

PURCHASE ORDER TERMS AND CONDITIONS

FOR

INDIRECT MATERIALS AND SERVICES

These Purchase Order Terms and Conditions (“Terms”) are made and entered into, by and between the entity identified as the buyer on the purchase order to which these Terms relate (hereinafter “Buyer”) and the entity identified as the Seller on such purchase order. Buyer and Seller may also be referred to as a “Party” or the “Parties”.

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1.0 DEFINITIONS: The following definitions apply unless otherwise specifically stated:

- “Goods”: Articles or Service(s) to be provided by Seller as described in an Order;
- “Buyer”: The entity issuing the Order;
- “Manufacturing Materials”: Supplies, materials, samples, tooling, dies, jigs, fixtures, plans, designs, specifications, software, drawings, technical information, and contract rights;
- “Order”: Purchase Order or Change Order issued by Buyer to Seller for Goods or Services;
- “Seller”: Person or company providing Goods or Services; and
- “Services”: Services to be performed by Seller as described in an Order.

2.0 APPLICABILITY OF TERMS: These Terms shall apply to and form a part of all Orders from Buyer which are accepted by Seller for the acquisition of Goods or Services.

3.0 INCORPORATION/AMENDMENT OF TERMS: All Orders shall be governed by these Terms. These Terms may not be changed, altered, supplemented or added to at any time except by written amendments signed by authorized representatives of Buyer and Seller. Except as provided in these Terms, no unilateral action by either Party may alter these Terms or their applicability to any Orders wherein these Terms have been incorporated.

4.0 SEVERAL LIABILITY: The Buyer, specifically identified on the face of the Order, is severally liable and responsible for its obligations and performance requirements under these Terms.

5.0 ORDERS/CHANGE ORDERS: Each Order shall contain a description of the Goods and identify the specifications, drawings, quantities, prices, delivery schedule, and place of delivery. EACH SUCH ORDER OR CHANGE TO SUCH ORDER MUST BE SIGNED (OR AUTHENTICATED IF THIS IS AN ELECTRONIC ORDER) BY BUYER'S AUTHORIZED PROCUREMENT REPRESENTATIVE TO BE VALID.

6.0 REPAIR ORDERS: Upon Seller's receipt of Goods for repair/rework, Seller must provide a written estimate and proposed delivery date to Buyer for prior approval of work. No repair/rework shall be commenced without Buyer's prior written approval.

7.0 TERM: The term of any Order shall be determined by the period of performance as defined by the delivery schedules contained in an Order, as may be modified from time to time as provided in Clause 9.0 (Changes) below.

8.0 TERMS/ACCEPTANCE/MODIFICATIONS: An Order is Buyer's offer to Seller and acceptance is expressly limited to its Terms without additions, deletions, or other modifications. Seller's commencement of performance, delivery of any Goods or acknowledgment of an Order shall conclusively evidence such acceptance. NO CHANGE

OR MODIFICATION TO AN ORDER (INCLUDING ANY ADDITIONAL OR DIFFERENT TERMS IN SELLER'S ACCEPTANCE) IS BINDING ON BUYER UNLESS SIGNED (OR AUTHENTICATED IN THE CASE OF AN ELECTRONIC ORDER) BY BUYER'S AUTHORIZED PROCUREMENT REPRESENTATIVE.

9.0 CHANGES:

- (A) Buyer may by written notice make changes within the general scope of each Order in any one or more of the following:
 - (i) method of shipment or packing;
 - (ii) place of inspection, delivery or acceptance;
 - (iii) quantity
- (B) Seller shall proceed immediately to perform each Order as changed. If any such change causes a material increase or decrease in the cost of, or the time required for the performance of any part of the work in each Order, except as otherwise provided for in paragraph (C) below, Buyer will make an equitable adjustment in the purchase price or delivery schedule or both. Seller shall provide written notice of its intent to assert a claim within ten (10) calendar days from the date of receipt by Seller of such written notice of change. Seller shall proceed with the change pending resolution of any claim for adjustment. Failure to agree to any adjustment will be resolved in accordance with the "Disputes" clause of the Order. In no event shall any change in price(s) specified in an Order be valid and binding on Buyer unless approved in writing by Buyer's authorized procurement representative.
- (C) Notwithstanding paragraphs (A) and (B) above, Buyer may make changes to each Order delivery schedule without cost impact provided that:
 - (i) Buyer provides a minimum forty-eight (48) hours notice to Seller for any delivery schedule acceleration; and
 - (ii) Buyer provides a minimum forty-eight (48) hours notice to Seller for any delivery schedule deceleration;
- (D) Seller will, at no cost to Buyer, use best efforts to support any changes required by Buyer within the forty-eight (48) hours notice period. Buyer will not hold Seller liable if the Goods are not delivered per the best effort delivery commitments.
- (E) Nothing in this clause shall excuse Seller from proceeding with an Order as changed.

10.0 STOP WORK ORDER:

- (A) Buyer may at any time, by written notice to Seller, require Seller to stop all or any part of the work called for by an Order ("Stop Work Order") for a period of up to one hundred-eighty (180) calendar days or longer if agreed by the Parties after the notice is delivered to Seller. Upon receipt of a Stop Work Order, Seller shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the Order during the period of work stoppage. Within a period of one hundred-eighty (180) days after a Stop Work Order is delivered to Seller, or within any extension of that period to which the parties have agreed, Buyer must either cancel the Stop Work Order, or terminate the work covered

by the Order as provided in the "Termination for Default" or the "Termination for Convenience" paragraphs of these Terms, whichever may be appropriate.

