

## TERMS AND CONDITIONS FOR THE PURCHASE OF GOODS AND SERVICES

**1. THIS DOCUMENT CONTAINS VERY IMPORTANT INFORMATION REGARDING YOUR RIGHTS AND OBLIGATIONS, AS WELL AS CONDITIONS, LIMITATIONS, AND EXCLUSIONS THAT MIGHT APPLY TO YOU. PLEASE READ IT CAREFULLY.**

**THESE TERMS REQUIRE THE USE OF ARBITRATION TO RESOLVE DISPUTES, RATHER THAN JURY TRIALS.**

**BY ACCEPTING TO FULFILL AN ORDER FOR PRODUCTS OR SERVICES FROM LSC INDUSTRIES, LLC, YOU AFFIRM THAT YOU ARE OF LEGAL AGE TO ENTER INTO THIS AGREEMENT, AND YOU ACCEPT AND ARE BOUND BY THESE TERMS AND CONDITIONS. YOU AFFIRM THAT IF YOU PLACE AN ORDER ON BEHALF OF AN ORGANIZATION OR COMPANY, YOU HAVE THE LEGAL AUTHORITY TO BIND ANY SUCH ORGANIZATION OR COMPANY TO THESE TERMS.**

**YOU MAY NOT SELL PRODUCTS OR SERVICES FROM LSC INDUSTRIES, LLC IF YOU (i) DO NOT AGREE TO THESE TERMS, (ii) ARE NOT THE OLDER OF (A) AT LEAST 18 YEARS OF AGE OR (B) LEGAL AGE TO FORM A BINDING CONTRACT WITH LSC INDUSTRIES, LLC, OR (iii) ARE PROHIBITED FROM ACCESSING OR USING ANY OF LSC INDUSTRIES, LLC'S PRODUCTS BY APPLICABLE LAW.**

These Terms and Conditions together with the Purchase Order, Order, or Contract (collectively referred to herein as "Purchase Order") between the parties, with the Supplier Quality Manual (SQM) and any drawings or specifications form the entire Agreement ("Agreement"). Acceptance is strictly limited to the terms and conditions outlined here. **Additional or differing terms, conditions or limitations of liability proposed by Seller, whether in a quote, acceptance or delivery document shall have no effect unless accepted in writing by LSC Industries, LLC. ("LSC Industries"). In particular, any limitation of liability or disclaimer of warranty is expressly rejected.**

### 1. Goods and Services

Seller agrees to provide the Goods and Services in accordance with the applicable purchase order, scope of work, any drawings or specifications, and these Terms and Conditions ("Agreement"). Unless Seller objects in writing prior to delivery of Goods and Services, Seller will be bound by the provisions of this Agreement. All part-specific instructions on the LSC Shipper/Packing Slip accompanying the parts at the time of shipment supersedes the corresponding part specific instructions on the blanket Purchase Order for that part.

**New Materials:** Unless otherwise stated in the Purchase Order, all Goods to be supplied shall be made of new material and components.

**Changes:** LSC Industries has the right to make written changes within the scope of the Purchase Order at any time. Changes shall not be binding upon LSC Industries except when confirmed in a written Purchase Order or Change Order. If any change causes an increase or decrease in the price or in the time required for performance, Seller shall notify LSC Industries within three (3) business days of receipt of the change request. Nothing in this provision shall entitle Seller to stop or delay performance under the Purchase Order, or shall excuse Seller from proceeding immediately with the directed change(s).

### 2. Delivery

Delivery of Goods and Services shall be made pursuant to the applicable Purchase Order. LSC Industries may, at its option, decline to accept the Goods and Services, if Seller fails to deliver the Goods and Services within the time specified on the Purchase Order. LSC Industries reserves the right to return any over-

shipment made by Seller at Seller's expense. Seller shall not ship more than seven (7) days prior to Purchase Order delivery date without written authorization from LSC Industries.

