



## PURCHASE ORDER TERMS & CONDITIONS

BEACON INDUSTRIES, INC. ("BUYER") OFFERS TO PURCHASE THE GOODS AND SERVICES DESCRIBED HEREIN EXCLUSIVELY UPON THE TERMS AND CONDITIONS CONTAINED HEREIN. BUYER RESERVES THE RIGHT TO REVOKE THIS ORDER WITHOUT NOTICE.

All special terms and conditions or supplemental attachments which are attached to or referenced in this Order are made a part of the contract between the Buyer and the Seller as though fully set forth herein; provided that, to the extent of any inconsistency or ambiguity, the applicable terms and conditions shall be resolved in accordance with Section 33 herein, entitled "Interpretation and Order of Precedence".

### 1. ORDER ACCEPTANCE.

- a. This Purchase Order must be accepted in writing by Seller (or "Vendor") within ten (10) days of Seller's receipt hereof. Acceptance may be made by email communication from Seller to Beacon.
- b. If for any reason Seller fails to accept this Order in writing, the shipment by Seller of any Goods (or lots thereof) ordered hereby, the furnishing or commencement of any Services called for hereunder (including preparation for manufacture), or the acceptance of any payment by Seller hereunder, or any other conduct by Seller that recognizes the existence of a contract pertaining to the subject matter hereof, may, at Buyer's election, be treated as an unqualified acceptance by Seller of this Order and all terms and conditions hereof.
- c. Any terms and conditions proposed in Seller's acceptance or in any acknowledgment, invoice, or other form of or communication from Seller that add to, vary from, or conflict with the terms herein are hereby rejected. Any such proposed terms shall be void and the terms and conditions of this Order shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties and shall apply to each shipment received by Buyer from Seller hereunder, and such terms and conditions may hereafter be modified only by written instrument executed by an authorized representative of Buyer and an authorized representative of the Seller. In the event any such proposed terms would, if accepted by Buyer, vary the liability or warranty aspects of these terms, then such proposed terms will be null and void unless the acceptance by Buyer is made in writing by an authorized executive officer of Buyer. Buyer, and only Buyer, may also modify the terms and conditions of this Order via email communication from the then current President or Vice President of Purchasing of Buyer.
- d. If this Order is issued by Buyer in response to an offer by Seller and if any of the terms herein are additional to or different from any terms of such offer, then the issuance of this Order by Buyer shall constitute an acceptance of such offer subject to the express condition that Seller assent to all such additional and different terms herein and acknowledge that this Order constitutes the entire agreement between Buyer and Seller with respect to the subject matter hereof, as such Order may be changed in accordance with Section 1(c) above. Seller shall be deemed to have so assented and acknowledged unless Seller notifies Buyer to the contrary in writing within ten (10) calendar days of receipt of this Order.

2. DELIVERY AND PERFORMANCE. Time is of the essence. Seller shall make deliveries in quantities and at the times specified by the Buyer. Buyer shall have the right to refuse shipments made in advance of the delivery schedule set forth in this Order. If at any time it appears that Seller will not make such schedule, Seller shall promptly notify the Buyer of the reasons for and estimated duration of the delay. If Buyer agrees to accept deliveries after the date of delivery has passed, Buyer shall have the right to direct the Seller to make shipment to the F.O.B. point, CIF or other trade term as Buyer may designate set forth in this Order by the most expeditious means, and the total cost of such expedited shipment and handling shall be borne by the Seller. Acceptance of late deliveries shall not be deemed a waiver of Buyer's right to hold the Seller liable for any loss or damage resulting therefrom. Buyer shall not be liable for payment of goods delivered to Buyer in excess of quantities specified by Buyer. Buyer may from time to time change delivery schedules or direct the temporary suspension of scheduled shipments by way of email communication or otherwise.

3. PRICE WARRANTY. Seller warrants that the prices charged the Buyer hereunder are no higher than prices charged others for similar quantities under similar conditions, and if Seller breaches this warranty, the prices of the goods and services supplied hereunder shall be reduced accordingly.

4. INSPECTION, ACCEPTANCE & REJECTION.

- a. Seller shall provide and maintain, without additional charge to Buyer, an inspection system that complies with all specifications stated in this Order and, in the absence of such specifications, Seller shall be required to provide and maintain without additional charge to Buyer, an inspection system, which is acceptable to Buyer and, if applicable, Buyer's customer(s).
- b. Seller shall tender to Buyer for acceptance only Goods that have been inspected in accordance with the appropriate inspection system and have been found by Seller to be in conformity with all requirements of this Order.
- c. As part of the inspection system, Seller shall prepare records evidencing all inspections made under the system and the outcome of such inspections. These records shall be complete and made available to Buyer during performance of this Order and for as long afterward as required by this Order or applicable laws and regulations, but in no event shall such period expire prior to: (i) three (3) years after final payment, or (ii) final resolution of any dispute involving the Goods delivered hereunder, whichever is later.
- d. Buyer may perform reviews and evaluations as reasonably necessary to ascertain compliance with this Section. Such reviews and evaluations shall be conducted in a manner that will not unduly delay work under this Order. Further, it is recognized that despite such revisions, Seller controls the day-to-day production, delivery and associated documentation of its work, and, therefore, Buyer's right of review, whether exercised or not, does not release Seller of any of its obligations of testing, inspection, quality control and associated documentation.
- e. Buyer, the United States Federal Aviation Administration, the airworthiness authority or other certification agency of any other applicable country, and Buyer's customer shall have the right to inspect and test the material and workmanship of all Goods at all places and times including, when practicable, during the period of manufacture or provision of Services. If any such inspection or test is made on the premises of Seller, Seller shall furnish, without additional charge to any such party(ies) all reasonable facilities and assistance for the safe and convenient performance of the inspection or test.

