

CHRISTOPHER TOOL & MFG. CO.
SUPPLIER GENERAL TERMS AND CONDITIONS

1. ACCEPTANCE OF TERMS. Supplier agrees to be bound by and to comply with all terms set forth in these General Terms and Conditions. Acknowledgement of a Purchase Order (as the Purchase Order may be amended, updated, or change-ordered from time to time upon the agreement of Supplier and Company, a "PO"), including by beginning performance of the work called for by the PO, shall be deemed acceptance of the PO on these General Terms and Conditions. These General Terms and Conditions take precedence over any alternative or additional terms in any other document connected with this transaction unless such alternative or additional terms are expressly set forth in writing signed by Company as a departure from these General Terms and Conditions. The PO does not constitute an acceptance by Company of any offer to sell, any quotation, or any proposal. Reference in the PO to any such offer to sell, quotation, or proposal shall in no way constitute a modification of any of the terms of the PO. As used in these General Terms and Conditions, "Supplier" means the party to whom the PO is issued and delivered, and "Company" means Christopher Tool & Mfg. Co. or such other affiliated entity designated as the purchaser under the PO. **ANY ATTEMPTED ACKNOWLEDGEMENT OF THE PO CONTAINING TERMS INCONSISTENT WITH OR IN ADDITION TO THE TERMS OF THESE GENERAL TERMS AND CONDITIONS OR THE PO IS NOT BINDING UNLESS SPECIFICALLY ACCEPTED BY COMPANY IN WRITING.**

2. PRICES AND PAYMENTS. All prices are firm and shall not be subject to change except as described in Section 6. Supplier's price includes all sovereign, state and local sales, use, excise, value added, privilege, payroll, occupational, VAT, GST, and any other taxes, fees, or duties applicable to the goods or services. Supplier shall ensure that if any value-added or similar tax is applicable, that it is invoiced in accordance with the applicable rules so as to allow Company to reclaim that value-added or similar tax from the appropriate government authority. Neither party is responsible for taxes on the other party's income or the income of the other party's personnel or subcontractors. If Company is required by government regulation to withhold taxes for which Supplier is responsible, Company will deduct such withholding tax from payment to Supplier and provide to Supplier a valid tax receipt in Supplier's name. If Supplier is exempt from such withholding taxes as a result of a tax treaty or other regime, Supplier shall provide to Company a valid tax treaty residency certificate or other tax exemption certificate at a minimum of 30 days prior to payment being due.

3. DELIVERY, PASSAGE OF TITLE AND CUSTOM CLEARANCE. Time is of the essence with respect to all orders issued pursuant to a PO. If Supplier fails to deliver the goods or complete the services as scheduled, at its election and sole discretion, Company may assess any damages caused by Supplier's failure to deliver goods or provide services on schedule via offset to any amounts due Supplier under the PO. Company shall be entitled to recover all damages that it incurs as a result of Supplier's failure to perform as scheduled. Unless expressly stated to the contrary, Company's remedies are cumulative and Company shall be entitled to pursue any and all remedies available at law or equity.

In addition to and without limiting Company's offset and other rights described above, if Supplier is unable to deliver goods or complete services by any required delivery date(s) in the PO, Company may, without liability: (i) reduce or cancel its requirements for any part of the quantity of the goods that cannot be delivered by the scheduled delivery date, (ii) reallocate to another PO, or reschedule, any portion of the goods that cannot be delivered by the scheduled delivery date, or (iii) waive the scheduled delivery date and accept goods on a later delivery date.

