

INTRODUCTION: These terms and conditions listed herein apply in full force to all documents where they are referenced. This includes, but is not limited to: Fixed Price Agreements (FPA), FPA Amendment(s), Purchase Orders, Memorandums of Understanding (MOU), etc. hereinafter "Agreements".

1. **ACCEPTANCE/AGREEMENT:** This Agreement shall become effective when accepted by Seller by (a) execution and return of the signed acknowledgment copy accompanying this Agreement, or (b) shipment of Goods (the term "Goods" throughout this Agreement includes without limitation, raw materials, components, intermediate assemblies and end products), or (c) performance of services, or (d) commencement of work on Goods, or (e) any other conduct of Seller which recognizes the existence of an Agreement from Verus Aerospace, LLC, (hereinafter referred to as "Verus"). By acceptance of this Agreement, Seller accepts all of the terms and conditions hereof. NO PURPORTED ACCEPTANCE OF THIS AGREEMENT ON TERMS AND CONDITIONS WHICH MODIFY, SUPERSEDE, OR OTHERWISE ALTER THE TERMS AND CONDITIONS HEREOF SHALL BE BINDING UPON VERUS, UNLESS THEY ARE ACCEPTED IN WRITING BY AN AUTHORIZED VICE PRESIDENT OF VERUS, NOTWITHSTANDING VERUS' ACCEPTANCE OR PAYMENT FOR ANY SHIPMENT OF GOODS OR SIMILAR ACT OF VERUS, unless otherwise stated on the face of this Agreement, this Agreement is Verus' offer to Seller and does not constitute an acceptance by Verus of any offer to sell or proposal by Seller. Any reference herein to any such offer or proposal by Seller is solely for the purpose of incorporating the description and specifications of the subject matter thereof into this Agreement, and then only to the extent that such description and specifications do not conflict with the description and specifications on the face of this Agreement. The obligations of the Seller contained herein shall survive acceptance of the goods and payment therefore by purchaser.

2. **DELIVERY:** Time shall be of the essence in this Agreement. Delivery must be in strict compliance with the schedule contained in this Agreement and shall be made by Seller at such times and places and of such items and quantities as are specified by Verus. Verus may adjust the delivery schedule at its discretion without charge or expense to Verus. Goods fabricated in excess or in advance of Verus' requirements contained in this Agreement are at Seller's risk. Verus reserves the right to return to Seller, at Seller's expense, all Goods received more than seven (7) calendar days ahead of the required delivery date. Verus reserves the right, without loss of discount privileges, to pay invoices covering items shipped in advance of the schedule on the normal maturity after the date specified for delivery. If Seller fails to meet its scheduled delivery dates and Verus elects to call for expedited shipments, Seller will pay the difference between the method of shipping specified and the actual expedited rate incurred. Should Verus accept Goods which are not delivered on or before the required delivery date, which option Verus reserves, the Seller shall be liable for all additional costs incurred by Verus, because of such delay(s) including, but not limited to, telecommunication costs, additional or premium transportation charges, special handling expenses, damages incurred by Verus from its customer attributed to Seller's failure to perform its obligations under this Agreement and costs to Verus, to use Goods out of normal manufacturing sequence or schedule, in addition to other remedies available by law to Verus. The Parties further acknowledge that the nature and actual amount of costs associated with delivery delay are uncertain and difficult to calculate. Therefore, Verus may choose, in its sole discretion, to require Seller to pay Verus liquidated damages. The parties acknowledge that such payments are not intended as a penalty, but are, in lieu of the actual damages measured by such costs. If Verus chooses to recover liquidated damages, they shall be equal to 1% of the value of the delinquent items per day of delay or a minimum of \$100 for each item per day of delay. The parties agree this calculation represents a reasonable estimate of the additional costs to be incurred by Verus in connection with a delivery delay. Accumulation of liquidated damages will be subject to a grace period of five (5) days per item after which liquidated damages shall begin. Verus' choice to recover such liquidated damages for delayed delivery on any one or more occasions shall not, however, preclude Verus from recovering the actual costs incurred because of delayed delivery on any other occasion. Title and risk of loss shall remain in Seller until Goods are delivered to Verus. Notwithstanding such delivery, Seller shall bear risk of loss or damage to Goods purchased hereunder from the time that Verus gives notice of rejection of Goods pursuant to the inspection provisions of this Agreement. If Seller encounters or anticipates difficulty in meeting the delivery schedule, Seller shall immediately notify Verus in writing, giving pertinent details; provided however, that the receipt of such information shall be for information purposes only and shall not be construed as a waiver by Verus of any delivery schedule or date or of any rights or remedies provided by law or this Agreement. If Seller fails to make delivery promptly and regularly, as required by the Agreement, Verus may, in addition to other remedies available at law, terminate this Agreement in accordance with Section 15(a), infra. Nothing contained in this section shall prevent termination by Verus under the provisions of Section 15(a), infra.

