

KLX Inc., KLX Aerospace Solutions & KLX Aerospace Solutions Defense
General Purchase Order Provisions

- 1. ACCEPTANCE, ENTIRE AGREEMENT, AND MODIFICATION.** This order is for the purchase and sale of goods and services described on the face of this order (“Items”). This order and these general purchase order provisions are an offer from KLX Inc., acting through its Aerospace Solutions and Aerospace Solutions Defense divisions, including its, agents, authorized representatives, affiliates, subsidiaries, successors or assigns (“Buyer”) to the person, firm or company to whom this order is addressed (“Seller”). Any acceptance of this order is expressly limited to acceptance of the terms of this order and these terms and conditions. This order shall be deemed accepted upon the return of the acknowledgment copy of this order or the commencement of performance by Seller. Buyer rejects any additional or different terms and conditions offered by Seller at any time, whether or not such terms or conditions materially alter the order and irrespective of Buyer’s acceptance of or payment for Items. These terms and conditions constitute the entire agreement between the parties, superseding all oral or written prior agreements and all other understandings, communications or proposals between Buyer and Seller relating to the subject matter of this order. No change to or modification of this order or these terms and conditions shall be binding upon Buyer unless in writing and signed by an authorized representative of Buyer’s procurement or purchasing office at Buyer’s place of business issuing this order. No course of prior dealings between the parties, and no usage of trade, shall be relevant to supplement or explain any term used in the order.
- 2. PROTECTION OF PROPERTY AND INFORMATION.**

 - A. PROPERTY.** For the purpose of these terms and conditions, “Property” shall mean all materials, equipment, tools, and facilities furnished to Seller by Buyer, or paid for by Buyer under this order, as well as any improvements thereto or replacements thereof. Title to all Property shall be vested in Buyer with the right to demand possession at any time. Seller may use Property only in the performance of work for Buyer. Buyer does not warrant any aspect of the Property. Seller bears the risk of loss of, and is responsible for paying all personal property taxes that accrue on, all Property that is in the custody or control of Seller or any supplier or subcontractor to whom Seller delivers Property as permitted below. Seller will establish and maintain a system to control, protect, preserve, and maintain all Property in good condition and repair. All Property is subject to removal and return at Buyer’s written request, in which event Seller, at Buyer’s expense, will prepare such Property for shipment and deliver it to Buyer in the same condition as originally received by Seller, reasonable wear and tear excepted. Buyer may enter Seller’s premises at any reasonable time to inspect Property and Seller’s records with respect thereto. Upon completion or termination of this order, Seller will retain all Property at its expense until disposition directions are received from Buyer. Seller may not deliver custody of any Property to any person or entity other than Buyer without Buyer’s prior written permission. If, with Buyer’s prior written permission, Seller furnishes Property to any supplier or subcontractor of Seller for use in performance of this order, Seller shall: (i) insert the substance of this Section 2.A in all orders to such supplier or subcontractor; and (ii) remain responsible for any breach by such supplier or subcontractor of this Section 2.A.
 - B. INFORMATION.** For the purpose of these terms and conditions, all Property and Other Data provided to Seller from Buyer or other suppliers of Buyer shall be treated as “Information”. For the purpose of these terms and conditions, “Other Data” shall mean all technical data (including without limitation manufacturing, process, test or repair data, know-how, designs, and data describing physical, functional, and/or performance characteristics), computer software, and all other information and/or data that: (i) has been supplied to Seller (or any other person) by or on behalf of Buyer, whether transmitted in writing, orally, or otherwise; (ii) Seller has designed, developed, or created at Buyer’s expense; and (iii) all derivatives of (i) and (ii) that Seller has designed, developed, or created. Except to the extent specifically provided in these terms and conditions, Seller shall have no rights in any Information. Except as permitted in this Section 2.B., Seller may use Information only in the performance of work for Buyer and, upon Buyer’s request, Seller will deliver all Information and all copies thereof to Buyer. All Information prepared by Seller specifically in connection with performance of this order, including original works of authorship created by Seller, are considered “works made for hire” under U.S. Copyright Law. Buyer shall be deemed the author of such works. If any such work is determined not to be a work made for hire, this Section 2.B. shall operate as an irrevocable assignment by the author of such work to Buyer of the copyright in the work, including all right, title, and interest throughout the world, including the right to make derivatives thereof and revisions thereto. Seller further agrees to assign to Buyer all other intellectual property rights to Information or to any item designed, or created using such Information. Seller may not disclose Information to any person or entity without Buyer’s prior written permission. If, with Buyer’s prior written permission, Seller furnishes Information to any supplier or subcontractor of Seller for use in performance of this order, Seller shall: (i) insert the substance of this Section 2.B. in all orders to such

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supplier or subcontractor; and (ii) remain responsible for any breach by such supplier or subcontractor of Section 2.B.

