



TERMS AND CONDITIONS OF SALE

1. GENERAL

These General Terms and Conditions of Sale ("Terms and Conditions") shall govern all business transactions for the sale of products and/or services (individually a "Product" and collectively the "Products") between Glenair, Inc. ("Glenair") and the buyer of such Products ("Buyer"). Glenair and Buyer may hereinafter be referred to individually as a "Party" and collectively as the "Parties".

Glenair's acceptance of any purchase order issued by the Buyer ("Order") is expressly conditioned upon Buyer's acceptance of these Terms and Conditions, whether or not referenced in such Order. Any terms or conditions set forth on any documents or forms utilized by Buyer and any communications (written or oral) between the Parties that are inconsistent with, or are not included within these Terms and Conditions shall be of no force or effect unless signed by an authorized representative of Glenair. These Terms and Conditions supersede any prior written or oral agreements or understandings, or any preprinted or standard terms on any Order, invoice, acknowledgement, or similar document exchanged between the Parties, and shall not be supplemented by any previous course of dealing, performance, or usage of trade. In the event that Glenair and Buyer specifically agree to different terms in writing, such terms shall be exclusive only as to the particular subject covered. Notwithstanding the foregoing, if any Order is issued under a blanket or master agreement which the Parties agree will relate to all Orders between the Parties ("Master Agreement"), the terms and conditions of the Master Agreement shall supersede those contained herein.

2. ORDERING PROCEDURES

All Orders are subject to acceptance by Glenair. Nothing contained herein shall be deemed to place an obligation on Glenair to accept any Order from the Buyer. Glenair hereby reserves the right to reject any Order submitted for its acceptance. Any typographical, clerical or other error or omission in any sales literature, quotation, price list, Order acknowledgement, invoice or other document or information issued by Glenair shall be subject to correction without any liability. The Buyer shall be responsible for ensuring the accuracy of the terms of any Order issued by it (including any applicable specification) and upon Glenair's request, shall promptly provide all information necessary for Glenair to perform its obligations hereunder.

All Orders shall specify: (1) Product part number; (2) requested delivery dates; (3) applicable price; (4) quantity; (5) location to which the Product is to be shipped; and (6) location to which invoices will be sent for payment.

(i) Airworthiness Documentation. Glenair does not offer airworthiness documentation from the Federal Aviation Administration (i.e. 8130-3 tag) or any other governmental organization.

3. PRICES

Unless otherwise expressly agreed by Glenair in writing, Product prices: (i) shall be paid in U.S. Dollars; (ii) are EX-Works, Glenair's facilities in Glendale, CA; (iii) are subject to adjustment due to any Change Order; and (iv) excludes taxes. Glenair will invoice Buyer for any applicable taxes

unless, at the time of the issuance of the Order, Buyer furnishes Glenair with a certificate of exemption.

All Orders are accepted subject to Glenair's quoted prices and the validity period stated therein. With the exception of the prices for accepted Orders, all prices are subject to change without notice.

4. QUANTITY DISCOUNTS

Glenair may offer the Buyer quantity discounts where the Buyer undertakes to purchase a specified quantity of Products as set forth in a relevant Order. Notwithstanding the foregoing, if Buyer cancels any Order or reduces the quantity of the Products prior to purchasing the required quantity, Glenair may invoice the Buyer for any pricing differential and Buyer shall promptly reimburse Glenair for the total invoiced amount.

5. CHANGES

Unless controlled by the Buyer's specifications, Glenair reserves the right, without Buyer's consent or the necessity of a Change Order, and at no charge to Buyer, to incorporate, among other things, any design modifications, engineering changes or improvements in the specification of a Product provided that the form, fit, function, price, or delivery schedule of the Products are not affected.

Change Order. Buyer may by written notice request changes within the general scope of this Order to any one or more of the following: (a) drawings, designs or specifications; (b) method of shipment or packaging; (c) place of delivery; and (d) quantity of the Products ("Change Order"). A Change Order shall only be effective if accepted in writing by an authorized representative of Glenair. If such change increases the cost or time required to perform this Order, an equitable adjustment shall be made in the price or schedule, or both, and the Order shall be modified accordingly.

6. PAYMENT TERMS

Unless otherwise stated on the Order, payment terms shall be net thirty (30) days from the date of invoice. ("Payment Terms") Any credit extended by Glenair to Buyer is conditional upon Glenair's continued satisfaction with Buyer's creditworthiness, which may be re-evaluated by Glenair at all times. Glenair reserves the right to suspend Buyer's credit terms and demand cash in advance or on delivery for all or any part of the Order or to alter payment terms based on its assessment of Buyer's creditworthiness. Pending correction of any unsatisfactory credit situation, Glenair may withhold shipments without incurring any liability.