3. **SHIPPING INSTRUCTIONS:** All Goods shall be shipped F.O.B. to Verus' facility as stated on the face of the Agreement. Goods must be packaged and delivered to conform to Uniform Freight Classification to obtain the lowest shipping rate. Seller agrees to prepare and properly box or crate Goods for shipment so as to prevent damage in transit, to comply with Verus' shipping and routings instructions and appropriate export requirements, and to describe the Goods on the bill of lading in conformity with appropriate Uniform Freight Classifications. Any additional charges resulting from failure to comply with this section, including incidental and consequential damages, shall be charged to Seller. Each container must be marked to identify contents and quantities without opening. Packing lists and certifications, when applicable, must accompany each shipment and must have only one (1) purchase Agreement per supplier packing sheet. The location of the packing list must be clearly marked on the container. When multiple containers are used, the packing list will show the items in each container. Multiple containers will be numbered consecutively, for example, 1 of 4, 2 of 4, etc. Verus' purchase Agreement number, line number, release number, if any, plant location and quantity must appear on all invoices, packing sheets, delivery tickets, shipping Agreements and bills of lading. Verus assumes no obligation for materials shipped in excess of quantity as shown on this Agreement. Ozone-Depleting substances, as designated by the Environmental Protection Agency in 40 CFR Part 82, shall be labeled, stored, and shipped in accordance with 42 U.S.C 7671j (b), (c), and (d) and 40 CFR Part 82, Subpart E, as applicable.

4. **INVOICING AND PAYMENT:** Unless otherwise stated in this Agreement, payment terms are net ninety (90) days after delivery of Goods and receipt of invoice. Individual invoices showing Agreement number and Agreement item number must be issued for each shipment applying against this Agreement. Three (3) copies of each invoice must be rendered with prices and extensions. Invoice date shall not precede shipment date. Rejections, delays in delivery or delivery in advance of required delivery date, and/or invoices

and/or shipping documentation, errors and/or omissions will be considered just cause for withholding payment without loss of cash discount privilege(s). Unless otherwise specified, the price set forth in this Agreement shall be all encompassing.

5. **INSPECTION:** Seller agrees to inspect and test all Goods furnished in performance of this Agreement to insure compliance with the specifications and other requirements of this Agreement. Test reports and/or certifications shall be retained by Seller for the calendar year, plus ten (10) years from the date of shipment, or as otherwise stated on the face of the Agreement, or within customer requirements, whichever is greater. Records of Fracture Critical Parts per 2ZZP00006 will be maintained for a minimum of thirty (30) years. Seller agrees to permit inspection and testing by Verus of all Goods furnished in performance of this Agreement during manufacture, where practical, and at all other times and places. All Goods shall be received subject to Verus' inspection and acceptance or rejection. Inspection or testing of, or payment for any Goods shall not constitute an acceptance thereof. Acceptance by Verus does not relieve Seller of liability for latent defects, negligence, fraud or such gross error or defects as amount to fraud. Verus shall have the right to reject any Goods, or any portion of a shipment of Goods, found not to be in compliance with the specifications or other requirements of this Agreement. Verus will pay to Seller a reasonable price for any portion of a shipment of Goods that is does not reject. In the event that Verus rejects any Goods, it shall have the option of holding the rejected Goods for Seller's instructions and at Seller's risk and expense, or exercising any of its rights set forth in Section 15, *infra*. The obligations of this Paragraph shall survive the cancellation, termination or completion of this Agreement.

6. **LIMITED WARRANTY:** Seller expressly warrants that all Goods furnished hereunder shall (a) conform to all specifications, drawings, samples, or other descriptions furnished, specified or adopted by Verus, and to all other requirements of this Agreement; (b) be of merchantable quality and fit and sufficient for the purpose intended; (c) be free from defects in material and workmanship and, to the extent such Goods are not produced or manufactured pursuant to detailed designs of Verus be free from defects in design; (d) be free of operational or functional problems caused by computer software, processes or systems; and (e) be free from defects in title and any claims of any third parties. Such warranties, together with Seller's service warranties and guarantees, if any, shall survive inspection, test, acceptance of, and payment for the Goods and shall run to Verus its successors, assigns, customers at any tier, and all end users. In the event that the Seller discovers that non-conforming product was shipped to Verus and/or Verus' customer, the Seller shall immediately notify Verus in writing declaring the non-conformance. Such notification shall include details of non-conformance and other pertinent information including, but not limited to, packing sheet number, date shipped to Verus or Verus' customer, serial numbers and/or lot number, if applicable.

