

Terms and Conditions of Sales

Application. These Terms and Conditions of Sale (Terms) apply to: (a) all proposals and quotations submitted by Pilgrim Screw Corporation dba Pilgrim Aerospace Fasteners (Seller); (b) all purchase orders received by Seller; and (c) all sales of goods and services sold by Seller.

Formation. No order placed with Seller shall be binding upon Seller until full specifications identifying the Goods being ordered have been provided to Seller and the order has been accepted by Seller. All sales by Seller are subject to these Terms. Seller objects to all terms proposed by Buyer. All prior negotiations, and/or terms and conditions pertaining to all goods and services to be provided by Seller (Goods) are hereby superseded unless a valid, signed agreement is in place. These Terms are the final, complete and exclusive statement of agreement of Buyer and Seller. Buyer may not, except with Seller's written consent, cancel any order for Goods for which Seller has purchased materials and/or tooling, which Seller has cut or otherwise processed in accordance with the Buyer's instructions, or which has been shipped by Seller.

Authority of Seller's Agents. No agent, employee or representative of Seller has authority to bind Seller to any affirmation, waiver, representation or warranty concerning the Goods not contained in these Terms. Any technical advice Seller furnishes with respect to the use of the Goods is given without charge, and Seller shall have no obligation or liability for the advice given or the results obtained, all such advice being given and accepted at Buyer's risk.

Prices, Payment and Risk of Loss

Prices. Prices contained in individual written quotations or proposals are firm only for a period stated therein and otherwise for seven (7) days from the date of the quotation. After the firm price period, the prices are subject to change without notice and to the continued availability of the quoted Goods, and Buyer should inquire of Seller as to their validity and request a written confirmation or revision. Prices do not include taxes and Buyer must pay all applicable sales or other taxes levied with respect to the Goods.

Risk of Loss and Title. The Goods will be delivered F.O.B. Seller's dock. Whether or not Seller prepays shipping charges, risk of loss passes to Buyer upon tender of the Goods to a carrier and Buyer is responsible for the carrier's performance including but not limited to delays, damage and/or scheduling errors caused by the carrier. Notwithstanding the transfer of the risk of loss, title to the Goods will remain with Seller until Buyer pays for the Goods in full.

Shipping and Packaging. Seller will not be responsible for any freight, transportation, insurance, shipping, storage, handling, demurrage or similar charges. All Goods will be packed for shipment by Seller in accordance with its standard practices.

Terms. Payment terms for all Goods purchased by Buyer are thirty (30) days from the date of invoice unless otherwise negotiated prior to sale in the form of a contract.

Payment Demand and Acceleration. If, at any time, reasonable grounds for insecurity arise with respect to Buyer's performance of its payment or other obligations hereunder, Seller may demand immediate payment in full or a documentary letter of credit approved by a U.S. bank acceptable to Seller or other financial security for such payment or other obligations. In addition, all amounts owed by Buyer to Seller will be accelerated and payable immediately if Buyer fails to make any payment on time or if Buyer sells or transfers the line of business for which the Goods are purchased or is a participant in a merger or other reorganization.

Export/Import Fees. All export and import duties, fees, permits, licenses, etc. will be the responsibility of Buyer.

Invoices. Invoices may be rendered separately for each shipment made by Seller. Buyer must pay all invoices net thirty (30) days after the date of invoice unless otherwise agreed in writing.

Carrying Charge. All amounts not paid to Seller when due may incur a carrying charge of one and one-half percent (1.5%) per month to the extent allowed by law.

Letters of Credit. Any letter of credit must be a documentary letter of credit assignable, irrevocable, confirmed by a credible bank with a payment office acceptable to Seller, payable in installments, and require payment to Seller on submission of Seller's invoice and a bill of lading. Buyer will pay all costs related to the letter of credit.

Right of Offset. Buyer waives any right of offset or recoupment and will pay all amounts owed to Seller when due regardless of any claim of Buyer regarding warranties or other issues arising under contract, tort, statute or otherwise. Payment of such amounts under written protest will not constitute a waiver by Buyer of its claims.

