

Esterline Georgia US LLC (EGU)

Standard Purchase Order Terms and Conditions

Any and all purchases by Buyer of Goods and Services, as defined hereafter, shall be subject to all the terms and conditions set forth below (the "Terms and Conditions of Purchase") to the extent such terms and conditions do not conflict with any other contractual provisions between Buyer and Seller. No other terms and conditions of Seller that may be referred to in any document issued by Seller shall apply, even if the same have not been expressly rejected by Buyer.

1. DEFINITIONS - ORDER OF PRECEDENCE – PURCHASE ORDER ACCEPTANCE

1.1 As used herein:

"Buyer" means Esterline Georgia US LLC,

"Seller" means the party identified on the face of the Purchase Order.

"FAR" means the Federal Acquisition Regulation.

"DFARS" means the DoD FAR Supplement.

"Government" means the U.S. Government.

"Purchase Order" shall mean the purchase order document as well as any attachments (including without limitation these Terms and Conditions of Purchase, the specifications, drawings and other documents) and/or amendments thereto issued by Buyer to Seller for the purchase of Goods and/or Services. The Purchase Order includes the only binding conditions upon which the Buyer is prepared to contract with the Seller. Forecasts and estimates are indicative only.

"Final Acceptance" means the Supplies and/or Services comply with the requirements of this Purchase Order.

"Services" means the services provided under the PO including systems design, installation, training, maintenance and modification.

"Goods" means all software, hardware, data, tools, equipment and parts furnished under this PO.

"Price" shall mean the price of the Goods and Services as specified in the Purchase Order.

1.2 In case of conflict between the documents of the Purchase Order, Seller shall inform Buyer of such conflict and the order of precedence in resolving such conflict shall be as follows: (a) the Purchase Order document, as amended, (b) the attachments to the Purchase Order document, as amended and (c) these Terms and Conditions of Purchase.

1.3 Seller's failure to object or reject Buyer's Purchase Order within eight (8) days as from the date of the Purchase Order shall be an unconditional acceptance thereof by Seller. In the event Seller's order acknowledgement contains exceptions or remarks to the Purchase Order, Buyer may cancel the Purchase Order without incurring any liability.

2. SPECIFICATIONS, DRAWINGS, TECHNICAL DOCUMENTATION AND OTHER ITEMS

2.1 The specifications, drawings, technical documentation and other documents as well as any models, molds, dies, tooling, creative work or process and other items supplied or paid for by Buyer under the Purchase Order shall be disclosed to the Buyer and the exclusive property of Buyer, will be held by the Seller in confidence and safe custody at Seller's own risk and maintained in good condition, and may be used by Seller solely in connection with the manufacture and provision of the Goods and Services. Buyer's approval of such specifications,

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drawings, technical documentation and other items shall not relieve Seller of any of Seller's obligations and responsibilities under the Purchase Order.

- 2.2 The Goods and Services shall comply with the agreed drawings and specifications. Seller represents and warrants (i) it is competent to perform the work, (ii) it has the necessary knowledge, skill, experience, qualifications and equipment to perform the work, and (iii) acknowledges that Buyer has relied on and is entitled to rely on Seller, as an expert fully competent in all phases of the work under this Purchase Order. Seller shall deliver new parts and material only.

3. CHANGES

- 3.1 Without invalidating the Purchase Order, Buyer may at any time request Seller to change the Goods and Services, the scope of supply, the specifications, drawings, technical documentation and other documents as well as any models, molds, dies, tooling and other items, to issue additional instructions, to perform additional work or to omit certain Goods and Services or a part thereof and Seller shall promptly comply with any such request. If any change increases or decreases the Price or delivery time, the Price shall be adjusted accordingly and a reasonable adjustment shall be made to the delivery time, provided that Buyer may instruct Seller to proceed with this change without any delay and the matter on adjustment will be dealt with amicably or in accordance with paragraph 23. Any changes by Seller to Goods and Services or to process thereof, changes of key suppliers or manufacturing facility location, need to be notified to Buyer and accepted in writing by Buyer prior to the implementation of such change.

4. APPROVALS – LICENSES

Seller shall maintain a Quality Management System acceptable to the Buyer. Buyer shall have the right at all reasonable times to inspect Seller's quality and inspection system. If a U.S. Government contract is referenced on the face of the Order, the rights accorded to the Buyer by this clause shall also be accorded to the Government.

- 4.1 Seller shall comply with any laws, standards, codes and regulations (including without limitation technical standards, health and safety codes, and import and export control regulations), which apply to the Goods and Services ordered by Buyer. Seller shall, at its cost, obtain any and all licenses and permits, certificates, attests and other documents and perform any tests, as required by the applicable laws, standards, codes and regulations. No delay on the part of official authorities in relation to the foregoing shall be considered as a case of force majeure.
- 4.2 Seller will maintain membership in or security measures consistent with the requirements of the Customs-Trade Partnership Against Terrorism ("C-TPAT") program. Certification of membership or documentation that appropriate security measures are being implemented shall be provided to Buyer. Buyer and Buyer's nominated representatives shall, subject to the reasonable business security requirements, have the right to audit Seller's compliance with these obligations.