- C. **AFTERMARKET ACTIVITY.** For the purpose of these terms and conditions: (i) “Product” shall mean anything designed, developed, or created using Information; (ii) “Buyer Part” shall mean any component, part, or detail of any component or part, designed, manufactured and/or sold by Buyer; and (iii) “Aftermarket Activity” shall mean transactions (including sales to third parties, including the U.S. Government) for products or services by Seller related to or based on the following: (a) creating a repair for a Buyer part; (b) designing a new part that is similar or identical to a Buyer Part; (c) comparing a Buyer Part design with another part design; (d) obtaining Parts Manufacturing Approval (PMA) from the Federal Aviation Administration (“FAA”) pursuant to Part 21.303 of the Federal Aviation Regulations; (e) obtaining approval from a Designated Engineering Representative (DER) under FAA Order 8110.4 to repair a Buyer Part; or (f) obtaining any other governmental approval to manufacture or repair a Buyer Part. Except pursuant to Buyer’s prior written permission, Seller shall not use (or assist others in using) Information to engage in Aftermarket Activity. Seller must obtain Buyer’s written permission before selling any Product to any third party purporting to purchase Products under authority of Buyer.
- D. **TRAINING OF EMPLOYEES.** Seller will maintain adequate processes to protect Buyer’s Property and Information from improper use and/or disclosure, and will train its employees appropriately to follow such processes. Seller’s failure to comply with the foregoing sentence shall constitute grounds for termination of this order for Default by Buyer.

3. **DELIVERIES AND SHIPMENTS.** Delivery of Items in accordance with the schedule are a material requirement of this order. **TIME IS OF THE ESSENCE.** Seller shall not, without Buyer’s prior written consent, manufacture or procure materials in advance of Seller’s reasonable lead-time. Seller will, at its expense, ship by express or air shipment or by the most expeditious way if the delivery schedule is endangered for any reason other than Buyer’s fault. Buyer reserves the right to reject all or any part of any delivery that varies from the quantity authorized by Buyer for shipment. All items shall be packaged, at Seller’s expense, in accordance with Buyer’s instructions or, if none are specified, in accordance with good commercial practice in a manner sufficient to ensure arrival in an undamaged condition. Items shipped in advance of Buyer’s delivery schedule may be returned at Seller’s expense. If requested by Buyer, Seller shall give notice of shipment to Buyer at the time of delivery of any shipment of Items to a carrier for transportation. Unless otherwise specified on the face of this order, Seller shall deliver Items DDP (Buyer’s facility identified on the face of this order) Incoterms 2010, where title and risk of loss of Items shall pass to Buyer.
4. **PRICE.** This order shall be limited to the prices specified on this order, which are not subject to increase unless specifically authorized by an amendment to this order. If this order omits price terms, the price of the Items shall be the price last quoted or paid, whichever is lower. Unless otherwise provided in this order, prices specified on this order shall include all taxes, customs duties, customs fees or other governmental charges imposed upon the manufacture, sale or transportation of the Items specified herein. Buyer shall receive the benefit of any general reduction in Seller’s prices implemented prior to delivery. In no event shall Seller charge prices to Buyer that are higher than Seller charges to its other customers for goods of like grade and quality and in substantially the same quantities.
5. **INSPECTION.** Notwithstanding: (i) payment; (ii) passage of title; or (iii) prior inspection or test, all Items are subject to final inspection and acceptance or rejection by Buyer at Buyer’s facility. At all reasonable times, including the period of manufacture, Buyer, its customers, and/or representatives of the FAA or other cognizant aviation regulatory bodies may inspect and/or test the Items to be furnished hereunder at the places where the work is being performed, including those of the Seller’s suppliers, and Seller shall provide, without additional charge, reasonable facilities and assistance for safe and convenient inspection and test. Buyer may inspect 100% or a sample of all Items or any lot of Items at Buyer’s option, and Buyer shall have the right to reject all or any portion of the Items or lot of Items if any such inspection reveals them to be, in Buyer’s sole opinion, defective or nonconforming. Seller shall provide and maintain a test and inspection system acceptable to Buyer and its customers, if required. Records of all inspection work by Seller shall be kept complete and available to Buyer and its customers during the performance hereof and for 10 years after final payment by Buyer or for such longer period as may be specified elsewhere.
6. **WARRANTY.**
- A. Seller warrants to Buyer, its successors and customers that for a period of 24 months after acceptance of Items, that all Items furnished to Buyer will be free from defects in material and workmanship, will conform to applicable drawings, designs, specifications, and samples, will meet all functional and

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performance requirements and, to the extent this order calls for services to be performed, that such services will be free from defects in workmanship, will meet all of the requirements of this order and will be performed to the highest standards of workmanship in the industry (all of which are hereinafter collectively called "Conforming Items").

