

GRIFFON AEROSPACE TERMS AND CONDITIONS

1. ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS

Seller's acknowledgment, acceptance of payment, or commencement of performance or acceptance of this offer in any manner shall constitute Seller's acceptance of this offer as written. Unless specifically agreed to in writing by Buyer's Authorized Representative, Buyer objects to, and is not bound by, any term or condition that differs from or adds to this offer.

2. DEFINITIONS

The following terms shall have the meaning set forth below:

- (a) "Buyer" means Griffon Aerospace ("Griffon"), as represented by an authorized representative. The only authorized representatives for this Purchase Order are as specified in the Purchase Order.
- (b) "FAR" means the Federal Acquisition Regulation, issued as Chapter 1 of title 48, Code of Federal Regulations.
- (c) "Government" means the United States Government or its authorized representatives.
- (d) "Prime Contract" means the contract, if any between Buyer and Government or the contract between Buyer and a higher tier Seller.
- (e) "Product" means those services, goods, supplies, materials, articles, items, parts, components, or assemblies described in this Order.
- (f) "Order" means this Subcontract/Purchase Order, or modification thereof.
- (g) "Seller" means the party with whom the Buyer is contracting.
- (h) "Work" means all required articles, materials, supplies, goods, and services constituting the subject matter of this Order and ordered by this Order.
- (i) The terms "Order" or "PO" shall mean the purchase order, contract, or Order agreement and revisions thereto, incorporating by reference these conditions and instructions and all applicable data incorporated by reference thereto.

3. APPLICABLE/GOVERNING LAWS

This contract shall be governed by and construed in accordance with the laws of the State of Alabama, United States of America, without regard to its conflicts of law's provisions. The parties agree to comply with all applicable local, state, and federal laws.

4. INDEPENDENT CONTRACTOR

(a) Seller relationship with Buyer shall be that of an independent contractor for all purposes and does not create a partnership or joint venture relationship between Buyer and Seller.

(b) Seller shall have complete control over the performance of, and the details for accomplishing, the Services. Seller assumes full responsibility for the actions and supervision of Seller's personnel while performing services under this contract.

(c) Buyer assumes no liability for seller personnel. In no event shall Seller or its agents, representatives, or employees be deemed to be agents, representatives, or employees of Buyer.

(d) Buyer may, at its sole discretion, require Seller to withdraw the services of any person and require that Seller promptly provide replacements for such persons satisfactory to Buyer.

(e) In addition to the other indemnification provisions within this contract, Seller specifically agrees to indemnify and hold harmless Buyer from and against all losses, cost, claims, any liabilities, damages, or expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs arising from Buyer's exercise of its rights hereunder.

(f) Seller will promptly notify Buyer and provide a report of any accidents or security incidents involving loss of or misuse or damage to Buyer's or Customer's assets (intellectual or physical) and all physical altercations, assaults, or harassment.

(g) Seller shall inform Buyer if a former employee of Buyer will be assigned work under this Contract, and any such assignment shall be subject to Buyer approval.

5. ASSIGNMENT

Performance of this Contract shall not be assigned by Seller in whole or in part without the prior written consent of the Buyer.

6. CHANGES

(a) Buyer may at any time, by written direction only from the Authorized Representative of the Buyer, and without notice to the sureties, if any, make changes within the general scope of this Order in any one or more of the following:

1. Suspend performance of this Order, in whole or in part;
2. Method of shipment or packing;
3. Place of delivery, inspection, or acceptance;
4. Description of services to be performed;
5. Time of performance;
6. Place of performance;
7. Delivery schedule;
8. Drawings, designs, or specifications.

(b) Seller shall comply immediately with such direction. If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part under this Order, whether changed by this Order, Buyer will make an equitable adjustment in the estimated cost, the delivery schedule or completion schedule, or the amount of any fixed fee, including terms and conditions of this Order. If an equitable adjustment is made, this Order shall be modified accordingly.

(c) The Seller must submit any "proposal for adjustment" (hereinafter referred to as "proposal") under this clause within twenty (20) days from the date of receipt of the written change. However, if Buyer decides that the facts justify it, Buyer may receive and act upon a proposal submitted before final payment of this Order.

(d) If the Seller's proposal includes the cost of any property made obsolete or excess by the change, Buyer shall have the right to prescribe the manner of the disposition of the property.

