

**Pegasus Manufacturing a Division of Leggett & Platt Aerospace  
422 Timber Ridge Road Middletown, CT 06457**

**PURCHASE ORDER TERMS AND CONDITIONS**

1. **DEFINITIONS:**
  - a. "Buyer" shall mean Pegasus Manufacturing a Division of Leggett & Platt Aerospace
  - b. "Seller" shall mean the party with whom Buyer is contracting and includes any reference to "vendor", "subcontractor", "contractor" or "supplier."
  - c. "Schedules" shall mean the delivery dates and/or releases stated in the Purchase Order
  
2. **APPLICABILITY & ACCEPTANCE** - Seller has read and understands these terms and conditions of purchase (hereinafter "Terms and Conditions") govern all Buyer's Purchase Orders (hereinafter "PO") issued and are applicable to purchases made by Buyer and its subsidiaries or affiliates (hereinafter "Buyer") from its vendors and/or suppliers (hereinafter "Seller"). Seller's written acceptance or acknowledgment of this Order, or Seller's shipment of goods, performance of services or commencement of work under this Order shall be only upon the terms and conditions contained herein. In no event shall payment or transfer of title constitute acceptance. Any and all terms and conditions proposed by Seller which are different from or in addition to the terms and conditions of Buyer's Purchase Order are hereby deemed to be material alterations and shall not become a part of this Order or binding upon Buyer. Buyer hereby rejects any terms and conditions which may now or hereafter appear on Seller's invoices, quotations, acknowledgments or other forms, and any acceptance of shipments, payments or other similar act of Buyer shall not be construed as Buyer's acceptance of any such terms and conditions. The contract resulting from the acceptance of this order is to be construed according to the laws of the State of Connecticut. This contract is nonassignable by Seller.
  
3. **PRICING** – The prices set forth on a PO include, unless specifically listed on the face hereof, all packing, inspection, insurance and shipping costs and all federal, state, and local taxes. Prices are not subject to increase.
  
4. **DELIVERY SCHEDULES** – Time is of the essence in the performance of this Order. Seller shall make deliveries at such times and places and of such items and quantities as specified in the Buyer's Purchase Order schedules. Strict adherence to Buyer's stated schedules is a material condition of this Order. Buyer shall have no obligation to pay for goods delivered to Buyer which are in excess or delivered in advance of Buyer's delivery schedule. Buyer may return such excess goods at Seller's risk, and all transportation charges, both to and from the original destination, shall be paid by Seller. Buyer reserves the right to change the rate of scheduled shipments (increase or decrease quantity) or direct the temporary suspension of scheduled shipments, neither of which shall be a breach or repudiation of this Order or entitle Seller to a modification of the price for goods or services covered by this Order. If at any time it appears to Seller that any delivery schedule cannot be met, Seller shall immediately notify Buyer as to the causes thereof, the action being taken to mitigate such cause of non-delivery, when on-schedule status will be regained. Seller shall, at its expense, take whatever reasonable action is necessary, with or without Buyer's request, to meet such schedules as set forth herein or to recover to the maximum extent possible any delay in meeting such schedules. Such reasonable action by Seller shall include, but not be limited to, expedited shipment. Unless otherwise specified herein, title to Goods shall pass to Buyer upon its acceptance of the applicable Goods. Goods shall be and remain at Seller's risk prior to the time at which title thereto passes to Buyer and Seller shall maintain appropriate insurance to cover such risk until such time. Shipments of goods under this order must be in exact quantities as specified in the order – no overages or short shipments.
  
5. **PREMIUM SHIPMENTS** - If Seller's acts or omissions result in Seller's failure to meet Buyer's delivery requirements, Buyer reserves the right to require a more expeditious method of shipment for the goods than the shipment method originally specified by Buyer. In the event Buyer exercises this right, Seller shall, at Buyer's option, (a) promptly reimburse Buyer the difference in cost between the more expeditious method of shipment and the original method of shipment, (b) allow Buyer to reduce its payment of Seller's invoices by such difference, or (c) ship the goods as expeditiously as possible at Seller's expense and invoice Buyer for the amount which Buyer would have paid for normal shipment.
  
