



TERMS & CONDITIONS OF PURCHASE

Rev 3 (February 2018)

These Terms and Conditions apply to the following MB Aerospace companies:

MB Aerospace Rzeszów Sp.z.o.o.

MB Aerospace Technologies (Poland) Sp.z.o.o

MB Aerospace Engineering Services Sp.z.o.o

1. DEFINITIONS

“**Business Day**” means a day on which the federal banks are open for normal business in Poland which is not a Saturday or Sunday;

“**Company**” means either (i) MB Aerospace Rzeszow Sp.z.o.o., having an address at, ul. Przemysłowa 9B, 35-105 Rzeszów, Poland; or (ii) MB Aerospace Technologies (Poland) Sp.z.o.o, having an address at ul. Elektryczna 8, 62-800 Kalisz, Poland; or (iii) MB Aerospace Engineering Services Sp.z.o.o, having an address at Tajęcina 114, 36-002 Jasionka, Poland;

“**Contract**” means, in relation to any Order placed by the Company, that Order together with these Terms and Conditions and any LTA entered into between the Company and the Supplier;

“**Delivery**” means either (i) delivery by the Supplier to the address and in the manner specified in the relevant Order; or (ii) collection by the Company from the Supplier at the address specified in the relevant Order;

“**Delivery Note**” is defined at Clause 3.1;

“**Delivery Point**” means:

- (a) in the case of delivery by the Supplier, when the Goods are received by the Company at the place specified in the Order (having been unloaded from the Supplier’s vehicles if necessary) and the signature of an authorised member of the Company’s Goods receiving department is obtained by the Supplier on a document quoting the number of the relevant Order; and
- (b) in the case of collection by the Company from the Supplier, when the Goods are loaded on to the Company’s vehicle and a signature of an authorised

member of the Company’s Goods receiving department is obtained by the Supplier on a document quoting the relevant Order number;

“**Goods**” is defined at Clause 2.1;

“**Invoice**” is defined at Clause 3.2;

“**LTA**” is defined at Clause 2.1;

“**Monthly Statement**” is defined at Clause 3.3;

“**Order**” means a purchase order issued by the Company to the Supplier (together with any terms or special conditions referred to or set out therein) as amended from time to time by the Company in writing;

“**Parties**” means the Company and the Supplier;

“**Supplier**” means the person, firm or company to whom the Order is addressed; and

“**VAT**” is defined at Clause 3.2.

2. APPLICATION

2.1 These Terms and Conditions shall be the only terms which govern procurement of goods or work specified on an Order (“**Goods**”) and the resulting Contracts that are created between the Company and the Supplier, unless a long term agreement (“**LTA**”) exists between the Company and the Supplier, in which case, to the extent that there is a conflict between the LTA and these Terms and Conditions, the LTA will take precedence. These Terms and Conditions may be supplemented by “**Special Instructions**” for a specific Company, available on the Company’s website. These terms supersede all prior to or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both

written and oral. Notwithstanding the foregoing, if a US Government contract number is referenced on the Order, Supplier shall comply with all applicable FARs including the requirement of the defense priorities and allocations system regulations (15 CFR 7000) and shall adhere to the Special Instructions relating to Government Contracts, available on the Company's website. The Company may, in its sole discretion and at any time for any reason, change these Terms and Conditions or any policies, instructions or guidelines. It is the responsibility of the Supplier to review, understand and comply with any Special Instructions and with these Terms and Conditions, which may be updated from time to time and posted on the Company's website.

2.2 For the avoidance of doubt electronic communications shall be deemed to be made in writing.

2.3 Any other terms that the Supplier specifies will be of no effect without any further action on behalf of the Company, including any terms and conditions contained in any acknowledgment of an Order, or with the delivery of any Goods.

2.4 Supplier's full or partial performance under an Order will constitute acceptance of all Terms and Conditions contained herein.

3. SYSTEM DOCUMENTS

3.1 Delivery Note: On Delivery, all Goods shall be accompanied by a detailed delivery note stating the Order number, the delivery date and the number of any relevant delivery schedule. The delivery note shall also give identification particulars of any Goods supplied, including the Company's part number, drawing number and the issue and/or modification letters or numbers where these are known to the Supplier (a "**Delivery Note**").

3.2 Invoice: The Invoice shall state the Order number. The part number, the Delivery Note number and the date and number of any relevant delivery schedule shall also be stated, if any have been quoted to the Supplier. Otherwise a sufficiently detailed description to enable the Goods to be identified shall be given (an "**Invoice**"). Where any charge is made for Value Added Tax ("**VAT**"), the Invoice shall be in the form as recognized by generally accepted accounting practices.

3.3 Monthly Statement: Any Monthly Statement of account must list Invoices to which it relates and must be sent to the Company at the address shown in these Terms and Conditions of purchase for the attention of "accounts payable" (a "**Monthly Statement**").

3.4 Advice Note: On dispatch of the Goods or any part of the Goods, the Supplier shall send to the Company by separate post an advice note stating every carrier employed to transport the Goods and all the matters stated on the Delivery Note.

3.5 No document sent by the Supplier will be considered by the Company to be relevant to the Order unless the appropriate Order number is quoted on the document.

4. ORDERS, QUOTATIONS AND FORMATION OF CONTRACTS

4.1 Where the Supplier issues a quotation to the Company for the supply of Goods, that quotation must be consistent with these Terms and Conditions and the Company's request for a quotation. The Supplier's quotation will be open for the Company to accept for not less than sixty (60) calendar days.

4.2 When the Supplier receives an Order from the Company placed in accordance with the Supplier's quotation a Contract will be created. In the case of Orders made electronically, such receipt will be deemed complete at the time the Company submits an Order via email or other means.

4.3 If the Supplier receives an Order without having issued a quotation then the Supplier may accept the Order by:

4.3.1 signing and returning the Order acknowledgement slip no more than ten (10) calendar days from receipt of the Order; or

4.3.2 doing any act consistent with fulfilling the Order.

If the Supplier does this it will create a Contract subject to these Terms and Conditions. For the avoidance of doubt, in the case of Orders made electronically, such acceptance will be deemed complete at the time the Supplier's authorised user indicates acceptance in writing via email or other means (including other electronic means).

4.4 Where Orders have been made electronically in accordance with Clause 4.2 or 4.3 above, the Supplier will be responsible for ensuring that such Orders are reviewed and acknowledged without unreasonable delay and will send an electronic response each week.

4.5 The Company accepts no liability for orders for Goods that are not placed on an official Order from the Company in accordance with this Clause 4.

5. DELIVERY AND PASSING OF TITLE

5.1 The Supplier shall ensure that the Goods are properly packed and secured in such a manner as to enable them to reach their destination in good condition. No charges for unauthorized transportation will be allowed.

5.2 If the Supplier requires the Company to return any packaging material to the Supplier, that fact is to be clearly stated on the Delivery Note. Any such packaging material shall be returned to the Supplier at the cost of the Supplier.

