



## BREEZE-EASTERN LLC

### STANDARD TERMS AND CONDITIONS OF SALE

The following terms and conditions (“Terms”) apply to all quotations, offers and contracts for the sale of goods or services by Breeze-Eastern LLC (“Breeze”). Any additional or different terms or conditions proposed by Purchaser are hereby rejected and are of no effect, unless specifically agreed to in writing by an authorized representative of Breeze. Purchaser’s acceptance, silence, or use of Breeze’s products or services constitutes Purchaser’s acceptance of these Terms. These Terms prevail over any of Purchaser’s general terms and conditions of purchase regardless of whether or when Purchaser submitted its order or such terms. Fulfillment of Purchaser’s order does not constitute acceptance of Purchaser’s terms and conditions and does not serve to modify or amend these Terms. Under no circumstances may Purchaser cancel any order.

1. **PRICE AND PAYMENT:** All prices are Ex-Works (EXW) Breeze’s facility and are exclusive of any present or future federal, state or local sales, use, excise, value added or similar taxes. Any such taxes shall be added to the price and paid by Purchaser unless Purchaser provides Breeze with a valid exemption certificate acceptable to Breeze and the appropriate taxing authorities. Breeze shall render invoices from time to time as goods are shipped or services are rendered. The net amount of invoice shall be paid in full within thirty (30) days of receipt. Clerical and computation errors are subject to correction and are not a basis for nonpayment of invoice. Amounts not paid by the specified date shall bear a late payment service charge of 1-1/2 % per month for each month or part thereof of late payment or the maximum allowed by applicable law, whichever is lower. If, in Breeze’s sole and exclusive opinion, Purchaser’s financial condition does not justify production or shipment on the terms of payment specified or Purchaser does not pay any Breeze invoice by its due date, Breeze may require payments in advance. In such circumstance, failure to pay in advance shall be a material breach of the order. If delivery or performance is delayed by Purchaser, payments for the delayed shipment shall become due on the date Breeze is prepared to make the shipment.

2. **TITLE AND RISK OF LOSS:** Title and risk of loss to all goods purchased shall pass to Purchaser upon delivery by Breeze to a common carrier, regardless of the freight terms stated or method of payment of transportation charges. All equipment, tools, dies, fixtures and other facilities, together with designs, copyrights, inventions and patents, acquired, produced or used by Breeze for the purpose of filling an order shall remain the property of Breeze unless the parties agree otherwise in writing. A security interest and right of possession to goods sold to or held for Purchaser shall remain with Breeze until all payments have been made in full and collected. Purchaser shall do all acts necessary to perfect and maintain such security interest and right to possession in Breeze.

3. **SHIPMENT, TRANSPORTATION CHARGES AND ACCEPTANCE:** Breeze will consider Purchaser’s requested routing, however, Breeze reserves the right to specify routing of shipments. Shipping dates are approximate. Breeze will use commercially reasonable efforts to ship within the time specified in the order, if indicated, and if not, then within a reasonable time under the circumstances. Unless otherwise specified in the order, freight charges shall be prepaid and billed. In addition to the foregoing, premium transportation costs incurred (transportation costs over and above competitive common carrier freight rates), if requested by Purchaser, shall be billed to and paid by Purchaser. Notwithstanding the foregoing, Breeze, in its sole and exclusive discretion, can ship freight collect. Early deliveries and shipments of less than the full quantity of goods are authorized and will be invoiced as shipped. Purchaser may inspect the goods prior to delivery only if expressly agreed to in writing by Breeze. Goods are irrevocably deemed accepted unless within fifteen (15) days from the

date of delivery, Breeze receives a written notice from Purchaser which sets forth with specificity the defects which cause and are the basis for rejection. Any claim Purchaser may have due to damage in transit must be made by Purchaser directly against the carrier.

4. **EXPORT:** All purchase orders, shipments and/or reshipments must be in accordance with all US Government export requirements, to include but not limited to, the Department of State/ITAR, the Department of Commerce/EAR, and the U.S. Census Bureau/FTR.

Purchaser shall comply with all applicable export and re-export control laws and regulations including the Export Administration Regulations (EAR) Code of Federal Regulations 15 Part 300 to 799 maintained by the U.S. Department of Commerce, trade and economic sanctions maintained by the U.S. Treasury Department's Office of Foreign Assets Control; the Foreign Trade Regulations (FTR) 15 Part 30 maintained by the U.S. Census Bureau, and the International Traffic in Arms Regulations (ITAR) 22 C.F.R. Chapter 1, Subchapter M Parts 120-130 maintained by the U.S. Department of State.

Specifically, Purchaser covenants that it shall not – directly or indirectly – sell, export, re-export, transfer, divert or otherwise dispose of any products, software, or technology (including products derived from or based on such technology) received from Breeze under this purchase order / agreement to any destination, entity, or person prohibited by the laws or regulations of the United States, without obtaining prior authorization from the competent government authorities as required by those laws and regulations.

Purchaser further agrees to hold Breeze harmless from any and all export compliance infractions including but not limited to all sanctions, penalties, or fines resulting from any such shipments or transactions taken by Purchaser with any denied persons, countries or entities prohibited under ITAR 22 C.F.R. Parts 120-130, EAR Part 300 thru 799, or the FTR Part 30.

