

TERMS AND CONDITIONS FOR REPAIR SERVICES

1. ACCEPTANCE OF ORDER; PARTIES TO AGREEMENT.

- (A) These Standard Terms and Conditions for Repair Services ("Service Terms") apply to all offers made and orders accepted by Teledyne Controls, LLC ("Seller") for repair, testing, recertification, and other aftermarket services for Seller products ("Services") and the resulting agreement between you ("Buyer") and Seller for the performance of those Services ("Agreement"). All orders are subject to written acceptance by Seller. Seller's offer is strictly limited to, and acceptance of Buyer's order is expressly conditioned upon, Buyer's assent to these Service Terms to the exclusion of all other terms and conditions. Seller's failure to object to provisions contained in any communication from Buyer does not waive the exclusive application of these Service Terms to the Services. These terms shall apply whether or not they are attached to or enclosed with the parts serviced. Buyer's failure to reject these Service Terms within ten (10) days after the date of Seller's offer or other notice from Seller of their application to the Services, or Buyer's authorization for Seller to begin performance of the Services, whichever occurs first, shall be deemed to be Buyer's unconditional acceptance of these Service Terms. No persons or entities other than Seller and Buyer have any rights under this Agreement.
- (B) Each Order accepted by Seller is an agreement exclusively between Buyer and Seller. No other persons or entities have any rights under any Order except as otherwise expressly stated in these Service Terms. Seller is a subsidiary of Teledyne Technologies Incorporated. Teledyne Technologies Incorporated and its other subsidiaries, business units, and affiliates are not and shall not be deemed to be parties to this Agreement, have no obligations or duties arising from this Agreement, and are to be treated as unrelated third parties for all purposes.

2. PRICES; TAXES.

- (A) Prices quoted are based on Seller's knowledge of Buyer's requirements at the time the offer is made. Seller's offer is firm for sixty (60) days from the date of the offer or through the end of the current calendar year, whichever period is shorter. Seller may escalate or otherwise adjust prices for future year deliveries at its discretion. Escalation or other price change is effective January 1 of the future calendar year unless otherwise stated in writing by Seller. Unless otherwise stated in Seller's quotation, prices are exclusive of any applicable taxes. The amount of any present or future sales, use, excise, import duty, or other tax applicable to the Services will be added to the invoice and must be paid by Buyer unless Buyer provides Seller with a tax exemption certificate acceptable to the applicable taxing authority.
- (B) Seller has established fixed repair charges ("Standard Repair Charge") for many of its products. Seller will charge the Standard Repair Charge for a part submitted to Seller for repair except in the following circumstances:
- Major Repair. If the part requires replacement of major assemblies or components, Seller will charge the price of the replacement assemblies and components plus one-half the Standard Repair Charge for that product.
 - No Standard Repair Charge established. If a Standard Repair Charge has not been established for a part, Seller will charge for the actual labor hours and materials used to repair the part, plus markup.
 - Test-Only, No Fault Found (NFF) and Unverified Failure. In the event a part has been submitted for testing only, or is submitted for repair and passes all approved test procedures for that unit ("No Fault Found" or "NFF"), or the failure claimed by Buyer cannot be duplicated on the part ("Unverified Failure"), Buyer will be charged for Seller's time spent on testing, evaluation and recertification and other applicable charges.
 - Evaluation Charge. If Buyer submits a part to Seller for repair and declines to have the part repaired after Seller has tested or otherwise evaluated the unit, Buyer will be charged for Seller's time spent on the testing, evaluation and other applicable charges.
 - Modification. All requested or mandatory modifications and all implementation of service bulletins are quoted separately.
- (C) Buyer will pay for all packaging, handling, transportation, insurance and other costs associated with shipment of the part to Seller for Services. For warranty repairs, Seller will pay the costs of Seller's standard packaging, handling, and transportation for shipment of the part back to Buyer. For non-warranty repairs and all other Services, Buyer will pay for all packaging, handling, transportation and other costs associated with Seller's shipment of the part back to Buyer. Costs for shipping requirements from Buyer deviating from Seller's standard practice will be paid by Buyer.