4. COMPANY'S PROPERTY. Unless otherwise agreed in writing, all tangible and intangible property, including information or data of any description, tools, materials, drawings, computer software, know-how, documents, equipment or material furnished to Supplier by Company or specifically paid for by Company, and any replacement thereof, or any materials affixed or attached thereto, shall be and remain Company's personal property. Such property shall be plainly marked or otherwise adequately identified by Supplier as Company's property and shall be safely stored separate and apart from Supplier's property. Supplier shall use Company's property only to meet Company's orders, and shall not use it, disclose it to others or reproduce it for any other purpose. Such property, while in Supplier's custody or control, shall be held at Supplier's risk, shall be kept insured by Supplier at Supplier's expense in an amount equal to the replacement cost with loss payable to Company and shall be subject to removal at Company's written request, in which event Supplier shall prepare such property for shipment and redeliver to Company in the same condition as originally received by Supplier, reasonable wear and tear excepted, all at Supplier's expense. Any consigned material, tooling or technology used in production of the goods shall be identified on the invoice used for international shipments. Company hereby grants a license to Supplier to use any information, drawings, specifications, computer software, know-how and other data furnished or paid for by Company hereunder for the sole purpose of the PO fulfilling POs for Company. This license is non-assignable, and is terminable with or without cause by Company at any time. Company shall own exclusively all rights in ideas, inventions, works of authorship, strategies, plans and data created in or resulting from Supplier's performance under any PO, including all patent rights, copyrights, moral rights, rights in proprietary information, database rights, trademark rights and other intellectual property rights. All such intellectual property that is protectable by copyright will be considered work(s) made for hire for Company (as the phrase "work(s) made for hire" is defined in the United States Copyright Act (17 U.S.C. § 101) or will give Company "first owner" status related to the work(s) under local copyright law where the work(s) was created. If by operation of law any of such intellectual property is not owned in its entirety by Company automatically upon creation, then Supplier agrees to transfer and assign to Company, and hereby transfers and assigns to Company, the entire right, title and interest throughout the world to such intellectual property. Further, Company shall have the right to audit all pertinent records of Supplier, and to make reasonable inspections of Supplier facilities, to verify compliance with this section.

5. DRAWINGS. Any review of drawings by Company will be for Supplier's convenience and will not constitute approval or relieve Supplier of its responsibility to meet all requirements of the PO.

6. CHANGES. Company may direct in writing at any time changes within the general scope of the PO in any one or more of the following: (a) drawings, designs or specifications where the goods to be furnished are to be specifically manufactured for Company; (b) method of shipment or packing; (c) place and time of delivery; (d) amount of Company's furnished property; (e) quality; (f) quantity; or (g) scope of schedule of services. If any changes issued by Company in writing to Supplier cause an increase or decrease in the cost of, or the time required for the performance of, any work under the PO, an equitable adjustment shall be made in the PO price or delivery schedule, or both, in writing. Any Supplier claim for adjustment under this section will be deemed waived unless asserted within 10 days from Supplier's receipt of the change or suspension notification, and may only include reasonable, direct costs that will necessarily be incurred as a direct result of the change. If Company and Supplier are unable to agree on the adjustment to the PO price or delivery schedule as timely submitted by Supplier, then Supplier shall perform the work as directed by the Company in writing and the unresolved price or schedule matters shall be resolved in accordance with Section 21 (Dispute Resolution).

7. REJECTION. If any element of performance pursuant to the PO is found at any time prior to expiration of warranty to be defective or otherwise not in conformity with the requirements of the PO, Company, at its option and sole discretion, may, at Supplier's expense: (a) rescind the PO without liability; (b) reject and return such goods or services; (c) take action to cure all defects and/or bring the goods into conformity with all requirements, allocating all costs, expenses, and other reasonable charges for Supplier's account; (d) withhold total or partial payment; (e) require Supplier to reimburse Company in cash for its reasonable losses arising out of the defect(s) (which reimbursement shall be in cash and not in the form of an offset against future Pos); and/or (e) require Supplier to immediately re-perform any defective portion of the services performed and/or require Supplier to immediately replace non-conforming goods with goods that conform to the PO. For any repairs or replacements, Supplier shall perform any tests requested by Company to verify conformance to the PO. Cost for tests shall be borne by Supplier. Notwithstanding any other provision herein or in the PO, in addition to the foregoing, Supplier shall be liable for Company's actual costs, expenses and damages related to or arising from nonconforming Goods and/or Services, including but not limited to labor and other costs related to transportation, expediting, removal, disassembly, failure analysis, fault isolation, assembly, reinstallation, reinspection, retrofit, replacement, and any and all other such corrective action costs incurred by Company.

