

CHI CT58/T58 Vendor Terms and Conditions v.1

1. **FORMATION OF CONTRACT.** This proposed Purchase Order (the “Purchase Order”) issued by Columbia Helicopters, Inc. (“CHI”), to Seller is CHI's offer to purchase the goods and any related services and/or other deliverables (collectively, the “Goods”) described in this Purchase Order. Acceptance by Seller is strictly limited to the terms and conditions included in this Purchase Order. Unless specifically agreed to in writing by CHI, CHI rejects, and is not bound by, any term or condition that differs from or adds to this Purchase Order. Seller's commencement of performance or acceptance of this Purchase Order in any manner shall conclusively evidence acceptance of this Purchase Order as written. Seller's provision of the Goods shall be governed solely by this Purchase Order. CHI and Seller are referred to herein as a “Party” or collectively as the “Parties.”

Except as authorized herein, no amendment or modification of this Purchase Order shall bind either Party unless it is in writing and is signed by the authorized representatives of the Parties.

2. **GOODS.** Seller shall furnish the Goods set forth in the Purchase Order during the term of this Purchase Order. Seller understands and acknowledges that the Goods are intended for use in aircraft and/or engines (including, but not limited to, aircraft and/or engines certificated by the United States Federal Aviation Administration) and shall comply with all applicable requirements (including, but not limited to, those set forth in the U.S. Federal Aviation Regulations).

3. **PRICE.**

- a. Seller shall furnish the Goods to CHI at the prices stated on the face of this Purchase Orders, which shall include any applicable taxes (including, but not limited to, any sales, use, and excise taxes).
- b. To the extent that value-added tax (or any equivalent tax) is properly chargeable on Seller's supply of Goods to CHI, CHI will pay such tax as an addition to payments otherwise due Seller under a CHI Purchase Order, if Seller provides to CHI a value-added tax (or equivalent) invoice.

4. **SCHEDULE.**

- a. Time is and shall remain of the essence in the performance of this Purchase Order and Seller shall strictly adhere to the schedules specified in this Purchase Order. Failure to deliver in accordance with the Purchase Order schedule, if unexcused, shall constitute a material breach of this Purchase Order. In the event of any anticipated or actual delay including, but not limited to, delays attributed to labor disputes, Seller shall: (i) promptly notify CHI in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay; (ii) provide CHI with a written recovery schedule; and (iii), if requested by CHI, ship via air or expedited routing, at no additional cost to CHI, to avoid or minimize delay to the maximum extent possible.
- b. Seller shall not deliver Goods prior to the scheduled delivery dates unless authorized in writing by CHI. Goods shipped in advance of CHI's delivery schedule may be returned by CHI to Seller at Seller's expense.

5. **PACKING AND SHIPPING.**

- a. Seller shall pack all Goods according to good commercial practice and in a manner sufficient to ensure receipt by CHI in an undamaged condition. CHI may charge Seller for damage to or deterioration of any goods resulting from improper packing or packaging.
- b. If requested by CHI, Seller shall give notice of shipment and tracking information to CHI when the Goods are delivered to a carrier for transportation.

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- c. Delivery terms for all Goods shall be Ex Works (2010 INCOTERMS) CHI's facility in Aurora, Oregon.

6. CHANGES.

- a. CHI may, in writing, direct changes within the general scope of this Purchase Order in any of the following: (i) technical requirements and descriptions, specifications, statement of work, drawings or designs; (ii) shipment or packing methods; (iii) place of delivery, inspection, or acceptance; (iv) reasonable adjustments in quantities and/or delivery schedules; and (v) terms and conditions of this Purchase Order required to meet CHI's obligations under customer contracts. Seller shall comply promptly with such direction. Except for the rights granted to a Party under this Article, a change pursuant to this Article shall not give rise to nor authorize any other modification of or amendment to the terms and conditions of this Purchase Order.
- b. If such change increases or decreases the cost or time required to perform this Purchase Order, CHI and Seller shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. CHI shall modify this Purchase Order in writing accordingly. Unless otherwise agreed in writing, Seller must assert any claim for adjustment to CHI in writing within thirty (30) days, and deliver a fully supported proposal to CHI within sixty (60) days, after Seller's receipt of such direction. CHI may, at its sole discretion, consider any claim regardless of when asserted. Failure of the Parties to agree upon any adjustment shall not excuse Seller from performing in accordance with CHI's direction.