3. PAYMENT TERMS; CREDIT.

- (A) Advance payment will be required for all Services until Buyer's credit is reviewed and approved by Seller. If Buyer's credit is approved by Seller, Buyer will be notified by Seller and payment terms thereafter will be net thirty (30) days after date of invoice, subject to paragraph (b) of this Article. No prompt payment discounts apply to any order for Services. Unless otherwise agreed in a writing signed by Seller and Buyer, Seller will invoice Buyer for each shipment under this Agreement, including any installment or partial shipment, and Buyer must pay accordingly. If shipment is delayed by Buyer, payment will become due on the date when Seller is prepared to make shipment. If Services are delayed by Buyer, Buyer will immediately make payment for work performed through the date the delay begins based on the applicable price and the percentage of completion. Parts held for Buyer are at the risk and expense of Buyer. Wire transfer in United States dollars (USD) may be used to make payment. Late payment charges of 1.5% per month will be charged on accounts more than thirty (30) days past due.
- (B) Credit terms, shipments, deliveries, and performance of work shall at all times be subject to the approval of Seller's credit department. Seller may at any time decline to make any shipment or delivery or perform any work except upon receipt of payment or upon receipt of payment or satisfactory credit terms and security. Seller, at its sole discretion, may revoke its extension of credit to Buyer immediately upon notice in the event of Buyer's late payment, Buyer becoming insolvent or entering into bankruptcy, or, in Seller's sole judgment, if Buyer's financial situation poses any risk of non-payment. Further, in the event of Buyer's bankruptcy or insolvency, Seller may terminate any order then outstanding and Buyer will pay Seller cancellation charges and other costs due in accordance with Article 11.

4. SHIPMENT TO TELEDYNE.

Except for MagnaStar® products, Buyer may submit parts directly to Seller for Service without completion of Return Materials Authorization. Return Materials Authorization (RMA) is required MagnaStar® products. Buyer is responsible for all shipping charges and damage to the unit in transit until received by Seller. It is Buyer's obligation to promptly provide all information reasonably requested by Seller. Delays in providing this information may result in delay of Seller's performance of the Services or return of the part to Buyer. At a minimum, Buyer must provide the following information with each part shipped to Seller for Service:

- Buyer's name and billing address, and if applicable, name and billing address of Buyer's agent requesting the Service
- Repair order number
- Buyer or Buyer's agent (as applicable) contact person's name, telephone number, fax number, and email address
- Seller part number, serial number, and part nomenclature/description
- Make, model and tail number of the aircraft that the part was removed from (if applicable)
- Detailed description of failure or other reason that the part is submitted for Service

- Special Requirements, such as, SB's, SL's, CAAC, etc.
- Date that part was removed from aircraft (if applicable)
- Date that part is shipped to Seller for Service
- Return shipping address, and name and contact information of Buyer freight forwarder

5. DELIVERY SCHEDULES. Shipping dates are approximate and are based upon prompt receipt from Buyer of all information described in Article 4 and any other pertinent information required by Seller. Seller will endeavor to perform in accordance with the time quoted for performance of the Services, but in no event is Seller liable for any damages, re-procurement costs, cover or penalties for delays in delivery.

6. FORCE MAJEURE. Without limiting the generality of the limitation of Seller's liability for late delivery set forth in Articles 5 and 18, Seller is not liable for delays in its performance arising out of causes beyond the control and without the fault or negligence of Seller (a "force majeure"). Such causes include, but are not restricted to, acts of God, acts of Buyer, acts of any government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, war, terrorism, unusually severe weather and any delays of vendors or suppliers. In the event of any such delay, Seller will defer delivery for a period equal to the time lost because of the delay. If Seller is unable to complete delivery of an order due to a force majeure, Seller has the right to cancel or suspend the order in whole or in part by giving written notice to Buyer.

