

# STANDARD TERMS AND CONDITIONS OF PURCHASE

## 1. DEFINITIONS

"Purchase Order" – the purchase order, including any amendments, which incorporated by reference the standard terms and conditions contained herein.

"Buyer" – Aero Fastener Co., Inc.

"Purchasing Representative" – Buyer's authorized representative.

"Sellers" – the legal entity to which the Buyer issued a purchase order.

"Goods" – the parts, other products or services that are the subject of the purchase order.

"Force Majeure" – means events proven to be beyond the Buyer's or Seller's reasonable control including without limitation, an act of God, fire flood, earthquakes, any act of government, war insurrection, or riot.

## 2. HEADINGS

Headings are for convenience only and shall not affect the interpretation of any provision of this document.

## 3. ACCEPTANCE

Acceptance of a purchase order is limited to the terms and conditions contained herein and those stated on the specific purchase order. SELLER IS HEREBY NOTIFIED IN ADVANCE THAT THE BUYER OBJECTS TO AND REJECTS ANY DIFFERENT OR ADDITIONAL TERMS OR CONDITIONS CONTAINED IN ANY INVOICE PACKING SLIP, OR OTHER SALE OR SHIPPING DOCUMENT. The Seller shall notify the Buyer within seven (7) days of the date of receipt of the purchase order that the purchase order has been accepted, failure to do so will give the Buyer, in its sole and absolute discretion, the right to cancel the order without incurring any liability. In the absence of Seller's written acceptance or acknowledgement of the purchase order, the commencement of performance to satisfy any portion of the purchase order shall constitute Seller's acceptance of the terms and conditions herein. An acknowledgement by the Seller containing terms and conditions inconsistent with or in addition to the herein terms and conditions shall constitute a counteroffer by the Seller, whether or not the terms materially alter the herein terms and conditions, and shall not be binding on the Buyer unless said counteroffer is specifically accepted in writing by the Buyer. Full acceptance of the goods sold and delivered to the Buyer is conditioned on the Buyer's completion of inspection and acceptance tests and Seller's compliance with all applicable warranties.

## 4. PRICE

Unless otherwise specified, the price as set forth in the purchase order shall include all charges for Seller's packing, crating, insurance and delivery to Buyer as well as any applicable local, state, federal or foreign taxes. Any applicable cash discount period will date from Buyer's receipt of Seller's invoice and airway-bill, or date of actual receipt of goods ordered, whichever is later, and not from the date of Seller's invoice or date of shipment. Buyer may pay Seller's invoice before complete or final inspection or testing of the good delivered and thereby avail itself of any available cash discount. Buyer's making of said payments does not waive its right to reject the goods and charge the Seller for any loss, shortage, defect, delay, failure of performance or other default.

## 5. PACKING, SHIPPING & DELIVERY

Each container must be marked to identify the contents without necessitating its opening. All goods must be packed in containers appropriate for the quality of goods being shipped and the method of shipment. Seller is liable for any loss that occurs due to improper packing. All boxes and containers must contain a packing slip listing the contents, an invoice and any required certifications and/or test reports. The Buyer's purchase order number must appear on all invoices, packing slips, delivery tickets, shipping orders, bills of lading and certifications and/or test report documents. Goods must be delivered and accepted by the Buyer before being subject to payment. With respect to any delivery date specified in the purchase order, time is of the essence. If there is a delay in delivery due to causes, other than Force Majeure, which are not attributable to the negligence of the Buyer, the Buyer may terminate the purchase order without incurring any liability and the Seller shall be liable for damages in accordance with paragraph 9 herein. The Seller shall not be liable for delays in delivery due to proven acts of Force Majeure if the Seller promptly, in light of the delivery due date notifies the Buyer in writing of any anticipated delay in delivery. Should an act of Force Majeure occur, the Buyer may wholly or in part, suspend, postpone or, if said act of Force Majeure continues for more than fourteen (14) days, terminate the purchase order without incurring any liability. Buyer assumes no liability for goods shipped in amounts greater than the quality listed in the purchase order.

## 6. TITLE & RISK OF LOSS

Title and risk of loss pass to the Buyer upon the Buyer's receipt and acceptance of the goods.

## 7. INSPECTION

In order to ensure and monitor the Seller's quality control, the Buyer reserves the right, for both itself and any of its customers, to inspect Seller's facilities during the term of any open purchase order, Buyer will provide reasonable written notice of its intent to exercise said inspection rights and Seller hereby consents in advance to said inspection.