- B. In the event Conforming Items are not furnished, within 20 days after the non-Conforming Item is returned to Seller, Seller shall repair or replace such non-Conforming Items. The failure of Seller to repair or replace and redeliver such non-Conforming Items within such 20-day period shall entitle Buyer, at its election and in addition to any other rights or remedies it may have at law or in equity, to have such non-Conforming Items corrected at Seller's expense. In addition to the costs of repairing or replacing such non-Conforming Items Seller agrees that, notwithstanding the provisions of any warranties, expressed or otherwise, negotiated with respect to Items purchased from Seller by Buyer or Buyer's customers, Seller shall reimburse Buyer, its successors and customers for labor and material cost, including overhead and general administrative expense reasonably incurred by Buyer, its successors and customers in connection with: (i) the unscheduled removal and/or replacement of such Items or components thereof from a higher level assembly due to failure of such Items to conform to requirements of this order or defective material, workmanship, or design; (ii) any such removal of said Items at Seller's request; or (iii) any such removal of said Items required due to any previously required changes to said Items which Seller has failed to incorporate. This remedy is not exclusive and shall not be in lieu of any other remedy available at law, in equity, or under this order.
- C. The warranty period shall be suspended upon notice that non-Conforming Items have been furnished until they have been repaired or replaced and redelivered to Buyer postage or freight prepaid, or in the case of nonconforming services, have been corrected. The un-expired portion of the warranty shall be applicable to the repaired, replaced or corrected Conforming Items.

7. CHANGES.

- A. Buyer may, at any time, by a written change order, without notice to any sureties, make changes in any one or more of the following: (i) drawings, designs, specifications, where the Items to be furnished are to be specially manufactured for the Buyer in accordance therewith; (ii) method of shipment or packing; (iii) place or time of inspection, delivery, or acceptance; (iv) the quantity and/or type of services ordered; (v) the work or service schedules; or (vi) the amount of any Buyer furnished property. If any such change causes an increase or decrease in the cost of or time required for performance of this order, whether or not changed by the order, an equitable adjustment shall be made in the price or delivery schedule or both and this order shall be modified accordingly. No claim by Seller for adjustment hereunder shall be allowed unless made in writing for a specified amount within 20 days from the date notice of any such change is received by Seller. If Seller considers that the conduct, statement or direction of any of Buyer's employees constitutes a change hereunder, Seller shall notify Buyer's authorized representative and take no action on the perceived change pending written approval of Buyer's authorized representative. Only Buyer's authorized representative has authority to approve a change. Any change made by Seller without such written approval shall be deemed voluntary by Seller and not compensable in the cost of or time required for performance. Nothing in this Section shall excuse Seller from proceeding with performance of this order as changed.
- B. Notwithstanding the above or any other provision of this order, Seller hereby agrees that any changes that are made to meet the specified performance requirements of this order shall not entitle Seller to any adjustment in either price or delivery.

8. DESIGN CHANGES. During performance of this order, Seller shall not make any changes in the design of Items to be furnished by Seller under this order without advance written notification to and written approval of Buyer. The above requirement applies whether or not there is a cost impact associated with the change and regardless of the type of change involved, including product improvements.

9. STOP WORK ORDERS. Buyer may, at any time by written order, require Seller to stop all or any part of the work under this order for a period of up to 120 days after delivery of such stop work order, and for any further period as the parties may agree. Immediately upon receipt of such stop work order, Seller shall comply with its terms and take all reasonable steps to minimize the incurring of costs allocable to the work stoppage. At any time during such period, Buyer may, in whole or in part, either cancel the stop work order or terminate the work in accordance with Section 10.A., Termination, of this order. To the extent the stop work order is canceled or expires, Seller shall resume work. If a stop work order is the sole and exclusive cause of a material change in cost or delivery, an adjustment shall be made in the price (excluding profit) or the delivery schedule, or both and this order modified accordingly; provided, however, that no adjustment

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in price or delivery shall be made under this Section if: (i) the work would have been otherwise interrupted or delayed; or (ii) such adjustment is available or expressly excluded under any other provision of this order. No claim for adjustment shall be allowed unless submitted to Buyer in writing in a specified amount within 20 days after the work is terminated or the stop work order expires or is canceled whichever first occurs.

