

Northeastern Precision Products Corp.

Standard Terms and Conditions

of Purchase for

Goods & Services

ACCEPTANCE

- A. Any terms and conditions proposed in Supplier's acceptance or in any acknowledgement, invoice, or other form of Supplier that add to, vary from, or conflict with the terms herein are hereby rejected.
- B. If this Order is issued by Buyer in response to an offer by Supplier and if any of the terms herein are additional to or different from any terms of such offer, then the issuance of this Order by Buyer shall constitute an acceptance of such offer subject to the express condition that Supplier assent to all such additional and different terms herein and acknowledge that this Order constitutes the entire agreement between Buyer and Supplier
- C. If for any reason Supplier fails to accept this Order in writing, the shipment by Supplier of any Goods (or lots thereof) ordered hereby, the furnishing or commencement of any Services called for hereunder (including preparation for manufacture), the acceptance of any payment by Supplier hereunder, or any other conduct by Supplier that recognizes the existence of a contract pertaining to the subject matter hereof, may, at Buyer's election, be treated as an unqualified acceptance by Supplier of this Order and all terms and conditions hereof.

DEFINITIONS

As used throughout this Order, the following definitions apply unless otherwise specifically stated:

- A. "Buyer" means Northeastern Precision Products Corp. (NEPP)
- B. "Purchase Order", means this agreement, including change notices, supplements, amendments, or modifications thereto.
- C. "Supplier" or "Contractor" means the legal entity providing Good and Services or otherwise performing work pursuant to this Order.
- D. "Goods" means goods, supplies, or items that include, but are not limited to, those part numbers, model numbers, and/or descriptions set forth on the face of this Order.
- E. "Services" means any effort supplied by Supplier incidental to the sale of Goods by Supplier under this Order including, without limitation, installation, repair and maintenance Services.

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. Specifications:

Supplier shall comply with all specifications stated in this Order and contained in Supplier's product literature or proposal to the extent consistent with this Order.

Overshipments are not accepted.

2. Delivery:

- A. Time is of the essence in Supplier's performance of an Order, and Supplier shall Deliver Goods and perform Services by the Delivery Date. A failure by Buyer to enforce a right with respect to Supplier's failure to complete a delivery obligation on time shall not waive Buyer's right to require strict compliance with delivery obligations, or any other obligation to timely perform, in the future.
- B. Supplier shall not, without first obtaining Buyer's written consent, deliver any Goods or Services to Buyer before the Delivery Date. If Supplier tenders Goods for delivery to Buyer earlier than the Delivery Date, Buyer may, in its absolute discretion, either (i) refuse delivery and require re-delivery at Supplier's expense on the Delivery Date; or (ii) retain such Goods and make payment in accordance with the original payment schedule in this Order regardless of the actual date of delivery.
- C. Supplier acknowledges that Buyer's complex manufacturing environment requires flexibility in delivery scheduling. Buyer may reschedule Delivery Dates as it, in its sole discretion, deems appropriate, without liability to Supplier. Notwithstanding the Changes clause, prices shall not be adjusted for any deviation between delivery information originally provided with an Order.

3. QUALITY SYSTEM REQUIREMENTS:

- A. Reference of "ASQR-01" on this purchase order hereby incorporates the following statement:

"The material on this order is intended for end use for Hamilton Sundstrand Inc. ASQR-01 applies to this order as applicable".

B. AS9100:

Reference of “AS9100” on this purchase order hereby incorporates the following statement:

AS9100 latest revision applies to this order as applicable for all Aerospace related product.

1. The following items will be included in the body of the purchase order, where appropriate:
 - Requirements for qualification of personnel.
 - Requirements, where applicable, for test, examination, inspection and related instructions for acceptance. And, as applicable, identified critical items including key characteristics
 - Requirements for test specimens (e.g., production method, number, storage conditions) for inspection, investigation, or auditing.
 - Record retention requirements are 5 years for off the shelf hardware and 10 years all other parts.

2. The supplier is required to adhere to the following items:
 - Northeastern, Northeastern’s Customer and regulatory authorities shall have right of access to Supplier facility involved in this specific order, including all applicable records for review at a time mutually convenient to both parties”.
 - Notifying Northeastern of changes in product and/or process definition, changes of manufacturing facility location, changes in management personnel, and where required, to obtain Northeastern’s approval.
 - Flow down to the supply chain the applicable requirements including customer requirements.
 - Compliance to Clause 8.4.3 A through M

C. Tooling:

All tooling furnished or specifically paid for by NEPP shall remain the property of NEPP and subject to re-call at NEPP discretion without additional cost. All tooling shall be used specifically for NEPP and no one else without written permission by NEPP authorized representative.

D. Drawings & Specifications (D & S)

NEPP shall at all times have title to all D & S used on this order.

