

Clause 1 – Definitions

- 1.1 The following definitions shall apply unless otherwise specifically stated:
 - (1) "Buyer" means Cevians LLC
 - (2) "Item(s)" means the products, data or services to be supplied to Buyer.
 - (3) "Purchase Order" or "Order" means Buyer's purchase order or other written or electronically transmitted communication identifying the Items to be purchased, their price and other information as required herein.
 - (4) "Party" means Buyer or Seller.
- 1.2 The titles of the Clauses herein are inserted for convenience and shall not be construed to limit or modify the scope of any provision, or affect the interpretation thereof.

Clause 2. - Purchase Order Administration/Acceptance

- 2.1 Orders shall contain a description of the Items ordered, Item part numbers, delivery schedule, place of delivery, quantities, prices and shipping instructions. These general terms and conditions shall apply to and be deemed a part of all Orders issued by Buyer. The Parties agree that Buyer's Purchase Order standard terms and conditions and any terms, conditions, provisions, requirements in Seller's quotation, acknowledgement, acceptance, or other communication to Seller modifying these general terms and conditions shall be deemed inapplicable, and in lieu thereof, these general terms and conditions shall govern all such Orders with the same force and effect as if they physically appeared thereon.
- 2.2 Seller shall acknowledge within two (2) day of receipt of each Order indicating either its acceptance or rejection thereof. All rejection notices shall set forth the reasons, including the changes required by Seller for its acceptance of Buyer's Order. Buyer shall advise Seller whether such changes are accepted or rejected. If Buyer accepts such changes by issuing an Order revision which provides for the changes requested by Seller, the Order, as so revised shall be deemed to be an accepted Order with respect to such Items.
- 2.3 Notwithstanding clause 2.2 above, acceptance of an Order occurs (i) upon receipt by Buyer of the acknowledgement copy signed by Seller, or (ii) upon Seller's commencement of performance, or (iii) ten (10) working days from receipt by Seller of the Order (unless written rejection by Seller in accordance with clause 2.2 is provided to Buyer within the said five (5) days), whichever first occurs.

Clause 3. – Specifications

The Items shall comply with the drawings and specifications referenced on Order. Seller represents and warrants that (i) it is competent to perform the work, (ii) it has the necessary knowledge, skill, experience, qualifications and equipment to perform the work, and (iii) acknowledges that Buyer has relied on and is entitled to rely on Seller, as an expert fully competent in all phases of the work under this Order. Seller shall deliver new parts and material only.

Clause 4. – Changes

- 4.1 Buyer may at any time by written notice to Seller make changes within the general scope of an Order in any one or more of the following: drawings, design, or specifications where the Item(s) to be supplied are specifically manufactured for Buyer, method of shipping, packaging, or packing, delivery schedule and place of delivery, and quantity.
- 4.2 If any such change causes an increase or decrease in the cost of or time required for performance of the Order, a mutually agreed equitable adjustment shall be made in price, delivery schedule or both, and the Order shall be modified in writing accordingly.
- 4.3 Any claim by Seller for an adjustment must be made in writing, in the form of a complete change proposal, fully supported by factual information, to Buyer within ten (10) days of receipt of the change notice. Nothing in this clause shall excuse Seller from proceeding with performance of the Order as changed, without delay.
- 4.4 Seller shall not make any changes to the Items which may affect form, fit, reliability, function or any other specified requirements of an Order without obtaining Buyer's prior written consent.

Clause 5. - Prices and Payment Terms

Prices and payment terms are detailed on each Order. The prices are complete and include charges for preservation, packaging, packing, marking, labelling, storage, boxing and crating.

Clause 6. – Delivery

- 6.1 The Items shall be delivered strictly in accordance with the Order delivery schedule and early or partial shipments are not permitted unless authorized by Buyer. Buyer reserves the right to return any unauthorized early shipments at Seller's expense or to retain same at Buyer's facility at Seller's risk.
- 6.2 In the event Seller foresees or encounters difficulty in meeting the delivery requirements of an Order, it shall immediately notify Buyer in writing giving pertinent details and a recovery schedule to Buyer. This provision shall not be construed as a waiver by Buyer of any performance requirements of an Order, or of any rights or remedies provided by law.
- 6.3 All Items shall be delivered to the delivery point specified in the attached order. Title to the Items shall pass from Seller to Buyer upon delivery.