5. COUNTERFEIT WORK

- 5.1 For purposes of this clause, Work consists of those parts delivered under the Purchase Order that are the lowest level of separately identifiable items. "Counterfeit Work" means: (i) Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method; (ii) Work that has reached a design life limit, (iii) Work that has been damaged beyond possible repair, but is altered and misrepresented as acceptable, or (iv) previously used parts pulled or reclaimed as "new". Seller represents warrants and shall ensure that Counterfeit Work is not delivered to Buyer. Seller shall only

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purchase Goods to be delivered and incorporated as Work to Buyer directly from the Original Component Manufacturer (OCM) / Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distribution chain.

- 5.2 In the event that Work delivered under the Purchase Order constitutes or includes Counterfeit Work, such Counterfeit Work shall be impounded and Seller shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of the Purchase Order. Notwithstanding any other provision in the Purchase Order, Seller shall be liable for all costs relating to the impoundment, removal and replacement of Counterfeit Work, including without limitation Buyer's costs of removing Counterfeit Work, of reinserting replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. Buyer may turn such Counterfeit Work over to US Governmental authorities (Office of Inspector General, Defense Criminal Investigative Service, Federal Bureau of investigation, other any other applicable authority) for investigation and reserves the right to withhold payment for the Counterfeit Work pending the results of the investigation.
- 5.3 The Seller shall maintain a method of item traceability that ensures tracking of the supply chain back to the manufacturer of all Electrical, Electronic, and Electromechanical ("EEE") parts included in assemblies and subassemblies being delivered under this Purchase Order. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the product for the Seller, and shall include the manufacturer's batch identification for the item(s) such as date codes, lot codes, serializations, or other batch identifications.

6. SUBCONTRACTING - SUB-SUPPLY

- 6.1 Any subcontracting or sub-supply by Seller shall be subject to Buyer's prior written consent. In the event of any unauthorized subcontracting or sub-supply by Seller, Buyer shall not be obligated to receive the Goods and Services so supplied and pay the Price thereof. Buyer's consent shall not relieve Seller from any responsibility for the Goods and Services supplied by a subcontractor or supplier of Seller. Seller shall at all times be responsible for the direction and control of its subcontractors and suppliers and shall cause them to comply with Buyer's requirements, internal policies and procedures at any time.

7. EXPEDITING, INSPECTION AND TESTING

- 7.1 At Buyer's option, the inspection and/or testing of the Goods and Services shall be performed at Buyer's facilities and/or Seller's facilities by Buyer, Buyer's customer or representative and regulatory bodies – such includes as well the applicable areas of facilities, supply chain and records related to the Goods and Services. In the latter case, Buyer may witness such inspection and/or testing at Buyer's cost. Promptly after the completion of the inspection and testing, Seller shall deliver to Buyer a written report thereof. All costs related to inspection and/or testing and the written report shall be deemed included in the Price.
- 7.2 During normal working hours or at such other times as mutually agreed upon, Buyer or its nominee shall be granted access to Seller's premises and/or the premises of Seller's subcontractors and suppliers, where Goods are located and/or Services are being performed, to monitor the progress of any and all work relating to the Goods and Services and/or to inspect and/or to test the Goods and Services at any and all stages of the production and/or performance process and/or to review compliance with legal requirements, all licenses and permits, certificates, attestation and other documents, specified in the Purchase Order or in the

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absence thereof as generally required for the type of Goods and Services. Seller, at its expense, shall make available to Buyer or its nominee all tools, instruments, facilities, services and labor for conducting such inspection and/or tests.

- 7.3 Any inspection and/or testing of the Goods and Services, the work related thereto, and/or any models, molds, dies, tooling and other items related thereto and/or the inspection of licenses and permits, certificates, attestation, drawings, technical documentation and any other documents, related to the Goods and Services shall not constitute nor be deemed to constitute final acceptance in part or in whole of the Goods and Services or any part thereof, nor shall it relieve Seller from any of Seller's responsibilities under the Purchase Order.

8. PACKING AND MARKING

- 8.1 Buyer Part Number (w/revision), country of origin and purchase order number (pos. and seq. included) must be shown on all documents, acknowledgements, shipping papers, packing slips, packages, invoices and correspondence.
- 8.2 Seller shall, in accordance with the requirements of Buyer, adequately protect, pack and mark the Goods for transportation to their final destination and/or for prolonged storage and, in the absence thereof, at least in conditions consistent with generally accepted practice for the type of Goods in question and in accordance with mandatory legislation.
- 8.3 Each package shall be numbered and labeled with Buyer's Purchase Order number, article number and any other marks specified in the Purchase Order. An itemized list of the contents shall be attached in a waterproof covering on the outside of each package. All costs for such protection, packing and marking shall be deemed included in the Price.

9. ACCEPTANCE - DELIVERY TIME AND TERMS – CERTIFICATES

- 9.1 If upon inspection and/or test any of the Goods are found to be defective in material or workmanship, or otherwise not in conformity with the requirements of the Purchase Order, Buyer may, require in addition to its other rights (i) prompt correction or replacement thereof at Seller's expense, including any transportation charges, or (ii) rework or have reworked any such Items at Seller's expense for the purpose of having such Goods brought into conformity with the requirements of the Purchase Order, or (iii) require Seller to make delivery of any such Goods as is with a reduction in the price as may be mutually agreed, or (iv) reject any such Goods and, as necessary, require the immediate removal thereof from all areas concerned in the procurement, manufacture, test or supply of the Goods, and Buyer shall be promptly repaid the full invoice price therefore, plus any brokerage fees, packaging and transportation charges, and/or (v) terminate the Purchase Order in whole or in part under the provisions of the Default clause hereof. Nothing in this clause shall relieve Seller from any responsibility regarding defects or other failures to meet the requirements of the Purchase Order.
- 9.2 Buyer has the right to reject the Goods and Services or any part thereof if not accompanied by the documentation specified in the Purchase Order and/or the documentation customary for the type of Goods and Services in question.
- 9.3 As soon as Seller is or becomes aware of any circumstances or events which may reasonably be anticipated to cause a delay to an agreed upon delivery date, Seller shall promptly advise Buyer thereof in writing. If Seller is unable to meet the agreed upon delivery date, Seller shall pay or Buyer may, without summons, deduct from any invoice the amount of three percent (3%) of the amount of the Purchase Order for each seven (7) calendar days of delay after the delivery date, up to a maximum of fifteen percent (15%) of the amount of the Purchase Order. The deduction

