

## RTA INTERNATIONAL INC. Standard Terms and Conditions for Purchasing

These terms and conditions, the provisions of any documents referring to these terms and conditions, any attachments thereto, and any samples, drawings, or specifications referred to therein, shall collectively constitute the "Purchase Order." This Purchase Order shall constitute our offer to purchase from you the products and services ordered ("Products"). We may revoke this order at any time before your acceptance. Upon acceptance, you agree to sell and deliver products to us in accordance with this purchase order, and that you conform to and agree to abide by the requirements as laid out in the RTA Supplier Quality Manual (SQM) which if not already supplied, may be obtained from purchasing@rtaintl.com, and any other requirements provided in association with the order. You shall be deemed to confirm compliance and to have accepted this offer by replying with verbal, written or e-mail acknowledgement, by delivering any product ordered, or by commencement of work on products and/or services described in this purchase order.

### COMMERCIAL TERMS

**TITLE AND RISK OF LOSS.** Title and risk of loss will pass to us when the products are delivered to our designated final destination.

**PRICE.** Prices for products are not subject to increase, except as may be permitted below under "changes". Price covers the net weight of the material, and no extra charge of any kind (including charges for containers, insurance, packing, crating, storage, handling, or cartage, interest charges, service charges, and the like) will be allowed. Unless prohibited by law, you will separately indicate on your invoice any tax that is required to be imposed on the sale of the products. You warrant that price(s) for the products are not less favorable than those currently extended to any other customer for the same or similar goods or services in similar quantities, and that if you reduce your price to another customer for such goods or services prior to delivery to us, you will reduce the price to us in a corresponding manner. If, prior to delivery, we receive a bona-fide offer for similar quantities of the same or similar goods or services at a lower price, you will match this price within 30 days of receiving notice of the offer. If you do not match such lower price, we may terminate this Purchase Order without incurring any termination charges.

**INVOICES.** Your invoices to us shall contain: the Purchase Order number, line number, RTA part number, quantity, and unit of measure, unit price, total invoice amount, and any other information required by the Purchase Order or other instructions from us.

**PAYMENTS.** If an invoice is issued in accordance with the requirements of this Purchase Order, unless agreed in writing otherwise, we will pay the invoice within (45) calendar days following receipt of both the invoice and the Product. Under no circumstances we will pay late fees, interest, carrying or other charges. We may set-off any amount owed to us from you or any of your affiliates against any amount payable at any time by us to you.

**CHANGES.** All quantities are estimates only and may be revised as our requirements change. We may at any time make changes in Product Specifications, drawings, designs, delivery dates, shipping instructions, or other terms of the Purchase Order. Such changes will be confirmed in writing and signed by our authorized representative. It is your responsibility to ensure that you are in possession of, and use the most current version of any RTA supplied documents. You must notify us within (5) days in writing of our notice whether and to what extent such changes will affect time of delivery or pricing. If no response is received in five (5) days or supplier does not request an extension, it will signify that the supplier has no cost or schedule impact and RTA can proceed accordingly.

**TERMINATION.** We may terminate all or any part of the purchase order at our convenience, without cause, at any time by giving you (5) days written notice. In such event you shall immediately cease all work and terminate all orders and contracts, and we shall be liable to you only for your reasonable actual costs as a direct result of the termination, which may not be covered or mitigated, such as purchased materials and labor costs incurred prior to receipt of notice of termination. You will notify us in writing of such costs within (5) days of termination. The foregoing shall constitute our only liability to you for termination without cause. If you default, we may terminate all or any part of the purchase order without liability to us by giving notice to you. A default will occur if: (1) you fail to perform within the time period specified in the Purchase Order. (2) You so fail to make progress so as to endanger performance of the Purchase Order, and in either case you do not remedy the failure within (10) days, or any longer period if we so authorize in writing, after your receipt of our written notice of default. A default will also occur if you fail to meet your financial obligations as they become due, if any processing under bankruptcy or insolvency laws is brought against you, a receiver is appointed for you, or you make an assignment for the benefit of creditors. If a Purchase Order is terminated due to your default, without prejudice to any other legal or equitable remedies available to us, we will have the right to: (a) refuse to accept delivery of any and all products; (b) return to you unused products already accepted and recover from you payments made for such products, and for our freight, storage and other expenses; (c) recover any advance payments to you for undelivered or returned products; (d) purchase Products elsewhere and charge you with any resultant losses, including, without limitation, incidental or consequential damages incurred which are attributed to your default; and (e) take title to and possession of any previously undeliverable part of work performed under this Purchase Order.