Clause 7. - Inspection and Acceptance

- 7.1 All the Items shall be subject, at Buyer's discretion, to inspection and/or test by Buyer and/or Buyer's customer(s) at all times and places and at any stage of production and, if at Seller's facilities, Seller without additional charge shall provide all reasonable facilities and assistance required for safe and convenient test and inspection. The right of inspection and test shall extend to representatives of the Federal Aviation Administration and other equivalent government agencies, when applicable. The foregoing shall not relieve Seller of its obligation to make full and adequate test and inspection. Buyer may base acceptance or rejection of any or all the Items on inspection by sampling.
- 7.2 If upon inspection and/or test any of the Items are found to be defective in material or workmanship, or otherwise not in conformity with the requirements of the Order, Buyer may, require in addition to its other rights (i) prompt correction or replacement thereof at Seller's expense, including any transportation charges, or (ii) rework or have reworked any such Items at Seller's expense for the purpose of having such Items brought into conformity with the requirements of the Order, or (iii) require Seller to make delivery of any such Items as is with a reduction in the price as may be mutually agreed, or (iv) reject any such Items and, as necessary, require the immediate removal thereof from all areas concerned in the procurement, manufacture, test or supply of the Items, and Buyer shall be promptly repaid the full invoice price therefore, plus any brokerage fees, packaging and transportation charges, or (v) recover by debiting Seller's account, the cost incurred by Buyer for screening and additional inspection and/or (vi) terminate the Order in whole or in part under the provisions of the Default clause hereof. Buyer may, return the Items without any obligation to obtain authorization from Seller.
- 7.3 Final acceptance shall be at Buyer within a reasonable time after delivery. Payment shall not constitute acceptance. Acceptance shall be conclusive except as regards to latent defect, fraud, or such gross mistakes as amount to fraud.
- 7.4 Nothing in this clause shall relieve Seller from any responsibility regarding defects or other failures to meet the requirements of Order.

Clause 8. - Quality Requirements

All Items shall be designed, manufactured and supplied in accordance with an industry standard quality system. Seller's facilities, manufacturing processes, quality control, and inspection system are subject to review, inspection and analysis by Buyer, its representatives and its customers. Seller must ensure that any Subcontractors selected to work on this Order meet the same requirements. Seller must successfully complete a Supplier Audit and be eligible for the Buyers Approved Vendors List. Supplier shall comply with Cevians Quality Assurance requirements referenced in the Order.

Clause 9. – Warranty

- 9.1 Seller warrants that each Item furnished (including any replacement Item or repaired Item) shall conform to and meet the specifications, drawings, descriptions and samples; and shall be merchantable, free from defects in material and workmanship. Unless manufactured pursuant to detailed design furnished by Buyer, Seller assumes design responsibility and warrants the Items to be free from design defects. Such warranties, together with Seller's service guarantees, if any, shall survive inspection, test, acceptance of and payment for the Items and shall run to Buyer, its successors, assigns and customers and shall remain in full force and effect for 12 months after delivery to Buyer.
- 9.2 Seller shall repair or replace free of charge any defective Item within five (5) working days. Items or part thereof so replaced or repaired shall be subject to this warranty for the balance of the original warranty period outstanding at the time of discovery of the defect or three (3) months from the date of receipt of the repaired or replaced Item whichever is longer, and such balance of the warranty period shall begin to run only from the date of receipt of the repaired or replaced Item by Buyer. Seller, if requested, shall provide a Corrective Action and Preventative Action report and submit it to Buyer within fifteen (15) days of receipt of the defective Item.

