

NORDAM PURCHASE ORDER TERMS AND CONDITIONS

Except to the extent superseded by the terms and conditions of an agreement between NORDAM and Seller pursuant to which this Purchase Order is issued, these NORDAM Purchase Order Terms and Conditions apply to and form part of each Purchase Order issued by The NORDAM Group, Inc.

1. **PARTIES:** The NORDAM Group, Inc. is referred to as “Buyer” and the entity to which the Purchase Order is issued is referred to as “Seller.”
2. **ACCEPTANCE:** This Purchase Order (“Order”) is Buyer's offer to purchase from Seller the products and/or services (“Product”) described in this Order. Seller's commencement of performance or acceptance of this offer in any manner shall constitute acceptance of this offer as written. Unless specifically agreed to in writing by Buyer's authorized representative, Buyer objects to, and is not bound by, any additional or different terms or conditions. This offer is expressly limited to and made conditional upon Seller's acceptance of the terms and conditions contained herein.
3. **PACKING AND SHIPPING:** The Product must be suitably packed using nonhazardous materials (no vermiculite) and prepared for shipment to secure lowest transportation rates, comply with carrier regulations and prevent damage and deterioration. Buyer will not be charged for packaging unless a packaging charge is expressly stated in the Order. Damage to any Product resulting from improper packaging will be charged to Seller. Separate packing sheets shall be provided for the hazardous and nonhazardous materials contained in the same shipment. Seller shall package goods and technical data subject to ITAR (International Traffic in Arms Regulations) separate from non-ITAR items. All Product to be shipped on the same day via the same route shall be consolidated on one bill of lading, unless Buyer authorizes otherwise. Each container shall be marked to show the Order number, gross weight, dimensions, final destination, placards as required (such as “fragile”, “top”, and stacking limitations) and consecutively numbered with the number that the container represents in the entire shipment (e.g., box 1 of 2 boxes). The container and Order numbers shall be listed on the bill of lading. Product sold EXW (Incoterms 2000) or F.O.B. shipping point shall be forwarded collect and Seller shall not insure such shipments beyond the shipping point. Seller shall make no declaration concerning the value of the Product shipped, except where the tariff rating is subject to the released or declared value. In such case, Seller shall release or declare such value at the maximum value within the lowest rating. Each shipment shall include (i) an original and two (2) copies of a packing slip containing the Order number, Product nomenclature/description; the Product part number; the Product serial number (where applicable); and the quantity of Product and (ii) a certificate of conformance or other appropriate inspection certification in conformance with this Order. In addition, international shipments shall also include an original plus two (2) copies of a commercial invoice complying with the requirements of applicable import laws and supplying Buyer with all applicable international shipping documents, including bills of lading/air waybill, delivery receipts, declarations, manifests and certificates of origin and a clear mark or stamp on the Product and related packaging to indicate the country of manufacture, e.g., “Made in [country].” Where freight costs will be charged to Buyer, Seller shall arrange the shipping using the carrier and mode of transportation specified in Buyer's Transportation Routing Guide found on www.nordam.com under “My NORDAM eBusiness Documents.” Seller shall be liable for any excess freight charges and insurance charges if Seller fails to follow these instructions.
4. **SHIPMENT TOLERANCE:** Each line item on this Order shall be deemed fulfilled once Buyer has received and accepted the total quantity of Product ordered on the line. Any additional shipments against the line item of the Order may, in Buyer's sole discretion, be returned at the Seller's expense.
5. **TITLE/RISK OF LOSS:** Title and risk of loss for the Product shall pass to Buyer upon delivery to the point of delivery stated in this Order.
6. **NONCONFORMING PRODUCT/INSPECTION:** Passage of title and risk of loss pursuant to Section 5 above shall not constitute acceptance of Product. Buyer shall have the right to inspect Product at Seller's facility and upon receipt at Buyer's facility. If any inspection or testing is done on Seller's premises, Seller, without additional charge, shall provide all reasonable facilities and assistance to Buyer. In the event the Product or the tender of delivery of the Product does not conform to the

NORDAM PURCHASE ORDER TERMS AND CONDITIONS

requirements of this Order, in addition to any other remedies available pursuant to this Order, at law or in equity, Buyer shall have the right to:

- a. Hold nonconforming Product after inspection pending a determination to accept or reject any or all of such Product;
 - b. Reject the nonconforming Product and return the nonconforming Product to Seller at Seller's expense for prompt credit, replacement or correction as Buyer may direct (rejection of any part of a shipment may cause rejection of the entire shipment); and/or
 - c. If the nonconformance is discovered after acceptance by Buyer, revoke acceptance of the nonconforming Product and return the nonconforming Product to Seller at Seller's expense for prompt credit, replacement or correction as Buyer may direct; and/or
 - d. Title and risk of loss of nonconforming Product shall revert to Seller upon shipment by Buyer if the nonconforming Product is returned to Seller.
7. **TIME:** Time is of the essence in Seller's performance of this Order.
8. **DELIVERY DATES:** Delivery dates in this Order are the dates Product is to be delivered to the delivery point stated in the Order ("Delivery Dates"). Any schedule relief or adjustment must be in writing by Buyer's authorized representative. If Seller tenders a Product for delivery more than ten (10) days before the applicable Delivery Date, Buyer may, in its absolute discretion, either: (i) return the Product to Seller and require redelivery on the Delivery Date, all at Seller's expense and risk; or (ii) retain the Product and make payment in accordance with the original delivery/payment schedule set forth in the Order, regardless of the actual Delivery Date.
9. **LATE DELIVERY:** In addition to any other rights or remedies provided in this Order, at law or in equity, Buyer shall be entitled to the remedies stated below if Seller is late in meeting a Delivery Date, unless the Delivery Date was extended by written agreement of the Buyer:
- a. If Buyer elects to require an expedited method of shipment or delivery to a location different than that originally designated, Seller shall comply with Buyer's instructions and Seller shall be responsible to bear any increase in costs incurred because of the expedited transportation method.
 - b. Buyer may terminate this Order, in whole or in part, without further obligation or liability, except for the obligation to pay for Product already accepted by Buyer.
 - c. For delays in delivery of Product of five (5) days, Buyer shall be entitled to deduct one percent (1%) from the late Product's purchase price. Buyer shall also be entitled to deduct an additional one percent (1%) from the late Product's purchase price, for each additional day of delay in delivery. The deduction for delays pursuant to this subsection shall not exceed twenty percent (20%) of the purchase price of the late Product. In view of the difficulty in calculating the actual damages, Buyer shall be entitled to this deduction as liquidated damages, and not as a penalty. The Parties agree this amount is reasonable in the light of the anticipated or actual harm caused by delays in delivery and the difficulties of proof of damages.
10. **NOTICE OF LABOR DISPUTES:** Whenever an actual or potential labor dispute is delaying or threatening to delay the performance of this Order, Seller shall immediately give notice to Buyer disclosing all relevant information.
11. **CHANGES:** Buyer's authorized representative may, within the general scope of this Order and by written notice to Seller, make changes in one or more of the following: (i) Drawings, designs or specifications; (ii) method of shipment or packing; (iii) quantity ordered; (iv) Delivery Date(s) and (v) place of delivery. If any change under this Section causes an increase or decrease in the cost of or the time required for performance of Seller's obligations under this Order, an equitable adjustment to the price and/or the delivery schedule shall be agreed to in writing by the Parties. Seller must submit in writing to Buyer, within ten (10) days after receipt of the notice of change any proposal for adjustment. If the Seller's proposal includes the cost of property made obsolete or excess by the change, the Buyer shall have the right to prescribe the manner of the disposition of the property. Notwithstanding any pending proposal for adjustment, Seller shall proceed diligently with the performance of the change as directed by Buyer. Seller shall make no change in the drawings, design, specifications or manufacturing or assembly processes, unless such change has been expressly accepted by prior written approval of

NORDAM PURCHASE ORDER TERMS AND CONDITIONS

Buyer. If Seller fails to obtain Buyer's written approval of a change in accordance with the immediately preceding sentence prior to delivering a modified Product, then Buyer may reject the affected Product and pursue all available rights and remedies provided in this Order, at law or in equity. Failure to agree to any equitable adjustment shall constitute a dispute within the meaning of the Section 25 (Disputes) of this Order. However, nothing in this Section 11 shall excuse Seller from proceeding with the Order as changed.