10. TERMINATION.

- A. By written notice, Buyer may terminate this 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 all of its suppliers and subcontractors to cease work. Subject to the terms of this order, Seller shall be paid a portion of the order price reflecting the actual costs incurred for the work performed prior to the notice of termination, plus reasonable charges Seller can demonstrate to the satisfaction of Buyer using its standard record keeping system, that have resulted from the termination. Seller shall submit its claim no later than 6 months after receipt of the termination notice. Seller shall make reasonably available to Buyer or Buyer's representative, any books, records and papers supporting its claim. Seller shall not be paid for any work performed or costs incurred which should have been avoided. Upon Buyer's payment to Seller in accordance with this Section 10.A., title to all equipment, materials, work-in-progress, special tooling, finished products, and anything acquired for this order, and any plans, drawings, specifications, Information, and other things that would have been required to be delivered to Buyer, shall vest in Buyer.
- B. By written notice, Buyer may terminate this order in whole or in part: (i) if Seller fails or refuses to perform in accordance with any of the requirements of this order or to make progress so as to endanger performance hereunder; (ii) if Seller becomes insolvent or suspends any of its operations or if any petition is filed or proceeding commenced by or against Seller (whether voluntary or involuntary) under any federal or state law, or under any agreement, instrument, security interest, or similar arrangement, relating to bankruptcy, arrangement among debtor and creditors, reorganization, receivership or assignment for the benefit of creditors; (iii) if Seller fails to provide Buyer, upon request, with adequate assurances of future performance within the time period requested by Buyer; or (iv) if Seller engages in any use or disclosure of Information that is not expressly permitted under the terms of this order (each, a "Default"). Any such termination will be without liability to Buyer except for completed Items delivered and accepted by Buyer, payment for which can be set off against damages to Buyer. Buyer may require Seller to transfer title and deliver to Buyer any or all property produced or procured by Seller for performance of the work completed as of the termination and Seller shall be credited with the reasonable value thereof not to exceed Seller's actual incurred costs or the order price, whichever is less. Seller will be liable for damages caused by or resulting from a Default including but not limited to excess costs of re-procurement. If, after a termination pursuant to clause (i), (iii), or (iv) of this Section 10.B., it is determined that Seller was not in Default, the termination shall be deemed a termination for convenience in accordance with Section 10.A. Buyer or its designee shall have the right to audit all elements of any termination claim and Seller shall make available to Buyer or Buyer's designee on request all books, records, and papers relating thereto. Termination of the order pursuant to this Section 10.B. shall be without prejudice to any other rights and remedies of Buyer under statute or common law.
- C. To the extent this order is not terminated pursuant to Sections 10.A. or 10.B., above, Seller shall continue performance.

11. EXCUSABLE DELAYS. Neither party shall be in default for any delay or failure to perform hereunder due to causes beyond its control and without its fault or negligence; provided, that any delay or failure to perform caused by the default of a supplier of Seller at any lower-tier shall be excused only if: (i) it is beyond the control of both Seller and such supplier and without the fault or negligence of either; (ii) the parts to be furnished are not obtainable from other sources in sufficient time to permit Seller to meet the delivery schedule; and (iii) Seller furnishes prompt written notice to Buyer of the occurrence of any such cause that will or may delay Seller's performance. If delivery of any Item is delayed by any excusable delay for more than 90 days, Buyer may, without any additional extension, cancel all or part of any order with respect to the delayed Item, and exercise any of its remedies in accordance with Section 10.B.

12. NEW MATERIAL. Seller shall only supply Buyer with new materials. Seller warrants that none of the items furnished under this order are surplus, used, remanufactured, remarked, reconditioned or counterfeit or of such age or so deteriorated as to impair the usefulness or safety thereof, unless otherwise specifically stated on the face of this order. In order to prevent the acceptance and shipment of fraudulent and counterfeit materials, Seller must meet industry AS5553, AS6174 or equivalent standard. Seller shall immediately notify Buyer if Seller becomes aware or suspects that it has furnished fraudulent or counterfeit materials.

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Buyer shall not return or pay for any fraudulent or counterfeit materials but shall provide evidence of such to Seller.