- (B) Seller must resume work upon cancellation or expiration of any Stop Work Order. Buyer and Seller will agree upon a reasonable adjustment in the delivery schedule. In no event will such adjustment exceed the period of time in which the Stop Work Order was in effect. Except as otherwise provided herein, no adjustment in the total Order price will be incurred by issuance of a Stop Work Order.

11.0 TERMINATION FOR CONVENIENCE:

- (A) Notwithstanding any other provision of these Terms, the Buyer may, at any time by written notice, terminate for its convenience the whole or any part of an Order. Upon receipt of such notice, the Seller must immediately cease work, including but not limited to the manufacture and procurement of materials for the fulfillment of the terminated portion of an Order.
- (B) In the event of termination pursuant to Clause 11 (A) above, Buyer and Seller will agree upon an adjustment of the Order price, provided that: (i) such adjustment shall not exceed the Order total price; (ii) except as otherwise provided herein, no amount will be allowed for profit on the terminated portion of the Order, regardless of whether the work on the terminated portion has been performed; (iii) except as otherwise provided herein, in the event of a partial termination no adjustment will be made on the price of the remaining portion of the Order, i.e., that portion which has not been terminated; (iv) the Buyer will pay the Order price for completed Goods delivered and accepted pursuant to paragraph (C) below; (v) the Seller and Buyer will agree on the amount of payment for manufacturing materials delivered and accepted pursuant to paragraph (C) below; (vi) Seller's written intent to file a claim for adjustment is received within twenty-one (21) calendar days from the effective date of termination; (vii) Seller's final claim is received within ninety (90) calendar days from the date that intent to claim is filed. Seller shall have no other remedies after this period; and (viii) Seller must continue the work not terminated.
- (C) If an Order is terminated pursuant to Clause 11 (A) above, the Buyer may require the Seller to transfer the title to, and deliver, as directed by the Buyer, any (i) completed Goods, and (ii) manufacturing materials that the Seller and its subcontractors have specifically produced or acquired for the portion of the Order under notice of Termination for Convenience. Upon direction of the Buyer, the Seller must protect and preserve property in its possession in which Buyer has an interest.

12.0 TERMINATION FOR DEFAULT:

- (A) Buyer, by written notice, may terminate an Order for default in whole or in part, if Seller:
 - (i) fails to comply with any of the terms of the Order;
 - (ii) fails to make progress so as to endanger performance of the Order;
 - (iii) fails to provide adequate assurance of future performance;
 - (iv) files or has filed against it a petition in bankruptcy;
 - (v) becomes insolvent or suffers a material adverse change in its financial condition; or

(vi) sells or contracts to sell Goods to Buyer that are classified other than as EAR99 under the EAR (as defined in Clause 27 below)

(B) Upon termination, the Seller will have no claim for further payment other than as provided in this Clause, but will be liable to the Buyer for all direct losses and direct damages which may be suffered by the Buyer by reason of the default, including any increase in the costs incurred by the Buyer in procuring the Goods from another source. Nothing in this Clause affects any obligation of the Buyer under the law to mitigate damages and Seller must proceed with the portion of an Order not terminated under the provisions of this clause.

(C) If the Order is terminated for default, the Buyer may require the Seller to transfer the title to, and deliver, as directed by the Buyer, any

(i) completed Goods, and

(ii) manufacturing materials that the Seller and its subcontractors have specifically produced or acquired for the portion of the Order under notice of Termination for Default. Upon direction of the Buyer, the Seller shall also protect and preserve property in its possession in which the Buyer has an interest.

(D) The Seller will have no claim for further payment other than as provided in this clause. The Buyer shall pay the Order price for completed Goods delivered and accepted. The Seller and Buyer will agree on the amount of payment for manufacturing materials delivered and accepted. Failure to agree will be a dispute under Clause 33 (Dispute Resolution; Governing Law and Venue) below. The Buyer may withhold from these amounts any sum the Buyer determines to be necessary to protect the Buyer against loss because of outstanding liens or claims of former lien holders and Buyer's estimate of excess procurement costs due Buyer.

(E) The rights and remedies of the Buyer in this clause or in any other clause of these Terms are in addition to any other rights and remedies provided to Buyer by the law.

Termination, whether by convenience or default, shall not relieve Seller of any obligations and liabilities which may have arisen under these Terms prior to such termination, including but not limited to patent infringement, reproduction rights, latent defects and warranty obligations.

13.0 FORCE MAJEURE:

(A) In the event of a Party's failure to meet any of its obligations under an Order, where such failure is the result, in whole or part, war, riot, insurrection, strike, vandalism, fire, flood, earthquake, accident, storm, epidemic, pandemic, act of God or government, or any other cause beyond such Party's reasonable control (for purposes of this section, a "force majeure event"), such Party's obligations herein shall be suspended to the extent of the force majeure event, except as provided hereafter. The Party declaring a force majeure event shall give notice to the other Party, using the most expedient means available under the circumstances, stating the particulars of the event. The Parties shall use all diligent efforts to promptly resume normal performance hereunder after the occurrence of any force majeure event.

- (B) If the force majeure event continues for longer than thirty (30) calendar days, then the Party not declaring a force majeure event, at its sole option, may terminate an Order in whole or in part without any obligation or liability except for the obligation to make payments for amounts owed prior to force majeure notice receipt.