Verus may, at its option, either (i) return defective or nonconforming Goods for credit or refund (without Seller having any right to furnish conforming Goods); (ii) require payment of any related labor and freight cost, (iii) require prompt replacement, correction, or re-work of the defective or nonconforming Goods, or (iv) have the defective item reworked, corrected or replaced at Seller's expense, including any costs or expenses charged or claimed by Verus' customers at any tier, or any end users, to recover, remove, re- work, correct or replace the Goods. At Verus' sole option, Seller shall pay Verus the costs or expenses referenced above, or Verus may deduct such amounts thereof from any monies due Seller. Such Goods will be held for Seller's instructions and at its risk, or at Verus' option, will be returned at Seller's risk. The return to Seller of any defective or nonconforming Goods and delivery to Verus of any corrected, re- worked, or replaced Goods shall be at Seller's expense. Verus' packing sheet, which accompanies Goods returned, will indicate whether Goods are to be corrected, reworked, replaced or credited to Verus. No Goods thus returned will be replaced or corrected by Seller without Verus' written instructions. Goods that have been rejected or required to be corrected or reworked shall not thereafter be tendered for acceptance unless the former rejection or correction requirement is disclosed in writing. The obligations of this Paragraph shall survive the cancellation, termination, or completion of this Agreement. In addition to the rights set forth above, in the event of third party demand or claims against Verus relating to Goods furnished pursuant to these Terms and Conditions, Verus shall have the rights set forth in Section 16, *infra*. regarding indemnification.

7. **CONFIGURATION CONTROL:** Seller shall make no change in design, manufacturing or assembly processes or source of supply which would affect form, fit, function, weight or performance of the Goods listed within the Agreement without the express, written approval of Verus. In the event the Seller proposes such a change, the Seller shall provide six (6) copies of the proposed revision and supporting data to the Verus for written approval. Should the Seller fail to obtain the Verus' written approval prior to delivering the Goods, then Verus may reject the Goods and seek all applicable rights and remedies.

8. **EQUIPMENT, TOOLING AND FURNISHED PROPERTY:** Unless otherwise agreed in writing, Seller shall furnish at its own expense all special dies, tools, jigs, fixtures, equipment and patterns used in the performance of this Agreement, the same to be kept in good condition and to be replaced by Seller when necessary without expense to Verus. Unless otherwise agreed in writing, all special dies, tools, jigs, mylar, NC programs, fixtures, equipment, patterns, drawings, aids, or other manufacturing data (including all copies of reprints thereof), and any and all material furnished by Verus, or specifically paid for by Verus, shall be the property of Verus and subject to removal at Verus' request, and shall be used only for Verus, Seller shall properly preserve, safeguard, store and control and recover such items.

9. **INDEMNITY/INTELLECTUAL PROPERTY RIGHTS:** Seller agrees that it will, at its own expense, including payment of court costs and attorney fees, defend and hold Verus harmless against any charges, claims, damages, expenses, demands, actions, lawsuits or proceedings instituted by any party against Verus or its customers for alleged infringement of any patent, copyright, trademark, trade secret, invention, or similar right relating to Goods manufactured by or for Seller and furnished to Verus in the performance of this Agreement, or relating to the use or incorporation of such Goods into manufactured products. Seller further agrees that in case of a final award of damages in any such suit, it will pay such award and will indemnify and hold harmless Verus and all persons claiming under Verus with respect to such award, court costs, attorney fees, and expenses incurred by reason thereof. The obligations of this Section shall survive the cancellation, termination, or completion of this Agreement.

10. **NOTICE OF LABOR DISPUTES:** Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Agreement, Seller shall immediately give notice thereof to Verus, including all relevant information with respect thereto. Delivery delays caused by labor disputes shall be governed by Section 2 of this Agreement.

11. **COMPLIANCE WITH LAWS:** Seller agrees in accepting this Agreement to comply with all applicable local, state and federal laws, Agreements, directives and regulations heretofore or hereafter promulgated, including, but not limited to, those found in 41 CFR Chapter 60 requiring equal opportunity and affirmative action without regard to race, color, religion, sex, national origin, presence of a disability or status as a special disabled veteran or Vietnam era veteran, Federal Acquisition Regulation (FAR) 52.202-1; 52.212-1; 52.212-2; 52.212-3; 52.212-4; 52.212-5; 52.222-26; 52.222-35; 52.222-36; 52.222-50; 52.222-54; 52.242-15; 52.244-6, and Defense Federal Acquisition Regulation (DFAR) 252.225-7001; 252.225-7007-7009; 252.225-7052; 252.228-7008; 252.225-7014 with its Alternate.1; 252.247-7023; 252.247-7024; and 252.244-7000, which are specifically incorporated herein by reference. Seller also agrees to follow all applicable laws and regulations regarding slavery, human trafficking, forced labor, and child labor. If Seller fails to comply with the provisions of this section, Verus may, by written notice to Seller, terminate this Agreement as upon a default in accordance with Section 15(a), *infra*, in addition to any other rights or remedies provided by law.

