

TERMS AND CONDITIONS OF SALE

1. OFFERS; AVAILABILITY; ORDERS

(a) **Offers.** These Terms and Conditions govern all Offers. Seller's acceptance of any Order for any Goods, Software or Services included in an Offer is expressly conditioned upon Buyer's unconditional acceptance of these Terms and Conditions and the other terms and conditions stated in the Offer, to the exclusion of all other terms and conditions, including but not limited to any standard purchase terms or conditions of Buyer or other terms or conditions stated on the Order. Except as provided under paragraph (b) of this Article or otherwise stated in an Offer, Offers are valid for a period of sixty (60) days from the date of the Offer.

(b) **Subject to Availability.** Seller is under no obligation to maintain the availability of any Goods, Services, or Software, or to offer a "last-time buy" for any Goods, Services, or Software. Seller may discontinue the supply of any Goods, Services, or Software at any time and without notice, whether or not the Goods, Services, or Software are included in Seller's price catalog, listed on Seller's website, or otherwise advertised. Seller may revoke any Offer upon notice to Buyer at any time prior to Buyer's acceptance of the Offer in accordance with paragraph (a) of this Article.

(c) **Orders.** All Orders are subject to written acceptance by Seller. Unless otherwise stated in a written agreement signed by authorized representatives of Seller and Buyer covering the specific Deliverables included in an Order, Orders accepted by Seller will be governed solely by these Terms and Conditions, to the exclusion of all other terms and conditions, including but not limited to any standard purchase terms or conditions of Buyer or other terms or conditions stated on the Order. Seller's failure to object to any provision contained in an Order or any related communication from Buyer differing from these Terms and Conditions does not waive the application of these Terms and Conditions to the Order. Buyer's issuance of an Order, payment for any Deliverables, use of any Deliverables, or acceptance of any Deliverables as described in Article 9, whichever occurs first, will conclusively evidence Buyer's unconditional acceptance of these Terms and Conditions.

2. DEFINITIONS

Certain capitalized terms used in these Terms and Conditions are defined as follows:

- "Approved Sources" means sources of supply which Seller has approved under its Quality Assurance System, described in Article 25.
- "Buyer" means the legal entity to which Seller provides an Offer for Goods, Services or Software, and/or which issues an Order for Goods, Services or Software.
- "Deliverables" means the Goods, Services and Software included in an Order.
- "Goods" means hardware products (including, but not limited to, line replaceable units, components, and kits) offered by Seller.
- "Offer" means any quote, proposal, price catalog or other offer provided by Seller in any medium to sell Goods, Services or Software licenses to Buyer.
- "Order" means any purchase order or similar instrument issued by Buyer to procure Goods, Services or Software licenses from Seller.
- "Party" means each Buyer and Seller individually; "Parties" means Buyer and Seller collectively.
- "Seller" means Teledyne Controls, LLC.
- "Services" means services offered by Seller.
- "Software" means all electronic or computer programs, in any medium, offered by Seller, including but not limited to: programs developed in performance of this Agreement, Seller's existing programs, and programs loaded onto or embedded into Goods. The term "Software" also includes any associated documentation addressing the design, function, installation, use, or maintenance of these programs, including but not limited to a user guide.
- "Taxes" means all taxes, duties, tariffs, fees, and other governmental charges, including, but not limited to, sales, use, excise, value-added or other similar taxes.
- "Terms and Conditions" means these Terms and Conditions of Sale.

3. PRICES; TAXES

(a) **Offer Prices.** Prices quoted are based on Seller's knowledge of Buyer's requirements at the time the Offer is made. Prices are firm for the lesser of sixty (60) days from the date of Offer, or through the end of the current calendar year.

(b) **Price Adjustment.** Unless otherwise expressly stated in the applicable Offer, prices are valid only for Deliverables delivered during the calendar year in which an Order is issued to Seller. The prices for any Deliverables to be delivered in a calendar year after the year in which an Order is issued are, at Seller's sole discretion, subject to annual escalation as reasonably determined by Seller. These price changes will be effective January 1st of each such future calendar year unless otherwise determined by Seller.

(c) **Taxes.** All prices are exclusive of any Taxes. The amount of any present or future Tax applicable to or resulting from an Order will be added to or invoiced separately from the invoice for the corresponding Goods, Services, or Software. If Buyer provides Seller with a tax exemption certificate acceptable to the applicable taxing authority, Buyer will

not be invoiced for those taxes covered by the exemption.

