

GENERAL TERMS AND CONDITIONS

1. PRICE.

This is a firm price order.

2. TERMS OF PAYMENT.

Invoices shall be dated no earlier than date of shipment or delivery of service. The discount period begins upon receipt of invoice, required delivery date, or date any applicable discrepancy is resolved, whichever date is later. Buyer will pay non-discountable invoices thirty (30) days after receipt of invoice, required delivery date, acceptance, or the date any applicable discrepancy is resolved, whichever date is later.

3. ATTACHMENTS.

Documents designated by Buyer in the body of the Purchase Order, including supplemental terms and conditions, if any, are incorporated by reference the same as if set out in full therein.

4. CHANGES.

The Buyer reserves the right at any time to issue a written change order or amendment to the Purchase Order concerning any of the following: (a) specifications, drawings, and data incorporated in the Purchase Order where the items to be furnished are to be specially manufactured for the Buyer; (b) quantity; (c) methods of shipment or packaging, (d) place of delivery, (e) time of delivery; or (f) any other matters affecting this Purchase Order.

5. TERMINATION.

Buyer may terminate the Purchase Order for its convenience, in whole or in part, at any time prior to shipment by (written or electronic) notice to Seller. Upon receipt of such termination notice, Seller shall promptly comply with the directions contained in such notice and shall, as required, (a) take action necessary to terminate the work as provided in the notice, minimizing costs and liabilities for the terminated work, and (b) continue the performance of any part of the work not terminated by Buyer.

6. ASSIGNMENT.

Seller may not assign, transfer, or subcontract this Purchase Order or any right or obligation hereunder without Buyer's written consent.

7. EXCUSABLE DELAY.

Fires, floods, strikes, accidents, shortages, or other causes beyond the reasonable control of the parties, which prevent Seller from delivering, or Buyer from receiving, any of the goods and services covered by this Purchase Order, shall suspend deliveries until the cause is removed, subject, however, to Buyer's right of termination for convenience under Paragraph 5. All delays need to be communicated back to SEALCO in advance through email or phone conversation and should have a change date ready during the conversation.

8. PACKAGING, PACKING LIST, AND BILL OF LADING.

Seller shall be responsible for proper packaging, loading, and tie-down to prevent damage during transportation. Buyer's weight and/or count will be accepted as final and conclusive on all shipments not accompanied by a packing list.

9. INSPECTION.

All goods and services furnished hereunder will be subject to inspection and test by Buyer at all times and places and will be subject to Buyer's final inspection and approval within a reasonable time after delivery. Buyer may reject goods and services not in accordance with Buyer's instructions, specifications, drawings, data, or Seller's warranty (expressed or implied), or for untimely delivery. Buyer may return rejected goods to Seller at Seller's expense and Buyer shall have no further obligation for such goods.

Payment for any goods or services shall not be deemed acceptance and in no event, shall Buyer incur any liability for payment for rejected goods or services. Counterfeit goods shall not be tolerated and will result in heavy fees and disapproval of the vendor.

10. WARRANTIES.

By accepting this Purchase Order, Seller warrants that the goods and services furnished will be free from defects in materials and workmanship, merchantable and in full conformity with Buyer's specifications, drawings, and data, and Seller's descriptions, promises, or samples, and that such goods will be fit for the Buyer's intended use, provided Seller has reason to know of such use, and that Seller will convey good title to the goods, free and clear from all liens, claims, and encumbrances. Upon Buyer's request, Seller shall furnish Buyer with a formal waiver or release of all liens by Buyer and/or Buyer's suppliers.

Seller warrants that goods or services covered by this Purchase Order shall not infringe any patent, design, mask work, copyright or trademark, of any third party, either directly or contributory. Seller agrees to indemnify Buyer and hold Buyer harmless from and against all liability, loss, damage and expense, including reasonable counsel fees and costs of litigation, resulting from any claim of infringement and any litigation relating thereto. In the case where goods or a part thereof are held to constitute infringement and the use of the goods or a part thereof is enjoined, Seller shall, at the expense of Seller, either (a) procure for the Buyer the rights to continue to using the goods, (b) replace the goods so that the goods become non-infringing, or (c) retake the goods and refund the purchase price and transportation and installation cost of the goods to Buyer. Such obligations shall survive acceptance of the goods or services and payment therefore by Buyer.

