

TERMS AND CONDITIONS OF SALE:

1. Sales Confirmation. SAF Industries, LLC doing business as (DBA) Gar Kenyon Aerospace and Defense ("Seller") accepts Buyer's order for the goods listed thereon (the "Goods") expressly conditioned on Buyer's consent to the terms and conditions contained herein (the "Agreement"). Any different or additional terms are hereby rejected.

2. Shipments. Unless otherwise indicated herein, the Goods shall be delivered FCA (Incoterms 2000) at Seller's Meriden, CT facility. Compliance by Seller with a quoted delivery time is conditioned upon Buyer's fulfillment of its obligations. Requests for delayed delivery shall not be honored if such request is made less than thirty (30) days of the scheduled delivery date.

3. Prices. Prices stated are in U.S. Dollars. Buyer is responsible for payment of any sales, use, valued added or similar taxes that are applicable or may become applicable to the sale of the Goods unless Seller is provided with a valid tax exemption certificate at the time payment is made. Seller's minimum order amount is \$500.00.

4. Payment Terms. All payments under this Agreement must be in U.S. Dollars. Payment shall be made to Seller net thirty (30) days from the date of invoice at the address referenced in this Agreement or as directed by Seller. No receiving agency or depository has the authority to settle claims for Seller or to accept payment tendered as payment in full. Buyer agrees that notwithstanding any endorsements or other legend appearing on the Buyer's checks, drafts or other orders for payment of money, they do not, because of such endorsement or legend or otherwise, constitute payment in full or settlement of the account. Invoices shall be issued when the Goods are ready for shipment. Buyer is obligated to comply with the payment terms notwithstanding that transportation, delivery, or acceptance of the goods is delayed, restricted, interfered with or prevented due to any reason, foreseeable or unforeseeable, beyond Seller's control. Seller's right to payment upon tender of conforming goods shall be absolute and Buyer shall not set off against such payment any amounts Buyer might claim it is owed by Seller. Seller reserves the right, among other remedies, either to terminate this Agreement, or to suspend further delivery under it in the event Buyer fails to pay for any one shipment when same becomes due. Should Buyer's financial condition be or become unsatisfactory as determined by Seller, advance cash payments or security satisfactory to Seller may be required by Seller for future deliveries.

5. Acceptance of Goods; Returns. The Buyer shall promptly inspect the Goods when received and shall notify Seller in writing of any deficiencies within ten (10) business days of receipt. In the absence of such notice, the Goods shall be deemed to have been accepted. Acceptance shall also be deemed to have been made when the Buyer uses the Goods for its commercial production or resale. Acceptance shall be final and irrevocable. No Goods shall be returned without the prior written approval of Seller. Buyer must pay 20% of the purchase price as an inspection and restocking charge on returns unless otherwise agreed by Seller. Freight charges on returned goods must be prepaid by Buyer.

6. Excuse of Performance. Deliveries may be suspended by Seller in the event of an event of force majeure including but not limited to; war; riot; fire; terrorism; explosion; accident; flood; sabotage; lack of adequate fuel, power, raw materials, labor, containers or transportation facilities; compliance with governmental requests; laws; regulations; orders or actions; breakage or failure of machinery or apparatus; national defense requirements or any other event, whether or not of the class or kind enumerated herein, beyond the reasonable control of Seller. Deliveries suspended or not made by reason of this section may be canceled by Seller without liability of Seller to Buyer.

7. Liability for Storage of Buyer Furnished Property. Buyer agrees to pay reasonable storage charges for all Buyer furnished tools, patterns, and similar items which remain at Seller's facility or those of Seller's suppliers after delivery of the Goods, as well as similar charges for all Buyer owned residual inventory remaining at Seller's facility.

8. Changes. Buyer may, by written request, seek changes in the delivery schedule or the method or manner of packing of the Goods. All such changes are contingent upon the written consent of Seller. Buyer shall reimburse Seller for any increase in the costs incurred or to be incurred as a result of such changes. Seller shall be entitled to submit a claim for adjustment hereunder any time up until one (1) year after final delivery of goods. Notwithstanding the foregoing, Buyer shall not request any change which violates the terms of Seller's Hardware Delivery Policy attached hereto as Exhibit A.

