GENERAL TERMS AND CONDITIONS

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For purposes of these General Terms and Conditions, the term "Agreement" shall mean the Commercial Sales Agreement between Seller and Buyer and any other agreement arising as a result of Buyer’s submission of a Purchase Order for Seller’s products (the "Products"), and Seller’s acceptance of said order. Any such Agreement or Purchase Order shall be deemed to be incorporated herein and governed by these General Terms and Conditions.

Seller’s or Buyer’s failure to object to any provision contained in any communication from Seller or Buyer shall not be construed as a waiver or modification of these General Terms and Conditions or as an acceptance of any such provision.

Acceptance or retention by Buyer of any Products delivered by Seller, or payment by Buyer of any invoice rendered hereunder shall be conclusively deemed acceptance of these General Terms and Conditions.

1. TERMS OF PAYMENT

Payment terms are net thirty (30) days from the date of invoice date subject to Seller’s approval of Buyer’s credit and the terms and conditions contained herein. If Seller grants credit to Buyer and Buyer defaults in making any payments to Seller under this Agreement, or under any other agreement between the parties, Seller may charge interest at the rate of the lower of eighteen percent (18%) per annum or the maximum amount permitted by law on unpaid accounts after thirty (30) days from the date of invoice. In any action to collect an unpaid account, Buyer will pay all of Seller’s costs, including reasonable attorneys’ fee. Seller may also defer further shipments under this Agreement and all other agreements between the parties until all payments in default under any agreement between the parties are paid in full and Seller may, at its sole and absolute discretion, cancel the unshipped balance of any Products still required to be shipped under this Agreement or any other agreement between the parties. In addition to the foregoing, if Buyer fails to make any payment to Seller under this Agreement or any other agreement between Buyer and Seller in a timely manner, or if Seller determines that Buyer presents an unreasonable credit risk to Seller, Seller may amend the credit terms granted to Buyer (including, without limitation, requiring payment in full upon delivery) for all future Purchase Orders upon written notice to Buyer.

2. DELIVERY

Delivery dates are quoted in good faith and Seller will use commercially reasonable efforts to meet Buyer’s required delivery date. Seller shall not be responsible for any loss, delay or non-fulfillment under this Agreement due to war, fire, flood, strike, labor troubles, accident, riot, act of Government authority, act of God, or other contingencies beyond the control of the Parties interfering with production, supply, or source of raw materials affecting Purchase Orders.

3. INTELLECTUAL PROPERTY

Any and all intellectual property rights regarding the Products and their design, modification, and/or improvements shall be the sole property of Seller and no license or other conveyance is made to Buyer of any Seller intellectual property.
Seller hereby indemnifies and holds Buyer harmless in the event of any claim, demand, suit, cause of action, proceeding, award, judgment or liability against Buyer, including, without limitation, attorneys' fees, based upon, arising out of or in any way related to infringement of any third party patent, trade secret, trademark, copyright, or other industrial or intellectual property rights by reason of the manufacture, use or sale by them or on their behalf of any Product(s) supplied by Seller to Buyer under this Agreement. Buyer shall defend, indemnify and hold harmless Seller for any intellectual property infringement claims that i) result from the use of the Product(s) in a manner for which it was not designed; ii) arise from any infringement occasioned by a modification by Buyer (or by third parties at the direction of Buyer) of the Product(s), provided such modification is the sole cause of the alleged infringement; or iii) result from the use of any Product(s) furnished under this Agreement in combination with Product(s) not furnished by Seller where the infringement would not have occurred but for such combined use.

4. ERRORS AND OMISSIONS
Seller and Buyer may correct clerical errors and omissions in any documentation of their own documents. No change shall be made to any document without the prior written consent of the party who generated the document.