4. PAYMENT TERMS; CREDIT

(a) **Payment.** Advance payment will be required for all Deliverables until Buyer's credit is reviewed and approved by Seller. If Buyer's credit is approved by Seller, Buyer will be notified by Seller and payment terms thereafter will be net thirty (30) days after date of invoice, subject to paragraph (e) of this Article. No prompt payment discounts apply to any Order. Unless otherwise agreed in a writing signed by Seller and Buyer, Seller will invoice Buyer for each shipment under an Order, including any installment or partial shipment, and Buyer must pay accordingly.

(b) **Non-recurring Engineering Services.** Unless otherwise stated in the applicable Offer, all non-recurring engineering services included in any Order require an advance payment equal to twenty-five percent (25%) of the total price for the services prior to commencement of work. This amount will be invoiced following Seller's acceptance of the Order, and payment is due upon receipt of invoice.

(c) **Timing of Payment for Delayed Shipments.** If Seller agrees to Buyer's request to delay shipment of Goods or Software, as provided in Article 12(a), payment will become due on the date when Seller is prepared to make shipment. If Seller agrees to Buyer's request to delay performance of Services, as provided in Article 12(a), Buyer will immediately make payment for the work performed through the date the delay begins based on the purchase price and the percentage of completion. Goods held for Buyer will be at Buyer's sole risk and expense, and in the title of Buyer.

(d) **Method of Payment; Late Payment.** Wire transfer in United States Dollars (USD) may be used to make payment. Late payment charges of the lesser of one and one half percent (1.5%) per month or the maximum allowable by law will be charged on balances more than thirty (30) days past due. If any balance becomes more than ninety (90) days past due, Seller may, at its sole discretion, apply any credit Buyer has with Seller against that balance without prior notice to Buyer. If Seller does so, Seller will subsequently inform Buyer.

(e) **Credit Evaluation.** Credit terms, shipments, deliveries, and performance of work shall at all times be subject to the approval of Seller's credit department. Seller may at any time decline to make any shipment or delivery or perform any work except upon receipt of payment or upon receipt of payment or satisfactory credit terms and security. Seller, at its sole discretion, may revoke its extension of credit to Buyer immediately upon notice in the event of Buyer's late payment, Buyer becoming insolvent or entering into bankruptcy or, in Seller's sole judgment, if Buyer's financial situation poses any risk of non-payment. Further in the event of Buyer's bankruptcy or insolvency, Seller may terminate any Order then outstanding and Buyer will pay Seller cancellation charges and other costs due in accordance with Article 17.

5. SPECIAL OFFERS; INCENTIVES

(a) **Eligibility; Award.** Buyer's eligibility for any purchase credits, cash rebates or other special offers or incentives offered by Seller is strictly conditioned upon Buyer's acceptance of and adherence to the terms and conditions of the Offer. Unless otherwise stated in the Offer, purchase credits and cash rebates will be awarded within ninety (90) days after payment in full has been made for the Goods, Services or Software upon which the purchase credits or cash rebates are based and all terms and conditions established in the Offer for the award of the purchase credits or cash rebates have been met.

(b) **Use of Purchase Credits.** Unless otherwise stated in the Offer, purchase credits may not be converted to cash and must be used within two (2) years of award by Seller or be forfeited by Buyer without compensation. Purchase credits may only be applied toward the purchase of Seller's Goods and Software, and may not be applied toward the purchase of Services. Buyer must notify Seller in its Order of any credits Buyer wishes to apply to that Order. Buyer's failure to so notify Seller precludes Buyer's exercise of credits for that Order. The total amount of credits that can be applied toward an Order cannot exceed twenty-five (25%) of the total Order price. Any credits applied to an Order will be evenly apportioned over all deliverables in the Order to which the credit applies.

(c) **Package and Quantity Discounts.** If a package or quantity discount is applied to an Order, Buyer must take delivery of the full package or quantity, as applicable, of Deliverables included in that Order. If the Order is partially cancelled or otherwise changed to reduce the quantity or remove any Deliverables from a package, the discount no longer applies and Buyer will pay to Seller the difference between the base price and the discounted price for any Deliverables already delivered. This payment is to be made immediately upon receipt of Seller's invoice for that amount. This remedy is cumulative with all other remedies available to Seller under this Order and at law, including Seller's right to cancellation fees under Article 17.

6. SHIPPING TERMS; RISK OF LOSS; PACKING, PACKAGING, TESTING AND INSPECTION

(a) **Shipping Terms; Risk of Loss.** Shipping terms are Ex Works-Seller's location, as set forth in INCOTERMS 2010. Risk of loss for Goods and Software will transfer to Buyer when the Goods and Software are made available for Buyer's collection.

(b) **Packing, Packaging, Testing and Inspection.** Quoted prices include commercial packing, packaging, testing and inspection in accordance with Seller's standard practices. Any additional or different requirements that Buyer may have, including without limitation Buyer's source inspection, will be implemented at Seller's discretion, will be at Buyer's expense, and will not interfere with Seller's operations.