12. **EXPORT/IMPORT COMPLIANCE:** (a) **Compliance with Export Laws.** In performing the obligations of this Agreement, the Seller will comply with all United States export control and sanctions laws, regulations, and Agreements, as they may be amended from time to time, applicable to the export and re-export of goods, software, technology, or technical data ("Items") or services, which include but are not limited to The Export Administration Regulations ("EAR") administered by the US Department of Commerce, International Traffic in Arms Regulations ("ITAR") administered by the US Department of State, The Foreign Corrupt Practices Act ("FCPA"), administered by The Department of Justice and the SEC, and all regulations and Agreements administered by the Treasury Department's Office of Foreign Assets Control, (collectively, "Export Control Regulations and Laws").

(b) **Export License.** The Seller exporting any "Items" listed above shall be responsible for obtaining any required Export License or authorization for such export from the appropriate governmental agency. The Seller conducting the re-export to a sub-tier supplier or 3rd party shall be responsible for obtaining any required Export License or authorization from the appropriate governmental agency prior to re-export. Each Party shall cooperate in a reasonable manner to support the other in its efforts in obtaining any necessary licenses or authorizations required to perform its obligations under this Agreement.

(c) **Export Control Classification Number (ECCN) & Harmonized Tariff Code (HTS).** The Seller providing any "Item" under this Agreement to a supplier, sub-tier supplier or 3rd party, shall, upon request from said supplier, sub-tier supplier or 3rd party, provide the Item's Export Control Classification Number ("ECCN") and Harmonized Tariff Code (HTS), as well as the ECCN and HTS of any components or parts thereof if they are different from the numbers of the Item at issue.

(d) **Export Representations and Warranties.** If Seller is a U.S. company that engages in the business of either manufacturing or exporting defense articles or furnishing defense services, the Seller hereby certifies that it has registered with the U.S. Department of State Directorate of Defense Trade Controls and understands its obligations to comply with International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR"). Seller represents and warrants that all Deliverables (as defined below) provided by Seller to Verus under this Agreement: (1) shall not be subject to any controls, requirements or restrictions set forth under the ITAR; (2) to the extent that the Deliverables are subject to the EAR and except for prohibitions relating to exports or re-exports destined for countries listed in Country Group E of the EAR, shall be classified under the EAR, or be otherwise eligible for a license exception available under the EAR, such that the Deliverables may be exported from the United States, and thereafter re-exported to a country other than the United States (a "Foreign Country"), without first requiring authorization by, or notification to, the U.S. Department of Commerce's Bureau of Industry and Security; and (3) to the extent that the Deliverables are of Foreign Country origin and are subject to export control laws or regulations promulgated in any Foreign Country, Deliverables shall be classified under such foreign laws or regulations such that the Deliverables may be imported into and exported from the United States, and thereafter re-exported to a Foreign Country (other than countries listed in Country Group E of the EAR), without first requiring authorization by, or notification to, any foreign governmental authority. "Deliverables" means all items supplied by Seller to Verus under this Agreement, including without limitation goods, components, spare parts, accessories, software and technical data thereof; (4) Seller agrees that no technical data, information or other items provided by the Verus will be provided to a foreign subsidiary or parent company of Seller and/or foreign national employees of Seller, without the express written authorization of Verus and the Seller's obtaining of the appropriate export license, technical assistance agreement or other requisite documentation for ITAR-controlled technical data or items. Seller shall immediately notify Verus if it becomes listed on any Excluded or Denied Party List of an agency of the U.S. Government or its export privileges are denied, suspended or revoked; (5) The Seller represents that (i) the "Items", and any parts or components thereof, that it is providing under this Agreement are not "defense articles" as defined in 22 C.F.R. sub section 120.6 of the ITAR and (ii) the services it is providing under this Agreement are not "defense services" as defined in 22 C.F.R. sub section 120.9 of the ITAR. The Seller acknowledges that this representation means that an official capable of binding the Seller providing such Items knows or has otherwise determined that such Items, parts and/or components thereof, are not listed on the ITAR's Munitions List at 22 C.F.R. sub section 121.1. Each Party agrees to reasonably cooperate with the other in providing, upon request of the other Party, documentation or other information that supports or confirms this representation; (6) To the extent that such "Items", parts and/or components thereof, were specifically designed or modified for a military end use or end user, the Seller providing such Items shall notify the Buyer of this fact and shall also provide the Buyer with written confirmation from the United States Department of State that such Items, and all such parts or components thereof, are not subject to the jurisdiction of the ITAR as they are not listed on the US Munitions List.