If Glenair believes in good faith that Buyer's ability to make payments may be impaired or if Buyer shall fail to pay any invoice when due, without prejudice to any other remedies available to it by law or in equity, Glenair may demand immediate payment and at Glenair's option (i) suspend delivery of any Order or any remaining balance thereof until such payment is made; (ii) cancel any Order or any remaining balance thereof for breach; (iii) recover all costs of collection including but not limited to reasonable attorneys' fees; (iv) repossess the Products for which payment has not been made; (v) charge interest at one point five percent (1.5%) per month on the past due amount, not to exceed the interest percentage allowed by law.

7. DELIVERY, TITLE AND RISK OF LOSS

Incoterms. Unless otherwise specified on the Order, all domestic shipments will be delivered FCA (Incoterms 2010) Glenair's facility in Glendale, CA, and all international shipments will be delivered EXW (Incoterms 2010) Glenair's facility in Glendale, CA. In the absence of specific instructions, Glenair will select the carrier.

Title and Risk of Loss. Title shall pass to Buyer once Glenair has received full payment for the Product(s). Risk of loss shall pass to Buyer when Glenair places the Product at the disposal of the Buyer at Glenair's facilities

in Glendale, CA. Notwithstanding the foregoing, Product (s) held for Buyer, or stored for Buyer, shall be at the risk and expense of the Buyer.

Buyer acknowledges that the delivery dates provided by Glenair are only an estimation of the lead times and shall not be binding on Glenair. Notwithstanding the foregoing, Glenair will use commercially reasonable efforts to initiate shipment and schedule delivery as close as possible to Buyer's requested delivery schedule but in no event shall Glenair be liable to Buyer for failure to meet any delivery schedule, for the costs or procurement of substitute products, for any kind of damages or penalties, nor such delay shall constitute grounds for cancellation or termination of any Order, regardless the cause of the delay. Unless otherwise stated on the face of the Order, Glenair reserves the right to make deliveries in installments and deliver in advance of the scheduled delivery date whenever possible. Delivery of a quantity that varies from the quantity specified in Buyer's Order shall not relieve Buyer of its obligation to accept delivery and pay for the Products delivered in accordance with Payment Terms. Notwithstanding the foregoing, delays or changes in delivery schedules due to Buyer directed actions are subject to price adjustments.

Order Schedules. Orders shall be scheduled for delivery within twelve (12) months from the Order date. Products containing precious or volatile price materials (i.e. gold) are priced for shipment within three (3) months after the Order date, and thereafter are subject to price adjustment in accordance with the then prevailing prices for such materials.

8. PACKAGING

Glenair shall provide adequate protective packing to prevent damage and deterioration of the Products. Buyer shall be responsible for the cost of any special packaging or special handling requested by it. All packages containing electrostatic discharge (ESD) sensitive items will be marked with an appropriate caution label.

9. INSPECTION AND ACCEPTANCE

Glenair shall maintain an inspection and quality control system in accordance with AS9100/ISO9001. Upon reasonable advance notice, Buyer may reasonably inspect the applicable areas of Glenair's facilities and non-financial records in compliance with applicable laws, regulations, and contractual authorities. Glenair shall furnish reasonable assistance to Buyer for the performance of such inspection. Buyer shall accept or reject the Products within thirty (30) calendar days after the delivery, otherwise the Products shall be deemed accepted.

In the event Glenair reasonably determines that the Buyer's return of the Product was due to improper rejection, Buyer shall be responsible for all costs and expenses incurred as a result of such return. Title and insurable interest in the returned Products shall remain with Buyer until such time that the non-conformity has been determined by Glenair.

10. WARRANTY

Glenair warrants that the Products furnished hereunder will be free from defects in material and workmanship for a period of twelve (12) months after delivery. Once Glenair has reasonably determined that the Product is defective, Glenair shall, at its option, either repair or replace the defective Product at no cost to Buyer. A Return Material Authorization (RMA) is required before any Product is returned to Glenair for repair or replacement. Once RMA issued by Glenair, Buyer shall return the defective Product in accordance with Glenair's instructions. Glenair will be responsible for the shipping charges associated with such return. If the Product has been incorporated into other equipment, machinery or systems, Buyer shall separate the Product from such equipment, machinery or system prior to returning it to Glenair, otherwise the return will be rejected by Glenair and the Buyer shall be responsible for costs associated with such rejection.

