



TERMS AND CONDITIONS OF PURCHASE

These Terms and Conditions are incorporated by reference to the **Purchase Order** Documents.

By delivering to the Buyer, Airborne Systems North America, Inc., the goods and/or services described in this purchase order, Seller agrees that the sale of such goods and/or services will be governed exclusively by the terms of this purchase order and any attachments to it (together, the order).

1. **ACCEPTANCE.** This purchase order is not binding until accepted and the acceptance of this order with delivery information is required promptly on the attached acknowledgment copy. Upon acceptance, this and any supplemental terms and conditions attached hereto constitute the entire agreement between the parties. Conditions stated by Seller in acknowledging receipt of this order shall not affect Buyer's offer as represented by this order, and shall not be binding on Buyer if in conflict with or in addition to any of the provisions of this order unless expressly agreed to in writing by Buyer.
2. **PRICE AND TERMS OF PAYMENT.** Seller warrants the price of the articles and/or work set forth herein do not exceed those charged, or which would be quoted by the Seller to any other customer, including any agency of the U.S. Government purchasing the same item in like or smaller quantities, facilities rental notwithstanding. To be valid, Seller's invoices must contain Buyer's order number and part number, the manufacturer's part number, a full description of goods/services, the quantity, unit price, and the delivery address. Valid invoices of Seller will become due for payment by forty-five (45) days unless otherwise indicated on the face of the order, in the amount shown on the invoice. Buyer may deduct any amounts owing by Seller to Buyer pursuant to any other agreements between the parties. The date of invoice will not predate the date of shipment of the relevant goods. Seller will send invoices to address designated on the face of the Order or to such other address as Airborne Systems may specify. Currency shall be identified on the face of the invoice.
3. **DELIVERY.** Time is of the essence in this order and deliveries are to be made both in quantities and at times specified herein. The delivery window shall be zero (0) day late. If Seller's deliveries fail to meet schedule, Buyer may direct expedited routing and any excess costs incurred thereby shall be debited to Seller's account or Buyer may cancel and purchase elsewhere and hold Seller accountable for any additional costs or damages incurred by Buyer. Buyer reserves the right to recover equitable expenses incurred as a result of Seller failing to meet the Purchase Order delivery dates. This includes Buyer's penalties paid to their customer caused by Seller's delivery performance.
4. **INSPECTION.** All materials shall be received subject to the Buyer's inspection and acceptance or rejection. Payment for material under this order shall not constitute an acceptance thereof. Defective material or material not in accordance with the Buyer's specification may be returned to the Seller for full credit or replacement at the Buyer's option and at the Seller's risk and expense, including transportation charges both ways. No replacement of such material shall be made unless specified by the Buyer.
5. **CHANGES.** Buyer may at any time make changes in writing in relation to this order, including changes in the drawings or specifications, method of shipment, quantities, packing, or time or place of delivery, and Seller shall immediately comply therewith. If such changes result in an increase or decrease in the cost of or in the time required for the performance of this order, an equitable adjustment shall be made in the order, price and/or delivery schedule. Any claim must be asserted in writing within five (5) business days from the date of receipt by Seller of the notification of change, and if Buyer decides the facts justify such action, Buyer may receive and act upon any such claim asserted at any time prior to final payment under this order.
6. **DRAWINGS AND SPECIFICATIONS REVIEW.** If during the term of this order, Buyer representatives review drawings, specifications, or other data developed by Seller in connection with the order and make suggestions or comments or approve such documents and data, such action is only an expression of opinion by Buyer and shall not serve of any responsibility for the reliability, quality, rate of output, cost, delivery, performance or any other requirements of this order.
7. **BUYER'S EQUIPMENT.** Unless otherwise specified in this order, all tools, dies, patterns and equipment or material of every description furnished or specifically paid for by the Buyer, and any replacement thereof, or any material affixed or attached thereto shall be and remain the personal property of the Buyer. Such property, and whenever practical each individual item thereof, shall be clearly identified as property of the Buyer, shall be kept separate from other materials and shall be used only in filling orders from the Buyer. Such tools, dies, patterns and equipment shall be maintained in such condition as to produce production quantity parts to blueprint specifications, and when necessary, shall be replaced by the Seller without expense to the Buyer. Such property, while in the Seller's custody or control shall be held at the Seller's risk, shall be kept insured by the Seller at the Seller's expense in an amount equal to the replacement cost with loss payable to the Buyer, and shall be subject to removal at the Buyer's written request, in which event the Seller shall prepare such property for shipment and shall redeliver to the Buyer in the same conditions as originally received by the Seller, reasonable wear and tear accepted. Seller shall not sell or otherwise dispose of such tools, dies, patterns and equipment without the written consent of the Buyer.