7. DELIVERY DATES; AVAILABILITY OF PARTS; BUYER DELAYS

(a) **Delivery Schedule.** Delivery dates are approximate and are based upon prompt receipt from Buyer of all necessary information and material, if applicable. If conditions arise which prevent compliance with delivery schedules, Seller will notify Buyer. Seller is not liable for any damages (liquidated or otherwise), re-procurement costs, or lost profits resulting from or related to delivery delays. Delivery of all Goods and Software must be taken within two (2) calendar years from the date Seller accepts the Order, unless otherwise agreed to in writing by a duly authorized representative of Seller.

(b) **Parts Availability.** Seller's obligation to deliver Goods is, in part, conditioned upon its ability to obtain the supplies necessary to produce the Goods from Approved Sources. If Seller cannot obtain all supplies required to produce the Goods, or obtain these supplies in sufficient time to meet the scheduled delivery date, Seller may, at its sole option and without any liability to Buyer, either reschedule the delivery, terminate the entire Order, or terminate just that portion of the Order applicable to the Goods which Seller can no longer timely supply. Seller may also offer substitute Goods in place of any Goods which it can no longer timely supply. Without liability to Buyer and in satisfactory performance of this Order, Seller reserves the right to supply Goods which include parts purchased from an Original Equipment Manufacturer (OEM) or its franchised distributor, or which have passed Seller's counterfeit parts screening under its Quality Assurance System, described in Article 25.

(c) **Buyer Delays.** Seller will notify Buyer of any actions or omissions of Buyer which may result in the delayed performance of an Order. Seller is entitled to the reimbursement of any costs resulting from these delays, and will notify Buyer of the costs for which Seller requires reimbursement. Buyer will pay Seller's invoice for these costs upon receipt. Regardless of whether Seller seeks reimbursement for costs attributed to Buyer's delays, Seller reserves the right to freely reschedule performance of any Order affected by delays attributed to Buyer, as solely determined by Seller.

(d) **No Unilateral Suspension or Rescheduling of an Order.** Buyer may not suspend performance of an Order, nor reschedule any delivery, except as specifically agreed to in writing by Seller.

8. FORCE MAJEURE

Without limiting the generality of the limitation of Seller's liability for late delivery set forth in Articles 7(a) and 23, Seller is not liable for delays in the performance of any Order arising out of causes beyond the control and without the fault or negligence of Seller (a "force majeure event"). Such causes include, but are not restricted to, acts of God, acts of Buyer, acts of any government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, war, terrorism, unusually severe weather, any delays of vendors or suppliers, and the unavailability of the supplies needed to produce Goods from Approved Sources. In the event of any such delay, Seller will defer delivery for a period equal to the time lost because of the delay. If Seller is unable to complete delivery of an Order due to a force majeure event, Seller has the right to cancel or suspend the Order in whole or in part by giving written notice to Buyer. In the event Seller's production is curtailed for any force majeure event so that Seller cannot satisfy the full Order, Seller may allocate production deliveries among its various customers then under contract for similar Goods. The allocation will be made in a commercially fair and reasonable manner. When allocation has been made, Buyer will be notified of the estimated allotment available.

9. BUYER'S INSPECTION, ACCEPTANCE AND REJECTION OF DELIVERABLES

Buyer will promptly inspect all Deliverables when delivered and will immediately notify Seller of any nonconformance discovered. Seller will have a reasonable opportunity to inspect any nonconformances identified by Buyer. All Deliverables will be deemed accepted by Buyer unless Seller receives written notice of rejection from Buyer explaining the basis for rejection within ten (10) calendar days after delivery. Any payment on an invoice for the Deliverables shall be construed as an acceptance of the Deliverables referenced in that invoice. Any rejected Goods or Software must be returned to Seller in accordance with Seller's written instructions. Goods and Software may only be rejected if not in conformance with the ordered part number or quantity or if out of specification. If Seller determines that there is a nonconformance, Seller will correct or replace the Goods or Software, or re-perform the Services, at Seller's sole option. If Seller reasonably determines that a rejection was improper, Buyer will be responsible for all costs incurred by Seller attributed to the improper rejection, and Buyer will pay these costs immediately upon receipt of Seller's invoice for them. If Seller agrees to source inspection by Buyer, Buyer must accept or reject the Goods and Software before shipment. Buyer's remedies under this Article 9 are exclusive and lieu of all other remedies available under these Terms and Conditions or at law related to rejected Deliverables.

10. EXPORT DOCUMENTATION, DUTIES, TAXES AND FEES

Buyer is responsible for obtaining any export licenses and other authorizations required for export of Deliverables, and for completing all related documentation. Buyer is also responsible for all customs duties, taxes, fees and related charges. Seller will provide reasonable assistance toward the completion of any documentation required for the export of the Deliverables.

