts, Chapters, Schedules and Appendices thereto in all instances. Seller is on notice that Buyer may utilize the Products specified in this Purchase Order in the transaction of business with the United States Government. **Buyer and Seller shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a), which are incorporated herein by reference. 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 or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ, advance in employment individuals and otherwise treat qualified individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.**

**19. Business Conduct:** For the purpose of this Section:

"Government Official" means: (i) any officer, employee or representative (including anyone elected, nominated or appointed to be an officer, employee or representative) of any Government Entity, or anyone otherwise acting in an official capacity on behalf of a Government Entity; (ii) any political party, political party official or political party employee; (iii) any candidate for public office; (iv) any royal or ruling family member; or (v) any agent of any of those persons listed in sub-categories (i) through (iv).

"Government Entity" means: (i) any national, state, regional or local government, and any government agency or department; (ii) any entity or business that is owned or controlled by any of those bodies listed in sub-category (i); or (iii) any international organization such as the United Nations or the World Bank.

"Close Family Member" means: any individual's spouse, the individual's and the spouse's grandparents, parents, siblings, children, nieces, nephews, aunts, uncles and first cousins; the spouse of any of the aforementioned persons; and any other person who shares the same household with the individual.

Seller undertakes to conduct its business in compliance with these Terms and Conditions in a way that is consistent with the principles set forth in Chromalloy's Code of Conduct (available upon request), the Supplier Code of Business Conduct (available upon request) and with the obligations set forth herein and, for the duration that these Terms and Conditions are in full force and effect, to maintain and enforce its own policies and procedures relating to ethical business conduct, to ensure compliance with the Applicable Laws and Standards, Chromalloy's Code of Conduct and the Supplier Code of Business Conduct.

Seller represents, warrants and covenants that: (a) in obtaining these Terms and Conditions it has complied, and in performing these Terms and Conditions it shall comply, with all applicable laws, statutes, regulations and orders relating to, among other matters, applicable anti-corruption, competition, trade controls and generally-accepted standards of ethical business conducts, including those set forth in AS9100 D, Section 8.4.3 m., among others ("Applicable Laws and Standards"); (b) Seller has not made and agrees that it shall not make, directly or indirectly, in connection with any business transaction relating to Buyer, a payment or gift of, or an offer, promise or authorization to give money or anything of value to any person for the purpose of inducing such person to act improperly or otherwise to use his or her influence or position with any entity to affect or influence any act or decision that entity, in order to obtain or retain business for, direct business to, or secure improper advantage for Buyer. Seller is not aware of any such payment, gift, offer, promise or authorization by its agents, employees, officers, directors, shareholders, members, partners and representatives in the past and shall prevent any such activity by these parties in the future; (c) Seller shall maintain books and records that accurately and fairly describe in reasonable detail all expenditures incurred by Seller in connection with this Purchase Order. Seller grants Buyer the unrestricted right to take reasonable steps to verify Seller's compliance with Applicable Laws and Standards and this Purchase Order. All services performed by Seller under this Purchase Order, all invoices and requests for expense reimbursement submitted to Buyer by Seller, and all payments made to or benefits conferred by Seller on third parties in the course of Seller's performance of this Purchase Order, are subject to audit by Buyer, at his sole discretion, or by a third party retained by Buyer. Seller shall fully cooperate in any audit that may be conducted; (d) as of the date of this Purchase Order, Seller is not a Government Official, and has no Close Family Members, personal, business or other relationship or association with a Government Official who may have responsibility for or oversight of any business activities of Buyer or Seller, other than any relationships or associations that have been disclosed to Buyer in writing. Seller agrees to notify Buyer in writing if any of the foregoing circumstances shall change while the Purchase Order is in full force and effect; (e) **SELLER SHALL INDEMNIFY BUYER FROM AND AGAINST ALL CLAIMS, PROCEEDINGS, DEMANDS, LOSSES, LIABILITIES, DAMAGES, DEFICIENCIES, JUDGMENTS, ASSESSMENTS, FINES, PENALTIES, SETTLEMENTS, COSTS AND EXPENSES (INCLUDING, BUT NOT LIMITED TO, LEGAL COSTS) THAT BUYER SUFFERS OR INCURS ARISING FROM OR RELATED TO ANY VIOLATION OF APPLICABLE LAWS AND STANDARDS OR THESE TERMS AND CONDITIONS BY SELLER OR ITS AGENTS, EMPLOYEES, OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PARTNERS OR REPRESENTATIVES.**