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by Buyer of the amount specified in this paragraph shall not relieve Seller of any responsibility for delivering to Buyer the Goods and Services ordered.

- 9.4 At Buyer's sole discretion, Seller shall make satisfactory arrangements with a third party to establish a continuing source of Goods and Services as well as spare parts or provide to CMC or its customer(s), at no charge, a non-exclusive royalty-free license to manufacture and have manufactured for its own use, spare parts and provide copies of all drawings, technical information, specifications, manufacturing instructions, patterns, tooling and other things necessary or appropriate for the manufacture of such Goods and spares.
- 9.5 Seller undertakes that unless Seller gives notice as indicated below, Seller shall make Goods of the same type as those described in the Purchase Order as well as spare parts for the repair or part replacement of such Goods throughout the period of normal duration of life of the Goods and at a fair and reasonable price. Seller shall give Buyer no less than one (1) year prior written notice in the event of the discontinuance of the production of the Goods and/or the availability of the Services or any major part thereof and shall give Buyer a last time opportunity to purchase Goods and/or Services in such quantity as Buyer may request at terms and conditions which are no less favorable than those contained in the Purchase Order for the Goods or Services in question.
- 9.6 In the event Seller fails or is unable to deliver the Goods and/or Services in accordance with the terms of the Purchase Order, and Buyer is compelled to purchase the Goods and/or Services and/or "form, fit, function, performance" equivalents from an alternative source at a cost to Buyer exceeding the Price for such Goods and Services, Buyer may charge and Seller shall pay the incremental cost incurred by Buyer in obtaining such Goods and Services from such alternative source during a period of one (1) year.
- 9.7 Seller will comply with AS5553 and provide for the CoC tagged items the required Certificate of Conformance or equivalent for Material Traceability. Seller shall supply certificates of origin of materials, components and/or of the Goods as specified in the Purchase Order or as required by laws and regulations. In addition, Seller shall supply a certificate of conformity (COC) with the specifications and/or reference samples and models at first request of the Buyer. All costs for such certificates shall be deemed included in the Price, unless otherwise agreed in writing.
- 9.8 Title in Goods and Services and the risk of damage to or loss of Goods and Services or any portion thereof sold hereunder shall pass to Buyer as from the moment the Goods and Services have been delivered to Buyer in accordance with the delivery term set forth in paragraph 10.1 below.

10. PRICE - TERMS OF PAYMENT – TAXES AND DUTIES

- 10.1 The Price is valid for delivery of the Goods and Services EXW named place (Incoterms 2010) - unless specified differently. Seller will be liable for all taxes and/or duties levied until the delivery of the Goods and Services to Buyer in accordance with the agreed Incoterm.
- 10.2 Except as otherwise provided for under these Terms and Conditions of Purchase or under the Purchase Order, the Price is firm and not subject to any upward adjustment of any kind.
- 10.3 Seller will invoice the Price in USD after delivery of the Goods and Services.
- 10.4 Seller's invoice(s) for any Goods and/or Services meeting the requirements of the Purchase Order, will be paid by Buyer within sixty (60) days end of month as from the date of invoice(s). Invoices shall be rendered in duplicate on a shipment per shipment basis and be based on the quantities actually delivered and the unit prices specified in the Purchase Order. In addition to

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the legally required data, each invoice shall contain (i) the correct Purchase Order number, (ii) the correct corporate name, form address, VAT number of Buyer and Seller, all as specified in the Purchase Order, (iii) name and address of Seller's Bank together with Seller's bank account number, SWIFT and IBAN code. Any invoice failing to meet any of the above conditions shall remain unpaid without bearing any interest and a copy thereof shall be returned to Seller for correction.