Allocation of Payments. Seller may allocate payments from Buyer among outstanding invoices in Seller's discretion.

Delivery

Shipping Dates. Shipping dates are estimates and may be revised by Seller upon receipt or scheduling of Buyer's order or by necessity in filling the order. Seller due dates are ship dates not dock dates.

Method and Cost of Shipment. Seller will deliver the Goods by tendering the Goods on its docks for placement in the possession of a carrier and, without liability, will make such contract for their transportation as Seller decides having regard for the nature of the Goods and other circumstances. Buyer must pay all handling and other charges incidental to transportation. Buyer is responsible for making any claim against the carrier and other handlers of the Goods after delivery to Buyer.

Shipping Tolerances. Seller will ship within plus or minus 5% of the Buyers confirmed order quantity unless agreed upon in the purchase order.

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Delay of Shipment or Performance Excused for Various Reasons

Delayed Shipment. If shipment of any Goods or other performance by Seller is delayed at the request of or due to the fault of Buyer, Seller may at its option hold the Goods at the risk and expense of Buyer from the time it is ready for shipment. In the event of any such delay in shipment, full and final payment for Goods is due and payable thirty (30) days after Buyer is notified that the Goods are ready for shipment. If Seller is unwilling to accommodate Buyer by holding such Goods, Buyer must accept shipment immediately.

Delayed or Failed Delivery. All inspection, delivery and other dates for Seller's performance are estimates only. In addition, Seller will not be in default because of its delay or failure to deliver or perform under these Terms resulting, in whole or in part, from: (i) any foreign or domestic embargoes, seizures, acts of God, insurrections, war, or the adoption or enactment of any law, ordinance, regulation, ruling or order; (ii) shortages of raw materials or labor; (iii) the lack of usual means of transportation, fires, floods, explosions, strikes or other work actions, or any other accidents, contingencies, or events, at Seller's or its supplier's plant or elsewhere (whether or not beyond Seller's control) which directly or indirectly interfere with, or render substantially more burdensome, Seller's production, delivery, or performance; (iv) delays by Buyer in inspecting and acceptance, in furnishing requested specifications, materials, tooling or information, in making payments, or otherwise; or (v) failure of Seller's suppliers to perform. If one or more deliveries hereunder is delayed by reason of any one or more of such occurrences for a period of thirty (30) days, Seller may, at its option, terminate the agreement as to the undelivered Goods or waive such delay and establish a new delivery schedule.

Inspection and Rejection

Rejection. The Goods will be deemed approved and/or accepted by Buyer if Buyer does not provide a written objection and/or rejection within two (2) weeks after receipt. Failure to so act will constitute an irrevocable acceptance by Buyer of the Goods. Any objection and/or rejection by Buyer must be in writing and state with specificity all defects and non-conformities upon which Buyer will rely to support its rejection. ALL DEFECTS AND NON- CONFORMITIES WHICH ARE NOT SO SPECIFIED ARE WAIVED. If Buyer rejects any tender of the Goods and if requested by Seller, Buyer must return them to Seller, express, collect, within thirty (30) days from the date of invoice unless otherwise notified. A failure to so return constitutes an irrevocable acceptance. Unless the Goods are materially non-conforming as discussed in the express warranty or as otherwise agreed by Seller, Seller may: (1) reject all Goods that are not returned in a resalable condition; (2) refuse refunds for any Goods that are not in a resalable condition; and (3) charge a restocking fee for all refunds. No attempted revocation of acceptance will be effective, and Buyer will be limited to the available remedies specifically provided in these Terms. There will be no limitation on the period of time in which Seller may cure any non-conformity or breach, provided it continues to make reasonable efforts to cure.

Delivery Shortages. Any claim by Buyer for shortages in any delivery must be in writing with satisfactory written evidence delivered to Seller within ten (10) days of receipt.