5. **COMPLIANCE:** Except as otherwise agreed in writing, normal tolerances in specifications are not a cause to reject products. Certifications given by Breeze in separate writings as to compliance with specifications, blueprints, part numbers, quantity, tests and otherwise, shall not create any warranty by or other obligation of Breeze. Purchaser shall comply with all applicable Federal, State and local laws.

6. **LIMITED WARRANTY:** All statements, technical information, and recommendations concerning products sold or samples provided by Breeze are based upon tests believed to be reliable but do not constitute a guarantee or warranty. All Breeze products are sold and samples provided with the understanding that Purchaser has independently determined the suitability of such products for its purposes. Breeze warrants its products to be free from defects in material and workmanship at time of delivery. Breeze further warrants that at the time of acceptance goods shall conform to drawings and specifications established by Breeze and in effect at the time of shipment, or agreed upon in writing between the parties. Breeze may make changes to its products which do not degrade the safety, performance, durability, reliability, interchangeability, effective use or operation, weight or appearance (where a factor) and does not adversely affect the utility of the particular product being changed with other equipment of the Purchaser and for which there is no impact on price or delivery. Breeze's obligations hereunder shall cease, unless within one (1) year after date of delivery of the allegedly defective products to Purchaser, Breeze receives written notice from Purchaser of breach of warranty as to a particular item of goods. To be effective, such written notice must set forth with specificity the details of the warranty claim, including facts describing the defect and circumstances of its discovery. Breeze shall then furnish to Purchaser a material return authorization number. Purchaser must then promptly return the allegedly defective goods to Breeze, properly packaged with all transportation

charges prepaid. Breeze, at its sole and exclusive option, may correct, repair, or replace the non-conforming goods, or parts thereof, or provide a credit or refund to Purchaser in an amount not to exceed the purchase price of the allegedly defective goods. Breeze shall pay transportation costs in connection with any product properly returned and determined to be a proper warranty claim. Breeze's warranty shall be voided if the product is subject to abuse, misuse, lack of proper maintenance in accordance with Breeze's standards, unusual physical, environmental, or electrical stress, fire or other natural causes, repaired, modified, or altered by other than Breeze, or improper return handling.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHER WARRANTY OF QUALITY OR PERFORMANCE, WHETHER EXPRESS OR IMPLIED, EXCEPT THE WARRANTY OF TITLE AND AGAINST PATENT, TRADEMARK, AND COPYRIGHT INFRINGEMENT. NO WAIVER, ALTERATION ADDITION, OR MODIFICATION OF THE FOREGOING CONDITIONS SHALL BE VALID UNLESS MADE IN WRITING AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF BREEZE.

7. INFRINGEMENT: Breeze shall defend any suit or proceeding brought against Purchaser insofar as it is based on a claim that any goods, or any part thereof, furnished under this order constitutes an infringement of any patent, copyright or trademark of the United States: provided, Purchaser immediately notifies Breeze of such suit or proceeding in writing and gives Breeze such authority, information and assistance as Breeze requires for the defense of same, and Breeze shall pay all damages and costs awarded herein against Purchaser. In the event that any such goods, or part thereof, is in such suit held to constitute infringement and the use of said goods or part is enjoined, Breeze shall, at its own expense, and in its sole discretion either: (a) procure for Purchaser the right to continue using said goods; (b) replace same with non-infringing goods; (c) modify same so it becomes non-infringing; or (d) remove same and refund any purchase price paid, less an allowance for depreciation. In no event shall Breeze be liable for any use made by Purchaser of the goods, or parts, delivered hereunder which are covered by any patent held by Purchaser. This indemnity does not extend to infringement: (a) resulting from Breeze's compliance with Purchaser's direction, design process or formula; (b) based upon the combination or utilization of goods furnished hereunder with machines, devices or equipment not made by Breeze; or (c) the modification by Purchaser of goods furnished. In no event shall Breeze be liable for incidental or consequential damages or costs applicable thereto. THE ABOVE IS IN LIEU OF ANY OTHER INDEMNITY OR WARRANTY, WHETHER EXPRESS OR IMPLIED WITH RESPECT TO PATENTS, TRADEMARKS, OR COPYRIGHTS.

8. CONFIDENTIAL INFORMATION: All non-public, confidential or proprietary information of Breeze, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Breeze to Purchaser, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with the Agreement is confidential, solely for the use of performing the Agreement and may not be disclosed or copied unless authorized in advance by Breeze in writing. Upon Breeze's request, Purchaser shall promptly return all documents and other materials received from Breeze. Breeze shall be entitled to injunctive relief for any violation hereof. This Section does not apply to information that is: (a) in the public domain; (b) known to Purchaser at the time of disclosure; or (c) obtained by Breeze on a non-confidential basis from a third party who was not under an obligation of confidentiality

9. PROPRIETARY RIGHTS: Breeze shall retain all rights and ownership of its background intellectual property. Unless expressly set forth to the contrary, no rights under any copyright, trademark, patent are granted, licensed or otherwise conveyed to Purchaser. Ownership of foreground

intellectual property rights shall vest with Breeze.