(e) **Remedy.** In the event that Seller determines that any Deliverable fails to satisfy the representations and warranties of Section 12, then Seller shall promptly provide notice thereof to Verus. Seller shall fully indemnify Verus and its officers, directors, employees, agents and representatives with respect to all losses, damages, expenses, penalties and judgments arising from a breach by Seller of Section 12, including without limitation those arising from or related to obtaining and retrofitting a substitute item that conforms to the representations and warranties of Section 12 and is a functional equivalent to the substituted item.

(f) **Certification of Export Classification.** Prior to the first shipment to Verus of each unique part number of any of the Deliverables, and prior to the first shipment following a change to the export classification of any Deliverable, Seller shall provide to Verus written

certification for each such part number of the following: (1) for each Deliverable supplied from the United States, its EAR Export Control Classification Number ("ECCN") number and Schedule B number; and (2) for each Deliverable supplied from a Foreign Country, its Harmonized Tariff Schedule ("HTS") number. Such information shall be certified in writing to Verus.

13. **STOP WORK AGREEMENT:** Verus may at any time, by written notice to Seller, require Seller to stop all or any part of the work called for by this Agreement, without compensation, for a period of up to twenty four (24) consecutive months after the notice is delivered to Seller ("Stop Work Agreement"). Upon receipt of a Stop Work Agreement, Seller shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by this Agreement during the period of work stoppage. Within a period of twenty four (24) consecutive months after a Stop Work Agreement is delivered to Seller Verus shall either 1) Cancel the Stop Work, 2) Extend the Stop Work for a mutually agreed to period or 3) Terminate the work covered by this Agreement as provided in Section 15, infra. Seller shall resume work upon cancellation or expiration of any Stop Work Agreement.

14. **FORCE MAJEURE:** Neither Seller nor Verus shall be liable for any excess costs if the failure to perform this Agreement arises out of causes beyond the control and without the fault or negligence of Seller. Such causes may include, but are not limited to, acts of God, or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, flood, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the failure to perform must be beyond the control and without the fault or negligence of Seller. The parties agree that delays caused by computer software, processes or systems problems caused by the use of a date greater than 1999 are not force majeure events. Seller shall notify Verus in writing within seven (7) calendar days of any and all events of Force Majeure. If Force Majeure continues for longer than thirty (30) calendar days, then Verus, at its sole option, may terminate this Agreement in whole or in part without any obligation or liability except that Verus is still responsible for payment for Goods or services which have been delivered to and accepted by Verus prior to Force Majeure notice receipt.

15. TERMINATION AND SETTLEMENT:

(a) Termination for Default:

(1) Verus may, by written notice of default to Seller, immediately terminate the whole or any part of this Agreement if Seller fails to make delivery of the Goods or to perform the services required by this Agreement within the time specified herein or any extension thereof. If Seller fails to satisfy any of the other requirements of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms and conditions, and does not cure such failure within a period of ten (10) calendar days (or such longer period as Verus may authorize in writing) after receipt of notice from Verus specifying such failure, then Verus may terminate the whole or part of this Agreement.

(2) In the event Verus terminates this Agreement in whole or in part as provided in Subparagraph (1) above, Verus shall have no further obligation to Seller under the terminated portion of this Agreement, and Verus may procure, upon such terms and in such manner as Verus may deem appropriate, Goods or services similar to those so terminated, and Seller shall be liable to Verus for any excess costs.

(b) **Termination for Insolvency:** In the event of the institution of any proceedings by or against Seller under Federal or State bankruptcy or debtors' relief laws including, without limitation, any provision of the Bankruptcy Code, or the appointment of a receiver or trustee or an assignment for the benefit of creditors of Seller, or the institution of any similar proceedings, Verus may terminate this Agreement. Any termination under this Paragraph shall be deemed to be a termination for default in accordance with the provisions of Section 15(a), supra.

(c) **Termination for Convenience:** Verus may at any time by written notice terminate all or any part of this Agreement for Verus' convenience, in which event Seller agrees to stop work immediately as to the terminated portion of this Agreement and to notify subcontractor(s) to stop work and protect and preserve property in its possession in which Verus has an interest. If this Agreement is terminated, in whole or in part, for Verus' convenience, Seller shall be paid an amount, to be mutually agreed upon, which shall be adequate to cover the reasonable cost of Seller's actual performance of work under this Agreement to the effective date of termination, plus a reasonable profit thereon provided that no amount shall be paid to Seller for (i) any anticipatory profits related to work under this Agreement not yet performed, or (ii) costs incurred due to Seller's failure to terminate work as ordered on the effective date of termination. Verus shall have no obligation to make any of the aforementioned payments to Seller, either for completed items or in connection with terminated work in process, unless Seller shall establish to Verus' satisfaction that such completed items, or the work in process, including materials, are unusable in connection with Seller's other business. Verus shall have no obligation to make any of the aforementioned payments to seller for any items that are cancelled outside of Seller's lead time. Lead time shall be defined by a separate agreement or quotation at the time of order placement. In no event shall the termination charges and all previous payments made under this Agreement exceed the total Agreement Value shown on the face of this Agreement, on an item-by-item basis.