All repaired or replaced Products will be warranted only for the un-expired portion of the original warranty period. Glenair shall not be liable to Buyer for the cost of inspection, removal, and installation.

Exclusions. The above warranty shall not apply to Products that have been: (i) subject to abuse, misuse, neglect, tampering, accident, improper installation, improper storage, or a use contrary to Glenair's written instructions, (ii) altered or repaired by any person other than those expressly authorized by Glenair, or (iii) obtained from source other than Glenair. The warranties are also void if damage to Product results from continued use after a suspected defect is or should have been discovered.

THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN OR ORAL, EXPRESSED OR IMPLIED BY APPLICABLE LAW, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL GLENAIR'S LIABILITY UNDER THIS WARRANTY EXCEED THE COST OF REPAIR OR REPLACEMENT OF SUCH DEFECTIVE PRODUCT.

11. COUNTERFEIT PRODUCTS PREVENTION

Glenair represents and warrants that it maintains procedures for the detection and avoidance of counterfeit electronic parts in accordance with SAE AS5553 and DFARS 252.246-7007; and participates in, and is a member of, the Government Industry Data Exchange Program (GIDEP).

12. EXCUSABLE DELAY | FORCE MAJEURE

Neither Party shall be liable to the other as a result of any delay or failure to perform its obligations under this Order if and to the extent such delay or failure is caused by an act of God, fire, flood, war, acts of terrorism, riot, civil commotion, governmental actions (including regulatory change), wreck or delay in transportation, major equipment breakdown, inability to obtain necessary labor, materials or manufacturing facilities from usual sources, delays or refusals to grant an export license or the suspension or revocation thereof, or any act, delay or failure to act of the affected Party's suppliers and subcontractors of any tier and any similar events beyond the reasonable control of the affected Party ("Force Majeure"). If any Force Majeure event affects either Party's ability to perform, the Party affected by such event shall give the other Party a notice as soon practicable under the circumstances. In the event that Glenair's performance is delayed due to a Force Majeure event, the due date of its performance shall be extended by a period of time necessary to overcome the effect of such delay. If the inability to perform continues for longer than three (3) months, either Party may terminate the affected Order by providing written notice to the other Party. Notwithstanding the foregoing, Buyer shall remain responsible for payment of Products delivered prior to the termination.

13. TOOLING AND DATA

Unless otherwise expressly agreed in writing, Glenair shall retain title to and possession of all specifications, drawings, engineering instructions, data, material, equipment, software, processes, models, tooling, including without limitation, all patterns, dies, molds, jigs, fixtures, and test equipment made, obtained, or procured for the performance of this Order, except to the extent that title is specifically transferred in writing from Glenair to Buyer or originally supplied from Buyer to Glenair.

14. COMPLIANCE WITH LAWS

The parties shall comply with all statutes, laws, ordinances, regulations, rules and orders enacted or adopted by any federal, state, local, municipal or other authority or governmental body which may pertain to the conduct of the Parties' business and their obligations hereunder. The Parties shall obtain and pay for all permits, fees and licenses required to perform their respective obligations hereunder.

(i) FAR/DFARS Compliance. Upon Buyer's request, Glenair will consider and confirm compliance with FAR, DFARS or related regulations as necessitated by Buyer's Order.

15. EXPORT COMPLIANCE

The Parties shall comply with the laws and regulations of the United States of America (USA) relating to exports and foreign transactions, including but not limited to, the International Traffic in Arms Regulations (ITAR) (22 C.F.R. Parts 120-130), the Arms Export Control Act (22 U.S.C. 2778), the Export Administration Regulation (EAR) (15 C.F.R. Parts 730-774) and the Export Administration Act of 1979, as amended (50 U.S.C. 2401 et. Seq.). In particular, the Parties shall not disclose any technical data nor deliver, export, re-export or re-transfer any Products out of the USA, or to foreign persons or entities within or outside the USA, without the proper written authorization and/or licenses from the U.S. Government. A Party who is found to be in violation of the laws and regulations set forth in this Article shall fully indemnify the other Party against any damages, costs, losses, and/or liabilities arising out of such violation.

License Requirements. Glenair will attempt to secure all export licenses required under applicable laws and regulations. Unless Buyer has already paid Glenair for cost associated with securing such licenses, such cost will be added to the Price of Products. Buyer will be responsible for securing all licenses required by any foreign governments. The Parties shall reasonably cooperate with each other in obtaining all required export and import licenses, approvals and/or notifications pursuant to such laws and regulations. Buyer acknowledges that delivery schedules are contingent upon securing all necessary licenses and if such required license is not secured in sufficient time to allow Glenair's adherence to a delivery schedule, an equitable adjustment shall be made to such delivery schedule.