12. **INVOICES:** Seller shall not invoice for a Product prior to delivering the Product. Each invoice must show the shipping point, applicable Order number, Product part number, delivery date, quantity, unit price and the extended pricing for more than one unit. Invoices are to be sent to Buyer's Accounts Payable Department, P.O. Box 3365, Tulsa, OK, USA 74101 or such other address as Buyer designates. Payment of Seller's invoices is subject to adjustment for any shortage, rejection or breach by Seller. Freight and other shipping charges must be itemized. Payment due date, including any discount period, shall be computed from the date of receipt of a proper invoice.
13. **TAXES:** Seller is responsible for all applicable sales, use, VAT, excise, and other taxes, duties, assessments, charges, and import or export fees imposed on the Product. The Seller is responsible for filing and paying any and all of such taxes, assessments, charges, duties or fees in connection with the Product supplied by Seller.
14. **PROPRIETARY INFORMATION AND INTELLECTUAL PROPERTY:**
 - a. "Intellectual Property" means any information or data pertaining to design, development, production, modification, maintenance, and/or repair, including drawings, diagrams, models, formulae, specifications, manuals and instructions, inventions, ideas, discoveries, know-how, work product, copyrights, trademarks, trade secrets, industrial property, and derivative works, improvements or modifications to any of the foregoing and all other forms of intellectual property, whether or not patentable.
 - b. "Permitted Purposes" means performing obligations or exercising rights under this Order and, in the case of Buyer only, also includes testing, certification, use, sale or support of any Product.
 - c. "Proprietary Information" means Intellectual Property, and all financial, business, technical, and other information relating to the Product.
 - d. Each party shall retain exclusive title to (i) Intellectual Property rightfully owned or rightfully acquired from third parties prior to the issuance of this Order, (ii) Intellectual Property rightfully acquired after issuance of this Order, but outside performance of the Order, from a third party and (iii) subject to subsection 14.e below, Intellectual Property which such Party generates by itself in the course of the performance of this Order without material access to and use of the other Party's Intellectual Property and without unlawful conduct in connection with such generation.
 - e. Notwithstanding any provision of this Order to the contrary, as between Buyer and Seller, Buyer shall be the exclusive owner of all rights in all Intellectual Property developed in performance of this Order, whether the Intellectual Property is developed by Buyer, Seller, Seller's subcontractors, or developed jointly by Buyer and Seller. Seller agrees that it shall not reverse engineer the Product.
 - f. Buyer grants to Seller a royalty-free, world-wide, and non-exclusive license to use Buyer's Intellectual Property associated with the Product solely for and to the extent necessary for the Permitted Purposes. Except for the right to use Buyer's Intellectual Property associated with the Product for the Permitted Purposes, no rights (ownership, license, or otherwise) are granted to the Seller or implied concerning any Buyer Intellectual Property. Seller grants to Buyer a royalty-free, world-wide, and non-exclusive license, with the right to grant sublicenses, in Seller's Intellectual Property associated with the Product solely for and to the extent necessary for the Permitted Purposes.
 - g. The party receiving ("Receiving Party") Proprietary Information from the other party ("Disclosing Party") agrees to (i) keep confidential and not disclose the Proprietary Information to others without the Disclosing Party's prior written consent; (ii) not copy or reproduce the Proprietary Information without the express written permission of the Disclosing Party, except for such copies or reproductions as may be reasonably required for the Permitted Purposes for internal need-to-know by the Receiving Party; (iii) use the Proprietary Information solely for the Permitted Purposes; (iv) not disclose the Proprietary Information to any person within the Receiving Party's organization unless such person has a need-to-know in accomplishing the Permitted Purposes; (v) protect and

NORDAM PURCHASE ORDER TERMS AND CONDITIONS

- safeguard the Proprietary Information with at least the same degree of care as the Receiving Party exercises in protecting and safeguarding its own Proprietary Information, but in no event less than the reasonable care customarily exercised by the aircraft industry to preserve Proprietary Information. The terms of this subsection 14.g. will not apply to any Proprietary Information which:
- (i) is in, or comes into, the public domain otherwise than by a breach of this Order;
 - (ii) the Receiving Party can show was in its possession by virtue of being recorded in its files or being in its use prior to receipt from the Disclosing Party;
 - (iii) the Receiving Party receives from a third party which itself had not received the Proprietary Information directly or indirectly from the Disclosing Party; or
 - (iv) is independently developed by the Receiving Party without using any Proprietary Information of the Disclosing Party, by persons who have not had access to such Proprietary Information.
- h. Upon request by Buyer, Seller agrees to return all of Buyer's Proprietary Information (and all information derived therefrom) to Buyer.
 - i. "Indemnified Parties" means Buyer, any customer of Buyer or a buyer or lessee/sub-lessee or other operator of the aircraft on which Product is installed, and their respective officers, agents, and employees. If this Order has been issued to support a U.S. government prime contract or sub-contract then, in addition to the entities identified in the preceding sentence, "Indemnified Parties" includes the U.S. government and its officers, agents, and employees. To the extent the Product is designed by Seller, Seller shall indemnify, defend and hold harmless the Indemnified Parties against any claim, suit, action or liability, including costs, based on an assertion that the design, manufacture, use, sale or resale of the Product infringes any United States or foreign intellectual property right, including any patent or patent rights, trademark, copyright or other intellectual property right, and Seller shall when notified, defend any action or claim of such infringement at Seller's expense.
 - j. This Section 14 shall survive the cancellation, termination or expiration of this Order.
15. **WARRANTY:** Seller warrants that each Product shall be free from defects in materials and workmanship [and to the extent the Product is designed by Seller, Seller warrants the Product shall be free from defects in design]; that Seller shall convey to Buyer good title to each Product free and clear of any liens; that the Product shall meet the specifications, requirements, processes, and provisions of the documents specified in this Order; that the Product shall be merchantable and fit for Buyer's intended purpose; and that all services will conform to sound industrial practice and technical workmanship as is customary in the aviation industry (collectively the "Warranty"). Buyer's inspection, approval of a sample, acceptance or payment for the Product shall not constitute a waiver, exclusion or modification of the Warranty. In addition to all other remedies which Buyer may have under this Order or applicable law, Buyer may, at Seller's expense, require Seller to promptly accomplish any correction, repair, replacement, or retrofit which may be required to make the nonconforming Product conform to the Warranty, all without change to the price and without additional cost to Buyer. Removal and reinstallation costs and testing costs related to the replacement or repair of the nonconforming Product shall be paid by Seller. In the event Buyer supplies its customer with a replacement for a nonconforming Product in order to expedite a repair, replacement or retrofit, Seller shall provide Buyer with a credit for the full price of the Product supplied by Buyer. If Buyer returns a Product pursuant to a warranty claim, the delivery shall be EXW Buyer's facility (Incoterms 2000, as if Buyer were a seller). Delivery to Buyer of a repaired or replacement Product shall be DDP (Incoterms 2000, as if Seller were a seller) to the destination designated by Buyer. Title and risk of loss for the replacement Product shall pass upon delivery of the replacement Product. Seller authorizes Buyer to offer the terms of this Warranty to Buyer's customers and to buyers or lessees/sub-lessees or other operators of aircraft on which the Product is installed.
16. **BUYER APPROVAL AND REVIEWS:** The review or approval by Buyer of any work performed by Seller pursuant to this Order or of any of Seller's designs, drawings, specifications or other Seller documents shall not constitute a waiver of any defects or nonconformities in any Product, nor change, modify or otherwise affect any of Seller's obligations under this Order.