9. Warranty. All Goods manufactured by Seller ("Warranted Goods") are warranted to conform to the specifications, drawings and other written representations referenced on the face of this order, and are warranted to be free from defects in workmanship and material for a warranty period of three (3) years from the date of shipment, or 7,500 product hours, whichever first occurs. This warranty does not apply to consumable parts or goods, damage to or defects in the Warranted Goods caused by ordinary wear and tear, misuse, misapplication, neglect (including without limitation improper, untimely, inadequate, or the failure to perform maintenance), accident, improper installation, or Warranted Goods which have been repaired or altered other than by Seller's representative. The foregoing warranty constitutes Seller's only warranty in connection with the Warranted Goods delivered hereunder, and is in lieu of all other warranties, express or implied, written or oral. **SELLER EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS OF ANY GOODS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THIS AGREEMENT.** Buyer acknowledges that it has not relied upon any representation of Seller regarding the goods or their delivery other than those representations of Seller other than those representations expressly stated in this Agreement.

10. Remedies for Breach. Seller's sole liability and Buyer's sole remedy for any breach of warranty shall be limited to Seller's repair or replacement of the Warranted Goods found by Seller to be defective or non-conforming, or to Seller's refund of the purchase price of such Warranted Goods. Seller shall have the sole right to determine whether such Warranted Goods shall be repaired, replaced or the purchase price refunded. Seller's liability shall be contingent upon the return to Seller, at Buyer's expense, of such Warranted Goods within ninety (90) days after such defect is discovered or by reasonable inspection should have been discovered but in no event shall Seller be obligated to repair, replace or offer a refund for Warranted Goods returned after the expiration of the warranty period. Prior to any such return, Buyer shall request a Returned Material Authorization in accordance with Seller's RMA policy attached hereto as Exhibit D. Buyer and/or its customers shall pay all transportation costs, insurance and other handling costs incurred in connection with all Warranted Goods returned. Should Seller determine that the return for repair to Seller of Warranted Goods is not commercially feasible, Seller shall at its option (i) at its cost and expense, dispatch appropriately trained personnel to make such repair; (ii) authorize Buyer to make such repair in the field in which Seller shall reimburse Buyer in an amount equal to the lesser of the cost incurred by Buyer in making such repair; or the selling price of the Warranted Goods being repaired; or (iii) refund to Buyer the cost of the Warranted Goods returned. The remedy set forth above is exclusive. The repair or replacement of the Warranted Goods or the refund of the purchase price constitutes fulfillment of all liabilities of Seller to Buyer whether based on contract, negligence of any kind, strict liability, or tort or otherwise.

11. Limitation on Claims and Actions. Any claim by Buyer for breach of the foregoing warranty shall be deemed waived by Buyer unless submitted to Seller in writing within thirty days from the date Buyer discovers or by reasonable inspection should have discovered the alleged breach. Any cause of action for breach of the foregoing warranty shall be brought (if at all) within one year after the cause of action has accrued.

12. Limitation of Liability. Buyer expressly agrees that, notwithstanding any other provision of this Agreement, Seller's total aggregate liability shall not

exceed the price paid by Buyer for the Warranted Goods. EXCEPT AS EXPRESSLY PROVIDED FOR HEREIN, SELLER SHALL NOT BE LIABLE FOR ANY DIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF USE, INCOME, PROFITS OR PRODUCTION; INCREASED COSTS OF OPERATION; OR DAMAGE TO MATERIAL ARISING IN CONNECTION WITH THE SALE, INSTALLATION, USE OF OR INABILITY TO USE, OR THE REPAIR OR REPLACEMENT OF THE GOODS, UNDER ANY THEORY OF LIABILITY WHETHER SOUNDING IN CONTRACT OR TORT, AND WHETHER OR NOT CAUSED OR CONTRIBUTED TO BY THE SOLE OR ACTIVE NEGLIGENCE OF SELLER.