**Packaging:** All Goods are to be delivered in accordance with LSC Industries' SQM and any instructions provided by LSC Industries. The cost of repairing any damage to Goods not packed to ensure proper protection to the same will be charged to Seller.

**Change in Delivery Schedule:** LSC Industries may, upon reasonable notice to Seller, change the date of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of price for the Goods covered in the Order.

**Notice of Delay:** Seller shall notify LSC Industries in writing immediately of any actual or potential delay to performance. Such notice shall include a revised schedule and shall not constitute a waiver to LSC Industries' rights and remedies.

**FOB Destination:** Notwithstanding any agreement concerning payment of freight expenses, delivery shall not have occurred and risk of loss shall not have shifted to LSC Industries until the Goods have been delivered to the specified LSC Industries' facility or location and such Goods have been accepted at that facility or location.

### 3. Risk of Loss

Title of the Goods shipped under the purchase order will pass to LSC Industries in accordance to the shipping terms specified on the Purchase Order.

### 4. Inspection

Seller shall participate in LSC Industries' supplier quality program, follow the SQM, and permit LSC Industries' personnel and its representatives to enter Seller's facilities at reasonable times to inspect such facilities and any goods, materials and property that relate to the Purchase Order. Subject to applicable national security regulations, LSC Industries and its designee shall have the right of access, on a non-interference basis, to any area of Seller's or Seller's supplier's premises where any part of the work is being performed. Seller shall keep and maintain proper and adequate inspection, test and related records, which shall be available for inspection and/or by LSC Industries or its designee. No such inspection will constitute acceptance by LSC Industries of any work-in-process or finished goods. For all government contracts, applicable clauses from the FAR and its Supplements flow down.

All Goods shall be subject to final inspection and testing by LSC Industries or its authorized designees at specified LSC Industries' facility or location as specified by LSC Industries prior to acceptance by LSC Industries. If any of the Goods and/or Services furnished hereunder are found to be defective in material or workmanship, or otherwise not in conformity, LSC Industries, in addition to any other right under all applicable warranties or otherwise, may at its option correct or have corrected the nonconformity at Seller's expense or reject and return such Goods and/or discontinue such Services at Seller's expense. Such Goods and/or Services shall not be replaced or continued without authorization from LSC Industries. Rejected items shall be removed promptly by Seller and at Seller's expense.

### 5. Payment

LSC Industries will pay Seller the amount agreed upon and specified in the Purchase Order (or within 60 days if not identified elsewhere) unless the invoiced amount is in dispute. Payment shall not constitute acceptance of Goods and/or Services. All requests for payment shall be made by invoice. LSC Industries reserves the right to return all incorrect invoices and withhold payment until corrected invoices have been received by LSC Industries. LSC Industries may withhold payment for shortages and/or non-conforming Goods.

**Right of Setoff:** LSC Industries may, at its election, set off against any amounts payable to Seller under any Purchase Order.

### 6. Compliance with Laws

Seller warrants that all Goods provided and all Services performed are in compliance with applicable Federal, State and Local Laws, including but not limited to, the Occupational Health and Safety Act

(OSHA); Toxic Substances Control Act; the Fair Labor Standards Act (FLSA); the Clean Air Act; the International Traffic in Arms Regulations (ITAR); and the Anti-Kickback Act. Seller shall control the dissemination of and access to technical data, information and other items received under the Purchase Order in accordance with U.S. export control laws and regulations.

#### **Section 1502 of the Dodd-Frank Act (Conflict Minerals)**

Conflict Minerals refers to minerals or other derivatives (specifically, Tin, Tantalum, Tungsten, and Gold, also known as 3TG) mined in the eastern provinces of the Democratic Republic of the Congo (DRC) and in the adjoining countries where the revenues of the 3TG minerals may be directly or indirectly financing armed groups engaged in civil war resulting in serious social and environmental abuses. In July 2010, the United States passed the Dodd-Frank Financial Reform & Consumer Protection Act, section 1502(b) requiring all US public companies and their suppliers to disclose the chain of custody usage of conflict minerals.