5. GOVERNMENTAL REGULATIONS
Shipment and delivery are subject to any United States or foreign legal requirements, which may prevent, delay or interfere with fulfillment of a Purchase Order. Buyer and Seller shall comply with all applicable United States and foreign laws and regulations governing the import and/or export or re-export of all Product(s), including without limitation the U.S. Export Administration Regulations, the International Traffic in Arms Regulations and any regulations administered by the Department of the Treasury's Office of Foreign Assets. Without limiting the generality of the foregoing, Buyer will not export or re-export, directly or indirectly any of the product(s) to any country restricted by the United States, unless with the prior consent of Seller or the Department of the Treasury’s Office of Foreign Affairs.

6. RETURNS AND CLAIMS
In the event Buyer discovers non-conforming Products, which Buyer properly used for the purpose for which sold, Seller shall, at Seller’s sole and exclusive discretion, either repair, replace or credit Buyer for the price of such non-conforming Product upon receipt of same from Buyer; provided, however, Seller shall not be liable for any claims for labor or consequential damages and Products may not be returned except by permission of Seller. These remedies are the exclusive remedies of Buyer. Products will not be accepted for return or credit unless so authorized by Seller. Except for non-conforming Products, any Products returned for credit will be subject to handling charges covering necessary re-inspection and restocking. Claims for shortage must be made in writing within ten (10) days after receipt of the Purchase Order subject to this Agreement. Seller accepts no responsibility for breakage, damage or losses occurring after delivery by Seller to carrier, to which all such claims must be referred directly.

7. PACKAGING AND SHIPPING
Seller shall use Buyer provided shipping method and shall not be liable to Buyer relative to the mode of shipment selected. No extra charge shall be made for commercial packaging and commercial packing required for shipment in accordance with ATA Spec 300. If Buyer requires special packaging or special handling, charges for such special packaging and handling shall be added to the invoice unless such charges are included in the price quoted.

8. TITLE
Transfer of title and risk of loss shall pass to Buyer upon delivery of Products to the carrier at Seller's facility. Products will be shipped EXW (INCOTERMS 2010) Seller’s facility.
9. **TAXES**

The purchase price set forth above does not include any taxes, which are the sole and exclusive responsibility of, and which shall be paid by, Buyer. The purchase price set forth above shall be subject to increase without notice by the amount of any sales, use or excise tax levied or charged either by the Federal, State, County, City or other Government agency.

10. **PROPRIETARY INFORMATION/CONFIDENTIALITY**

a) “Proprietary Information” means any information related to work performed under this Agreement that is reasonably deemed by either Party to constitute its confidential or proprietary information and is identified by the disclosing Party as proprietary or confidential (either by legends/stamps on the documents or by other conspicuous means), or otherwise understood by the Parties to be proprietary or confidential, including without limitation the terms and conditions of this Agreement, pricing, financial data, methods, processes, designs, product specifications, technical data, strategic business plans and product development plans. Proprietary Information shall include all such information disclosed by either Party prior to the execution of this Agreement, as well as the terms and conditions of this Agreement.

b) “Protection of Proprietary Information” Proprietary Information (as defined in this Section) shall be maintained by the receiving Party in confidence utilizing measures no less stringent than those used to protect the receiving Party’s own Proprietary Information (but not less than reasonable care), disseminated within the receiving Party only on a need-to-know basis and not disclosed to a third party except to the extent authorized by the disclosing Party; provided, however, a receiving Party may disclose the other Party’s Proprietary Information to third parties participating in the Aircraft program so long as such third parties have a need-to-know in furtherance of the Aircraft program and are legally bound to confidentiality obligations no less stringent than those set forth herein. Proprietary Information of a disclosing Party shall be used by the receiving Party only in furtherance of the purposes of this Agreement or, if and to the extent expressly approved by the disclosing Party, in furtherance of other activities with or on behalf of the disclosing Party. Notwithstanding the foregoing, each Party may disclose Proprietary Information to its officers, directors, parent companies, attorneys and other representatives; provided, that such Party shall be responsible for any use or disclosure of such Proprietary Information by such officers, directors, parent companies, attorneys and other representatives.