7. SUSPENSION OF WORK.

- a. CHI may, by written order, suspend all or part of the work to be performed under this Purchase Order for a period not to exceed one hundred (100) days. Within such period of any suspension of work, CHI shall: (i) cancel the suspension of work order; (ii) terminate this Purchase Order in accordance with the "Termination for Convenience" Article of this Purchase Order; (iii) cancel this Purchase Order in accordance with the "Cancellation for Default" Article of this Purchase Order if grounds for default exist; or (iv) extend the stop work period.
- b. Seller shall resume work whenever a suspension is canceled. CHI and Seller shall negotiate an equitable adjustment in the price or schedule or both if: (i) this Purchase Order is not canceled or terminated; (ii) the suspension results in a change in Seller's cost of performance or ability to meet the Purchase Order delivery schedule; and (iii) Seller submits a claim for adjustment within twenty (20) days after the suspension is canceled.

- 8. **TERMINATION FOR CONVENIENCE.** CHI may terminate all or part of this Purchase Order for its sole convenience by providing notice of such termination within a reasonable time prior to scheduled delivery. In the event of such termination, Seller shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to stop work. Subject to the terms of this Purchase Order, within ninety (90) days after the effective date of termination, Seller may submit to CHI a claim reflecting the percentage of the work performed prior to the effective date of termination, plus reasonable charges that Seller can demonstrate to the satisfaction of CHI have resulted from the termination. Seller shall not be paid for any work performed or costs incurred that reasonably could have been avoided. Further, Seller shall not be paid, and in no event shall CHI be obligated to pay, lost or anticipated profits or unabsorbed indirect costs or overhead. In no event shall CHI be obligated to pay Seller any amount in excess of the Purchase Order price. The provisions of this Article shall not limit or affect the right of CHI to cancel this Purchase Order for default. Seller shall continue all work not terminated.

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9. CANCELLATION FOR DEFAULT.

- a. CHI may, by written notice to Seller, cancel all or part of this Purchase Order: (i) if Seller fails to deliver the Goods within the time specified by this Purchase Order or any written extension; (ii) if Seller breaches any other provision of this Purchase Order or fails to make progress so as to endanger performance of this Purchase Order and, in either of these two circumstances, within ten (10) days after receipt of notice from CHI specifying the breach or failure, does not cure the breach or failure (or provide CHI with a written detailed plan adequate to cure the breach or failure if such breach or failure reasonably cannot be cured within such ten (10) days and such plan is acceptable to CHI); or (iii) in the event of Seller's bankruptcy, suspension of business, insolvency, appointment of a receiver for Seller's property or business, or any assignment, reorganization, or arrangement by Seller for the benefit of its creditors.
- b. Seller shall continue work on all Goods not canceled. If CHI cancels all or part of this Purchase Order for default, Seller shall be liable for CHI's excess re-procurement costs.
- c. CHI may require Seller, at Seller's cost, to transfer title and deliver to CHI, as directed by CHI, any: (i) completed Goods, and (ii) any partially completed Goods, materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively, "Manufacturing Materials") that Seller has specifically produced or acquired for the canceled portion of this Purchase Order. CHI also may require Seller, at Seller's cost, to: (x) protect and preserve property in its possession in which CHI or its customer has an interest; or (y) scrap any Manufacturing Materials in accordance with industry standards.
- d. CHI shall pay the Purchase Order price for Goods accepted. In addition, any payment for Manufacturing Materials accepted by CHI and for the protection and preservation of property shall be at a price determined in accordance with the "Termination for Convenience" Article of this Purchase Order, except that Seller shall not be entitled to profit. CHI may withhold from any amount due under this Purchase Order any sum CHI determines to be necessary to protect CHI or CHI's customer against loss because of outstanding liens or claims of former lien holders.
- e. If, after cancellation, it is determined that Seller was not in default, the rights and remedies of the Parties shall be as if the Purchase Order had been terminated according to the "Termination for Convenience" Article of this Purchase Order.

10. **FORCE MAJEURE.** Seller shall not be liable for excess re-procurement costs incurred by CHI pursuant to the "Cancellation for Default" Article of this Purchase Order if Seller's failure to perform this Purchase Order arises from causes beyond the control, and without the fault or negligence, of Seller. Examples of these causes are: (a) acts of God or any of the public enemy; (b) acts of the Government in either its sovereign or contractual capacity; (c) fires; (d) floods; (e) epidemics; (f) quarantine restrictions; (g) strikes; (h) freight embargoes; and (i) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of Seller. If Seller's failure is caused by the failure of a subcontractor of Seller and if such failure arises out of causes beyond the reasonable control of both, and if such failure is without the fault or negligence of either, Seller shall not be liable for excess re-procurement costs unless the materials or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedules. Seller shall notify CHI in writing within ten (10) days after the beginning of any such cause(s). In all cases, Seller shall use reasonable efforts to avoid or minimize all such failures, including exercising work-around plans or obtaining the Goods from other sources.