Expenses

Product Selection and Suitability. Seller shall not be responsible for how the Goods are used or installed and the Goods' conformance with applicable Federal, state, local or foreign laws, rules, regulations, and ordinances. IN NO EVENT SHALL SELLER BE RESPONSIBLE FOR ANY LOSS OR DAMAGE ARISING OUT OF THE BUYER'S IMPROPER SELECTION, MISAPPLICATION OR MISUSE OF THE GOODS.

General Express Warranties

General. Seller warrants to Buyer only that the Goods, to the extent manufactured by Seller, will be free from defects in materials and workmanship, excluding design, at the time of delivery, and will repair or replace the Goods that fail due solely to manufacturing defects in materials and workmanship, which are discovered and reported to Seller as described in Section 7.A. Seller will not be responsible for the design and fitting of the Goods, and/or the function of the Goods. This is not a warranty of performance, but a limited warranty as to the condition of the Goods at delivery. Because the Goods may be subject to a wide variety of use and installation, the warranty is only against such defects and not against any other failure such as, but not limited to, those due to normal wear and tear, normal maintenance and unknown causes.

Standards. Seller may rely on its published and internal standards, and, in its discretion, also rely on any generally accepted industry standards, in determining its warranty obligations.

Warranty Requirements. Seller's warranties will apply only if the Goods: (i) have been installed, maintained and used in conformity with the highest industry practices; (ii) have been subjected to normal use for the purpose for which the Goods were designed; (iii) have not been subjected to damage, misuse, abrasion, corrosion, negligence, accident, tampering, faulty installation, improper storage, inadequate maintenance or any other cause affecting the Goods after shipment; (iv) have not been altered; and (v) have been fully paid for.

Warranty Period. The warranty period for the Goods is forty-five (45) days from the date of delivery.

Patent Warranties. Seller disclaims any implied warranty of non-infringement. If the designs or specifications are furnished by Buyer, Buyer warrants that they do not infringe on any patent or other intellectual property right, and must indemnify and hold harmless Seller from any claims of infringement against Seller relating to their use by Seller.

Disclaimer and Limitation of Express Warranties. There are no express warranties other than those contained in these Terms, and they are not assignable. Whether or not the Goods are to be used exclusively by Buyer, there will be no third-party beneficiaries to the express warranties contained in these Terms. Seller does not warrant any portion of the Goods not conceived, designed, developed or manufactured by Seller (whether or not specified by Buyer), but Seller must assign to Buyer upon request all assignable warranties of Seller's suppliers related to such Goods. Seller is not responsible for any errors or omissions or for any loss or damage resulting from any descriptions, shipping specifications, illustrations, representations as to quality or capabilities, or any other information, such information provided

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by Seller is intended for general information only. Seller does not warrant that it or the Goods are in compliance with any entity, organization or industry standards, guidelines or procedures.

Remedies and Limitation of Seller's Liability. Defective or non-conforming Goods or parts thereof discovered during the express warranty period will be repaired, or replaced by Seller without any additional charge and shipped to Buyer, FOB Seller's dock, for use by Buyer at its cost, subject to the terms hereof. The warranty obligation of Seller is limited to the repair or replacement at Seller's plant of any part of the Goods which Buyer must, exercising reasonable judgment and within the warranty period, return to Seller, with transportation charges prepaid by Buyer, and which Seller will determine upon examination to be defective or not in conformity with the express warranties contained in these Terms. IN NO EVENT SHALL THE MEASURE OF DAMAGES EXCEED THE PURCHASE PRICE ACTUALLY PAID BY BUYER FOR THE GOODS. Goods cannot be deemed defective or non-conforming if Seller cannot duplicate the alleged failure. If the alleged failure can be duplicated by Seller, Seller will discuss the potential causes with Buyer, and then determine whether the failure is due to a non-conformity or defect attributable to Seller. In lieu of repair or replacement, if Seller elects, Seller may, upon return of such Goods and making a determination of nonconformity or defect, keep the Goods and refund the purchase price. Seller may provide such repairs itself or through its third-party contractors. Buyer's remedies are limited exclusively to those provided in this Section. UNDER NO CIRCUMSTANCES WILL SELLER BE LIABLE FOR EXEMPLARY, PUNITIVE, SPECIAL, CONSEQUENTIAL OR INCIDENTAL DAMAGES, INCLUDING BUT NOT LIMITED TO: LOST PROFITS OR REVENUES; INCREASED COSTS; DAMAGE TO EQUIPMENT, TOOLING, PREMISES, OR WORK-IN-PROCESS; COST OF CAPITAL; COST OF PURCHASED POWER; SUBSTITUTE OR ADDITIONAL EQUIPMENT, FACILITIES OR SERVICES, PRODUCTION INTERRUPTION OR START-UP; OR THE CLAIMS OF THIRD