8. WARRANTIES. Supplier warrants that all goods and services provided pursuant to the PO will be free of any claims of any nature, including title claims, and will cause any lien or encumbrance asserted to be discharged, at its sole cost and expense, within 30 days of its assertion. Supplier warrants and represents that all such goods and services will be merchantable and free from all defects in design, workmanship and material, and will be fit for the particular purpose for which they are intended. Such goods and services will be provided in strict accordance with the PO including all specifications, samples, drawings, designs, descriptions or other requirements approved or adopted by Company. Any attempt by Supplier to limit, disclaim, or restrict any such warranties or remedies by acknowledgement or otherwise shall be null, void and ineffective. The foregoing warranties shall apply for 24 months from delivery, or such longer period of time as customarily provided by Supplier, plus delays such as those due to non-conforming goods and services. The warranty shall run to Company, its successors, assigns, and the users of goods and services covered by the PO. If any goods or services are found to be defective during the warranty period then, in addition to other rights, remedies and choices as it may have by law, contract or at equity, Company at its option and sole discretion and at Supplier's expense may: (a) reject and return such goods and services and pursue any of the elections in Section 7 hereof or (b) require Supplier to repair or replace nonconforming goods with goods that conform to all the requirements of this Purchase Order at Supplier's sole expense. Any repair or replaced part, or re-performed services shall carry warranties on the same terms as set for the above, with the warranty period being the later of the original unexpired warranty or 24 months after repair or replacement.

9. SUSPENSION. Company may at any time, by notice to Supplier, suspend performance of the PO for such time as it deems appropriate. Upon receiving notice of suspension, Supplier shall promptly suspend work to the extent specified, properly caring for and protecting all work in progress and materials, supplies, and equipment, Supplier has on hand for performance. Upon Company's request, Supplier shall promptly deliver to Company copies of outstanding purchase orders and subcontracts for materials, equipment and service for the work, and shall take such action relative to such purchase orders and subcontracts as Company may direct. Company may at any time withdraw the suspension as to all or part of the suspended work by written notice specifying the effective date and scope of withdrawal. Supplier shall resume diligent performance on the specified effective date of withdrawal. All claims for increase or decrease in the cost of, or

the time required for the performance of any work caused by suspension shall be pursued pursuant to, and consistent with, Section 6.

10. TERMINATION

a) **FOR CONVENIENCE.** Company may terminate at its convenience for any reason whatsoever all or any part of the PO at any time by written notice to Supplier. Upon such termination, Company and Supplier shall negotiate reasonable termination costs consistent with costs allowable under Section 6 and identified by Supplier within 30 days of termination notice, unless the parties have agreed to a termination schedule in writing.

b) **FOR DEFAULT.** Except for delay due to causes beyond the control and without the fault or negligence of Supplier or its suppliers (lasting not more than 60 days), Company may by written notice of default, terminate the whole or any part of the PO if Supplier: (a) fails to perform within the time specified or any written extension granted by Company; (b) fails to make progress which, in Company's reasonable judgment, endangers performance of the PO in accordance with its terms; or (c) fails to comply with any of the terms of the PO. Such termination shall become effective if Supplier does not cure such failure within 10 days of receiving notice of default. Upon termination, Company may procure at Supplier's expense and upon terms it deems appropriate, goods or services similar to those so terminated. Supplier shall continue performance of the PO to the extent not terminated and shall be liable to Company for any excess costs for such similar goods or services. As an alternate remedy and in lieu of termination for default, Company, at its sole discretion, may elect to extend the delivery schedule and/or waive other deficiencies in Supplier's performance, making Supplier liable for any costs, expenses or damages arising from any failure of Supplier's performance. Company's rights and remedies in this section are in addition to any other rights and remedies provided by law or under the PO.

c) **FOR INSOLVENCY/PROLONGED DELAY.** If Supplier ceases to conduct its operations in the normal course of business, fails to meet its obligations as they mature, if any proceeding under the bankruptcy or insolvency laws is brought by or against Supplier, or a receiver for Supplier is appointed or applied for, or an assignment for the benefit of creditors is made, or an excused delay (or the aggregate time of multiple excused delays) lasts more than 60 days, Company may immediately terminate the PO without liability, except for goods or services completed, delivered and accepted within a reasonable period after termination (which will be paid for at the Order price).