Where applicable, the Seller warrants that the goods covered by this Purchase Order are in compliance with all laws, regulations, rules, and orders relating to the importation of goods into the United States, the exportation of goods out of the country of origin, the transit of goods through intermediate countries and the sale and use of foreign made goods in the United States. Seller further warrants that it has obtained all permits, licenses, and certifications necessary for the goods to be exported out of the country of origin, imported in the United States, delivered to Buyer and used or sold within the United States.

11. TITLE; RISK OF LOSS.

Title shall pass to Buyer upon Buyer's receipt of goods at destination. Risk of loss of all goods shall remain in Seller until receipt by Buyer at destination, unless otherwise specified in this Purchase Order, except for loss occasioned by gross negligence or willful neglect of Buyer or its customer.

12. CONFIDENTIALITY; LIMITED USE.

Unless otherwise agreed by Buyer in writing, Seller shall keep confidential and not disclose to any third party, any confidential and/or proprietary materials provided by Buyer to Seller in connection with Seller's performance of this Purchase Order or prepared by Seller specifically for Buyer pursuant to this Purchase Order, including but not limited to any drawings, masters, software, specifications, raw materials, components, data, business information or plans, customer lists or other customer information ("Confidential Information"). Seller shall not make any copies of Confidential Information except as specifically authorized by Buyer in writing. At the completion of this Purchase Order, or upon Buyer's request, Seller shall promptly return to Buyer all Confidential Information not consumed in the performance of this Purchase Order, together with any copies in Seller's possession. Seller shall use Confidential Information solely for Seller's performance of this Purchase Order for Buyer, and Seller shall not, without Buyer's written consent, directly or indirectly use Confidential Information or information derived therefrom in performing services or providing goods for any other customer of Seller, or any other person or entity.

13. RESOLUTION OF CONFLICTS OR INCONSISTENCIES OCCURRING IN THE ORDER.

It is Seller's responsibility to comply with this Purchase Order and all referenced documents, and to clarify with Buyer any inconsistencies or conflicts in any parts of the Purchase order or referenced documents. Should Seller fail to contact Buyer to resolve conflicts or inconsistencies, Seller will be solely responsible for errors resulting from said conflicts or inconsistencies. Where documents are referenced, the version in effect at the time of order placement shall apply.

14. BUYER'S TERMS AND CONDITIONS APPLY.

Acknowledgment of the Purchase Order, shipment of any goods, or commencement of work pursuant to the Purchase Order shall be deemed an acceptance of these General Terms and Conditions. No modification of or release from this Purchase Order shall be binding unless agreed to in writing by the parties and specifically labeled as a modification or release. Unless specifically agreed to otherwise by Buyer and Seller, these terms and conditions supersede any submitted by Seller in any proposal or acknowledgment.

Order confirmations on all purchases should be disseminated from the seller to SEALCO, if SEALCO does not receive a confirmation a cost of quality charge will be in effect to the amount of the time needed to relieve any damages, or to be made whole. Cost of quality charges are a means to recoup a loss in time, product, reputation that may have resulted from the Seller not conducting the nature of the requirements on the purchase order and are determined for each occurrence.

15. EXTRA CHARGES.

No charges for extras or for cartage or boxing or storage will be allowed unless the same has been agreed upon in writing by Buyer. All goods must be forwarded in accordance with Buyer's shipping instructions, otherwise the difference in freight rate will be charged to Seller.

16. SUBSTITUTIONS.

No substitution of materials or accessories may be made without written permission from Buyer.

17. WORK PERFORMED ON BUYER'S OR BUYER'S CUSTOMER'S PREMISES.

If Seller's work under the Purchase Order involves operations by Seller on the premises of Buyer or one of Buyer's customers, Seller shall take all necessary precautions and such additional precautions as Buyer or Buyer's customer may prescribe to prevent the occurrence of any injury to persons or property during the progress of such work and, except to the extent that any such injury is due solely and directly to Buyer's or Buyer's customer's negligence, shall indemnify Buyer against all claims, liability, damage, or loss (including expenses and attorneys' fees) which may result in any way from any act or omission of the Seller, or Seller's agents, employees, or contractors; and shall maintain such public liability, property damage, and employer's liability and compensation insurance as will protect Buyer and Buyer's customer from said risks and from any claims under any applicable worker compensation and occupational disease acts.