7. CUSTOMER INQUIRIES. Buyer may submit an inquiry regarding a Service to Seller, including status, technical, pricing or urgency by telephone, e-mail, fax, AOG hotline, or as otherwise directed by Seller. Buyer shall provide all information reasonably requested by Seller in support of the inquiry. Seller will endeavor to respond to Buyer's inquiry within 24 hours of receipt.

8. INSPECTION; ACCEPTANCE. Buyer will promptly inspect all Services performed following receipt of the part serviced, immediately notify Seller if a nonconformity is discovered and give Seller a reasonable opportunity to inspect the nonconformity. Unless rejected by the tenth (10th) day following delivery, all Services are deemed accepted.

9. WARRANTY AND DISCLAIMERS.

- (A) **Standard Warranty.** If a part is repaired Seller, Seller warrants that the repair will be free from defects in materials and workmanship for one (1) year (for line replaceable units) or ninety (90) days (for subassemblies, components, kits, and accessories) from the date the repaired part is shipped to Buyer, unless otherwise stated by Seller in its quotation. This warranty only applies to the specific component(s) of the part which are repaired or replaced. This warranty does not extend an existing warranty on the part nor does it apply to any component or subassembly of the part other than that which was repaired or replaced by Seller. Further, this warranty is void if the repaired part is damaged from misuse; accident; neglect; fire; inundation; improper installation or maintenance; repair, application, or alteration other than by Seller; or similar condition or circumstance not the fault of Seller. All Services other than repair and all Software are provided AS IS.
- (B) **Disclaimer of All Other Warranties.** THE STANDARD WARRANTY SET FORTH IN ARTICLE 9(A) IS IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS, STATUTORY OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN, TITLE, FREEDOM FROM PATENT INFRINGEMENT, FITNESS FOR MILITARY OR OTHER GOVERNMENT PURPOSES, CONFORMANCE TO ANY MILITARY OR OTHER GOVERNMENT SPECIFICATIONS, FEDERAL ACQUISITION REGULATIONS OR OTHER GOVERNMENT PROCUREMENT STANDARDS, AND ANY OTHER WARRANTY IMPLIED BY USAGE IN TRADE OR IN COURSE OF PERFORMANCE OR DEALING.
- (C) **Warranty Claims and Remedies.** To make a claim for breach of the Standard Warranty, Buyer must promptly notify Seller in writing of the specific defective part and the nature of the defect, and return the defective part, transportation and insurance prepaid, in accordance with instructions issued by Seller. Following receipt, Seller at its sole discretion will repair or replace the part if the defect claimed is verified by Seller and covered by the Standard Warranty. If the defect claimed by Buyer cannot be reproduced or otherwise verified by Seller, or is not covered by the Standard Warranty, the part will be returned to Buyer unmodified at Buyer's expense. If the defect can be reproduced or otherwise verified by Seller and is covered by the Standard Warranty, then following Buyer's written request Seller may reimburse Buyer for necessary removal, test and reinstallation actions taken by Buyer on the part at Buyer's fully-burdened labor rate, not to exceed US\$40.00 per hour. The necessary removal, test and reinstallation actions and time to perform these actions are subject to Seller's approval in its sole discretion. No other costs associated with actions taken by Buyer or a third party will be reimbursed. Buyer will provide all documentation reasonably requested by Seller to substantiate any claim for reimbursement. The remedies set forth in this Article 9(C) are the sole and exclusive remedies available to Buyer for any breach of warranty claim. Seller will not reimburse any costs incurred by Buyer or a third party related to the repair of any part performed by Buyer or a third party.
- (D) **Commercial Goods and Services Only.** All Services are of a commercial nature and are only sold under commercial terms and conditions. Seller does not warrant or otherwise represent that any Services conform to any military or other government specifications, Federal Acquisition Regulations or other government procurement standards. The application of any of those terms would result in a material alteration of this Agreement, which would be rejected by Seller.
- (E) **Sale of Goods Expressly Conditional on Assent to Disclaimer of Warranties.** Seller's performance under this Agreement, including the performance of Services, is expressly conditioned upon Buyer's assent to Seller's disclaimer of warranties in Article 9(B) above. If this disclaimer of warranties is not acceptable, Buyer must notify Seller immediately and in any event, prior to Seller's commencement of work pursuant to this Agreement. In the event Buyer procures Services in the performance of a government contract, Buyer expressly covenants and agrees that it will notify the government of the terms of this Article 9 prior to the performance of the Services.