(e) Buyer has the right to examine any of Seller's pertinent books and records for the purpose of verifying Seller's proposal.

(f) Failure to agree to any adjustment shall be a dispute under the Disputes clause. However, nothing in this clause shall excuse the Seller from proceeding with this Order as changed.

(g) Notwithstanding the foregoing provisions of this clause, the estimated or target cost of this PO and, if this PO is incrementally funded, the funds allotted for the performance thereof shall not be increased or deemed to be increased except by specific written modification of this PO indicating the new PO estimate cost and the new amount allotted to this PO. Until such modification is made, Seller shall not be obligated to continue performance or incur cost beyond the original target cost of this PO and if this PO is incrementally funded, beyond the amount of funds originally allotted for the performance of this PO.

(h) When costs are a factor in any determination of an equitable adjustment, such costs shall be in accordance with Part 31 of the Federal Acquisition Regulations as in effect on the date of this Order.

7. DISPUTES

All disputes under this Contract that are not settled by mutual agreement of the parties may be decided by a United States of America court of competent jurisdiction. Upon written approval of both parties, the dispute shall be resolved through the use of mediation or nonbinding arbitration under the auspices of a generally recognized arbitration organization. In the event of any legal action arising from this Contract, the prevailing Party will be entitled to reimbursements of its reasonable attorneys' fees and cost.

8. TERMINATION/CANCELLATION

Breach of contract performance of work under this Order may be terminated by Buyer, in whole or in part, if Seller fails to cure any material failure to perform, discharge, or fulfill its obligations under this Order including, but not limited to, failure to observe or comply with any of the other instructions, terms, conditions, or warranties applicable to this Order, fails to make progress so as to endanger performance of this Order, or fails to provide adequate assurance of future performance within ten (10) calendar days after receipt of a written notice from Buyer that Buyer considers Seller to be in default under this Order. Default involving delivery schedule delays shall not be subject to the cure provisions. Buyer shall not be liable for any work not accepted. Buyer may require Seller to deliver to Buyer any supplies and materials, manufacturing materials, and manufacturing drawings the Seller has specifically produced or acquired for the terminated portion of this Order. Seller shall continue all work not terminated.

Without cause for work not specially performed under this Order, Buyer may terminate in whole or in part this Order for its convenience by giving written notice to Seller and Buyer's only obligation to Seller shall be payment of mutually agreed upon restocking or service charges. For work specially performed for Buyer, Buyer may terminate in whole or in part this Order for its convenience by giving written notice to Seller. Seller shall be entitled to its costs already incurred in the performance of the work canceled, plus (unless Seller would have sustained a loss on the entire Order had it been completed) a reasonable profit on such costs, which together may not exceed the contract price, or the work canceled. Buyer is not liable for work performed or costs incurred by Seller after notice of termination, which reasonably could have been avoided. In no event shall Buyer be liable for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Order price. Seller's termination claim shall be submitted within ninety (90) calendar days from the effective date of the written notice of termination. Seller shall continue all work not terminated.

9. NOTICE OF LABOR DISPUTES

Whenever Seller has knowledge that any present or potential labor dispute is delaying or threatens to delay the timely performance of this Subcontract, Seller shall immediately give notice to Buyer including all relevant information. Seller agrees to insert the substance of this clause, including this sentence, in any lower tier subcontract/orders where a labor dispute might delay timely performance of this Subcontract.

10. EXPORT CONTROL

Seller agrees to comply with all applicable U.S. export control laws and regulations. Seller shall be responsible for all losses, costs claims, damages, and liabilities, including attorneys' fees, arising from any act or omission of Seller, or subcontractors, in the performance of any of its obligations under this clause.

11. WARRANTY

Seller warrants all Products to be free from defect in design, materials, and workmanship and to conform strictly to the specifications, drawings, or samples specified or furnished; to be new and of the most suitable grade of their respective kinds; to be suitable for the purpose intended; and to meet all of the performance requirements.