- f. Nonconforming Goods: Notwithstanding (i) prior inspection, (ii) acceptance, (iii) payment for, or (iv) use of the Goods ordered hereunder, Buyer shall have the following rights with respect to any Goods that do not conform to all requirements of this Order, at Buyer's election, exercisable within the period provided in this Order or, in the absence thereof, within one (1) year following Buyer's receipt of the Goods called for hereunder:
  - (i) Buyer shall have the right to reject such Goods. All such rejected Goods shall be returned to Seller at Seller's risk and expense, transportation collect and declared at full value unless Seller advises otherwise, for full credit or refund (at Buyer's option). The rejected Goods returned to Seller shall not be replaced by Seller except upon written instructions from Buyer. Rejected Goods shall not again be tendered to Buyer for acceptance without written disclosure of prior rejection(s); and
  - (ii) Nonconforming Goods may be repaired by Buyer or a third party selected by Buyer, at Seller's expense, or retained by Buyer at an equitable reduction in price at Buyer's election. Should Buyer elect to repair the nonconforming Goods, all terms and conditions of this Order shall remain in full force and effect as to the Goods furnished by Seller.
- g. Buyer's or any other party's inspection or test, acceptance, payment for, or use of the Goods ordered hereunder does not relieve Seller from any responsibility regarding defects or other failures to meet the requirements of this Order.
- h. Any Goods or part thereof corrected or furnished in replacement pursuant to this section shall also be subject to all of the provisions of this section to the same extent as those initially delivered. The warranty with respect to such Goods or parts thereof shall be equal in duration to that set forth in Section 5 below and shall run from the date of delivery of such corrected or replaced Goods.
- i. Buyer's rights under this Section shall be in addition to and shall not be deemed to diminish its rights under this Order including the section hereof entitled "Warranty" or under any other warranties, express or implied, provided by Seller.

## 5. WARRANTY.

- a. Goods: Seller warrants to Buyer, its successors, assigns, customers, and users of Goods sold by Buyer that all Goods provided hereunder or serviced per the workscope provided hereunder shall be: (i) merchantable, (ii) new (unless specifically agreed to in writing), (iii) free from defects in material and workmanship, (iv) with regard to Goods designed by Seller, free from defects in design, (v) suitable for the particular purposes intended whether expressed or reasonably implied, (vi) in compliance with all applicable specifications, drawings, and performance requirements, and (vii) free from security interests, liens or encumbrances and of good title. Buyer's remedies with respect to this warranty shall not be limited, restricted or disclaimed in whole or part by any other provision of this Order. This representation and warranty is in addition to any other representations and warranties in this Order. These warranties shall survive any inspection, acceptance or payment by Buyer, and shall be for the benefit of Buyer, its successors, assigns, customers, and the ultimate users of the goods or services supplied hereunder.
- b. Services: Seller warrants to Buyer that any Services or technical data provided by Seller under this Order (i) have been performed or prepared in a professional and workmanlike manner and according to best industry standards and practices, (ii) are suitable for the purposes intended whether expressed or implied, and (iii)

are in compliance with all applicable specifications and performance requirements.

- c. Delivery, inspection, test, acceptance or use of or payment for the Goods and Services furnished hereunder shall not affect Seller's obligation under this warranty, and such warranties, and all other warranties, express or implied, shall survive delivery, inspection, test, acceptance, payment, and use.
- d. Seller agrees to support the Goods supplied hereunder during the operational life of the Goods or 5 years from the date of final shipment under this Purchase Order, whichever is later. Such support shall include but not be limited to technical services, repairs and maintenance as well as provision of spare parts.
- e. Seller warrants that the Goods supplied hereunder, including sub-assemblies and spare parts, shall be available to Buyer during the operational life of the Goods or 5 years after the date of final shipment, whichever is later. In the event Seller discontinues the manufacturing of the Goods delivered hereunder and does not provide for another qualified source, the Seller shall make available to Buyer data necessary to manufacture or procure said Goods, sub-assemblies or spare parts under a royalty free license which is hereby granted.

