



## PURCHASE ORDER TERMS AND CONDITIONS

1. **DEFINITION AND EXPLANATION.** "Buyer" means CTL Aerospace, Inc., its divisions or subsidiaries. "Seller" means the party with whom Buyer is contracting and any reference to "vendor", "subcontractor", "contractor" or "supplier" shall also mean Seller. "Purchase Order" ("Order") means the name or title of the instrument of contracting, including all documents, exhibits and attachments referenced thereon. "Products" means those goods, supplies, materials, articles, items, parts, components or assemblies described in this Order.
2. **ACCEPTANCE OF ORDER.** This Order is Buyer's offer to Seller. Seller's Acceptance is expressly limited to the terms of the Order and Buyer hereby objects to any additional or different terms in Seller's Acceptance. Seller accepts this Order as written by executing and returning to Buyer the Acceptance or Acknowledgment copy of the Order, or by beginning performance.
3. **COMPLETE AGREEMENT.** This Order is the complete and exclusive statement of the terms of agreement between Buyer and Seller.
4. **MODIFICATION.** No modification of this Order (including any additional or different terms in Seller's acceptance) shall be binding on Buyer unless agreed to in writing and signed by Buyers duly authorized Purchasing Representative.
5. **PACKING AND SHIPPING.** Except as otherwise specified in the Purchase Order, or referenced documents, normal commercial packaging and packing shall be utilized to assure receipt of acceptable merchandise. No packing or carting charges are authorized without written approval. Seller shall mark all packages and correspondence with the Purchase Order and the Part Number.
6. **DELIVERY.** Seller shall deliver strictly according to the schedule specified or referred to in this Order. Articles shipped in advance of schedule may be returned to Seller at Seller's expense. Seller shall ship exact quantity unless a quantity variance is indicated. Upon failure of Seller to deliver as agreed, Buyer may cancel this Order in whole or in part and be relieved of all liability for any undelivered portion in addition to any other rights or remedies. A waiver by the Buyer of its right to cancel by acceptance of any item after the scheduled delivery date or otherwise, shall not constitute a waiver of such right as to future deliveries. Unless otherwise agreed in writing, Seller shall not unreasonably anticipate schedule by the purchase of articles or manufacture of quantities exceeding those reasonably required to meet delivery dates. Seller will promptly notify Buyer in writing of delays and the cause. In case of delinquent deliveries, Seller agrees to make express shipments at its own expense if requested by Buyer.
7. **TITLE AND RISK OF LOSS.** Unless otherwise specified herein, title to and risk of any loss or damage to the Products shall pass from Seller to Buyer F.O.B. Shipping point. Passing of title upon such delivery shall not constitute acceptance of the Products by Buyer or relieve Seller of any of its obligations hereunder.
8. **INVOICE AND PAYMENT.** Unless otherwise specified, a separate invoice shall be issued for each shipment. No invoice shall be issued prior to shipment of Products. No payment will be made prior to receipt of Products and correct invoice. Buyer reserves the right to delay payment until Products have been accepted. Payment due dates, including discount periods, will be computed from date of receipt of Products and correct invoice (whichever is later). Unless freight and other charges are itemized, any discount will be taken on the full amount of the invoice. Buyer has the right, without loss of discount privileges, to pay invoices covering Products shipped in advance of the schedule on the normal maturity after the date specified for delivery. Any payment shall not constitute acceptance of the Products.
9. **PRICE WARRANTY.** Seller warrants that the price of the ordered Products does not exceed the price charged by Seller to any other customer purchasing the same Products in like or smaller quantities, and under similar conditions of purchase.
10. **QUALITY, INSPECTION, ACCEPTANCE AND REJECTION.**
  - A. All products are subject to final inspection and acceptance at destination, notwithstanding the F.O.B. point or any payment or prior inspection at source. Final Inspection and acceptance will be made at a reasonable time after receipt of Products.
  - B. Inspection and Acceptance of any Products by Buyer shall not be deemed to alter or affect the obligations of Seller or the rights of Buyer and its customers under warranties herein or as may be provided by law.
  - C. Buyer's failure to inspect any of the Products hereunder shall neither relieve Seller from responsibility for such Products as are not in accordance with the requirements of this Order nor impose liability on Buyer therefor.
  - D. Seller will immediately notify Buyer when there is a possibility that any nonconforming material has been shipped. The notification will include clear details of the nonconformance, listing of suspect parts (including serial number(s), lot number(s), manufactured date(s), quantity, delivery date) immediate corrective action, and listing of any similar parts which may be affected within 2 business days of any suspected nonconforming product. Nonconforming material detected prior to shipment will be held until disposition is received from Buyer.
  - E. Any tender of Products which is nonconforming as to the quality, quantity, or delivery schedule shall constitute a breach of this Order and Buyer shall have the absolute right to reject such Products. Buyer shall notify Seller as to such rejection and Buyer shall have all remedies as provided by law and this Order.
  - F. CTL Aerospace, Inc. and its customers, including regulatory agencies) have the right of entry into Seller's facilities to determine and verify quality of work, records, and material. Where specified in the Order, CTL Aerospace, Inc. and its customers, including regulatory agencies) have the right of entry into Seller's facilities to verify that subcontracted Product conforms to specified requirements.
  - G. Seller shall submit any alterations / changes to materials and/or processes, suppliers or facilities to buyer for approval before implementation of changes.