14.0 QUALITY CONTROL/INSPECTION:

- (A) All Goods are subject to final inspection and acceptance by Buyer at destination, notwithstanding any payment or prior inspection at source. The final inspection will be made within a reasonable time, not to exceed ninety (90) calendar days after receipt of the Goods. Buyer will notify Seller if any Goods delivered hereunder are rejected, and such Goods may be returned to Seller at Seller's risk and expense at Buyer's discretion. Inspection and tests by Buyer do not relieve the Seller of responsibility for defects or other failures to meet Order requirements. Acceptance will not be final with respect to latent defects, fraud, or gross negligence amounting to fraud.
- (B) The Seller shall have an effective program for investigation, corrective action, and follow-up for rejections initiated by the Seller or Buyer. When the Buyer discovers discrepancies for which the Seller is responsible, the Buyer may forward a request for corrective action to the Seller for action and response. The Seller's response must be returned to the Buyer within thirty (30) calendar days, and shall include the causes of the discrepancy(s), the positive corrective action(s) taken to prevent recurrence, and the corrective action effective point by unit serial number or date.

15.0 WARRANTY:

- (A) Seller warrants that all Goods delivered under an Order will be free from defects in design, material and workmanship, will conform to applicable descriptions, specifications and drawings and are suitable for the purpose intended. THIS WARRANTY SHALL BE IN ADDITION TO ALL WARRANTIES ARISING AS A MATTER OF LAW.
- (B) Seller's warranties shall be enforceable by Buyer's customers as well as Buyer and shall be valid for thirty-six (36) months after delivery to Buyer's customers.
- (C) Defective Goods will be returned to Seller at Seller's expense Ex-Works Buyer's facility for repair to like new condition or replacement, at Buyer's option. The repaired or replacement Goods will be returned by Seller, F.O.B. Buyer's facility if the shipment is from one location in the U.S. to another or DDP Buyer's facility if the Goods are shipped internationally, to Buyer within twenty-one (21) calendar days from receipt of the defective Goods by Seller. For valid warranty claims, Buyer may debit Seller's account for actual freight charges incurred both from and to the Buyer. If Buyer finds it impractical to return defective Goods, Buyer may perform necessary repair at its own facility and charge the reasonable cost thereof to Seller.
- (D) The provisions of this Section survive termination or completion of all Orders hereunder.

16.0 INTELLECTUAL PROPERTY RIGHTS & INDEMNITY:

- (A) Any work product, copyright, trademark, trade secret, software, data, idea, concept, process, formula, design, patent, invention, system, report or other intellectual property right resulting from any Services or work performed for an Order, shall be the sole property of Buyer, and Seller agrees to assign and hereby assigns to Buyer any interest Seller may have in such intellectual property right conceived by Seller and/or reduced to practice by Seller in performing Services or work paid for by Buyer.

All drawings, specifications, information and data, if any, furnished or paid for by Buyer, shall be subject to the provisions of Clause 17 (Confidential and Proprietary Information), shall be or remain the property of Buyer and shall be used only in filling Orders for Buyer. Upon completion, termination or cancellation of an Order, Seller shall return all drawings, specifications, information and data to Buyer within thirty (30) days.

- (B) With respect to Goods delivered under an Order, Seller shall save Buyer, its agents, customers, and users of its products harmless from all claims, loss, damage and liability incurred on account of any infringement or alleged infringement of a patent, copyright, or trademark or misappropriation of a trade secret or other violation of an intellectual property right of a third party, arising out of the manufacture, sale, or use of such Goods by Seller, Buyer, Buyer's agents, customers, or users of its products. In the event of any claim that any Goods furnished hereunder infringe any patent, copyright, trademark or similar right Seller may, at its option and expense: (i) procure for Buyer and its customers the right to continue using the Goods, or (ii) replace or modify the Goods so that such Goods are non-infringing. Further, Seller shall at its own expense (including but not limited to the payment of attorneys' fees, court costs and any bond or appeal from any adverse judgment) defend (and in the event of final judgment, award of damages or other monetary relief pay such judgment or award) all claims, suits and actions against Buyer, its agents, customers or users of its products in which such infringement or other violation of an intellectual property right of any third party is alleged, provided Seller is notified of such claims, suits and actions. This indemnification does not apply to Goods manufactured to detailed designs developed and furnished by Buyer. The provisions of this Section survive termination or completion of all Orders hereunder.

17.0 CONFIDENTIAL AND PROPRIETARY INFORMATION:

- (A) "Confidential Information" any and all business, technical or third party information (including but not limited to inventions, ideas, trade secrets, marketing plans, financial data, specifications, drawings, sketches, models, samples, computer programs, customer lists, pricing information and other documentation) provided, disclosed or made accessible by one party ("Disclosing Party") to the other ("Receiving Party") that is either identified as or would be reasonably understood to be confidential and/or proprietary. Confidential Information does not include information the Receiving Party can clearly establish by written evidence: (1) is or becomes known to the Receiving Party from a third party without an obligation to maintain its confidentiality; (2) is or becomes generally known to the public through no act or omission of the Receiving Party; or (3) is independently developed by the Receiving Party without the use of Confidential Information of the Disclosing Party.