16. INTELLECTUAL PROPERTY

Unless otherwise agreed in writing, Glenair will maintain sole and exclusive ownership of all Intellectual Property related to the Products. No right or license in such Intellectual Property is granted to Buyer by implication, estoppel or otherwise, unless, and only to the extent, expressly set forth herein. As used herein, "Intellectual Property" shall mean any intellectual and industrial property rights including, but not limited to, patents, utility models, copyrights, authors' rights, trademarks, brands, domain names, trade secrets, know-how, drawings, specifications, logos, plans, product pricing and any right related thereto (whether or not patentable) that is not generally available to the public, software and any sort of data, technical notes, manufacturing processes, prototypes, methods, algorithms, any technical related documents and other designs. Unless otherwise agreed in writing, no Intellectual Property created by Glenair in connection with or pursuant to this Order shall be considered "works made for hire" as defined by the United States Copyright Act (17 U.S.C. § 101).

17. CONFIDENTIALITY

If a separate proprietary information or non-disclosure agreement ("NDA") relating to the subject matter of this Order exists between the Parties, all Confidential Information (as defined below) furnished by one Party to the other Party shall be protected pursuant to such NDA.

If no separate NDA exists between the Parties, neither Party shall disclose the other Party's Confidential Information to any person other than its employees, officers, directors, affiliates, agents, subcontractors and representatives who are bound by obligations of confidentiality and who have a need to know such information in order to perform their obligations in connection with the Order. Each Party shall maintain and preserve the confidentiality of all Confidential Information disclosed to it by taking steps that are no less than the steps it takes to preserve and protect the confidentiality of its own Confidential Information but in no event less than

a reasonable standard of care. "Confidential Information" means any information disclosed by a Party to the other Party that is reasonably expected to be treated in a confidential manner under the circumstances of disclosure under this Agreement or by the nature of the information itself.

The foregoing restrictions shall not apply to Confidential Information that has been developed independently by the Party receiving it, or was lawfully known to the party receiving it, or has been lawfully received from other sources, provided such other source did not receive it due to a breach of this Article, or was in the public domain prior to disclosure hereunder. Upon the disclosing Party's request, the receiving Party shall promptly return or destroy, at disclosing Party's option, all Confidential Information and related materials and discontinue all further use of the Confidential Information.

License. Unless otherwise agreed in writing, nothing contained herein shall be construed as granting to the receiving Party either a license (expressly, by implication, estoppel, or otherwise) under, or any right of ownership in, such Confidential Information.

18. LIMITATION OF LIABILITY

IN NO EVENT SHALL EITHER PARTY'S AGGREGATE, CUMULATIVE LIABILITY TO THE OTHER PARTY ARISING OUT OF OR RELATED TO AN ORDER EXCEED THE TOTAL VALUE OF THE RELEVANT ORDER. NEITHER PARTY SHALL BE LIABLE FOR ANY LOST PROFITS OR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT, OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THIS ORDER (WHETHER FROM BREACH OF CONTRACT, BREACH OF WARRANTY, OR FROM NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER FORM OF ACTION BY OPERATION OF LAW, OR OTHERWISE). THE EXISTENCE OF MORE THAN ONE CLAIM AGAINST THE PARTICULAR PRODUCT(S) SOLD TO BUYER UNDER THIS ORDER SHALL NOT ENLARGE OR EXTEND THIS LIMIT. NOTWITHSTANDING ANYTHING STATED HEREIN NOTHING SHALL EXCLUDE OR LIMIT THE LIABILITY OF EITHER PARTY FOR: (i) DEATH OR PERSONAL INJURY ARISING OF A PARTY'S OWN NEGLIGENCE; (ii) FRAUD; (iii) GROSS NEGLIGENCE; (iv) LIABILITY UNDER ARTICLE 19 (INDEMNIFICATION); OR (v) ANY MATTER FOR WHICH IT WOULD BE ILLEGAL TO EXCLUDE OR LIMIT OR TO ATTEMPT TO EXCLUDE OR LIMIT A PARTY'S LIABILITY HEREUNDER.

19. INDEMNIFICATION

Each Party hereto shall defend, indemnify, and hold harmless the other Party and its affiliates and their respective directors, officers, and employees from and against any and all liabilities, costs and expenses, claims, demands, actions, proceedings, judgments or award of damages (collectively, "Damages") incurred in connection with any claim, demand, suit, or proceeding by a third-party: (a) arising from or related to property damage, personal injury or death caused by the indemnifying Party's Products; (b) arising from negligence or willful misconduct of the indemnifying Party; or (c) arising from failure to comply with applicable laws or regulations.