5.3 Risk in the Goods will pass to the Company at the Delivery Point.

5.4 Unless otherwise set out on the Order, title in the Goods will pass to the Company at the Delivery Point.

5.5 If Delivery of the Goods is delayed in respect of the promise date specified by a Supplier (as amended from time to time by the Company) the Supplier shall pay the Company an amount equal to two and a half percent (2.5%) of the value of the Goods

which were to be supplied for each complete week of delay up to a maximum of ten percent (10%) of such Goods.

5.6 The Supplier waives any lien which it might otherwise have whether at the date hereof or subsequently on any of the Company's property following completion of an Order for Goods, provided that this Clause 5.6 shall not be construed as a waiver of any other right of recovery in relation to any charges that may be due to the Supplier for such Goods.

5.7 The Company will notify the Supplier if the Company considers that the Supplier is unlikely to meet the promise date specified by that Supplier (as amended from time to time by the Company). Following receipt of such notice the Supplier must immediately take all necessary steps, at the Supplier's cost, to remedy the likely delay, expedite the delivery at Supplier's cost and advise the Company accordingly.

6. CONFORMITY WITH ORDER

6.1 The Supplier warrants that the Goods will be supplied strictly in accordance with the Order.

6.2 If the Company accepts Goods that do not conform to the Order this will not relieve the Supplier of its obligations to correct any such non-conformance and shall not constitute a waiver of the Company's rights.

6.3 Notwithstanding that the Company may need to instruct changes to the delivery within the lead time, the Supplier will take all necessary actions, both normal and extraordinary to ensure timely deliveries. The Company also reserves the right: (a) to send amended shipping schedules in writing retarding or accelerating the dates of shipments of quantities stated in the Order; and (b) to increase or decrease the quantities to be shipped on various dates, so long as the total quantity designated by this order is unchanged by such action; c) to order an overrun from Supplier not exceeding 5% of the total quantity designated by the Order; (d) request changes in the method of shipment and packaging and/or (e) the place of delivery.

6.4 The Supplier shall, upon the Company's request, temporarily suspend shipment and delivery of any material or equipment and all work and operations hereunder for such period as the Company may request.

7. QUALITY OF GOODS AND RIGHT OF ENTRY AND INSPECTION

7.1 The Supplier warrants that all Goods delivered under an Order will:

7.1.1 strictly comply and conform with all requirements set out in the Order;

7.1.2 be of good quality and fit for any purpose held out by the Supplier or made known to the Supplier by the Company expressly or by implication, and in this respect the Company relies on the Supplier's skill and judgment;

7.1.3 where applicable, be free from defects in design, material and workmanship and remain so for Twelve (12) months after Delivery;

7.1.4 comply with all applicable statutory and regulatory requirements relating to the manufacture, labelling, packaging, storage, handling and delivery of the Goods; and

7.1.5 not infringe any patent, trade mark, registered design or any other like protection or the provisions of any statute, statutory instrument or regulation in force in any country.

7.2 The Supplier shall not make any changes in the design or composition of any Goods without the Company's prior written consent.

7.3 For Goods supplied by the Supplier to the Company, the Supplier will inspect and release Goods as directed on an Order.

7.4 The Supplier agrees that the Company, regulators and the Company's customers shall have the right, at any time, upon reasonable notice, to enter the Supplier's facilities to inspect the facility, Goods, materials and property of the Company. Any person duly authorised by the Company shall be entitled to remove samples of tools and Goods in process of manufacture and completed Goods. Such inspection shall not constitute or imply acceptance of any Goods or materials.

7.5 If following such inspection or testing the Company considers that the Goods do not conform or are unlikely to conform to the Order in accordance with Clause 6 or comply with the Supplier's undertakings under this Clause 7, the Company shall inform the Supplier and the Supplier shall immediately take such remedial action as is necessary to ensure compliance at no cost to the Company

7.6 Verification by the Company shall not be used by the Supplier as evidence of effective control of quality by the Supplier and shall not absolve the Supplier of its responsibility to comply fully with its obligations under the Contract, nor shall it preclude subsequent rejection by the Company or the Company's right to conduct further inspections and tests after the Supplier has carried out remedial action.

7.7 The Supplier must have in force and maintain throughout its performance of the Contract all required, accredited quality assurance systems and will allow the Company, or any representative of the Company, to inspect the Supplier's quality assurance documents and procedures at any of the Supplier's premises upon reasonable notice.

7.8 The Supplier will be responsible for confidentiality and protection of all specifications, drawings and other documentation which the Company supplies and which are necessary for the performance of an Order.

7.9 In the event that the Supplier breaches its obligations under this Section 7 or Sections 6 and 10, in addition to the Company's rights at law or under these Terms and Conditions, the Supplier shall be liable and reimburse for the Company's value-add to the defective Goods and any reasonable out-of-pocket costs (including but not limited to Company's deployment of personnel or other resources to address any defective Good).

8. PRICE AND PAYMENT

8.1 The price stated on an Order for any Goods shall be a fixed price inclusive of all duties, levies and taxes in the country of origin of the Goods. If no price is stated, it is agreed that price is the lowest prevailing market price.

8.2 Unless otherwise stated in the Order, the price stated on an Order includes the costs of Delivery. The containers and packaging are to be supplied by the Supplier as part of the fixed price stated on the Order. No charge may be made by Supplier for packing unless such charge has been expressly agreed to by the Company in advance.

8.3 Unless otherwise stated in writing, the Company will pay for Goods according to the Contract or for Delivery of Goods (together with all documentation required under the Contract) following receipt of an Invoice. Subject to submission of an acceptable invoice, payment will be made by the Company within sixty (60) days net.

8.4 If a party fails to make payment due to the other under the Contract by the date of payment as set out in Clause 8.3 above, the defaulting party shall pay interest on the overdue amount equal to 1.5% per month or the maximum rate under law, whichever is greater. Such interest shall accrue on a daily basis from the due date of actual payment of the overdue amount, whether before or after judgment. The defaulting party shall pay the interest together with the overdue amount. This clause shall not apply to payments the defaulting party disputes in good faith.

8.5 The Supplier and the Company will jointly pursue cost reduction opportunities whenever possible and will reflect the achievements of such opportunities in price reductions to the Company. Either party may give written notice to the other of a cost reduction proposal at any time, after which the parties shall meet promptly to discuss the proposal, decide together whether the proposal should be implemented, and determine the corresponding decrease in Prices.

8.6 The Parties shall exchange any information necessary to understand and analyse the Supplier's costs for supplying the Goods.

8.7 Without prejudice to the Company's other rights and remedies, the Company may deduct from any payments due to the Supplier under any Contract the amount of any bona fide accounts or other claims which the Company may have against the Supplier in connection with that Contract or any other Contract with seven (7) days prior written notification to the Supplier. The Company shall be entitled at any time to set off any amount owing at any time from the Supplier to the Company, whether arising under any Contract or otherwise, against any amount payable to or for Supplier at any time by the Company or any of the Company's affiliates.

