

**Aero Climate Control Inc. (ACCI)**  
**STANDARD PURCHASE ORDER TERMS AND CONDITIONS**  
ACCI. TBD DOCUMENT NUMBER, REV IR, Dated 20191219

Doc. ACCI-PO-FAAPMATC-001

This document, together with the attachments appended hereto constitutes the Terms2019 and Conditions for the Contract between the parties. and acceptance is strictly limited to the terms and conditions contained herein. *Additional or differing terms, conditions or limitations of liability proposed by Seller, whether in a quote, acceptance or delivery document shall have no effect unless accepted in writing by Buyer. In particular, any limitation of liability or disclaimer of warranty is expressly rejected.* Agreement by Seller to furnish the goods or services to these terms and conditions, or Seller's commencement of such performance or acceptance of payment shall constitute acceptance by Seller of these Terms and Conditions.

1. Definitions (As used herein):

"Buyer" means Aero Climate Control Inc. (ACCI);

"Seller" means the party identified on the face of this purchase order; Except in the term "commercial item", and its plural "commercial items."

"Items" or "items" means all required articles, materials, supplies and services (singular "Item," or "item," plural "Items," or "items"); (PO) means Purchase Order;

"Buyer's Authorized Representative" means the person or persons authorized by Buyer to alter, modify or change the provisions of this PO.

2. Delivery:

(a) Delivery shall be made in strict accordance with the terms of this PO.

(b) In the event of termination or change, no claim will be allowed for any manufacture or procurement by Seller in advance of reasonable flow time unless Buyer's prior written consent has been obtained by Seller for such advance manufacture or procurement. Buyer shall have the right to return or store at Seller's expense any item delivered in advance of the scheduled delivery date specified for such Item unless Buyer has given such prior written consent for such advance delivery.

(c) If at any time it appears to Seller that any delivery schedule cannot be met, Seller shall notify Buyer as soon as possible as to the cause or causes thereof. action being taken to remove such cause or causes, and when on-schedule status will be achieved. Seller, at its expense. shall take reasonable action necessary, with or without request of Buyer, to meet such schedules as set forth herein or to recover to the maximum extent possible any delay caused by Seller in meeting such schedule. Notification given *and / or* action taken by Seller under this clause shall in no way limit Buyer's rights under other provisions of this PO, at law, or in equity.

3. Variation in Quantity:

Items shall not be supplied in excess of quantities specified herein, except for allowed shipping tolerances, if any. Seller shall be liable for handling

charges and return shipment costs for any excess quantities; and, unless Seller agrees to pay and does pay such charges and costs within a reasonable time. the over-shipped material will be retained by Buyer at no cost and shall become the property of Buyer.

4. Prices:

Unless otherwise specified. prices are Freight On Board (FOB) origin (Place of Shipment) and shall include all applicable federal, state and local taxes, duties, tariffs. and other fees imposed by any government. The price includes all charges for boxing. packing. crating. drayage, storage, dunnage, and bundling.

5. Invoices and Payments:

Unless otherwise provided, terms of payment shall be Net 30 days from the latest of the following:

(a) Buyer's receipt of Seller's correct invoice,

(b) Scheduled delivery date, or scheduled completion of performance of the Items; or

(c) Actual delivery, or completion of performance of the Items. Buyer shall have a right of setoff against payments due under this PO for any amounts at issue under this PO *and / or* under other purchase orders between Buyer and Seller.

6. Warranty:

(a) Seller warrants for a period of one year from the date of delivery under this PO that all Items shall be free from defects in material and workmanship and shall conform to applicable specifications, drawings and all other requirements of this PO. If Seller is responsible for the design of the items, Seller warrants for such period that all Items delivered under this PO shall be free from defect in design, and if Seller is responsible for designing the items to meet specified performance requirements of Buyer. Seller warrants for such period that all such items shall be fit and sufficient for the purposes intended by Buyer.

Buyer's approval of designs furnished by Seller shall not relieve Seller of its obligations under this warranty. Seller's warranties, together with its service guarantees, if any, shall run to Buyer and its customers.