E. Inspection, Acceptance & Rejection:

- A. Supplier shall provide and maintain, without additional charge to Buyer, an inspection system that complies with all specifications stated in this Order.
- B. Supplier shall tender to Buyer for acceptance only Goods that have been inspected in accordance with the appropriate inspection system and have been found by Supplier to be in conformity with all requirements of this Order.
- C. Nonconforming Goods:
 - (i) Supplier is required to notify buyer of nonconforming product prior to ship and await disposition.
 - (ii) Buyer shall have the right to inspect & reject all Goods found non-complaint. All such rejected goods shall be returned to Supplier at Supplier's risk and expense, transportation collect
 - (iii) Nonconforming Goods may be repaired by Buyer or a third party selected by Buyer, at Supplier's expense, at Buyer's election.

9. Warranty:

- (a) Goods: Supplier warrants to Buyer, its successors, assigns, customers, and Users of Goods sold by Buyer that all Goods provided hereunder or serviced per the workscope provided hereunder shall be: (i) merchantable, (ii) new (unless specifically agreed to in writing), (iii) free from defects in material and workmanship, (iv) with regard to Goods designed by Supplier, free from defects in design, (v) suitable for the particular purposes intended whether expressed or reasonably implied, (vi) in compliance with all applicable specification, drawings, and performance requirements, and (vii) free from security interests, liens or encumbrances and of good title.

10. Remedies for Breach of Warranty or Delivery:

Supplier agrees to correct defects in or replace any Goods or Services not conforming to Supplier's warranties promptly and without expense to Buyer, when notified of such nonconformity by Buyer, provided Buyer elects to provide Supplier with the opportunity to do so.

Supplier covenants and agrees to indemnify, protect, and hold harmless Buyer, its officers, directors, employees and agents ("Indemnified Person") from any and every liability, claim of liability, allegation, judgment, cost, expense, reasonable attorney fees, cause of action, loss, or damage whatsoever, including, without

limitation, death or injury to any person or damage to any property, resulting from or arising out of Supplier's performance under this Order.

11. Shipping Instructions:

1. Shipments Originating and Terminating in the United States – Unless otherwise specified by Buyer, all shipments which originate and terminate in the United States shall be FOB origin (as defined by the Uniform Commercial Code).
2. Manner of Shipment – All shipments shall be shipped collect in accordance with Buyer's routing instructions, including use of Buyer's preferred carriers. Buyer's routing instructions shall be separately provided to Supplier by Buyer or Buyer shall advise Supplier of the web site in which to obtain the routing instructions.
 - a. Unless otherwise specified, standard commercial preservation, packing and packaging is acceptable. Do not make any charges for packaging or boxing since Buyer will not allow such charges unless agreed to in writing.
 - b. Exterior containers must be marked with the following: (i) address, including receiving well number, (ii) purchase order number, (iii) part number, (iv) prime contract number, if any, and (v) any other special markings called for by this Order.
 - c. Include with each shipment of Goods a packing slip containing (i) the purchase order number, (ii) description, (iii) the item part number, (iv) the quantity of items.
 - d. The bill of lading must reference purchase order number and correct "ship to" address.

12. Invoicing:

Payment terms will be (i) as mutually agreed between Buyer and Supplier; or (ii) if no agreement between Buyer and Supplier, Net 45 days. In the case of Goods, the payment term period will commence upon receipt of conforming Goods.

13. Changes:

1. Buyer may, at any time and without notice to third parties, including sureties (if any), unilaterally make changes within the general scope of this Order, including, but not limited to, changes in whole or part and to any one or more of the following: (i) shipping or packing instructions, (ii) place of delivery, (iii) any drawings, designs, or specifications, (iv) the statement of work, (v) the method or manner of performance of the work, and (vi) Buyer-furnished property, facilities,

equipment, materials, or Services. Supplier shall perform any changes ordered by Buyer.

2. If any change under this clause causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment shall be made in price or delivery schedule or both, and the Order shall be modified in writing accordingly at the sole discretion of the Buyer.
3. Notwithstanding any pending claims for adjustment submitted by Supplier, Supplier shall diligently proceed with the performance of this Order, as directed by the Buyer, and nothing herein shall be construed as relieving Supplier of its obligations to perform, including without limitation the failure of the parties to agree upon Supplier's entitlement to, or the amount or nature of, any such adjustment.

14. Compliance with Laws:

- (a) Supplier shall comply with all applicable national, state, provincial, and local laws, ordinances, rules, and regulations, including those relating to pollution control, waste disposal, hazardous substances, and protection of terms and conditions of this Order.