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8. **TOOLING.** Unless otherwise specified in this order, all tooling and/or all other articles required for the performance hereof shall be furnished by Seller, shall be maintained in good condition and replaced when necessary at Seller's expense.
9. **PROPIETARY RIGHTS.** Seller shall keep confidential all articles, information, drawings, specifications, or data furnished by Buyer, or prepared by Seller specifically in connection with the performance of this order and shall not divulge or use any such articles, information, drawings, specifications or data for the benefit of any other party. Except as required for the efficient performance of this order, Seller shall not make copies or permit copies to be made of such confidential material without the prior written consent of Buyer. Seller shall, upon completion of this order, make no further use, either directly or indirectly, of any such articles, information, drawings, specifications or data but returned same to Buyer. Seller agrees to assign to the Buyer each invention, discovery or improvement patentable or not, which is conceived or first reduced to practice by Seller in the performance of this order or by any person employed by or working under the direction of the Seller. Upon completion of this order, the Seller shall fully disclose to the Buyer all such inventions, discoveries or improvement in a
10. form acceptable to Buyer and shall cause its employee(s) to sign any and all papers necessary or required to enable the Buyer to obtain title to ant to file application for patents throughout the world.
11. **PATENTS.** Seller agrees to indemnify, hold harmless, protect and to defend the Buyer, his successor or assigns his customers and the users of his products against all suits and from all claims, demands, judgments, costs, and attorney's fees for actual or alleged infringements of letter patent, in connection with the goods he supplied hereunder.
12. **EXCUSABLE DELAYS.** If at any time the Seller has reason to believe that deliveries will not be made as scheduled, written notice setting forth the cause of delay and probable delivery date must be given promptly to Buyer. Seller will not be liable for damages in deliveries due to causes beyond its control. If Seller, however, for any reason does not comply with Buyer's deliveries schedule, Buyer, in addition to any other rights may, at its option, either approve a revised delivery schedule or may terminate this order without liability to Buyer on account thereof.
13. **INDEMNIFICATION.** If Seller's work under this order involves operations by Seller on the premises of Buyer or one of its customers, Seller shall take all necessary precautions to prevent the occurrence of any injury of person or property during the progress of such work and except to the extent that any such injury is due solely and directly to Buyer, or its customer's negligence, as the case may be, shall indemnify Buyer against all loss which may result in any act or omission of the Seller, its agent, employees or subcontractors and Seller shall maintain such Public Liability, Property Damage and Employee's Liability and Compensation insurance as will protect Buyer from said risks and from any claims under any applicable Workman's Compensation and Occupational Disease Act.
14. **COMPLIANCE WITH LAWS.** Seller shall comply with all applicable State, Federal and local laws, rules and regulations, including the Fair Labor Standards Act and Executive Order 11246 relating to nondiscrimination in employment.
15. **STATE LAW.** This order shall be governed in all respects by the law of the State of Delaware.
16. **EXTRA CHARGES.** No charges of any kind, including charges for boxing or cartage, will be allowed unless specifically agreed to by Buyer in writing. Price is to cover net weight, unless otherwise agreed. Buyer shall not be responsible for goods processed or shipped in excesses of order and Buyer may return any over shipments at the Seller's expense, including transportation charges both ways.
17. **BANKRUPTCY.** If Seller ceases to conduct its operations in the normal course of business (including inability to meet its obligations as they mature) or if any proceeding under the bankruptcy or insolvency law is brought by or against Seller, or a receiver for Seller is appointed or applied for and assignment for the benefit of creditors is made by Seller, Buyer may terminate this order without liability except for deliveries previously made or for goods covered by this order then completed and subsequently delivered in accordance with the terms of this order.
18. **WARRANTY.** Seller warrants all material or services delivered hereunder to be free from defect of materials of workmanship and to conform strictly to the specification, delivery or acceptance of the materials or services, or payment thereof by Buyer.
19. **ASSIGNMENT.** Assignment of this order or any interest therein or any payment due or to become due thereunder, without the written consent of Buyer (which shall not be unreasonably withheld) shall be void.