8.8 Any excess Goods which are not accepted by the Company on Delivery ("**Excess Goods**") will remain at the Supplier's own risk and expense and the

Company may at any time return the same to the Supplier, at the Supplier's risk and expense. The Company may notify the Supplier in writing of the price at which it would be willing to accept Excess Goods. Such notice shall not constitute acceptance of such Excess Goods unless the Supplier agrees the price notified (in which case such price shall become the Contract price in respect of such Excess Goods).

8.9 The Company shall have an option, exercisable by written notice served on the Supplier, to pay not more than the balance of the replacement cost for the outright ownership of any materials, samples, jigs, patterns, tooling or any other item essential to the manufacture of the Goods to a design, drawing or specification supplied by the Company (the "**Unrecovered Balance**"). At the request and cost of the Company, the Supplier shall deliver any such essential item to the Company at such place and time as the Company shall stipulate. Within thirty (30) days of receipt of the option notice, the Supplier will notify the Company of the amount of the Unrecovered Balance and the Company shall within thirty (30) days of such notification pay the amount agreed as the Unrecovered Balance. If such amount is not agreed by the parties, the amount of the Unrecovered Balance is to be determined by an independent accountant mutually agreed between the parties. Without prejudice to the Company's rights under Clause 9, where outright ownership of any materials, samples, jigs, patterns, tooling or any other item essential to the manufacture of the Goods to a design, drawing or specification supplied by the Company rests with the Company, the Company shall be entitled to collect such items at such place and time as the Company shall stipulate.

8.10 In the event that the Supplier is a "designated source" or "directed-buy" vendor of an original equipment manufacture or end-customer of the Company (collectively, the "**End Customer**"), the Supplier shall flow down its Terms and Conditions, including but not limited to price, that it has contracted and/or negotiated with the End Customer to the Company. Upon the Company's reasonable request, the Supplier shall add the Company to its agreement with the End Customer, if applicable, through a Joinder Agreement, Adoption Agreement or addendum thereto. In the event that the Company is subject to or incurs damages, costs, penalties or liabilities from the End Customer due to the actions of the Supplier as a "designated source" or "directed-buy", Supplier shall indemnify and hold Company harmless for any such damages, costs, penalties or liabilities.

9. THE COMPANY'S PROPERTY

9.1 Any items held by the Supplier which the Company has paid for in full or which the Company may have loaned, bailed, consigned or supplied to the Supplier for the execution of an Order will be at the Supplier's risk until delivered to the Company. The Supplier shall be fully liable for any loss or damage however caused to such items while in its possession.

9.2 The Supplier will retain such items in good condition during performance and after completion of an Order and shall not dispose of such items except in accordance with the Company's written instructions nor shall such items be used

other than for the purpose of such Order without the Company's prior written consent.

9.3 The Supplier will ensure that such items are at all times identified in accordance with instructions on the Order and do not become the subject of any encumbrance.

9.4 The Supplier will not without the prior written consent of the Company sell, hire, use or otherwise dispose of to or for any other person, any Goods manufactured by the Supplier to the Company's designs, drawings or specifications or based upon them, or any tooling designed for use in manufacture and the Supplier shall refer to the Company all inquiries received for such Goods or tools.

10. WARRANTY

10.1 The Supplier warrants and assures to the Company that all Goods delivered under a Contract will conform to that Order and will be free from defects in material, workmanship and, where the Supplier has responsibility for design, free from defects in design for a minimum of five (5) years following delivery.

10.2 If Goods do not conform to the requirements set out in Clause 10.1 above ("**Non-Conforming Item**"), without prejudice to the Company's other rights and remedies which the Company may have at law, the Supplier will promptly replace or, where appropriate repair or rectify any such Non-Conforming Item at its own expense and reimburse the Company for all proven and reasonable expenses and damages incurred as a result of the Non-Conforming Item and all damages which were suffered by property other than the Non-Conforming Item. If the Supplier fails to promptly repair, rectify or replace any Non-Conforming Item the Company may, without prejudice to its other rights and remedies: (i) choose to keep the Non-Conforming Item and the Company will be entitled to adjust the Order price of such item in a manner that is reasonable under the circumstances; or (ii) rectify the Non-Conforming Item itself, or arrange for such Non-Conforming Item to be rectified. Where the Company rectifies the Non-Conforming Item itself or arranges for the Non-Conforming Item to be rectified the Supplier shall reimburse the Company for all proven costs relating to such rectification and for all damages the Company sustains as a result of the Non-Conforming Item. The Company acknowledges that it has a duty to mitigate its losses.

10.3 Notwithstanding any other provision, in addition to the foregoing, the Supplier shall be liable for the Company's actual costs, expenses and damages related to or arising from the Goods not conforming to the Warranty, Sections 6 and 7 hereunder, including without limitation, labor and other costs related to transportation of Goods, expediting, removal, disassembly, failure analysis, fault isolation, assembly, reinstallation, reinspection, retrofit and any and all other such correction action costs incurred by the Company.

10.4 The Supplier shall, if so requested by the Company, defend or assist the defense of the Company against any direct or indirect liability claim proceedings, loss or damage (including any liability or loss incurred by the Company resulting

from the failure of, or stoppage of, or interference with the production or manufacture of any equipment, Goods or stock) caused by any Non-Conforming Items, or arising out of or caused by any other breach by the Supplier of these Terms and Conditions. The Supplier shall, if so requested by the Company, accept as final and binding the decision of any court in relation to such liability, claim, proceedings, loss or damage.

11. REMEDIES

11.1 If Delivery of the Goods is not made by the Supplier on the promised delivery date, or the Supplier does not comply with Clauses 6, 7 and/or 10 of these Terms and Conditions then, without limiting any of its other rights or remedies, the Company shall have the right to any one or more of the following remedies, whether or not it has accepted the Goods:

11.1.1 terminate the Order (in whole or in part);

11.1.2 reject the Goods and return them to the Supplier at the Supplier's own risk and expense;

11.1.3 if necessary to maintain production, rework the Goods at Supplier's cost;

11.1.4 require the Supplier to repair or replace the rejected Goods, or to provide a full refund of the price of the rejected Goods;

11.1.5 refuse to accept any subsequent delivery of Goods which the Supplier attempts to make;

11.1.6 recover from the Supplier any costs incurred by the Company in obtaining substitute Goods from a third party; and

11.1.7 claim damages for any other costs, losses or expenses, including manufacturing costs, loss of profits, or other special damages incurred by the Company which are attributable to the Supplier's failure to carry out its obligation under the Contract.

11.2 These Terms and Conditions shall apply to any repaired or replacement Goods supplied by the Supplier.

11.3 The Company's rights and remedies under these Terms and Conditions are in addition to its rights and remedies implied by statute and common law.