11. TOOLING

Unless otherwise provided by separate written agreement signed by Seller and Buyer, all tooling, fixtures, equipment, software, and designs produced, acquired, or used by Seller in the performance of an Order remain the property of the Seller.

12. CHANGES

(a) **Changes Requested by Buyer.** Buyer may request changes to the Goods, Services, Software, or delivery requirements of an Order at any time during the performance of the Order. Only change requests made in writing will be considered by Seller. Seller, at its sole discretion, will decide whether the requested change is acceptable. If Seller decides the change is acceptable, Buyer and Seller shall agree on an equitable adjustment in price and schedule prior to implementing the change, and the Order will be modified accordingly. Until a change requested by Buyer is mutually agreed and incorporated into the Order, Seller will not be obligated to continue performance of or incur cost under the Order.

(b) **Seller's Right to Modify.** Seller may make changes to the design of its Goods and Software without prior notice and substitute the changed Goods and Software in satisfaction of its performance of an Order, provided that the changed Goods and Software meet the performance specifications of the original Goods and Software. Further, should Seller be required to modify its Goods or Software as a result of or in response to new or changed laws, regulations, rules or other directives of the Federal Aviation Authority, its equivalents in other nations and jurisdictions, or any other governmental body of the United States or other nation or jurisdiction, then Seller shall be relieved of its obligation to deliver the original Goods and Software, without liability to Buyer. If Seller does modify the Goods or Software in response to these new or changed laws, regulations, rules or other directives, then Seller shall be entitled to an equitable increase to the price and extension of the delivery schedule for the modified Goods and Software should Buyer desire their delivery. This equitable adjustment shall be agreed by the Parties prior to delivery.

13. SOFTWARE

(a) **License.** All Software is provided under license only, and not as a sale or other transfer of ownership. All rights and interest in, and title to, Software remain with Seller; no rights or interest in, or title to, Software is granted under any Order. Further, prior to use of any Software, Buyer must execute Seller's standard license agreement for the Software, whether in paper or electronic form, and Buyer has no right or license of any kind to use the Software until Buyer executes that agreement. If Seller's license agreement for the Software is in paper form, then Seller shall have no obligation to deliver the Software until after that license agreement is executed by Buyer. Software may not be used in, with or in support of any aircraft data acquisition or recording products unless they were designed and manufactured by Seller. In the event of any conflict between the Order and Seller's license agreement for the Software, the license agreement takes precedence.

(b) **Support.** Seller has no obligation to provide technical support, maintenance or other services in support of any Software unless these services are either specifically included in an Order or in Seller's standard maintenance agreement for the Software.

14. FLIGHT OPERATIONS QUALITY ASSURANCE SERVICES

In addition to the other requirements set forth in these Terms and Conditions, Buyer shall execute Seller's standard agreements for any flight operation quality assurance (FOQA) or flight data analysis (FDA or FDA+™) Services included in an Order. These Services may include, without limitation, data acquisition, data transfer, and data delivery services, and other data analysis services. Buyer agrees that Seller's performance of these Services is contingent upon Buyer's execution of Seller's standard agreement.

15. WARRANTY AND DISCLAIMER

(a) **Standard Warranty.** Seller warrants that at the time of shipment, Goods which are designed and manufactured by Seller will conform to Seller's applicable drawings and specifications. Seller further warrants that the Goods will be free from defects in material and workmanship for a limited period of time from the date of shipment, as follows. For new Goods this period is ninety (90) days for components, kits, and accessories; one (1) year for Runway Visual Range (RVR) products, Electronic Flight Bag (EFB) products, NSU, PDL-615/MSD Upgrade, PMAT 2000@ Upgrade, Angle of Attack, transducers, panels, and test equipment; two (2) years for AMC, DTS, PDL-615/MSD, and PMAT 2000@; four (4) years for PMAT/NT, PMAT/LCD, PMAT/LD, and cable p/n 85003-001; and three (3) years for all other line replaceable units. For used or refurbished Goods, this period is one (1) year unless otherwise stated in the applicable Offer. These warranties are void for any Goods which are damaged from misuse; accident; neglect;

fire; inundation; improper installation or maintenance; repair, application or alteration other than by Seller; or similar condition or circumstance not the fault of Seller, and Seller shall otherwise have no further obligation to correct any defects in those Goods. Seller makes no warranty for any parts or other supplies provided to Seller by Buyer, whether or not they are incorporated into Goods. PRODUCTS SUPPLIED BY SELLER WHICH ARE DESIGNED OR MANUFACTURED BY A THIRD PARTY, INCLUDING BUT NOT LIMITED TO MAGNASTAR® PRODUCTS, ARE SUBJECT STRICTLY TO THE THIRD PARTY'S EXPRESS WARRANTY FOR THOSE PRODUCTS. SELLER MAKES NO WARRANTY AND DISCLAIMS ALL STATUTORY OR IMPLIED WARRANTIES FOR THESE PRODUCTS, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FREEDOM FROM PATENT INFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE. All Software and Services, including software support and maintenance services, are provided on an "as is" basis and without warranty.