13. Cancellations. Seller reserves the right to cancel this Agreement in the event of a breach of any of the terms hereof by the Buyer. Orders may be canceled by Buyer only upon written consent of Seller and Buyer's agreement to reimburse Seller for i) the price listed in this Agreement for all Goods completed and not yet paid for by Buyer, ii) all costs incurred by Seller in performing this Agreement up until the date of cancellation excluding costs incurred for completed Goods, iii) all costs incurred in terminating efforts under this Agreement including without limitation termination and settlement of supplier, vendor and subcontractor orders, costs to dispose of work-in-process and raw materials, labor, non-recurring costs, overhead and related profit on such costs and overhead and iv) anticipatory profit on cancelled Goods. All cancellation charges are to be determined by Seller at the time of cancellation.

13.1 Confidential Information. Buyer agrees and warrants that it will i) not disclose or make available to any third party any drawings, data, or information provided by Seller and identified as proprietary, company private or with a similar marking ("Seller Proprietary Information") and shall only disclose such Seller Proprietary Information to Buyer officers, directors, and employees who have a need to know such Seller Proprietary Information for the purposes described in (ii) below and who have executed a written agreement with the Buyer obligating such person to treat such information in a manner consistent with the terms of this Agreement; (ii) except as may be further restricted under the terms of this Agreement, use any Seller Proprietary Information solely in connection with the sale, installation, and authorized repair and maintenance of Goods produced by Seller; (iii) not use Seller Proprietary Information for the design, manufacture, promotion, sales, service or repair of Buyer or third party goods; (iii) safeguard all Seller Proprietary Information to prevent its disclosure to or use by third parties.

13.2. The restrictions contained in Section 13.1 above shall not apply to any information that, as proven by written contemporaneous records kept in the ordinary course of business: (i) is or may hereafter be in the public domain through no improper act or omission of the Buyer or a third party; (ii) is received by the Buyer without restriction from a third party having a right to disclose it; (iii) was known to Buyer on a non-confidential basis prior to the disclosure by the Seller; or (iv) was independently developed by employees of the Buyer who did not have access to any of Seller's Proprietary Information.

14. Intellectual Property Indemnity. Seller shall defend, indemnify, save and hold harmless Buyer from and against any claims, losses, damages, fees, costs and expenses incurred by Buyer arising out of or in connection with the infringement of any United States patent based solely on the use or design of Goods sold hereunder and used by Buyer strictly in accordance with the terms of this Agreement provided that: (i) Buyer promptly, and in any event, within ten (10) days of becoming aware of the claim, notifies Seller in writing of such claim; (ii) Buyer fully cooperates with Seller in assisting in the defense or settlement of such claims; and (iii) Seller has the sole right to conduct the defense of such claim or to settle such claim. In the event any such Goods sold hereunder are held in such suit to be infringing or their use by Buyer is enjoined or limited in any manner, or Seller believes that such holding or enjoining is

likely, Seller shall at its expense: (i) procure for Buyer the right to continued use of such Goods; (ii) replace or modify the same with an equivalent non-infringing product with functionality substantially similar to the Goods it is replacing; (iii) refund to Buyer the purchase price for such Goods upon Buyer's return or destruction, at Seller's option Seller shall not be liable for any claim based on the combination or use of the Goods with any other equipment not supplied or authorized by Seller, or any claim based on Buyer's possession or use of any altered version of the Goods unless such alteration has been performed or expressly authorized by Seller. The foregoing indemnity shall not be applicable to Goods made for Buyer according to Buyer's specifications.

15. Governing Law. The validity, interpretation, and performance of this Agreement and any dispute connected herewith shall be governed by and construed in accordance with the laws of the state of Connecticut, excluding its conflicts of laws rules.