(d) If this Agreement is terminated as provided in Section 15 (a) or (b), supra, Verus, in addition to any other rights provided in this Agreement, may require Seller to transfer title and deliver to Verus, in the manner and to the extent directed by Verus, the following: (i) any completed Goods; and (ii) such partially completed Goods and materials, parts, tools, dies, jigs, fixtures, mylar, NC programs, plans, drawings, aids, information, and contract rights (hereinafter called ("manufacturing material's) as Seller has specifically produced or specifically acquired for the performance of such part of this Agreement as has been terminated. Seller shall also protect and preserve property in the possession of Seller in which Verus has an interest. Payment for completed Goods delivered to and accepted by Verus shall be at the contract price.

(e) The rights and remedies of Verus provided in this Section 15 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement. Any termination of this Agreement under this Section 15 shall not relieve Seller of any obligations and liabilities which may have arisen under any of the terms and conditions of this Agreement prior to such termination, including, but not limited to, patent infringement, reproduction rights, latent defects, and warranty obligations.

16. INDEMNITY AND INSURANCE: Verus' rights hereunder shall exist by agreement of the parties notwithstanding any limitations regarding indemnity and/or contribution that exist under the law of the State of Delaware. Notwithstanding anything contained in Seller's warranty to the contrary or in Section No. 6, Verus and Seller expressly agree that Seller is responsible for and agrees to indemnify and hold harmless Verus for any and all damages, losses, expenses, attorney fees, court costs, etc., that are caused by Seller and/or its defective or nonconforming Goods. Seller shall also maintain such Public Liability, Property Damage, Employer's Liability, and Compensation Insurance and Motor Vehicle Liability (Personal Injury and Property Damage) Insurance as are specified in this Agreement or if none are specified, such amount as will protect Seller (or its subcontractors) and Buyer from said risks and from any claims under any applicable Workers' Compensation, Occupational Disease, and Occupational Safety and Health statutes including the Occupational Safety and Health Act. Seller shall provide Buyer with certificates evidencing required insurance upon Buyer's request.

17. PRICES: Seller warrants that any price or prices specified for the Goods in the Agreement do not exceed Seller's current prices for the same or substantially similar goods. Unless agreed otherwise, all prices set forth on the Agreement shall represent the cost to Verus at the point and place of delivery specified herein, including all sales taxes, excise taxes, custom duties, governmental and municipal charges, taxes, and levies of every description, and charges for packing, crating, boxing, drayage and shipping. If price is not set forth herein, the applicable price for the Goods shall not be at a price higher than that last quoted or charged by Sellers, unless Verus otherwise agrees in writing.

18. GRATUITIES; POLICIES AND PROCEDURES: If it is found that gratuities (in the form of entertainment, gifts or otherwise) are offered by Seller, or any agent or representative of Seller, to any employee of Verus with a view toward securing favorable treatment with respect to the awarding or performing of any Agreement, Verus may, by written notice to Seller, terminate this Agreement as a default in accordance with Section 15(a) of this Agreement in addition to any other rights or remedies provided by law. Seller, its employees, representatives, and agents shall comply with all of Verus' rules, regulations, policies and procedures while on Verus' premises or in the company of any of Verus' employees. If Seller, its employees, representatives, or agents violate Verus' rules, regulations, policies, or procedures, Verus may, by written notice to Seller, terminate this Agreement as upon a default in accordance with Section 15 (a) of this Agreement in addition to any other rights or remedies provided by law.