H. Seller shall flow down all quality requirements from Buyer and through us from our customers to their sub-tier suppliers.

I. Seller is required to retain Quality Records not supplied to Buyer for a minimum of three (3) years after which the Seller will contact Buyer prior to disposal of any records.

J. Seller must have an accredited quality system, unless otherwise specified and agreed upon. Seller shall notify Buyer immediately of any loss of QMS or special process accreditation status.

K. Unless otherwise specified, all specialty metals must be melted in the United States or qualifying countries in accordance with DFAR 252.225.872-1.

11. **WARRANTIES.** The Seller agrees that the products furnished under this Purchase Order shall be covered by the most favorable commercial warranties the Seller gives to any customer for such Products and that the rights or remedies provided herein are in addition to and do not limit any rights afforded to Buyer by any other clause of this Purchase Order.

12. **DELEGATION AND ASSIGNMENT.** No delegation of any duties under this Order shall be binding upon Buyer until Buyer's written consent thereto has been obtained. Seller is requested to inform Buyer prior to any assignments of rights to moneys due or to become due under this Order.

13. **COMPLIANCE WITH LAWS.**

A. **Federal, State and Local Laws.** Seller warrants that in performance of this Order, it will comply with all applicable Federal, state and local laws. On its invoice or in other form satisfactory to Buyer, Seller shall submit certification that the Products covered by this Order were produced in compliance with all applicable requirements of Sections 6, 7, and 12 of the Fair Labor Standards Act (29 U.S.C. 201-219) as amended, and of regulations and orders of the U.S. Department of Labor issued under Section 14 thereof.

B. **Equal Opportunity.** CTL is an "Equal Opportunity" employer and Seller shall, therefore, comply with the provisions of the President's Executive Order 11246 as supplemented and all related regulations of the Department of Labor.

14. **NONWAIVER.** Any failure at any time of Buyer to enforce any provisions of this Order shall not constitute a waiver of such provision or prejudice the right of the Buyer to enforce such provisions at any subsequent time.

15. **PARTIAL INVALIDITY.** If any provision of this Order is or becomes void or unenforceable by force or operation of law, the other provisions shall remain valid and enforceable.

16. **TAXES.** All process herein, unless otherwise provided, include all applicable Federal, state and local taxes as may be assessed against Seller except those sales or use taxes required by law to be paid by Buyer.

17. **CHOICE OF LAW.** This Order and any dispute arising hereunder shall be governed by the substantive and procedural laws of the State of Ohio.

18. **DISPUTES.** Either party may litigate any dispute arising under or relating to this Order. Such litigation shall be brought and jurisdiction and venue shall be proper only in a state or federal district court in Hamilton County, Ohio. Pending resolution of any such dispute by settlement or by final judgment, the parties shall proceed diligently with performance.

19. **WAIVER OF RIGHT TO JURY TRIAL.** Buyer and Seller hereby waive their respective 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 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.

20. **PATENT, TRADEMARK AND COPYRIGHT INDEMNITY.** Seller shall defend, indemnify, and hold Buyer, Buyer's officers, agents, employees and customers harmless against all claims and liabilities, including costs, for infringement of any United States patent, trademark, or copyright by any Products delivered under this Order or, at Seller's option and expense, Seller shall obtain such licenses as are necessary to remove any such infringement, provided that Seller is reasonably notified of such claims and liabilities. Seller's obligation shall not apply to Products manufactured by Seller pursuant to detailed designs developed by Buyer and furnished to Seller under an Order which does not require research, development, or design work by Seller. Seller's obligation shall also not apply to any infringement arising from the use or sale of Products in combination with items not delivered by Seller if such infringement would not have occurred from the use or sale of such Products solely for the purpose for which they were designed or sold to Buyer. Seller's obligation shall extend to the U.S. Government only if and to the extent Buyer has agreed to indemnify the U.S. Government.