- 13. PAYMENT TERMS.** Unless otherwise provided on this order, Buyer will pay all Seller invoices within 90 days. Payment periods and cash discount periods will be computed from either the date of delivery or acceptance of the Items ordered or the date of receipt of correct and proper invoices prepared in accordance with the terms of the order, whichever is later. The payment date will be delayed on a day-for-day basis for any Item that is delivered later than called for by the schedule on the face of this order.
- 14. SETOFF.** Buyer may setoff any amount due from Seller to Buyer, whether or not under this order, from any amounts due to Seller under this order.
- 15. INJUNCTIVE RELIEF.** Nothing contained herein shall operate to waive or limit Buyer's right to seek injunctive relief with respect to any breach or threatened breach by Seller of its obligations under these terms and conditions.
- 16. PATENT, TRADEMARK AND COPYRIGHT INDEMNITY.** Except when the work hereunder or supplies are manufactured to detailed designs originated and furnished by Buyer or by a process or method the use of which is specifically directed by Buyer, Seller guarantees that the Items produced hereunder and the sale, importation or use of them will not infringe any third party patents, trademarks or copyrights ("Third Party Rights") and Seller shall indemnify and save Buyer and its customers harmless from any expense, loss, cost, damage, or liability which may be incurred on account of infringement or alleged infringement of Third Party Rights with respect to such Items, and defend, at its own expense, any action or claim in which such infringement is alleged, provided Seller is notified of such actions or claims by Buyer. In the event of an injunction or restraining order, Seller shall, at its own expense, either procure for Buyer the right to continue to sell and use the Item, or replace or modify the Item so that it becomes non-infringing.
- 17. INDEMNIFICATION.** Seller shall indemnify, defend and hold harmless Buyer and its affiliates, shareholders, officers and employees from and against any and all claims, demands, actions, losses, damages, liabilities, costs and expenses, including but not limited to attorneys' fees, arising out of or in connection with: (i) the inaccuracy of any representation or warranty by Seller; (ii) the breach by Seller of any promises, covenants or conditions made by Seller to Buyer; or (iii) any Items supplied by Seller under this order. In the event Seller, its employees, agents, subcontractors, and/or lower tier subcontractors enter premises occupied by or under the control of Buyer or third parties in the performance of this order, Seller shall indemnify, hold harmless and defend Buyer and its affiliates, shareholders, officers and employees from any loss, cost, damage, expense or liability by reason of property damage, death or personal injury, including Seller's employees, of any nature or kind whatsoever arising out of, as a result of, or in connection with such performance occasioned in whole or in part by the actions or omissions of Seller, its employees, agents, subcontractors, and/or lower tier subcontractors.
- 18. INSURANCE.** Without in any way limiting the foregoing indemnification undertakings, Seller and its subcontractors and any lower tier subcontractors shall maintain adequate insurance, naming Buyer an additional insured, to cover any product liability, public liability, property damage and automobile liability or any damage incurred in connection with Seller's performance of any work on or about Buyer's premises and shall maintain proper Workmen's Compensation insurance covering all employees performing this order. If requested by Buyer, Seller will furnish certificates of insurance from its insurance carriers evidencing compliance with the foregoing obligation.
- 19. WAIVER OF LIENS.** Upon receipt of this order and as consideration in the payment sum, Seller hereby expressly waives and releases (i) any and all rights in or claims of mechanics or other liens in connection with this order, (ii) any and all rights against any labor, services, material (including part or product), payment, or performance hereunder, furnished through the date of delivery and (iii) any and all claims for additional compensation of any kind and excepting those rights, liens and claims that Seller might have in any undisputed amounts, on account of labor or materials, or both. Seller agrees to promptly furnish or cause to be furnished to Buyer, on Buyer's request, a waiver or waivers of such liens in a form acceptable to Buyer.
- 20. SUBCONTRACTING:** Without the prior written consent of Buyer, Seller shall not subcontract for procurement of all or any number of the Items covered by this order in completed or substantially completed form. Seller will be responsible for the performance of its subcontractors and suppliers and any breach or default of any provision of this order by any of them shall be deemed a breach or default by Seller.
- 21. STANDARDS OF CONDUCT, INTEGRITY, AND COMPLIANCE.** Buyer conducts its business in strict compliance with applicable laws, rules, and regulations with honesty and integrity and with a strong commitment to the highest standards of business ethics. In addition, it is the policy of Buyer to enter into

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supplier agreements only with companies that have a demonstrated record of, and commitment to, the highest ethical standards. Seller agrees that Seller will, at all times, adhere to the standards set forth in Buyer's Code of Business Conduct (the "Code") and will fully comply and take all necessary steps to assist Buyer in complying with the Code as well as any other customary standards of business conduct prescribed by law or regulation. Seller shall, at all times, carefully comply with all rules, laws and regulations pertaining to entertainment or providing gratuities.