Where there has been a breach of this Section, Buyer may: (a) terminate these Terms and Conditions in writing with immediate effect at no cost, liability or penalty to Buyer and without prejudice to any other rights or remedies that it may have accrued under or in connection with these Terms and Conditions or at law; and (b) retain such amounts owed to Seller as Buyer reasonably believes necessary to compensate and/or set-off any loss or liability it has or will suffer as a result of Seller's breach of this Section. If the liabilities to be set-off are expressed in different currencies, Buyer may convert either liability in its discretion at a market rate of exchange. Upon termination pursuant to this Section, Seller shall not be entitled to claim compensation or any further remuneration.

**20. Trace:** Seller represents and warrants that it shall provide Buyer with accurate, legal documentation of traceability for all Products delivered to Buyer for use in a gas turbine engine showing, at a minimum, such Products are repairable or better, non-incident related and traceable to the previous owner with full ownership and operating history ("Trace Documentation"). Such Trace Documentation may include, at Buyer's request, documentation necessary to trace a Product from production and/or prove such Product is not fraudulently marked, a production overrun or maintained or repaired by a person or facility not authorized by 14 CFR Part 43 or 14 CFR Part 145 or equivalent, where applicable. Buyer reserves the right to refuse to accept any Product without proper Trace Documentation.

**21. Export/Import Controls:** If Seller is a United States company that engages in the business of either manufacturing or exporting defense articles or furnishing defense services, Seller hereby certifies that it has registered with the United States Department of State Directorate of Defense Trade Controls

and understands its obligations to comply, and is complying with, Applicable International Trade Control Laws (as hereinafter defined). Seller shall control the disclosure of and access to technical data, information and other items received under this Purchase Order and these Terms and Conditions in accordance with Applicable International Trade Control Laws. Seller shall immediately notify Buyer if Seller should become or is listed on any United States government list of denied, excluded, un-verified or other lists of sanctioned companies including, without limitation, the Specially Designated Nationals List, the Denied Party List or the Entity List. Seller further agrees to abide by all applicable export control laws in any country from which a Product may originate. Seller shall indemnify and hold harmless Buyer from any costs, penalties, fines, damages, expenses or liabilities, including attorney's fees incurred by Buyer in connection with any violation of applicable export control laws and regulations by Seller. For purposes hereof, "Applicable International Trade Control Laws" means the import, customs, export control, sanctions and United States anti-boycott laws, regulations, and orders applicable at the time of the import, export, re-export, transfer, disclosure, or provision of technical data, goods or services including, without limitation, the: (i) Export Administration Regulations ("EAR") administered by the Bureau of Industry and Security, U.S. Department of Commerce; (ii) International Traffic in Arms Regulations (the "ITAR") administered by the Directorate of Defense Trade Controls, U.S. Department of State; (iii) Foreign Assets Control Regulations and associated Executive Orders administered by the Office of Foreign Assets Control, U.S. Department of the Treasury; (iv) Internal Revenue Code 26 USC § 999, enforced by the U.S. Department of Treasury; (v) International Emergency Economic Powers Act ("IEEPA"); (vi) Customs regulations administered by U.S. Customs and Border Protection; and (vii) applicable import, customs and export laws and regulations of other countries, except to the extent they are inconsistent with the United States laws. Prior to shipping Products to Buyer, Seller will advise Buyer of the Export Control Classification Number(s) applicable to the Products and will advise Buyer if the Products are being exported by Seller pursuant to an export license or a license exception. If shipping to Buyer under an export license, Seller will provide Buyer with a copy of the applicable export license. Seller will comply with all applicable export regulations when shipping Products to Buyer.

**22. Child Labor:** Seller must be in compliance with all current or later adopted, Applicable Laws and Standards of the exporting country and of the territory in which any Products are produced, including those governing the use of child labor, and/or governing the importation of any Products produced with child labor into the United States. Seller will not employ children under 15 years of age or who are younger than the age for compulsory education in their country, whichever is older. Seller shall retain documentation of the age of each employee that it has hired, such as a copy of a government-issued identification card or a passport.

**23. Involuntary Labor:** No prison, forced, indentured or bonded labor may be utilized in the production or delivery of any Products. No employee of Seller shall be subject to physical, sexual or psychological harassment or abuse, or cruel or unusual disciplinary practices. Seller must certify that any materials incorporated into Products provided to Buyer comply with Applicable Laws and Standards regarding slavery and human trafficking of the country in which Seller is doing business.