- (B) Except as expressly provided herein, the Receiving Party will (1) not use Confidential Information of the Disclosing Party for any purpose other than fulfilling its obligations under an Order; (2) not disclose Confidential Information of the Disclosing Party to any third Party (including affiliates of itself or of the Disclosing Party) without the prior written consent of the Disclosing Party; (3) not make any copies of Confidential Information of the Disclosing Party without the Disclosing Party's consent; and (4) protect and treat all Confidential Information of the Disclosing Party with the same degree of care as its uses to protect its own Confidential Information of like importance, but in no event with less than reasonable care. The Receiving Party will only disclose Confidential Information of the Disclosing Party to its employees and/or agents who have a "need to know" for purposes of an Order. The Receiving Party will notify and inform such employees and/or agents of the Receiving Party's obligations under this Agreement, and the Receiving Party will be responsible for any breach by its employees and/or agents. In the event the Receiving Party is required to disclose Confidential Information of the Disclosing Party pursuant to law, the Receiving Party will notify the Disclosing Party of the required disclosure within sufficient time for the Disclosing Party to seek relief, will cooperate with the Disclosing Party in taking appropriate protective measures, and will make such disclosure in a fashion that maximizes protection of the Confidential Information from further disclosure.
- (C) Upon expiration or termination of this Agreement, the Receiving Party will promptly return to the Disclosing Party, or at the Disclosing Party's direction destroy, all Confidential Information of the Disclosing Party in whatever format, including notes and reports prepared by the Receiving Party containing or referencing Confidential Information and copies and shall certify the destruction to the Disclosing Party. The obligations of the parties with respect to Confidential Information shall survive the completion or termination of all Orders under these Terms indefinitely.
- (D) Notwithstanding the provisions of this Clause 17 set forth above, Seller agrees to comply with the terms of any non-disclosure agreement (including without limitation any Proprietary Information Exchange Agreement(s)) executed by it and Buyer and to comply with all proprietary information markings and restrictive legends on information provided with respect to any Order by Buyer to Seller.

18.0 BOOKS AND RECORDS: Seller shall provide authorized representatives of Buyer, reasonable access to its books, records and data which will permit the adequate evaluation of cost data, direct materials, labor hours and incorporated rates used to arrive at a price. In addition, any proposals submitted by the Seller, pursuant to the Changes, Termination for Default, or Termination for Convenience clauses, must also include sufficient cost data and reasonable access to Seller's books, records and data as indicated herein. At Buyer's request, Seller must provide copies of collective labor agreements, if any, and audited company financial statements.

19.0 PRICES, PAYMENT AND DISCOUNT: Unless specified otherwise in the Order and accepted by Seller, payment by the Buyer will be 2% 15, Net 60 days from the later of the following: (i) the date of acceptance of the Goods or (ii) Buyer's receipt of an acceptable

invoice. Any payment discounts will be calculated from the same date. Discount terms must be clearly stated on the face of each invoice.

20.0 INVOICING:

If Orders are submitted via the Ariba electronic ordering system, Seller agrees to accept payment electronically.

If the Order so specifies, Seller agrees to cease the issuance of all paper invoices. In all other cases, separate invoices indicating Order number, line item number(s), quantity, unit price and extended value are required to be submitted by Seller with respect to each Order. On date of shipment(s), Seller shall mail one copy of each invoice indicating the Buyer and accompanied by a copy of the Order to the "Bill To" address specified on the Order.

21.0 PACKING AND SHIPPING:

Seller agrees to comply with the routing instructions referenced on an Order. Unless specified otherwise in an Order, all Goods shall be shipped "freight collect" in accordance with the applicable requirements specified in the "Textron Routing Guidelines or "Operating Routing Instructions" utilized in all shipments. Buyer's Routing Guidelines and Operating Routing Instructions can be accessed at <http://routingguides.textron.com>. Failure to adhere to these shipping guidelines will result in Buyer charging back for the applicable freight charge. No variation from the applicable routing requirements shall be permitted unless approved in writing by Buyer's authorized procurement representative. Premium transportation will be paid by Buyer only when specifically authorized in advance of shipment. If delays caused by the Seller result in the need for premium transportation, the additional costs for the premium transportation is the sole responsibility of the Seller. Seller shall not prepay freight for, or insure or declare value of, any shipment made F.O.B. Seller's facility.

- (A) Separate packing lists are required for each Order and must accompany each shipment. The location of the packing slip must be clearly marked on the container. The complete Order number must appear on all documents.
- (B) Single Good containers will be identified with Order, part number, and quantity. When multiple Orders or Goods are combined in one container, they must be separately packaged inside that container and the packages identified as to Order, part number and quantity.
- (C) All Goods must be suitably packaged and prepared for shipment to withstand normal transportation and stocking functions. Containers must be in compliance with best commercial practices.
- (D) Test reports, x-rays, certificates and other supporting documents must accompany each shipment when required by an Order.
- (E) Seller must not combine shipments destined for different Buyer facilities on the same Bill of Lading or in the same container.

- (F) Goods will be marked in such a manner as to be readily identifiable with the part number reflected on an Order. Kits, assemblies and all parts consisting of multiple Goods must be unit packaged as a complete unit and so identified. If the Good is individually packaged, the package will be so marked. Single Goods too small to be separately identified will be separated into lots and tagged or bagged. Proper markings corresponding to the Order description and part number must be applied to the tags and/or bags for handling and storage purposes. With the exception of Goods classified as EAR99 under the EAR (as defined in Clause 29 below), all packages of Goods and the packing lists relating thereto must be clearly marked with the applicable export control classification(s).
- (G) When required by Buyer, Seller will provide bar-coded shipping labels with each shipment.
- (H) When required by Buyer, each shipment to Buyer the Seller must include on the packing slip a "Statement of Product Conformity". Unless otherwise required by contract, the Seller must include a statement declaring compliance to all requirements specified in applicable standards and/or specification documents. This certification of compliance must be signed by Seller's authorized Quality representative.