Intellectual Property Infringement. With the exception of Products manufactured in accordance with Buyer's drawings or specifications, Glenair shall, at its expense, defend, indemnify and hold harmless Buyer against direct damages actually incurred by the Buyer in connection with any claim that any Products sold hereunder infringe or misappropriate any patent, copyright, trademark, trade secret, or other intellectual property right belonging to any third party; provided that the Buyer: (i) immediately provides Glenair written notice of the claim; (ii) gives Glenair sole and complete authority for the defense and disposition of such claim; (iii) provides Glenair with all necessary assistance in connection therewith; (iv) does not, at any time, admit liability or otherwise settle or compromise or

attempt to settle or compromise the said claim or action except upon the express instructions of Glenair.

Glenair's sole obligation under this Article shall be to settle the claim or judgment on the claim. In addition, Glenair may, at its option and expense, either: (a) procure for Buyer the right to continue to use the Product, (b) replace or modify the Product so that it becomes non-infringing but functionally equivalent, or (c) grant a refund of the price paid for the individual units of Product which are the subject of the claim.

This Article shall not apply in the event that the infringement is due to (1) the combination of the Product with other equipment to the extent that the Product alone would not have resulted in a claim of infringement; (2) any modifications, alterations to the Product performed by anyone other than Glenair, (3) use of the Product outside of the intended use; (4) continued use of the Product by Buyer after receiving notice of an infringement claim, or (5) failure of Buyer to replace the Product with a non-infringing substitute provided by Glenair.

Buyer agrees, at its expense, to protect and defend Glenair against any claim of patent infringement arising from compliance with Buyer's designs, specifications or instructions and to hold Glenair harmless from damages, costs and expenses attributable to any such claim.

terms and conditions proposed by the Buyer) constitutes the entire agreement, and supersedes all prior agreements, of the Parties hereto relating to the subject matter hereof. Any amendment to or variation of these Terms and Conditions, an Order or any part thereof shall only be effective if made in writing and signed by a duly authorized representative of the Parties. If any provision of these Terms and Conditions or any Order shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the remaining provisions of such Terms and Conditions or Order, all of which shall remain in full force and effect. The Parties hereto are independent contractors and nothing herein shall be construed to create a partnership, joint venture, franchise, fiduciary, employment or agency relationship between the Parties.

20. INSURANCE

Glenair will maintain the following insurance policies, at its own expense, and with the following limits:

- (a) General Commercial Liability: \$1,000,000 per occurrence; \$2,000,000 in aggregate;
- (b) Automobile Liability: \$1,000,000 combined single limit;
- (c) Excess Liability: \$2,000,000 per occurrence and in aggregate;
- (d) Aircraft Products Liability: \$5,000,000 per occurrence and in aggregate;
- (e) Pollution Liability: \$5,000,000 combined single limit;
- (f) Worker's Compensation Insurance: \$1,000,000 combined single limit;

21. TERMINATION FOR CONVENIENCE

Upon giving a thirty (30) days prior notice to Glenair, Buyer may terminate, in whole or in part, with or without cause, Orders that are outside Glenair's lead times. In the event Buyer terminates, in whole or in part, Orders that are within Glenair's lead times, Buyer shall be liable to Glenair for all of the following: (i) the purchase price of all finished Products delivered to Buyer but not yet paid for at the time of termination; (ii) the purchase price of all finished Products not yet delivered to Buyer at the time of termination; (iii) the value of all work in progress and the cost of all raw materials acquired by Glenair for the performance of Order; and (iv) reasonable profits (collectively, the "Costs"). Buyer shall pay the Costs to Glenair within thirty (30) days of termination or cancellation.

22. DISPUTE RESOLUTION AND GOVERNING LAW

22.1 Arbitration. Any dispute arising out of or relating to these Terms and Conditions or any Order, which is not resolved by the Parties themselves, shall be resolved by binding arbitration. The place of the arbitration shall be Los Angeles, California U.S.A. and the language shall be English.

22.2 Governing Law. This Order and the performance thereof shall be governed by the laws of the State of California, U.S.A., to the exclusion of its rules of conflicts of laws. The Parties exclude the application of the United Nation Convention on Contracts for the International Sale of Goods.

23. MISCELLANEOUS

The provisions of these Terms and Conditions, together with the provisions contained within any accepted Order (but expressly excluding any of the