11. WARRANTY

- 11.1 Seller hereby warrants that (i) the Goods and Services shall be new and conform to the specifications, drawings and provisions of the technical documentation, reference sample and models attached to or referred to in the Purchase Order and (ii) that the Goods and Services, all components and any part thereof shall be free from defects in design, material and workmanship and (iii) that the operation of the Goods and Services shall be uninterrupted and/or error-free and (iv) that the Goods and Services shall conform in all respects to the applicable laws and regulations on the moment of delivery of the Goods and (v) that Seller's organization providing Goods, Services and processes related to the design, development, manufacturing, delivery and shipment of the Goods is ISO9001 certified or certified by another quality system as approved by Buyer (the "Warranties"). Such implies that in the event Seller intends to ship Goods which are or may have the risk of non conformity with the specifications, Seller shall promptly inform Buyer thereof in writing and needs to obtain Buyer's prior written approval for shipment and delivery of such Goods to Buyer by using the Request for Deviation Approval Form of Buyer and the concession number of Buyer for labeling of the concerned Goods. Moreover, at all times, Seller shall make available records related to the Goods and Services at first request of Buyer.
- 11.2 If the Goods and Services, or any part thereof, fail to meet any or all of the Warranties at any time during the Warranty Period, as defined hereinafter, then, upon Buyer's request, Seller shall, at its sole expense including transport and labor costs, within such a time and in such a manner as to minimize production interruption and/or losses, either (a) repair, correct or replace said Goods and Services, component or part to cause it to meet the foregoing Warranties; or (b) deliver and install new Goods and Services or a new component(s) or part(s) conforming to the Warranties and the provisions of the Purchase Order. As used herein the "Warranty Period" shall mean two (2) years starting from the date of the acceptance of the Goods and Services as referred to in paragraph 9. The Warranties shall apply for the full Warranty Period for any replaced Goods or Services and shall apply for the remainder of the Warranty Period for every repaired or corrected Goods and Services, component and part thereof, plus the period required by Seller to repair, correct or replace and to put it back into operation, with a minimum remaining Warranty Period of one hundred eighty (180) days, whichever is the longest.
- 11.3 At any point in time Buyer may request Seller to conduct at its sole cost, a failure analysis on defective Goods in view of establishing the root cause of such defect. Report of the Seller shall describe in detail the root cause and the corrective actions to remedy such defects including time schedule. In the event of an epidemic failure, all Goods in question will be presumed defective and Buyer may recall all such Goods. At Buyer's option, Seller shall at its sole expense, repair, correct or replace the Goods in question making sure the Goods and Services shall (i) meet the form, fit, function and composition of the Goods and (ii) conform to the Warranties and the provisions of the Purchase Order

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- 11.4 In the event the Goods and Services fail to meet the Warranties and Seller, after Buyer's request, fails to promptly perform appropriate remedial action as provided in paragraphs 11.2 and 11.3. above, or if the defective Goods and Services require urgent remedial action, Buyer may in addition to its claim for damages, at its sole discretion, after notifying Seller of its intent to do so, perform or cause to be performed at Seller's risk and expense, any remedial action Buyer sees fit including without limitation to (i) cancellation of the Purchase Order, (ii) rejection and return of the Goods and Services with refund of the Price paid, (iii) refusal to accept any further deliveries of Goods and Services and (iv) carry out any work necessary to cause the Goods and Services to comply with the Purchase Order. Seller shall pay within thirty (30) days after receipt of Buyer's invoice all reasonable costs whatsoever incurred by Buyer as a result of or in connection with any such remedial action.
- 11.5 All spare parts that are obsolete as a result of a breach of the Warranties shall be replaced with conforming spare parts at Seller's cost. At Buyer's option, Seller shall either take back at its sole cost all spare parts that are obsolete as a result of a breach of the Warranties or refund to Buyer the cost of disposal of such obsolete spare parts and any costs and expenses incurred by Buyer in connection therewith.
- 11.6 In the event in any calendar quarter arising during the period of supply under the Purchase Order, the quantity of non-conforming Goods equals or exceeds two percent (2%) of the total quantity of Goods delivered in such quarter, Buyer may charge to Seller and Seller shall pay to Buyer an amount per unit not exceeding ten percent (10%) of the Price of the Good without prejudice to any other right.

12. LIABILITY

- 12.1 Seller shall be liable for and defend, hold harmless and indemnify Buyer, its directors, employees, agents, and any third party (the "Indemnitees") against any and all claims, actions, suit or proceedings, liabilities, damages, losses, costs and expenses (including without limitation reasonable attorney fees) of every kind whatsoever, asserted against or incurred by the Indemnitees as a result of or in any way connected with a defective workmanship, non-conforming Goods or Services, direct or indirect breach of contract or breach of the Warranties by Seller or Seller's negligence or Seller's failure to comply with laws and regulations. Every repaired or corrected Goods and Services, component and part thereof, shall be subject to the same indemnity.

13. EH&S COMPLIANCE

- 13.1 Seller shall at all times comply with product safety laws and regulations including without limitation the legislation related to the restrictions on the marketing and use of certain dangerous substances and preparations. Seller shall provide to Buyer up to date information about the health, safety and environmental hazards of the Goods and Services and the safe use, handling and disposal of the Goods and Services, components or any part thereof. Prior to the first delivery of the Goods and Services, this information and, subsequently, any update thereof shall be supplied to each specific "ship-to" Buyer location.
- 13.2 Seller shall at all times keep, maintain, operate and use Seller's site, factory, facilities, equipment, tools and Goods supplied under this Purchase Order in accordance with all applicable national, federal, regional or local laws and regulations, including without limitation those related to health & safety, environment, permits and licenses as well as the permits and licenses themselves.

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13.3 If Electrostatic Discharge (“ESD”) sensitive devices are supplied to Buyer, the Seller must have an active ESD program and use proper ESD handling and packaging procedures. Applicable components include circuit boards, electronic assemblies with exposed components or connectors, semi-conductors and any other devices that may require ESD protection. Seller must maintain records of the testing done and training provided.

14. Conflict Minerals

14.1 Seller shall support Buyer in its obligation to conform to Section 1502 (the Conflict Minerals Statutory Provision) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). Seller shall not use Conflict Minerals originating from the Democratic Republic of Congo (DRC) or Covered Countries in, or to produce Goods delivered to Buyer, or in performing Services or Works in favor of Buyer. “Conflict Minerals” and “Covered Countries” have the meaning ascribed to such terms in the Act.