10. EXPORT DOCUMENTATION, DUTIES, TAXES AND FEES. Buyer is solely responsible for obtaining any export licenses and other authorizations required for export of the repaired goods and other items to be delivered to Buyer under this Agreement, and for completing all documentation required for the export. Following Buyer's written request, Seller will provide reasonable assistance to Buyer toward the completion of routine governmental documentation required for the export. Buyer is also solely responsible for all customs duties, taxes, fees and similar charges on the repaired goods and other items.

11. CANCELLATION. Buyer may wholly or partially cancel the work to be performed by Seller under this Agreement by written notice to Seller which is received prior to the scheduled delivery date. For any cancelled order, Buyer must pay Seller a cancellation charge of twenty percent (20%) of the price of the cancelled work, plus full reimbursement for all direct and indirect costs, settlements with suppliers, and administrative, accounting, and legal costs and fees incurred by Seller associated with the cancellation. Seller will notify Buyer of the amount owed, which amount shall be immediately due and payable to Seller.

12. DEFAULT. Seller may terminate this Agreement if Buyer breaches a material provision. If Buyer breaches a material provision of this Agreement, Seller will submit a written notice to Buyer advising of the breach. Buyer will have five (5) days from delivery of the notice to cure the breach. In addition to its other rights and remedies, if Buyer does not cure the breach within the five-day period, Seller may terminate this Agreement.

13. GOVERNING LAW; DISPUTES & JURISDICTION. This Agreement is governed by the laws of the State of California, U.S.A., without effect given to its conflict of laws provisions, and excluding the United Nations Convention on the International Sale of Goods (CISG) and the UNIDROIT Principles of International Commercial Contracts. Disputes which arise under this Agreement and which cannot be settled amicably by Seller and Buyer shall solely and finally be settled by binding arbitration in Los Angeles, California, U.S.A. under the prevailing commercial conciliation and arbitration rules of the American Arbitration Association. Judgment upon the arbitration award or decision may be entered in any court having competent jurisdiction. Arbitration awards and decisions are subject to the Limitation of Liability in Article 18.

14. EXPORT COMPLIANCE; U.S. FOREIGN CORRUPT PRACTICES ACT. Buyer must comply with all applicable laws, licensing requirements and other regulations governing the resale, import, export, or re-export of the goods, Services, Software, technical data and other information received from Seller (collectively "Materials and Data" for purposes of this Article), including the United States Foreign Corrupt Practices Act (15 U.S.C. §§ 78dd1, et seq.) Buyer must further comply with all restrictions imposed by the United States Government on the transfer and retransfer of Materials and Data, both in general and concerning specific end users. Without limiting the forgoing, Buyer will not transfer or retransfer any Materials and Data to any end user for any end use related to the design, development, production, stockpiling, or use of chemical, biological, or nuclear weapons or missiles, without the prior approval of the United States Government, or otherwise transfer or retransfer any Materials and Data in violation of United States law. Buyer will indemnify Seller for all claims, liabilities, and losses (including but not limited to attorney's fees and other costs incurred in defending against such claims) which may arise as a result of Buyer's breach of its obligations under this Article or, more generally, as a result of its failure to comply with United States law. Buyer acknowledges that Seller is subject to United States law, and Buyer holds Seller harmless from all liability for any failure by Seller to perform attributable to United States law.