#### 6. REMEDIES FOR BREACH OF WARRANTY OR DELIVERY.

- a. Seller agrees to correct defects in or replace any Goods or Services not conforming to Seller's warranties promptly and without expense to Buyer, when notified of such nonconformity by Buyer, provided Buyer elects to provide Seller with the opportunity to do so. Deliveries of corrected or replaced Goods or Services shall be accomplished promptly and shall be accompanied by written notice specifying that such Goods or Services are corrected or replaced Goods.
- b. In the event that Buyer incurs additional costs or Buyer's customer charges Buyer for additional costs related to a breach of Seller's warranties or a breach of delivery terms by Seller, Seller agrees that Buyer shall have the right to:
  - (i) reduce the amount payable under this Order; including, without limitation; deduction or setoff pursuant to this Order; and
  - (ii) charge Seller for additional costs or customer charges greater than the amount of this Order or otherwise not deductible against this Order.
- c. In the event of a breach by Seller of any warranties or the failure of Seller to correct defects in or replace nonconforming Goods promptly, (i) Buyer may recover, in addition to compensatory damages, any and all other damages allowed by law and (ii) all transportation charges and other incidental expenses, and responsibility for the Goods until redelivery to Buyer shall be borne in full by Seller.
- d. Seller acknowledges that Buyer may recover all damages or costs it incurs as a result of or relating to Seller's breach of any warranties or the failure of Seller to correct defects in or replace nonconforming Goods promptly. While Buyer may have available to it contractual or other limitations with respect to its own customers, Buyer may in some instances decide to provide corrective Goods and/or Services, and/or reimburse such customers for quality issues, losses and for damages beyond Buyer's strict contractual or legal obligations. Where such corrective action payments and/or expenses by Buyer result from or are related to defects or failures by Seller in Seller's Goods and/or Services, Buyer may recover all such corrective actions, payments and/or expenses from Seller.

7. TITLE AND RISK OF LOSS. Title to all goods supplied hereunder shall remain in Seller until delivery to, and acceptance by Buyer as defined in Section 8 herein. The risk of loss of or damage to the goods shall be upon Seller until they are accepted by the Buyer.

8. INVOICING AND PAYMENT. Each shipment/delivery shall be accompanied by a Seller generated Packing List referencing this Order and itemizing the individual part numbers and corresponding serial numbers. Individual invoices shall be issued by Seller corresponding to and referencing the applicable Seller Packing List and Order number, and likewise itemizing the individual part numbers and corresponding serial numbers with line item pricing. In no event shall Seller issue an invoice in advance of actual delivery/shipment. Under no circumstances shall invoices be payable unless goods or services have been received and accepted by Buyer. No interest, finance or services charges shall be payable on the goods/services supplied hereunder. Buyer shall be entitled to a full cash discount on invoices bearing discount terms. Rejections, delay in delivery or delivery in advance of delivery date shall be considered just cause for Buyer withholding payment without loss of cash discount privilege. Unless otherwise expressly specified on the face of the Order, the price of goods supplied under this Order shall include all charges for Seller's packing, crating, handling and transportation to F.O.B. point, CIF or other trade term as Buyer may designate, the amount of any such charges shall be shown separately on Seller's invoice.

9. TAXES. The price of the goods or services supplied hereunder includes all federal, state and local sales, use and similar taxes. The amounts of any such taxes shall be shown separately on Seller's invoice.

10. SETOFF. All claims for money due or to become due from Buyer shall be subject to deduction or setoff by the Buyer and at the sole discretion of Buyer, by reason of any counterclaim arising out of this Order or any other transaction with the Seller.

11. INSPECTION. Seller shall permit inspectors of the Buyer, Buyer's customers (including the United States government) or other Buyer designees to have access to the Seller's plant(s) at all reasonable times for the purpose of inspecting any goods supplied hereunder or work in process for production of such goods, and to conduct preliminary tests on work in process. All goods, except goods inspected and accepted by the government in place, shall be received subject to Buyer's inspection and rejection at Buyer's plant or other such places designated by Buyer, notwithstanding prior inspections. Title shall not be deemed transferred on any defective goods or goods otherwise not conforming or fulfilling Seller's warranty (express or implied) with respect to this Order (collectively "Defective Goods"), and hence no payment, including freight, shall be due with respect to the same. Defective Goods shall be held for Seller's inspection and at Seller's risk, and if Seller so directs, shall be returned at Seller's expense, and in addition to Buyer's other rights, Buyer may charge Seller all expenses for unpacking, examining, re-packing and reshipping Defective Goods. No Defective Goods shall be repaired, reprocessed or reworked by Seller without the prior express written consent of Buyer. Buyer reserves the right to approve all such repair, reprocess and/or rework procedures in advance. Any payment by Buyer shall not be construed as an acceptance of Defective Goods. Nothing contained herein shall relieve Seller from its obligations of testing, inspection, quality control and warranty.

12. CHANGES; STOP WORK.

- a. Buyer may, at any time and without notice to third parties, including sureties (if any), unilaterally make changes within the general scope of this Order, including, but not limited to, changes in whole or part and to any one or more of the following: (i) quality, (ii) schedule of delivery, (iii) place of delivery, (iv) place of inspection, (v) place of acceptance, (vi) shipping or packing instructions, (vii) any drawings, designs, or specifications, (viii) the statement of work, (ix) the method or manner of performance of the work, and (x) Buyer-furnished property, facilities, equipment, materials, or Services. Seller shall perform any changes ordered by Buyer. Any Order terms that incorporate flexibility for

variations or modifications in the ordinary course of dealing shall not be considered changes within the meaning of this clause. Such changes may be sent to Seller via email from the then current President or Vice President of Purchasing of Buyer.