(b) In the event of a breach of any warranty hereinabove set forth, Buyer may require Seller to repair or replace at Buyer's election defective or nonconforming Items. Seller shall be liable for the payment of all packing and transportation costs attributable to the repair or replacement of defective or nonconforming Items.

(c) If the Items delivered under this PO are, or are to be, incorporated in an end item(s) to be delivered to Buyer's customer(s), Seller's obligation under this clause shall be extended to one year after delivery of such end item(s) to such customer(s).

(d) The rights and remedies of Buyer provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided at law, in equity, or under this PO.

#### 7. Responsibility for Property:

Unless otherwise specified, Seller shall be liable for any loss or destruction of or damage to property of Buyer, and Seller shall be responsible for returning any such property in as good condition as when received except for reasonable wear and tear and for the utilization of it in accordance with the provisions of this PO. Upon request of Buyer, such property will be delivered to Buyer at Seller's expense. Seller shall promptly notify Buyer if such property is lost, destroyed or damaged. Title thereto shall not be affected by the incorporation or attachment to any property not owned by Buyer, nor shall any such property, or any part thereof, be or become a fixture or lose its identity as personality by reason of affixation to any realty. All property of Buyer furnished hereunder to Seller shall be used solely in the performance of this PO, unless otherwise specified in writing by Buyer.

#### 8. Use of Data Furnished by Buyer:

The information contained in reports, drawings, documents, or other records ("Information") which are furnished to Seller by Buyer relative to this PO, to the extent that such information is not in the public domain, shall not be disclosed to others, except to subcontractors as necessary for completion of this PO, in which event the subcontractors shall have the same obligation of nondisclosure and restriction on use. Such information shall not be used or reproduced for any purpose whatsoever except in the performance of work under this PO. Upon completion, termination or cancellation of this PO, Seller shall, if requested by Buyer, return all property to Buyer thirty (30) days after the effective date of such completion, termination, or cancellation. All such Information furnished to Seller by Buyer and retained by Seller shall remain subject to the foregoing restrictions on use, reproduction and disclosure.

#### 9. Entry on Buyer's Property;

Insurance:

(a) In the event that Seller or Seller's employees, subcontractors, or agents enter onto Buyer's premises for any reason in connection with

this PO, Seller and the other parties shall observe all security requirements and all plant safety, plant protection, and traffic regulations.

(b) Seller, and any subcontractors used by Seller in connection with this PO, shall carry Worker's Compensation and Employee's Liability Insurance to cover Seller's and such subcontractors' legal liability on account of accidents to their respective employees. Seller and its subcontractors shall carry adequate Comprehensive General Liability and adequate Comprehensive Automobile Liability Insurance covering the legal liability of Seller and such subcontractors on account of accidents arising out of the operations of Seller or such subcontractors and resulting in bodily injury, including death, being sustained by any person or persons, or in any damage to property. At Buyer's request, Seller shall furnish to Buyer certificates from Seller's and/or its subcontractors' insurers showing such coverage in effect and agreeing to give Buyer ten (10) days' prior written notice of cancellation of such coverage. Seller agrees to obtain the insurance coverage listed above whether or not insurance coverage is required elsewhere in this PO.

#### 10. Amendments Required by the Prime Contract:

Seller agrees that upon Buyer's request, it will from time to time enter into amendments of this PO to incorporate additional provisions herein or to change the provisions hereof, as Buyer may reasonably deem necessary in order to comply with the provisions of the prime contract(s) or with the provisions of amendments to the prime contract(s) under which this PO is issued. If any such amendment to this PO causes an increase or decrease in the cost of this PO, or the time required for performance of this PO, an equitable adjustment shall be made in the price or delivery schedule, or both, in accordance with the provisions of this PO's "Changes" clause.

#### 11. Remedies / Waiver:

(a) The rights and remedies provided herein shall be cumulative and in addition to any other rights and remedies provided at law or in equity.

(b) Failure by Buyer either to enforce at any time the provisions hereof, or to protest at any time any breach or default hereof, shall not be construed as evidence to interpret the requirements of this PO, nor as a waiver of the requirements of such provisions, nor of the right of Buyer thereafter to enforce each and every such provision. Buyer's approval of documents shall not relieve Seller from compliance with specifications related to this PO.