- 22. NOTICE TO BUYER OF LABOR DISPUTES.** Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to Buyer. Seller shall include this paragraph in each lower-tier subcontract under this order.
- 23. SELLER'S STATUS AS INDEPENDENT CONTRACTOR.** Seller is an independent contractor and while performing work on or off Buyer's premises, neither it nor any of its agents or employees shall be considered agents or employees of Buyer.
- 24. EXPORT CONTROL AND IMPORT COMPLIANCE.** Seller shall comply with all applicable export control and import laws and regulations, including, but not limited to, the requirements of the U.S. Arms Export Control Act (22 USC 2751-2794), the U.S. International Traffic in Arms Regulations ("ITAR") (22 CFR Parts 120 - 130), the U.S. Export Administration Act (50 USC App 2401-2420), the U.S. Office of Foreign Assets Control regulations, the U.S. Foreign Trade Regulations, the U.S. Customs and Border Protection regulations, EU, EU member state, and UK import, export, and economic sanctions rules and regulations, Australian Customs Act and Regulations, Australia Autonomous Sanctions Act and Regulations, Australia Defense Trade Controls Act, Singapore Customs Act, Singapore Regulations of Imports and Exports Act, Singapore Strategic Goods (Control) Act, and all requirements to obtain any and all export or import licenses, approvals and agreements. Seller shall provide Buyer with export and import classification data, including, but not limited to, classification numbers according to EU, EU member state, or UK Military Lists, classification numbers according to Annex 1 of Regulation No 428/2009/EC (European Dual Use Regulation), Australian Harmonized Export Commodity Classification ("AHECC"), Export Control Classification Number ("ECCN"), Harmonized Tariff Schedule ("HTS") code or ITAR Category, as applicable. Seller shall complete Buyer's "Item Part No. Classification Form" to facilitate Item export classifications. Seller may access such form at <http://www.klxaerospace.com/supplier-resources/supplier-communications>. Seller shall provide updates to Buyer in a timely manner as changes occur.
- 25. COMPLIANCE WITH LAWS.**
- A. Seller warrants that the performance of any work pursuant to this order and the delivery of any Items is and shall, in all respects be in strict compliance with all laws, rules, regulations, ordinances, proclamations, demands, directives, or other legal requirements that now govern or may hereafter govern the manufacture, sale or delivery of the Items contemplated by this order including but not limited to any applicable laws relating to basic working conditions and human rights, including laws relating to slavery and human trafficking. Seller agrees to obtain all necessary permits and licenses at its expense. Seller agrees upon request to furnish Buyer with a certificate of compliance relating to any such laws and regulations in such form as Buyer may require. Seller agrees to indemnify and hold Buyer harmless from any liability arising from any failure of Seller to comply with such laws and regulations.
- B. For any order under a contract or subcontract with the U.S. government, the terms and conditions in the Code of Federal Regulations ("CFR"), Federal Acquisition Regulation ("FAR"), any agency supplement to the FAR (e.g., the Defense Federal Acquisition Regulation Supplement ("DFARS")), and/or independent agency regulations (e.g., FAA) described below are incorporated by reference and made a part of this order if, by the terms of the clause or the instructions below, they are applicable to this order, with date of the clause being the same as the date of the clause in Buyer's contract with its customer unless otherwise noted. Seller may contact Buyer to obtain full text copies of the clauses. As appropriate to effectuate the intent of the clause, the word "Government" or the "United States" in the incorporated clauses shall mean "Buyer," the word "Contractor" shall mean "Seller," and the word "Contracting Officer" shall mean an authorized representative of Buyer. It is intended that the referenced clauses shall apply to Seller in such manner as is necessary to reflect the position of Seller as a subcontractor to Buyer and to ensure Seller will satisfy its obligations to its customer. Seller shall include all applicable regulations in each lower-tier subcontract under this order. In the event more than one clause applies to a particular situation, the most restrictive one shall govern, unless the parties agree in writing to the contrary. The following clauses are incorporated:

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- (1.) 14 CFR 21.303, Parts Manufacturing Approval (PMA) under FAA regulations (including FAA Order 8110.42 and 14 CFR Part 21, Subpart K)
- (2.) 14 CFR 39.13, Airworthiness Directives (including FAA Order 8110.4)
- (3.) 15 CFR 700, Defense Priorities and Allocations System (DPAS) regulations for rated orders
- (4.) 22 CFR 120–130, U.S. International Traffic in Arms Regulations (including requirements under the U.S. Arms Export Control Act, 22 USC 2751-2794 and the U.S. Export Administration Act, 50 USC Appx. 2401-2420, as amended)
- (5.) FAR 52.203-7, Anti-Kickback Procedures
- (6.) FAR 52.203-13, Contractor Code of Business Ethics and Conduct
- (7.) FAR 52.203-15, Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009
- (8.) FAR 52.203-19, Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements
- (9.) FAR 52.204-10, Reporting Executive Compensation and First-Tier Subcontract Awards
- (10.) FAR 52.204-21, Basic Safeguarding of Covered Contractor Information Systems
- (11.) FAR 52.219-8, Utilization of Small Business Concerns (if this order offers subcontracting opportunities)
- (12.) FAR 52.222-21, Prohibition of Segregated Facilities
- (13.) FAR 52.222-26, Equal Opportunity (including Equal Employment Opportunity clauses in Section 202 (E.O. 11246), Section 503 of the Rehabilitation Act of 1973, Section 4212 of the Vietnam Era Veterans Readjustment Assistance Act of 1974 as amended, 29 CFR 471, Appx. A to Sbpt. A (E.O. 13496), and the implementing rules and regulations of the Office of Federal Contract Compliance Programs (41 CFR, Chpt. 60))
- (14.) FAR 52.222-35, Equal Opportunity for Veterans
- (15.) FAR 52.222-36, Affirmative Action for Workers with Disabilities
- (16.) FAR 52.222-37 and 52.222-38, Employment Reports on Veterans and Compliance with Veterans' Employment Reporting Requirements
- (17.) FAR 52.222-40, Notification of Employee Rights Under the National Labor Relations Act (DEC 2010) (E.O. 13496)
- (18.) FAR 52.222-41, Service Contract Labor Standards
- (19.) FAR 52.222-50, Combating Trafficking in Persons
- (20.) FAR 52.222-51, Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment
- (21.) FAR 52.222-53, Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services
- (22.) FAR 52.222-54, Employment Eligibility Verification
- (23.) FAR 52.222-55, Minimum Wage (E.O. 13658)
- (24.) FAR 52.222-59, Compliance with Labor Laws
- (25.) FAR 52.222-60, Paycheck Transparency
- (26.) FAR 52.222-62, Paid Sick Leave Under Executive Order 13706
- (27.) FAR 52.225-1 through 52.225-4, Buy American Act or DFARS 52.225-7000 through 52.225-7001, Buy American Act and Balance of Payment Program (as applicable)
- (28.) FAR 52.225-5 or DFARS 252.225-7020 through 252.225-7021, Trade Agreements (as applicable)
- (29.) FAR 52.225-26, Contractors Performing Private Security Functions Outside the United States
- (30.) FAR 52.232-40, Providing Accelerated Payments to Small Business Subcontractors
- (31.) FAR 52.246-2, Inspection of Supplies-Fixed Price
- (32.) FAR 52.246-11, Higher-Level Contract Quality Requirement
- (33.) FAR 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels
- (34.) DFARS 252.225-7009, Restriction on Acquisition of Certain Articles Containing Specialty Metals
- (35.) DFARS 252.225-7014 (Apr 2003), Preference for Domestic Specialty Metals, Alt I
- (36.) DFARS 252.225-7016, Restriction on Acquisition of Ball and Roller Bearings
- (37.) DFARS 252.244-7001, Contractor Purchasing System Administration
- (38.) DFARS 252.246-7003, Notification of Potential Safety Issues
- (39.) DFARS 252.247-7003, Pass-Through of Motor Carrier Fuel Surcharge to the Cost Bearer (applicable if Seller is a motor carrier, broker or freight forwarder)
- (40.) DFARS 252.247-7023, Transportation of Supplies by Sea
- (41.) DFARS 252.247-7024, Notification of Transportation of Supplies by Sea