17. TOOLING AND BFM:

- a. Buyer Furnished Material ("BFM") means all raw materials, components, parts, and equipment provided by Buyer to Seller which the Seller uses in the manufacturing of the Product sold to Buyer.
- b. "Buyer Tooling" means the computer numerical control ("CNC") programming, tooling, dies, jigs, molds, patterns, and fixtures used by Seller or Seller's subcontractors to manufacture the Product which is provided by Buyer to Seller or specifically developed, produced or acquired by Seller or its subcontractors to enable Seller to perform its obligations under this Order, and CNC Programming Tooling, dies, jigs, molds, patterns and fixtures that are replacements thereof.
- c. "Seller Tooling" means all CNC programming, tooling, dies, jigs, molds, patterns, and fixtures used by Seller or Seller's subcontractors to inspect and manufacture the Product, which is not Buyer Tooling described above.
- d. Seller shall be responsible for the design, manufacture, and procurement of all Buyer Tooling not provided by Buyer and for all Seller Tooling. Title to BFM and Buyer Tooling shall be held by Buyer. Seller shall submit Buyer Tooling designs to Buyer for approval prior to commencing fabrication of such tools. Buyer grants to Seller a non-exclusive, royalty free license to use the Buyer Tooling solely to perform its obligations under this Order. With respect to all BFM and Buyer Tooling in Seller's possession, Seller shall (i) assume the risk of loss or damage; (ii) use it only in performing obligations under this Order; (iii) segregate and identify it with a Buyer-furnished label; (iv) not move it from Seller's plant without Buyer's prior written permission; (v) not grant a security interest in, pledge a collateral interest in, or allow a lien or encumbrance to attach to it, and (vi) be responsible for its proper maintenance, at Seller's sole cost, so long as the Buyer Tooling and/or BFM are in Seller's control.. Buyer Tooling is subject to removal and/or inspection by Buyer at any time and Buyer shall have free access to Seller's premises for the purpose of inspecting or removing the Buyer Tooling. Upon completion of the Order, Seller shall promptly deliver the Buyer Tooling and unused BFM as directed by Buyer.
- e. Seller shall maintain adequate property control records of all BFM and Buyer Tooling. Seller shall provide to Buyer, not less than ninety (90) days from the end of each calendar year during the term of this Order, a certification listing the Buyer Tooling in the Seller's possession. Buyer may audit all of Seller's control records regarding the Buyer Tooling, at any reasonable time.