18. INDEMNIFICATION.

Seller agrees to indemnify, defend, and hold Buyer harmless from and against all losses, damages, liability, actions, judgments, costs, and expenses (including, but not limited to, reasonable attorneys' fees and other expenses of litigation), suffered, incurred, or asserted by or against Buyer (a) by reason of Seller's breach of a warranty, (b) by reason of Seller's breach of any term of this Purchase Order, or (c) by reason of personal injury, including death, or property damage sustained by a third party, resulting from or arising out of an act or omission of Seller, or Seller's agents, employees, or contractors in fulfillment of this Purchase Order.

19. CUMULATIVE REMEDIES; WAIVERS; SURVIVAL OF WARRANTIES.

The remedies herein reserved to Buyer shall be cumulative, and additional to any other or further remedies provided in law or equity. No waiver by Buyer of any term or condition of this Purchase Order shall be construed as a permanent waiver of such term or condition or of any other term or condition. Seller's warranties shall survive the completion or cancellation of this Purchase Order.

20. GOVERNING LAW. This Purchase Order shall be governed by the laws of the state of Oklahoma, U.S.A.

21. "GOODS" AND "SERVICES".

The term "goods" as used herein means any and all materials, parts, products, machines, tooling, test equipment, technical data, computer software, computer software documentation, and other tangible items or documentary information furnished or required to be furnished by Seller under this order. The term "services" means any and all technical assistance, support, maintenance, consultation, construction work, and other effort furnished or required to be furnished by Seller under this order other than labor furnished in connection with the production of goods.

22. ENTIRE AGREEMENT. Unless superseded by a specific signed agreement between Buyer and Seller, this agreement shall include the Purchase Order, these General Terms and Conditions, and all attachments referred to in the Purchase Order or in the General Terms and Conditions, and it shall

constitute the entire agreement of the parties with regard to the subject matter contained herein. All other prior or contemporaneous representations, warranties, covenants, or agreements between Seller and Buyer, or their representatives, with respect to the subject matter are hereby superseded. The term "Purchase Order" as used herein means the first and continuation pages of completed Purchase Order form, including any special provisions contained therein. This agreement may not be modified except by mutual written agreement of the parties. **It is important to understand the overall need for the seller and buyer to be of ethical behavior and good moral premise before, during, and after the contract.**

23. SHIPPING STANDARDS AND FORMATS for Raw Materials:

All original paperwork should address the following and reference this format for quantity shipped. This is not an optional characteristic and applies to all purchase orders from Seal Company Enterprises Inc. Any adjustments made to the packing slip, invoice, or certification is the responsibility of the seller(s). All raw materials should be marked with the identification items from of the attached quality section. On sheet and rolled goods the tag or identifier needs to be placed in a manner that it can be removed and reattached to the material.

***Rolled Materials:* need to be in linear feet (all measurements need to be done without conversion to this standard, the use of conversions after the cutting or displacement is not allowed)**

***Sheet Materials:* Needs to be in the number of sheets sent and should be shipped in a manner to prevent damage. The document sent with the item(s) also need to have a dimension(s) that apply to the conformance of the sheet (what size is the sheet in length, width, and thickness).**

***Cord Stock:* should be sent in linear feet, with no conversions done after cutting material. All dimensions should be done to linear feet when origin cut is made and not contested with metric conversions or systems of scalar values.**

Quality Service

Requirements

Quality Clauses and

The Quality Clauses from:

- Q1 through Q9 apply to ALL Purchase Orders.
- Q10 through Q18 apply when referenced in the text of the purchase order.

Q1:

Quality Management System

- I. Quality Management System.

The supplier shall maintain a quality management system(QMS) that meets the requirements of ISO9001:2000 or AS9100. The QMS is subject to a quality review by Seal Company Enterprises Inc. unless a third-party registration can be provided.