16. Jurisdiction and Venue. Where federal jurisdiction exists over any action, suit, or proceeding arising out of or in any way connected with this Agreement or the arbitration decision, the parties designate the United States District Court for Connecticut, New Haven Offices, for the exclusive resolution of the dispute and submit to the jurisdiction of that court. Where federal jurisdiction does not exist over that action, suit, or proceeding, the parties designate the New Haven County Courthouse, Connecticut, for the exclusive resolution of the dispute and submit to the jurisdiction of that court. Nothing in this Section is intended to limit in any way a party's right to appeal all or any part of a decision or ruling or judgment of any court.

17. Miscellaneous. This Agreement constitutes the full understanding of the parties of the terms and conditions of sales hereunder. No conditions, usage of trade, course of dealing or performance, understanding or agreement purporting to modify, vary, explain, or supplement the terms or conditions of this Agreement shall be binding unless hereafter made in writing and signed by the parties.

18. Severability. If any provision of this Agreement is determined to be ineffective or invalid, all other provisions of this Agreement shall remain effective and valid provided the purpose of the remaining valid and effective provisions is not frustrated.

19. Non-Discrimination. The Supplier performing the work required by this order, shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex or age. Supplier shall include in all subcontracts a provision similar to the foregoing. Supplier also represents that it will comply with Federal Executive Order 14398 ("EO 14398") and the recently issued FAR clause FAR 52.222-90, Addressing DEI Discrimination by Federal Contractors, and Supplier shall include a substantially identical certification in all subcontracts and purchase orders, including a flow-down requirement.

20. Regulatory Compliance – Export Controls. Buyer understands and agrees that the information disclosed, made available or provided herein is private, confidential, and proprietary, and may also be controlled technical data or technology under the Export Administration Regulations ("EAR") or International Traffic in Arms Regulations ("ITAR"), Office of Foreign Assets Control ("OFAC"), or subject to other laws or regulations. Buyer agrees and covenants that it will not release, show, make available, disclose or deliver in any form or fashion all or any part of this information to any person who is not a U.S. Citizen, a lawful permanent resident of the United States (i.e., valid "Green Card" holder – a Visa is irrelevant for this purpose), or who has received Political Asylum in the United States without first having determined whether it is lawful to do so under U.S. laws including the EAR, ITAR, and OFAC. Further, Buyer will not release, show, make available, disclose or deliver in any form or fashion all or any part of this information to any non-U.S. Person without having first obtained the necessary license or approval that may be required from the U.S. Department of Commerce, Department of State, Department of Treasury, or other agency, department, or office. Buyer agrees



that if a license or other approval is necessary it will promptly advise Seller in writing of its determination and confirm that it has not released any controlled technical data or technology and that it is seeking a license or other approval.

21. Exhibits. The following Exhibits are attached to these Terms and Conditions and are incorporated herein. Exhibit A—Seller's Hardware Delivery Policy Exhibit; B—Seller's Miscellaneous Charges Exhibit; C—Seller's Termination Liability Schedule Exhibit; D—Seller's RMA Policy

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EXHIBIT A—SELLER'S HARDWARE DELIVERY POLICY

- 1) **Orders for (1) one to (25) twenty-five units:** Seller will make one shipment and will not split shipment. (1) One lot delivery only over a period of time not to exceed (12) months from date order was originally received.
- 2) **Orders for (26) twenty-six to (100) one hundred units:** For orders of total quantities of (26) twenty-six to (100) one hundred units, Seller will not make more than (2) two shipments of approximately equal quantity over a period of time not to exceed (12) twelve months from date order was originally received.
- 3) **Orders for (101) one hundred one to (250) two hundred fifty units:** Seller will not make more than (4) four shipments of approximately equal quantity over a period of time not to exceed (12) twelve months from date order was originally received.
- 4) **Orders for (250) two hundred fifty to (500) five hundred:** Seller will not make more than (5) five shipments of approximately equal quantity over a period of time not to exceed (15) months from date order was originally received.
- 5) **Orders for (500) five hundred and up:** Seller will not make more than (6) five shipments of approximately equal quantity over a period of time not to exceed (18) months from date order was originally received.