15. Insurance:

- (a) In the event Supplier will be performing services on Buyer's premises, Supplier agrees to secure and carry as a minimum the following insurance covering all work to be performed under this Order.
 - (i) Workers' Compensation and Employer's Liability Insurance in an amount sufficient by virtue of the laws of the country, state, or other governmental subdivision in which the work or any portion of the work is performed;
 - (ii) General Liability Insurance in which the limit of liability for injuries, including accidental death, shall be \$1,000,000.00 for any one occurrence.
 - (iii) General Liability Insurance in which the limit of liability for property damage shall be \$1,000,000.00 for any one occurrence.
- (b) Certified copies of said policies or certificates evidencing such insurance and naming Buyer as an additional insured shall be provided to Buyer upon request within 30 days after the date of this Order and within a reasonable time after any renewals or changes to such policies are issued.

16. Delays:

Supplier shall be liable for its failure or delay in making deliveries except when such failure or delay is due to a cause beyond the control and without the fault or negligence of Supplier, provided that Supplier gives to Buyer prompt notice in writing when it appears that such cause will result in failure or delay in making deliveries under this Order. In the event of any such failure or delay, Buyer shall have the right, at its options and without being under any liability to Supplier, to cancel this Order (in whole or part) by notice in writing to Supplier. Corresponding, Buyer shall be excused for failure or delay in performance herein due to any cause beyond its control, including any cause of its customers.

17. Termination and Default:

- (a) Buyer may by written notice terminate the entire Order, or any part thereof, for default in the following circumstances:
- (i) Supplier fails to deliver the Goods or perform the Services required by this Order within the time specified herein, or any extension thereof granted by Buyer in writing; or
 - (ii) Supplier fails to perform any of the other provisions of this Order or fails to make progress so as to endanger performance of this contract in accordance with its terms and Supplier does not cure or submit to Buyer a plan to cure such failure to Buyer's reasonable satisfaction within a period of ten (10) days after receipt of notice from Buyer specifying such failure, or
 - (iii) Supplier consents to the appointment of a receiver, trustee, liquidator, assignee, custodian, sequestrator or similar official of suppliers or of all or a substantial part of its property, or Supplier admits in writing its inability to pay its debts generally as they come due, or making a general assignment for the benefit of creditors; or
 - (iv) Supplier files a voluntary petition in bankruptcy or a voluntary petition or an answer seeking organization in any bankruptcy or insolvency case or an answer admitting the material allegations of a petition filed against Supplier in any such case, or an order for relief is entered

- against Supplier in any such case, or Supplier seeks relief by voluntary petition, answer or consent, under the provisions of any other now existing or future bankruptcy or other similar law providing for the reorganization or winding-up of the corporation, or providing for an agreement, composition, extension or adjustment with its creditors; or
- (v) An order, judgment or decree is entered in any proceedings by any court appointing, without the consent of Supplier, a receiver, trustee, liquidator, assignee, sequestrator or similar official of Supplier or of all or any substantial part of its property, or sequestering all or any substantial part of the property of Supplier, and any such order, judgment or decree of appointment or sequestration remains in force undismitted, unstayed or unvacated for a period of ten (10) days after the date of entry thereof, or
 - (vi) A petition against Supplier in any bankruptcy or insolvency case in effect is filed and is not withdrawn or dismissed within ten (10) days thereafter.

18. Termination for Convenience:

The performance of work under this Order may be terminated, in whole or in part, by Buyer for its convenience in accordance with this clause.

Termination of work shall be effected by delivery to Supplier of a notice of termination specifying the extent to which performance of work under the Order is terminated, and the date upon which such termination becomes effective.

19. Stop-Work Order:

Buyer may by written order to Supplier, require Supplier to stop all, or any part, of the work called for by this Purchase Order for a period of 90 days after the stop-work order is delivered to Supplier, and for any further period to which the parties may agree. Upon receipt of the stop-work order, Supplier shall immediately comply with its terms and take all reasonable steps to minimize the need to incur of costs allocable to the work covered by the Order during the period of work stoppage.

20. Duty to Proceed:

Supplier shall proceed diligently with the performance of this order. Except as expressly authorized in writing by Buyer, no failure of Supplier and Buyer to reach any agreement provided for by the terms of this Order shall excuse the Supplier from proceeding.

21. No Waiver:

Buyer's failure to seek a remedy for any breach by Supplier or Buyer's failure to insist on performance of any of the terms or conditions herein or to exercise any right or

privilege hereunder shall not thereafter be deemed a waiver for any such terms, conditions, or privileges or any other terms, conditions, or privileges whether of the same or similar type.

22. Attorney Fees:

If Buyer brings an action or asserts a counterclaim for enforcement of the terms and conditions of this Order, Supplier agrees that Buyer shall be entitled to an award of its reasonable attorney's fees and court costs associated with such enforcement or counterclaim proceedings.

23. Applicable Law and Forum:

- (a) Unless otherwise expressly agreed to in writing this Order shall be interpreted in accordance with the plain English meaning of its terms and the construction thereof shall be governed by the laws of the State of Pennsylvania, USA, without regard to conflicts of law principles.