The aforesaid express warranties shall be in addition to any standard warranty or guarantee of Seller, shall be construed as conditions as well as warranties, and shall not be exclusive. All warranties shall survive any inspection, design approval, delivery, acceptance, or payment by Buyer. All warranties shall run to Buyer, its successors, assigned customers, and the users of the Products. Seller agrees to replace or to correct promptly without expense to Buyer, including transportation and handling costs, any Products not conforming to the foregoing requirements when notified by Buyer during a period of twelve (12) months after acceptance or until Order completion, whichever is later. If Seller, upon notice of any defect, fails promptly to correct or replace Products as required herein, Buyer may, without further notice, correct or replace such Products and Seller agrees to reimburse Buyer for all costs incurred thereby. Products that have been rejected shall not thereafter be tendered for acceptance unless the former rejection and correction is identified, and such repaired or replacement Products shall be subject to the provisions of this article to the same extent as the original supplies. All warranties shall then run from the latter delivery date.

Seller warrants that all software, firmware, and hardware products provided by the Seller, having date dependent functionality containing or calling on a calendar function to process date and time data will accurately process the date and time data. In the event of a discovery of any date dependent functionality noncompliance, the discovering party shall notify the other party immediately. At the Buyer's option, the noncompliant products shall be repaired or replaced by the Seller at no cost to the Buyer.

The remedies provided in this clause are in addition to any other remedies provided to Buyer either at law or in equity and will be cumulative rather than alternative.

Seller warrants that the price(s) specified in this Order do not exceed the current selling price for the same or substantially similar supplies/services whether sold to the Government or to any other purchaser, considering the quantity and conditions of sale.

Seller warrants that to the best of its knowledge, information, and belief, the prices charged for supplies/services covered by the Order are not more than the prices permitted by any applicable law or regulation.

12. PACKING AND SHIPPING

(a) Unless otherwise specified in this Order, Seller shall pack the Products required under this Order in accordance with best available commercial practices and in compliance with international transportation regulations, to ensure safe delivery to destination.

(b) The Seller shall provide the item description, item number, serial number of the Product, and the purchase order number on the Packing List.

(c) All Products shall be prepared for shipment and suitably packed to prevent damage or deterioration. The Seller is solely liable for packaging design, and all charges for design, boxing, drayage, bundling, containers, preparation, packing, crating, or cartage shall be included in this PO price.

(d) The Seller shall ship all Products to the destination specified by Buyer in this PO. Interior and exterior containers shall be marked with this PO number. Also, each package and Bill of Lading shall be marked with this PO number.

(e) All shipping documents, shipping labels, and packing sheets must show full and complete information as to the appropriate consignee and this PO number. A complete packing list shall be enclosed with all shipments.

(f) Buyer reserves the right to specify the mode of shipment.

(g) Any expense incurred by Buyer because of improper preservation, packaging, packing, marking, or method of shipping shall be reimbursed by the Seller.

Seller will notify Buyer, before shipping, of any conflict between Buyer and carrier's packaging requirements.

13. SUPPLIER EVALUATION SELECTION

Criteria for evaluation and selection of supplier for placement on Griffon Aerospace's Approved Supplier List is based on the suppliers' abilities to consistently deliver defect free products and/or services, meet our delivery requirements, be cost competitive, and be responsive to Griffon Aerospace's needs.

14. SUPPLIER MONITORING

As applicable, Supplier performance will be monitored using the following:

1. On time delivery, - 1 point
2. Quality and Accuracy, - 1 point
3. Paperwork, - 1 point
4. Customer service - 1 point

Supplier performance will be measured Quarterly. Suppliers falling below 3 out of 4 average may be contacted to discuss development goals to assist in the improvement of their performance. Failure to improve supplier rating could result in removal from the Griffon approved supplier list.

15. QUALITY CONTROL SYSTEM

Seller agrees to provide and maintain a quality control system acceptable to Buyer or the Government, where applicable, for the work purchased under this Order.

16. Right of Access to facility and records

Seller shall permit both the Buyer, Buyers Customer (Government) and Regulatory authorities reasonable access to Seller's facilities and all levels of supply chain, to review procedures, practices, processes, and related documents to determine such quality control system acceptability.

17. Notifications

Seller shall have a continuing obligation to promptly notify Buyer of the following:

- Change in Quality Management system (ISO/AS, NADCAP, Government, Etc.)
- Any violation of or deviation from Seller's approved inspection/quality control system that impacts Seller; and to advise Buyer of the quantity and specific identity of any products or Work delivered by Seller during the period of any such violation or deviation.
- Change in Seller's suppliers, which have been previously approved by Buyer.
- Change to processes, products or services
- Change in machinery or inspection methods/techniques, which have been previously approved by Buyer.
- Change of geographical location for manufacture of the Products.
- Change in company ownership.
- Change in senior or site management, including Quality management.
- Major reduction/change in workforce.
- Acquisitions that may impact current operation or key personnel.