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11. **QUALITY CONTROL.** Seller shall comply with all terms of CHI's Quality System Requirements For Suppliers that are in force as of the date of Seller's acceptance of this Purchase Order (Document No. CHI-SQS-01; hereinafter "CHI-SQS-01"). Seller shall permit CHI to review procedures, practices, processes, and related documents to determine such compliance.
- a. Any breach or noncompliance by Seller of CHI-SQS-01 shall be considered a material breach of this Purchase Order, and all rights and remedies available to CHI in this Purchase Order shall be available to CHI as a result of a breach or noncompliance of CHI-SQS-01.
 - b. In the event of any conflict between the provisions of these terms and conditions and CHI-SQS-01, the provisions of CHI-SQS-01 shall take precedence.
 - c. If CHI (or any agency or instrumentality of the United States Government, including the United States Federal Aviation Administration) performs an audit under CHI-SQS-01 on the premises of Seller or its subcontractors, Seller shall furnish, and require its subcontractors to furnish, without additional charge, reasonable facilities and assistance for the safe and convenient performance of these duties.
12. **INSPECTION.**
- a. At no additional cost to CHI, Goods shall be subject to inspection, surveillance, and test at reasonable times and places (including Seller's subcontractors' locations). CHI has the right to visit Seller's (and Seller's subcontractors') locations during operating hours to inspect, review, and assess progress and performance under this Purchase Order including, but not limited to, production, schedule, and quantity. CHI shall be allowed access to all areas used for the performance of this Purchase Order, and shall perform inspections, surveillance and tests so as not to unduly delay the work.
 - b. Seller shall maintain an inspection system acceptable to CHI for the Goods purchased under this Purchase Order.
13. **REJECTION OF GOODS.**
- a. If Seller delivers defective or non-conforming Goods, CHI may, at its option and at Seller's expense: (i) require Seller to promptly replace, repair, or rework the Goods; (ii) return the Goods for credit or refund; or (iii) obtain replacement Goods from another source.
 - b. Return to Seller of defective or non-conforming Goods and redelivery to CHI of replaced, repaired, or reworked Goods shall be at Seller's expense. All non-conforming Goods deemed unusable by CHI shall be scrapped by Seller at Seller's expense.
 - c. Seller shall not redeliver corrected or rejected Goods without disclosing the former rejection or requirement for correction. Seller shall disclose any corrective action taken. All repair, replacement, and other correction and redelivery shall be completed as CHI may reasonably direct.
 - d. No payment, prior test, inspection, passage of title, any failure or delay in performing any of the foregoing, or failure to discover any defect or other nonconformance shall relieve Seller of any obligations under this Purchase Order (including, but not limited to, Seller's warranty and defense and indemnification obligations) or impair any rights or remedies of CHI, including revocation of acceptance.

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14. WARRANTY.

- a. Seller warrants that:
 - i. The Goods shall be merchantable; free from defects in materials and workmanship; fit for their intended purposes and function as intended; and conform to all specifications and requirements of CHI and this Purchase Order;
 - ii. To the extent that the Goods are not manufactured pursuant to designs and/or specifications furnished by CHI, the Goods shall be free from design and specification defects;
 - iii. The Goods shall not infringe any patent, copyright, trademark, or other proprietary right of any third party or misappropriate any trade secret of any third party; and
 - iv. The Goods shall be free from liens or encumbrances.
- b. This warranty shall begin upon CHI's final acceptance of the Goods and shall survive inspection, test, and payment for the Goods. This warranty shall extend for a period of two (2) years after delivery to CHI. This warranty shall run to CHI and its successors, assigns, and customers. In the event of any defect or non-conforming Goods, CHI may, at its option and at Seller's expense, either: (i) require correction, repair, or replacement of the nonconforming Goods, or (ii) return the Goods for credit or refund. Return to Seller of defective or non-conforming Goods and redelivery to CHI of corrected or replaced Goods shall be at Seller's expense. Any Goods corrected, repaired, or replaced shall be subject to the requirements of this Purchase Order to the same extent as Goods originally delivered, and shall be warranted for two (2) years after delivery to CHI. Even if the Parties disagree about the existence of a breach of this warranty, Seller shall promptly comply with CHI's directions; if the Parties later determine that Seller did not breach this warranty, the Parties shall equitably adjust the Purchase Order price.