**24. Toxic Substances, Material Safety Data Sheets, Ingredients Disclosure and Special Warnings and Instructions:** (a) Seller warrants that each chemical substance delivered under a Purchase Order will, at the time of sale, transfer and delivery, be on the list of chemical substances compiled and published by the administrator of the United States Environmental Protection Agency pursuant to Section 8(B) of the Toxic Substances Control Act (Public law 94-469); (b) Seller will submit to Buyer prior to and with each shipment, Material Safety Data Sheets prepared in accordance with the United States Department of Labor, Occupational Safety and Health Administration, Hazardous Communication Standard and the Globally Harmonized System of Classification and Labeling of Chemicals; (c) If requested by Buyer, Seller will promptly furnish to Buyer in such form and detail as Buyer may direct (1) a list of all ingredients in the Products purchased hereunder, (2) the amount of one or more of the ingredients, and (3) information concerning any changes in or additions to such ingredients. If Seller does not have immediate access to such information, Seller will use all reasonable efforts to obtain this information and furnish it as requested to Buyer as soon as possible after delivery; (d) Prior to and with the shipment of the Products purchased hereunder, Seller agrees to furnish to Buyer sufficient warning and notice in writing (including appropriate labels on the Products, containers and packing) of any hazardous material which is an ingredient or a part of any of the Products, together with such special handling instructions as may be necessary to advise carriers, Buyer and their respective employees on how to exercise that measure of care and precaution which will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Products, containers and packing shipped to Buyer; and (e) Seller will comply with all laws, orders and regulations pertaining to the use, storage, and disposal of restricted toxic and hazardous materials.

**25. Dodd-Frank Wall Street Reform and Consumer Protection Act (Conflict Minerals):** The parties hereto recognize, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the significant legal and non-legal risks associated with sourcing cassiterite, columbite-tantalite, gold and wolframite, as well as their derivatives and other minerals, including, without limitation, tin, tantalum, tungsten and gold, that the United States Secretary of State may designate in the future (the "Conflict Minerals") from the Democratic Republic of the Congo and the "Covered Countries" as defined in Section 1502 of the Act ("DRC countries"). Accordingly, the parties hereto commit to comply with Section 1502 of the Act and its implementing regulations; to the extent Seller is not a "Registrant" as defined in the Act, Seller shall comply with Section 1502 of the Act and its implementation regulations except for the filing requirements. In particular, Seller commits to have in place a supply chain policy and processes to undertake (1) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into Products it provides to Buyer, (2) due diligence on its supply chain, as necessary, to determine if Conflict Minerals sourced from the DRC countries directly or indirectly support unlawful conflict there, and (3) risk assessment and mitigation actions necessary to implement the country of origin inquiry and said due diligence procedures. Seller shall take all other measures as are necessary to comply with the Act and its implementing regulations, including any amendments thereto.

**26. Counterfeit Products:** All Products provided by Seller to Buyer, including any that are provided by Seller's subcontractors, must be original and genuine, and in full compliance with all of Buyer's contract requirements, specifications, certifications, and any supporting data representing contract performance under this Purchase Order. Seller warrants that it has received from all of its subcontractors and suppliers all data necessary to comply with this obligation and Seller has validated all such data. Seller will ensure that none of the Products are counterfeit, inaccurately marked, or in any manner misrepresented. Seller shall have in place a process for the prevention of counterfeit of suspected counterfeit part use and their inclusion or use on any Products regardless of industry sector, consistent with these provisions and reasonable commercial terms for applicable industry sectors, which processes shall include, without limitation, compliance with AS5553B and AS9100 (clause 8.1.4), and Buyer shall have the right to audit, inspect and/or approve the process at any time before or after delivery of the Products. If any of the Products delivered or to be delivered under this Purchase Order is discovered to be a counterfeit item or suspected to be a counterfeit item, then Buyer shall have the right to impound the item for further investigation of its authenticity. Buyer's investigation may include the participation of third parties or governmental investigative agencies as required by law or regulations or by Buyer's customer, or by Buyer, in its sole discretion. Seller shall cooperate in good faith with any investigation conducted by Buyer, including, but not limited to, cooperation by Seller with respect to the disclosure of all design, development, manufacturing and Trace Documentation in respect of the item. Upon Buyer's request, Seller shall provide Buyer certificates of conformance with respect to the item under investigation. Buyer shall not be required to return the item to Seller during the investigation process or thereafter. Buyer shall not be liable for payment to Seller of the price of any suspected

counterfeit items under investigation. For purposes hereof, "counterfeit" means, without limitation, any unauthorized copy, imitation, substitute or modified part or Product, which is not a specific genuine part or Product of an original or authorized manufacturer.