19. CONFLICT MINERALS SOURCING: Pursuant to The Dodd–Frank Wall Street Reform and Consumer Protection Act (Pub.L. 111–203, H.R. 4173; commonly referred to as Dodd–Frank) section 1502, Verus Aerospace, LLC expects its suppliers to maintain a policy to reasonably ensure that the tantalum, tin, tungsten, & gold (if present) contained within the product that they manufacture and supply to Verus are “conflict free”. “Conflict free” means any “conflict minerals” (gold, columbite, tantalite, also known as coltan, cassiterite, wolframite, or their derivatives: tin, tantalum or tungsten) necessary to the functionality or production of the supplied products, either do not originate from the “Conflict Region” situated in the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries or are from recycled or scrap sources. Verus does not knowingly procure products containing any of the above-specified metals that originate from facilities in the “Congo Region” that are not certified as “Conflict Free”. Although Verus is not regulated under the Securities Exchange Commission (SEC) we understand that many of our customers are; which requires us to maintain the same requirements as theirs in addition to our commitment to our moral & ethical responsibilities. Verus requires that suppliers of products that contain any one of the conflict minerals to declare that they are compliant to the conflict mineral program. Suppliers to Verus must adopt a policy regarding conflict minerals that is consistent with Verus' policy and require their management systems to support compliance with their policy while requiring their own suppliers to also take the same measures to ensure they too have a policy with the same results. Verus expects suppliers to establish their own due diligence program to ensure that the specified metals are being sourced only from smelters outside of the “Conflict Region” or from smelters which have been certified by an independent third party as “Conflict Free” if sourced within the “Conflict Region”. Smelters are qualified as “Conflict Free” if validated as compliant to the EICC Conflict Free Smelter (CFS) protocol, using the CFS Compliant Smelter List. Verus expects suppliers to maintain compliance systems and be able to demonstrate a satisfactory record of written evidence (if required) to support their due diligence programs. Verus may in its sole discretion assess & monitor ongoing performance and compliance with its conflict minerals policy, including but not limited to a review of appropriate supplier documents and review of past practices of the supplier. If Verus discovers the use of conflict minerals produced in facilities that are considered to be “Non-Conflict free” in any supplied products or being used at any point in the supply chain they will take appropriate action to transition the supply of these products to a “Conflict Free” source.

20. APPLICABLE LAW: Verus and Seller expressly agree to exclude from this Agreement the United Nations Convention on Contracts for the International Sale of Goods, 1980, and any successor thereto. This Agreement shall be deemed to be a contract entered into in the State of Delaware, U.S.A., and shall be construed and governed in all respects, and the legal relationships between the parties shall be determined, in accordance with substantive commercial law of the State of Delaware, U.S.A., including but not limited to, the Uniform Commercial Code, as the same may be enacted and in force from time to time in that jurisdiction.

21. AMENDMENT BY LAW: This Agreement shall be deemed to contain all provisions required to be included by any applicable local, state or federal laws, Agreements, regulations or directives heretofore or hereafter promulgated without the subsequent amendment of this Agreement specifically incorporating such provisions.

22. ASSIGNMENT & CHANGE IN CONTROL: Seller shall not assign, sell, transfer or dispose of (in whole or in part) any of its rights or obligations under the performance of this Agreement without prior written consent of Verus. Proceeds due or to become due under this Agreement may be assigned by Seller only with the written consent of Verus and provided that payment to an assignee of any claim related to this Agreement shall be subject to all applicable defenses, reductions and setoffs. A “Change in Control” is

defined as a change in ownership or control of twenty-five (25%) percent of the ownership of the Seller. A Change of control in Seller shall be considered an assignment subject to the provisions of this Article. Seller shall notify Verus immediately of any change in the nature of its ownership or business or any other circumstances which may affect its performance under the Agreement. Verus reserves the right to terminate the Agreement for default in the event such change may result in a conflict of interest or otherwise prejudice performance under this Agreement.

23. NOTICES: All notices required or permitted to be given hereunder shall be deemed to be properly given if delivered in writing personally, or sent by United States certified or registered mail, or sent by private overnight delivery service and by United States first class mail, addressed to Seller or Verus, as the case may be, at the addresses set forth on the face of this Agreement, with postage thereon fully prepaid. The effective time of notice shall be at the time of receipt.

24. AUTHORIZATIONS: All authorizations of Verus required or permitted to be given herein shall be deemed properly given only if given in writing by an authorized purchasing representative of Verus.

25. DISPUTES: Verus and Seller shall strive to settle amicably and in good faith any dispute arising in connection with this Agreement. If they are unable to do so, any action or proceeding to resolve any dispute may be settled at the sole discretion of Verus, by submitting the claim to: (i) binding arbitration, before a single arbitrator, in the state and under the laws of the state of Delaware, in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the arbitrator's award may be entered in any court having jurisdiction thereof or (ii) shall be brought in the Delaware State District Courts in New Castle County, Delaware, and both Verus and Seller accept and submit themselves to the exclusive jurisdiction of such courts for the resolution of any dispute or claim between them arising under this Agreement. Pending resolution of any dispute hereunder, Seller shall proceed diligently with the performance of work, including the delivery of Goods in accordance with Verus' directions. Upon resolution of the dispute, this Agreement shall be equitably adjusted, if necessary, to reflect such resolution.