6. **ANTICIPATION OF DELIVERY SCHEDULE** - Unless otherwise agreed to in writing, Seller shall not make material commitments of production arrangements in excess of the amount or in advance of the time necessary to meet firm schedules and those planned schedules that are within lead-time.

7. **STANDARD TERMS OF SETTLEMENT** - Buyer shall issue payment to Seller within 60 days of the later date listed in (a) or (b) below or within the period as indicated on the Purchase Order.
  - a. For receivable material: From the latest of (a) the manufacturing required date as identified in Buyer's Purchase Order, (b) the material received and accepted date, or (c) the invoice date; and,
  - b. For non-receivable material and/or services: From invoice date; invoices for services must be dated no earlier than last day of period of time during which services that are the subject of the invoice were provided.
8. **WARRANTY** - Seller expressly warrants that all the material and work covered by the order will conform to the specifications, drawings, samples or other description furnished or specified by Buyer, and will be merchantable, of good material and workmanship and free of defects. Seller expressly warrants that all material covered by this order will be fit and sufficient for the purposes intended. This warranty shall survive any inspection, delivery, acceptance or payment by Buyer.
9. **TERMINATION FOR DEFAULT**- Buyer reserves the right to cancel all or any part of the work covered by this order if Seller: (1) does not make deliveries as specified in the Purchase Order Schedules, (2) fails to make progress as to endanger timely performance of the Order, (3) breaches any of the terms hereof, including the warranties of Seller, or (4) in the event Buyer reasonable believes that insolvency is likely to occur, insolvency of the Seller, the filing of a voluntary petition in bankruptcy, the filing on an involuntary petition to have Seller declared bankrupt, the appointment of a Receiver of Trustee for Seller, or the execution by Seller of an assignment for the benefit of creditors. In the event of any of the foregoing, Buyer may terminate the purchase order without further compensation to Seller.
10. **INSPECTION** - All material shall be received subject to Buyer's inspection and rejection. Defective material or material not in accordance with Buyer's specifications will be held for Seller's instruction and at Seller's risk and, if Seller so directs, will be returned at Seller's expense. No Goods returned as defective shall be replaced without a new order and schedule. Payment for material on this order prior to inspection shall not constitute an acceptance thereof, nor will acceptance discharge Seller's responsibility hereunder. Seller agrees to diligently and thoroughly complete a root cause for any late deliveries and/or defective materials and provide corrective action to cure and prevent such causes in the future. Seller agrees to provide said root cause and corrective action to Buyer on Buyer's format within thirty (30) days of Buyer notifying Seller of said defect or late delivery. Failure to provide said root cause and corrective action is considered a material breach of this agreement.
11. **CHANGE IN SPECIFICATIONS** - Buyer reserves the right at any time to make changes in drawings and specifications as to any material and/or work covered by this order. Any differences in price or time for performance resulting from such changes shall be equitably adjusted and the contract and/or schedule shall be modified in writing accordingly. In any event, the maximum liability of the Buyer for obsolete scrappage, and/or rework resulting from any change shall be limited to the value of the materials and parts in process at the time of the change, to the extent that such parts are within Seller's normal manufacturing cycle required to meet the established released schedule.
12. **COMMUNICATION** - The supplier is required to contact Pegasus Manufacturing of any changes to processes, products, sub-tier suppliers, facilities, and supplier quality system registration status; and obtain approval before order proceeds. All applicable customer, regulatory, and AS9100 requirements including requirements in the purchasing documents and key characteristics must be communicated (flow-down) to all sub-tier suppliers.
13. **NONCONFORMING PRODUCT** - The supplier is required to contact Pegasus Manufacturing immediately upon discovery of any nonconforming product/material. Arrangements for the approval of supplier nonconforming product/material must be as directed by authorized Pegasus Manufacturing personnel.
14. **TOOLS** - Unless otherwise herein agreed, Seller at its own expense shall furnish, keep in good condition and replace when necessary all dies, tools, gauges, fixtures, patterns etc., necessary for the production of the material ordered. Invoices for tooling charges specified on the face of this order shall not be submitted until after acceptance by Buyer of goods purchased from such tooling. Tooling covered by the Purchase Order becomes the property of the Buyer, and is to be suitably identified as specified on the face of this order. Tooling shall be held by Seller in good condition until otherwise notified by Buyer. Seller shall not make use of the tooling except in executing work on behalf of Buyer.
15. **CONFIDENTIAL INFORMATION AND INVENTIONS** - Seller agrees not to utilize or to disclose to others any confidential information, drawings or data, whether or not designated as such, supplied, furnished, or disclosed by Buyer except as reasonably required for the purpose of filling this order. All inventions or ideas, whether patentable or not, made, conceived, developed or acquired by Seller incident to the filling of this order shall vest in and inure to Buyer's sole benefit.
16. **PATENTS** - Seller agrees at its own expense to defend, protect and save harmless Buyer, its successors, assigns, customers, and users of its products, against all suits at law or in equity, and from all damages, claims and demands for actual or alleged infringement of any Canadian or foreign, trademark or copyright by reason of the use of sale of the material ordered. In case the product, or any part thereof furnished pursuant to this order, is in any suit so defended held to constitute infringement and its use enjoined. Seller shall at its own expense either procure for Buyer, its successors, assigns, customers and users the right