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20. **SET-OFF.** Buyer shall be entitled at all times to set-off any amount owing at any time from Seller to Buyer or any of Buyer's affiliated companies against any amount payable at any time by Buyer in connection with this order.
21. **TAXES.** To the extent that the transaction or property covered by this order are entitled to tax or duty exemptions, or both, such exemption certificates shall be excluded from the price stated herein. Applicable taxes for which no exemption certificates are supplied shall be listed separately on the invoice.
22. **STATEMENT OF ACCOUNT.** Seller shall send Buyer monthly for verification (if applicable), a statement of account and shall list all unpaid items. Delay in receiving such statement or errors of omissions therein, shall be considered just cause for withholding settlement without losing cash discount privilege.
23. **TERMINATIONS.** Buyer may terminate work under this order in whole or in part at any time in accordance with FAR 52.249-2, except that all claims must be submitted within two (2) months of the termination date. Reference to FAR means Federal Acquisition Regulation copies of which are available from the Superintendent of Documents, Government Printing Office, Washington, D.C.
24. **DELETED**
25. **PACKAGES.** Packages must bear Buyer's Purchase Order number, show quantity or gross and net weights, and conform to Buyer's labeling requirements. No charges for packaging will be allowed by ASNA unless otherwise agreed in writing. Packing slip and Certification of Compliance must be enclosed.
26. **TRANSPORTATION.** Goods will be shipped in accordance with the transportation instructions on the face of this Order. The goods will be shipped collect, F.O.B. Shipping Point (where applicable) or Destination, unless other transportation arrangements are pre-approved by Buyer. A paid freight bill or equivalent must support charges for such other transportation arrangements.
27. **DELIVERY/LATE SHIPMENTS.** Seller will deliver the goods at the place and date specified in the Purchasing Order, unless otherwise agreed by both parties. If Seller fails to meet the delivery schedule, then Buyer will be entitled to either (A) terminate the order for such goods and for any other goods the intended use of which has consequently been delayed or prevented; or (B) make alternate arrangements for the transportation of the goods. Seller will reimburse Buyer for any additional costs identified by Buyer, which Buyer incurs in purchasing replacement goods or in arranging for alternate transportation. The delivery window shall be two (2) days early, zero (0) days late.
28. **RESCHEDULING/CANCELLING.** Buyer may reschedule any delivery of goods without liability. Buyer may cancel any outstanding order or part of an order without liability by giving one (1) week written notice to Seller. If Buyer cancels an order on less than one (1) week notice and Seller cannot use the goods in the course of its business or dispose of them on reasonable commercial terms, ASNA will compensate Seller in an agreed-to amount not to exceed the actual purchase price of the goods. In no event will Buyer have any liability in respect of any forecasted orders.
29. **INSURANCE.** Seller will maintain in force, at its expense, comprehensive liability insurance including product liability insurance, for personal injury and property damage with at least \$1,000,000 coverage per occurrence, with reputable insurance companies qualified to do business in the relevant jurisdictions. Seller will furnish evidence of such insurance to Buyer upon Buyer's request.
30. **CONFIDENTIAL INFORMATION.** (a) Subject to the provisions of any confidentiality agreement signed by the parties, the parties may disclose information to one another (whether of a mechanical, financial or business nature, and whether belonging to the discloser or to a third party to whom the discloser owes a duty of confidence) which in all circumstances should be treated by recipient as confidential. Recipient shall use confidential information solely for the purpose for which it was disclosed or otherwise for the benefits of the discloser and shall use the same care and discretion to avoid disclosure, publication or dissemination of confidential information as it uses with its own similar information, but in no case will recipient use less than a reasonable standard of care and discretion. (b) Recipient may disclose confidential information of the other party only on a need to know basis to (i) employees or agents of recipient and its subsidiary, parent, and affiliated companies, and (ii) in the case of Buyer, its customers; provided that, in all such cases, recipient has a written agreement with such party sufficient to require that party to treat the information in accordance with this order.
31. **SUBCONTRACTING.** Seller may not subcontract any of its obligations hereunder, in whole or in part, without prior written consent of Buyer which consent will not be unreasonably withheld.



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- 32. **PARTS/TOOLS.** If Buyer provides parts or tools for use by Seller to perform work under a Purchase Order, Seller will use such parts or tools solely for that purpose, and repair and renew all tools at its expense unless otherwise agreed. All goods, tools, molds, parts, materials, documentation, information and other items furnished, procured or for Buyer will at all times remain the property of Buyer and will be returned promptly to Buyer upon termination of this Order, failing which Airborne Systems may enter Seller’s premises to take back possession of such property.
- 33. **GIFTS.** Seller will not make or offer a gratuity or gift of any kind to Buyer’s employees or their families that could be viewed as influencing to an actual or potential business relationship with Airborne Systems. Gifts include entertainment, personal services, favors, discounts and other preferential treatment of any kind. Buyer will interpret any such action as an improper attempt to influence Buyer’s employees, which will jeopardize Buyer’s business relationship with Seller.
- 34. **RESALE, IMPORT, EXPORT.** Where applicable Buyer will obtain all necessary licenses and consents for the resale, import or export of goods under the laws and regulations relevant jurisdiction.
- 35. **WAIVER.** No provision of a Purchase Order will be deemed waived and no breach or default excused unless the waiver or excuse is in writing and signed by both parties.
- 36. **FORCE MAJEURE.** If the performance by either party hereto is delayed or prevented by circumstances beyond the reasonable control of that party (including any act of God, any refusal, any import, export or other license or other governmental act, fire, explosion, strike or lockout) then the due time for performance will be extended by a reasonable period and Buyer will at its option be excused from accepting or paying for goods affected by such an event. Buyer reserves the right to cancel this Order without liability if the delay continues beyond a reasonable period of time.
- 37. **ASSIGNMENT.** Seller may not assign Buyer’s Purchase Order or any part of the Purchase Order without the prior consent of buyer to another party.
- 38. **ENTIRE AGREEMENT/AMMENDMENTS.** This Purchase Order constitutes the complete agreement between Buyer and Seller and supersedes any prior representation, promise or proposal. No other document, including Seller’s proposal, quotation and acknowledgement forms, will be part of the Purchase Order, even if referred to, unless specifically agreed to by Buyer in writing. This provision may not be amended unless the amendment is in writing and signed by both parties.

SELLER ACCEPTANCE AND DATE

COMPANY REPRESENTING

(PLEASE SIGN AND RETURN THIS PAGE TO AIRBORNE SYSTEMS PROCUREMENT DEPARTMENT)