14.2 In those limited circumstances where Buyer’s product documentation or specifications specifically call for the use of a Conflict Mineral, or the PO is for the supply of solder containing tin, the following shall apply: (i) Seller whose goods or works contain Conflict Minerals that are necessary to the functionality or production of the goods or works manufactured or contracted to be manufactured shall adopt policies and establish systems to procure these minerals from sources that have been verified as “DRC conflict free”, (ii) Seller of such Goods or Works shall provide supporting data on its supply chains for Conflict Minerals to Buyer on the EICC (Electronic Industry Citizen Coalition) Conflict Minerals Reporting Template. This report must be approved by Buyer. Traceability data shall be maintained for 5 years minimum, (iii) Seller shall perform “Reasonable Country of Origin Inquiries” (RCOI) to ensure it has traceability throughout its supply chain to establish the origin of Conflict Minerals to designate one of the following sources or exemption: (a) the smelter (tin, tantalum, tungsten), or refiner (gold); Seller shall ensure that purchased metals originate from smelters validated by Seller as “DRC Conflict Free”, (b) scrap or recycled, or (c) the rule exempts any Conflict Minerals that are “outside the supply chain”. Conflict Minerals are outside the supply chain if, by January 31, 2013, they have been fully smelted or refined; or they are located outside the Covered Countries, and (iv) if, based on its RCOI, the Seller determines that its Conflict Minerals did originate from a Covered Country or has reason to believe that such minerals may have originated in a Covered Country and are not from recycled or scrap sources, it is required to develop and report to Buyer what measures it will take to minimize the risk of purchasing “Not DRC Conflict Free” conflict minerals in the future. This report must be approved by Buyer.

15. FORCE MAJEURE

15.1 Neither party shall be liable to the other for default or delay of its obligations under the Purchase Order due to any unforeseeable event beyond its reasonable control. In the event the delivery of the Goods and/or Services is delayed due to a force majeure event, the agreed upon delivery time shall be extended by the period of such delay, provided Seller shall have given written notice to Buyer of the commencement of the force majeure event within three (3) business days after the occurrence. No extra payment shall be made by Buyer to Seller for any expenses over and above those provided in the Purchase Order incurred by Seller by reason of any such delay. In the event the force majeure event lasts for a period exceeding twenty-one (21) consecutive days, Buyer shall have the right to cancel the Purchase Order without incurring any liability.

16. SECRECY – DATA PROTECTION

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- 16.1 Except as otherwise agreed to in writing by Buyer, Seller shall keep confidential and use any and all information, know-how and data, whether technical or non-technical, which is in any way heretofore or hereafter disclosed to Seller by or on behalf of Buyer or otherwise obtained by Seller in the course of, as a result of, or in connection with the Purchase Order, whether or not specifically marked confidential, only for the purpose of performing Seller's obligations under the Purchase Order. Seller shall prevent unauthorized disclosure to and unauthorized use by others of Buyer's information, except to Seller's employees and subcontractors on a need to know basis to properly execute the Purchase Order and who are first obligated in writing at least to the same extent as Seller is obligated hereunder. Except as otherwise agreed to in writing by Buyer, Buyer shall not be obligated to keep any information of Seller confidential or be restricted in the use thereof. Seller warrants compliance with laws and regulations on data protection by using policies and procedures setting out the principles and legal conditions that must be satisfied in relation to obtaining, handling, processing, transportation and storage of personal data, including customer, supplier and employee data, in the course of the operation and administration of Seller's business.
- 16.2 Seller is prohibited from making any press release or other public announcement regarding this purchase order and the transactions contemplated therein. Seller shall not communicate with Buyer's Customer regarding any element of this purchase order without the approval and/or participation of Buyer.

17. PATENTS, TRADEMARKS AND COPYRIGHTS

- 17.1 Seller shall hold harmless and indemnify Buyer from and against any and all damages, losses and expenses arising from infringement or alleged infringement of any patent, trademark or copyright of such third party by the Goods and Services, a component or any part thereof and/or arising from the use by Buyer or Buyer's customer of the Goods and Services and shall defend and settle at Seller's sole expense any claim, action, suit or proceeding brought against Buyer, provided that Seller is notified promptly in writing of the commencement of such suit or proceeding and provided further that Buyer shall not settle or compromise any such suit or proceeding without the prior written consent of Seller. The provisions of this paragraph 16, however, shall not apply to infringement caused by specifications furnished by Buyer. In case of infringement or alleged infringement, Buyer may at its sole discretion and at the sole cost of the Seller request the Seller to (i) modify the Goods and Services in such a way that such Goods and Services shall not infringe upon or misappropriate the rights of the third party, or (ii) obtain for Buyer a license or other right to use the Goods and Services or (iii) replace the Goods and Services in question with non-infringing or not allegedly infringing Goods and Services.

18. CHILD LABOR, FORCED LABOR, COMBATING TRAFFICING IN PERSONS

- 18.1 Seller warrants that Seller does not directly or indirectly employ children, prison labor, indentured labor, bonded labor or use corporal punishment or other forms of mental and physical coercion as a form of discipline and acts in compliance with the International Labor Organization (ILO) Convention. Seller warrants that all employment relationships are of a voluntary nature without any discrimination and at working conditions reflecting the applicable national and local legal requirements.
- 18.2 Seller shall support buyer in its obligation to conform to 48CFR 52.222.50 whereas the Seller agrees to notify their employees of the policy prohibiting trafficking as well as the potential actions that may be taken against employees or agents for violation. Seller is required to notify the Buyer of any credible information from any source alleging that an employee or

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subcontractor violated the policy, as well as any actions taken against an employee or subcontractor as a result of a violation.