**27. Disadvantaged, Minority and Women-Owned Enterprises:** For work performed in the United States under any Purchase Order placed by a United States Buyer, Seller shall exercise reasonable commercial efforts to use small disadvantaged, minority, and women-owned enterprises. The overall target (i.e., dollar value, percentage of purchases, etc.) for purchases made from disadvantaged, minority, and women-owned suppliers may be negotiated as part of this or any Purchase Order. Upon request, Seller will provide monthly reports to Buyer detailing small disadvantaged, minority, and women-owned enterprises contracted in support of Seller's obligations hereunder.

**28. Security of Buyer Information Stored by Seller:** Seller covenants to maintain and comply with administrative, technical and physical safeguards that are designed to: (a) protect the security, availability and integrity of Seller's network, systems and operations, the Products and Buyer's Information; (b) guard against security issues; and (c) satisfy the requirements for certification under ISO 27001. Seller covenants to maintain a written security program, reasonably acceptable to Buyer that includes appropriate administrative, technical, organizational and physical safeguards, security awareness and security measures designed to protect Buyer's Information from unauthorized access and use. Seller further covenants that it shall only collect, access, use or share Buyer's Information, transfer Buyer's Information to authorized third parties, in performance of its obligations under the Terms and Conditions and/or any Purchase Order, or to comply with legal obligations. Seller shall not make any secondary or other use (e.g., for the purpose of data mining) of Buyer's Information, except (i) as expressly authorized in writing by Buyer in connection with Buyer's purchase of the Products hereunder, or (ii) as required by law. Seller agrees to allow Buyer or its designee to conduct a security audit at its facilities on three (3) business days' notice, and allow Buyer at any time to conduct (or have conducted) a network audit. Seller covenants to use, and will cause Seller's employees and agents to use, appropriate forms of encryption or other secure technologies at all times in connection with the processing of Buyer's Information, including in connection with any transfer, communication, remote access or storage (including back-up storage) of Buyer's Information, as authorized or permitted under these Terms and Conditions and/or Purchase Order. Seller will provide to Buyer (i) immediate written notice of any failure to meet the then current standards for information security, and (ii) any and all reasonably suspected and/or confirmed security issues. Seller shall take all steps to mitigate risks posed, consult in good faith with Buyer regarding remediation efforts, and undertake a remediation plan which Buyer determines in its sole but reasonable discretion, to be necessary, reasonable or appropriate under the circumstances commensurate with the nature of the security issue or failure, or as requested by any government body. Seller agrees that it will be solely responsible for all costs and expenses, including, without limitation, the reasonable costs of re-testing performed to verify that any security issue has been remediated. Failure to remedy the risks of a security issue or failure within the time frame and manner specified by Buyer is deemed a material breach of these Terms and Conditions.

**29. Disaster Recovery:** Seller shall develop and maintain a disaster recovery plan acceptable to Buyer for the recovery and continuation of business related to the supply, design, development, certification, manufacture, sale, use and/or support of the Products furnished hereunder, in the event of a disaster or emergency. The disaster recovery plan shall, among other matters, prevent or limit the interruption of the supply of Products in conformity with the requirements set forth herein. Seller shall furnish a copy of the disaster recovery plan to Buyer upon request, and Buyer shall have a right to audit such plan upon reasonable notice to Seller.