18. QUALITY:

- a. Seller shall provide and maintain a quality assurance system acceptable to Buyer. Seller and any subcontractor or sub-tier supplier to Seller for the Product shall comply with the requirements specified in Buyer's Supplier Quality Manual, found at www.nordam.com under "My NORDAM eBusiness Documents" ("Supplier Quality Manual"). Seller agrees to inspect and test the Product to ensure compliance and Seller shall advise Buyer of any nonconformance in the Product delivered to Buyer known or becoming known to Seller. The document retention requirements of Supplier Quality Manual shall survive the cancellation, termination, or completion of this Order. Buyer must be contacted prior to destruction by Seller and by any sub-tier supplier of any quality record affecting the Product. Notwithstanding any cancellation, termination, or completion of this Order, Seller will provide copies of the quality records concerning the Product to Buyer free of charge except that Buyer shall pay for the transportation and insurance charges, if any, associated with shipping Seller's quality records to Buyer.
- b. Representatives of the Buyer, Buyer's customers, and the applicable airworthiness authorities ("Inspectors") shall be afforded reasonable access during normal working hours to Seller's and any of Seller's subcontractors' or sub-tier suppliers' (i) plants or factories and (ii) records required to be retained pursuant to Supplier Quality Manual. Seller and Seller's subcontractors and sub-tier suppliers shall provide all reasonable facilities for the convenience of any Inspectors, and shall furnish such Inspectors all information and data reasonably required to perform inspections. Nothing in this subsection 18.b. or in any inspection by Buyer shall in any way relieve Seller from the obligation of testing, inspection and quality control. Nothing in this Order shall be interpreted to limit U.S. government access to Seller's facilities pursuant to law or regulation.

19. TERMINATION FOR CONVENIENCE:

NORDAM PURCHASE ORDER TERMS AND CONDITIONS

Buyer may, for any reason and at any time, terminate for convenience this Order, in whole or in part, by giving notice to Seller. Upon receipt of termination notice, Seller shall promptly cease all terminated work under this Order, including manufacturing and procurement under any sub-contracts, in each case in accordance with the notice. Seller shall use best efforts to mitigate its costs and expenses resulting from termination. The following shall be Seller's sole remedies and Buyer's sole obligations for Buyer's termination under this Section 19:

- a. Buyer may cancel any delivery(ies) due more than ninety (90) days after Buyer's notice without any cost or liability to Seller or to any of Seller's subcontractors or sub-tier suppliers. Seller shall include and shall require that all of Seller's subcontractors include in any order to a sub-tier supplier a substantially identical provision.
- b. For deliveries due within ninety (90) days of Buyer's notice,
 - i. Buyer shall pay for each Product completed before the notice, or completed afterward as authorized pursuant to the notice, at the price for such Product set forth in this Order;
 - ii. Buyer shall reimburse Seller only for the raw materials and work in process (collectively "WIP") that could not reasonably be avoided by Seller's best efforts. The reimbursement shall not exceed Seller's costs that are justified and substantiated to the satisfaction of Buyer;
 - iii. All Product and WIP referred to in subsections 19.b.i and 19.b.ii shall be delivered by Seller to Buyer in accordance with the delivery terms set out in this Order without delay and, in such case, title to the Product and WIP shall vest in Buyer upon its delivery to the delivery point stated in the Order. Payment by Buyer for the Product and WIP shall only be due only after receipt and acceptance by Buyer;
 - iv. In the case of Buyer's termination of the Order in whole: Seller shall promptly comply with Buyer's direction for disposal of all BFM and Buyer Tooling in Seller's possession;
 - v. Seller shall have no claim for compensation of any nature whatsoever, except as expressly provided above, and shall have no claim for damages or loss of profit, as a result of the termination of this Order in whole or in part;
 - vi. In the event of a partial termination, the price, delivery schedule and other requirements relating to the remainder of the Order not terminated shall not be affected by such termination; and
 - vii. Any compensation payable by Buyer to Seller under this Section 19 for any terminated Product or WIP shall not exceed the price for the terminated Product as shown in the Order.

20. DEFAULT:

- a. Buyer may, subject to subsections 20.d and 20.e of this section, by written notice of default to the Seller, terminate this Order, in whole or in part, if the Seller fails to—
 - (i) Deliver the Product within the time specified in this Order or any extension authorized in writing by the Buyer;
 - (ii) Make progress, in Buyer's sole discretion, so as to endanger performance of this Order (but see subsection 20.b); or
 - (iii) Perform any of the other provisions of this Order (but see subsection 20.b of this clause).
- b. Buyer's right to terminate this Order under subsections 20.a.ii and 20.a.iii of this clause, may be exercised if the Seller does not cure such failure within 7 days (or more if authorized in writing by the Buyer) after receipt of the notice from the Buyer specifying the failure.
- c. If Buyer terminates this Order in whole or in part, it may acquire, under the terms and in the manner the Buyer considers appropriate, goods or services similar to those terminated, and the Seller will be liable to Buyer for any excess costs for those goods or services. However, the Seller shall continue the work not terminated.
- d. Except for defaults of subcontractors at any tier, Seller shall not be liable for any excess costs if the failure to perform the Order arises from causes beyond the control and without the fault or negligence of the Seller. Examples of such causes include (1) acts of God or of the public enemy, (2) acts of the Government in either its sovereign or contractual capacity (if this Order has been issued to support a U.S. government prime contract or subcontract), (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather.
- e. If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the Seller and subcontractor, and without the fault or negligence of either, the Seller shall not be liable for any excess costs for failure to perform, unless

NORDAM PURCHASE ORDER TERMS AND CONDITIONS

the subcontracted supplies or services were obtainable from other sources in sufficient time for the Seller to meet the required delivery schedule.

