

# ACME AEROSPACE INC.

## TERMS & CONDITIONS OF PURCHASE

### OFFER AND CONTRACT:

The following terms together with such terms as are set forth on the face of this purchase order with such plans, specifications or other documents as terms as are approved in writing by Buyer, constitute the offer of Buyer to Seller and shall, when accepted, constitute the entire order or contract between Buyer or Seller. Such purchase order shall be deemed to have been accepted upon Buyer's receipt of the attached acknowledgement copy duly executed by Seller, upon Seller's shipment of the product identified herein, or (if such products are specially manufactured for Buyer) upon Seller's commencement of the manufacture of such products. Any reference to any proposal, quotation, or other communication by Seller shall, unless indicated to the contrary herein, be deemed to be limited to the description of the products and to be limited by the terms set forth or incorporated by reference herein.

Buyer hereby gives notice of its objection to any printed provisions on the Seller's documents and on subordinated documents, if inconsistent with terms and conditions specified herein, which inconsistent provisions shall be inapplicable and deemed deleted. This order as supplemented by such data shall constitute the entire agreement between the seller and buyer and shall not be modified or rescinded, except by a writing signed by both parties within 30 calendar days from the date of such change notice, accompanied by an estimate of charges resulting from such change.

TIME OF PAYMENT: The date of payment shall, subject to any contrary terms on the face hereof, be computed by the latter or:

1. Buyer's receipt of an acceptable invoice or
2. Buyer's receipt of products, together with any required documents, in order.
3. Buyer's required date.

### RESPONSIBILITY:

Title to, and risk of loss, of each product or part to be delivered hereunder, shall unless otherwise provided herein, pass from Seller to Buyer upon delivery of such product at the F.O.B. point designated on the face of this purchase order. Seller shall deliver the products, which are the subject matter of this purchase order, to the Buyer free and clear of all liens, claims and encumbrances.

### BUYER-FURNISHED MATERIALS, TOOLING & EQUIPMENT:

Title to and any materials, tooling and equipment, including all patterns, molds, tools, dies or templates, which Buyer may furnish Seller or which Seller may acquire at Buyer's expense or manufacture for Buyer, shall remain in Buyer at all times. Seller assumes all risk of loss of, damage to, or liability resulting from such property from whatever cause while Seller's custody or control and Seller will, at its expense, carry adequate insurance thereon to reimburse buyer for any such loss, damage or liability. Buyer shall have the right to remove such property at any time for any reason Buyer deems necessary and shall have reasonable right of access to Seller's premises at all times to protect its rights to such property. Seller will not use such property for any purpose other than fulfillment of Buyer's purchase order. Upon termination or completion of this purchase order, Seller shall request disposition instructions and if so directed, will deliver such property to Buyer to the extent not incorporated in delivered and items in good condition subject to ordinary wear and tear and normal manufacturing losses, or if directed, Seller agrees to retain such property for a period not to exceed 5 years pending further disposition instructions from Buyer.

### CONFIDENTIAL DISCLOSURE:

Seller shall keep confidential all sales data, designs, processes, drawings, specifications, reports, data and other technical or proprietary information and the features of all parts equipment, tools, gauges, patterns, and other items furnished or disclosed to the Seller by the Buyer in connection with this order ("Confidential Information") Seller expressly agrees not to use the Confidential Information or any other information belonging to or supplied by or on behalf of Buyer, except in the performance of the work for Buyer, Seller expressly agrees that a confidential relationship exists between Buyer and Seller relative to matter covered by this section. Seller shall return all Confidential Information and other information or property at the Buyer's request and, in any event, upon completion of this purchase order. No Confidential Information relative to the purchase or use of materials or articles covered by this purchase order is to be published without first obtaining Buyer's written consent.

### ASSIGNMENT SUBCONTRACT:

Seller shall not have any right to assign this purchase order or any benefits arising from this purchase order without the prior written consent of the Buyer. Unless otherwise agreed in writing, the rights of any assignee shall be subject to all setoffs, counterclaims, and other comparable rights arising hereunder. Seller shall not, except in the case of raw materials or standards/commercial items or except as otherwise agreed in writing by Buyer, delegate or subcontract all or substantially all of the work on any item or material to be furnished under this purchase order.

### CANCELLATION:

Buyer shall have the right to cancel this purchase in full or in part by reason of any default by Seller, and Buyer further reserves the right to cancel this purchase order without further liability for articles not accepted by Buyer in the event Seller commits an act of bankruptcy, files or has filed against it a petition under the Federal Bankruptcy Act, suffers any receivership or other similar petition to be filed for or against it, or makes a general assignment for the benefits of its creditors.