22.0 DELIVERY:

- (A) Unless otherwise specified in an Order, the shipping term applicable to Goods, shall be F.O.B. Seller's facility "freight collect"; risk of loss or damage to the Goods passes at the F.O.B. point.
- (B) If Goods are received more than ten (10) calendar days ahead of specified schedule, Buyer reserves the right to keep the Goods and make payment as if the delivery was made per the specified delivery schedule or return the Goods to Seller at Seller's expense. In the latter case, Buyer shall debit Seller's account for actual freight charges incurred both from and to Buyer. The delivery dates contained in an Order are the dates that the Goods are required on dock at Buyer's facilities.
- (C) Time is of the essence in performing an Order. Should Seller experience or anticipate any delay in performing an Order, Seller must immediately notify Buyer in writing of such delay, its expected duration and the reasons thereof. Neither such notification nor an acknowledgment by Buyer will constitute a waiver of an Order's specified delivery schedule. The delivery schedule will not be modified unless the parties do so in writing, except as otherwise provided in the Changes clause. Seller shall be liable for any direct damages resulting from a delay in delivery.

23.0 ASSIGNMENT: Neither an Order nor any interest therein nor any claim thereunder shall be assigned by Seller without the prior written consent of Buyer. An assignment without Buyer's written consent is ineffective and void. No such consent shall relieve Seller of its obligations to comply fully with the requirements of an Order. Seller may, however, without Buyer's consent, assign the rights to be paid monies due or to become due to a financing institution if the following conditions are met: (i) Buyer shall continue to have the right to exercise any and all of its rights under, settle any and all claims arising out of, and enter into amendments hereto, without notice to or consent of the assignee; (ii) the entire amount of said monies is assigned to a single assignee and (iii) Buyer is given notice

of the assignment and all invoices submitted by Seller contain adequate reference to the assignment. Buyer may assign any Order to any entity which acquires all or substantially all of the business or assets of Buyer or the operation to which such Order relates.

24.0 PUBLIC RELEASE OF MATERIAL: Seller shall not advertise or publicize without Buyer's prior written consent, in any medium, including, without limitation, any print, broadcast, direct mailing, or any internet web site maintained by or for Seller, the fact that Seller is a supplier of products or services to Buyer. Neither Seller nor its subcontractors, suppliers or agents shall without Buyer's prior written consent (i) use Buyer's name, photographs, logos, trademarks, or any other identifying information in any such medium; (ii) use (except to communicate with Buyer or its affiliates) any internet domain names, metatags, or electronic mail addresses containing the Buyer's name, (iii) use the name of any business unit or operation of Textron Inc. or of any product or service for which Buyer and/or Textron Innovations, Inc. owns the trademark; or (iv) provide a link to any domain name or internet address registered to Buyer or any of its affiliates. Any use of Buyer's name, marks, codes, photographs, etc., information about these Terms, or work performed under these Terms in any publicity, advertising, or press or news releases requires prior written approval from the applicable Buyer through its Corporate Communications Department.

25.0 SET-OFF AND WITHHOLDING: Buyer has the right of set-off against any payments due or at issue under any Order between Buyer and Seller. Buyer may withhold from payment to Seller in an amount sufficient to reimburse Buyer for any loss, damage, expense, cost or liability relating to Seller's failure to comply with any requirements of an Order.

26.0 GRATUITIES:

(A) Seller (or any agent or representative of Seller) will not offer or provide gratuities to any employee of Buyer. Failure of Seller to honor this commitment may, at Buyer's option, result in immediate termination of an Order in accordance with the Termination for Default clause, without provision for cure.

(B) Seller is prohibited from providing, offering, or attempting to offer kickbacks or soliciting or accepting kickbacks. Seller must have and follow procedures designed to prevent and detect possible violations, must report in writing and telephonically any violation to the Textron Ethics and Compliance HelpLine (Board of Directors, Textron Inc., 40 Westminster Street, Providence, Rhode Island 02903, USA, 1-800-892-9871), and must cooperate fully with any Government agency investigating a possible violation. The substance of this clause must be included in all subcontracts issued under an Order.

27.0 COMPLIANCE WITH LAWS:

(A) Seller will comply with all applicable federal, state, provincial and local laws, orders, directives and regulations heretofore or hereafter promulgated including, but not limited to, (i) laws and regulations relating to the export and import of Goods and technical data, such as the U.S. Export Administration Act and the Export Administration Regulations (15 CFR 768-799) (the "EAR"), the U.S. Arms Export Control Act and the International Traffic in Arms Regulations (22 CFR 120-130) (the

“ITAR”), the regulations of the U.S. Treasury Department’s Office of Foreign Assets Control (31 CFR 500-599) and the U.S. Customs Service regulations (19 CFR 1-199); and (ii) laws and regulations with respect to the protection of the environment, and Seller hereby certifies that it is and covenants that it will remain in compliance with all such laws and regulations in the production, import and export of the Goods, and that the Goods themselves are compliant with all applicable laws. Seller shall indemnify and hold Buyer harmless to the full extent of any loss, damage claim, demand, fine, cost or expense, including lost profits, attorneys' fees and court costs, for any failure or alleged failure of Seller to comply with the requirements of this Clause 27 or for any release or threat of release of any hazardous substance, hazardous or solid waste, pollutant or contaminant from any site now, or in the past, owned or operated by Seller, or any site where Seller disposed of or arranged for the disposal of any hazardous substance, hazardous or solid waste, pollutant or contaminant. The provisions of this paragraph survive termination or completion of all Orders hereunder.

Deleted: and

- (B) If Seller fails to comply with the provisions of this Clause 27.0, Buyer may, by written notice to Seller, terminate an Order as upon a default in accordance with the “Termination for Default” paragraphs of these Terms in addition to any other rights or remedies provided by law.

28.0 SECURITY/FOREIGN OBJECT DAMAGE REQUIREMENTS: Performance of Services under an Order may require access to restricted areas within Buyer’s facilities. Seller agrees to abide by all security and safety (including foreign object damage - FOD) requirements while conducting business at the Buyer’s facilities. Seller will request written security policies from Buyer, as applicable within thirty (30) days of acceptance of the initial Order. Attachments A and B – Outside Contractor Requirements and Rules of Conduct for Performing Work on Bell Helicopter Textron Premises (US) and Bell Helicopter Textron Canada Limited Premises respectively are incorporated herein by reference.

