

- 1. DEFINITIONS** - "Seller" means the PCC Airframe Products Segment business entity. "Buyer" means the business entity that provides Seller with a purchase order or other procurement document.
- 2. CONTRACT FORMATION** - These terms and conditions of sale of goods (the "Seller Terms and Conditions") apply to all quotations and offers made by and purchase orders performed by Seller. To the extent that the Seller Terms and Conditions conflict with or are different from those contained in any Buyer purchase order or other procurement document, the Seller Terms and Conditions will control and any additional or inconsistent terms are rejected by Seller unless Seller's acceptance thereof is in writing and specifically refers to each such additional or conflicting term. Buyer's acceptance of or payment for goods will conclusively confirm Buyer's assent to the Seller Terms and Conditions. All orders and shipments are subject to approval by Seller's credit department. Seller reserves the right to accept/reject any or all orders.
- 3. PRICES/PAYMENT** - All prices are in U.S. dollars. All prices are subject to adjustment by Seller based upon the cost to Seller of raw materials at the time of raw material purchase by Seller. Unless otherwise agreed, payment terms are net 30 days from the date of invoice; provided, however, that Seller may require full or partial payment in advance whenever advance payment is advisable, as reasonably determined by Seller, based upon the financial condition of Buyer. Amounts not paid when due may be subject to a late payment charge of the lesser of 1½% per month or the highest interest rate allowed under applicable law. Invoices not paid within thirty (30) days of the date of invoice may result in an automatic hold on the shipping and production of goods until Buyer's account is current.
- 4. PRICE ADJUSTMENTS** - Any change in price resulting from a Buyer-directed change will be agreed upon prior to any change of production equipment and prior to Seller's manufacture of modified goods.
- 5. DELIVERY** - Delivery will be Ex Works (EXW) Seller's dock, per Incoterms 2010. Title and risk of loss pass to Buyer at Seller's dock. Seller may deliver in partial shipments and Buyer will accept such shipments in accordance with applicable contractual terms. Seller will make reasonable efforts to meet specified delivery dates. Seller will not be responsible for any failure, interruption or delay in manufacture or delivery that is related to fire, flood, explosion, war, act of, or priorities granted by request of, any governmental authority, labor strike, shortage of raw materials or supplies, acts of God or other causes beyond Seller's reasonable control which prevents performance or makes performance impractical. Seller will not be liable for any damages incurred by Buyer as a result of delay in shipment.
- 6. ORDER CANCELLATION OR RESCHEDULING** - Unless otherwise agreed, Buyer may not cancel, modify or reschedule an order within the applicable quoted lead time or agreed frozen schedule period. If Buyer cancels an order in whole or in part, Seller will be entitled, within thirty (30) days, to reimbursement for all unpaid invoices and the costs of settling any claims for necessary termination of related sub-contracts, as well as payment at the contract price for finished product, work in process, and raw material in inventory or on order provided that Seller is not able, in its judgment, to use such product, inventory or raw material for other purposes within thirty (30) days of Buyer's cancellation. A Buyer-directed rescheduling delay that exceeds thirty (30) days will be deemed a cancellation.
- 7. REJECTION** - Final acceptance or rejection of goods will be made as promptly as practicable after delivery thereof to Buyer. Any non-conformance becoming apparent in the goods after such acceptance will be subject to the terms of Section 9 below.
- 8. WARRANTY** - All goods delivered hereunder will, for a period of twelve (12) months after delivery, conform to Buyer's specifications, such conformance to be determined and demonstrated by the then in effect inspection methods and standards directed or approved by Buyer. Buyer is responsible for specifying the acceptance criteria, including criteria that will ensure that subsequent processing (e.g., machining, heat treating, etc.) will yield a finished part or product acceptable to Buyer. If goods do not conform to the requirements set out in the preceding two sentences, Seller will, at its sole option and as Buyer's sole and exclusive remedy, either rework, replace, or compensate Buyer for Seller authorized repair of goods that are agreed to be non-conforming. The warranty provisions herein will not apply if (a) the goods were rejected by the use or application of test or inspection procedures or processes not agreed to by Seller; (b) Buyer has or has attempted to correct, repair, rework or otherwise alter the goods without Seller's prior written authorization; or (c) the goods passed the inspection methods and standards directed and approved by Buyer (the "Approved IMS") but do not pass the Approved IMS after work by Buyer or its subcontractors (e.g., machining, welding, heat treating, etc.) because such work reveals a non-conformance that was not previously detectable using the Approved IMS. **THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES OR OBLIGATIONS, EXPRESS OR IMPLIED. SELLER EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND SELLER DOES NOT WARRANT THE ADEQUACY OF BUYER'S DESIGN OR SPECIFICATIONS OR THE INSPECTION PROTOCOL.** No person is authorized to give any other warranties on Seller's behalf.