18. Records and Retention

Seller shall maintain records evidencing all inspections made under the system and the outcome. These records shall be kept complete and made available to Buyer and Government during Seller's performance under this Order and for a period of three (3) years (unless a longer period is specified on the face of this Order or referenced Attachments) after Buyer's acceptance of all goods delivered or services rendered under this PO. Seller agrees to include and to require Orders to include, the substance of this paragraph, including this sentence, in each of its Orders under this Order.

19. DELIVERY

Delivery shall be strictly in accordance with the specified quantities and schedule. In the event of any anticipated or actual delay, Seller shall (i) immediately notify Buyer in writing of the reasons for the delay and the action being taken to overcome or minimize the delay; and (ii) provide Buyer with a written recovery schedule. If, for any reason, Seller does not comply with Buyer's delivery schedule, Buyer may, at its option and without liability, either approve a revised delivery schedule or cancel this Order. Seller shall make every effort to avoid or minimize the delay to the maximum extent possible including the expenditure of premium time and most expeditious transportation. If the Seller is late, Seller shall pay the added premium transportation cost. Unless otherwise stated on the PO, Seller shall not deliver Products prior to the schedule delivery date without the prior written consent of the Buyer. Buyer may, from time to time, change or direct temporary suspension of the delivery schedule.

20. INVOICE AND PAYMENT

Unless otherwise authorized by Buyer, Seller shall not issue an invoice prior to the actual delivery date of products. Seller shall forward to Buyer, with the invoice, receipt or Bill of Lading signed by the carrier, evidencing the fact that shipment has been made. Payment due dates, including discount periods, shall be calculated from the date of the later of the scheduled delivery date, the actual delivery date, or the date of receipt of a corrected invoice. The cash discount period to Buyer, if any, will date from the later of (i) the receipt of a compliant invoice (not from date of the invoice) (ii) the actual date of acceptance of the Products, or, (iii) the delivery date specified in this Order. If no discount is offered, payment of invoices will be made within thirty (30) days after the latest of the above. Unless freight and other charges are itemized, any discount shall be taken on the full amount of the invoice. Invoices shall be supported by such documents in such form as Buyer requests and shall bear such certification as may be required by law, regulations, or this Order.

Submit invoices to accountspayable@griffonaerospace.com and include the following:

1. Invoice number and date prepared.
2. Company name and remittance address.
3. Point of contact to include phone number and email address.
4. Purchase order number.
5. Invoice lines which reference the corresponding purchase order line item.

All payments are contingent on acceptance of the goods or services by Buyer. Seller shall issue separate invoices for each shipment showing the amount of material shipped. Buyer's PO number and part number shall appear on all invoices, packages, crates or boxes, bills of lading, express receipts, correspondence, and other instruments used in connection with this Order. Invoices shall be mailed to Buyer within ten days after shipment. All containers, drums, carboys, etc., to be returned shall be shipped on a no charge or consignment basis unless otherwise specified in this Order. Buyer shall pay for only such containers that it does not return within a reasonable time. Payment shall not constitute acceptance of the products. Payment shall be deemed to have been made on the date Buyer's check is mailed or payment is otherwise tendered. Seller shall promptly repay Buyer any amounts paid in excess of amount due Seller. Invoices which do not agree with prices or other terms of the Order will be returned to the Seller for corrections. Payment schedule shall commence upon receipt of the corrected invoice by Buyer.

21. NEW MATERIALS

Unless expressly authorized in writing, all work to be delivered hereunder shall consist of new materials, as defined in FAR 52.2115.

22. COUNTERFEIT PARTS

Seller shall not furnish counterfeit parts, which include unauthorized, misrepresented, or falsely identified materials, components, or assemblies. Any suspected counterfeit parts will be deemed nonconforming. Seller must implement robust prevention processes, including personnel training, obsolescence monitoring, traceability controls, and verification methodologies. Upon discovering counterfeit parts, Seller must notify Buyer within 30 days and replace them at Seller's expense. Seller is responsible for ensuring its subcontractors comply and must flow down these requirements in all contracts.

