

TERMS AND CONDITIONS

1. This Purchase Order (including the pertinent documents, drawings, and specifications, if any, herein referred to) becomes the contract between the parties upon receipt by Hutchinson Aerospace & Industry, a Division of Barry Wright Corporation (hereinafter called "Hutchinson"), from Seller of the acknowledgement copy hereof signed by the Seller. Any terms and conditions proposed by the Seller, which are additional to or inconsistent with the terms and conditions herein contained shall be void, unless specifically agreed to by Hutchinson in writing, signed by its duly authorized representative.

2. Hutchinson may, by written order to Seller, make changes in or additions to the drawings and specifications, issue additional instructions, require additional work, or direct omission of work covered by the contract. If such changes cause a material increase or decrease in Seller's cost or in the time for performance of the contract, an equitable adjustment in the price or time performance will be made and the contract will be modified in writing accordingly, PROVIDED that any claim for adjustment must be asserted by Seller within seven (7) days from the date the change is ordered, unless Hutchinson grants a longer period in writing.

3. All goods and materials are purchased DDP destination (Incoterms 2010) unless otherwise agreed upon by the parties in writing. Risk of loss shall remain on the Seller until goods and materials are received at destination unless otherwise agreed in writing.

4. Time is of the essence of this contract and Hutchinson reserves the right to cancel the contract in respect of any or all goods, materials or work covered hereby if goods and materials are not shipped as specified or if work is not performed as specified.

Neither party shall be deemed to be in default of any provision of this agreement nor be liable for any delay, failure in performance or interruption of service, resulting directly or indirectly from acts of God, acts of the public enemy, embargoes, quarantines, civil or military authority, civil disturbance, military action, insurrection, war, other catastrophes or any other cause beyond its control, as long as it notifies the other party, and the performance of such act shall be excused for the period of the delay and the period for the performance of such act shall be extended for a period equal to the period of such delay; provided, however, the party so delayed or prevented from performing shall exercise commercially reasonable efforts to remedy any such cause of delay or cause preventing performance and provided further that Seller will not be excused from performance because of its employment relations such as strikes or picket lines or the like but instead shall either perform itself or obtain substitute performance of its obligations to Hutchinson.

5. Payment for goods or materials delivered under this contract or for work performed under this contract shall not constitute an acceptance thereof. All goods and materials received and all work performed shall be subject to final inspection by Hutchinson.

6. Seller warrants that the goods and materials furnished and work to be performed shall be free from defects in workmanship and material shall comply with the drawings and specifications (if any) furnished by Hutchinson, and shall be reasonably fit for the purpose for which they are intended. Without limitation of any rights which Hutchinson may have at law by reason of any breach of warranty, goods and materials which are not as warranted may be returned at Seller's expense for either credit or replacement as Hutchinson may direct. This warranty shall survive inspection and payment. Seller also agrees to indemnify, protect, defend and hold harmless arising out of or resulting from services, travel, mistakes, errors, or any other acts or omissions by Seller and/or its agents or employees. Such indemnification includes but is not limited to judgments, fines, actual damages, statutory damages, multiplied damage awards, punitive or exemplary damages, settlement payments, costs of investigation, bonds, reasonable attorneys' fees, accountants' fees, experts' fees and any other reasonable cost, expense or loss.

7. Unless the design for goods and materials shall have been furnished by Hutchinson to Seller and used by Seller in manufacturing the goods, (a) Seller shall, at its expense, hold harmless and defend Hutchinson against any suit or suits for alleged infringement of any copyright, trademark, servicemark or patent and shall indemnify Hutchinson for all damages and expense arising therefrom by reason of the manufacture, importation, sale or use of the goods and materials covered by the contract, and (b) in the event a notice of infringement is served upon Hutchinson or the Seller, or both, or in the event an injunction is obtained restraining either or both from manufacturing, importing, using or selling the goods and materials, Seller shall at its expense, forthwith procure for Hutchinson the right to manufacture, importation, use and sell such goods and materials, and failure to do so shall constitute a material breach of the contract by Seller.

8. Unless otherwise indicated, the order prices set forth herein shall include any and all Federal, State and Local Taxes, Customs and other duties, taxes and fees applicable to the manufacture, importation, sale or distribution of the completed items and subsidiary items incorporated therein. All prices shall be quoted and paid in U.S. dollars.

9. Assignment of the work to be performed under this contract or subcontracting of the entire work shall be prohibited.

10. Record retention: Hutchinson P.O.'s need to be kept for the life of the part + service + 1 year.

11. Seller agrees to and does hereby grant to Hutchinson all rights, title and interest in and to each invention, improvement or discovery conceived or first actually reduce to practice in the performance of this contract (hereinafter called "subject invention"). Seller further agrees, (a) to make a written disclosure promptly to Hutchinson of each subject invention which appears to be patentable and to make such disclosure not later than four months after first publication, public use or sale, and (b) to deliver to Hutchinson such duly executed instruments (prepared by Hutchinson) of assignment, application papers and oaths relating to such subject invention, title to which vests in Hutchinson pursuant to this clause as Hutchinson may require to enable it to file

"Seller hereby certifies that these goods were produced in compliance with all applicable requirements of Section 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of United States Department of Labor issued under Section 14 thereof."