15. INVOICES AND PAYMENT.

- a. As compensation for Goods delivered by Seller, CHI shall pay Seller as set forth in this Purchase Order. CHI shall have no liability for any other expenses or costs incurred by Seller.
- b. Payment terms are net sixty (60) days from the later of: (i) the scheduled delivery date of the Goods; (ii) the actual delivery date of the Goods; (iii) the date of CHI's receipt of a correct invoice; or (iv) the date on which all outstanding non-conformances of Goods have been resolved. Payment shall be deemed to have been made on the date the CHI's check is mailed or payment is otherwise tendered. CHI's payment of an invoice does not constitute acceptance of the Goods and is subject to appropriate adjustment should Seller fail to meet the requirements of this Purchase Order. Seller shall promptly repay to CHI any amounts paid in excess of amounts due Seller.
- c. Except for amounts invoiced under articles Termination for Convenience or Cancellation for Default, Seller shall be deemed to have waived all charges and fees that are not invoiced within ninety (90) calendar days after the end of the calendar year in which the charges were incurred.

16. **TAXES.** Unless this Purchase Order specifies otherwise, the price of this Purchase Order includes, and Seller is liable for and shall pay, all taxes, impositions, charges, and exactions imposed on or measured by this Purchase Order except for applicable sales and use taxes that are separately stated on Seller's invoice. Prices shall not include any taxes, impositions, charges, or exactions for which CHI has furnished a valid exemption certificate or other evidence of exemption.

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17. **FINANCIAL RECORDS AND AUDIT.** Seller shall maintain complete and accurate financial books and records pertaining to the Goods for a period of no less than three years after final payment by CHI. Such records shall date back to the time the Purchase Order was issued and shall include, without limitation, catalogs, price lists, invoices, underlying data and basis for cost estimates, and inventory records. CHI shall have the right to examine and audit all such records.
18. **CONFIDENTIAL INFORMATION.** In the event that CHI and Seller are parties to a pre-existing Non-Disclosure Agreement (a “NDA”), the terms of such NDA shall govern the exchange of all information between the Parties related to this Purchase Order and the lettered subsections, below, of this Article 18 shall not apply. In all other cases, the following terms shall apply:
- a. In order to facilitate Seller’s quoting of work and/or performance of this Purchase Order, CHI may provide to Seller: (i) drawings, specifications, schematics, designs, models, bills of material, manuals, documents, samples, tooling information, and other information related to the Goods; (ii) financial documents and information; and/or (iii) information related to quality requirements, testing, and procedures (collectively, “Confidential Information”).
 - b. Subject to the other provisions of this Purchase Order, Seller shall protect all Confidential Information from disclosure in the same manner it protects its own proprietary information but, in no event, shall use less than a reasonable degree of care in protecting Confidential Information.
 - c. Notwithstanding anything else set forth herein, “Confidential Information” shall not include any information that is: (i) established by documentary evidence to be in the public domain otherwise than as a consequence of a breach by Seller (or Seller’s subcontractors) of an obligation not to disclose; (ii) already in Seller’s possession without obligation of confidentiality in documented form on the date of Seller’s receipt from CHI; or (iii) independently developed by Seller, as evidenced by written records.
 - d. Seller shall use the Confidential Information solely for the purpose of performing this Purchase Order. Seller may disclose Confidential Information to its subcontractors as required for the performance of this Purchase Order, provided that each such subcontractor first agrees in writing to obligations no less restrictive than those imposed upon Seller under this Purchase Order. Seller shall be liable to CHI for any breach of such obligation by such subcontractor. Seller shall not use Confidential Information (or disclose or transfer Confidential Information to any other person or entity) for any other purpose including, without limitation: to design or manufacture a product; develop a repair scheme; reverse-assemble or reverse-engineer any product; create derivative works; or obtain Parts Manufacturing Approval, Designated Engineering Representative approval, Supplemental Type Certificates, or other governmental approval.
 - e. Confidential Information will remain the property of CHI (and/or The General Electric Company (“GE”), as applicable) at all times. Seller acknowledges that the existence (or non-existence) of restrictive legends shall have no effect upon Seller’s confidentiality obligations under this Purchase Order or upon the intellectual property rights of CHI and/or GE related to Confidential Information. CHI represents that it has a valid license from GE to provide the Confidential Information to Seller pursuant to the terms of this Purchase Order.
 - f. In addition to disclosures permitted hereunder, Seller may disclose received Confidential Information in response to a subpoena or court order duly issued in a judicial or legislative process, provided that Seller has used reasonable efforts to give CHI advance written notice of any such disclosure requirement in order to enable CHI to: (i) seek an appropriate protective order or other

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remedy; (ii) consult with Seller regarding options for jointly taking steps to resist or narrow the scope of such request or legal process (with Seller agreeing to reasonably cooperate in any such efforts requested by CHI); or (iii) waive compliance, in whole or in part, with the terms of this Article. In the event that such protective order or other remedy is not obtained in a timely manner, or CHI waives compliance, Seller shall use commercially reasonable efforts to disclose only the portion of the Confidential Information that is legally required to be disclosed and to require that any Confidential Information that is so disclosed will be accorded confidential treatment.