PARTIES FOR SUCH DAMAGES. Buyer waives any causes of action or theories of liability including, but not limited to, those arising under contract, tort, strict liability, product liability statutes, or otherwise. The replacement or repair of Goods by Seller does not give rise to any new warranty, and the warranty period provided for in these Terms will not be extended by the length of any period from the date the defective or non-conforming Goods are received by Seller until the date the repaired or replacement Goods are delivered to Buyer.

Disclaimer of Implied Warranties. SELLER DISCLAIMS ALL IMPLIED WARRANTIES AND SIMILAR OBLIGATIONS (OTHER THAN GOOD TITLE) INCLUDING BUT NOT LIMITED TO THOSE OF FITNESS FOR A PARTICULAR PURPOSE, AND MERCHANTABILITY WHETHER OTHERWISE ARISING BY

LAW, CUSTOM, USAGE, TRADE PRACTICE, COURSE OF DEALING, OR COURSE OF PERFORMANCE. There are no warranties which extend beyond those express warranties contained herein. Buyer affirms that it has not relied upon Seller's skill nor judgment to select or furnish the Goods for any particular purpose. Any design provided by Seller is based on information provided by Buyer. Any modifications of drawings, prototypes and other work of Seller after approval by Buyer will be at Buyer's expense at Seller's normal rates for services and materials. Seller does not warrant the Goods will comply with the requirements of any safety or environmental code or regulation of any federal, state, municipality or other jurisdiction.

Indemnification. Buyer will indemnify Seller from any and all third-party claims, damages and expenses (including reasonable attorney fees) under theories of tort, product liability, negligence (ordinary or gross), warranty, contract, statute or otherwise arising out of the production, use, storage, sale, processing or other disposition of the Goods, supplies or materials used in connection with the Goods, or parts manufactured with the Goods, if (a) the action or inaction of Buyer or its employees, customers or agents, or Buyer's design specifications, were a material or proximate cause of injuries or damages giving rise to claims against Seller, and/or (b) the claim asserted is inconsistent with the limitation of warranties, limitation of liability, and/or limitation of remedies set forth herein. Seller is under no obligation to indemnify Buyer for any reason.

Proprietary Information

Buyer's Rights to Confidentiality. Buyer acknowledges that any information disclosed to Seller has not and will not be considered by Seller to be confidential or a trade secret unless clearly and conspicuously noted on the disclosure, or in some other writing delivered to Seller at or prior to the time of the disclosure.

Seller's Rights to Confidentiality. All proposals, plans and other information furnished by Seller, in any form, during bidding, negotiating and delivery of the Goods are confidential and the property of Seller, whether or not marked "Confidential," and may not be shown or disclosed to any other bidder, and may not be shown or disclosed to any other third party or used by Buyer except as may be necessary for the selection or use of the Goods.

Buyer's Obligations. Buyer must treat as confidential any business proposal from Seller and all technology made available, directly or indirectly to Buyer by Seller and by Seller's licensors, including but not limited to drawings, schematics, specifications, bills of material, test results, analysis, recommendations, models, and designs, and Buyer may use such proposal and technology only to evaluate its business relationship with Seller and to enable Buyer to perform hereunder. Buyer may not disclose, or authorize or instruct Seller to disclose, any confidential or proprietary information of Seller to any third party that is not bound by contract to at least the same duty of confidentiality to Seller as is Buyer. In addition, only those employees and contractors of Buyer having a need-to-know and bound by contract by the same confidentiality provisions as Buyer may be given access to such technology. Buyer must maintain, for Seller's inspection, written records which must include the names and address of such employees and contractors granted such access. Buyer will indemnify Seller from all expenses and damages related to the improper use or disclosure by Buyer or its employees and contractors. Business proposals and technology of Seller may be protected by patent, copyright, trademark and other law. No license or other right to business proposals or technology is granted to Buyer.