- 9. RETURNS** - For goods confirmed by Seller to be nonconforming to the warranty stated in Section 8, the Buyer may request an authorization for the return of goods from Seller within twelve (12) months from the date of invoice. Prior to return of goods, a Return Material Authorization (RMA) must be obtained from the Seller. Buyer hereby agrees to provide Seller with the Seller's invoice number and product number relating to the product to be returned. **ALL RETURNS MUST HAVE RMA NUMBER CLEARLY VISIBLE ON THE OUTSIDE OF THE BOX.** If a valid RMA number is not included and/or appropriate directions are not adhered to, returns may be rejected and parts may be returned back to the Buyer and any pending credits may be denied by the Seller. Buyers located within the country of Seller's physical location must return parts to Seller's location within 10 business days of receipt of an RMA number from the Seller. Buyers located outside of the country of Seller's physical location must return parts to Seller's location within 30 business days of receipt of an RMA number from the Seller.
- 10. LIMITATION OF LIABILITY** - IN NO EVENT WILL SELLER BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING LOSS OF PROFITS OR USE AND INTERRUPTION OF BUSINESS) SUSTAINED FROM ANY CAUSE OR ARISING OUT OF ANY LEGAL THEORY, WHETHER BASED IN CONTRACT, NEGLIGENCE, STRICT TORT LIABILITY or otherwise. In no event will Seller be liable to Buyer in an aggregate amount exceeding the total purchase price of the goods delivered to Buyer under the purchase order giving rise to the claims of liability. These limitations also apply to any liability that may arise out of third-party claims.
- 11. INFRINGEMENT INDEMNIFICATION** - If goods are made according to Buyer's design, specifications or instructions, Buyer will indemnify, hold harmless and defend Seller against any liability or claim whatsoever for patent, trademark, trade name or other intellectual property right infringement or misappropriation resulting from such design, specifications or instructions. Seller will indemnify, hold harmless and defend Buyer against any liability or claim whatsoever for patent, trademark, trade name or other intellectual property right infringement or misappropriation resulting from Seller's manufacturing processes and procedures. The foregoing states the entire obligation of Buyer and Seller with regard to infringement of intellectual property rights.
- 12. SELLER-OWNED TOOLING** - Unless otherwise agreed in writing, all tooling and fixturing will be and remain Seller's property and will be held by Seller. Seller will be responsible for maintenance associated with normal wear-and-tear. Buyer will be responsible for all costs of repair and replacement of any such items if used exclusively for the manufacture or processing of materials or goods by Seller for Buyer. If any such items remain inactive for a period of more than twelve (12) months, Seller reserves the right to dispose of such items at its discretion.
- 13. INTELLECTUAL PROPERTY OWNERSHIP** - The parties agree that: each party retains ownership of all intellectual property rights that existed as of the date hereof. The parties further agree that, if goods are made according to Buyer's design, any intellectual property related to the design of the goods generated hereunder is owned by Buyer; provided, however, that any intellectual property (a) suggested, discerned or arising as a result of the manufacture of goods hereunder and (b) related to manufacturing processes and procedures is owned by Seller, including without limitation any intellectual property related to the design know-how associated with tooling used to manufacture goods hereunder.
- 14. DISPUTE RESOLUTION** - The interpretation of the terms and obligations hereunder will be construed and governed by the laws enacted in the state of Seller's physical location, excluding its choice of law rules and excluding the U.N. Convention on Contracts for the International Sale of Goods. The parties agree that, in any effort to enforce the terms and obligations hereunder, the complaining party will first notify the other party in writing of the alleged dispute and the parties will attempt in good faith to resolve the dispute through prompt discussion and meeting between representatives having decision-making authority regarding the dispute. If the dispute is not resolved by the 30<sup>th</sup> day after written notice of the dispute was first made, the parties agree to engage in non-binding mediation in the city of Seller's location, using a neutral mediator mutually agreed to and paid for by the parties. If mediation does not resolve the dispute, the parties may resolve the dispute through appropriate legal action. Legal action may be brought only in the state and federal courts located in the state of Seller's physical location, and the parties consent to the jurisdiction of such courts. Both parties expressly agree to waive any and all rights to a trial by jury for any disputes arising out of or related to this contract.
- 15. SET-OFF; DISCLOSURE OF PRICE/COST DATA** - Neither party will have any rights to set-off hereunder. Unless obligated by law, Seller shall not be obligated to disclose its pricing or cost data or formulae to any person, including Buyer.
- 16. ASSIGNMENT/CHANGE OF CONTROL** - Neither party will assign its rights or obligations hereunder without the prior written consent of the other party, which consent will not unreasonably be withheld. Buyer must notify Seller in writing prior to any transfer of 25% or more of the direct or indirect ownership or control of Buyer. Seller may immediately terminate all outstanding orders with no liability to Seller if 25% or more of the direct or indirect ownership or control of Buyer passes to a person or entity that Seller determines to be a direct or indirect competitor of Seller.
- 17. ENTIRE AGREEMENT** - These Seller Terms and Conditions (and any long term agreement under which an order is issued) constitute the entire agreement between the parties with respect to the subject matter herein and supersede all previous proposals, both oral and written, negotiations, representations, commitments, writings and all other communications between the parties. No waiver, alteration, modification of or addition to these Seller Terms and Conditions will be binding unless expressly agreed to in writing and signed by duly authorized representatives of Buyer and Seller. A waiver of any of the terms or conditions hereof will not be deemed a continuing waiver, but will apply solely to the instance to which the waiver is directed.