



STANDARD TERMS AND CONDITIONS OF SALE

1) Acceptance of Purchase Orders

Seller's acceptance of Buyer's Purchase Order is expressly made conditional on Buyer's acceptance of the flowing Terms and Conditions of Sale, which are in lieu of any additional or different terms contained in Buyer's Purchase Order or other document or communication pertaining to Buyer's order of the goods. Buyer's assent to the Terms and Conditions contained in this document shall be conclusively presumed from Buyer's acceptance of all or any part of the goods. None of these Terms and Conditions may be added to, modified, superseded or otherwise altered, except by a written instrument signed by an authorized executive Seller. Failure of Seller to object to any Terms and Conditions which may be contained in any document or form of Buyer shall not be construed as a waiver of these conditions, nor as an acceptance of any such Terms and Conditions.

2) Payment Terms

Payment Terms are Cash with Purchase Order for first time Customer's. Payment Terms of up to NET 30 can be established thereafter once a Customer Credit Application is completed and reviewed. Any payment terms granted to Buyer are due from the date of the Invoice. In the event the Buyer fails to perform its payment obligations in accordance with this Clause, or in the event of any change in Buyer's creditworthiness, Seller, at its sole discretion, reserves the right, among other actions to:

- a) Reject any new Purchase Orders received from Buyer
- b) Require Buyer to immediately pay all outstanding invoices which shall become immediately due
- c) Accept new Purchase Orders on the basis of revised payment terms, whereby Buyer will be obliged to pay for Products or Services in advance for delivery
- d) Demand and obtain additional securities (such as payment guarantees

- or escrows) from Buyer, in advance of accepting any new Purchase Orders
- e) Withhold shipment or cease any performance until such time as payment is received from Buyer, at which point Seller will notify Buyer of a revised shipment date following the Buyer's payment of outstanding sums due to Seller.

The foregoing is without prejudice to any other Seller's rights or remedies which Seller may have under the applicable law. All collection costs, including reasonable attorney fee's arising out from Buyer's non-payment in accordance with the terms herein shall be payable to Buyer. Any overdue invoice will trigger the payment of late penalties by Buyer, calculated in accordance with the Late Payment of Commercial Debts (Interest) Act 1998. This payment is without prejudice to Seller's right to claim for additional, demonstrable costs incurred as a result of debt collection.

3. Price Changes

In the event of any specific requirement (including without limitation any design, specification, ordered quantity, shipment dates/changes) representing a price increase, Buyer will be notified and afforded an opportunity to confirm within (5) business days from Seller's notice. In the event that the Buyer does neither confirm nor object in writing within (5) business days from Seller's notice, the price increase is deemed accepted by Buyer.

4. Shipments

Delivery terms are F.O.B. Seller's location, California unless otherwise specified on the Sales Order. Buyer shall assume all risk of loss or damage upon delivery by Seller to the carrier at the point of shipment. Scheduled dates of delivery are determined from the date of Seller's acceptance of any order or orders placed by Buyer.

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5. Cancellation

Orders accepted by Seller are subject to cancellation by Buyer only upon the express written consent of Seller. Upon such cancellation and consent, Seller shall cease work and hold for Buyer all completed and partially completed articles and work in progress and Buyer shall pay Seller: for all work and materials that have been committed to and/or identified to Buyer's order plus a cancellation charge as prescribed by Seller, in addition to a reasonable profit to Seller on the entire contract.

6. Returns

No Goods shall be returned to Seller without first obtaining written consent from authorized personnel of Seller.

7. Delay

If Buyer requests deferral of deliveries, Seller's agreement to defer delivery shall not excuse Buyer from its obligation to pay for the goods at the same times and in the same quantities as the original delivery schedule, including interest due pursuant to these terms and condition. In addition to adhering to the original payment schedule, Buyer shall pay such storage charges as Seller may assess for storing the goods awaiting delivery. If Buyer requests deferral prior to commencement of production, Seller may require progress payment in connection with expenses for material and services incurred by Seller in anticipation of production.

8. Termination

If a party breaches any of the provision of these Terms and Conditions of Sale, the non-breaching party may terminate these Terms and Conditions as follows: (a) immediately upon providing written notice to the breaching party if the breach is not capable of being cured, and (b) thirty (30) calendar days after providing written notice

to the breaching party if the breaching party fails to cure such breach within such thirty (30) calendar day period. The termination of these Terms and Conditions of Sale in any way whatsoever will be without prejudice to the right, obligations and liabilities of either party accrued prior to termination.

9. Force Majeure

Neither Party will be held responsible for its failure to fulfill any of its obligations (except for Buyer's payment obligations hereunder) if and to the extent that such failure is due to acts of God (such as floods, storms, fires and earthquakes), acts of war, strike, failure of public utilities, terrorism or general civil insurrection, government and competent authorities orders, embargoes and trade limitations, changes in law or regulation, or any other matters beyond the reasonable control of, and not due to, any fault or negligence of such affected Party. Performance shall be deemed to be suspended during the force majeure period. Upon cessation of the force

10. Quality

Products and/or Services shall be delivered in accordance with Seller's then applicable quality management system. Buyer's specific quality terms and requirements shall only be complied with where such terms have been expressly agreed in writing by Buyer and Seller as being applicable to a particular order.

11. Acceptance of Goods/Services

Except as otherwise stated herein the Products shall be deemed to have been accepted by Buyer thirty (30) calendar days after delivery of Goods unless Buyer notifies Seller in writing with that period of reasons of non-acceptance. Notwithstanding the foregoing, use of the Goods by Buyer, its agents, employees or customers shall constitute acceptance of Goods by Buyer.

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12. Dispute Resolution

Any dispute, controversy, or claim arising out of, connecting with, or relating to this Agreement or any POs hereunder, or the breach, termination, or invalidity thereof, shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules:

- 1) The arbitration, including the rendering of the award, shall take place in Ventura County, California.
- 2) The award, if any, shall be in the United States dollars.
- 3) The arbitration shall be conducted in the English language.
- 4) The arbitrators shall take into account usages in the gas turbine engine trade and aerospace markets.
- 5) The PARTIES shall each select one arbitrator who shall in turn agree upon selection of the third arbitrator of a nationality different from the PARTIES.
- 6) Judgement upon the award of the arbitrators may be entered in any Court having jurisdiction thereof. The PARTIES acknowledge and agree that this Agreement and any award rendered pursuant to it shall be enforceable by the 1958 United Nations Convention on the Recognition and Enforcement of Foreign Arbitrate Awards.

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