Clause 10. - Termination for Default

- 10.1 Buyer may, by written notice to Seller, terminate the whole or any part of the Order in any one of the following circumstances: (i) if Seller fails to make delivery of any of the Items within the time specified herein or any authorized extension thereof; or (ii) if Seller fails to comply with any other provisions of the Order, and does not cure such failure within a period of ten (10) days after receipt of Buyer's notice specifying such failure, or (iii) If Seller is in receivership, or becomes insolvent or bankrupt.
- 10.2 Upon the giving of the notice provided for in clause 10.1, the Seller shall have no claim for further payment other than as provided in this clause but shall be liable to Buyer for any advance amounts paid by Buyer and for all direct losses and damages which may be suffered by Buyer by reason of the default or occurrence upon which the notice was based. Seller agrees to repay immediately to Buyer the portion of any advance payment that is unliquidated at the date of the termination. Upon termination of the Order(s), Buyer may require the Seller to deliver to Buyer any completed parts of the Items. Seller shall continue performance of the Order to the extent not terminated under provisions of this clause.
- 10.3 If Seller is in receivership, or becomes insolvent or bankrupt, Seller hereby grants Buyer title to that portion of tooling which is necessary to manufacture the Items and a world-wide, perpetual, unconditional, royalty free manufacturing license (including the rights to further sublicense and/or to have manufactured by a third party) to Seller's proprietary information, processes, drawings and manufacturing data for the sole purpose of the manufacture, use and support of the Items. Seller shall assign to Buyer rights to all existing agreements or contracts it may have with subcontractors and suppliers where the same is related to the manufacture of the Items.

Clause 11. - Termination for Convenience

- 11.1 Buyer may at any time, by written notice to Seller, terminate for its convenience the Order in whole or in any part or parts thereof not completed. Upon receipt of such notice, Seller shall cease work (including the manufacture and procuring of materials, supplies, parts, accessories and equipment and subcontracts for the fulfilment of the Order) in accordance with and to the extent specified in such notice. Buyer may, at any time or from time to time, give one or more additional notices with respect to any or all parts of an Order not terminated by any previous notice or notices.
- 11.2 In the event of any notice being given pursuant to this clause:
- (i) All Items completed hereunder before the giving of such notice, and all Items completed thereafter in accordance with and to the extent specified in such notice, shall be paid for (subject to acceptance by Buyer in accordance with the provisions of the Order), and Seller shall protect the Items in its possession in which Buyer has or may acquire an interest. (ii) In respect to the Items not completed hereunder before the receipt of such notice, not completed thereafter pursuant to such notice and not previously paid for, Seller shall be entitled to reimbursement of costs necessarily incurred by Seller thereon and to receive in addition an amount representing a fair and reasonable profit in respect to work done thereon. (iii) No payment and/or

reimbursement shall be made for Items whether raw or in the course of manufacture or manufactured, which have been or may be rejected after inspection as not complying with the terms and conditions of the Order. (iv) In no case shall Seller be entitled to any amount which taken together with any amounts paid or due to Seller under the Order, would exceed the total amount payable for the Items to be supplied under the Order. (v) The Items in process, in respect of which amount is payable to Seller as provided under this clause, shall be delivered to Buyer, but the Items so delivered shall in no case be in excess of what would have been required for performing the Order in full if no notice of termination had been given. (vi) Seller shall have no claim for damages of any kind including but not limited to compensation, loss of revenue or profit, allowance or otherwise by reason of or directly or indirectly arising out of any action taken or notice given by Buyer pursuant to the provisions of this clause except and to the extent expressly provided in this clause. (vii) Seller agrees that if a claim is filed as provided in this clause, Seller's books and records and its facilities shall at all reasonable times be subject to inspection and audit by an authorized representative of Buyer.

- 11.3 Seller agrees that it shall exclude from any claims hereunder and shall not be entitled to reimbursement for any Items or parts thereof which are: (i) standard products or parts which it normally sells to customers; or (ii) Any parts which Seller uses in its normal operations or Seller could use in producing work for its other customers.

Clause 12. – Tooling

Title and right of immediate possession of all tooling, equipment or materials furnished or paid for by Buyer directly or indirectly for use under Order shall be vested in and remain in Buyer. Seller shall (i) be responsible for all loss or damages to such tooling, equipment and materials while in its custody or control, normal wear and test excepted, (ii) clearly mark same as property of Buyer, and in accordance with any other requirements of the Order, (iii) treat it confidentially, (iv) keep same in good operating condition, (v) use the same exclusively for the performance of the Order unless otherwise authorized in writing by Buyer, and (vi) on completion of deliveries under the Order hold such tooling, equipment or materials in safe custody awaiting Buyer's disposal instructions.