11. INDEMNITY. Supplier shall defend, indemnify, release and hold harmless Company, its directors, officers, employees, agents representatives, successors and assigns against (i) any and all suits, actions, or proceedings, at law or in equity, and from any and all claims, demands, losses, judgments, damages, costs expenses, liens or liabilities arising from any act or omission of Supplier, its agents, employees, suppliers, or subcontractors, except to the extent attributable to the sole and direct negligence of Company and (ii) any actual or alleged contamination, pollution, or public or private nuisance, arising directly or indirectly out of the PO or out of any acts or omissions of Supplier, its subcontractors, or suppliers. Supplier's indemnification obligation hereunder covers, without limitation, injuries, sickness, diseases (including occupational disease whenever occurring), or death of Supplier employees, as well as any damages arising out of any product recalls.

12. LIMITATIONS OF LIABILITY AND EXCLUSION OF CONSEQUENTIAL DAMAGES. NOT WITHSTANDING ANY RULE OF LAW OR PROVISION OF THE PO TO THE CONTRARY, AND

REGARDLESS OF THE FORM OF ACTION OR THEORY OF LIABILITY, INCLUDING BUT NOT LIMITED TO CONTRACT, STRICT LIABILITY, NEGLIGENCE OR OTHER TORT, BREACH OF WARRANTY, INDEMNITY OR OTHERWISE,

- a) NEITHER COMPANY NOR ANY OF ITS PARTNERS, MEMBERS, AGENTS, AFFILIATES, SUBCONTRACTORS, SUPPLIERS, INSURERS, JOINT VENTURE PARTNERS, OFFICERS, DIRECTORS OR EMPLOYEES SHALL BE LIABLE TO SUPPLIER FOR CONSEQUENTIAL, SPECIAL, PUNITIVE, INCIDENTAL OR INDIRECT LOSS OR DAMAGE INCLUDING LOST PROFITS OR COST OF CAPITAL; AND
- b) COMPANY'S MAXIMUM LIABILITY UNDER ANY PO SHALL NOT EXCEED THE PO PURCHASE PRICE.

13. INSURANCE. Supplier shall maintain Comprehensive General Liability – Bodily Injury/Property Damage (including coverage for contractual liability insuring the liabilities assumed in the PO, for products liability, contractors protective liability, where applicable, collapse or structural injury and/or damage to underground utilities, where applicable, and coverage for damage to property in Supplier's custody, care and controls, as well as naming Company as an additional insured) in the amount of \$3,000,000 combined single limit per occurrence, Comprehensive Automobile Liability – Bodily Injury/Property Damage covering all owned, hired and non-owned automotive equipment in the amount of \$1,000,000 combined single limit each occurrence, Employers Liability in the amount of \$1,000,000 each occurrence, Property Insurance covering the full value of all goods and services owned, rented or leased by Supplier in connection with the PO, as well as appropriate Workers Compensation Insurance in the amount required by applicable law protecting Supplier from all claims under any applicable Worker's Compensation and Occupational Disease Act. Upon request, Supplier shall furnish Company a certificate of insurance completed by its insurance carrier(s) certifying that insurance coverages are in effect and will not be canceled or materially changed except ten days after Company's written approval. Supplier hereby waives subrogation in favor of Company, its subsidiaries, affiliates and their respective officers, directors, employees, agents and subcontractors. All insurance specified in this section shall contain a waiver of subrogation in favor of Company, its subsidiaries, affiliates and their respective officers, directors, employees, agents and subcontractors for all losses and damages covered by the insurances required in this section, including coverage for damage to Company's property in Supplier's care, custody or control.

14. ASSIGNMENT AND SUBCONTRACTING. Supplier may not assign the PO or any interest herein including payment, without Company's prior written consent. Supplier shall not subcontract or delegate performance of all or any substantial part of the work called for under the PO without Company's prior written consent. No assignment, subcontract or delegation consented to by Company shall relieve Supplier of its obligations under this Contract.

15. COMPLIANCE WITH LAWS. Supplier represents, warrants, certifies and covenants that it will comply with applicable provisions of any federal, state, provincial or local law, regulation, directive or ordinance and all lawful orders, rules, and regulations issued thereunder, in the country of intermediate and/or final delivery of goods or provision of services, including ITC Laws (defined below), environmental health and safety, and records retention. Supplier shall also comply with good industry practices, including the exercise of that degree of skill, diligence, prudence and foresight which can reasonably be expected from a competent Supplier who is engaged in the same type of service or manufacture under similar circumstances in a manner consistent with all applicable requirements and with all applicable generally recognized international standards. Without limiting Supplier's compliance obligations under this Section, if

Supplier is a subsupplier under the PO, Supplier will comply with all laws, regulations and other requirements of Company's customer as may be required by the terms of Company's contract or purchase order with Company's customer.