19. INSURANCE

19.1 Seller shall maintain with reputable underwriters a comprehensive liability insurance policy, including third party, contractual and product liability coverage, and shall upon request provide the Buyer with a certificate of insurance. The Seller shall maintain the coverage for a minimum amount of Two Millions Dollars (\$2,000,000) per any one occurrence.

20. TERMINATION FOR CONVENIENCE

20.1 Buyer, at its sole discretion, may at any time terminate the Purchase Order in whole or in part by giving written notice to Seller and Buyer and Seller shall negotiate an equitable amount to be paid by Buyer to Seller to compensate Seller for the demonstrable and reasonable actual cost incurred by Seller as a result of Buyer's termination. If applicable, such may result in reimbursement by Seller in case of prepayment by the Buyer.

21. TERMINATION FOR DEFAULT

21.1 In the event that (i) a petition in bankruptcy is filed by or against Seller, or (ii) Seller is declared bankrupt, or (iii) Seller becomes insolvent or Seller's credit becomes impaired in the reasonable opinion of Buyer, or (iv) proceedings are initiated by or against Seller seeking appointment of a receiver, reorganization, liquidation, dissolution, debt rearrangement or any other similar relief, Seller shall promptly after the occurrence of any such event notify Buyer thereof and Buyer, at Buyer's discretion, may either request the performance of the Purchase Order or terminate the Purchase Order. In the latter case, the Purchase Order shall automatically and without summons or notice period be terminated with immediate effect as a result of Buyer having expressed Buyer's will to do so by registered letter.

21.2 If Seller fails to perform or fulfill at the time and/or in the manner provided in the Purchase Order, any obligation or condition required to be performed or fulfilled by Seller under the Purchase Order and if Seller fails to remedy any such failure within fifteen (15) days after written notice thereof from Buyer, Buyer may cancel the Purchase Order in question or any part thereof by giving written notice of termination to Seller within any reasonable period thereafter.

21.3 Upon termination of the Purchase Order in accordance with the above provisions and notwithstanding any dispute between Buyer and Seller with regard to Seller's default, Seller shall at no cost to Buyer:

21.3.1 immediately discontinue all work relating to the Purchase Order or to the part thereof terminated, and shall at Buyer's option either cancel or assign to Buyer all outstanding orders for materials and/or work; and

21.3.2 promptly deliver to Buyer all specifications, drawings, technical documentation, models, molds, dies, tooling and the licenses and permits, certificates, attests and other documents related to the Goods and Services; and

21.3.3 disclose and make available to Buyer all improvements to all of Seller's improvements to the Goods and Services and the specifications, drawings, technical documentation, models, molds, dies, tooling related thereto (the "Improvements").

21.3.4 promptly deliver to Buyer any equipment, material, specifications, drawings, technical documentation, models, molds, dies, tooling, which were supplied or paid for by Buyer and are in Seller's or Seller's subcontractors' possession; and

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- 21.3.5 promptly deliver to Buyer the inventories of finished and work-in-process Goods located at Seller's or Seller's subcontractor's premises; and
- 21.3.6 grant Buyer the unlimited, worldwide, royalty-free and non-exclusive right to use and practice Seller's specifications, drawings, technical documentation, models, molds, dies, tooling and the licenses and permits, certificates, attests and other documents related to the Goods and Services and the Improvements to complete the work-in-process Goods and to produce Buyer's requirements of the Goods; and
- 21.3.7 refund to Buyer any and all advance payments made by Buyer provided such payment is not covered by supplies of Goods and Services prior to termination.
- 21.4 Upon the termination or expiration of a Purchase Order in accordance with the terms thereof, Seller shall not be entitled to any indemnification, compensation or other payment solely by reason of or in connection with such expiration or termination and Seller expressly waives all rights and remedies in such respect either in law or in equity. Seller shall furthermore indemnify Buyer against all claims, liabilities, losses, damages and expenses of every character whatsoever incurred by Buyer as a result of Seller's default.

22. REMEDIES

- 22.1 The rights and remedies of Buyer (including indemnifications payable by Seller) specified herein and/or in the Purchase Order are in addition to and shall not be exclusive of or prejudicial to any other rights or remedies of Buyer at law or in equity. No failure or delay on the part of Buyer to exercise any such right or remedy shall operate as a waiver thereof or shall be deemed a waiver of any subsequent breach or default of Seller.

23. GENERAL PROVISIONS

- 23.1 Notwithstanding any termination of the Purchase Order, the Parties' obligations with respect to clauses 2, 5, 9.1, 9.4, 9.5, 9.7, 11, 12, 15, 16, 19, 20, 21 and 23 shall survive any such termination and shall bind the Parties, their successors, their permitted assigns, and their legal representatives.
- 23.2 In compliance with Dodd-Frank Act Section 1502, Seller agrees to SEC Reporting Requirements for Issuers Using Conflict Minerals. Conflict minerals are: columbite-tantalite (coltan), cassiterite, wolframite, and gold, which are used to finance conflict in the Democratic Republic of Congo or adjoining country.
- 23.3 The Seller represents and covenants that no bribe, gift, benefit or other inducements has been or will be paid, given, promised or offered directly or indirectly to any official or employee of Buyer or to a member of the family of such person with the view to influencing the entry into or the administration of the Order resulting therefrom.
- 23.4 It is agreed that the Purchase Order does not constitute either Party the agent or legal representative of the other Party for any purpose whatsoever. Neither Party is granted any right or authority to assume, or to create any obligation or responsibility, express or implied, on behalf of, or in the name of the other Party, or to bind the other Party in any manner or thing whatsoever.