## 8. SELLER'S WARRANTY

Seller warrants that the goods conform in all respects with applicable specifications

and are free from defects, whether actual or latent, in materials and workmanship. Seller warrants that all goods sold and delivered are new (not used, reconditioned, rebuilt and not of such age or so deteriorated as to impair their usefulness or safety) and that said goods are not government or other third party residual inventory resulting from terminated contracts that said goods have been manufactured pursuant to drawings or specifications whose revision level is current or previously grandfathered and the goods are generally accepted within the aerospace industry. Seller further warrants that the goods sold and delivered do not process date and time data and that the Seller's own computer hardware, business, environmental and operational software all properly process time and dates. Seller agrees that all said warranties shall survive inspection, testing, if any, acceptance and payment and shall run to the Buyer, its successors, assigns and customers.

## 9. REMEDIES

If the Seller is in breach of any of the terms of the purchase order and/or any of the herein terms and conditions, the Buyer may give the Seller written notice of termination specifying the breach. If the breach is not capable of being timely cured, the notice of termination is immediately effective. Buyer, at its option, may either return the goods for credit or refund or require prompt replacement of the defective goods. If the Seller is instructed to provide replacement goods and fails to do so in a timely manner, the Buyer may, in addition TO THE FOREGOING, COVER THE SAME AND CHARGE THE Seller with all costs and expenses relating to the replacement. Goods rejected by the Buyer due to nonconformities will not be reaccepted and the Seller may cure the same only by providing substitute conforming goods. Seller shall be liable for all losses, liabilities, actions, claims, proceedings, judgments, damages, obligations, including all legal and accounting expenses, of whatever nature suffered by the Buyer as a result of a breach by the Seller of the purchase order and/or the herein terms and conditions. The Buyer reserves any and all rights.

## 10. INDEMNIFICATION

Seller does hereby irrevocably indemnify Buyer, its officers, directors, shareholders and employees and agrees to defend any claim or litigation and/or pay or reimburse any judgment, loss, claim or expense, including reasonable legal or accounting fees, incurred by any of the indemnities in connection with any claim or litigation which asserts or is based upon any alleged design or manufacturing defect, negligence, failure to warn or breach of warranty or term of condition contained herein related to any good(s) sold and delivered to the Buyer by the Seller, including goods purchased by the Seller from its vendors.

## 11. WAIVER

The failure, delay or omission of either party to assert or enforce any provision herein shall not be construed, or operate, as a waiver or bar to any subsequent enforcement of or reliance upon that or any other provision contained herein.

## 12. SEVERANCE

If any Court of competent jurisdiction shall determine that any term, condition or provision herein is void, unenforceable or not applicable all other remaining terms, conditions and provisions shall remain in full force and effect.

## 13. NOTICES

All notices, demands and other communications required herein shall be in writing, in English and deemed served if mailed by certified mail, return receipt requested, postage prepaid, or sent by email transmission as follows: to the Buyer at the Buyer's address at P.O. Box 507, Westfield, MA 01086.

## 14. ASSIGNMENT

The Buyer's purchase order may not be assigned in whole or in part by the Seller without the prior written consent of the Buyer, except that either party may assign the purchase order to any successor in interest of said party by way of merger, consolidation or acquisition of substantially all of the assets of the assigning party, provided the successor in interest expressly assumes all obligations and liabilities as signing party under the purchase order and terms and conditions herein.

## 15. WHOLE AGREEMENT

Except for the expressed written words, numbers and symbols contained on a purchase order, the terms and conditions contained herein constitute the entire agreement of the parties relating to the Buyer's purchase of goods from the Seller and hereby merges, supercedes, negates and controls any and all prior oral or written negotiations, representations, commitments, agreements or communications between the parties. The purchase order and the terms and conditions contained herein may only be altered, changed, amended or modified by a writing issued by an authorized representative of the Buyer.

## 16. CHOICE OF LAW & VENUE

The validity, construction and enforcement of the terms and conditions contained herein and the sales transaction between the parties shall be governed by the laws of the Commonwealth of Massachusetts, U.S.A, without reference to or application of its conflict of law provisions, and any and all disputes concerning the same shall be heard and determined by the U.S. District Court for the District of Massachusetts, Western Section.