- f. If this Order is terminated for default, the Buyer may require the Seller to transfer title and deliver to Buyer, as directed by the Buyer, any (1) completed Products, and (2) partially completed Products and materials, parts, Seller Tooling, plans, drawings, information, and contract rights (collectively referred to as “manufacturing materials” in this section) that the Seller has specifically produced or acquired for the terminated portion of this Order. Upon direction of the Buyer, the Seller shall also protect and preserve property in its possession in which Buyer has an interest. If this Order is issued to support a U.S. government prime contract or sub-contract, then the U.S. government shall also have the same rights as the Buyer under this subsection 20.f.
- g. Buyer shall pay the Order price for completed Products delivered and accepted. The Seller and Buyer shall agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property. Failure to agree will be a dispute under the Section 25 below (Disputes). Buyer may withhold from these amounts any sum the Buyer determines to be necessary to protect Buyer against loss because of outstanding liens or claims of former lien holders.
- h. If, after termination, it is determined that the Seller was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of Buyer pursuant to Section 19.
- i. The rights and remedies of Buyer in this section are in addition to any other rights and remedies provided by law or under this Order.

21. COMPLIANCE WITH APPLICABLE LAWS:

- a. “Applicable Law” means any applicable statute, treaty, regulation, order, procurement policy, rule, license or certificate of a government, and includes the (i) regulations of EASA and the FAA, including without limitation, Federal Aviation Regulations Part 121 Appendix I & J – Anti drug and Alcohol Misuse Prevention Program; (ii) the Export Administration Regulations (“EAR”) of the U.S. Commerce Department’s Bureau of Industry and Security (“BIS”); (iii) the International Traffic in Arms Regulations (“ITAR”) of the U.S. State Department’s Directorate of Defense Trade Control (“DDTC”); (iv) rules and regulations of the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”); (v) all export and import laws of Seller’s country and of the United States; and (vi) the Federal Acquisition Regulations (FAR) and supplements thereto.
- b. “EASA” means European Aviation Safety Agency or any successor organization.
- c. “FAA” means the Federal Aviation Administration of the United States Department of Transportation or any successor organization.
- d. Seller represents and warrants that:
 - i. Seller shall comply with all Applicable Law in performing its obligations under this Order;
 - ii. Seller is fully authorized under all Applicable Law to receive all relevant Intellectual Property, raw materials, supplies and services in accordance with the terms of this Order; and
 - iii. Seller is fully authorized under all Applicable Law to supply the Product in accordance with the terms of this Order.
- e. Seller shall supply Buyer with pertinent import/export classifications and documentation to facilitate the legal import/export of each Product identified on this Order (Military, Dual Use, Export Controlled, Tariff Number, Free Trade Agreement documentation, etc.). Please consult the following websites for additional information on U.S. Product(s) import/export support.

EAR	http://www.access.gpo.gov/bis/ear/ear_data.html
ITAR	http://www.pmdtc.state.gov/regulations_laws/itar_official.html
OFAC	http://www.treas.gov/offices/enforcement/ofac/
USTR	http://www.ustr.gov/trade-agreements/free-trade-agreements
USITC	http://hts.usitc.gov/
Census	http://www.census.gov/foreign-trade/schedules/b/2004/browse-html.html

- f. Seller will be fully responsible for and defend, indemnify and hold Buyer and Buyer’s customers harmless from all fines, penalties and damages resulting from any breach by Seller of any of the representations, warranties, covenants and agreements contained in this Order. This Section 21 shall survive the termination or expiration of this Order.