12. TERMINATION AND DURATION

12.1 Termination for Convenience. Without prejudice to any of the Company's rights and remedies, the Company may terminate an Order in whole or in part at any time by giving the Supplier notice in writing, identified as a notice of termination, whereupon all work on that Order shall cease.

12.2 The Company will pay the Supplier, in full and final satisfaction of all claims arising out of such termination:

12.2.1 the cost of all Goods which the Supplier has justifiably produced and completed in accordance with such terminated Order or part thereof and which the Company has not paid for;

12.2.2 the cost of settling any claims for necessary termination of sub-contracts justifiably committed in respect of such terminated Order or part thereof provided the Supplier has included in such sub-contracts a termination for convenience clause in substantially the same terms as this Clause 12.2; and

12.2.3 the cost to the Supplier of any justified work-in-progress in respect of such Order or part thereof.

12.3 The Supplier will give the Company every assistance to ascertain the extent of such work-in-progress. The amount payable to the Supplier under this Clause 12 will not exceed the total amount that would have been payable to the Supplier for the Goods or Work and the Supplier will submit notice of its claim within two (2) months of termination. Any finished Goods and any work-in-progress paid for by the Company under this Clause 12 will be delivered to the Company or held by the Supplier as the Company property in accordance with Clause 9 above.

12.4 If the Company's termination in accordance with Clause 12.1 above is the result of the Company's customer terminating its contract with the Company then payment to the Supplier in full and final satisfaction of any such termination shall be the proportion of the contract value equal to the proportion the Company receives from its customer if any.

12.5 If the Company has reasonable grounds for believing the Supplier will be unable to substantially fulfil its obligations, the Company may require the Supplier to provide reasonable written evidence that the Supplier will fulfil its obligations. If the Supplier fails to provide such evidence within thirty (30) days of the Company's request the Company may treat that failure as a material breach and terminate the relevant Order.

12.6 Termination for Cause. The Company will have the right, without prejudice to its other rights and remedies, to terminate any Order without incurring any liability, if the Supplier:

12.6.1 makes a general arrangement with its creditors;

12.6.2 ceases or threatens to cease to carry on its business or a substantial part of it or is unable to pay its debts or any statutory modification or re-enactment thereof;

12.6.3 enters into liquidation whether compulsory or voluntary, except as a solvent company for the purposes of amalgamation or reconstruction;

12.6.4 has an administrator or administrative receiver of the whole or part of its assets appointed;

12.6.5 commits any material breach of any of its obligations under these

Terms and Conditions or the Order which it fails to rectify within fourteen (14) days of written notice of that breach (no notice period shall apply for a breach of delivery items or a violation of Clauses 17 and 18);

12.6.6 carries out or becomes subject to actions or proceedings, which, within the jurisdiction to which it is subject, are similar in nature or effect to those specified in Clause 12.6.1 and 12.6.2 above; or

12.6.7 violates Clauses 17 and 18.

12.7 The Company will effect termination under this Clause 12 by issuing notice of termination in writing to the Supplier. For the purpose of this Clause 12.7, such notice will be effective twenty four (24) hours after it is issued or on receipt whichever is the earlier; provided however, it shall not apply for termination under Clause 12.6.7, which shall take immediate effect.

12.8 These Terms and Conditions shall remain in force until the later of: (i) a period of fifteen (15) years from the date of the relevant Order; or (ii) discharge by the Supplier of all obligations under these Terms and Conditions and any Order placed hereunder.

13. SUPPLY OF ASSISTANCE, SUGGESTIONS AND OPINIONS

13.1 The Company's personnel may from time to time render assistance and/or give suggestions and/or opinions to, or effect an exchange of, information with the Supplier's personnel concerning the Goods to be furnished under an Order ("Assistance"). However such Assistance shall not grant the Supplier authority to change the relevant Goods or any provisions of an Order or these Terms and Conditions, nor shall such Assistance constitute a change binding upon the Company unless issued as an amendment to these Terms and Conditions and the Supplier shall be responsible for the use of any such Assistance. In all cases, and as acknowledged by the Supplier, the Company is relying upon the Supplier's knowledge and expertise in performing all work regarding the Goods to be furnished under an Order.

13.2 Any personnel that the Supplier provides to carry out any work in connection with the supply of the Goods will at all times continue to be employed by the Supplier. The Supplier will ensure that any such personnel will, while on the Company's premises, comply with the Company's standard Supplier security and health and safety requirements as applicable for such premises, copies of which are available on request.

14. LIABILITY AND INSURANCE

14.1 The Supplier at all times during and after performance of the Contract shall indemnify and, if so requested by the Company, the Company's customers, the Company's insurers and Company's affiliates and their respective employees, agents, officers, and directors for and from all suits, claims, judgments, awards, losses, damages, costs or expenses (including without limitation, attorneys' fees) relating to, arising out of or caused by the Supplier's performance hereunder, any act or omission of Supplier or any Goods or services. Supplier's indemnification

obligation hereunder covers, without limitation, injuries, sickness, disease (including, without limitation, occupational diseases whenever occurring) or death of Suppliers' employees.

14.2 Without limiting any of Supplier's obligations hereunder, Supplier agrees to secure and carry as a minimum the following insurance with respect to all work to be performed under the Order for the duration of the Order: (i) Workers' Compensation Insurance, inclusive of an alternate employer endorsement, in an amount sufficient by virtue of the laws of the U.S., foreign country, state, or other governmental subdivision in which the work or any portion of the work is performed and Employer's Liability Insurance in the minimum amount of \$1,000,000 (or the equivalent in PLN) for any one occurrence; (ii) Commercial General Liability Insurance including, without limitation, Premises Liability and contractual Liability, in which the limit of liability for property damage and bodily injuries, including, without limitation, accidental death, shall be at a minimum, a combined single limit of \$5,000,000 (or the equivalent in PLN) for any one occurrence; (iii) if Supplier vehicles are used on the Company's premises and/or used to accomplish work under the Order or otherwise on behalf of the Company, Automobile Liability Insurance in which the limit of liability for property damage and bodily injuries, including, without limitation, accidental death, shall be a combined single limit of \$1,000,000 (or the equivalent in PLN) for any one occurrence; (iv) if Supplier or its subcontractors have the Company's materials or equipment in its care, custody or control, Supplier shall have and maintain All-Risk Property Insurance in an amount sufficient to meet or exceed the value of such material; and (v) if Supplier is performing professional services on behalf of the Company, Supplier shall maintain Professional Liability Insurance with a limit of no less than \$5,000,000 (or the equivalent in PLN).

14.3 All such insurance shall be issued by companies authorized to do business under the laws of each state or jurisdiction in which all or part of the Services are to be performed, and must have an AM Best financial rating of A- or better or an equivalent rating as produced by another rating agency acceptable to the Company.