29.0 BUYER’S EXPORT/IMPORT REQUIREMENTS:

(A) Origin of Goods

(i) Goods originating in the United States (US)

When Goods provided under an Order originate in the US, prior to its first shipment of Goods to Buyer, Seller shall provide Buyer’s International Trade Compliance Department with a valid Manufacturer’s Affidavit (in such form as Buyer may require), and a Certificate of Origin representing that the Goods in question have undergone a substantial transformation in the US as required by US Customs and Border Protection (CBP). (19 CFR 10.1.2[e]). If Buyer is located in Canada, different requirements may be specified in the Order.

Frequency of submittal: Subsequent to the initial submittal, if any change occurs in the country of origin of Goods provided under an Order, Seller must submit an appropriate new Certificate of Origin. At Seller’s option, if

origin changes frequently, Seller may provide a new Certificate of Origin with each shipment of Goods.

(ii) Goods Originating Outside the US, Canada or Mexico

In all cases, when Goods provided under an Order originate outside of the US, Canada or Mexico, prior to its first shipment of Goods to Buyer, Seller shall provide Buyer a Certificate of Origin, specifying the country of origin, including supplier name, Buyer part number, part description, and, as requested, any other documentation that is reasonably required for Customs compliance. The Certificate of Origin shall represent that the Goods in question have undergone a substantial transformation in the indicated country as required by CBP.(19 CFR 10.1.2[e])

Frequency of submittal: Subsequent to the initial submittal, if any change occurs in the country of origin of Goods provided under this Agreement, Seller must submit an appropriate new Certificate of Origin. At Seller's option, if origin changes frequently, Seller may provide a new Certificate of Origin with each shipment of Goods.

(iii) Goods Originating in Canada or Mexico

If Buyer is located in the US, when Goods provided under an Order originate in Canada or Mexico, Seller shall, prior to its first shipment of Goods to Buyer, provide Buyer's International Trade Compliance Department with a valid, accurately completed North American Free Trade Agreement (NAFTA) Certificate of Origin (Form 434 or Certificate) for all Goods that qualify for preferential duty treatment under NAFTA. NAFTA Certificate of Origin forms are available at <http://www.cbp.gov/nafta/resource.htm>. Unless Buyer requests individual Certificates for each shipment, Seller may provide Certificates annually to cover multiple shipments. Certificates must be completed with entries in every block in accordance with instructions supplied with Form 434.

In accordance with NAFTA rules, Seller shall notify Buyer in writing of any changes that might result in the Goods being ineligible for preferential duty treatment under NAFTA. Seller recognizes that the Certificate will be used by Buyer as proof of eligibility for preferential duty treatment, and Seller agrees to provide full cooperation to Buyer for any US, Canadian, or Mexican Customs inquiries into NAFTA claims that arise out of any Goods furnished under an Order.

(iv) Seller shall send or fax signed Manufacturer's Affidavits, signed Certificates of Origin and other statements specifying the country of origin to Buyer's International Trade Compliance Department at the address, fax number or EMAIL address set forth in the Order.

(v) Seller shall be liable for, and shall indemnify, defend and hold harmless Buyer from and against, all losses, costs, claims, causes of action, damages,

liabilities, and expenses, including attorneys' fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of Seller, its officers, employees, agents, supplier, or subcontractors at any tier, in performance of any of its obligations under this Clause 29.

(B) Export Controls; Classification of Goods

- (i) Seller acknowledges that (1) US and Canadian laws and regulations impose restrictions on the import and export of certain categories of goods and data; (2) a license from the US Department of State, the US Department of Commerce or another government agency may be required before such goods and data are permitted to be exported and, in some cases, imported; (3) if granted, such licenses may impose additional restrictions on use and further disclosure of such goods and data; and (4) an export may be deemed to occur if to a foreign person in the same country as the Buyer.
- (ii) Seller shall provide in writing, prior to first delivery of the Goods, the Export Control Classification Number (ECCN) under the EAR for each item, or, if applicable, the category of classification under the US Munitions List as set forth in the ITAR, or other applicable export control regulations even if the Goods are not of U.S. origin. In addition, if Buyer is located in Canada, Seller shall provide in writing the classification of Goods under the Canadian Export Control List (ECL). As set forth in Clause 12 above, Buyer reserves the right to terminate an Order in whole or in part as for a default if any of the Goods Seller sells or contracts to sell to Buyer are classified for export control purposes as subject to the ITAR or other than as EAR99 under the EAR.

(C) Classification of Goods under Harmonized Tariff Schedule.

Prior to first delivery of the Goods, Seller shall provide Buyer in writing with the Harmonized Tariff Schedule of the United States (HTSUS) classification and the Schedule B classification, if different, for those Goods, and/or, if Buyer is located in Canada, the Canadian Harmonized System Codes (HS) classification.

(D) Relocation of Manufacturing Location

Should Seller decide to relocate any of its manufacturing of Goods, Seller must notify Buyer in writing of the proposed relocation a minimum of 180 days prior to the planned relocation.

(E) Shipments Originating outside the USA

All shipments of Goods from locations outside the USA must be packaged utilizing tamper resistant security seals either on individual boxes or on containers. Place of packing of Goods/containers must be indicated on the packing list accompanying each shipment.

(F) Other Documentation

Upon Buyer's request, Seller shall provide to Buyer, without additional charge, any documentation, including import certificates or end-user statements, necessary to support Buyer's application for U.S. or Canadian import or export approval.