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- (42.) FARS 252.246-7007, Contractor Counterfeit Electronic Part Detection Avoidance System
- (43.) DFARS 252.225-7016, Restrictions on Acquisition of Ball and Roller Bearings
- (44.) DFARS 252.225-7009, Acquisition of Certain Articles Containing Specialty Metals

Further, if this order is for a contract or subcontract with the U.S. government, **Seller understands and expressly agrees to abide by the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of race, creed, color, national origin, religion, sex, sexual orientation, gender identity, protected veteran status, or disability; require affirmative action by covered prime contractors and subcontractors to ensure that applicants are employed, and that employees are treated during employment without regard to their race, creed, color, or national origin; require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities; and to treat qualified individuals without discrimination on the basis of their physical or mental disability.**

- C. To the extent it is applicable to Seller's Items, Seller shall at all times be in compliance with the Fastener Quality Act (Public Law 101-592 as amended by Public Law 105-234) as amended from time to time (the "Act"). Seller shall defend (with counsel of Buyer's choosing), indemnify and hold harmless Buyer from any and all claims, demands and causes of action brought by Buyer or by any third party against Buyer in any manner relating to Seller's failure to comply with the Act. Seller's indemnity shall include, but not be limited to, reimbursement of any costs associated with any return, recall or retrofit of parts sold under this order which are not in compliance with the Act.
- D. Seller warrants that, except as agreed in writing by Buyer, none of the chemical substances constituting or contained in the Items sold or otherwise transferred to Buyer under this order are "Hazardous Substances" as defined in the United States Comprehensive Environmental Response, Compensation And Liability Act (CERCLA) or substances on the "Candidate List" or "List for Authorization" greater than 0.1% by weight as defined by the European Chemicals Agency ("ECHA"), as such may be modified from time to time. Seller acknowledges and agrees that the "Hazardous Substances" and substances on the "Candidate List" or "List for Authorization" requirements are evolving and Seller shall use its best efforts to meet such future requirements. Seller shall deliver Items to Buyer that do not contain any substances banned under such applicable laws, rules or regulations and Seller agrees to indemnify and hold Buyer harmless from any and all claims, demands, actions, losses, damages, liabilities, costs, and expenses arising from any failure of the Items from complying with such laws, rules and regulations.
- E. Seller shall specifically comply with all applicable requirements of European Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorization, and Restriction of Chemicals ("REACH"). In regard to such REACH regulations, Seller shall fully cooperate with Buyer to fulfill all obligations under the applicable REACH obligations including: (i) Seller shall deliver Items to Buyer that do not contain any substances banned under such REACH regulations and as such Seller shall notify Buyer of any REACH substances of very high concern (SVHC) exceeding 0.1% by weight of the individual Items being supplied by Seller; (ii) Seller shall submit to Buyer duly completed Material Declaration Forms; (iii) Upon request, Seller shall provide any and all information showing that Seller has fulfilled its obligations under REACH; and (iv) Seller shall comply with the obligations stipulated in REACH related to the identification and/or notification of substances appearing on the Candidate List, or the List for Authorization to the ECHA.
- F. The packaging, labeling and shipping of all hazardous substances must conform to all applicable laws and regulations. In addition to the application of proper shipping labels on the outside container, each container of hazardous substances shall be marked with the appropriate precautionary label in accordance with all applicable laws, rules and regulations relating to hazardous substances. Seller shall supply Buyer with any and all required safety data sheets (SDS) when requested by Buyer.
- G. If Seller delivers Items to Buyer that are shipped directly to Buyer where Buyer is the importer of record into the United States and its insular possessions, Seller agrees to, upon request, complete Buyer's Customs-Trade Partnership Against Terrorism (C-TPAT) Security Self-Assessment Questionnaire.
- H. Seller's compliance with conflict minerals regulations is a material obligation of this order. Seller shall disclose to Buyer whether any tungsten, tin, tantalum or gold are contained in the Items prior to delivering such Items to Buyer. Furthermore, Seller represents and warrants that it has adopted policies and established systems to procure tungsten, tin, tantalum and gold contained in Items only from sources that have been verified as conflict free, and agrees to provide supporting data on Seller's supply chain for tungsten, tin, tantalum and gold to Buyer upon request.