- LSC Industries, LLC expects its suppliers to source materials from socially responsible suppliers.
- LSC Industries, LLC expects all of its suppliers to comply with the Dodd-Frank regulation and provide all necessary declarations.
- Suppliers must pass this requirement through their own supply chain and determine the source of specified minerals.
- Suppliers who are non-compliant to these requirements shall be reviewed for future business

#### 7. Warranties

**Goods Warranty:** The Seller warrants that all Goods and Services shall be free from defects in design, materials or workmanship, in strict accordance with the requirements of this Agreement, and shall be of good and merchantable quality and fit for the particular purpose(s) for which such Goods are intended. Acceptance by LSC Industries of Goods and Services shall not release or discharge Seller from liability for damages resulting from a warranty breach. Seller warrants that it has clear title to all Goods provided.

**Extension of Warranty to LSC Industries Customers:** All warranties furnished pursuant to this Contract extend not only to LSC Industries but also to LSC Industries' customers.

**Intellectual Property Warranty:** Seller warrants that the sale, offering for sale, use, or incorporation into manufactured goods and materials (including software) of all machines, parts, components, services, devices, material, and rights furnished or licensed hereunder which are not of LSC Industries design, composition or manufacture does not and will not infringe any valid patent, copyright, trademark, or other proprietary or intellectual property rights.

#### 8. Force Majeure

LSC Industries shall not be liable for any failure to perform, including failure to take delivery of the Goods as provided caused by circumstances beyond its control, which make such performance commercially impractical, including, but not limited to, acts of God, fire, flood, acts of war, government action and accident. In the event LSC Industries is so excused, either party may terminate the Agreement by providing immediate written notice to the other party that describes the *Force Majeure* condition, a good faith estimate of the likely duration of the condition and/or the cessation of performance.

#### 9. Termination for Convenience

LSC Industries may terminate all or any part of the Purchase Order for convenience at any time by written notice to Seller, and such termination shall not constitute default. Seller shall immediately stop work and limit costs incurred on the terminated work. LSC Industries shall have all rights and obligations accruing to it either at law or in equity, including LSC Industries' rights to title and possession of the goods and materials paid for. LSC Industries may take immediate possession of all work so performed upon notice of termination. If such termination is not caused by the Seller's failure to fulfill the requirements, LSC Industries shall reimburse Seller for the actual, reasonable, substantiated and allowable costs not previously paid, with the total amount not to exceed the total price of the Purchase Order.

#### 10. Termination for Default

LSC Industries may, by written Notice of Default to Seller, terminate this Purchase Order in whole or in part, or, at LSC Industries' sole discretion, require the Seller to post such financial assurance as LSC Industries deems reasonably necessary, if: (i) Seller fails to deliver the Goods within the time specified in this Contract or any extension, (ii) Seller fails to make progress, so as to endanger performance of this Contract, (iii) Seller fails to perform any of the other provisions of this Contract, or (iv) Seller become insolvent, ceases doing business, or becomes the subject of any proceedings under any bankruptcy, insolvency, or reorganization statute or law.

If Seller terminates for default, the rights, duties and obligations of the parties shall be determined in accordance with the terms of the FAR Termination for Default clause, FAR 52.249-8, with the term "LSC Industries" substituted for the terms "Government" and "Contracting Officer", and the term "Seller" substituted for the term "Contractor" in that clause. LSC Industries may require Seller to transfer title and deliver to LSC Industries any and all property produced or procured by Seller for performance of the work terminated and Seller shall be credited with the reasonable value thereof not to exceed Seller's cost or the Purchase Order's price, whichever is less. Seller will be liable for damages caused by or resulting from its default including but not limited to excess costs of procurement. Termination of the Contract for default shall be without prejudice to any other rights or remedies of LSC Industries provided by law or under the Purchase Order.