**FORCE MAJEURE.** Seller should have no liability for, nor shall Buyer be entitled to terminate this Purchase Order, due to any delay in performance by Seller due to an act of god, war, insurrection, sabotage, fire, strike, civil disturbances, accidents, storms, floods, law, act or demands of any government or official.

**PERFORMANCE.** You agree to make shipments in the quantities and in the times specified in this purchase order. Each shipment shall include a packing list which contains the purchase order number, product identification, quantity shipped, RTA Part Number, date of shipment and other information as we may require. Unless otherwise expressly stated, time is of the essence. In the event any shipment is not made on the date and in the quantity set forth in the Purchase Order, we may: (1) return to you some or all of the products in the shipment at your risk and expense including, without limitation, warehouse or handling cost, (2) purchase substitute products elsewhere and charge you with any resulting loss, or (3) direct you to make an expedited shipment of additional or replacement Products, with the difference in cost between any expedited routing and the Purchase Order routing to be paid by you. You agree to notify us immediately if you ever have reason to believe that any product will not be delivered as ordered, or a shipment will not be made as scheduled.

**SHIPPING/LOGISTICS.** You agree to ship products to us using our designated carrier as defined by the RTA Purchase Order. We will not pay premium transportation charges unless authorized by us in writing. You will list any unauthorized charges billed to us as a separate line item on your invoice. If you ship products by any unauthorized method or carrier, you will pay any resulting increased freight costs. You will release truck or air shipments at the lowest valuation permitted and will not declare value on products shipped.

**IDENTIFICATION, PACKAGING, PRESERVATION AND DELIVERY.** All product supplied to RTA shall be identified in accordance with the purchase order and/or drawing requirements. RTA Suppliers shall maintain controls to assure product is received in undamaged condition at destination. The Supplier shall comply with any special packaging and/or preservation requirements that are included in the purchase order, specifications or drawings.

**INSPECTION AND REJECTION.** Products are subject to our right of inspection and rejection. Our making of any payment to you does not constitute our acceptance of products and we reserve our right to reject products with defects. You agree to provide and maintain inspection and process control systems acceptable to us for the manufacture of products and you agree to keep and make available complete records of all your inspection and process control work for the life of the products as defined by us, or for seven years, whichever period is longer. We and our customers may inspect the products at any place of manufacture during production without waiving our right subsequently to reject or revoke acceptance for undiscovered or latent defects. You agree to furnish, at your expense, facilities and assistance reasonably necessary to ensure the safety and convenience of our and RTA's customer personnel. Our failure to inspect and accept or reject Products will not relieve you from any of your obligations. If any products are found at any time to not conform with the requirements of a Purchase Order, or to be defective in design, material or workmanship, we may, at our option and your expense, require you to inspect the products, and remove, repair, and/or replace non-conforming products with conforming products. If you fail to do so on a timely basis, we may elect to take one or more of those actions and charge you for all related costs. These rights are in addition to any other rights that we may have under the Purchase Order or applicable law. RTA will make all reasonable efforts to contact the supplier before proceeding with repairs or rework to supplier product, but where time is of the essence, RTA has the unilateral right to perform such repairs or rework and will negotiate the cost of the repair or rework in good faith.

**WARRANTY.** You represent and warrant that the products will: (1) Be owned by you and be free of all liens, claims, or encumbrances. (2) Be new and Merchantable. (3) Be fit and sufficient for the purposes for which they were manufactured and sold, and if you know, or have any reason to know, of a particular purpose for which we or our customers intend to use the products, will be fit for such particular purpose. (4) Conform strictly to all express or implied specifications, drawings, plans, instructions, samples or other descriptions. (5) Be free from defects in design, material and workmanship, whether latent or otherwise. You represent and warrant that any service you may provide will be performed in a competent manner and be fit for any purpose for which you know or have reason to know we or our customers intend to use such service. You agree that these warranties: (6) Survive the inspection, and acceptance and use of the products by our customers and us. (7) Are in addition to any warranties or remedies to which we may otherwise agree or which are provided by law. (8) And are for the benefit of us and our successors, assigns, customers, and users of our products. Additionally, you agree to extend and enforce to our customers and us any warranties received from your suppliers.