15. SOFTWARE. All software and its associated documentation (collectively "Software") provided to Buyer under this Agreement, not limited to catalog product or software developed in performance of this Agreement, are provided under license only, and not as a sale or other transfer of ownership. All rights and interest in and title to Software remain with Seller. No right, title or interest in any Software is granted under this Agreement. Further, prior to use of any Software, Buyer must execute Seller's standard license agreement for the Software whether in paper or electronic form, and Buyer has no license of any kind to use the Software until Buyer executes that agreement. If Seller's license agreement for the Software is in paper form, then Seller shall have no obligation to deliver the Software until after that license agreement is executed by Buyer. Software may not be used in, with or in support of any aircraft data acquisition or recording products unless they were designed and manufactured by Seller. In the event of any conflict between this Agreement and Seller's license agreement for the Software, the license agreement takes precedence.

16. INTELLECTUAL PROPERTY RIGHTS; CONFIDENTIALITY.

- (A) The copyright, patent and any other intellectual property right pertaining to the Services, and to all related goods, Software, repair processes, manufacturing processes, tooling, fixtures, equipment, designs, specifications, drawings, and other materials and information, shall at all times remain the absolute property of Seller. Buyer must not reverse engineer or reverse compile any goods, Software or other materials received from Seller, nor permit a third party to do so.
- (B) Buyer must keep confidential, and protect from unauthorized use and disclosure all confidential, proprietary and trade secret information, all tangible items and software containing, conveying or embodying this information, and all information derived from this information (collectively, "Proprietary Information"), which is obtained, directly or indirectly, from Seller in connection with this Agreement. Buyer may use Proprietary Information only as necessary for its performance under this Agreement, and may disclose Proprietary Information only to those of its employees who need the Proprietary Information for this purpose. In no event may Buyer disclose Proprietary Information to any third party. Buyer must also keep confidential and not disclose to any other person or entity any term of this Agreement

17. INDEMNIFICATION.

- (A) Buyer agrees to defend, indemnify and hold harmless Seller, its officers, directors, and employees, from and against any and all claims, losses, liabilities and expenses (including without limitation attorney's fees) of any kind which may arise, in whole or in part, out of or relating to:
 - (i) infringement of U.S. or foreign patents, designs, copyrights, trademarks, or other intellectual property rights to the extent that:
 - (a) the infringing goods or Software are manufactured in whole or in part to Buyer's designs;
 - (b) the infringement results from Buyer's use of the infringing goods or Software for purposes other than those expressly communicated by Seller to Buyer in writing; or
 - (c) the infringement results from the use of the goods or Software in conjunction with other products not supplied by Seller;
 - (ii) property damage, personal injury or death caused by Buyer's employees or agents on property owned or controlled by Seller;
 - (iii) any product manufactured in whole or in part to Buyer's designs, unless such claim arises solely due to Seller's manufacturing process, assembly operation, or gross negligence;
 - (iv) a breach by Buyer of any of its obligations under this Agreement.
- (B) Where Services are sold, resold, or otherwise transferred to or provided for a third party, Buyer shall defend, indemnify and hold harmless Seller, its officers, directors, and employees, from and against all claims, losses, liabilities and expenses of the third party (including without limitation attorney's fees) related to those Services.