(b) **Disclaimer of All Other Warranties.** THE WARRANTIES SET FORTH IN ARTICLE 15(A) ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, STATUTORY, OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, DESIGN, TITLE, FREEDOM FROM PATENT INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE, FITNESS FOR OR CONFORMANCE TO ANY MILITARY OR OTHER GOVERNMENT PURPOSES, SPECIFICATIONS, REGULATIONS OR PROCUREMENT STANDARDS, AND ANY OTHER WARRANTY IMPLIED BY USAGE IN TRADE OR IN COURSE OF PERFORMANCE OR DEALING.

(c) **Warranty Claims and Remedies.** Buyer must promptly notify Seller in writing during the applicable warranty period for a Good of any defect covered by Seller's warranties under Article 15(a), and no later than fifteen (15) calendar days after discovery of the defect. Seller has no obligation to honor any warranty claim made after the expiration of the warranty period. However, despite the expiration of the warranty period, Seller, at its reasonable discretion, may accept warranty claims submitted up to fifteen (15) days after the expiration of the warranty period provided that Buyer provides Seller with credible and persuasive documentary evidence that the defect was discovered during the warranty period. No warranty claims submitted after this 15-day period will be considered by Seller. Buyer's notice of a defective Good must identify the specific Good affected and the nature of the defect, and return the defective Good, suitably packed and fully insured, transportation and insurance prepaid, in accordance with instructions issued by Seller. Seller, at its sole discretion, will repair or replace any Good authorized for return to Seller which is confirmed to be defective after inspection and testing by Seller, and return such repaired or replaced Good to Buyer. Buyer must promptly provide Seller with all information requested regarding the identified defect. If the defect claimed by Buyer cannot be reproduced or otherwise verified by Seller, the Good will be returned to Buyer unmodified at Buyer's expense, and Buyer shall in addition pay Seller's published "no fault found" or test, evaluation and recertification charges for Seller's effort. The remaining warranty period for Goods repaired or replaced by Seller is only the balance of the original warranty, unless otherwise agreed in writing by Seller. The remedies set forth in this Article 15(c) are the sole and exclusive remedies available to Buyer for any breach of warranty claim.

16. CERTIFICATION SERVICES; SOFTWARE CUSTOMIZATION SERVICES

(a) If an Order requires Seller to obtain airworthiness certification (either Type Certification or Supplemental Type Certification) of Goods or Software for installation on an aircraft for which certification has not previously been obtained, then Buyer shall provide Seller with all aircraft manuals required by Seller in CD/DVD form, and all other information deemed necessary by Seller to assist with the certification without charge to Seller. Buyer shall secure all necessary rights, perpetual, irrevocable, worldwide, and royalty-free, for Seller to use the manuals and other information as required to obtain the certification. The aircraft manuals and other information shall be provided contemporaneous with or prior to placement of the Order. Should Buyer not provide the aircraft manuals by the placement of the Order, delivery of the Goods or Software for which certification is required will be delayed by such time as Seller deems necessary to achieve certification, without liability to Seller.

(b) If an Order requires Seller to modify Software for Buyer, including but not limited to Aircraft Condition Monitoring System (ACMS) Software, then Buyer shall, without charge to Seller, provide Seller with all aircraft and software specifications, system requirements, interface control drawings, and other information deemed necessary by Seller to perform this work. Buyer shall secure all necessary rights, perpetual, irrevocable, worldwide, and royalty-free, for Seller to use this information as required to perform the work and complete delivery of the Software to Buyer, as well as for Buyer's use of the Software. This information shall be provided contemporaneous with or prior to placement of the Order, or if not known at the time of the Order, then without delay following Seller's request. Should Buyer not provide all of the required information by placement of the Order, then delivery of the Software will be delayed by such time as Seller deems necessary to complete the work, without liability to Seller.