23. F.O.B., TITLE AND RISK OF LOSS

Unless otherwise specified, Free on Board (F.O.B.) shall be Buyer's designated location. Title to any goods covered by this Order shall pass to Buyer upon final inspection and acceptance, regardless of when or where Buyer takes physical possession.

Seller agrees that all dies, tools, jigs, fixtures, designs, drawings, patterns, and other special items, which are furnished by Buyer without charge, shall be the Property of Buyer.

Risk of loss or damage to articles shall remain with the Seller until:

Delivery of the goods to an authorized carrier if delivery is F.O.B. Origin; or

Final acceptance by Buyer or receipt of goods by Buyer at the destination specified in this Order, whichever is later, if transportation is F.O.B. Destination.

Notwithstanding the above, the risk of loss or damage to goods, which fail to conform to this Order as to give rise to a right of rejection, shall remain with the Seller until cure or final acceptance.

24. PATENT, TRADEMARK, AND COPYRIGHT INDEMNITY

Seller shall defend, indemnify, and hold Buyer, Buyer's officers, agents, employees, and customers harmless against all claims, suits, actions, awards (including, but not limited to, awards based on intentional infringement of patents known at the time of such infringement, exceeding actual damages and/or including attorneys' fees and/or costs), liabilities, damages, costs, and attorneys' fees related to 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 on misappropriation or wrongful use of information or documents) and arising out of the manufacturing, sale, or use of products by either Buyer or its customer delivered under this Order. Buyer and/or its customer will duly notify Seller of any claims, suits, or actions; and Seller shall, at its own expense, fully defend such claims, suits, or actions on behalf of indemnitees or obtain such licenses as are necessary to remove such infringement.

Seller's obligations shall not apply to products manufactured by Seller pursuant to detailed designs developed by Buyer and furnished to Seller under this Order, which does not require research, development, or design work by Seller.

Seller's obligation shall also not apply to any infringement arising from the use or sale of products in combination with items not delivered by Seller if such infringement would not have occurred from the use or sale of such products solely for the purpose for which they were designed or sold to Buyer.

25. INDEMNITY AND REIMBURSEMENT

Seller shall indemnify and hold harmless Buyer, and their directors, officers, employees, and agents from and against all actions, causes of action, liabilities, claims, suits, judgments, liens, awards, and damages of any kind and nature whatsoever for property damage, personal injury, or death (including without limitation injury to or death of employees of Seller or any subcontractor thereof) and expenses, costs of litigation and counsel fees related thereto or incident to establishing the right to indemnification, arising out of or in any way related to this contract, the performance thereof by Seller or any subcontractor thereof or other third parties, including, without limitation, the provision of services, personnel, facilities, equipment, support, supervision, or review. The foregoing indemnity shall apply only to the extent of the negligence of Seller, any subcontractor thereof, or their respective employees. 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 that in the event the Buyer's Customer withholds, reduces, and/or deletes the cost, overheads, and/or profits of the Buyer due to any action or inaction on the part of the Seller, the Seller shall immediately repay the Buyer for any such loss.

Subsequent of receipt of the Seller's reimbursement, the Buyer shall exercise the right of appeal to the Buyer's Customer on behalf of the Seller. Seller agrees to pay to the Buyer all costs incurred by the Buyer resulting from any such appeal.

In no event shall Buyer or Seller be liable for special, incidental, or consequential damages of any nature.

26. INSURANCE

If Seller or any subcontractor thereof will be performing work on Buyers' or its customers' premises, Seller shall carry and maintain, and ensure that all subcontractors thereof carry and maintain, throughout the period when work is performed and until final acceptance by Buyer, Commercial General Liability insurance, Automobile Liability insurance, and Workers' Compensation insurance in accordance with Subcontract guidelines.

Such insurance shall contain coverage for all premises and operations, broad form property damage, contractual liability, and goods and completed operations insurance. Such insurance shall not be maintained on a per project basis unless the respective Seller or subcontractor thereof does not have blanket coverage.

Prior to commencement of the work, Seller shall provide for Buyer's review and approval certificates of insurance reflecting full compliance with the requirements set forth above. Such certificates shall be kept current and in compliance throughout the Contract period of performance and until final acceptance by Buyer and shall provide for 30 days advance written notice to Buyer 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 Buyer to request such certificates, endorsements, or other proof of coverage shall not constitute a waiver of Seller's or subcontractor's obligations hereunder.