Supplier shall not, under any circumstances, cause or permit, in connection with its performance of the PO, the discharge, emission or release of any hazardous substance and/or waste, pollutant, contaminant or other substance in violation of any applicable laws, rules or regulations. Supplier shall comply with all regulatory requirements applicable to its performance under the PO and shall be responsible for compliance with all hazardous waste, health and safety, notice, training, and environmental protection laws, rules, regulations and requirements. "Hazardous waste" includes all substances which are or may be identified as such in 40 C.F.R. Part 261 or other applicable laws or regulations. Supplier shall submit to Company Material Safety Data Sheets (MSDS) as required by applicable regulation.

If Supplier is supplying regulated aviation components under the PO ("Aviation Goods"), all of the following shall apply:

- a. Supplier shall immediately notify Company upon receipt of any Government-Industry Data Exchange Program ("GIDEP") Alert related to Aviation Goods, and shall provide Company a list of all affected Aviation Goods. For GIDEP Alerts caused in whole or in part by Aviation Goods, Supplier shall immediately replace all affected Aviation Goods at its sole expense including any installation and removal costs for the Goods so affected and reimburse Company for any damages and commercially reasonable expenses incurred by Company.
- b. If the FAA, or other aviation authority, issues Airworthiness Directives ("ADs"), or the equivalent of ADs, related to Aviation Goods, Supplier shall immediately remove the cause(s) of the ADs or AD equivalents in all Aviation Goods delivered and to be delivered to Company including but not limited to Aviation Goods utilized in the field. Supplier shall reimburse Company for any costs and damages associated with removal, redelivery and installation of Aviation Goods, incurred by Company as a result of such ADs or equivalent of ADs which are attributable to the Aviation Goods.
- c. Following completion of any Company required reviews and approvals, Supplier shall provide all service bulletins, safety bulletins and ADs (collectively in this sub-Section "Bulletins") to Company immediately upon issuance. Supplier shall implement Supplier's recommendations contained in Bulletins on all Aviation Goods delivered and to be delivered.

"ITC Laws" mean the import, customs, export control, sanctions and U.S. anti-boycott laws, regulations, and orders applicable at the time of the import, export, re-export, transfer, disclosure, or provision of technical data, goods or services including, without limitation, the (i) Export Administration Regulations ("EAR") administered by the Bureau of Industry and Security, U.S. Department of Commerce, 15 Code of Federal Regulations (C.F.R.) Parts 730-774; (ii) International Traffic in Arms Regulations (the "ITAR") administered by the Directorate of Defense Trade Controls, U.S. Department of State, 22 C.F.R. Parts 120-130; (iii) Foreign Assets Control Regulations and associated Executive Orders administered by the Office of Foreign Assets Control, U.S. Department of the Treasury, 31 C.F.R. Parts 500-598; (iv) Internal Revenue Code,

26 U.S.C. § 999, enforced by the U.S. Department of Treasury; (v) International Emergency Economic Powers Act (“IEEPA”), 50 U.S.C., § 1701 et. Seq.; (vi) Customs regulations administered by U.S. Customs and Border Protection, 19 United States Code (U.S.C.) and Title 19 C.F.R.; and (vii) applicable import, customs and export laws and regulations of other countries, except to the extent they are inconsistent with the U.S. laws.