24. GOVERNING LAW – DISPUTE RESOLUTION

- 24.1 The Purchase Order shall be governed by and construed in accordance with the laws of the State of New York without recourse to its conflict of law principles. All disputes arising out of or in connection with the Purchase Order shall be settled by a competent court located in the New

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York County, New York, NY, or at Buyer's option, by the courts of the location of Buyer's registered office without prejudice to the enforcement of any judgment or order thereof in any other jurisdiction. The provisions of the 1980 United Nations Convention on Contracts for the International Sale of Goods, (the "Vienna Convention") shall not apply.

25. EQUAL EMPLOYMENT OPPORTUNITY

25.1 Unless exempt by the provisions of Executive Order 11246 of September 24, 1965. Seller shall comply with paragraphs (1) through (7) of Section 202 of Executive Order 11246 dealing with equal employment opportunity which are incorporated by reference herein. Buyer is an equal opportunity employer. Hereby incorporated by reference as part of these Terms and Conditions of Purchase are the applicable provisions of Executive Order 11246 (covering race, religion, sex and national origin); the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended; the Rehabilitation Act of 1973, as amended Executive Order 11246 and 15 USC 637 (a) (pertaining to minority business enterprises and small business concerns) and Executive Order 12138 (pertaining to women's business enterprises); and regulations issued pursuant to each. Pursuant to Executive Order 11246, and particularly 41 CFR 60-1 and 2, and by acceptance of these Terms and Conditions of Purchase, the Seller certifies that Seller does not and will not maintain any facilities in a segregated manner, or permit Seller's employees to perform services where segregated facilities are maintained. Further, the Seller agrees that it will obtain a similar commitment from Seller's covered suppliers or subcontractors prior to the award of any nonexempt contract.

26. FAR and DFARS Provisions Incorporated by Reference

26.1 If a U.S. Government contract is referenced on the face of the Order, (when applicable) the following clauses are incorporated with the same effect as if contained in full text. Where necessary to make such clauses applicable and operable, the term "Contractor" will mean "Seller", the term "contract" will mean "PO" and the term "Contracting Officer" will mean "Buyer". The clause dates in effect as of the date of the Order will prevail. FAR 52.301 provides guidance for the applicability of these clauses which is often based on the dollar value of the subcontract/ order.