17. CANCELLATION

Buyer may cancel an Order wholly or partially by written notice received by Seller prior to the scheduled delivery date. In addition to the cancellation charges specified in subparts (i) and (ii) of this Article, Buyer must reimburse Seller in full for all direct and indirect costs, settlements with suppliers, and administrative, accounting, and legal costs and

fees associated with such cancellation. Seller will notify Buyer of the amount owed, which amount shall be immediately due and payable to Seller. Cancellation charges applicable to the specific Goods, Services, or Software cancelled are as follows:

- (i) **Goods Without Non-Recurring Costs.** For cancelled Goods whose price does not contain any non-recurring or amortized costs, if notice of cancellation is received from Buyer at least ninety (90) days before the scheduled equipment delivery date, Buyer must pay to Seller a cancellation charge of twenty percent (20%) of the Order price, except Runway Visual Range ("RVR") Goods, for which the cancellation charge shall be thirty-five percent (35%) of the Order price. If written notice of cancellation is received less than ninety (90) days from the scheduled equipment delivery date, Buyer must pay Seller the full Order price.
- (ii) **Goods With Non-Recurring Costs; Services; Software.** For all Services, and for any Goods or Software whose price contains non-recurring or amortized costs, Buyer must pay Seller a cancellation charge comprised of twenty percent (20%) of the Order price of the cancelled Goods, Services or Software, except Runway Visual Range ("RVR") Goods, for which the cancellation charge shall be thirty-five percent (35%) of the Order price.

18. DEFAULT

Seller may terminate an Order if Buyer breaches a material provision of the Order, including any provision of these Terms and Conditions. If Buyer breaches a material provision of an Order, Seller will submit a written notice to Buyer advising of the breach. Buyer will have five (5) days from delivery of the notice to cure the breach. In addition to its other rights and remedies, if Buyer does not cure the breach within the five (5) day period, Seller may terminate the Order.

19. GOVERNING LAW; DISPUTES AND JURISDICTION

All Orders are governed by the laws of the State of California, United States of America, without regard for its conflict of laws provisions, and excluding the United Nations Convention on the International Sale of Goods (CISG) and the UNIDROIT Principles of International Commercial Contracts. All controversies, claims, or other disputes arising out of or relating to an Order, or the breach thereof, shall be finally settled by arbitration in Los Angeles, California, administered by the American Arbitration Association in accordance with its Commercial [or other] Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Arbitration awards and decisions are subject to the Limitation of Liability in Article 23.

20. EXPORT COMPLIANCE; END USER/END USE CERTIFICATION

(a) **Export Compliance.** Buyer must comply with all applicable laws, licensing requirements, and other regulations governing the resale, import, export, or re-export of Goods, Software, technical data and other information received from Seller, including the United States Foreign Corrupt Practices Act ((15 U.S.C. §§ 78dd1, et seq.)). Buyer must further comply with all restrictions imposed by the United States Government on the transfer and retransfer of Goods, Software, technical data, and other information, both in general and concerning specific end users. Without limiting the foregoing, Buyer will not transfer or retransfer Goods or Software to any end user for any end use related to the design, development, production, stockpiling, or use of chemical, biological, or nuclear weapons or missiles, without the prior approval of the United States Government, or otherwise transfer or retransfer the Goods and Software in violation of United States law. Buyer will indemnify Seller for all claims, liabilities, and losses (including but not limited to attorney's fees and other costs incurred in defending against such claims) which may arise as a result of Buyer's breach of its obligations under this Article or, more generally, as a result of its failure to comply with United States law. Buyer acknowledges that Seller is subject to United States law, and Buyer holds Seller harmless from all liability for any failure by Seller to perform attributable to United States law.

(b) **End User/End Use Certification.** If required by Seller, Buyer will certify the end user and end use for the Deliverables in the form required by Seller.

21. INTELLECTUAL PROPERTY RIGHTS; CONFIDENTIALITY

(a) **Intellectual Property Rights.** The copyright, patent, and any other intellectual property rights pertaining to Goods, Services, and Software, and to all related manufacturing processes, tooling, fixtures, equipment, designs, specifications, drawings, and other materials, shall at all times remain the absolute property of Seller. Buyer must not reverse engineer or reverse compile any Goods, Software or other materials received from Seller, nor permit a third party to do so.

(b) **Confidentiality.** Buyer must keep confidential and protect from unauthorized use and disclosure all confidential, proprietary and trade secret information, all tangible items and Software containing, conveying or embodying this information, and all information derived from this information (collectively, "Proprietary Information"), obtained, directly or indirectly, from Seller in connection with any Offer or Order. Buyer may use Proprietary Information only as absolutely required to evaluate, install, use, maintain and support the Deliverables. Buyer may disclose Proprietary Information and Materials of Buyer to its employees only as necessary for these purposes. In no event may Buyer disclose Proprietary Information to any third party. Buyer must also keep confidential and not disclose to any other person or entity these Terms and Conditions, or the terms of any

Offer or Order. Buyer is liable to Seller for any breach of Buyer's obligations under this Article 21.