10. LICENSES; PATENTS: Neither the sale of services, data, goods, or parts thereof, nor disclosure of any information in connection with such sale by Breeze, conveys any license to Purchaser by implication, estoppel, or otherwise in connection with such products, or parts thereof, or in respect of patent claims covering combinations of said products or parts with other devices or elements or manufacturing processes.

11. RETURNS: Before returning any goods or associated data, Purchaser must obtain a Breeze material return authorization number. The given return authorization number must be clearly marked on all correspondence and on the outside of the container containing the permitted returns and freight must be prepaid by Purchaser. Rejected goods must be returned in the original shipping containers; any otherwise authorized return may be refused, at Purchaser's expense, if not returned in the original containers. Purchaser shall be promptly notified of Breeze's evaluation of the claim and provided with a suggested disposition consistent with this order. Unauthorized product returns will be rejected and Purchaser will pay any expenses incurred by Breeze.

12. IMPROPER REJECTION; NON-WARRANTY REPAIRS: Charges at Breeze's then prevailing rates shall be paid by Purchaser for non-warranty repairs and for improperly rejected goods. The charges will include inspection, determination of necessary repairs and effecting such repairs. No repairs shall be performed unless Purchaser authorizes Breeze to repair the goods at Breeze's then prevailing rates. The limited warranty is applicable to non-warranty repairs except that the warranty period shall be thirty days from date of return shipment.

13. LIMITATION OF LIABILITY: The remedies of Purchaser set forth herein are exclusive. Furthermore, Breeze's liability arising for any loss or damage resulting from or connected directly or indirectly with this order, such as the performance or breach thereof, or from the manufacture, sale, delivery, resale, installation, or use of any goods, for any claim of any kind, including those arising out of contract breach, negligence, strict tort, under any warranty, or otherwise, shall not exceed the purchase price of the goods upon which liability is based. In no event shall Breeze be liable for any incidental or consequential damages, including but not limited to, loss of profit, delay or loss of use or production, or loss of capital. Every claim from any cause shall be deemed waived by the Purchaser unless made in writing to Breeze within one year from receipt by Purchaser of the goods to which such claim relates. No legal proceeding shall be brought for any breach of contract more than one year after the accrual of the cause of action therefor.

14. NON-WAIVER: Failure by Breeze to insist upon strict performance of any of the terms or conditions hereof, failure or delay to exercise any rights or remedies provided herein or by law, or to notify Purchaser in the event of breach, or the acceptance of payment for any products hereunder, shall not be deemed a waiver of any right of Breeze to insist upon strict performance. Breeze's waiver of any breach of this order shall not be held to be a waiver of any other or subsequent breach. No claimed waiver of any provision of this order shall be effective unless in writing and signed by Breeze.

15. FORCE MAJEURE: Breeze shall not be liable for any loss or damage resulting from delays, changes in shipment or performance schedules or failure to deliver caused by accidents, fire, strike, riot, civil commotion, insurrection, war, the elements, embargo, failure of carrier, inability to obtain transportation facilities, government requirements, acts of God or public enemy, prior orders or limitations on Breeze or its suppliers' goods or any other cause or contingency beyond Breeze's reasonable control.

16. PURCHASER'S PROPERTY: Breeze shall exercise due care with any property furnished by Purchaser under this order. Breeze shall not be liable for loss or damage to such property arising out of causes beyond Breeze's reasonable control.

17. ASSIGNMENT AND BENEFIT: Any assignment of this order or any rights or obligations hereunder by Purchaser shall be void unless consented to by Breeze in writing.

18. CHOICE OF LAW: The construction, interpretation and performance of the contract and all transactions thereunder shall be governed by the law of the State of New Jersey without giving effect to any choice or conflict of law provision or rule (whether of New Jersey or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of New Jersey. The United Nations Convention on the International Sale of Goods does not apply to any matter arising out of or relating to the Agreement.

Any suit, action or proceeding arising out of or relating to the Agreement shall be instituted in the federal courts of the United States or the courts of New Jersey and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

19. NOTICES: Any notice required to be given under the terms of this order must be in writing and sent by certified mail, postage prepaid, courier (next day) service (e.g. Federal Express, UPS Express Mail) or facsimile, provided that in the case of a facsimile transmission, verbal confirmation of receipt of the entire transmission must be obtained and a hard copy must be sent by one of the other methods authorized above within 24 hours of the facsimile transmission. The notice shall be deemed given upon actual receipt.

20. ENTIRE AGREEMENT: These Terms embody the entire agreement and understanding between the parties, are intended as a complete and exclusive statement of the terms of agreement regarding the goods and services set forth in the contract between the parties, and supersedes any prior or collateral agreement or understanding between the parties relating to the subject matter hereof. Purchaser acknowledges that Breeze has not made any representation to Purchaser other than those which are specifically referred to, or contained herein. Each paragraph and provision hereof is severable and if any provision is held invalid or unenforceable, the remaining provisions shall nevertheless remain in full force and effect.