12. Consideration:

Seller shall, for the consideration hereinafter mentioned and within the time specified, accomplish all required services, testing, manufacturing and other work; deliver to Buyer the Items provided for in this PO; and grant to Buyer the right to exercise the options, if any, provided for in this PO.

13. Technical Surveillance:

Buyer and authorized Federal Aviation Administration (FAA) representatives of Buyer, shall have direct access to all areas of Seller's and Seller's subcontractors' plants where work is being performed in connection with any Item to be delivered under this PO, to review progress and witness testing of such Items. Seller shall include this clause in all of Seller's subcontracts under this PO.

14. Governing Law:

This PO shall have effect in accordance with the laws of the State of California, unless to do so would cause inconsistencies in any proceedings under this order.

15. Acceptance of Order:

This PO is the entire agreement between the Buyer and Seller in respect of the subject matter of this PO and is subject to the terms and conditions herein. This PO supersedes all communications, representations and agreements, oral, and written, between Buyer and Seller in respect of the subject matter of this PO. Either:

- (a) Acknowledgment of this PO,
- (b) Furnishing of Items under this PO,
- (c) Acceptance of payment under this PO, or
- (d) Commencement of performance of this PO, shall constitute Seller's unqualified acceptance of this PO. Additional or differing terms or conditions proposed by Seller or included in Seller's acknowledgment hereof shall be void and have no effect unless accepted in writing by Buyer.

16. Public Release of Information:

No public release (including, without limitation, news releases, articles, manuscripts, brochures, advertisements, still and motion pictures, speeches, trade association meetings, symposia, photographs, films, announcements, discussions, denials or confirmations of same) regarding any part of the subject matter of this PO or any phase of any program hereunder shall be made without the prior written approval of Buyer. Seller agrees that for every instance, if any, where Buyer provides such prior written approval, Seller, in any resulting release, shall include information, if any, provided by Buyer stating which Government agency sponsors or sponsored the related project or effort.

17. Disputes:

The Parties agree that, if there is a dispute arising

under this PO, it shall be resolved through binding arbitration in accordance with the rules of the American Arbitration Association and that the arbitration shall take place in the State of Texas, County of Rockwall. Should a dispute arise, the non-prevailing Party agrees to pay all reasonable expenses, including attorney's fees, incurred by the prevailing party in resolving the dispute.

18. Contractual Commitments:

The parties agree that there shall be no adjustment in the price, time for performance or any other provision of this PO unless Buyer's authorized representative shall have issued a written order directing a change hereto.

19. Notification of Changes:

(a) Only Buyer's Authorized Representative may direct or redirect Seller's effort hereunder. In tile event, however, Seller considers any conduct, including any action, inaction, written or oral communication by Buyer or Buyer's customer, to constitute a change to this PO, other than a written change order issued by Buyer's Authorized Representative, Seller shall notify Buyer as soon as possible, but in no event later than five (5) days from the date Seller identifies the conduct considered to constitute a change to this PO. On the basis of the most accurate information available to Seller, the notice shall state:

- (1) the date, nature and circumstances of the conduct regarded as a change;
- (2) the name, function, and activity of each Buyer employee, customer employee and Seller employee involved in or knowledgeable about such conduct;
- (3) the identification of any documents and the substance of any oral communication involved in such conduct;
- (4) the particular elements of contract performance which Seller considers to be affected by the conduct, including an estimate of any cost or schedule impact; and
- (5) Seller's estimate of the time by which Buyer must respond to Seller's notice to minimize cost, delay or disruption of performance.

(b) Seller shall take no action in reliance on the conduct considered to constitute a change unless and until Buyer's Authorized Representative issues a written change order covering the conduct in question.

20. Notification of Debarment / Suspension Status:

Seller shall provide immediate notice to Buyer in the event of being suspended, debarred, proposed for debarment or declared ineligible for the award of contracts, by any Federal Agency, during the performance of this PO.