22. INDEMNIFICATION

(a) **Indemnity Obligations.** Buyer agrees to defend, indemnify and hold harmless Seller, its officers, directors, and employees, from and against all claims, losses, liabilities and expenses (including without limitation attorney's fees) of any kind which may arise, in whole or in part, out of or relating to:

- (i) infringement of U.S. or foreign patents, designs, copyrights, or trademarks to the extent that:
 - (A) the infringing Goods or Software are manufactured in whole or in part to Buyer's designs;
 - (B) the infringement results from Buyer's use of the infringing Goods or Software for purposes other than those expressly communicated by Seller to Buyer in writing; or
 - (C) the infringement results from the use of Goods or Software in conjunction with other products not supplied by Seller;
- (ii) property damage, personal injury or death caused by Buyer's employees or agents on property owned or controlled by Seller;
- (iii) any Goods or other products manufactured in whole or in part to Buyer's designs, unless such claim arises solely due to Seller's manufacturing process, assembly operation, or gross negligence;
- (iv) Buyer's failure to comply with any government's laws, regulations, rules, orders or ordinances applicable to Buyer or to its performance under any Order; or
- (v) a breach by Buyer of any of its obligations under an Order.

(b) **Third Party Claims.** Where Deliverables are sold, resold, or otherwise transferred to a third party, Buyer shall defend, indemnify and hold harmless Seller, its officers, directors, and employees, from and against all claims, losses, liabilities and expenses of the third party related to those Deliverables.

23. LIMITATION OF LIABILITY

SELLER IS NOT LIABLE FOR DAMAGES CAUSED BY DELAY IN PERFORMANCE. SELLER IS NOT LIABLE FOR ANY LOSS OF BUYER'S DATA RESULTING FROM THE PROVISION OF SERVICES BY SELLER OR THE USE OF SELLER'S GOODS OR SOFTWARE BY BUYER, REGARDLESS OF WHETHER THE GOODS AND SOFTWARE WERE PROPERLY USED BY BUYER. SELLER'S TOTAL LIABILITY TO BUYER, INCLUDING BUT NOT LIMITED TO LIABILITY FOR INDEMNITY, DEFENSE AND HOLD HARMLESS OBLIGATIONS, SHALL NOT EXCEED THE PRICE PAID OR PAYABLE BY BUYER UNDER THE ORDER FOR THE PARTICULAR GOOD, SERVICE OR SOFTWARE GIVING RISE TO THE LIABILITY, AND BUYER AGREES TO HOLD SELLER HARMLESS FOR ANY AMOUNTS IN EXCESS THEREOF. NOTWITHSTANDING ANY OTHER PROVISIONS OF THESE TERMS AND CONDITIONS, OR ANY OTHER PROVISIONS OF ANY OFFER OR ORDER, UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, INDIRECT, MULTIPLE, ADMINISTRATIVE, EXEMPLARY OR PUNITIVE DAMAGES, OR ANY DAMAGE DEEMED TO BE OF AN INDIRECT OR CONSEQUENTIAL NATURE ARISING OUT OF OR RELATED TO ITS PERFORMANCE UNDER THIS CONTRACT, INCLUDING WITHOUT LIMITATION, LOSS OF USE, LOST REVENUES, LOSS OF ANTICIPATED PROFITS AND COST OF CAPITAL, EVEN IF SELLER IS ADVISED IN ADVANCE OF THE POSSIBILITY OF THESE DAMAGES OR IF SELLER FORESAW OR OUGHT TO HAVE FORESEEN CIRCUMSTANCES WHICH COULD RESULT IN THESE DAMAGES. THESE LIMITATIONS AND EXCLUSIONS WILL APPLY REGARDLESS OF THE FORM OF THE CLAIM OR CAUSE OF ACTION, WHETHER BASED UPON BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, OR BY OPERATION OF LAW, AND WHETHER GROUNDED IN TORT, CONTRACT, CIVIL LAW, OR OTHER THEORIES OF LIABILITY, INCLUDING STRICT LIABILITY. TO THE EXTENT THAT THIS ARTICLE CONFLICTS WITH ANY OTHER PROVISIONS OF THESE TERMS AND CONDITIONS, OR WITH ANY OTHER TERMS OF AN OFFER OR ORDER, THOSE PROVISIONS ARE AMENDED AS REQUIRED TO MAKE THEM CONSISTENT WITH THIS ARTICLE.

24. ACQUISITION BY U.S. GOVERNMENT

(a) **Rights in Data, Software and Other Intellectual Property.** Seller's intellectual property rights in any Goods, Services, Software, data, or other information and materials acquired by the U.S. Government through an Order, whether directly or indirectly, are furnished with limited and restricted rights as described in the laws and regulations applicable to acquisitions by the U.S. Governmental entity. Buyer warrants that it will not transfer, retransfer or otherwise use any Deliverables in the performance of any contract or subcontract with any government unless Seller's rights in the data, technology, software and other intellectual property in or related to the Deliverables are fully secured and will not be diminished or otherwise adversely affected in any way.