to continue using said product or part thereof or replace it with a non infringing product.

17. **RIGHT OF ENTRY** - Seller agrees that Buyer shall have the right to enter Seller's facility at reasonable times to inspect the facility, tooling, goods, materials, property of Buyer, and other items covered by this Order. Auditors shall have the right to access Seller's areas where any part of their work is performed. Auditors shall be afforded unrestricted opportunity to verify compliance with quality system procedures and conformance of material and services within contract requirements. Equipment and personnel needed for verification purposes shall be made available for reasonable use. Buyer's inspection of the goods, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance. Seller, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties.
18. **ENVIRONMENTAL PROTECTION** - Seller represents and warrants that it will use best efforts to prevent accidental releases of hazardous substances or constituents to the environment, as well as prevent any risk of endangerment to human health. Seller shall be solely responsible for managing all wastes associated with its activities or processes. Seller shall manage any and all such wastes in compliance with local, provincial and federal regulations.
19. **COMPLIANCE WITH LAWS** - In performance of its obligations upon acceptance of this order, Seller shall comply at all times, and give all stipulations, representations and certificates required by all applicable executive orders, federal, provincial, state, municipal and local laws and rules, orders, requirements and regulations hereunder and all applicable regulations and provisions of any involved government agency. Seller's acceptance of this order and furnishing of goods and services hereunder shall constitute certification by Seller of such compliance. Seller agrees to furnish Buyer such additional certificates and additional evidence of compliance as Buyer shall request.
20. **INDEMNIFICATION AND INSURANCE** - Seller agrees to indemnify and hold harmless Buyer against all liabilities, claims or demands for injuries or damage to any person or property arising out of the performance of this order, by Seller, its servants, employees, agents or representatives and to indemnify and hold harmless Buyer against all liabilities, claims or demand for injuries to Seller's agents, servants, employees, or representatives of every nature and description including those arising out of Buyer's negligence. Seller further agrees to furnish upon Buyer's request insurance Carrier's certificate showing Seller has adequate Worker's Compensation, Public Liability, Motor Vehicle Liability and Property Damage Insurance coverage. The purchase of such insurance coverage or the furnishing of the aforesaid certificate shall not be in satisfaction of Seller's liability hereunder or in any way modify Seller's indemnification of Buyer.
21. **REMEDIES** - The remedies herein reserved shall be cumulative, and additional to any other or further remedies provided in law or equity. No waiver of a breach of any provision of this contract shall constitute a waiver of any other breach, or of such provision. Seller shall be liable for all damages, direct and indirect, resulting from the breach of any of the terms and conditions herein contained.
22. **WAIVER AND RELEASE** - The Buyer herein acknowledges and hereby releases the Seller from any liability that may arise by reason of the Seller's failure to meet his obligations hereunder, by reason of failure by the suppliers to the Seller with all necessary supplies to facilitate completion of this order.
23. **GOVERNMENT COMPLIANCE** - Seller will comply with the Fair Labor Standards Act of June 30, 1938 (USC 201-209) as amended. Seller agrees to comply with all Federal, state and local laws, executive orders, rules, regulations and ordinances which may be applicable to Seller's performance of its obligations under this Order.
24. **EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION** - This Order incorporates by reference: (a) all provisions of 41 C.F.R.60-1.4, as amended, pertaining to the equal opportunity clause in government contracts; (b) all provisions of 41 C.F.R.60-250, as amended, pertaining to affirmative action for disabled veterans of the Vietnam Era; and (c) all provisions of 41 C. F. R. 60-741, as amended, pertaining to affirmative action for handicapped workers. Seller certifies that it is in compliance with all applicable provisions of 41 C.F.R.60-1, including but not limited to: (a) developing and presently having in full force and effect a written affirmative action compliance program for each of its establishments as required by 41 C.F.R. 60-1.40, as amended; (b) filing EEO-1 Reports as required by 41 C.F.R. 60-1.7, as amended; and (c) neither maintaining segregated facilities nor permitting its employees to perform services at segregated facilities as prohibited by 41 C.F.R. 60-1.8, as amended, Buyer requests that Seller adopt and implement a policy to extend employment opportunities to qualified applicants and employees on an equal basis regardless of an individual's age, race, color, sex, religion, national origin, disability, or any other legally protected characteristic.
25. **GOVERNING LAW** - This Order is to be construed and governed in accordance with the laws of the State of Connecticut, United State of America, excluding its choice of law statutes. Seller consents to the jurisdiction of Connecticut courts. Any action arising out of or relating to this Order, or the goods or services furnished hereunder, shall be brought in Connecticut. Seller agrees that Connecticut is not an inconvenient forum for any action arising from or relating to this Order.