Clause 13. - Shipping, Preservation, Packaging, Packing, and Marking

Seller shall ship in accordance with shipping instructions on the face of the Order or attachments thereto. All the Items must be suitably preserved, packaged, packed, marked and prepared for shipment in compliance with instructions or specifications mentioned in the Order and, in the absence of such instructions or specifications, in compliance with best commercial practice and carrier regulations. No charges will be paid by Buyer for preservation, packaging, packing, marking or shipping unless stated in the Order. Packing sheets showing the Order number, item number and quantity must be included with each shipment. Each container must be marked to show the Order number. The container and Order numbers must be indicated on the bill of lading. Buyer to insure all incoming shipments, therefore Buyer will not pay for insurance charges claimed for by Seller.

Clause 14. - Patent Protection And Indemnity

Seller hereby agrees to defend, at its own expense, any and all claims, actions, suits or proceedings based on a claim or alleged claim that any Items furnished under the Order constitute an infringement of any patent, trademark, registered design or other intellectual property rights and to indemnify and save harmless Buyer, its customers, and those for whom Buyer may account to as agent in the purchase of said Items, both as to liabilities and damages, including costs and expenses, resulting from such claims, actions, suits or proceedings. Buyer shall provide immediate notice to Seller of any such claims, actions, suits or proceedings.

Clause 15. – Confidentiality

Seller shall protect and keep confidential any and all information provided by Buyer with the same degree of care as it normally exercises to preserve its own proprietary information. Such information shall only be disclosed to those of its employees having a "need to know". Seller shall use such information solely for the purpose of the Order. Any and all rights, including without restriction, any copyright, patent right or other intellectual property right, to such information shall remain with Buyer. Upon termination or completion of the Order, the Seller shall promptly return all information provided by Buyer. Seller shall not use Buyer's name in any marketing

activity without prior written consent of Buyer.

Clause 16. - Continued Supply and Support

17.1 The Seller undertakes to supply the Items, including spare parts and repair services for the Items, for a minimum period of three (3) years from the date of the Order at fair and reasonable prices to be agreed upon by the Parties at the time of such request. Should the Seller discontinue the manufacture of the Items during said period, the Seller shall notify Buyer by written notice at least one (1) year in advance of such discontinuance to permit the purchase of Items and spares for the remaining period of this undertaking

Clause 17. - Surviving Conditions

Notwithstanding any termination of the Order, the Parties' obligations with respect to clauses 3, 7.4, 9, 10.3, 12, 14, 15 and 16 shall survive any such termination and shall bind the Parties, their successors, their permitted assigns, and their legal representatives.

Clause 18. - Laws

The Order shall be governed, construed and interpreted in accordance with the laws of the California and specifically excludes the United Nations Convention on Contracts for the International Sale of Goods.

Clause 19. - Non-Waiver and Invalidity

No delay or failure by either Party to enforce any provision herein shall constitute a waiver of such provision nor prejudice its right to enforce such provision at any subsequent time. Waiver of any provision shall only be deemed to have been made if expressed in writing by the Party granting such waiver. The remedies of Buyer under Order are cumulative and are in addition to any other remedies provided by law.

Clause 20. – Delays

20.1 In the event of a probable or actual breach of contract requirements(s), the Subcontractor shall immediately notify Buyer of the actual or probable breach, the Subcontractor might be required to prepare and submit a proposed plan of action that addresses the root cause of the actual or probable breach.

Clause 21. – Arbitration/Jurisdiction

All differences or disputes between the parties arising in connection with the Order which cannot be settled by mutual agreement and shall be settled under the laws of California.

Clause 22. – Compliance with Federal, State and Local Laws and Immigration and Export Control

Seller shall comply with all Federal, State, Municipal and local laws, rules and regulations that may be applicable to the Order and, at the request of Buyer or the Government, Subcontractor will furnish certificated to the effect that it has complied with said laws and regulations. Seller represents that it has complied and will continue to comply during the performance of the Order with the provisions of the "Fair Labor Standards Act" of 1938, as amended, and the "Occupational Safety and Health Act", with the "Americans with Disabilities Act of 1990" and with the regulations and standards issued pursuant thereto. Furthermore Seller shall comply with all export control laws and regulations applicable to the performance of Subcontractor's obligations under the subcontract.

Clause 23. – Customer Communications

The Subcontractor shall not enter into direct or indirect discussions concerning the subject matter of the Order with Buyer's Government client or other organizations without approval from the Buyer.