30.0 HAZARDOUS MATERIAL: Seller certifies it is in compliance with all federal, state, provincial and local laws, including but not limited to the U.S. Occupational Safety and Health Act of 1970 (OSHA) and the Canadian Hazardous Products Act as applicable. Furthermore, if the Goods purchased herein are considered toxic or hazardous as defined in the above set regulations, Seller must provide a copy of the Material Safety Data Sheet (MSDS) with each shipment or as otherwise specified on an Order.

31.0 INDEMNIFICATION AND LIMITATION OF LIABILITY: Seller shall defend, hold harmless and unconditionally indemnify Buyer, its directors, officers and employees to the full extent of any liability, loss, cost, claim, action, demand, legal proceeding, judgment, damage or expense including, but not limited to, reasonable attorneys' fees for the defense of all liabilities, costs, claims, damages and expenses by reason of any alleged or actual property damage or personal injury arising out of, as a result of, or in connection with the work performed hereunder due to any act or omission of Seller or its employees, agents, subcontractors, or lower tier subcontractors.

IN NO EVENT WILL BUYER BE LIABLE TO SELLER FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THESE TERMS, WHETHER THE CLAIM IS BASED IN TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR IN CONTRACT, AT LAW OR IN EQUITY, INCLUDING WITHOUT LIMITATION, LOSS OF PROFIT, INCOME OR SAVINGS, EVEN IF ADVISED OF THE POSSIBILITY THEREOF.

The provisions of this Clause survive termination or completion of all Orders hereunder.

32.0 INSURANCE:

(A) Seller shall maintain and keep in force as long as any Order is in effect and for a period of two (2) years after the termination or expiration of all Orders the following minimum insurance coverage and limits:

- (i) With respect to Orders for Services, Workers' Compensation with Occupational Disease coverage with benefits afforded under the laws of the State or Province in which the Services are performed. Within the United States the Seller's Workers' Compensation insurance policy shall be endorsed to include a waiver of subrogation in favor of Buyer or its agent.
- (ii) With respect to Orders for Services, Employers' Liability insurance with minimum limits of US\$2,000,000 or equivalent for each occurrence for all persons providing the Services.

(iii) Commercial General Liability Insurance (including blanket contractual liability and broad form property damage) with Products Liability & Completed Operations coverage with minimum combined single limit per occurrence of US\$5,000,000 or equivalent. Seller shall have said Commercial General Liability Insurance policy endorsed to name Buyer or its agent as an additional insured.

(iii) With respect to Orders for Services, Automobile Liability Insurance with Owned, Hired and non-Owned coverage with minimum combined single limit of US\$2,000,000 or equivalent per accident for bodily injury and property damage.

(B) Seller shall have all policies, except Workers' Compensation and Employer's Liability and Automobile Liability Insurance endorsed to name Buyer or its agent as an Additional Insured with respect to Services to be performed by Seller.

(C) The above insurance coverage shall be primary and non-contributory, regardless of any insurance which may be carried by Buyer or its parent company and shall be procured from companies of recognized financial responsibility with A- VII rating or better, as rated in the A.M. Best Key Rating Guide for Property and Casualty Insurance Companies. On or before the first delivery of Goods or Services, Seller shall provide Buyer or its agent with a certificate of insurance stating the above coverage and limits. The certificate of insurance shall provide that the applicable insurance policy shall not be canceled or amended without thirty (30) days prior written notice to Buyer or its agent.

(D) Seller's failure to provide the certificate of insurance required under this Clause or failure to adequate insurance protection within fifteen (15) days of receiving a written notice of the inadequacy of insurance coverage shall be deemed a default under the Order.

(E) Any self-insurance, self-insured retentions, deductibles, and exclusions in coverage in the policies required under the Order to the extent applicable, shall be assumed by, for the account of and at the sole risk of Seller. In no event shall the liability of Seller be limited to the extent of any of the minimum limits of insurance required under these Terms.

(F) The approval of Seller's insurance policies by Buyer or its agent shall not relieve Seller of any obligations contained herein, including Seller's indemnification and defense obligations set forth in these Terms.

(G) Certificate(s) of insurance and endorsements are to be mailed to the Buyer's address specified in the Order.

33.0 DISPUTES; GOVERNING LAW AND VENUE:

(A) Each Order and any subsequent changes thereto shall be governed by and construed in accordance with the laws of the State or Province where Buyer's business unit issuing the Order has its principal place of business, without regard to its conflict of laws principles. Any dispute arising from or relating to any Order which is not resolved amicably shall be solely and exclusively brought in the first instance in the federal court, or if it does not have personal jurisdiction, the state or provincial court of competent jurisdiction located in the State or Province where Buyer's business unit issuing the Order has its principal place of business. The parties hereby submit to the personal jurisdiction of the aforesaid courts and waive any defenses either of them may have based on lack of personal

jurisdiction or improper or inconvenient venue or both. Any judgment, order or other action by the cognizant court shall be enforceable by such court and/or any court or tribunal in any jurisdiction in which the losing party or any of its assets are located.

(B) Pending final resolution of any dispute, the Seller shall proceed diligently with the performance of any Order(s) as directed by the Buyer. If the dispute arises out of a difference in interpretation between the parties as to the performance requirements of an Order, then Seller must continue performance as determined by the Buyer.

(C) The provisions of this Clause survive termination or completion of all Orders hereunder.

(D) The parties expressly agree that the provisions of the United Nations Convention on Contracts for the International Sale of Goods, 1980, and any successor thereto, shall not apply to any Order.