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Applicable for PO's	Article	Name
	FAR 52.222-4	Contract Work Hours and Safety Standards Act – Overtime Compensation
	FAR 52.222-41	Service Contract Act of 1965
	FAR 52.223-11	Ozone-Depleting Substances
	FAR 52.223-3	Hazardous Material Identification and Material Safety Data
	FAR 52.223-7	Notice of Radioactive Materials.
	FAR 52.225-13	Restrictions on Certain Foreign Purchases
	FAR 52.232-40	Providing Accelerated Payments to Small Business Contractors
Exceeding \$ 3,000	FAR 52.222-54	Employment Eligibility Verification
Exceeding \$ 3,000	FAR 52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving
Exceeding \$ 10,000	FAR 52.222.21	Prohibition of Segregated Facilities
Exceeding \$ 10,000	FAR 52.222-26	Equal Opportunity
Exceeding \$ 10,000	FAR 52.222-36	Affirmative Action for Workers with Disabilities
Exceeding \$ 10,000	FAR 52.222-40	Notification of Employee Rights Under the National Labor Relations Act.
Exceeding \$ 150,000	FAR 52.203-12	Limitation on Payments to Influence Certain Federal Transactions
Exceeding \$ 150,000	FAR 52.222-35	Equal Opportunity for Veterans
Exceeding \$ 150,000	FAR 52.222-37	Employment Reports on Veterans
Exceeding \$ 150,000	FAR 52.227-1	Authorization and Consent
Exceeding \$ 150,000	FAR 52.227-2	Notice and Assistance Regarding Patent and Copyright Infringement
Exceeding \$ 500,000	FAR 52.222-50	Combating Trafficking in Persons
Exceeding \$5,000,000	FAR 52.203-13	Contractor Code of Business Ethics and Conduct
Exceeding \$5,000,000	FAR 52.203-14	Display of Hotline Posters
	FAR 52.202-1	Definitions
	FAR 52.203-10	Price or Fee Adjustment for Illegal or Improper Activity
	FAR 52.203-11	Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
	FAR 52.203-15	Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009
	FAR 52.203-16	Preventing Personal Conflicts of Interest
	FAR 52.203-17	Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights.
	FAR 52.203-3	Gratuities
	FAR 52.203-5	Covenant Against Contingent Fees
	FAR 52.203-6	Restriction on Subcontractor Sales to the Government
	FAR 52.203-7	Anti-Kickback Procedures
	FAR 52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity
	FAR 52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards
	FAR 52.204-2	Security Requirements
	FAR 52.209-5	Certification Responsibility Matters
	FAR 52.209-6	Protecting the Government's Interests When Subcontracting with Contractors Debarred, Suspended or Proposed for Debarment
	FAR 52.211-14	Notice of Priority Rating for National Defense, Emergency Preparedness, and Energy Program Use
	FAR 52.211-15	Defense Priority and Allocation Requirements
	FAR 52.211-5	Material Requirements
	FAR 52.214-26	Audit and Records -- Sealed Bidding
	FAR 52.214-28	Subcontractor Certified Cost or Pricing Data -- Modifications -- Sealed Bidding
	FAR 52.215-10	Price Reduction for Defective Certified Cost or Pricing Data
	FAR 52.215-11	Price Reduction for Defective Certified Cost or Pricing Data—Modifications
	FAR 52.215-12	Subcontractor Certified Cost Or Pricing Data
	FAR 52.215-13	Subcontractor certified Cost Or Pricing Data -Modifications
	FAR 52.215-14	Integrity of Unit Prices
	FAR 52.215-15	Pension Adjustments and Asset Reversions
	FAR 52.215-18	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions
	FAR 52.215-2	Audit and Records – Negotiation
	FAR 52.215-22	Limitations on Pass-Through Charges – Identification of Subcontract Effort
	FAR 52.215-23	Limitations on Pass-Through Charges
	FAR 52.219-8	Utilization of Small Business Concerns
	FAR 52.219-9	Small Business Subcontracting Plan
	FAR 52.222-20	Walsh-Healey Public Contracts Act
	FAR 52.222-6	Davis-Bacon Act
	FAR 52.223-6	Drug-Free Workplace
	FAR 52.224-2	Privacy Act
	FAR 52.225-8	Duty-Free Entry
	FAR 52.227-11	Patent Rights – Ownership by Contractor
	FAR 52.227-13	Patent Rights – Ownership by the Government
	FAR 52.227-14	Rights in Data - General
	FAR 52.228-5	Insurance Work on a Government Installation
	FAR 52.230-2	Cost Accounting Standards
	FAR 52.230-3	Disclosure and Consistency of Cost Accounting Practices
	FAR 52.230-4	Disclosure and Consistency of Cost Accounting Practices--Foreign Concerns
	FAR 52.230-6	Administration of Cost Accounting Standards
	FAR 52.233-3	Protest After Award
	FAR 52.237-2	Protection of Government Buildings, Equipment, and Vegetation
	FAR 52.242-15	Stop-Work Order
	FAR 52.243-1	Changes—Fixed-Price
	FAR 52.244-6	Subcontracts for Commercial Items
	FAR 52.245-1	Government Property
	FAR 52.246-16	Responsibility for Supplies
	FAR 52.246-2	Inspection of Supplies--Fixed-Price
	FAR 52.246-4	Inspection of Services--Fixed-Price
	FAR 52.249-2	Termination for Convenience of the Government (Fixed-Price)
	FAR 52.249-8	Default (Fixed-Price Supply and Service)
	FAR 52.252-2	Clauses Incorporated by Reference

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Applicable for PO's	Article	Name
	ALL DFARS 252.203-7002	Requirement to Inform Employees of Whistleblower Rights.
	ALL DFARS 252.204-7012	Safeguarding of Unclassified Controlled Technical Information.
	ALL DFARS 252.204-7015	Notice of Authorized Disclosure of Information for Litigation Support
	ALL DFARS 252.223-7008	Prohibition of Hexavalent Chromium
	ALL DFARS 252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals.
	ALL DFARS 252.225-7013	Duty Free Entry
	ALL DFARS 252.225-7016	Restriction on Acquisition of Ball and Roller Bearings
	ALL DFARS 252.225-7048	Export-Controlled Items
	ALL DFARS 252.227-7016	Rights in Bid or Proposal Information
	ALL DFARS 252.227-7019	Validation of Asserted Restrictions--Computer Software
	ALL DFARS 252.246-7003	252.246-7003 Notification of Potential Safety Issues
	ALL DFARS 252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System
Exceeding \$ 150,000	DFARS 252.203-7001	Prohibition on Persons Convicted Of Fraud or Other Defense-Contract-Related Felonies
Exceeding \$ 150,000	DFARS 252.249-7002	Notification of Anticipated Contract Termination or Reduction
Exceeding \$ 500,000	DFARS 252.226-7001	Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns
	DFARS 252.204-7000	Disclosure of Information
	DFARS 252.209-7004	Subcontracting with Firms That Are Owned or Controlled by the Government of a Terrorist Country
	DFARS 252.211-7003	Item Identification and Valuation
	DFARS 252.219-7003	Small Business Subcontracting Plan (DoD Contracts)
	DFARS 252.225-7004	Report of Intended Performance Outside the United States and Canada (Submission After Award)
	DFARS 252.225-7012	Preference for Certain Domestic Commodities
	DFARS 252.227-7013	Rights in Technical Data-Non Commercial Items
	DFARS 252.227-7014	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation
	DFARS 252.227-7015	Technical Data--Commercial Items
	DFARS 252.227-7028	Technical Data or Computer Software Previously Delivered to the Government
	DFARS 252.227-7037	Validation of Restrictive Markings on Technical Data
	DFARS 252.244-7000	Subcontracts for Commercial Items
	DFARS 252.244-7001	Contractor Purchasing System Administration
	DFARS 252.247-7023	Transportation of Supplies by Sea