Clause 24. – Government Contracts

The following provisions apply if this Order is issued by Buyer to fulfill a US government contract and identified as such on the order. Wherever necessary to make the context of the clauses set forth applicable, the term "Contractor" shall mean Subcontractor, the term "Contract" shall mean the Subcontract, and the terms "Government", "Contracting Officer" and equivalent phrases shall mean Buyer, except the terms "Government" and "Contracting Officer" do not change: (1) In the

phrases "Government Property", "Government-Owned Property", "Government Equipment", and "Government-Owned Equipment", (2) When a right, act, authorization or obligation can be granted or performed only by the Government or the prime contract Contracting officer or his duly authorized representative, (3) When access to proprietary financial information or other proprietary data is required, (4) When title to property is to be transferred directly to the Government, and (5) Anywhere in FAR Clause Nos. 52.227-all parts and 52.246-23

Applicable FAR of DOD FAR SUPPLEMENT CLAUSES OR THEIR SUCCESSORS

FAR Clauses: 52.203-3, 52.203-5, 52.203-6, 52.203-7, 52.203-12, 52.211-15, 52.215-14, 52.215-17, 52.219-8, 52.219-9, 52.222-4, 52.222-20, 52.222-21, 52.222-26, 52.222-35, 52.222-36, 52.222-37, 52.222-41, 52.222-50, 52.225-13, 52.227-1, 52.227-2, 52.227-11, 52.227-14, 52.227-16, 52.228-3, 52.228-4, 52.228-5, 52.233-1, 52.232-7, 52.244-6
DFAR Clauses: 252.225-7002, 252.225-7009, 252.225-7012, 252.225-7016, 252.225-7025, 252.227-7014, 252.227-7016, 252.227-7019, 252.227-7030, 252.227-7037, 252.243-7001, 252.245-7001

The following clauses apply for contracts over \$10,000: 52.222-20, 52.222-21, 52.222-26

The following clauses apply for contracts over \$15,000: 52.222-20, 52.222-36, 52.225-10

The following clauses apply for contracts over \$100,000: 52.203-6, 52.215-14, 52.219-8, 52.222-35, 52.222-37, 52.222-26, 52.222-35, 52.222-37, 52.227-1, 52.227-2. DFARs 252.203-7001, 252.247-7023

The following clauses apply for contracts over \$150,000: 52.203-7, 52.203-12, 52.219-9

Full text can be found at <https://www.acquisition.gov/content/regulations>

Clause 25. – Miscellaneous

25.1 Seller shall not, without the prior written consent of Buyer, make any news release or public announcement concerning any part of the subject matter of the Order or its contents.

25.2 The Order, its performance or any interest herein, or any monies due or to become due hereunder may not be assigned by Seller without Buyer prior written consent.

25.3 Should any provision of this agreement be invalid, illegal or unenforceable in any respect, such provision shall be severed and the remaining provisions shall continue as valid, legal, and enforceable. Any such invalid, illegal or unenforceable provision shall be replaced by a valid, legal and enforceable provision corresponding as closely as possible to the intentions of the Parties as expressed in the invalid provision.

25.4 The Seller represents and covenants that no bribe, gift, benefit or other inducements has been or will be paid, given, promised or offered directly or indirectly to any official or employee of Buyer or to a member of the family of such person with the view to influencing the entry into or the administration of the Order resulting there from.

25.5 Neither Party is granted any right or authority to assume, or to create any obligation or responsibility, express or implied, on behalf of, or in the name of the other Party, or to bind the other Party in any manner or thing whatsoever.

25.6 Proprietary Notice: Any goods, manufactured to Buyer design specifications, for which Buyer is the design authority, may not be sold or otherwise transferred to any other person or company, without prior written consent of Buyer.

25.7 Deviations: Requests for Deviation from established requirements must be made in writing on Buyer form QPF 8.5F-2 Supplier Deviation Request. Such request must be approved by Buyer prior to delivery of affected product. Deviation must specify exact requirements that are not met and does not relieve the Supplier of responsibility to conform to remaining specifications and requirements. Final acceptance by Buyer shall be in accordance with Clause 7.

25.8 Right of Access: The Seller shall allow access by the Buyer, its customers and regulatory authorities to all facilities involved in the order and to all applicable records.

25.9 Subtier Suppliers: The Seller shall provide sub-tier suppliers with applicable requirements within the purchasing documents including key characteristics, where required.

25.10 Process Change: The Seller shall notify the Buyer of any changes to the product and/or process definition and, where required, obtain Buyer approval.