- II. Quality Management System for Distributors. The Distributor shall maintain a quality management system to ensure the products or services they provide meet the requirements of the Purchase Order. Raw material and/or certification from the manufacturer shall be maintained by the distributor for at least ten (10) years and shall be made available to SEALCO upon request.

Q2: Certificate of Compliance Each shipment shall contain a Certificate of Compliance indicating that the product and/or material have been manufactured, inspected, and/or tested, and meet the requirements of the **Industry, Mil-Spec, or Customer specification**. The minimum information on the Certificate of Compliance shall include the following: **1) date, 2) purchase order number, 3) supplier's name, 4) part number, drawing number, 5) batch/lot number, or heat number (whichever applies to the instance) 6) cure/mfg. date, 7) expiration date, 8) country of origin, 9) original physical properties. 10) When requested on the PO certifications must also state the Industry, Mil-Spec, or Customer specification including revision. 11) Seal Company Purchase Order should be on all documents 12) Seal Company Part Number if applicable and 13) Shelf Life for the item purchased (a chart of all products can be substituted in, if it is more convenient)**

An authorized representative of the supplier's quality organization must sign and date this certificate. A copy of this certificate shall accompany a packing slip, a Material Safety Data Sheet (MSDS) and/or a Chemical and Physical Analysis Report.

Distributors only. A copy of a Certificate of Conformance from the distributor specifying date code, lot/batch code or serial number(s), country of origin and the manufacturer's name shall be shipped with each order. Where Seal Company Enterprises Inc. supplies the material for this order, the supplier shall certify on each shipment that the supplier has not made any unauthorized substitutions of the material. SEALCO Quality Assurance must approve any substitution of material, size and/or shape.

Q3: Raw Materials / Limited Shelf Life Material

Where the supplier supplies raw material directly to Seal Company Enterprises Inc., the supplier shall assure that the material is manufactured and distributed by sources approved by Seal Company Enterprises Inc. and/or SEALCO customers.

The supplier shall identify each item, package or container with the date of manufacture and shelf life expiration. In no case shall material be supplied with less than 80% of its shelf life remaining without prior written approval from Seal Company Enterprises Inc. Seal Company Enterprises Inc. Quality Assurance must approve any substitution of material, size and/or shape. Variance to this policy can be given by Engineering or the Quality Manager at Seal Company for certain instances or exceptions if needed or lead time is drastically affected.

Q4: Traceability

Lot traceability is required and must be maintained on all raw materials delivered to Seal Company Enterprises Inc.

Q5: Right of Access to all Facilities

Seal Company Enterprises Inc., SEALCO customer and/or Government or Regulatory authority reserves the right to review control methods and inspect material included in this order at the supplier's facility and at any sub-tier facilities. Access rights shall be extended to Seal Company Enterprises Inc. Customers and/or Government or Regulatory authorities.

Q6: Shipments, Deliveries and Packing

Seal Company Enterprises Inc. reserves the right to defer payment on advance deliveries until scheduled delivery dates. No over shipments accepted without prior approval in writing. Loss of or damage to any goods not packed in such a manner as to insure proper protection to same shall be borne by Supplier.

Hazardous Materials

Hazardous materials, as defined by the EPA, shall be packaged and clearly identified in such a manner as to include any and all special handling, packaging, storage, environmental, or other requirements imposed by statute or regulation.

Q7: Nonconforming Material Control

During performance against this purchase order, any nonconforming material/product must be submitted and reported to Seal Company Enterprises Inc. immediately. No deviation will be considered approved without written confirmation of the fact from Seal Company Enterprises Inc. If any part of this purchase order is not in conformity with the requirements of this purchase order, Seal Company

Enterprises Inc. may elect in its sole and reasonable discretion, a replacement of all nonconforming material/product at Supplier's expense, including transportation charges and/or not to be replaced and with a full refund of all costs paid to Seal Company Enterprises Inc.