**INDEMNIFICATION.** You agree to defend, indemnify and hold us and our customers harmless from and against any and all claims, including, without limitation, claims for infringement of intellectual property, breach of contract, death or injury to a person or injury to property, or other tort claims, liabilities, damages, whether direct or indirect, incidental or consequential, and expenses, including court costs and attorney's fees, arising out of or relating to the breach by you of any covenant, representation of warranty, or from any act or omission of you or your agents, employees, or subcontractors. We will notify you of any such claim, suit or proceeding and will assist you, at your expense, in the defense of the same.

**COMPLIANCE.** You represent and warrant that your performance will comply with all applicable laws and regulations, including those related to the Federal Occupational Safety and Health Administration. You further represent and warrant that your delivery of products constitutes your certification that you have complied with any additional Purchase Order requirements. You will provide us all necessary information to enable us to comply with the laws and the regulations applicable to our use of products. Without limiting the generality of the foregoing, you represent and warrant that the

products and their manufacture will comply with all applicable laws and regulations including, without limitation Executive Order 11246, as amended, and the regulations at 41 part CFR Parts 60-1 through 60-60, and sections 4212/503 and the regulations at 41 CFR parts 60-250 and 60-741 are incorporated herein by specific reference. By acceptance of this purchase order the supplier certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its locations, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained.

#### ADDITIONAL TERMS

**OUR PROPERTY.** All plans, data, testing or other equipment or materials, inventions, technology, proprietary information, and all intellectual property rights in the foregoing, which we furnish to you, or which is developed or acquired at our expense in the performance of work hereunder, shall be our property. You hereby assign, and agree to assign to us, in each case without additional compensation, all such property. All such property shall be safely maintained separate from your property and marked "Property of RTA International Inc." You agree not to substitute any property for our property and not to use such property for the performance of work hereunder. You also agree to insure any tangible property at full replacement cost. Tangible property will be held at your risk and subject to removal at our written request, in which event you will redeliver such property to us at your expense in the same condition as originally received by you, reasonable wear and tear excepted. No rights are granted to you under any of our patents, copyrights, trade secrets or other property except as may be expressly agreed to by us. You will not use or incorporate into products any intellectual property of others without their written permission. Without limiting your indemnity with respect to intellectual property, if the use of a product or any part thereof is enjoined by a court, you will, at our option and your expense, either procure for us the right to continue using the product or part, replace the same with a non-infringing equivalent, or remove the product, refund the purchase price and reimburse us or any related costs incurred by us.

**CONFIDENTIALITY.** Unless expressly agreed in writing to the contrary, any knowledge or information which you disclose to us will not be considered confidential or proprietary information, and we may use it free from any restrictions. You acknowledge that we will use and rely upon information you furnish and that you will indemnify and hold us harmless from any and all costs and damages suffered by us as a result of any inaccuracies in any such information. You agree to keep confidential any materials or information furnished by us to you. You will not disclose or use, directly or indirectly, such materials or information for any purpose other than the purposes of this Purchase Order. You will return to us, at your expense, all such materials and information upon completion of work, termination of this Purchase Order, or at our request.

**AUDIT.** At our request, you will allow us to audit without charge and to copy at our expense any documents you have relating to the performance of your obligations under this purchase order or other applicable legal requirements.

**WAIVER OF CLAIM.** Any waiver or renunciation of a claim or right arising out of a breach must be in writing and signed by the injured party. Any failure to enforce any provision of the Purchase Order may not be construed as a waiver of such provision or any other provision nor the right to enforce such provision. The invalidity, in whole or in part, of any provision hereof shall not affect the remainder of the provisions.

**INDEPENDENT CONTRACTOR.** You will be considered an independent contractor for all purposes, and shall not be deemed to be our agent, employee, or subcontractor under any circumstances.

**TRADEMARKS.** The names and trademarks of each party shall remain their sole and exclusive property.

**DISCLOSURE.** You may not, without our prior written consent, advertise or publish the fact that we have contracted to purchase goods or services from you, disclose information relating to this purchase order, or use our name or trademarks, or the names or the trademarks of any of our affiliates or our customers.

**WORK ON OUR PREMISES.** If you work on our premises or the premises of our customer, you will comply with all site rules and regulations. Except to the extent a claim is due solely and directly to our negligence or our customer's negligence, you will indemnify us and the customer from any claim that may result from any act or omission by you, your agents, employees, or subcontractors while on our premises or the premises of our customer.