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- I. If requested, Seller shall notify Buyer whether Items are compliant with the European Union directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment ("RoHS") Directive 2011/65/EU, and advise Buyer on the threshold of any of the restricted substances.
- 26. RELEASE OF INFORMATION TO PUBLIC.** Seller shall not, without the prior written consent of Buyer, make any release of information concerning this order or any other information related to Buyer (other than to Seller's employees and subcontractors that is required for the performance of their duties), including providing copies of this order or identifying the Items sold by Seller to Buyer, nor use the name of Buyer in any advertising or publicity, except as may be necessary to comply with a subpoena or other proper mandatory legal demand.
- 27. ORDER OF PRECEDENCE.** Except as provided otherwise in a written document executed by authorized representatives of Buyer and Seller, in the event of any conflict among the provisions of this order and any other documents related to Buyer's order, the following order of precedence shall apply in interpreting this order:
 - A. The text on the face of this order.
 - B. Any special or supplemental terms and conditions incorporated by reference on the face of this order.
 - C. These terms and conditions.
 - D. Any other documents related to Buyer's order issued by Buyer.
- 28. DISPUTES.** Venue and jurisdiction for all legal proceedings of any kind or nature brought to enforce any provisions of these terms and conditions or the order shall lie within the State and Federal courts of Miami-Dade County, Florida. Pending any prosecution, appeal, or final decision of any dispute, or the settlement of any dispute arising under this order or these terms and conditions, Seller shall proceed diligently, as directed by Buyer, with performance of this order. TO THE MAXIMUM EXTENT PERMITTED BY LAW, SELLER HEREBY WAIVES ITS RIGHT TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, COUNTERCLAIM OR CROSS-COMPLAINT IN ANY ACTION, PROCEEDING OR HEARING BROUGHT BY EITHER SELLER AGAINST BUYER OR BUYER AGAINST SELLER ON ANY MATTER WHATSOEVER ARISING UNDER, RELATING TO, OR IN ANY WAY CONNECTED WITH THIS ORDER, THE RELATIONSHIP OF SELLER AND BUYER OR ANY CLAIM OF INJURY OR DAMAGE, OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY LAW, STATUTE OR REGULATION NOW OR HEREAFTER IN EFFECT. In no event shall Seller commence any action arising out of this order or the contract between the parties later than one year after the cause of action has accrued.
- 29. CHOICE OF LAW.** This order and all matters arising out of or related thereto shall be interpreted, construed, and solely governed by and in accordance with the laws of the State of Florida, disregarding any conflict of law provisions which may require the application of the laws of another jurisdiction. The United Nations Convention on Contracts for the International Sale of Goods, 1980, and any successor thereto, shall not apply.
- 30. RIGHTS AND REMEDIES OF BUYER.** The rights and remedies of Buyer set forth herein shall be in addition to any other rights and remedies provided in law or equity and the failure or delay by Buyer to exercise any rights or remedies under this order shall not operate as a general waiver thereof.
- 31. NON-WAIVER.** No failure by Buyer to assert its rights under any provision of this order, or failure of Seller to perform any provision of this order, shall be effective as a waiver thereof unless consented to in writing by Buyer; nor shall any such waiver constitute an advance waiver of any other provision or failure to perform.
- 32. ASSIGNMENT.** No assignment of this order, or any duty or right under it, shall be binding upon Buyer unless Seller first obtains Buyer's written consent to such assignment. Any attempt to assign or delegate in violation of this Section shall be void.
- 33. HEADINGS.** Headings set forth in this order are for convenience of reference only and are not intended to, nor do they alter the meaning, content, or enforceability of any Section hereof.
- 34. SEVERABILITY.** In the event any Section of these terms and conditions is held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining Sections of these terms and conditions will not be affected and, in lieu of such invalid or unenforceable Section, there will be added automatically as part of these terms and conditions one or more Sections as similar in terms as may be valid and enforceable under applicable law.

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35. SURVIVAL. All rights, duties and obligations which by their nature should apply beyond the term of this order including, but not limited to Sections 2, 6, 16, 17, 25, 28 and 29, will remain in force after Seller's completion of this order or any termination of performance of this order.