16. CONFIDENTIAL OR PROPRIETARY INFORMATION AND PUBLICITY. Supplier shall keep confidential any technical, process, proprietary or economic information derived from drawings, 3D or other models, specifications and other data furnished by Company in connection with all POs and shall not divulge, directly or indirectly, such information for the benefit of any other party without Company’s prior written consent. Except as required for the efficient fulfillment of a PO, Supplier shall not use such information or make or permit copies to be made of such drawings, models, proprietary information, specifications, or other data without Company’s prior written consent. Upon completion or termination of the PO, Supplier shall promptly return to Company all materials incorporating any such information and any copies thereof. Any knowledge or information which Supplier shall have disclosed or may hereafter disclose to Company, and which in any way relates to the goods or services provided under a PO (except to the extent deemed to be Company’s Property as set forth in Section 4, above), shall not, unless otherwise specifically agreed to in writing by Company, be deemed to be confidential or proprietary, and shall be acquired by Company free from any restrictions (other than a claim for infringement), as part of the consideration for the PO and, notwithstanding any copyright or other notice thereon, Company shall have the right to use, copy, modify and disclose the same as it sees fit. Supplier shall not make any announcement, take or release any photographs (except for its internal operation purposes for manufacture and assembly of goods), or release any information concerning the PO or any part thereof or with respect to its business relationship with Company, to any third party except as required by applicable law, without Company’s prior written consent.

17. INTELLECTUAL PROPERTY. Supplier shall indemnify, defend and hold Company harmless from all costs and expenses related to any suit, claim or proceeding brought against Company or its customers based on a claim that any article or apparatus, or any part thereof constituting goods or services furnished under the PO, as well as any device or process necessarily resulting from the use thereof, constitutes an infringement of any patent, copyright, trademark, trade secret or other intellectual property right of any third party. Company shall notify Supplier promptly and give authority, information, and assistance (at Supplier’s expense) for the defense of same, and Supplier shall pay all damages and costs awarded therein. If use of said article, apparatus, part, device or process is enjoined, Supplier shall, at its own expense and at its option, either procure for Company the right to continue using said article or apparatus, part, process or device, or replace same with non-infringing equipment.

18. PACKING, PRESERVATION AND MARKING. Packing, preservation and marking will be in accordance with the specification drawing or as specified on the PO, or if not specified, best commercially accepted practice will be used, and at a minimum consistent with applicable law. For goods Company has shipped to Supplier for further work, Supplier will pack such goods for shipment back to Company in a manner that is reasonably comparable to the packing used by Company in its original shipment to Supplier. The country of origin for all goods shipped across international borders shall be marked in a conspicuous location as legibly, indelibly and permanently as the nature of the article or container will permit, so as to clearly indicate to Company the origin of the goods. The gross and net weight, shipping address, mode of packing and in case of over-dimensional shipment the hook-points, and stacking ability shall be marked on the packing.

19. GOVERNING LAW. The PO shall in all respects be governed by and interpreted in accordance with the substantive law of the State of Ohio, U.S.A., excluding its conflicts of law provisions. The parties exclude application of the United Nations Convention on Contracts for the International Sale of Goods.

20. DISPUTE RESOLUTION. The parties agree that any and all disputes or controversies that may arise between the parties arising out of or related to the PO shall be determined by a court of competent jurisdiction in Cleveland, Ohio USA, and Supplier hereby submits to the exclusive jurisdiction of such court(s) for any such disputes. Supplier waives any challenge to the proper venue of such courts, including any challenge based on *forum non conveniens*.

21. WAIVER. No claim or right arising out of a breach of these General Terms and Conditions, or any PO, can be discharged in whole or in part by a waiver or renunciation unless supported by consideration and made in writing signed by the aggrieved party. Either party's failure to enforce any provisions hereof shall not be construed a waiver of a party's right thereafter to enforce each and every such provision.

22. ENTIRE AGREEMENT. The PO is expressly incorporated by reference, is intended as a complete, exclusive and final expression of the parties' agreement with respect to such terms as are included herein. The PO may be executed in one or more counterparts, each of which shall for all purposes be deemed an original and all of which shall constitute the same instrument. Facsimile signatures on such counterparts are deemed original. No course of prior dealings and no usage of the trade shall be relevant to determine the meaning of the PO even though the accepting or acquiescing party has knowledge of the performance and opportunity for objection. The term "including" shall mean and be construed as "including, but not limited to". The invalidity, in whole or in part, of any of the foregoing articles or paragraphs of the PO or General Terms and Conditions shall not affect the remainder of such article or paragraphs or any other article or paragraphs of the PO or General Terms and Conditions. All provisions or obligations contained in the PO or General Terms and Conditions, which by their nature or effect are required or intended to be observed, kept or performed after termination or expiration of a the PO will survive and remain binding upon and for the benefit of the parties, their successors (including successors by merger) and permitted assigns.