- b. Seller's engineering and technical personnel are not authorized to change the Goods or Services ordered or any provisions, drawings, designs, or specifications of this Order. No change to this Order made by Seller will be binding on Buyer unless issued in writing by an authorized executive officer of Buyer.
- c. If any change under this clause causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment shall be made in price or delivery schedule or both, and the Order shall be modified in writing accordingly. Any claim by Seller for adjustment, must be submitted in writing in the form of a complete change proposal, fully supported by factual information, to the Buyer's executive officer handling such order not later than fifteen (15) calendar days after the date of receipt by Seller of the change order, or within such extension of that fifteen-day period as Buyer, in its sole discretion, may grant in writing at Seller's request; provided, however, that Buyer may in its discretion consider any such claim regardless of when asserted, except that no claim for equitable adjustment hereunder shall be allowed if it is asserted after final payment of this Order.
- d. If the cost of property or material made obsolete or excess as a result of a change is included in Seller's claim for adjustment, Buyer shall have the right to determine the disposition of such property or material.
- e. Notwithstanding any pending claims for adjustment submitted by Seller, Seller shall diligently proceed with the performance of this Order, as directed by Buyer, and nothing herein shall be construed as relieving Seller of its obligations to perform, including without limitation the failure of the parties to agree upon Seller's entitlement to, or the amount or nature of, any such adjustment.
- f. Buyer may at any time, by written order to Seller (which may be made by email communication from the then current President or Vice President of Purchasing of Buyer), require Seller to stop all or part of the work called for by this Purchase Order for a period of ninety (90) days after the stop work order is delivered to Seller and for any further period to which the parties may agree. Upon receipt of such an order, Seller shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within a period of ninety (90) days after a stop work order is delivered to Seller or within any extension of the period to which the parties shall have agreed, Buyer shall either cancel the stop work order or terminate the work covered by such stop work order.
- g. If a stop work order issued under this section is canceled or the period of the order expires, Seller shall resume work. An equitable adjustment shall be made in the delivery schedule, the Purchase Order price or both and the Purchase Order shall be modified in writing accordingly.

### 13. TERMINATION.

- a. Termination for Default: Buyer may in its sole discretion terminate this Order in whole or in part where (a) Seller refuses or fails to comply with any of the provisions hereof which refusal or failure has not been cured within a period of ten (10) days after receipt of written notice of the same from Buyer, which such

notice may be made by email communication from the President or Vice President of Purchasing of Buyer; (b) Seller becomes insolvent, or makes a general assignment for the benefit of its creditors or files or has filed against it a petition in bankruptcy or for reorganization, or pursues any other remedy under any other law relating to the relief of debtors, or in the event a receiver is appointed for Seller's property or business.

- b. Termination for Convenience: This Order may be terminated by Buyer in whole or in part at any time at its option in whole or in part for its convenience without penalty to Buyer, by giving written notice to the Seller, which may be made by email communication from the President or Vice President of Purchasing of Buyer. After receipt of such notice, unless otherwise directed by the Buyer, Seller, (a) shall immediately terminate all work under this Order; (b) shall transfer title and deliver to Buyer all (i) completed goods, (ii) goods in process, and (iii) materials produced or acquired in connection with such goods, which goods and/or materials conform to the requirements of this Order, do not exceed the quantity authorized by Buyer, and cannot otherwise reasonably be used by Seller; and (c) shall take all action necessary to protect goods and materials in Seller's possession in which Buyer has or may require an interest. Buyer shall negotiate in good faith with Seller to determine the fair and reasonable value of the tangible assets Seller delivers to Buyer, to the extent authorized by the Order, to determine the amount, if any, due Seller with respect to such termination of this Order and such determination shall be final.

14. **BUYER'S MATERIALS.** Any materials, including but not limited to documents, tools, molds, dies, gauges, jigs, fixtures and patterns, furnished by Buyer (hereinafter "Buyer-Furnished Items") in connection with this Order shall be (a) held by Seller as bailee for hire for use exclusively in filling Buyer's orders, (b) kept separate and clearly identified by Seller as Buyer's property, and (c) fully insured by Seller in an amount equal to the replacement cost thereof with loss to be paid to Buyer. Title to all tooling, test equipment and material identified as a separate line item under this or any previous Orders and fabricated or acquired by Seller required under this Order shall vest in Buyer upon any payment for such items (hereinafter "Buyer-Funded Items"). Any Buyer-Furnished Items and any Buyer-Funded Items shall be used only for and in the performance of this Order unless otherwise directed by Buyer in writing. Notice of loss or damage shall be provided by Seller to the Buyer within seven (7) calendar days of the occurrence of the loss or damage. All such materials furnished by Buyer which are not consumed in the performance of this Order shall be returned to Buyer at Buyer's direction. Seller waives and releases Buyer from, and Seller shall defend, indemnify and hold harmless Buyer from and against all claims of injury or damage to Seller, its employees and/or others, arising out of or in connection with the presence or use of such materials, whether such injury or damage is caused by defects in such materials, Buyer's negligence or that of its agents or employees, or otherwise.

15. **TOOLING.** Unless otherwise stated herein, Seller at its own expense shall furnish, keep in good condition, insure and replace as needed all tooling and other materials necessary for the performance of this Order. If Seller supplies special tooling or other materials related principally to this Order, Buyer at any time may purchase and take possession of any such tooling or other materials by paying Seller the unamortized cost thereof.