Intellectual Property. Any Intellectual Property owned or licensed by Seller and used by Seller in connection with the performance of its obligations will remain the exclusive property of Seller and its licensors, as the case may be. Nothing herein will be deemed to grant Buyer any license or any other rights in such Intellectual Property. The term "Intellectual Property" includes without limitation all of the following: (i) inventions, discoveries, patents, patent applications and all related continuations, divisional, reissue, utility model, design and process patents, applications and registrations thereof, certificates of invention; (ii) works, copyrights, registrations and application for registration thereof; (iii) computer software programs, data and documentation; (iv) trade secrets, confidential information, know-how, techniques, designs, prototypes, enhancements improvements, work-in-progress, research and development information; and (v) all other proprietary rights relating to the foregoing.

Solvency of Buyer. Buyer represents that it is solvent, able to pay the price for the Goods, and that all financial and business information given to Seller is correct. If Buyer becomes insolvent before delivery of the Goods, it must notify Seller. Buyer's acceptance of delivery will be a reaffirmation of Buyer's solvency, and that there has not been a material adverse change to Buyer's financial condition.

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United States Government Regulations. Buyer may not engage in any transaction with respect to the Goods, by way of resale, lease, shipment or otherwise, which violates any statute or regulation of the United States of America.

Breach

Default. If Buyer defaults in the performance of its obligations, if Buyer advises Seller that it will default in the performance of its obligations, or if any action is started by or against Buyer seeking the appointment of a trustee or receiver or the entry of an order for debtor's relief for Buyer, Seller may cease performance of its obligations, recover the Goods in transit or delivered, disable delivered Goods, and otherwise enforce its remedies for Buyer's default.

Compensation. Seller will be awarded interest, consequential and incidental damages and costs (such as interest and actual reasonable attorney fees) in any proceeding to enforce its remedies in which it obtains relief or damages or in which it prevails in the defense of any action by Buyer.

Security. Seller may require that Buyer post security for any or all amounts to be paid if Seller has a good faith doubt as to Buyer's ability to make prompt payment. If Buyer does not post such security, Seller may cease performance of its obligations, and enforce its remedies for Buyer's default.

Cumulative Rights and Limitations. All rights granted to Seller and all limitations in favor of Seller in the Agreement and by law are cumulative, except that Seller will be entitled to only a single full recovery.

Good Faith. Seller will not be liable for any action taken pursuant to a good faith exercise of any of its rights herein.

Waiver. Seller's failure or delay in enforcement of any provision will not constitute a waiver of a breach or of that provision.

Consequential, Incidental, and Other Damages. BUYER AND THIRD PARTIES ARE NOT ENTITLED TO ANY CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR INCIDENTAL DAMAGES, AS DEFINED IN THE UCC OR OTHERWISE. This limitation will be enforced regardless of whether Seller has defaulted in its warranty or other obligations. Any legal inability to limit or restrict the right of Buyer or a third party to such damages will not affect the right of Seller to indemnification hereunder and under no circumstance will Buyer recover more than the purchase price. UNDER NO CIRCUMSTANCES WILL SELLER LIABILITY FOR CLAIMS FOR NON-DELIVERY OR OTHER NON-PERFORMANCE, DEFECTIVE PERFORMANCE, NON-CONFORMING GOODS, DEFECTIVE GOODS OR OTHERWISE EXCEED THE AMOUNT RECEIVED BY SELLER FOR THE PERFORMANCE OR SHIPMENT WHICH CONTAINED THE NON- CONFORMING GOODS, DEFECTIVE GOODS OR SUCH OTHER EVENT GIVING RISE TO THE CLAIM.