14.4 The insurance policies required under this Section 14 shall be in form satisfactory to the Company, and shall contain a provision prohibiting cancellation or material change except upon at least ten (10) days' (seven (7) days in the case of War Risks Insurance) prior notice to the Company. All such insurance policies will be primary in the event of a loss arising out of the Supplier's performance of work and provide that where there is more than one insured the policy will operate, except for the limits of liability, as if there were a separate policy covering each insured and shall operate without right of contribution from any other insurance carrier by the Company. Certificates evidencing such insurance and endorsements naming the Company as an additional insured or, in the case of All Risk Property Insurance, naming the Company as a loss payee, shall be filed with the Company upon execution of the Order and before commencement of any work hereunder, and within thirty (30) days after any renewals or changes to such policies are issued. To the extent permitted by law, Supplier and its insurer(s) agree that subrogation rights

against the Company are hereby waived; such waiver shall be reflected on the insurance certificate. Supplier shall, if requested by the Company, advise the Company of the amount of available policy limits and the amounts of any self-insured retention.

14.5 Supplier shall require its subcontractors to maintain insurance in the amounts and types required by this Section 21.

15. DEVELOPMENT WORK

15.1 If the manufacture of Goods involves research or development that is specifically funded by the Company then all intellectual property rights in the results thereof will vest in the Company.

15.2 All designs, drawings, processes and developments by the Company and all intellectual property rights, copyrights and other proprietary rights (including know-how) supplied by the Company under these Terms and Conditions and/or any Order shall remain the sole and undivided property of the Company.

15.3 The designs, drawings, processes and developments by the Supplier and all intellectual property rights, copyrights and other proprietary rights (including know-how) arising in connection with the Supplier's performance under these Terms and Conditions or an Order are generated by the Supplier in the sole and undivided interest of the Company and are fully compensated by the price paid for Goods under any Order and all intellectual property rights in the results thereof will vest in the Company.

15.4 The Supplier shall use such intellectual property only for the purposes of performing its obligations under these Terms and Conditions and/or any Order.

15.5 The Supplier shall and shall require its employees to sign all papers and do such acts as are reasonably necessary for the Company to pursue formal protection of any anticipated intellectual property rights.

15.6 Supplier hereby grants to the Company a worldwide, non-exclusive, perpetual, fully-paid, irrevocable, transferable license to Supplier's intellectual property to use, sell, offer for sale, import, export, copy, adapt, embed, modify, make derivative works, make and have made Goods and services.

16. PROPRIETARY RIGHTS LIABILITY

If any allegation is made or any claim asserted against the Company, or any person claiming title from or through the Company, that any act done or proposed to be done in relation either to Goods or to any article or material on which work has been carried out constitutes a violation or infringement of any patent, copyright, registered design or other proprietary right held by a third party, the Supplier will indemnify the Company against and hold the Company harmless from any loss or damage (including without limitation all costs and expenses) arising directly or indirectly out of such allegation or claim unless the allegation or claim is the direct result of the Supplier following a design or process originated and furnished by the Company.

17. PROPRIETARY INFORMATION

17.1 The Parties agree to exchange drawings, operating or maintenance instructions together with any other technical information necessary to execute an Order. Title to any such information will not be affected by any such exchange.

17.2 Subject to Clause 13, any information, (including, but not limited to, that covered by Clause 17.1 above), disclosed by one Party to the other in connection with an Order or a proposed Order shall be treated in confidence and shall not be copied or disclosed to any third party without the prior written consent of the disclosing Party. Such information includes the form and content of these Terms and Conditions. These provisions do not apply to information that has lawfully entered the public domain.

17.3 Subject to Clause 17.2, if manufacturing data, materials, specifications, information and drawings relating to the subject of an Order are required for any purpose of the Company, the Supplier will on request supply the same. The Supplier acknowledges and agrees that such documentation and information may be the confidential and/or proprietary information of the Company's customers. By accepting receipt of such documentation or information, the Supplier expressly agrees to protect and maintain such documentation and/or information in confidence as directed by the Company.

17.4 The Supplier shall indemnify the Company against all losses, costs, expenses, damages, liabilities, demands, claim, actions or proceedings which the Company may incur arising out of any breach of Clause 17.

18. GOVERNANCE AND EXPORT CONTROL

18.1 In order to meet the requirement of their customer, the Company may be required to accept and agree, in its contract with such customer for the sale of products embodying Goods, sale terms which are not reasonably reflected by the terms of these Terms and Conditions ("**Sale Terms**"). In such event, the Supplier shall negotiate with the Company with the object of accepting an amendment to these Terms and Conditions corresponding to such Sale Terms, in respect of Orders for Goods related to such customer.

18.2 Without prejudice to Clause 18.1, if the Company is required to flow down to its Suppliers any appropriate regulations or requirements of the Company's customer, the Supplier agrees to accept the inclusion of such regulations or requirements in the relevant Order.

18.3 The Supplier agrees to comply with all applicable laws, statutes, regulations, secondary legislation, by-laws, common law, directives, treaties and other measures which may be applicable to the Supplier's performance of its obligations under any Contract, Order or these Terms and Conditions.

18.4 Supplier shall comply with the most current export control and sanctions laws, regulations, and orders applicable at the time of the export, re-export, transfer, disclosure or provision of Goods, software, technology or Services including,

without limitation, the (i) Export Administration Regulations ("**EAR**") administered by the Bureau of Industry and Security, U.S. Department of Commerce, 15 C.F.R. parts 730-774; (ii) International Traffic in Arms Regulations (the "**ITAR**") administered by the Directorate of Defense Trade Controls, U.S. Department of State, 22 C.F.R. parts 120-130; (iii) Foreign Assets Control Regulations and associated Executive Orders administered by the Office of Foreign Assets Control, U.S. Department of the Treasury, 31 C.F.R. parts 500-598; and (iv) applicable laws and regulations of other countries (collectively, "**Export Control Laws**").

18.5 Supplier shall, upon request, provide the Company with a copy of any governmental export authorization ("**Authorization**") related to the Goods, software, technology or services and of all provisions or conditions relating to that Authorization, including but not limited to, any restriction on sublicensing, retransfer, resale or re-export, any requirement for non-disclosure agreements and any limitation on individuals having access to Supplier's Goods, software, technology or Services. Supplier shall, without delay, provide any information requested by the Company in support of any Authorization related to the Goods, software, technology or Services in support of The Company's compliance activities, including The Company's internal licensing processes.

18.6 Supplier shall provide the Company with (i) the applicable Harmonized Tariff Schedule Number, and (ii) either (a) the United States Munitions List ("**USML**") category of such Goods, software, technology or Services that are controlled by the ITAR, or (b) the Export Control Classification Number ("**ECCN**") of such Goods, software or technology that are controlled by the EAR, to include the ECCN of parts and components if such classification differs from the ECCN of the Goods or software and (iii) any analogous classification under any other applicable law. If Supplier is in the business of manufacturing, exporting or brokering USML items, Supplier shall maintain registration with the Directorate of Defense Trade Controls ("**DDTC**") as may be required by 22 C.F.R. §§ 122.1 and/or 129.3 of the ITAR and provide The Company annually with its DDTC registration expiration date.