16. **DRAWINGS, CONFIDENTIAL INFORMATION AND INVENTIONS.** All drawings, prints, samples, tests and reports, designs, processes, specifications, mask works and other technical information, if and as required, shall be supplied by Seller without charge. Buyer shall have the right to use for any purpose unpatented information supplied by Seller if such information is supplied without written restriction regarding the use or disclosure of the same. Seller shall not use or disclose any drawings, prints, samples, tests or reports, designs, processes, specifications, mask works or other confidential information supplied by Buyer, whether or not designated as such, except as reasonably required to fulfill this Order. All right title and interest in and to inventions and ideas, whether or not patentable, made, conceived, developed or

acquired by Seller incident to supplying goods or services under this Order shall vest in and inure to the Buyer's sole benefit. Seller hereby assigns all of its rights, title and interests to such inventions and ideas to Buyer and Seller shall, at the request of Buyer, cooperate in all respects incident to the preparation and execution of patent or other intellectual property applications covering such inventions, if requested by Buyer, to secure patent(s) on such inventions to secure and enforce Buyer's exclusive rights therein.

a. Use of Buyer's Proprietary Information.

Seller agrees and promises to use Buyer's Proprietary Information only to perform this Order or other Orders for Buyer, and not to use or disclose Buyer's Proprietary Information for any other purpose, including without limitation to design, manufacture or repair a part or detail of a part, compare a part or design of a part, or obtain FAA Parts Manufacturer Approval or other government approval to manufacture a part, without Buyer's express written consent.

Seller and its employees shall hold in confidence any and all other information and data that may be developed or generated by them pursuant to, or in connection with an order and shall not, without the prior written consent of the Buyer, use such information or data in any manner or form or disclose it to another except as may be necessary to carry out the purpose of their respective assignments.

Nor does this consent authorize infringement of any Buyer patent or modification of the terms of any Buyer patent license to Seller; use of Buyer quality assurance of engineering support services in performing a purchase order from any customer other than Buyer; or use of any Buyer-supplied raw material, semi-finished or finished parts to perform any purchase order from a customer other than Buyer.

b. Disposition of Scrap or Surplus Goods Manufactured Using Buyer's Proprietary Information.

Seller agrees and promises not to sell or dispose of as scrap or otherwise any completed or partially completed or defective Goods manufactured using Buyer's Proprietary Information without mutilating said Goods in the manner prescribed by Buyer's pertinent parts mutilation standards, or in another manner approved in writing by Buyer.

c. Audit and Inspection.

Buyer shall have the right to audit all pertinent books and records of Seller, and to make reasonable inspection of Seller's premises, in order to verify compliance with this Section 16.

d. Protection of Seller's Intellectual Property Rights.

Seller represents and warrants that it has written agreements with its personnel that will ensure the protection of Seller's intellectual property rights as well as the protection of Seller's confidential and proprietary information.

e. The confidentiality obligations shall continue without regard to the terms of this Agreement until a party's confidential or proprietary information becomes:

- (i) in the public domain;
- (ii) known to the receiving party prior to delivery by the disclosing party;



- (iii) independently developed by the receiving party, as clearly proven by contemporaneous records of such independent development; and
- (iv) disclosed to the receiving party by a third party without breach of this Agreement or any other confidentiality obligation.

17. INDEMNIFICATION. Except where goods are to be provided from specifications, designs, or processes furnished by Buyer, Seller shall defend, indemnify and hold harmless Buyer from any loss or damage sustained by, and from and against all claims asserted against Buyer arising from any alleged infringement of any trademark, patent, copyright, trade secret or other proprietary right, by reason of the sale or use of goods and/or services supplied hereunder and if any of these goods or services or any part thereof is held to constitute infringement and its use is enjoined, Seller shall at its own expense either procure for Buyer the right to continue to use such goods or services or part thereof or replace them with non-infringing goods or services.

Seller shall defend, indemnify and hold harmless Buyer from and against any claims asserted against it for injuries or damage to property arising in whole or in part from any act or omission of Seller, its agents, servants, employees, representatives or subcontractors with respect to the goods or services supplied hereunder, including those claims arising in whole or in part out of the negligence of Buyer. Seller expressly waives and releases Buyer from all rights of contribution or indemnity to which it may otherwise be entitled.

Seller shall defend, indemnify and hold harmless Buyer from and against any claims asserted against it for injuries or damage to property arising in whole or in part arising from the presence of Seller's personnel on Buyer's property, except when arising out of Buyer's intentional acts or gross negligence.

As used in this Section 17, the term "Buyer" shall mean Buyer, its officers, directors, agents, employees, subcontractors, parent, subsidiaries, divisions and affiliates, successors, assigns, customers and the ultimate users of the Goods and services supplied hereunder.