Claims. COMMUNICATIONS CONCERNING DISPUTED DEBTS OR OTHER CLAIMS, INCLUDING AN INSTRUMENT TENDERED AS FULL SATISFACTION OF A DEBT OR MUST BE DELIVERED TO AN OFFICER OF SELLER.

Force Majeure. Seller will not be responsible for any delay or failure in any performance due, without limitation, to acts of god, war, warlike conditions, blockage, embargoes, riots, governmental restriction, labor disturbances, unavailability of anticipated usual means of supplies, transportation or loading facilities, wrecks, epidemics, quarantine, fire, flood, earthquake, explosion, any unforeseen change in circumstances, or any other causes beyond its reasonable control.

Limitations of Actions. A proceeding by Buyer for breach of the agreement or any other right against Seller arising from or in connection with the agreement cannot be filed nor maintained by Buyer unless: (i) it is commenced within one (1) year after the cause of action has accrued; (ii) Buyer has given timely written notice to Seller of the details of its claim as provided in these Terms; and (iii) Buyer pays all amounts due to Seller or deposits the unpaid portion of the purchase price with the tribunal pending final adjudication. An action for breach of warranty or any other provision hereof accrues upon date of delivery.

Choice of Law. THE AGREEMENT IS GOVERNED, CONSTRUED AND ENFORCED UNDER THE LAWS OF THE STATE OF RHODE ISLAND INCLUDING THE UNIFORM COMMERCIAL CODE. The U.N. Convention on the International Sales of Goods does not apply.

Jurisdiction. THE COURTS OF RHODE ISLAND HAVE EXCLUSIVE JURISDICTION OVER BUYER AND SELLER AND THE CLAIMS ARISING UNDER OR RELATED TO THE AGREEMENT, UNLESS WAIVED IN A WRITING SIGNED BY SELLER AND SUBJECT TO ANY RIGHT OF ARBITRATION. Buyer and Seller stipulate to the convenience of Rhode Island courts in general, and in particular, the courts of Providence County, Rhode Island. If Buyer does not maintain a registered office or agent in the United States, Buyer irrevocably appoints the Secretary of State of the state whose law applies. Any declaration of unenforceability of a provision will be as narrow as possible and will not affect the enforceability of the other provisions. A tribunal with jurisdiction may reform a provision hereof, at the request of Seller, to the extent minimally required for enforcement.

Arbitration. At Seller's election, all controversies and claims arising out of or relating to these Terms, or the breach thereof, will be settled solely by arbitration held in Providence, Rhode Island, in accordance with the Commercial Arbitration Rules of the American Arbitration Association, provided Seller may also elect to institute, prior to formation of the arbitration panel, an action for a claim and delivery or replevin action to enforce its security or other interest in the Goods. The arbitrator(s) may enter an interim award that the Goods be returned to Seller for appropriate disposition and the application of any proceeds to amounts owed to Seller.

Judgment upon any arbitration award may be entered in any court of record having jurisdiction thereon. No demand for arbitration hereunder may be filed by Buyer. The arbitrator(s) will be bound by these Terms and will not apply any principles of equity nor allow any claims not specifically permitted by these Terms. The arbitrator(s) may include the fees of the arbitration tribunal and arbitrators in an award. The arbitration proceedings and the award will be confidential.

Severability. Any provision found to be unenforceable by a final unappealed order entered by the court or tribunal will be severed from these Terms. Such severance will be as narrow as possible and may not affect the remainder of these Terms in such action and other actions, unless the court or tribunal also finds, on the request of Seller that without such provision as originally written, these Terms are not likely to meet the reasonably commercial expectations of Buyer and Seller and in such case, the court or tribunal will enter an equitable judgment of rescission, termination or reformation of these Terms as necessary to reach an equitable result.

Assignment. No right or interest in the Agreement may be assigned by Buyer without the prior written consent of the Seller. Any assignment attempted by Buyer will be void and ineffective for all purposes unless made in conformity with this section.