Seller further agrees to indemnify and hold harmless Hutchinson from all costs and damages suffered by Hutchinson as a result of Seller's failure to comply with said Act.

14. Seller shall not, without Hutchinson's prior written consent, disclose any information relative to this contract, except as may be necessary to ensure performance. Seller, however, agrees that any knowledge or information which Seller may have disclosed or may hereafter disclose to Hutchinson in connection with the purchase of the goods and materials or performance of the work covered by this contract, shall not, unless otherwise specifically agreed upon in writing by Hutchinson, be deemed to be confidential or proprietary information, and shall be acquired free from any restrictions as part of the consideration for this contract.

15. The validity, construction and interpretation of this contract and any other contracts or documents relating to the goods furnished or work performed hereunder, and of the rights and duties of the parties to said contract shall be governed by the laws of the Commonwealth of Massachusetts, excluding its laws of conflicts, and both parties further consent to the exclusive jurisdiction by the state and federal courts sitting in the Commonwealth of Massachusetts for any action arising hereunder. The Parties agree not to assert or plead any position to the contrary in any dispute resolution under this agreement.

16. This agreement cancels and supersedes all prior negotiations and understandings between the parties relating hereto, and embodies the entire agreement and understanding between such parties with respect to the matters covered hereby. If any provision of this agreement is held to be illegal, invalid or unenforceable under present or future laws, such provisions shall be fully severable; this agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised apart hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision, or by its severance here from. Furthermore, in lieu of such provision, there shall be added automatically, as a part of this agreement, a provision as similar in terms as such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

17. Anti Terrorism Clause

Supplier will adhere to the directions provided in Executive Order (EO) 13224, "Executive Order on Terrorist Financing- Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten To Commit, or Support Terrorism", Effective 09/24/2001 and any Subsequent Changes Made to it. Supplier further agrees to include this requirement in lower-tier purchase orders or subcontracts hereunder. To view the contents of the EO, please access the following website: <http://www.treasury.gov/resource-center/sanctions/Documents/13224.pdf>

18. In any case where the goods, materials and /or work to be furnished for use in the performance of either a prime contract with the United States Government, or a subcontract or purchase order under such a prime contract, the following additional provisions shall apply:

(a) *Notice of labor disputes:* Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this contract, Seller shall immediately give notice thereof to Hutchinson and the nearest representative of the Department of the United States Government which issued the prime contract. Such notice shall include all relevant information with respect to such dispute.

(b) *Inspection:* The goods, materials, and/or work to be furnished hereunder and all facilities of Seller used in the performance of this contract shall be subject to testing and inspection by Hutchinson and by any duly authorized representative of the United States Government at any time and place. No such testing or inspection, however, shall in any way relieve Seller of its obligations to furnish all required goods, materials and/or services in strict accordance with the other terms and conditions of this contract. If inspection and test is made on the premises of Seller or any of its suppliers, Seller shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. All inspections and tests shall be performed in such a manner as not to delay the work unduly.

(c) *Examination of records:* If this contract exceeds \$2,500, the Comptroller General of the Procuring Agency of the United States Government or any of their duly authorized representative, until three years after final payment under this contract, shall have access to and the right to examine any pertinent books, documents, papers and records of Seller involving transactions related to this contract.

(d) *Excess Profits:* Seller agrees that if this order is or becomes subject to 10 U.S.C. 2382 and 10 U.S.C. 7300, as amended and extended, this contract shall be deemed to contain all of the agreements required by those sections; provided, however, that this paragraph shall not be construed to enlarge or extend by contract the obligations imposed by those sections. Seller further agrees to insert the provision of this paragraph in all subcontracts or purchase orders placed by Seller hereunder.

(e) *Utilization of Small Business:* If this contract is in an amount in excess of \$5,000, Seller agrees to accomplish the maximum amount of subcontracting to small business concerns that Seller finds to be consistent with the efficient performance of this contract.

(f) *Armed Service Procurement regulations:* The applicable clauses set forth in the following Armed Services Procurement Regulations in effect on the date of this contract, are incorporated herein by reference: Renegotiations (7-103.13(a); 7-602.28) Work Hours Act of 1962 (7-103.16; 12-303.1; 7-602.23; 12-403.1), Walsh-Healey Public Contract Act (7-103.17; 12-605), Nondiscrimination in Employment (7-103.18; 12-802; 7-602.22), Officials Not To Benefit (7-

and prosecute patent applications therefor in any country and to assign and record title to such applications. If, to the best of Seller's knowledge and belief, no inventions, improvements or discoveries have been conceived of first actually reduced to practice in the performance of this contract, the Seller shall so certify to Hutchinson.