18. COMPLIANCE WITH LAWS. In performance of its obligations under this Order, Seller shall comply with all applicable executive orders, federal, state, municipal and local laws, rules, orders, requirements and regulations, including but not limited to the Fair Labor Standards Act of 1938, as amended, and the Williams-Steiger Occupational Safety and Health Act of 1970, as amended, together with all standards and regulations issued or adopted pursuant thereto. Seller's acceptance of this Order and supplying of goods and services hereunder shall constitute certification by Seller of such compliance. Any permits or licenses which may be required for performance by the Seller hereunder shall be obtained by Seller at its cost and expense. Seller shall furnish Buyer with certificates and other evidence of compliance upon Buyer's request.

Seller shall upon delivery of goods supplied hereunder, provide Buyer with material safety data sheets (MSDS) or any essentially similar form approved by the Buyer setting forth the type and quantity of all hazardous substances, as defined in appropriate federal, state and local laws and regulations, contained in such goods. If the goods contain no such hazardous substances, the form shall so state. In addition, any such hazardous substances shall be labeled by generic or basic chemical name only, and Seller shall provide Buyer with safe handling procedures for such substances including disposal procedures on the MSDS or other form provided.

Seller agrees not to export, re-export or disclose, directly or indirectly any items or technical information, documents or materials unless with the permission of the Office of Export Administration of the US Department of Commerce or otherwise in compliance with all U.S. Government regulations as found in 22CFR 12-130, International Traffic in Arms Regulations and 15 CFR 768-799, Export Administration Regulations, in its performance under this Purchase Order, including but not limited to granting access to any equipment, technology or technical data to a foreign national.

19. EQUAL OPPORTUNITY CLAUSE. Seller shall not maintain segregated facilities or discriminate against any employees because of age, race, color, religion, sex or national origin or any other ground prohibited by law. Seller shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their age, race, color, religion, sex or national origin. Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Seller shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Equal Opportunity Clause. The Seller shall comply with all provisions of Executive Order 11246, as amended, The Vietnam Veterans Readjustment Act, The Rehabilitation Act of 1973, the Equal Pay Act of 1963, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, and all other Equal Employment Opportunity Laws and Executive Orders, and the rules, regulations, and relevant orders of the United States Secretary of Labor, which are incorporated herein by reference. Seller shall incorporate this Equal Opportunity Clause in every non-exempt contract between Seller and Buyer, and Seller shall obtain identical certifications from subcontractors prior to award of any non-exempt subcontracts.

20. INSURANCE.

- a. Seller agrees to secure and carry as a minimum the following insurance covering all work to be performed under this Order:
- (i) Workers' Compensation and Employer's Liability Insurance in an amount sufficient by virtue of the laws of the country, state, or other governmental subdivision in which the work or any portion of the work is performed;
  - (ii) General Liability Insurance in which the limit of liability for injuries, including accidental death, shall be \$1,000,000 for any one occurrence;
  - (iii) General Liability Insurance in which the limit of liability for property damage shall be \$1,000,000 for any one occurrence;
  - (iv) Automobile Liability Insurance in which the limit of liability for injuries, including accidental death, shall be \$1,000,000 for any one occurrence;
  - (v) Automobile Liability Insurance in which the limit of liability for property damage shall be \$1,000,000 for any one occurrence;
  - (vi) Professional Liability Insurance subject to a limit of \$1,000,000; and
  - (vii) Contractual Liability Insurance sufficient in scope of coverage and amount (in Buyer's reasonable discretion) to cover the liabilities herein assumed by Seller.
- b. All such insurance shall be issued by companies authorized to do business under the laws of the applicable governmental authority for the place in which all or part of the Services are to be performed, shall be in form satisfactory to Buyer, and shall contain a provision prohibiting cancellation except upon at least ten (10) days' prior notice to Buyer. All such insurance policies will be primary in the event of a loss arising out of the Seller's performance of work. Certified copies of said policies or certificates evidencing such insurance and naming Buyer as an additional insured shall be provided to Buyer upon request within 30 days after the date of this Order and within a reasonable time after any renewals or changes to such policies are issued.

- c. When Seller's subcontractors will also be performing services on Buyer's premises, Seller agrees to include all of the insurance requirements of this Section 20 in all subcontracts entered into by Seller to support work performed under this Order.

21. **FORCE MAJEURE.** Neither party shall be liable to the other for damages arising from delay in delivery or any other nonperformance under this contract arising out of causes beyond its control and without its fault or negligence, including but not limited to acts of God or of the public enemy, terrorism, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather.

22. **GOVERNMENT CONTRACTS.** In the event that this Order is placed against a United States government contract or purchase order, the clauses set forth in the Federal Acquisition Regulation (FAR) or similar federal procurement regulations which are included in Buyer's contract or purchase order are hereby incorporated by reference and made a part of this Order; provided, however, that appropriate revisions of these clauses shall be deemed to have been made so that, for example, references to "contracting officer" or "government" shall apply to the Buyer, and references to the "contractor" shall apply to the Seller as appropriate to the intent of each clause used in the government contract. Seller recognizes that when Buyer is acting in its capacity as a government contractor, Buyer is subject to all statutes, executive orders, regulations, procedures, and rules applicable to government contractors. If, during the performance of this Purchase Order, the government determines that Buyer or its affiliates, as a government contractor, must amend this Order to include any sections or requirements different from or in addition to the sections or requirements expressly set forth herein, Seller agrees to amend this Order to incorporate such additional government clauses or requirements as may be pertinent to this Order.