Reschedule Policy

Gar Kenyon will accept no more than (3) three delivery schedule changes per contract line item during the life of any contract at no charge to the customer given the following conditions.

No schedule change will be accepted that attempts to alter the delivery date of any item due to ship within (30) thirty days of the current due date or which accelerates a delivery date.

No schedule changes will be accepted that violate the provision of Gar Kenyon's Hardware Delivery Policy described above or that call for delivery after the last originally scheduled delivery date in the contract without Gar Kenyon's approval described above.

Note: Any deviation to the above policy may result in additional administrative charges and/or a hardware price increase to be determined at Gar Kenyon's sole discretion.

EXHIBIT B—SELLER'S MISCELLANEOUS CHARGES

First Article Inspection Report (FAIR)

- o First Run Hardware FAIR.....No Charge
- o Existing FAIR to ship.....No Charge
- o New Revision (Gar Kenyon or Customer P/N)... No Charge
- o FAIR Per AS9102.....No Charge
- o New FAIR (No Revision Change).....\$500 per PN

Process Certs/Physical Chemical Certs

- o Physical/Chemical Certs only.....\$350 per PN, per shipment
- o Process Certs on Gar Kenyon form.....\$350 per PN, per shipment
- o Process Cert info on shipper.....\$350 per PN, per shipment
- o Process Certs on Customer form.....Minimum \$750.00 each

EXHIBIT B (cont.)

- **Dimensional Inspection Report**.....\$500 per PN, per shipment
- **Final Inspection Report**.....\$500 per PN, per shipment

• Government Source Inspection

- o For D.S.C.C. or any other Govt office.....No Charge
- o For any customer other than Govt.....\$350 per Source Inspection Visit

• FAA Conformity

- o Gar Kenyon DMIR to perform conformity.....As quoted by Gar Kenyon
- o Outside DAR to perform conformity.....As quoted by Gar Kenyon

EXHIBIT C – TERMINATION LIABILITY SCHEDULE

Prices quoted are based on one manufacturing run per release. The Termination Liability Schedule applies to the total quantity of parts ordered and commences twelve (12) weeks prior to initial delivery. Buyer to Pay Seller within 90 days of settlement.

Months Prior to Initial Delivery

Termination Liability %

Zero (0) to Four (4) weeks

.....

100% Five (5) to Seven (7) weeks.....

.....75%

Eight (8) to Ten (10) weeks.....50%

Eleven (11) to Twelve (12) weeks.....25%

EXHIBIT D – SELLER'S RMA POLICY

Return Material Tracking module in our ERP system which enables us to better track and control customer returned product. In utilizing this system Gar Kenyon requires all returns to have a Gar Kenyon assigned RMA number. To obtain the RMA number and formal instructions please contact Gar Kenyon Customer Service. Upon contact of a customer service representative, an RMA number will be assigned. The RMA number must appear on all documents included with the returned shipment. Please ensure that the RMA number appears on the outside of the shipping container to facilitate distribution by our receiving department. Any returns lacking a RMA number will be refused and returned at the customer's expense.

Please be advised that if it is found that the return is not Gar Kenyon's responsibility, there will be a test and evaluation charge at a minimum of \$500. This charge will cover the cost to test/evaluate only the reason stated for the return and does not cover the cost of complete evaluation/ATP.

If further repairs are required we will evaluate accordingly and provide an estimate of those costs. If an authorization to proceed is required we will provide an e-mail notification to you for your reply. Once a quotation/e-mail has been sent to you, an immediate response is required. If it is a billable repair, and no response has been received within 30 days, Gar Kenyon reserves the right to assess additional administration/storage fees.

The RMA number will be valid for 30 days from issue date. If the unit(s) is not received by the end of the 30 days please contact your Sales Administrator for a date extension or to request a new RMA number, otherwise the RMA will be

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closed in our system.

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