**30. Aviation-Unique Requirements:** [If Applicable] (a) Seller shall immediately notify Buyer upon receipt of any Government-Industry Data Exchange Program ("GIDEP") alert related to the Products and shall provide Buyer a list of all affected Products by Purchase Order, part number, invoice number, serial number, or any other identifying number as applicable. For GIDEP alerts caused in whole or in part by the Products, Seller shall immediately replace all affected Products at its sole expense including any installation and removal costs for the Products so affected and reimburse Buyer for any damages and commercially reasonable expenses incurred by Buyer. (b) If the United States Department of Transportation, Federal Aviation Administration ("FAA"), or other aviation authority, issues Airworthiness Directives ("Ads"), or the equivalent of ADs, related to the Products, Seller shall immediately remove the cause(s) of the ADs or AD equivalents in all Products delivered and to be delivered to Buyer, including, but not limited to, Products utilized in the field. Seller shall reimburse Buyer for any costs and damages associated with removal, redelivery and installation of the Products, incurred by Buyer as a result of such ADs or equivalent of ADs which are attributable to the Products. Following completion of any Buyer-required reviews and approvals, Seller shall provide all service bulletins, safety bulletins and ADs (collectively, "Bulletins") to Buyer immediately upon issuance. Seller shall implement Seller's recommendations contained in Bulletins on all Products delivered and to be delivered to Buyer hereunder. (c) Acceptance of this Purchase Order constitutes Seller's consent and grants to Buyer a right of entry for Buyer, Buyer's customers and regulatory agencies to Seller's and Seller's subcontractors' premises to inspect and determine the quality of Products and any other contracted work, including access to any materials, records, processes and/or services provided to Buyer in accordance with 14 CFR Part 21.310 or 14 CFR 145.223(b), as applicable. (d) Seller acknowledges that it and any of its subcontractors shall have a quality management system in place at their respective facilities that meets the requirements of ISO9000 series, AS9000 series or the equivalent certification in accordance with 14 CFR 145.217(b)(1). Products or components furnished are not to be subcontracted for any of the maintenance without the express written approval of Buyer's quality systems/compliance department. Records of approvals, certificates of conformance and/or FAA 8130-3 Authorized Release Certificates, Airworthiness Approval Tags shall be submitted to Buyer by Seller with each shipment made hereunder, and Seller agrees to supply such other information to Buyer as Buyer may request in writing. (e) Seller and all United States domestic subcontractors and sub-tiers performing maintenance, preventative maintenance, rebuilding and alteration services (or providing Products) in accordance with Title 14 CFR part 43 on Buyer's provided civil aviation products or components must hold or participate in a FAA-approved Antidrug and Alcohol Misuse Prevention Plan as specified in Title 14 CFR part 120.

**31. Change in Control:** Upon Seller's disclosure of any change in control, Buyer shall have the right to terminate all or any portion of this Purchase Order, in its sole discretion and without further liability or obligation to Seller.

**32. Seller Access to and Use of Buyer Facilities:** Seller agrees to comply with any of Buyer's policies and procedures relating to any Seller access to and/or use of Buyer facilities relating to this Purchase Order, including, without limitation: (a) filling out pre-access and pre-use visitor questionnaires relating to Seller and any Seller employees, representatives and/or agents (collectively, "Seller Personnel") who would access and/or use any Buyer facility; (b) ensuring that all Seller Personnel have and maintain government-issued photo identification cards and comply with Buyer facility badging and other procedures; and (c) executing a non-disclosure agreement, if requested by Buyer. Seller Personnel shall at no time be permitted to take photographs while on the premises of any Buyer facility. If any Seller Personnel require access to and/or use of any Buyer facility at which Buyer has active government contracts or repairs in process on ITAR- or EAR-controlled parts, Seller agrees to, and shall cause Seller Personnel to agree to, comply with ITAR, EAR and any other Applicable International Trade Control Laws, and any restrictions that may apply to certain persons thereunder.

**33. Subcontracting:** Any subcontracting by Seller of all or substantially all of its responsibilities or obligations hereunder requires Buyer's prior written consent. Any such subcontracting by Seller of its responsibilities or obligations hereunder, without Buyer's prior written consent, shall be wholly void, invalid and totally ineffective for all purposes. In the case of any subcontracting or approved delegation of any of its responsibilities or obligations hereunder,

Seller shall perform all supply management activities that are necessary for the on-time delivery of Products conforming to the requirements set forth herein. Seller shall be solely and fully responsible for monitoring said suppliers under all provisions of the applicable subcontracts, and for ensuring that each of its suppliers complies with the requirements set forth herein. Seller shall remain fully liable to Buyer for, and shall be Buyer's sole point of contact for, all aspects of proper performance of the Purchase Order, regardless of (i) any subcontracting, (ii) Buyer approval of the subcontractors, or (iii) Seller's failure to ensure the relevant subcontracts contain provisions that comply in substance with the requirements set forth herein.