#### 11. Indemnification

Seller shall indemnify and hold harmless, and at LSC Industries' request, defend LSC Industries, its officers, directors, employees, and agents and invitees from and against all claims, liabilities, demands, losses, costs, damages and expenses, including but not limited to attorneys' fees and other costs of litigation arising out of or in any way connected with the Goods provided under the Purchase Order, including, without limitation: (i) the breach of any warranty contained therein; (ii) any claim based on the death or bodily injury to any person, destruction or damage to property, or contamination of the environment and any associated clean-up costs; (iii) any claim based on the negligence, omissions or willful misconduct of Seller or any of Seller's agents, subcontractors, employees or anyone acting on behalf of Seller; and, (iv) any claim by a third party against LSC Industries alleging that the Goods (including but not limited to software), or any other products or processes provided that infringe a patent, copyright, trademark, trade secret or other proprietary right of a third party, whether such are provided alone or in combination with other products, software or processes. Seller shall not settle any such suit or claim without LSC Industries' prior written approval.

Seller's obligation to indemnify LSC Industries shall apply regardless of whether the claim arises in tort, negligence, contract, warranty or strict liability or otherwise, except to the extent any such liability arises out of the gross negligence of LSC Industries. Seller shall without limitation as to time, defend, indemnify and hold LSC Industries harmless from all liens which may be asserted against property covered hereunder, and from all claims for injury to persons or property arising out of or related to such property unless the same are caused solely and directly by LSC Industries' negligence.

#### 12. Applicable Law/Disputes

Any controversy arising out of or related to the Purchase Order shall be construed and governed by the laws of the State of Ohio.

**YOU AND LSC ARE AGREEING TO GIVE UP ANY RIGHTS TO LITIGATE CLAIMS IN A COURT OR BEFORE A JURY. OTHER RIGHTS THAT YOU WOULD HAVE IF YOU WENT TO COURT MAY ALSO BE UNAVAILABLE OR MAY BE LIMITED IN ARBITRATION. ANY CLAIM, DISPUTE OR CONTROVERSY (WHETHER IN CONTRACT, TORT OR OTHERWISE, WHETHER PRE-EXISTING, PRESENT OR FUTURE, AND INCLUDING STATUTORY, CONSUMER PROTECTION, COMMON LAW, INTENTIONAL TORT, INJUNCTIVE AND EQUITABLE CLAIMS) BETWEEN YOU AND US ARISING FROM OR RELATING IN ANY**

**WAY TO YOUR PURCHASE OF PRODUCTS OR SERVICES THROUGH THE SITE, WILL BE RESOLVED EXCLUSIVELY AND FINALLY BY BINDING ARBITRATION.**

The arbitration will be administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules and Mediation Procedures ("**Commercial Rules**"). The arbitrator will have exclusive authority to resolve any dispute relating to arbitrability and/or enforceability of this arbitration provision, including any unconscionability challenge or any other challenge that the arbitration provision or the agreement is void, voidable or otherwise invalid. The arbitrator will be empowered to grant whatever relief would be available in court under law or in equity. Any award of the arbitrator(s) will be final and binding on each of the parties, and may be entered as a judgment in any court of competent jurisdiction. If any provision of this arbitration agreement is found unenforceable, the unenforceable provision will be severed, and the remaining arbitration terms will be enforced.

13. Assignment and Subcontracting

Neither the Purchase Order nor any interest nor claim may be transferred, novated, assigned or delegated by Seller; nor may all or substantially all of this Contract be further subcontracted by Seller without the prior written consent of LSC Industries. Notwithstanding the above, Seller may, without LSC Industries' consent, assign moneys due, or to become due, provided LSC Industries shall continue to have the right to exercise any and all of its rights, settle any and all claims arising out of, and enter into amendments to the Contract without notice to or consent of the assignee. LSC Industries shall be given prompt notice of any assignment. LSC Industries may assign the Purchase Order to any successor in interest.