(b) **Commerciality of Goods, Services and Software; Use in the Performance of Government Contracts.** All Goods, Services, and Software are of a commercial nature, are appropriate for commercial use, and are only sold or licensed under commercial terms and conditions. No military or other government specifications, and no Federal

Acquisition Regulations or other government procurement standards, apply to any Goods, Services, or Software, or to any Order. Buyer understands and agrees that the application of any of those terms would result in a material alteration of the Order, which would be rejected by Seller. In the event Buyer transfers, retransfers or otherwise uses any Deliverables in the performance of any contract or subcontract with any government, Buyer warrants that it will provide the government advance written notice of Seller's warranty and disclaimer set forth in Articles 15(a) and 15(b).

25. QUALITY ASSURANCE

Seller's Quality Assurance System adheres to ISO 9001:2008 and AS9100 standards.

26. ETHICS AND VALUES

Seller is committed to uncompromising ethical standards, strict adherence to law and customer satisfaction. Seller encourages Buyer to communicate concerns and ask questions about Seller's ethics and values by calling the Teledyne Ethics/Help Line, "Take The Right Action," at 1-877-666-6968.

27. COMPLIANCE WITH LAW

Buyer shall comply with all federal, state and local laws, regulations, rules, orders and ordinances applicable to Buyer's performance under an Order.

28. ASSIGNMENT

Buyer may not assign any right, obligation, or interest arising from an Order without the prior written consent of Seller, not to be unreasonably withheld. Seller may at any time and without Buyer's consent assign any or all of its rights, obligations, or interests arising from an Order to any successor, by way of merger or consolidation or the acquisition of substantially all of the entire business and assets of the Seller relating to the subject matter of the Order.

29. SEVERABILITY

If any provision contained in these Terms and Conditions is determined to be illegal, invalid, or unenforceable by an arbitrator in accordance with Article 19, or by a court with jurisdiction over these Terms and Conditions, the unenforceable provision will be replaced by a provision which lawfully enforces the Parties' intention underlying the unenforceable provision, and the remaining provisions of these Terms and Conditions will remain in full force and effect.

30. WAIVER

No provision of these Terms and Conditions is waived by any act or knowledge on the part of either Party, except by a written instrument signed by an authorized representative of that Party. The waiver by either Party of any right or a Party's failure to enforce a provision of these Terms and Conditions is not a continuing waiver or a waiver of any other rights or of any material breach or failure of performance of the other Party.

31. SURVIVAL

The following Articles of these Terms and Conditions will survive the termination, expiration or completion of any Order: 1: Offers; Availability; Orders; 2: Definitions; 3: Prices; Taxes; 4: Payment Terms; Credit; 6: Shipping Terms; Risk of Loss; Packing, Packaging, Testing and Inspection; 7: Delivery Dates; Availability of Parts; Buyer Delays; 8: Force Majeure; 11: Tooling; 15: Warranty and Disclaimer; 17: Cancellation; 18: Default; 19: Governing Law; Disputes and Jurisdiction; 20: Export Compliance; End User/End Use Certification; 21: Intellectual Property Rights; Confidentiality; 22: Indemnification; 23: Limitation of Liability; 28: Assignment; 29: Severability; 30: Waiver; 31: Survival; 32: No Third Party Beneficiaries; and 33: Entire Agreement; Amendment.

32. NO THIRD PARTY BENEFICIARIES

Each Order accepted by Seller is an agreement exclusively between Buyer and Seller. No other persons or entities have any rights under any Order except as otherwise expressly stated in these Terms and Conditions. Seller is a subsidiary of Teledyne Technologies Incorporated. Teledyne Technologies Incorporated and its other subsidiaries, business units, and affiliates are not and shall not be deemed to be parties to this Agreement, have no obligations or duties arising from this Agreement, and are to be treated as unrelated third parties for all purposes.

33. ENTIRE AGREEMENT; AMENDMENT

An Order, including these Terms and Conditions, together with any terms and conditions included in Seller's written acceptance of the Order, and excluding any terms and conditions of purchase or other terms or conditions stated on the Order (collectively, "this Agreement") is the final, complete, and exclusive statement of the agreement between Seller and Buyer. Any previous agreements or understandings pertaining to an Order, whether oral, written or implied, are superseded by this Agreement. This Agreement shall prevail over any subsequent or contemporaneous terms and conditions contained in any Order or other document submitted by Buyer. This Agreement may be amended only by the mutual, written agreement of authorized officials of each Party.

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