**34. Compliance with Laws:** Seller represents, warrants and covenants that it has complied, and will continue to comply with, all applicable federal, state and local laws and statutes (the pertinent language of which is hereby incorporated by reference), including but not limited to Fair Labor Standards Act of 1938, Occupational Safety and Health Act of 1970, Americans with Disabilities Act of 1990, Title VI of the Civil Rights Act of 1964, Family and Medical Leave Act of 1993, as each may be amended from time to time, and any and all other identification and procurement of required permits, certificates, approvals and inspections, labor and employment obligations, affirmative action, wage and hour laws and any other laws which subsequently become applicable. Seller represents, warrants and covenants that it has complied, and will continue to comply with, all applicable federal, state and local laws and statutes, including those relating to pollution control, waste disposal, hazardous substances, and protection of the environment, and Seller shall hold Buyer harmless from and against any and all liability due to Seller's failure to so comply.

**35. Dispute Resolution:** Any claims, disputes or controversies arising out of these Terms and Conditions between the parties hereto shall first be discussed in good faith between each party's respective Account Manager or other designated customer representative. If the parties' respective Account Managers or other customer representatives are unable to resolve the dispute within twenty (20) business days from the date of the first such discussion concerning the claim, dispute or controversy, an authorized, senior officer of each party shall meet within fifteen (15) business days from the conclusion of the previous twenty (20) day period to discuss and resolve such claim, dispute or controversy in good faith. If the parties' respective officers are unable to resolve the claim, dispute or controversy within thirty (30) business days from the date of the first meeting of the officers, unless that period is extended by mutual written agreement, either party shall be entitled to file the appropriate lawsuit in the state or federal courts situated in the Borough of Manhattan, New York, United States of America.

**36. Governing Law:** All matters arising from or relating to these Terms and Conditions shall be governed and construed in accordance with the laws of the state of New York, United States of America, without giving effect to any choice-of-law provision or rule (whether of the state of New York or any other jurisdiction) that would cause the application of the laws of any other jurisdiction. The federal or state courts situated in the Borough of Manhattan, New York, United States of America, have exclusive jurisdiction over the resolution of all disputes that arise under this Agreement, and each party irrevocably submits to the personal jurisdiction of such courts and waives any objection to venue in any such court and any claim that any such court is an inconvenient forum. The United Nations Convention on Contracts for the International Sale of Goods shall not be applicable to the parties' rights or obligations under these Terms and Conditions or any Purchase Order issued pursuant hereto.

**37. Miscellaneous:** The rights herein granted are for the benefit of the parties hereto and are not for the benefit of any third person, firm or corporation, and nothing herein contained shall be construed to create any rights in any third parties under, as the result of, or in connection with this Purchase Order.

Where applicable, Seller shall ensure that there is a written contract between Seller and any of its subcontractors supplying services or goods in connection with these Terms and Conditions which imposes terms equivalent to those imposed on Seller in these Terms and Conditions ("Relevant Terms"). Seller shall be responsible for the observance and performance of the Relevant Terms, and shall be directly liable to Buyer for any breach of any of the Relevant Terms. Seller shall flow down to its supply chain Buyer's requirements and these Terms and Conditions, as applicable.

If any provision of these Terms and Conditions or application thereof is found invalid, illegal or unenforceable by law, the remainder of these Terms and Conditions will remain valid, enforceable and in full force and effect and the parties hereto will negotiate in good faith to substitute a provision of like economic intent and effect. These Terms and Conditions contains the entire and only agreement between the parties hereto, and supersedes all pre-existing agreements between such parties, respecting the subject matter hereof, and any representation, promise or condition in connection therewith not incorporated herein shall not be binding upon either party hereto.

No part of this Purchase Order may be assigned or subcontracted without the prior written approval of Buyer. Any assignment or transfer of this Purchase Order without such written consent shall be null and void. This Purchase Order shall inure to the benefit of, and be binding upon, the successors and assigns of Buyer without restriction. A waiver of any default hereunder or of any term or condition of these Terms and Conditions shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition hereunder.

The relationship between Seller and Buyer will be that of independent contractors and not that of principal and agent, nor that of legal partners. Neither party hereto will represent itself as the agent or legal partner of the other party nor perform any action that might result in other persons believing that it has any authority to bind or enter into commitments on behalf of the other.

Seller shall retain all records relating to this Purchase Order for a period of ten (10) years.