18.7 Supplier shall not export, re-export, transfer, disclose or otherwise provide The Company's technical data controlled by Export Control Laws ("**Technical Data**") to any non-U.S. Persons or foreign commercial entities, or modify or divert such Technical Data to any military application, unless Supplier receives advance, written authorization from the Company. Any subcontracts between non-U.S. Persons in the approved country for manufacture of Goods or provision of services shall contain all the limitations of this Section and shall comply with all applicable export licenses or authorizations.

18.8 Upon the Company's request, Supplier shall demonstrate to the Company, to the Company's reasonable satisfaction, Supplier's and Supplier's subcontractors' compliance with this Section and all Export Control Laws. Supplier shall also promptly notify the Company if it becomes aware of any failure by Supplier or Supplier's subcontractor's to comply with this Section and shall cooperate with the

Company in any investigation of such failure to comply. Upon completion of its performance under the Order, Supplier and its subcontractors shall destroy or return to the Company all Technical Data. Without limiting the foregoing, Supplier must control access to Technical Data, technologies tooling or materials, including, without limitation, the Goods subject to the ITAR or the EAR until such point as (a) the technologies, tooling, materials or Goods are rendered mutilated or scrapped in accordance with section 13.4 or reverted to a base alloy, and (b) the Technical Data and derived Technical Data has been cross-cut shredded, burned or chemically reverted to pulp in accordance with the requirements of Section 29.4, all of the foregoing in accordance with applicable Export Control Laws.

18.9. At the Company's request, Supplier shall develop, adopt and comply with a technology control plan ("TCP") satisfactory to the Company and which sets forth undertakings of Supplier and its subcontractors for assuring compliance with provisions of these Terms and Conditions relating to technology. Supplier's compliance with the TCP may be reviewed from time to time by Company at Company's request

19. COMPLIANCE WITH LAWS

19.1 If any of the Goods contain hazardous substances or require any special precautions to ensure safety in handling, transport, storage or use, the Supplier must before Delivery furnish to the Company written details of the nature of those substances and the precautions to be taken. The Supplier must ensure that before dispatch of the Goods appropriate instructions and warnings are clearly and prominently marked on the Goods or securely attached to them and on any containers into which they are packed.

19.2 The Supplier must provide to the Company in writing all data, instructions and warnings required to comply with applicable laws relating to health and safety, and the Supplier shall indemnify and if so requested by the Company, defend or assist the defense of the Company against any and all liabilities, claims and expenses that arise as a result of the Supplier's failure to do so.

19.3 If the Goods have a determinable shelf life, the Supplier shall advise the Company of the storage conditions recommended for the longest possible shelf life and the minimum duration thereof.

19.4 REACH

19.4.1 Supplier represents and warrants that the Goods and any substances contained therein are not prohibited or restricted by, and are supplied in compliance with, any laws or regulations of any country or jurisdiction in the world, including but not limited to the United States, the European Union ("EU"), and nations adopting legislation similar to that of the EU, and that nothing prevents the sale or transport of the Goods or substances in Goods in any country or jurisdiction in the world and that all such Goods and substances are appropriately labeled, if labeling is required, and have been pre-registered and/or registered and/or authorized under the EU Registration, Evaluation, Authorization and Restriction of Chemicals

regulation ("REACH"), if pre-registration, registration and/or authorization is required.

19.4.2 In addition to complying with REACH, the EU's regulation of chemical substances, Supplier shall timely provide the Company with all relevant information on the Goods so that the intent of REACH is met for communicating with downstream users as defined in Article 3(13) of REACH (any person established in the EU who uses a chemical substance in the course of his industrial or professional activities; the definition does not include the manufacturer, importer, distributor, or consumer), and in any case, Supplier shall provide all information necessary for the Company and/or any downstream user to timely and accurately fulfill their obligations under REACH.

19.4.3 Supplier shall promptly notify the Company in writing of any Substances of Very High Concern (as such category is specified in REACH) that are present in any Goods. In addition, Supplier undertakes to properly and timely inform the Company of the inclusion in Annex XIV of REACH of a substance contained in the Goods. In such event, Supplier shall discuss with the Company actions to ensure continued compliance with REACH. Subject to compliance with antitrust rules, Supplier shall use its best efforts to obtain and maintain authorization under REACH for use of such substances, on the condition that (i) the Company confirms in writing that it requests Supplier to request or renew an authorization for such specific use(s), (ii) it can be demonstrated that the risks of such uses are adequately controlled and/or Supplier can otherwise be granted an authorization as specified in Article 60 of REACH.

19.4.4 Supplier shall bear all costs, charges and expenses related to pre-registration, registration, evaluation and authorization under the REACH regulation of the chemical substances that are the subject of the Order.

19.8 Supplier shall, at the earliest practicable time, notify the Company in writing if Supplier is (i) suspended, debarred, or proposed for suspension or debarment from doing business with the U.S. Government, or (ii) listed or is proposed to be listed by the U.S. Government in any "denial orders," as a "blocked person," as a "specially designated national," or as a "specially designated terrorist" for U.S. export administration purposes (collectively, "**Debarment**"). Any such Debarment shall constitute cause for The Company to terminate the Order under the Section entitled Termination for Default.

19.9. Supplier shall, at the earliest practicable time, notify the Company in writing if Supplier is subject to any federal, state, or foreign government criminal proceeding alleging fraud or corrupt practices, once initiated by the filing of a formal charging document in a court of law; and further notify The Company of any subsequent felony convictions or deferred prosecution agreement(s) related to the foregoing.

19.10 Conflict Minerals

19.10.1 Supplier recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Act**"), the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten and gold (the "**Conflict Minerals**") from the Democratic Republic of the Congo and adjoining countries ("**DRC countries**"). Accordingly, Supplier commits to comply with Section 1502 of the Act and its implementing regulations; to the extent Supplier is not a "Registrant" as defined in the Act, Supplier shall comply with Section 1502 of the Act and its implementing regulations except for the filing requirements. In particular, Supplier commits to have in place a supply chain policy and processes to undertake (i) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into products it provides the Company; (ii) due diligence of its supply chain, following a nationally or internationally recognized due diligence framework, as necessary, to determine if Conflict Minerals sourced from the DRC countries directly or indirectly support unlawful conflict there, and (iii) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Supplier shall take all other measures as are necessary to comply with the Section 1502 of the Act and its implementing regulations, including any amendments thereto.

19.10.2 Supplier shall provide to the Company, upon the Company's reasonable request, the identity of its suppliers and/or the location of manufacture of the Goods or any subcomponents of the Goods, as applicable, to confirm compliance with legal and regulatory requirements, the Agreement, the Order and/or these Terms and Conditions.

19.12 In addition to any marking requirements set forth in the Contract, Supplier shall determine, and mark all Goods with, the English name of the "country of origin" in accordance with the laws of the destination country. For Goods which will enter the U.S., the "country of origin" is the country where the last substantial transformation occurred to the Goods and where the work performed created the form of the Goods that is most representative of the drawing.