**INSURANCE** You agree to maintain such public liability insurance, including, without limitation, worker's compensation, employer's liability, comprehensive general liability and property insurance, as will adequately protect us in the event of any liability arising under this purchase order and, upon our request, you will provide us with evidence of such insurance.

**DISPUTE RESOLUTION.** Any dispute, controversy, or claim relating to this agreement (a "Dispute") will first be resolved through good faith negotiations between us. If the parties are unable to resolve the dispute, either party may submit to a 3rd party mediator of our choice for dispute resolution. The mediation shall be conducted in the Country of USA and State of Connecticut. Mediation will occur for at least (30) days unless the mediator chooses to withdraw sooner. At the request of either party, the mediator will be asked to provide an evaluation of the dispute and the parties' relative positions. Each party shall bear its own costs of mediation efforts. If the dispute cannot be resolved through mediation, either party may commence an action to resolve the dispute in the commercial division of the Connecticut State Court in Fairfield County, it being agreed that the parties submit to the jurisdiction of that court. Both parties expressly waive and forego any right to trial by jury.

**GOVERNING LAW.** The parties expressly acknowledge that the laws of the State of Connecticut, except in its conflict of law rules, will govern the relationship between the parties.

**REMEDIES.** The rights and remedies herein are cumulative and in addition to all other rights and remedies available at law or in equity.

**ASSIGNMENT.** You may not assign any right or delegate any duty hereunder without our prior written consent. Any attempted assignment or delegation by you will be void.

#### SUPPLIER QUALITY SYSTEMS

RTA Suppliers shall maintain a Quality System meeting, as a minimum, the intent of ISO9001. The quality system shall utilize written records to show conformance to RTA requirements as communicated in the SQM. Suppliers shall, upon request, make available to RTA all required records, substantiating conformance to requirements.

#### WORKMANSHIP

Workmanship must be of consistently high level of aircraft quality commensurate with existing state of the art, generally accepted industry standards and in conformance with the purchase order including drawings and specifications cited therein either directly or by reference.

#### AUDITS AND SURVEILLANCE

RTA and/or its customers (when authorized by RTA) shall have the right to conduct audits and surveillance of the Suppliers and their sub-tier suppliers operations to evaluate the capability to comply with purchase order requirements. The Suppliers shall be required to support RTA and its customer representative with adequate facilities, equipment, and responsible, trained personnel.

#### CERTIFICATE OF CONFORMANCE/QUALITY RECORDS

Suppliers must submit a certificate of conformance (C of C) in their own format to certify that all items have been manufactured, processed, and inspected in conformance with the drawings, specifications, and other requirements forming a part of the Purchase Order. The supplier shall maintain on file all applicable inspection and test records for seven years which shall be made available for review by RTA upon request. The C of C must as a minimum include:

Purchase order number, Part number and Revision, purchase order number, Quantity being delivered, Lot number if applicable, Authorized signature with title, Special Process Certifications, Raw Material Certifications, Special testing certifications, e.g., flammability testing.

#### CONTROL OF SUB-TIER SUPPLIERS

Suppliers shall be responsible for flow down of RTA procurement requirements to sub-tier suppliers. This includes requirements documented in the RTA SQM. Suppliers shall not subcontract all work required by the RTA Purchase Order without the expressed approval of RTA.

#### TOOL, GAUGE AND TEST EQUIPMENT CALIBRATION

Suppliers shall maintain a calibration system for devices used for production process control and acceptance measurements. This system of calibration shall utilize higher accuracy measurement devices which are traceable to national standards (e.g., National Institute of Standards & Technology) or to natural constants.

#### FIRST ARTICLE AND INSPECTION

First Article Inspection (FAI) shall be performed when required by the RTA purchase order. The results of First Article Inspection shall be documented on RTA FAI form# 2010; and RTA's customer form when required. RTA and customer approved first articles represent a product baseline and no changes to the items, parts, raw materials, processes, and/or suppliers can be made without the expressed written approval of RTA International.

#### NONCONFORMING MATERIAL

No product is to be delivered to RTA which contains a known nonconformance to procurement requirements unless a concession is obtained in writing from RTA Purchasing.

#### CORRECTIVE AND PREVENTATIVE ACTION

Supplier shall respond to RTA Corrective Action and Preventative Action (CAPA) requests in the time specified on the request. Failure to comply or provide an unsatisfactory reply may result in withholding of payment and suspension of further product acceptance by RTA.