27. PROTECTION OF PROPERTY

Seller assumes and shall ensure that all subcontractors thereof and their respective employees assume the risk of loss or destruction of or damage to any property of Buyer or its customer whether owned, hired, rented, borrowed, or otherwise. At all times Seller shall, and ensure that any subcontractor thereof shall, use suitable precautions to prevent damage to Buyer's or its customer property. If any such property is damaged by the fault or negligence of Seller or any subcontractor thereof, Seller shall, at no cost to Buyer or Buyers' customer, promptly and equitably reimburse Buyer or its customer for such damage or repair or otherwise make good such property to Buyer's, or Buyers' customer, satisfaction. If Seller fails to do so, Buyer may do so and recover from Seller the cost thereof.

28. BUYER APPROVALS AND REVIEWS

The review or approval by Buyer of any work hereunder or of any designs, drawings, specifications, or documents prepared hereunder shall not relieve Seller of any of its obligations under this Order, nor excuse or constitute a waiver of any defects or nonconformities in any articles furnished under this Order, nor change, modify, or otherwise affect any of the provisions of this Order, including but not limited to, the prices and delivery schedules contained herein.

29. SEVERABILITY

Each clause, paragraph, and subparagraph of this Contract/Purchase Order is severable, and if one or more of them are declared invalid, the remaining provisions of this Contract will remain in full force and effect.

If this Order is terminated for default or convenience, Seller shall NOT be relieved of those obligations contained in this Order for the following provisions:

PROPRIETARY INFORMATION

PATENT, TRADEMARK & COPYRIGHT INDEMNITY

WARRANTY

DISPUTES

TERMINATION/CANCELLATION

INDEPENDENT CONTRACTOR RELATIONSHIP

DEFECTIVE COST OR PRICING DATA

COMPLIANCE WITH LAWS

CHOICE OF LAWS

INDEMNITY & REIMBURSEMENT

RIGHTS & REMEDIES

30. ENTRY/ACCESS TO PROPERTIES

Seller shall comply with all the rules and regulations established by Buyer and Buyer's customer for access to and activities in and around premises controlled by Buyer or Buyer's customer.

31. INFORMATION OF GRIFFON AEROSPACE/SELLER

Seller shall not provide any proprietary information to Buyer without prior execution of a proprietary information agreement by the parties. Any financial and technical data exchanged under this Agreement shall be treated as proprietary information and handled according to the executed Nondisclosure Agreement. Subject to any rights of the Government, each party shall retain title to any Intellectual Property if developed, authored, conceived, or reduced to practice independently and solely by that party during the performance of the Agreement without the other Party's Intellectual Property.

32. RIGHTS AND REMEDIES

Failure by either party to enforce any of the provisions of this Contract or applicable law shall not constitute a waiver of any such provisions, rights, or remedies; rather, the same shall remain in full force and effect. The rights and remedies set forth herein are cumulative and in addition to any other rights or remedies provided by law or in equity. If any provision of this contract is or becomes void or unenforceable by law, the remainder shall be valid and enforceable.

33. TAXES

Seller's price includes, and Seller is liable for and shall pay, all taxes, impositions, charges, and all charges for packing, shipping, hauling, storage, and transportation to the point of delivery.

34. STOP WORK

Seller shall stop work for up to one hundred (100) days in accordance with any written notice received from Buyer and shall take all reasonable steps to minimize the incurrence of costs allocable to the Services during the period of work stoppage. Within such period, Buyer shall either terminate in accordance with the provisions of this Contract or continue the work by written notice to Seller. An equitable adjustment per the "Changes" clause shall be made by performance affected by the work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after the date of notice to continue.

35. WORK TRANSFER

Seller shall not and shall ensure its supply chain shall not, initiate a movement or transfer of the location for the work to be performed under this Contract to another facility without Buyer's prior written approval. Only approved external providers shall be used for outsourced services and special processes.

36. SUPPLIER AWARENESS AND PRODUCT SAFETY

Suppliers and their relevant personnel shall be made aware of their impact on the safety of products and services supplied to the organization. This includes understanding their role in the supply chain and how nonconformities, delays, or deviations from specified requirements could compromise product safety.