26. **CONFLICT MINERALS REQUIREMENT** - If you are supplying a product other than services, software or data, your delivered product is not to contain any conflict minerals, tantalum, tungsten, tin or gold that originated in the Democratic Republic of the Congo or any adjoining countries which are defined as Angola, Burundi, Central African Republic, Congo Republic (a different nation than DRC), Rwanda, Sudan, Tanzania, Uganda, and Zambia. This requirement must be flowed down to all of your sub-tier suppliers. If at any stage of manufacturing or production it is determined by you or any of your sub-tier suppliers that any conflict minerals that were incorporated into the product (s) being delivered to Pegasus, originated in a covered country, you must provide a listing of the conflict minerals and original covered country.
27. **COUNTERFEIT PARTS** - All electrical, electronic –mechanical parts delivered and /or used in manufacture of deliverable parts shall come from the original Component manufacturer (OCM) /Original Equipment manufacturer (OEM) or their franchised distributor. Certification must be included with shipments from these suppliers.  
Non –Electrical Parts delivered by Distributors or Brokers (fasteners, nuts, washers, springs, orings, inserts, and pins must have a certification from the Original Component Manufacturer (OCM) / Original Equipment Manufacturer (OEM) with each lot / Shipment to Pegasus.
28. **REACH Compliance:** Seller shall bear full responsibility for continuous monitoring of the publication and updates of the European Chemicals Agency list of Substances of Very High Concern ("SVHC") (viewable at <http://echa.europa.eu/web/guest/candidate-list-table>) and immediately notify Buyer [Pegasus] if the delivered Goods contain SVHCs > 0.1% by weight or substances restricted under Annex XVII of REACH. The notification that Goods contain SVHCs shall include the name and weight of the substance(s) and the weight percentage present, if > 0.1% by weight of the delivered Good.  
The presence of SVHCs < 0.1% by weight of the delivered Goods does not need to be reported.  
Unreported SVHCs present above the threshold or substances restricted under Annex XVII of REACH, may result in purchase order cancellation and/or return of Goods.