23. **LIMITATION ON BUYER'S LIABILITY; STATUTE OF LIMITATIONS.** IN NO EVENT SHALL BUYER BE LIABLE FOR ANTICIPATED PROFITS OR FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OR FOR DAMAGES IN THE NATURE OF PENALTIES; BUYER'S LIABILITY ON ANY CLAIM OF ANY KIND FOR ANY LOSS OR DAMAGE ARISING OUT OF OR IN CONNECTION WITH OR RESULTING FROM THIS CONTRACT OR THE PERFORMANCE OR BREACH HEREOF SHALL IN NO CASE EXCEED THE PRICE PAID BY BUYER ALLOCABLE TO THE GOODS OR SERVICES OR PART THEREOF THAT GIVES RISE TO THE CLAIM. ANY ACTION RESULTING FROM ANY BREACH ON THE PART OF BUYER AS TO THE GOODS OR SERVICES SUPPLIED HEREUNDER SHALL BE COMMENCED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED IN ALL CIRCUMSTANCES.

24. **NOTICE OF LABOR DISPUTES.** Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this Order, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to Buyer. Seller shall insert the substance of this paragraph in any contract with any subcontractors affecting the goods or services supplied hereunder except that each such subcontractor shall provide that in the event its timely performance is delayed by any actual or potential labor dispute, the subcontractors shall immediately notify Seller of all relevant information with respect to such dispute.

25. **QUALITY CONTROL.** In accordance with the specific requirements of this Order, Seller shall maintain a quality control system acceptable to Buyer covering the goods and services supplied hereunder. Records of all certification and inspection work by Seller and its suppliers shall be kept complete and available to Buyer at Seller's facilities, including without limitation, all records, reports, data and other information necessary to insure compliance with applicable Federal Aviation Regulations. Special and/or Supplemental Beacon Industries Quality Assurance Requirements may also be applicable to this Order and shall be made a part of the contract between the Buyer and the Seller as though fully set forth herein when referenced in an Order.

26. NOTICES. Notices supplied hereunder shall be deemed to have been duly given if delivered or mailed first class, registered mail, postage prepaid or via any overnight courier, to the addresses set forth on the face of this document or to such other address as is reasonably appropriate. Where email communication is provided for in this Order as an acceptable means of written communication, notice of the matter set forth in the email shall be deemed to have been duly given upon delivery of the email in question.

27. MISCELLANEOUS.

- a. This contract constitutes the entire agreement between the parties relating to the goods and services supplied hereunder.
- b. No modification of this contract shall be binding upon Buyer unless made in a writing signed by Buyer's duly authorized representative, which, as provided for in this Order, may be done by way of email communication from Buyer.
- c. Seller shall not, in whole or in part, assign, subcontract or delegate its rights and obligations under this contract without the prior written consent of Buyer; any reference to subcontractors elsewhere in this Order does not constitute a waiver of Seller's obligations to obtain the prior written consent of the Buyer as aforesaid.
- d. No waiver by Buyer of a default shall be deemed a waiver of any subsequent default nor any Buyer right and/or remedy hereunder.
- e. Captions, as used herein, are for convenience of reference only, not of substantive significance, and shall not be construed to limit or extend the language of the provisions to which such captions refer.

28. SHIPPING.

- a. All goods supplied hereunder shall be suitably packed, marked and shipped in accordance with Buyer's instructions, or absent such instructions, in accordance with the requirements of common carriers in a manner to secure lowest transportation costs, and no additional charge shall be made to the Buyer unless otherwise provided on the face of this document.
- b. Packing slips shall accompany each shipment as detailed in Section 4 above.
- c. Original bill of lading or other shipping receipt for each shipment shall be promptly forwarded to Seller in accordance with Buyer's instructions.
- d. Seller shall describe goods on bill of lading or other shipping receipt and route shipments in accordance with Buyer's instructions.

29. APPLICABLE LAW AND FORUM.

- a. Unless otherwise expressly agreed to in writing this Order shall be interpreted in accordance with the plain English meaning of its terms and the construction thereof shall be governed by the laws of the State of Connecticut, USA, without regard to conflicts of law principles. Services shall be deemed to be goods for the purposes of this paragraph (i.e., the application of governing law). Trade terms and usage of industry shall be taken into account understanding the intent of the parties in relation hereto. Buyer may, but is not obligated to, bring any action or claim relating to or arising out of this Order in the appropriate State or Federal court in the jurisdiction described in this clause (a) and Seller hereby irrevocably consents to personal jurisdiction and venue in any such

court, hereby appointing the pertinent Secretary of State or other applicable government authority as agent for receiving service of process.

- b. Any action or claim by Seller with respect hereto shall also be brought in the appropriate court in the jurisdiction described in clause (a) above, if Buyer so elects. Accordingly, Seller shall give written notice to Buyer of any such intended action or claim, including the intended venue thereof, and shall not commence such action or claim outside of such jurisdiction if Buyer, within thirty (30) days from receipt thereof, makes its election as aforesaid. If Buyer and Seller mutually agree to participate in alternative dispute resolution, Seller agrees that all alternative dispute resolution proceedings shall take place in Connecticut. Seller shall not be allowed to bring any action or claim against Buyer under this Order without strict compliance with this Section 29(b) and failure to comply with this Section 29(b) shall prevent Seller from bringing any such claim or action.
- c. The parties specifically disclaim application to this Order of the United Nations Convention on Contracts for the International Sale of Goods.