19.13 Anti-Bribery

19.13.1 The Supplier shall and shall procure that persons associated with it or other persons who are involved in any way with this Contract shall, at all times, comply with any applicable anti-bribery legislation including but not limited to the Foreign Corrupt Practices Act and the UK Anti-Bribery Act, as amended and updated from time to time. The Supplier agrees that it will not hire an agent, subcontractor or consultant without the Company's prior written consent (to be based on adequate due diligence). The Supplier shall indemnify the Company against any losses, liabilities, damages, costs (including but not limited to legal fees) and expenses, including the cost of any investigation, incurred by, or awarded against the Company as a result of any breach of this Clause 27.7 by the Supplier or any persons associated with it in connection with the performance of the Supplier's obligations hereunder. The Supplier shall fully cooperate with any ethics and compliance

investigation, specifically including the review of Supplier's emails and bank accounts. Any violation of this Section 27 is a material breach of contract, with no notice and opportunity to cure. Further such a finding will be the grounds for immediate cessation of all payments.

19.13.2 The Company has the right to audit the Supplier which may include, but is not limited to, a review of the financial relationship between the Supplier and its vendors, subcontractors and related entities. The Supplier permits a full review of all FCPA-related compliance procedures including those for meeting with foreign governmental officials and compliance related training. The Supplier shall provide the Company with an annual certification stating that the foreign business partner has not engaged in any conduct that violates the FCPA or any applicable laws, nor is it aware of any such conduct.

19.15 C-TPAT. For Orders in which Goods will be shipped into the United States, Supplier agrees that, during the period in which it ships Goods to the Customer, it and its subcontractors who either ship directly or package Goods for shipment will either (i) be certified under the Customs Trade Partnership Against Terrorism ("**C-TPAT**") program by the U.S. Customs and Border Protection or (ii) demonstrate to the Company's satisfaction that it meets the security requirements of C-TPAT. Accordingly, Supplier must either provide the Company with documentation that it and its subcontractors are certified (e.g. C-TPAT certification or Status Verification Interface (SVI) number), or provide documentation and evidence satisfactory to the Company to demonstrate compliance with C-TPAT security requirements. Upon five (5) days prior written notice, the Company, or its designee, may audit all pertinent books and records of Supplier and its subcontractors, and make reasonable inspection of Supplier's and its subcontractors' premises, in order to verify compliance with the requirements of this Section.

19.16 Code of Conduct. Supplier shall adopt and comply with a policy statement or code of conduct regarding business ethics ("**Code**"). The Code will be suitable for Supplier's business and as a minimum will require compliance with all applicable laws and regulations. The Code shall assure a safe and healthy work environment, prohibit the use of child or forced/slave labor, provide for the protection of the environment and minimization of waste, emissions, energy consumption and the use of materials of concern and prohibit engagement in corrupt practices (e.g. facilitating, offering or paying any bribe). This Section 23.1 creates no additional duties for Company with respect to Supplier and confers no rights on third parties.

19.17 Modern Slavery Act. The Supplier shall, at all times, comply with the Modern Slavery Act of 2015 (UK). In particular, the Supplier shall not use any form of forced, bonded, compulsory labour, slavery or human trafficking.

19.18 Supplier shall also comply with Quality Assurance Purchasing Conditions, available on the Company's website.

20. OFFSET/COUNTERTRADE

20.1 The Company may be obliged to agree to offset and/or countertrade

arrangements in a particular country or with a particular customer under a contract for the sale of the Company products which incorporate Goods.

20.2 If the Company so requests, the Supplier will negotiate with the Company with the object of the Supplier fulfilling a proportion of the total offset obligation equal to the proportion of the price paid by the customer for the products which the Supplier's Goods represent.

21. EXCLUSION OF AGENCY AND LICENCE

21.1 The Supplier will not do anything that might result in other parties believing that it has authority either to contract on behalf of the Company or is a licensee of the Company.

21.2 In particular and without prejudice to the generality of Clause 21.1 above, the Supplier shall not without the prior written permission of the Company manufacture or supply to third parties Goods or parts of a similar nature pursuant to technical information supplied or derived from the Company. These Terms and Conditions shall not include any express or implied licence whatsoever.

22. WAIVER

No failure or delay by the Company at any time to exercise or enforce any term of, or right or remedy under the Contract, or any term or special condition referred to or set out in an Order, shall be construed as waiver by the Company thereof. No single or partial exercise or enforcement of any term of, or right or remedy under the Contract or any term or special condition referred to or set out in an Order shall preclude or restrict the Company from the further exercise or enforcement of such terms, right or remedy.

23. CONFLICT

If there is a conflict of terms the order of precedence shall be:

- 23.1.1 any applicable LTA between the Company and the Supplier;
- 23.1.2 these Terms and Conditions including any Special Instructions; and
- 23.1.3 the Order.

24. ASSIGNMENT AND THIRD PARTY RIGHTS

24.1 The Supplier will not assign, subcontract or transfer any of its rights and obligations under these Terms and Conditions or any Contract. Any such purported assignment shall be null and void, unless agreed in writing by the Company.

24.2 The Supplier is responsible for all Goods supplied to the Company by the sub-contractors.

24.3 Nothing in these Terms and Conditions shall be construed as creating any rights in respect of any third parties (including without limitation any employee,

officer, agent, representative or sub-contractor of any Party) under, as a result of, or in connection with these Terms and Conditions.

24.4 Where Orders are received from the Company these Terms and Conditions excludes the provisions of the Contracts (Rights of Third Parties) Act 1999 (UK) and the UN Convention on Contracts for the International Sale of Goods.

25. NOTICES

25.1 Any notice to be given under the Contract shall be in writing and shall be sent by registered or recorded delivery post or delivered by hand to the address of the relevant party as set forth in the definition of Company, or to such other address as that party may from time to time notify to the other party in accordance with this Clause 25.1.

26. GOVERNING LAW, SUBMISSION TO JURISDICTION AND DISPUTE RESOLUTION

26.1 These Terms and Conditions, any Orders, and all matters arising out of or relating to these terms or Orders shall be subject to and interpreted in accordance with (i) the laws of Poland. Any disputes in connection with the provisions of these Terms and Conditions not connected to an Order shall be subject to and interpreted in accordance with the law principles. Both Parties agree and irrevocably submit to the exclusive jurisdiction to hear any legal suit, action or proceeding of the courts in Poland.

26.2 Except as provided below, prior to a Party initiating a formal legal proceeding relating to a dispute arising out of an Order or these Terms and Conditions as between the Company and Supplier that Party must provide the other with a written request for dispute resolution. Each Party shall, within five (5) calendar days after such written request is received, designate a representative who will be responsible for negotiating, in good faith, a resolution of the dispute. Should the representatives fail to reach agreement within thirty (30) calendar days of receipt of the request, vice presidents of each Party shall attempt to resolve the issue within sixty (60) calendar days of receipt of such written request.