26. REMEDIES AND WAIVER: The remedies herein reserved shall be cumulative and additional to any other and further remedies provided in law or equity. No waiver by Verus of any breach of this Agreement or the granting of an extension for performance hereunder shall be deemed to be a waiver of any other or subsequent breach. No failure on the part of Verus in exercising any right or remedy hereunder, or as provided by law or in equity, shall impair, prejudice or constitute a waiver of any such right or remedy, or shall be construed as a waiver of any Event of Default or as acquiescence therein. No single or partial exercise of any such right or remedy shall preclude any other or further exercise thereof or the exercise of any other right or remedy. No acceptance of partial payment or performance of any of Seller's obligations hereunder shall constitute a waiver of any Event of Default or a waiver or release of payment or performance in full by Seller of any such obligation. All rights and remedies of Verus hereunder and at law and in equity shall be cumulative and not mutually exclusive and the exercise of one shall not be deemed a waiver of the right to exercise any other. Nothing contained in this Agreement shall be construed to limit any right or remedy of Verus now or hereafter existing at law or in equity.

27. DATA: All drawings, specifications or electronic data, furnished or paid for by Verus, shall be the property of Verus, subject to removal at any time upon demand by Verus, without additional costs, shall be used only in supporting Agreements with Verus and shall be kept separate from other drawings and specifications, and shall be identified as the property of Verus. The information contained in reports, drawings, documents or other records which are furnished to Seller by Verus relative to this Agreement, 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 Agreement, in which event the subcontractor shall have the same obligation of nondisclosure. Upon completion, termination, or cancellation of this Agreement, Seller shall return all drawings and specifications to Verus, in the event Verus, requests return of any such items, within thirty (30) days after the effective date of completion, termination or cancellation. Any such data of Verus retained by Seller shall remain subject to the restrictions on use, reproduction and disclosure contained within this Agreement that shall survive the cancellation, termination, or completion of this Agreement. Upon termination of this Agreement, Verus, may, at Verus' option, use, on a nonexclusive basis, all drawings, documents or other records related to this Agreement whether created by Verus or Seller without further compensation to Seller. Seller may not disclose the existence of this Agreement or the items to be supplied hereunder without Verus' prior written consent, except to subcontractors who shall have the same responsibility.

28. CONFIDENTIALITY: In order to facilitate performance by Verus and Seller under this Agreement, it is or may become necessary for Verus and Seller to disclose to the other, information which is confidential and proprietary to the disclosing Party. Verus and Seller shall not communicate confidential and proprietary information of the other, in any form, to any third party, without the prior written consent of the Party to which such information is confidential and proprietary and shall use their best efforts to prevent inadvertent disclosure of such information to any third party. Furthermore, Verus and Seller shall cause any of their employees to whom confidential and proprietary information is transmitted to be bound to the same obligation of confidentiality that Verus and Seller are bound to under this Agreement. All confidential and proprietary information disclosed by Verus and Seller to the other shall remain the property of the disclosing Party and shall be promptly returned to such Party at its request, together with any copies thereof, upon completion of the purpose for which the confidential and proprietary information was disclosed. Seller agrees that if the Goods are to be manufactured to design or data provided by Verus, Seller shall not, without Verus' prior written consent, manufacture any such Goods except for and upon this Agreement. Seller shall not, without Verus' prior written consent, in any manner, advertise or publish the fact that Seller has contracted with Verus to furnish the Goods. In the event that Seller fails to comply with this Section, Verus shall have the right to terminate the Agreement under Section 15(a) supra, as well as any and all rights and remedies prescribed by law.

29. INCORPORATED DOCUMENTS: All documents attached to this Agreement are incorporated herein by reference and made a part of this Agreement as if fully set forth herein.

30. **ENTIRE AGREEMENT; AMENDMENTS:** This Agreement and the Terms and Conditions stated herein or on the face of this Agreement or in any attachments hereto and incorporated herein, constitute the entire agreement between Verus and Seller with respect to the subject matter hereof and are binding on Verus and Seller, and their respective heirs, devisees, administrators, executors, trustees, receivers, successors, and permitted assigns. No change to this Agreement, the Terms and Conditions, or any attachments hereto and incorporated herein shall be valid and binding on either party unless reduced to writing and signed by authorized representatives of both parties.

31. **HEADINGS:** Section titles and captions contained in these Terms and Conditions are for reference only and in no way define, limit, extend or describe the scope of this Agreement, these Terms and Conditions, or the intent of any of their provisions.

32. **AGREEMENT OF PRECEDENCE:** In the event of any inconsistency among this Agreement and any documents incorporated by reference, the inconsistency shall be resolved by giving precedence in the following order: (i) the Agreement to which these Terms and Conditions are attached; (ii) these Terms and Conditions; (iii) drawings; (iv) specifications; and (v) any other documents incorporated by reference including Seller Terms & Conditions.

33. **SEVERABILITY:** If any provision of this Agreement or application thereof is found invalid, illegal or unenforceable by law, the remainder of this Agreement will remain valid, enforceable and in full force and effect, and the parties will negotiate in good faith to substitute a provision of like economic intent and effect.