- g. Upon CHI's request at any time and (in any event) upon the completion, termination, or cancellation of this Purchase Order, Seller shall return to CHI all Confidential Information and all materials derived therefrom, unless specifically directed otherwise in writing by CHI.
- h. The provisions of this Article shall survive the performance, completion, termination, or cancellation of this Purchase Order. CHI shall have the right to audit Seller's compliance with this Article.

19. INDEPENDENT CONTRACTOR. Seller is an independent contractor for all purposes. Seller shall have complete control over its performance of this Purchase Order including, but not limited to, the employment, direction, and compensation of Seller's personnel. In no event shall Seller or its agents, representatives, or employees be deemed to be agents, representatives or employees of CHI. Seller's employees shall be paid exclusively by Seller, and Seller shall comply with all requirements and obligations relating to such employees under federal, state and local law (or foreign law, if applicable). Such compliance shall include, but not be limited to, laws regarding minimum wages, social security, unemployment insurance, federal and state income taxes, and workers' compensation insurance.

20. ASSIGNMENT AND CHANGE OF CONTROL.

- a. Seller shall not (and shall cause its affiliates not to), directly, indirectly, voluntarily, or involuntarily, in each case, whether by transfer, operation of law, Change of Control (as defined in subparagraph b. below) or otherwise assign this Purchase Order, assign any of its rights or interest in this Purchase Order, delegate any of its obligations under this Purchase Order, or subcontract for all or substantially all of its performance of this Purchase Order (each, an "Assignment"), without CHI's prior written consent after advance written notice by Seller. No purported Assignment, with or without CHI's consent, shall relieve Seller of any of its obligations under this Purchase Order or prejudice any rights or claims that CHI may have against Seller, whether such obligations, rights, or claims, as the case may be, arise before or after the date of any purported Assignment; provided, however, that Seller may assign its right to monies due or to become due under this Purchase Order, and this Article does not limit Seller's ability to purchase standard commercial supplies or raw material in connection with its performance of this Purchase Order.
- b. For purposes of this Purchase Order, the term "Change in Control" shall mean any of the following, whether in a single transaction or a series of related transactions and whether or not Seller is a party thereto:
 - i. a sale, conveyance, transfer, distribution, lease, assignment, license, or other disposition of all or substantially all of the assets of Seller;
 - ii. any consolidation or merger of Seller or its controlling affiliates, any dissolution of Seller or its controlling affiliates, or any reorganization of one or more of Seller or its controlling affiliates; or

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- iii. any sale, transfer, issuance, or disposition of any equity securities or securities or instruments convertible or exchangeable for equity securities (collectively, "Securities") of Seller or its controlling affiliates in which the holders of all of the Securities that may be entitled to vote for the election of any member of a board of directors or similar governing body of Seller or such controlling affiliate immediately prior to such transaction(s) hold less than fifty percent (50%) of the Securities that may be entitled to vote for the election of any such member in such entity immediately following such transaction(s).

21. **PUBLICITY.** Without CHI's prior written approval, Seller shall not, and Seller's subcontractors at any tier shall not, release any publicity, advertisement, news release, or denial or confirmation of same regarding this Purchase Order or the Goods to which it pertains. Seller shall be responsible to CHI for any breach of such obligation by any subcontractor.

22. **CHI'S PROPERTY.** Seller shall clearly mark, maintain an inventory of, and keep segregated or identifiable all of CHI's property and all property to which CHI acquires an interest by virtue of this Purchase Order. Seller assumes all risk of loss, destruction, or damage of such property while in Seller's possession, custody, or control, including any transfer to Seller's subcontractors. Upon request, Seller shall provide CHI with adequate proof of insurance against such risk of loss. Seller shall not use such property other than in performance of this Purchase Order without CHI's prior written consent. Seller shall notify CHI if CHI's property is lost, damaged, or destroyed. As directed by CHI, upon completion, termination, or cancellation of this Purchase Order, Seller shall deliver such property, to the extent not incorporated in delivered materials, to CHI in good condition subject to ordinary wear and tear and normal manufacturing losses. Nothing in this Article shall limit Seller's use, in its direct contracts with the Government, of property in which the Government has an interest.

23. INDEMNIFICATION AND INSURANCE.

a. Indemnification.