14. Government Contracts

For Contracts placed in support of and charged to a U.S. Government Contract, applicable clauses from the FAR and its Supplements that flow down are listed in the Appendix, and are incorporated by reference herein. The terms "Government" and "Contractor" contained in the FAR and DFARS clauses shall be revised to identify the Seller and the LSC Industries respectively.

15. Order of Precedence

In the event of a conflict between these Terms and Conditions and other portions of the Purchase Order, the order of precedence shall be: (a) the Purchase Order form, including any typed provisions on the face of the purchase order specifically modifying these terms of the Purchase Order; (b) these Terms and Conditions; (c) terms set forth in any specification(s); and (d) terms set forth in any drawings(s).

16. Communication with LSC Industries' Customer

LSC Industries shall be solely responsible for any and all communication with LSC Industries' customer. Seller shall not communicate with LSC Industries' customer regarding the Purchase Order or any related contract without LSC Industries' express written consent, and shall inform LSC Industries if its customer contacts Seller directly.

17. Audit Rights

LSC Industries reserves the right to audit Seller's records to assure compliance with the terms of the Purchase Order. Seller shall make available all data reasonably requested by LSC Industries. Quality records, certifications and other records pertinent to the Purchase Order are to be retained for ten (10) years or as instructed on the face of the Purchase Order. Should Seller cease business, Seller shall provide LSC Industries with a copy of all records applicable to the Purchase Order.

18. Ethical Standards of Conduct

Seller shall neither receive nor give any gifts or gratuities in connection with this Purchase Order. Seller's employees are required to conduct company business with integrity and maintain a high standard of conduct in all business-related activities. Seller shall not participate in any unethical conduct during performance of

this Purchase Order. Seller shall not engage in any personal, business, or investment activity that may be defined as a conflict of interest, whether real or perceived.

19. Confidential Information

The contents of the Purchase Order and all commercial and technical information provided to Seller by LSC Industries shall not be divulged to any third party by Seller or used by Seller other than in connection with the Purchase Order. LSC Industries shall have the right, if and when applicable, to direct disposition of said proprietary information.

20. Intellectual Property

Any work, writing, idea, discovery, improvement, invention (whether patentable or not), trade secret or intellectual property of any kind first made or conceived by Seller in the performance of the Purchase Order or which is derived from the use of information supplied by LSC Industries shall be the exclusive property of LSC Industries. Any work produced under the Purchase Order is to be deemed a work-for-hire to the extent permitted by law, and, to the extent not so permitted, shall be assigned to, and shall be, the exclusive property of, LSC Industries.

21. ITAR

The technical information provided by LSC Industries is governed by the United States International Traffic in Arms Regulations, ITAR, 22CFR parts 120 to 130, or Export Administration Regulations. Seller agrees that it will not transfer an export controlled item, data, or service, to include transfer to foreign person employed, or associated with, the supplier without the authority of an export license or applicable exemption.

22. CyberSecurity

The technical information provided by LSC Industries, some of which may be considered DOD CUI (Controlled Unclassified Information) is to be safeguarded in accordance with NIST 800-171 and or CMMC 2.0. Refer to FAR Clause 252.204-7020 for full requirements.

22. Limit of Liability

In no event shall LSC Industries be liable to Seller for any incidental, indirect, special or consequential damages arising out of, or in connection with, this agreement.

23. Execution.

This Agreement may be executed in any number of counterparts, electronically, or by counsel, with notation of same, on the behalf of the respective party, each of which shall be deemed to be an original and all of which together shall be deemed one and the same instrument. Acceptance of Purchase order , Contract, Web or Verbal Order to be Considered Acceptance of these Terms and Condition by Default.

ACCEPTED BY:

Supplier name: \_\_\_\_\_

Signed by: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_