NORDAM PURCHASE ORDER TERMS AND CONDITIONS

22. **GRATUITIES:** Seller warrants that neither it nor any of its employees, agents or representatives has offered or given or will offer or give any gratuities to Buyer's employees, agents or representatives with a view toward securing this Order or favorable treatment with respect to this Order.
23. **RELEASE OF NEWS INFORMATION AND ADVERTISING:** Seller shall not, without the prior written consent of Buyer, make any news release, public announcement, advertisement, publication, denial or confirmation of all or any part of the subject matter of this Order or any Program for which this Order has been placed.
24. **SEVERABILITY:** If any provision of this Order, or the application of such provision to any party or circumstance, is held invalid, such invalidity shall not affect other provisions or applications of this Order which can be given effect without the invalid provision or application.
25. **DISPUTES:**
- a. If this Order has been issued to support a U.S. Government prime contract or subcontract, any dispute arising under or relating to this Order which relates to a matter that gives the Buyer or its customer recourse against the U.S. government shall be resolved pursuant to the FAR 52.233-1, Disputes (JUL 2002) Alternate I (Dec 1991) process.
 - b. Any dispute arising under this Order which relates to a matter that does not give the Buyer or its customer recourse against the U.S. government and which is not settled by agreement of the Parties may be settled by appropriate legal proceedings. Pending any decision, appeal or judgment in such proceedings or the settlement of any disputes arising under this Order, Seller shall proceed diligently with the performance of this order in accordance with the decision of the Buyer. No legal action to enforce any alleged right or liability relating to this Order shall be brought in any forum or court other than the United States District Court for the Northern District of Oklahoma or the District Court in and for Tulsa County, Oklahoma. Any and all disputes about interpretation or enforcement of any term or provision of this Order shall be governed by the laws of the State of Oklahoma, U.S.A, without consideration of any choice of law rules, provided however, the provisions in the FAR and/or DFARS clauses incorporated into the Order shall be construed and interpreted according to the Federal common law of U.S. Government contracts, as enunciated and applied by Federal judicial bodies, agency boards of contract appeals, and quasi-judicial agencies of the Federal government. The United Nations Convention on Contracts for the International Sale of Goods shall not be applicable to this Order. The prevailing party in an action to enforce any alleged right or liability relating to this Order shall be entitled to an award of reasonable attorneys' fees and costs.
26. **REMEDIES AND WAIVER:** No delay or omission by either party to seek a remedy for breach of or to exercise any right under this Order shall be construed as a waiver of such breach or right, unless such waiver appears expressly in a writing executed by an authorized officer of the party to be charged with the waiver. Except as otherwise limited in this Order, the Parties' rights and remedies for defaults stated in this Order are cumulative and in addition to any other rights or remedies that the Parties may have at law or in equity.
27. **INSURANCE:** Prior to commencing any work under this Order and until the satisfactory completion of this Order, Seller shall, at its expense, maintain the minimum insurance coverages listed below. All costs and deductible amounts shall be borne solely by Seller. All required policies shall (i) name Buyer as an additional insured; (ii) waive subrogation rights in favor of Buyer and its officers, directors, employees, agents with respect to work performed under this Order, except policies providing statutory Worker's Compensation; and (iii) be designated as primary coverage to any similar coverage carried by Buyer. Seller shall notify Buyer immediately if coverage should lapse or change.
- a. The required coverages shall be:
 - (i) Worker's Compensation or Country equivalent insurance providing benefits as required by law and Employer's Liability Insurance with the following minimum limits:

Bodily Injury by Accident:	\$100,000 Each Accident
Bodily Injury by Disease:	\$100,000 Policy Limit

NORDAM PURCHASE ORDER TERMS AND CONDITIONS

- Bodily Injury by Disease: \$100,000 Each Employee
- (ii) Commercial General Liability Insurance, including contractual liability coverage with the following minimum limits:
- | | |
|--------------------|-------------|
| Each Occurrence: | \$1,000,000 |
| General Aggregate: | \$2,000,000 |
- (iii) Product Completed Operations liability coverage, including contractual liability coverage with the following minimum limit:
- | | |
|--------------------|--------------|
| Each Occurrence: | \$10,000,000 |
| General Aggregate: | \$10,000,000 |
- (iv) Automobile Liability Insurance for owned, hired and non-owned autos with a minimum liability limit of \$1,000,000 Combined Single Limit – Each Accident – for Bodily Injury or Property Damage.
- (v) Property Insurance for the value of any Buyer Tooling and BFM that are in Seller's care, custody, or control.
- (vi) If compensation under this Order is in excess of \$100,000, an excess liability policy with a liability limit of \$5,000,000 is required in excess of the minimum limits shown under subsections a. (i), (ii), (iii), (iv) and (v) above.
- b. Buyer shall not insure nor be responsible for any loss or damage to property of any kind owned or leased by Seller, subcontractor, or its employees, servants, or agents.
- c. Seller will require its insurance carrier to provide annually Certificates of Insurance to Buyer evidencing the existence of insurance required above.
- d. The insolvency, bankruptcy, or failure of any insurance company carrying insurance for Seller, or its failure to pay a claim, does not relieve Seller of any of the requirements of the terms and conditions set forth in this Order.
28. **ASSIGNMENT/SUBCONTRACTING:** Seller shall not assign any of its rights or interest in this Order or subcontract all or substantially all of its performance of this Order without Buyer's prior written consent. No assignment, delegation or subcontracting by Seller, with or without Buyer's consent, shall relieve Seller of any of its obligations under this Order or prejudice any of Buyer's rights against Seller whether arising before or after the date of any assignment. Any attempted, unauthorized assignment by Seller shall be null and void. Subject to the foregoing, all of the terms, conditions and provisions of this Order shall be binding upon and shall inure to the benefit of the successors and assigns of the Seller.
29. **ETHICS:** Buyer is committed to conducting its business fairly, impartially, and in an ethical and proper manner. Seller verifies that Seller has read and understands Buyer's Standard for Ethical Business Conduct found at http://www.nordam.com/myNORDAM/public_documents.aspx and shall comply with the Standard while performing its obligations to Buyer.
30. **ADDITIONAL TERMS AND CONDITIONS FOR U.S. GOVERNMENT PROGRAMS:** NORDAM's Additional Terms and Conditions for U.S. Government Programs apply to all Orders issued to U.S. government subcontractors of NORDAM and are incorporated by reference into this Order as if fully set forth herein, NORDAM's Additional Terms and Conditions for U.S. Government Programs can be accessed at www.nordam.com under "My NORDAM eBusiness Documents."
31. **STATEMENT OF WORK:** Seller shall design, develop, manufacture, supply and support the Product in compliance with the terms and conditions, specifications and drawings identified on the front of this Order, these NORDAM Purchase Order Terms and Conditions, and the Statement of Work (if any) incorporated by reference on the front of this Order.
32. **STOP WORK ORDER:** Buyer may, at any time, by written order to Seller and at no charge to Buyer, require Seller to stop all, or any part, of the work called for by this Order for less than twenty-four (24) consecutive months, or any other period of time agreed upon. Upon receipt of such a written order, Seller shall immediately comply with its terms. During the suspension, Buyer may issue written notice to restart the Order or any part of it and Seller shall resume work within ten (10) days of such notice or terminate the work covered by such stop work order in accordance with Section 19 (Termination for Convenience) or Section 20 (Default).