- i. Seller shall defend, indemnify, and hold harmless CHI from and against all actions, claims, lawsuits, demands, judgments, damages, liabilities, losses, costs, fines, citations, penalties, and expenses (including associated attorneys' fees, litigation expenses, and court costs, both at trial and on appeal) (collectively, "Claims") brought against CHI by a third party and arising out of or in any way related to the Goods, this Purchase Order, and/or the performance (and/or breach) of this Purchase Order by Seller or any subcontractor of Seller, except to the extent that any such Claims arise from CHI's negligence and/or intentional misconduct. In no event shall Seller's obligations hereunder be limited to the extent of any insurance available to or provided by Seller or any subcontractor thereof. Seller agrees and understands that its defense and indemnity obligations under this Article shall extend to the defense and indemnification of all portions of any indemnified Claims including, but not limited to, Claims for incidental, consequential, punitive, or indirect damages against CHI. For purposes of this Article, the term CHI includes Columbia Helicopters, Inc.; all of its parents and subsidiaries; and all of its (or its parents' and subsidiaries') officers, agents, and employees.
- ii. Seller shall indemnify, defend, and hold harmless CHI and its customers from all Claims arising out of the manufacture, sale, or use of Goods by either CHI or its customers and related to: (a) the actual or alleged infringement of any United States or foreign intellectual property right (including, but not limited to, any right in a patent, copyright, industrial design, or semiconductor mask work, or based upon misappropriation or wrongful use of information or documents); and/or (b) unlawful disclosure, use, or misappropriation of a trade secret. Seller will have no obligation under this Article with regard to any infringement arising from:

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(x) the compliance of Seller's new product design with formal specifications issued by CHI where infringement could not be avoided in complying with such specifications; or (y) use or sale of Goods for other than their intended application in combination with other items when such infringement would not have occurred from the use or sale of those Goods solely for the purpose for which they were designed or sold by Seller. The exception in (x) above shall not apply if the infringement arises out of adherence to one or more industry standards or regulatory requirements. If any injunction or restraining order is issued in a case contemplated by this Article, Seller shall, at its expense, obtain for CHI (and/or its customers) either the right to continue using and selling the Goods or replace and modify the Goods to make them non-infringing. For purposes of this Article, the term CHI includes Columbia Helicopters, Inc.; all of its parents and subsidiaries; and all of its (or its parents' and subsidiaries') officers, agents, and employees.

- b. Liability Insurance. Seller shall carry and maintain, and ensure that all subcontractors thereof carry and maintain, throughout the term of this Purchase Order, liability insurance with available limits of not less than \$50,000,000 per occurrence for bodily injury and property damage combined. Such insurance shall contain coverage for all premises and operations, broad form property damage, contractual liability (including, without limitation, coverage for the contractual liability specifically assumed under paragraph a. herein) and products and completed-operations insurance with limits of not less than \$50,000,000 per occurrence. Such insurance shall not exclude aviation risks, as Seller explicitly understands that the Goods are intended for use in aircraft and/or aircraft engines.
- c. Certificates of Insurance. Upon CHI's request, Seller shall provide for CHI's review and approval certificates of insurance reflecting full compliance with the requirements set forth in this Purchase Order. Such certificates shall be kept current and in compliance throughout the period when work is being performed and until final acceptance by CHI, and shall provide for thirty (30) days advance written notice to CHI in the event of cancellation. Failure of Seller or any subcontractor thereof to furnish certificates of insurance or to procure and maintain the insurance required herein or failure of CHI to request such certificates, endorsements or other proof of coverage shall not constitute a waiver of Seller's or subcontractor's obligations hereunder.
- d. Self-Assumption. Any self-insured retention, deductibles and exclusions in coverage in the policies required under this Article shall be assumed by, for the account of and at the sole risk of Seller or the subcontractor which provides the insurance and, to the extent applicable, shall be paid by such Seller or subcontractor. In no event shall the liability of Seller or any subcontractor thereof be limited to the extent of any of the minimum limits of insurance required herein.

24. LIMITATION OF LIABILITY; WAIVER. IN NO EVENT SHALL CHI BE LIABLE TO SELLER, AND SELLER HEREBY WAIVES AND RELEASES ALL CLAIMS AGAINST CHI, FOR ANY INCIDENTAL DAMAGES, CONSEQUENTIAL DAMAGES, SPECIAL DAMAGES, INDIRECT DAMAGES, LOSS OF PROFITS, LOSS OF REVENUES, OR LOSS OF USE ARISING UNDER OR INCIDENTAL TO THIS PURCHASE ORDER, EVEN IF CHI IS INFORMED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. THE EXCLUSION OF SUCH DAMAGES IS INDEPENDENT OF, AND WILL SURVIVE, ANY FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY UNDER THIS PURCHASE ORDER.

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25. BUSINESS CONDUCT.