37. ETHICAL BEHAVIOR

Suppliers, including their employees and subcontractors, must adhere to the highest standards of ethical conduct, ensuring their business practices align with principles of integrity, fairness, and sustainability. They are expected to comply with all applicable laws and regulations related to labor, environmental impact, and corporate responsibility. Suppliers must prohibit any form of corruption, bribery, forced labor, or discriminatory practices while fostering a safe and inclusive workplace. Additionally, they must uphold transparency in their supply chain operations and take proactive measures to minimize environmental harm.

38. GRATUITIES/KICKBACKS

Seller warrants and certifies that neither it nor any of its employees, agents, or representatives has offered or given any gratuities of any kind, nature, or amount, to Buyer's employees, agents, or representatives for the purposes of securing this Order or securing favorable treatment with respect thereto in violation of FAR 52.2033.

39. PRIORITY RATING

If so identified, this Contract is a DPAS "rated order" (DX,DO) certified for national defense use, and the Seller shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).

40. CONTRACTUAL DIRECTION

Sole authority to make changes in or amendments to this Subcontract and to effect deviations (by way of addition or deletion) from the work specified herein is hereby granted to Buyer's Authorized Representative identified in the Subcontract. All contractual direction, in order to be valid, must be written and signed by the Buyer's Authorized Representative.

41. INSPECTION (applies to goods covered under this Subcontract)

Buyer reserves the right of final approval of product, processes, procedures and equipment.

Buyer, its customer, and higher tier contractors have the right to inspect the Product at all reasonable times and places, including during manufacture and before shipment. Seller shall provide all information, facilities, and assistance necessary for inspection without additional charge.

Buyer has the right to reject such goods or require their correction. Except as otherwise specified in this Subcontract: (1) Seller is responsible for all goods and for the risk of loss thereof until they are delivered at the designated delivery point, regardless of the point of inspection, and (2) Seller shall bear all risks as to rejected goods after notice of rejection, and (3) Seller shall pay all shipping costs on rejected goods.

Unless a different period is specified on the face of this Subcontract, for a period beginning with the award of this Subcontract to Seller and ending three years after Buyer's acceptance of all goods delivered or services rendered under this Subcontract, Seller shall keep and maintain all inspection and test records, and all other technical data generated under or related to this Subcontract including, but not limited to, drawings, designs, specifications, and manufacturing and process control records. Upon Buyer's request, Seller shall make available for inspection, and shall allow Buyer to make copies of and take excerpts from, all such records and data.

At no time shall Nonconforming product be shipped to Griffon Aerospace without written prior approval from the buyer and Griffon quality and engineering.

42. PARTS OBSOLESCENCE

Buyer may desire to place additional orders for Work purchased hereunder. Seller shall provide Buyer with a "Last Time Buy Notice" at least twelve (12) months prior to any action to discontinue any Work purchased under this Contract.

43. CHOICE OF LAW

This Subcontract shall be governed by and construed and enforced in accordance with the laws of the State of Alabama, including its provisions of the Uniform Commercial Code, as applicable, but excluding its choice of law rules and the application of the 1980 United Nations Convention on Contracts for the International Sales of Goods.

44. CUSTOMER FLOW DOWNS AND SUPPLEMENTAL TERMS AND CONDITIONS

Government (FAR & DFAR's) or other buyer customer clauses and terms and conditions applicable to this contract, if any, are incorporated elsewhere in this contract either by attachment or by other means of reference.

45. QUALITY REQUIERMENT FLOW DOWN

Seller shall require lower-tier suppliers to comply with quality assurance requirements comparable to those contained in this Purchase Order, including key characteristics. Seller shall assume responsibility for the quality of all procured material and workmanship. Seller shall include this clause in its subcontracts with lower-tier suppliers and require lower-tier suppliers to flow down this clause to their lower-tier suppliers

46. ORDER OF PRECEDENCE

In the event of any inconsistency between any parts of this Order, the inconsistency shall be resolved by giving precedence in the following order:

- Mandatory flow downs in Buyer's prime contract, including any applicable FAR or DFARS clauses which require inclusion into the Order;
- These terms and conditions including referenced attachments;
- Statement of work;
- Specifications or drawings; and
- Other documents, exhibits, and attachments to the Order.

47. ENTIRE AGREEMENT

The terms set forth within this Subcontract constitute the entire agreement of the parties and supersede all previous verbal or written representations, agreements, and conditions with respect to the subject matter hereof. No modification of the requirements of this Subcontract, and no communications which vary from or add to any terms of this Subcontract will be binding unless in writing and signed by an authorized representative of Buyer.