NORDAM PURCHASE ORDER TERMS AND CONDITIONS

33. **INDEMNITY:** Seller agrees to defend, indemnify, and hold Buyer, its affiliates, directors, shareholders officers, agents, employees, successors and assigns harmless from and against any losses, damages, demands, and/or claims, including without limitation, all costs, expenses, and reasonable attorneys' fees incident thereto, arising out of or in any manner connected with the performance or breach of Seller's obligations under this Order or breach of a duty imposed by law, including Seller's negligence or strict liability in law. This Section 33 shall survive the cancellation, termination or expiration of this Order.
34. **INDEPENDENT CONTRACTOR:** Seller shall provide the Products as an independent contractor and Seller's employees shall not be considered employees of Buyer Nothing herein contained shall be construed to imply a joint venture, partnership, or principal-agent relationship between Seller and Buyer, and neither party shall have the right, power, or authority to obligate or to bind the other in any manner whatsoever, except as otherwise agreed to in writing by the parties.
35. **MISCELLANEOUS:**
- a. This Order constitutes the entire agreement between Buyer and Seller and supersedes all communications, oral or written, between Buyer and Seller in relation to the subject matter of this Order, including any prior existing teaming agreements. No agreement, modification, or understanding varying or extending the terms or conditions of this Order shall be binding, unless reduced to writing and properly executed by a corporate officer of NORDAM.
 - b. The section headings and subheadings set forth in this Order are for the convenience only; in no way define, limit, or describe the scope or intent of this Order and are to be given no legal effect.
 - c. Notices: All notices and requests required or authorized under this Order shall be in writing and shall be sent by U.S. certified mail (return receipt requested), by overnight delivery service, or by personal delivery, with all postage and other applicable charges prepaid. The date upon which such notice or request is actually received by the addressee shall be deemed to be the effective date of such notice or request, irrespective of the date appearing on such notice or request. Notices to Seller shall be sent to Seller's facility address set forth on the front of the Order. Notices to NORDAM shall be sent to Vice President Supply Chain Management, 11200 East Pine Street, Tulsa, OK USA 74116. Either Party may change its notice address by giving written notice in accordance with this Section.
36. **ORDER OF PRECEDENCE:**
- The following order of precedence shall govern in the event of a conflict or inconsistency between the terms and conditions inserted on the face of this Order, these NORDAM Purchase Order Terms and Conditions, NORDAM's Additional Terms and Conditions for U.S. Government Programs (if applicable), and Statement of Work (if any) incorporated by reference on the front of this Order:
- a. Section 14 (Proprietary Information and Intellectual Property) of these NORDAM Purchase Order Terms and Conditions;
 - b. NORDAM's Additional Terms and Conditions for U.S. Government Programs;
 - c. Any terms and conditions inserted on the face of this Order;
 - d. All other terms and conditions of these NORDAM Purchase Order Terms and Conditions; and
 - e. Statement of Work (if any) incorporated by reference on the front of this Order.