- a. Compliance with Laws. Seller and the Goods shall comply with all applicable statutes and government rules, regulations, and orders including, without limitation, the requirements of the Foreign Corrupt Practices Act, as amended, (“FCPA”) (15 U.S.C. §§78dd-1, *et. seq.*), regardless of whether Seller is within the jurisdiction of the United States, and Seller shall not (whether directly or indirectly) pay, offer, give, or promise to pay or give, any portion of monies or anything of value received from CHI to a non-U.S. public official or any person in violation of the FCPA and/or in violation of any applicable country laws relating to anti-corruption or anti-bribery.
- b. Gratuities. Seller warrants that neither it nor any of its employees, agents, or representatives have offered or given, or will offer or give, any gratuities to CHI's employees, agents, or representatives for the purpose of securing this Purchase Order or securing favorable treatment under this Purchase Order.
- c. Environmental Health and Safety Performance. Seller acknowledges and accepts full and sole responsibility to maintain an environment, health, and safety management system (“EMS”) appropriate for its business throughout the performance of this Purchase Order. CHI expects that Seller’s EMS will promote health and safety, environmental stewardship, and pollution prevention by appropriate source reduction strategies. Seller shall convey the requirement of this clause to its suppliers. Seller shall not deliver goods that contain any asbestos mineral fibers.
- d. CHI Policies. Seller agrees that CHI’s internal policies, procedures and codes are intended to guide the internal management of CHI and are not intended to, and do not, create any right or benefit, substantive or procedural, enforceable at law or in equity, by Seller against CHI.
- e. Conflict Minerals. CHI is required by law to determine whether its products contain tin, tantalum, tungsten, or gold (“3TG”) originating in the Democratic Republic of the Congo and adjoining countries (“Conflict Minerals”). Accordingly, to the extent that Seller sells Goods containing 3TG to CHI under this Purchase Order, Seller commits to have a supply chain monitoring process to ensure and document a reasonable inquiry into the country of origin of the 3TG minerals incorporated into such Goods. If requested by CHI, Seller shall promptly provide information or representations that CHI reasonably believes are required to meet its conflict minerals compliance obligations.
- f. Ethics and Compliance Program. Seller acknowledges and accepts full and sole responsibility to maintain an ethics and compliance program appropriate for its business throughout the performance of this Purchase Order. CHI strongly encourages Seller to model its program in accordance with industry best practices. Seller shall convey the substance of this clause to its suppliers.
- g. Seller and Sub-Tier Supplier Information. In addition to requirements set forth elsewhere in this Purchase Order, Seller will, when reasonably requested by CHI, provide sub-tier supplier information related to performance under this Purchase Order. Such information may include, but is not limited to, Seller’s subcontract management plans, CHI programs supported, Seller assessment of sub-tier supplier’s capability (including financial health), and performance issues.

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26. TRADE CONTROL COMPLIANCE.

- a. The Parties shall comply with all export and import laws, regulations, decrees, orders, and policies of the United States Government and the Government of any country in which the Parties conduct business pursuant to this Purchase Order including, but not limited to, the Export Administration Regulations (“EAR”) of the U.S. Department of Commerce, the International Traffic in Arms Regulations (“ITAR”) of the U.S. Department of State, the U.S. Customs & Border Protection Regulations, the Harmonized Tariff Schedule, and the antiboycott and embargo regulations and guidelines as set forth in the EAR and in the U.S. Department of the Treasury, Office of Foreign Assets Control (collectively, “Trade Control Laws”).
- b. Seller shall control the disclosure of, and access to, controlled items or technical data provided by CHI related to performance of this Purchase Order in compliance with all applicable Trade Control Laws. Seller shall not transfer (to include transfer to foreign persons employed by or associated with, or under contract to Seller, or Seller’s sub-tier suppliers or Seller’s non-U.S. subsidiaries) any export-controlled item, data, or services without providing advance notice to CHI and obtaining the requisite export and/or import authority.
- c. Seller shall be the importer of record, and assumes all responsibility and liability, for shipments to CHI of Goods that require any governmental import clearance.
- d. Seller shall provide CHI with the export control classification of any Goods sold to CHI under this Purchase Order, and shall provide reasonable assistance to CHI on any inquiries regarding the proper export classification or status of such Goods.
- e. Seller represents that it maintains an effective export/import control compliance program in accordance with all applicable Trade Control Laws. A copy of process control documents and other documents reasonably requested by CHI related to Seller’s compliance with applicable Trade Control Laws shall be made available to CHI upon request.
- f. Seller shall promptly notify CHI if Seller is, or becomes, listed on any Denied Parties List or if Seller’s export privileges are otherwise denied, suspended, or revoked in whole or in part by any governmental entity.
- g. Seller shall timely inform CHI of any actual or alleged violations of any applicable Trade Control Laws, including any suits, actions, proceedings, notices, citations, inquiries, or other communications from any governmental agency concerning any actual or alleged violations in Seller’s performance under this Purchase Order and shall comply with all reasonable requests from CHI for information regarding any such violations. Seller agrees to cooperate in good faith with CHI with respect to any investigation (or reasonably anticipated investigation) by CHI or any governmental entity related to potential violations of any applicable Trade Control Laws.
- h. Seller shall incorporate into any contracts with its sub-tier suppliers obligations no less restrictive than those set forth in this Article requiring compliance with all applicable Trade Control Laws.