12. Seller agrees that in the performance of this contract it will comply with all applicable laws, statutes, rules, regulations and orders of the United States Government and of any state or political subdivision thereof. Seller and its employees shall also comply with all applicable U.S. and foreign laws, regulations, ordinances, directives, rules and codes of ethics in performing services under this Agreement. Seller further agrees to obtain in a timely manner all necessary permits, licenses, and approvals which may be required under U.S. law or the laws of the territory where any services may be provided for the performance of this Agreement. Further, Seller agrees to do all things necessary for Hutchinson to comply with such and to do all things necessary for Hutchinson to comply with its agreement with its Customer. Seller understands and agrees that the performance of its obligations under this Agreement may involve transfers of information, software, technology or technical data subject to U.S. export control laws and regulations and that it will ensure that all necessary U.S. export control authorizations, including but not limited to, export licenses and letters of assurance are obtained as necessary and in a manner which is consistent with applicable law and regulations. Seller further agrees that Seller, including its employees, contractors, agents and representatives, will take no action with respect to the performance of its obligations under this Agreement which will result in a violation of the U.S. export control laws and regulations.

The Parties acknowledge that Hutchinson is subject to the U.S. Foreign Corrupt Practices Act which prohibits, among other things, the offering, giving, or promising to offer to give, directly or indirectly, money or anything of value to any official of a government, political party, or instrumentality thereof in order to obtain or retain business. Neither party will take any action which violates this statute. Hutchinson may require Seller, including its employees, agents, contractors, and representatives, to execute an agreement certifying to such compliance.

Seller shall indemnify, protect, defend and hold harmless Hutchinson from all expenses, claims, and costs, including legal and expert fees, which arise from its failure to comply with applicable laws.

13. Seller represents and warrants that all of the goods herein specified shall be manufactured or furnished by Seller in accordance with the requirements of the Fair Labor Standards Act of 1938, as amended, and agrees, additionally, to include on each invoice rendered hereunder a certificate reading substantially as follows:

Nondiscrimination in employment

In the performance of this order Seller agrees not to discriminate against any employee or applicant for employment because of race, color, religion, sex age, nation origin, physical or mental handicap, or military disability, or status as a Vietnam era veteran, and comply with all provisions of the Civil Rights Act of 1964 and Executive Orders 11246 and 11375, any amendments thereto and the relevant rules, regulations and orders of the Secretary of Labor. In the event Purchaser learns that Seller is violating the foregoing requirements, this order may be cancelled forthwith and Purchaser shall be liable only for payment for delivered items solely, and not for any work in process, undelivered items, etc.

Affirmative Action for Handicapped and Veterans
41CFR Parts 60-250 is hereby incorporated

103.19; 7-602.19); Davis-Bacon Act (7-104.1; 7-602.23;12-403.1), Buy American Act (7-104.3;6-104.5; 7-602.20; 6-204.5), Copeland Act (7-104.1; 7-602.23; 12 403.),Convict Labor (7-104.17;7-602.21;12-203), Notice and Assistance Regarding Patent Infringement (7-103.23; 7-602.30; 9-104), Patent Indemnity (7-104.5; 9-103; 7-602.16), Authorization and Consent (7-103.22; 7-602.31; 9-102.1), Filing of Patent Applications (7-104.6; 7-603.3; 9-106), Patent Rights (7-104.7; 9-107),Rights in Data (7-104.9; 7-603.5; 9-203), Military Security Requirement (7-104.12; 7-603.6), Covenant Against Contingent fees (7-602.18), Apprentices (7-602.23; 12-403.1), Withholding of Funds to Assure Wage Payment (7-602.23;12-403.1), Subcontract Termination (7-602.23; 12-403.1). Where necessary to make the context of these clauses applicable to this contract, the term "contractor" shall mean Seller and the terms "Government"; "Contracting Officer" and equivalent phrases shall mean Hutchinson.

(g) *Special Requirement:* Seller agrees to comply with any additional government contracting requirement which may be imposed by United States Law, or by Federal regulations or Executive order, including the Federal Acquisition Regulation (FAR), obtainable from the Superintendent of Documents, US Government Printing Office, Washington DC 20402 (portions of FAR are accessible at <http://www.arnet.gov/far/>).

19. In any case where the goods, materials and /or work to be furnished for use in the performance of either a prime contract with the United States Government's Department of Defense, or a subcontract or purchase order under such a prime contract, the following additional provisions shall apply, as appropriate:

(a) *Requirements for Contracts Involving Export-Controlled Items:* Whenever export-controlled items, including information or technology, are expected to be involved in the performance of a contract, the applicable clause in effect on the date of this contract, which is set forth in Defense Federal Acquisition Regulations Supplement (DFARS) Section 252.204-7008 shall be incorporated herein by reference.

(b) *Requirements Regarding Potential Access to Export-Controlled Items:* Whenever export-controlled items, including information or technology, are expected to be involved for research and development, or for supplies and services when notification is required, in the performance of a contract, or when the parties are unable to determine that export-controlled items, including information or technology, will not be involved during the performance of the contract, the applicable clause in effect on the date of this contract, which is set forth in DFARS Section 252.204-7009 shall be incorporated herein by reference.

Where necessary to make the context of these clauses applicable to this contract, the term "contractor" shall mean Seller and the terms "Government"; "Contracting Officer" and equivalent phrases shall mean Hutchinson.