Q8: Corrective Action

Acceptance of this purchase order obligates the supplier to perform, upon request, a corrective action investigation when nonconforming material/product is received by the buyer. Supplier shall investigate the cause of each nonconformance, whether identified by supplier or by Seal Company Enterprises Inc. A written report shall be furnished, within ten (10) working days whenever SEALCO has identified a nonconformance to the supplier.

Q9: Quality Records

All quality records are to be legible, reproducible, and identifiable to the purchase order. Quality Records are to be stored and maintained in such a way that they are readily retrievable in facilities that provide a suitable environment to minimize deterioration or damage and to prevent loss. This applies to our suppliers and any sub-tier suppliers. Retention period for quality records should be a minimum of five (5) years unless otherwise specified. Seal Company Enterprises Inc., our customers, Government or Regulatory authorities shall have access to review quality records as they pertain to this order.

Q10: First Article inspection

A First Article Inspection Report shall be required when the first production units are manufactured. The report shall include all drawing characteristics and notes, required tolerance range, actual measurement results, and where physical testing is required, the results of the test(s). PPAP, AS9102, and API, will be specified on the paperwork.

Q11: Government Inspection

If Government Inspection is required prior to shipment from your facility, upon receipt of this order, promptly notify the Government authority who normally serves your facility.

Q13: Test and Inspection Records

Test data readings and/or inspection measurements of materials on this order must be taken and documented as indicated below. Particular emphasis shall be given to those characteristics which cannot normally be inspected upon receipt at Seal Company Enterprises Inc. The above record shall be adequate to ascertain the quality level of required materials and of the production processes used in the manufacture of this order. The use of electronic media is encouraged. These records must be maintained for a minimum of ten (10) years. Records must be legible, retrievable and accessible to SEALCO and/or SEALCO customers upon request. a. Inspection Measurements (Variable Data is preferred)

b. Test Data

c. Retain at Supplier

d. Submit with shipment

Q 14: Standard Hardware Items

Where the supplier supplies hardware items (e.g., bolts, nuts, screws, etc.) of standard design (whether Industry Standard or SEALCO Customer Standard) and the hardware is controlled by a qualified producer's list (QPL) the supplier shall provide a certificate of source of supply when the direct SEALCO supplier is not on the QPL. Where the SEALCO customer requires the distributor to be approved, then the supplier shall only use and or supply hardware from SEALCO customer approved distributor.

Supplier shall provide a certificate of supplier's source of supply where the product is controlled by a qualified producer's list (QPL) when the supplier is not on the QPL. Supplier should contact SEALCO Quality Assurance for assistance in assuring the source of standard hardware items is acceptable to SEALCO customers.

Q15: Special processing

If this order is for production work that includes special processes, the supplier shall use only those processors approved by SEALCO. Supplier should contact SEALCO Quality Assurance for assistance in assuring that supplier uses only approved processors. Original processor certification must be retained on file and traceable to end item products delivered to Seal Company Enterprises Inc.

• All items delivered to Seal Company Enterprises Inc. must maintain Job/Lot traceability.

Q16: Certification of Ozone Depleting Substances

Supplier must provide one of the following certifications on each shipping document:

- a. The supplier certifies these goods were not manufactured with and do not contain ozone depleting substances.
- b. The supplier certifies these goods are in compliance with the ozone depleting substances labeling requirements under the US law. If certification to paragraph b is made, precautionary labeling must accompany the statement and must comply with 40CFR Part 82 Subpart E.

Q17: Certification of Calibration

The calibration service shall provide a certificate of calibration for each item calibrated. The certificate must include the certificate of calibration number, instrument ID number, description, model number/serial number, readings "as found condition" and "as left condition", calibration date and the due date of the equipment/tools, and actual signature or identifying inspection stamp of the person who is certifying the calibration. The certificate must also include all equipment/standards used traceable to the National Institute of Standards and Technology (NIST).

Q18: Statistical Process Control (SPC) SPC shall be implemented and maintained as part of this purchase order agreement. The supplier's SPC program shall be documented and include provisions for: selection and identification of key characteristics and/or processes, statistically based control charting, demonstration of continuous improvement, management supervision, corrective action, training, and flow down to sub-tier supplier. The requirement for and establishment of SPC key characteristics and/or key processes may be based on similar parts or processes. (when applicable)