27. **GOVERNING LAW.** This Purchase Order and any disputes arising out of, or relating to, this Purchase Order shall be governed by the laws of the State of Oregon, U.S.A., without regard to the conflict of law rules thereof. This Purchase Order excludes the application of the 1980 United Nations Convention on Purchase Orders for the International Sale of Goods.

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28. **DISPUTES.** Should any dispute arise under this Purchase Order, the Parties shall endeavor to resolve that dispute by good faith negotiations. In the event that such efforts at resolution fail, each Party expressly agrees:
- a. To resolve all disputes under this Purchase Order in the state or federal courts located in Multnomah County, Oregon, U.S.A., to the exclusion of all other forums;
 - b. That it is subject to personal jurisdiction in Multnomah County, Oregon, U.S.A.;
 - c. To waive all rights to contend that Multnomah County, Oregon, U.S.A., is an inconvenient or improper forum;
 - d. That service of any suit or legal process in person or by registered mail (or by any other method allowed by law) shall constitute adequate service of process, and to waive all rights to contend that such service of process was inadequate; and
 - e. To waive any and all defenses or objections to recognition and enforcement of any judgment arising in an action to enforce this Purchase Order.

The Party prevailing in an action to enforce this Purchase Order shall be entitled to recover from the non-prevailing Party (in addition to any other relief awarded or granted) its reasonable attorneys' fees, other litigation expenses, and court costs incurred in the proceeding (and in connection with any appeal thereof or the enforcement of any judgment rendered therein).

Pending final resolution of any dispute, Seller shall proceed with performance of this Purchase Order according to CHI's instructions so long as CHI continues to pay amounts not in dispute.

29. NO WAIVER, RIGHTS AND REMEDIES.

- a. The failure of a Party to enforce a provision of this Purchase Order shall not be construed to be a continuing waiver of any rights under that (or any other) provision hereunder; nor shall any such failure prejudice the right of such Party to take any action in the future to enforce any provisions hereunder.
- b. Remedies available to a Party under this Purchase Order are not exclusive. A Party's decision to avail itself of (or waive, in whole or in part) any remedy hereunder shall not affect that Party's ability to: (i) collect from the other Party appropriate compensation for the damages caused by any breach of this Purchase Order; and/or (ii) avail itself of any other remedy set forth in this Purchase Order or available at law or in equity.
- c. If any provision of this Purchase Order is determined to be illegal, invalid, or unenforceable by a court of competent jurisdiction, then the validity and enforceability of the remaining provisions of this Purchase Order shall not be affected and, in lieu of such illegal, invalid, or unenforceable provision, there shall be added as part of this Purchase Order one or more provisions as similar in terms as may be legal, valid and enforceable under applicable law.
- d. Seller agrees that CHI's approvals of Seller's technical and quality specifications, drawings, plans, procedures, reports, and other submissions shall not relieve Seller from its obligations to perform all requirements of this Purchase Order.

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- e. CHI may at any time deduct or set-off Seller's claims for money due or to become due from CHI against any claims that CHI has or may have arising out of this Purchase Order or other transactions between CHI and Seller.
30. **NOTICES.** Notices related to this Purchase Order must be in writing and may be delivered by first-class mail, courier, or electronic mail (with proof of delivery) to the physical or electronic addresses (as applicable) set forth on CHI's Purchase Order for Goods.
31. **MERGER; ORDER OF PRECEDENCE.** This Purchase Order (together with all change orders, amendments, attachments, exhibits, supplements, specifications, and other terms referenced in this Purchase Order) contains the entire agreement of the Parties and supersedes any and all prior agreements, understandings, and communications between CHI and Seller related to the subject matter of this Purchase Order. In the event of an irreconcilable conflict between the face of this Purchase Order and these terms, the terms set forth on the face of the CHI Purchase Order shall govern.
32. **SURVIVAL.** All provisions of this Purchase Order that, by their nature, should apply beyond its term shall remain in force after any performance, termination, or expiration of this Purchase Order including, but not limited to, Articles 8, 9, 11, 12, 13, 14, 15, 17, 18, 23, 24, 26, 27, 28, 29, 31, and 32.