### Conflict Minerals:

Buyer is committed to sourcing minerals from conflict-affected and high-risk areas in accordance with Buyer's corporate policies, legal obligations and existing international standards, and agrees to provide Buyer with supply chain data as and when Buyer reasonably requests to enable Buyer and its customers to fulfill their legal obligations under the Dodd-Frank Wall Street Reform and Consumer Protection Act. Specifically, on an on-going basis, Buyer will request data from Seller concerning the so-called "conflict minerals" used in Seller's products, the origin of such minerals in Seller's supply chains, and whether trade in these minerals may support conflict in the Democratic Republic of the Congo (DRC) and its adjoining countries. Buyer expects Seller to pass these data requests up Seller's supply chain in order to determine the source of such minerals. Buyer may be required, and may require Seller, to perform due diligence on the chain of custody of conflict minerals in the supply chain. In addition, Seller may be required to make certifications to Buyer with respect to the use of conflict minerals. Buyer will evaluate and may terminate the ongoing business relationship with Seller if Seller's supply chain is determined to include the purchase of minerals that support conflict in this region, or if Seller fails to timely provide relevant data or certifications upon Buyer's requests.

\*Acme Aerospace Inc. is firmly committed to a policy of Equal Employment Opportunity, (EEO) and Affirmative Action, and will administer its personnel policies and conduct its employment on the basis of merit, experience and other work-related criteria without regard to race, creed, color, religion, sex, sexual orientation, gender identity, age, national origin, disability, military/veteran status, genetic information, marital status, or any other characteristic protected by applicable state, federal, or local law.

### COMPLIANCE WITH LAWS:

The Seller warrants that performance of the work hereunder and all products to be delivered hereunder shall be in accordance with any and all applicable executive orders, Federal, State, municipal, and local laws and ordinances, and all rules, orders, requirements, and regulations hereunder. Such Federal laws shall include, but not be limited to the Fair Labor Standards Act of 1938 as amended.

### TAXES:

Seller shall state separately on all invoices any taxes imposed by Federal, State or Local governments applicable to fulfilling this purchase order.

### NON-WAIVER :

Failure of Buyer to insist upon strict performance of any items and conditions herein shall not be deemed a waiver of any rights or remedies that Buyer shall have and shall not be deemed a waiver of any subsequent default of the terms and conditions hereof.

### GOVERNMENT CONTRACTS:

If the products or services to be delivered or performed hereunder are for the purpose of enabling Buyer to perform a government contract or sub-contract, then there shall be incorporated in this purchase order as if they were full set forth herein the following provisions:

- A. Any clauses required to be included in this purchase order by the government contract or subcontract which buyer is performing; and
- B. Any clause required to be included in this purchase order by any government rule or regulation applicable to the government subcontract which Buyer is performing.

### PATENTS:

Seller guarantees that the sale or use of its products will not infringe any United States or foreign patents and agrees to indemnify Buyer, its customers, and subsequent owners, against all judgments, decrees, costs and expenses resulting from such alleged infringements and covenants, that Seller will upon request, and at its expense, defend or assist in the defense of any suit or action which may be brought against Buyer, its customer or subsequent owners of the products, by reason of any alleged infringement of any patent in the sale or use of Seller's products.

### GOVERNING LAW:

This order is to be governed by an d construed according to the internal laws of the State of Arizona without regard to its conflict of laws, rules, and in the event of a dispute, litigation may be brought only in the appropriate court in Arizona.

### EXTRA CHARGES AND PACKAGING REQUIREMENTS:

No charges of any kind including charges for boxing and cartage, will be allowed unless specifically agreed to by Buyer in writing. However, Seller shall be responsible for packing and packaging necessary to withstand transportation hazards.

Price is to cover net weight, unless otherwise agreed. Packaging requirements for shipments on commercial BHLs of Lading must meet commercial standards and accepted practices of the industry with full protection of the material to ultimate destination and must conform to governing classification, for rail - national Motor Freight Classification, for truck - Railway Express Classification, for express - U.S. official Postal Manual, for parcelpost - Official Air Freight Rules Tariffs for air freight.

### REQUIREMENTS TO MAINTAIN ASSEMBLY RECORDS:

When specifications or drawing require Seller to serially number assemblies, Seller shall maintain records of all such serially numbered assemblies by part number and serial number. In addition when such specifications or drawings required Seller to serially detail parts of said assemblies Seller shall maintain records of the source, drawing number and serial number and serial numbers of such detailed units Seller shall maintain all such records for Ten (10) years from the date of completion of this order.

### RIGHTS AND RESERVATIONS:

Seller agrees that any information received or to be received from Buyer is the proprietary property of Buyer and such information shall only be used for the purposes of this order. Without written approval from the Buyer, Seller shall not, except as necessary for the performance of this order, duplicate any reports, drawings, documents or other records or drawings, documents or other records and any copies which have been made hereof to Buyer where payments are made for experimental developmental or research work performed hereupon. Seller shall disclose and thus hereby assign to Buyer all inventions resulting therefrom and does grant Buyer the right to use for any purpose whatsoever all data specified to be delivered under this purchase order.

### TERMINATION:

Buyer may terminate this contract in accordance with the clause set forth in Federal Acquisition Regulation 52.249-2 which clause as of the date of this form is incorporated herein by reference and made a part hereof.