26.3 Notwithstanding Section 26.2, between the Company and Supplier, either Party may (i) resort to a formal legal proceeding for equitable relief at any time and (ii) institute litigation in order to avoid the expiration of any applicable limitations period or to preserve a superior position with respect to other creditors.

27. SURVIVAL

The provisions of Clauses 16, 17, 21, 22 24, 25, 26 and 27 shall survive after the discharge by the Supplier of all obligations under these Terms and Conditions and/or any Order placed hereunder.

28. COVENANTS AGAINST KICKBACKS AND POLITICAL CONTRIBUTIONS

28.1. Supplier has not offered or given and shall not offer or give anything of value (in the form of entertainment, gifts, or otherwise) to the Company's employees or representatives for the purpose of obtaining the Order or favorable treatment under the Order.

28.2 Supplier represents and warrants that it has not made, nor will it make, or offer to make any political contributions, or pay, or offer to pay any fees or commissions in connection with these Terms and Condition or any Order.

29. SEVERABILITY

29.1 On expiry or earlier termination of an Order these Terms and Conditions shall continue to apply to any Order created before such expiry or termination.

29.2 If any provision of these Terms and Conditions is declared by any judicial or other competent authority to be void, voidable, illegal or otherwise unenforceable, or indications to that effect are received by either of the Parties from any competent authority, the Parties shall amend that provision in such reasonable manner as achieves the intention of the Parties without illegality.

30. EXCLUSION OF OTHER PROVISIONS AND PREVIOUS UNDERSTANDINGS

The Parties agree that they have not placed any reliance whatsoever on any representations, statements or understandings made prior to the Contract being created, whether orally or in writing relating to the subject of the Contract other than those expressly incorporated in the Contract, which have been agreed on the basis that its provisions represent their entire agreement and shall supersede all such prior representations, agreements, statements and understandings.

31. OWNERSHIP OF THE SUPPLIER

31.1 In this Clause 31 "Competitor" includes the parent, subsidiary or a jointly owned company in competition with the Company or any other company within the same group as such Competitor and "controlling interest" means any interest sufficient to give the power to secure by law or corporate action the ability to direct and conduct the business of the Supplier.

31.2 If during the lifetime of a Contract, any third party, who is a Competitor of the Company acquires or is in due diligence to acquire a controlling interest in the Supplier or any subsidiary or division of it performing a material part of the work under a Contract then the Supplier shall immediately notify the Company of such event subject to regulatory or statutory obligations and the identity of such likely acquirer subject to its approval.

31.3 If the third party directly or indirectly acquiring a controlling interest in the Supplier is a Competitor then the Company shall without prejudice to any other rights and remedies it may have and without incurring any liability whatsoever to the Supplier be entitled to immediately by written notice terminate the Contract and/or any Order (in whole or part).

32. TAXES

The Company may deduct from payments owed to the Supplier any taxes or similar charges if the Supplier fails to provide the Company with proper certification of exemption from the deductions.

33. CERTIFICATION OF POINT OF ORIGIN

If requested by the Company, the Supplier must provide any Certification of Point of Origin required for compliance with any applicable export laws or regulations.

34. FREE ISSUE MATERIAL

34.1 Where materials and/or components have been free issued to the Supplier by the Company in support of the Order, the Supplier shall be liable for the cost of replacement of any materials and/or components scrapped during the course of manufacture.

34.2 This will not apply in the case of materials and/or components used to achieve deliverable Goods (cut up and test pieces).

34.3 Any materials and/or components which been free issued to the Supplier in support of the Order will be at the Supplier's risk. The Supplier shall be fully liable for any loss or damage however so caused while in its possession.

34.4 Any materials and/or components which have been free issued to the Supplier by the Company shall be returned to the Company at the cost of the Supplier if so required by the Company.

35. PRODUCT SUPPORT OBLIGATION

Supplier shall maintain the ability to and shall provide product support for the Goods, which shall include, without limitation, assuring that subcomponents and materials area available, maintaining tooling and other production capability and re-engineering components or systems to address obsolesce until the later of twenty five (25) years after the last Order is placed by the Company for Goods or less than five (5) end products incorporation Goods are in operation anywhere in the world.

36. RELATIONSHIP OF THE PARTIES

The relationship between Supplier and the Company will be that of independent contractors and not that of principal and agent, nor that of legal partners. Neither Party will represent itself as the agent or legal partner of the other Party nor perform any action that might result in other persons believing that it has authority to contract in any way to enter into commitments on behalf of the other. Supplier accepts, with respect to its performance of the Services, exclusive liability for the payment of any employee wages, benefits, other labor costs, fees, and taxes or contributions, however measured. Supplier assumes all liability for overtime premiums, shift differentials, Social Security, unemployment insurance, old age payments, workers' compensation premiums, annuities or retirement benefits which are measured by wages, salaries or other remunerations paid by Supplier to any and all persons

employed by it in connection with the performance of the services. Supplier shall not publicly disclose or use for its marketing purposes its business relationship with the Company without the Company's prior written consent.

37. QUALITY ASSURANCE PURCHASING CONDITIONS. The following terms shall apply for orders issued by MB Aerospace Technologies (Poland) Sp.z.o.o.

37.1 The Quality Management System in use at the Supplier's facility, and applicable to the product or services supplied to Company, must conform to ISO 9001, AS 9100 or equivalent standards requirements.

37.2 Suppliers performing calibration services shall to hold appropriate certifications/ accreditations which authorise to perform such services. Calibration Suppliers are obliged to supply a Certificate of Compliance showing the prior and after calibration results. The certificates shall be in accordance with the requirements of the certification/ accreditation, purchase order and with the supplier's internal quality system.

37.3 The companies providing the testing services shall supply a Certificate of Compliance showing the testing results and an acceptance / rejection note.

37.4 Special processes such as plating, anodising, x-rays and others shall be performed only if the supplier has the appropriate approval. Transfer of work to Supplier's sub-contractor is forbidden.

37.5 Products shall meet the quality requirements invoked on the Purchase Order. A Qualification Certificate shall accompany each delivery. Requests for clarification of order requirements shall be made to the buyer. Supplier shall promptly report non-conformances to Company for review and disposition.

37.6 The product shall be adequately packed to insure that no damages or losses occur during transportation. The Supplier is fully responsible for damages occurring in transit. Enquiries, which may affect the cost aspects of an Order, must be directed to the buyer whose name appears on the Purchase Order.

37.7 The Supplier shall store the quality records concerning the products/ services provided to the Company for 5 years as a minimum, unless another retaining period results from an agreement, purchase order, specifications or other documents.

37.8 The Company personnel and their customer's Quality Representative shall have free access to the supplier site at all reasonable times to conduct quality audits or surveys. The refusal of such right of entry by a Supplier might result in their disqualification.

37.9 Audits carried out by MB Aerospace Technologies (Poland)' personnel at supplier's premises shall not be used as an evidence of an effective quality inspection.