34.0 AMENDMENT BY LAW: These Terms shall be deemed to contain all provisions required to be included by any applicable federal (U.S., Canada, other), state, provincial, or local, laws, orders, regulations or directives heretofore or hereafter promulgated without the subsequent amendment of these Terms specifically incorporating such provisions.

35.0 PARTIAL INVALIDITY; WAIVER:

(A) If any provision of these Terms becomes void or unenforceable, the other provisions shall remain valid and enforceable. Waiver of one or more provisions of these Terms by Buyer shall in no way act as a waiver of any other provision herein.

(B) No waiver by Buyer of any breach of an Order including these Terms or the granting of an extension for performance thereunder shall be deemed to be a waiver of any other or subsequent breach.

36.0 ORDER OF PRECEDENCE: In the event of any inconsistency among these Terms and any documents incorporated by reference herein, the inconsistency shall be resolved by giving precedence in the following order: (i) these Terms (ii) the Order and any provisions typed on the face of the Order (including the notes thereto), (iii) specifications (iv) drawings; and (v) any other documents/attachments incorporated by reference.

37.0 OUTSOURCING: Notwithstanding any other provision of an Order, Seller may not subcontract or procure from third parties any of the completed or substantially completed Goods described therein without the prior written consent of Buyer.

38.0 ELECTRONIC DATA INTERCHANGE: Buyer and Seller agree that in the event any part of the purchase and sale of Goods covered by these Terms shall hereafter be effected using electronic data interchange, these Terms shall continue to apply thereto.

39.0 DATA FORMAT AND LANGUAGE: The parties agree that these Terms, each Order and any other document referenced herein be drafted in English. Les parties aux présentes ont convenu de rédiger cette entente ainsi que tout document s'y référent, en anglais. All data, correspondence, or any other written communication shall be provided to Buyer in English; and all weights and measurements shall be provided using United States standard weights and measurements.

40.0 ENTIRE TERMS: The Terms stated herein and the terms on the face of an Order or in any attachments thereto and incorporated therein, constitute the entire agreement between Buyer and Seller with respect to the subject matter hereof and are binding on Buyer and Seller, and their respective heirs, devisees, administrators, executors, trustees, receivers, successors and permitted assigns, and supersede all prior representations and understandings, whether oral or written. However, nothing herein is construed as a limitation or exclusion of any right or remedy available to Buyer by law.

41.0 INDEPENDENT CONTRACTOR: Seller is an independent contractor in all its operations and activities under an Order and all personnel furnished by Seller or used by Seller in the performance of an Order are Seller's employees exclusively without any relation whatsoever to Buyer. Seller is responsible for all obligations and reporting requirements covering social security, unemployment insurance, worker's compensation, income tax, and any other reports, payments or deductions required by local, state, or federal law or regulation. Seller is not granted, expressly or impliedly, any right or authority to create any obligation or liability on behalf of or in the name of Buyer.

42.0 FEDERAL ACQUISITION REGULATIONS:

(A) Seller agrees to negotiate with Buyer to incorporate additional provisions herein or to change provisions, as Buyer reasonably deems necessary to comply with an applicable Prime Contract or with amendments or modifications to the applicable Prime Contract. Seller shall accept mandatory flowdown clauses in Buyer's prime contract or modifications thereto at no additional cost to Buyer.

(B) Buyer's rights and remedies under this clause are in addition to any other rights and remedies provided by law, regulation, or under an Order.

(C) The following clauses are incorporated by reference and made a part hereof. The dates of these clauses are the dates in effect in a U.S. Government Prime Contract issued to Buyer. Unless specified otherwise, the term "Contractor" means "Seller", the term "Contract" means "Order," and the term "subcontractor" means Seller's subcontractors. "Commercial Item" means a commercial item as defined in FAR 2.101.

The following clauses are incorporated herein by reference:

52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS

52.222-26 EQUAL OPPORTUNITY (Only subparagraphs (b)(1)-(11) apply.)

52.222-35 EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (This clause applies to this Contract only if the value of this Contract equals or exceeds \$25,000.)

52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (This clause applies to this Contract only if the value of this Contract equals or exceeds \$10,000.)

252.225-7014 Preference for Domestic Specialty Metals (DEVIATION 2008-O0002) and Alt I (DEVIATION 2008-O0002)(Applicable if Articles provided under this Contract contains specialty metals.)

252.247-7023 TRANSPORTATION OF SUPPLIES BY SEA (Applicable if this Contract meets the criteria set forth in subparagraph (b) (2) of the clause. In the first sentence of paragraph (g), insert a period after "Contractor" and delete the balance of the sentence. Paragraphs (f) and (g) shall not apply if this Contract is at or below \$100,000. Substitute "BUYER" for "Government" or "United States" as applicable throughout this clause, except for paragraph (c). Substitute "BUYER Procurement Representative" for "Contracting Officer," "Administrative Contracting Officer," and "ACO" throughout this clause, except for paragraph (c).)

252.247-7024 NOTIFICATION OF TRANSPORTATION OF SUPPLIES BY SEA (Applicable if this Contract meets the criteria set forth in subparagraph (b) (2) (ii) of the clause. Substitute "BUYER Procurement Representative" for "Contracting Officer," "Administrative Contracting Officer," and "ACO" throughout this clause.)

- 43.0 NOTICE:** Except as otherwise provided herein, notice required by these Terms shall be given to Buyer at its address set out in the Order as such address may be changed by Buyer upon notice to Seller. Notice to the Seller shall be sent to the address specified in the Order.
- 44.0 HEADINGS:** Section titles and captions contained in these Terms are for reference only and in no way define, limit, extend or describe the scope of these Terms or the intent of any of its provisions.