30. **CUMULATIVE REMEDIES.** The rights and remedies herein reserved to Buyer shall be cumulative and additional to any other or further rights and remedies provided in law or equity.

31. **ATTORNEY FEES.** If Buyer brings an action or asserts a counterclaim for enforcement of the terms and conditions of this Order, Seller agrees that Buyer shall be entitled to an award of its reasonable attorney's fees and court costs associated with such enforcement or counterclaim proceedings.

32. **NEWS RELEASES.**

- a. Any release of information (including public announcements or denials or confirmations or interviews) relating to this Order, or any Goods or services provided by Seller, including news releases, articles, photographs, films, brochures, advertisements, speeches, etc., requires prior written permission of Buyer and will include acknowledgment of Government sponsorship where applicable. The Seller further agrees to include this provision in any subcontract awarded as a result of this Order.
- b. Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has contracted to furnish Buyer the Goods or Services ordered by Buyer, or use any trademarks or trade names of Buyer in Seller's advertising or promotional materials. In the event of Seller's breach of this provision, Buyer shall, in addition to other available remedies, have the right to cancel the undelivered portion of any Goods or Services ordered by Buyer and, further, Buyer shall not be required to make further payments to Seller except for conforming Goods delivered or Services rendered prior to Buyer's cancellation as herein provided.

33. **INTERPRETATION AND ORDER OF PRECEDENCE.** Any inconsistency or ambiguity in this Order shall be resolved by giving precedence in the following order:

- 1. Any written changes to terms of the Order or any long term agreement incorporated by reference in the Order, as mutually agreed to in writing in any Order (however, if such changes would alter the liability or warranty aspects of these terms, then such proposed changes will be null and void unless their acceptance is evidenced by a signed writing of an executive officer of Buyer specifically approving such changes);

2. Specifications, work statements and drawings incorporated into the Order;
3. Terms entered on an Order by Buyer that are specific to that Order and are not incorporated in these standard Order terms and not incorporated by reference in the Order;
4. Other terms contained in any long term agreement or other specific terms agreement agreed to by both parties in writing and incorporated (including incorporation by reference) in the Order or supplement;
5. These Purchase Order Terms and Conditions; and
6. Other terms, not described in subsections 1-5 above, incorporated in this Order, including terms contained in documents incorporated by reference.

34. COVENANTS AGAINST KICKBACKS/ANTI-BRIBERY. Seller represents, warrants, covenants and agrees that neither Seller nor its affiliates nor any subcontractors (including any of their officers or employees) has engaged or will engage in:

- a. providing, attempting to provide, or offering to provide any kickback (as defined in the Anti-Kickback Act of 1986 or any other applicable national, state or local laws regarding kickbacks or commercial bribery) ("Kickback");
- b. soliciting, accepting, or attempting to accept any Kickback; or
- c. including, directly or indirectly, the amount of any Kickback in any invoices or billings submitted under this Order or any other agreement with Buyer or in the subcontract price charged by any subcontractor to a higher-tier subcontractor.
- d. Neither Seller nor any of its affiliates has, to its or their best knowledge, offered, paid, given or loaned or promised to pay, give or loan, or will offer, pay, give or loan or promise to pay, give or loan, directly or indirectly, money or any other thing of value to or for the benefit of any government official, for the purposes of corruptly (a) influencing any act or decision of such government official in his official capacity, (b) inducing such government official to do or omit to do any act in violation of his lawful duty, (c) securing any improper advantage or (d) inducing such government official to use his influence with a government entity to affect or influence any act or decision of that government entity, in each instance to direct business to Seller.
- e. Seller shall in all other respects comply with the U.S. Foreign Corrupt Practices Act as well as all applicable national anti-corruption laws.

35. PARTIAL INVALIDITY/UNENFORCEABILITY. If in any instance any provision of this Order shall be determined to be invalid or unenforceable under any applicable law, such provision shall be ineffective only to the extent of such prohibition or unenforceability. The remaining provisions shall be given effect in accordance with their terms.

36. SURVIVAL. Seller agrees that the Price Warranty, Warranty, Remedies for Breach of Warranty or Delivery, Title and Risk of Loss, Buyer's Materials, Drawings, Confidential Information and Inventions, Indemnification, Insurance, Limitation on Buyer's Liability, Statute of Limitations, Miscellaneous, Applicable Law and Forum, Cumulative Remedies, Attorneys' Fees and Interpretation and Order of Preference sections of this Order and all other provisions wherever located which relate to claims which may be made by Buyer under this Order shall survive and continue in full force and effect upon the termination of this Order, unless otherwise

agreed to in writing by a duly authorized representative of the Seller and an executive officer of Buyer.

37. NO WAIVER. Buyer's failure to seek a remedy for any breach by Seller or Buyer's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege hereunder shall not thereafter be deemed a waiver for any such terms, conditions, or privileges or any other terms, conditions, or privileges whether of the same or similar type.