c) “Return Upon Request” At the request of the disclosing Party made at any time, the receiving Party shall promptly either return the disclosing Party’s Proprietary Information (including any copies, extracts and summaries) or destroy such information and provide the disclosing Party with written certification of same.

d) “Information Rightfully Received” Neither Party shall have any obligation or liability with respect to the other’s information to the extent that such information (i) is already rightfully known by the receiving Party at the time it is obtained by said Party, free from any obligation to keep such information confidential; (ii) is or becomes publicly known through no wrongful act of the receiving Party; (iii) is rightfully received by the receiving Party from a third party without restriction and without breach of this Agreement; or (iv) must be disclosed pursuant to a court order or as required by any governmental or administrative authority or authorized regulatory agency, including to the extent required under rules and regulations of the Securities and Exchange Commission and other U.S. securities laws applicable to companies with publicly traded securities, provided that a Party ordered to disclose the other Party's Proprietary Information shall notify the other Party in advance of any such disclosure and use its reasonable efforts to limit and to assist the other Party in limiting such disclosure.

e) This Section 14 supersedes any prior Proprietary Information Agreement / Non-Disclosure Agreement between the Parties to the extent the subject matter is within the scope of this Agreement.
11. RECALLS
In the event any Products purchased by Buyer shall be recalled by Seller for any reason, Seller shall either refund the purchase price received by Seller for the recalled Products or replace the recalled Products subject to the terms of Section 16 below; provided, however, in the event such product recall is due to an act or omission, negligent or otherwise, on the part of Buyer, Buyer shall absorb any and all costs, damages or expenses arising out of said failure and any recall resulting therefrom.

12. LIMITED WARRANTY; DISCLAIMER OF WARRANTIES.

a) Seller will transfer the warranty from the OEM or other suppliers. If reported defects in material or workmanship are substantiated by Seller, such parts and materials as are affected will be replaced or repaired by Seller at its discretion. This warranty is limited to defects which arise within three years of the date of delivery, except claims for non-conforming textile materials must be presented to Seller, in writing, within one (1) year of the date of delivery.

b) In no event shall Seller be liable for:

i) Non-conformity of products due to Buyer’s or Buyer’s representative’s negligence, accident, abuse, improper care or storage, abnormal temperature or moisture conditions;

ii) Expenses incurred by Buyer in attempting to correct any defects in or non-conformity of Products unless upon Seller’s instructions or approval.

c) Seller’s liability is expressly limited to repair or replacement by Seller at Seller’s option and cannot be extended to damages, expense, or loss arising from the use of, or inability to use, Seller’s Products.

THE WARRANTIES, OBLIGATIONS AND LIABILITIES SET FORTH IN THE THESE GENERAL TERMS AND CONDITIONS, AND ALL RIGHTS, CLAIMS AND REMEDIES OF BUYER SET FORTH HEREIN, ARE EXCLUSIVE AND IN SUBSTITUTION FOR, ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMANCE OR DEFECT IN THE PRODUCTS OR SERVICES PROVIDED UNDER ANY PURCHASE ORDER, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE; ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY ARISING FROM THE NEGLIGENCE OF SELLER OR ANY MANUFACTURER OF AIRCRAFT INCORPORATING THE PRODUCTS; AND ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OR DAMAGE TO ANY AIRCRAFT.

13. INDEMNITY
Buyer hereby indemnifies and holds Seller harmless in the event of any claim, demand, suit, cause of action, proceeding, award, judgment or liability against Seller, including, without limitation, attorneys' fees, based upon, arising out of or in any way related to: any negligent act or omission by Buyer or any of its agents, contractors, servants or employees, including without limitation, (1) claims that the product(s) failed to meet any specification provided by the Buyer and, (2) claims arising out of Buyer’s non-compliance with any applicable governmental law or regulation with respect to the export, re-export or importation of the product(s). For purposes of this Agreement, "claims" shall include, but not be limited to litigation or arbitration.