18. LIMITATION OF LIABILITY. SELLER IS NOT LIABLE FOR DAMAGES CAUSED BY DELAY IN PERFORMANCE. SELLER IS NOT LIABLE FOR ANY LOSS OF BUYER'S DATA RESULTING FROM THE PROVISION OF SERVICES BY SELLER OR THE USE OF SELLER'S GOODS OR SOFTWARE BY BUYER, REGARDLESS OF WHETHER THE GOODS AND SOFTWARE WERE PROPERLY USED BY BUYER. SELLER'S TOTAL LIABILITY TO BUYER, INCLUDING BUT NOT LIMITED TO LIABILITY FOR INDEMNITY, DEFENSE AND HOLD HARMLESS OBLIGATIONS, SHALL NOT EXCEED THE PRICE OF THE PARTICULAR GOOD, SERVICE OR SOFTWARE GIVING RISE TO THE LIABILITY, AND BUYER AGREES TO HOLD SELLER HARMLESS FOR ANY AMOUNTS IN EXCESS THEREOF. NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS AGREEMENT, UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, INDIRECT, MULTIPLE, ADMINISTRATIVE, EXEMPLARY OR PUNITIVE DAMAGES, OR ANY DAMAGE DEEMED TO BE OF AN INDIRECT OR CONSEQUENTIAL NATURE ARISING OUT OF OR RELATED TO ITS PERFORMANCE UNDER THIS CONTRACT, INCLUDING WITHOUT LIMITATION, LOSS OF USE, LOST REVENUES, LOSS OF ANTICIPATED PROFITS AND COST OF CAPITAL, EVEN IF SELLER IS ADVISED IN ADVANCE OF THE POSSIBILITY OF THESE DAMAGES OR IF SELLER FORESAW OR OUGHT TO HAVE FORESEEN CIRCUMSTANCES WHICH COULD RESULT IN THESE DAMAGES. THESE LIMITATIONS AND EXCLUSIONS WILL APPLY REGARDLESS OF THE FORM OF THE CLAIM OR CAUSE OF ACTION, WHETHER BASED UPON BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, OR BY OPERATION OF LAW, AND WHETHER GROUNDED IN TORT, CONTRACT, CIVIL LAW, OR OTHER THEORIES OF LIABILITY, INCLUDING STRICT LIABILITY. TO THE EXTENT THAT THIS ARTICLE CONFLICTS WITH ANY OTHER PROVISIONS OF THIS AGREEMENT, THOSE PROVISIONS ARE AMENDED AS REQUIRED TO MAKE THEM CONSISTENT WITH THIS ARTICLE.

19. ACQUISITION BY U.S. GOVERNMENT. Seller's intellectual property rights in any goods, Services, Software, data, or other information or materials (collectively "Deliverables" for purposes of this Article) acquired by a U.S. Government entity through this Agreement, whether directly or indirectly, are furnished with limited and restricted rights as described in the laws and regulations applicable to acquisitions by that U.S.

Governmental entity. Buyer warrants that it will not transfer, retransfer or otherwise use any Deliverables in the performance of any contract or subcontract with any U.S. or other government entity unless Seller's rights in the data, technology, software and other intellectual property in or related to the Deliverables are fully secured and will not be diminished or otherwise adversely affected in any way.

- 20. QUALITY ASSURANCE AND REPAIR ORGANIZATION.** Seller's Quality Assurance System adheres to ISO 9001:2008 and AS9100 standards, and its repair organization operates under the rules and procedures established by Seller and the Teledyne Controls Repair Station Manual, as may be changed at Seller's discretion from time to time, and various governmental regulations and policies.
- 21. ETHICS AND VALUES.** Seller is committed to uncompromising ethical standards, strict adherence to law and customer satisfaction. Seller encourages Buyer to communicate concerns and ask questions about Seller's ethics and values by calling the Seller Ethics/Help Line, "Take The Right Action," at 1-877-666-6968.
- 22. ASSIGNMENT.** Buyer may not assign any right, obligation or interest arising from this Agreement without the prior written consent of Seller, not to be unreasonably withheld. Seller may at any time and without Buyer's consent assign any or all of its rights, obligations, or interests arising from this Agreement to any successor, by way of merger, consolidation or the acquisition of substantially all of the entire business and assets of Seller related to the subject matter of this Agreement.
- 23. SEVERABILITY.** Should any provision contained in this Agreement be unenforceable under present or future laws or in a court with jurisdiction over this Agreement, the unenforceable provision will be replaced by a provision which lawfully enforces the parties' intention underlying the unenforceable provision, and the remaining provisions of this Agreement will remain in full force and effect.
- 24. WAIVER.** No provision of this Agreement is waived by any act by or knowledge of either Party, except by a written instrument signed by an authorized representative of that Party. A Party's waiver of any right or its failure to enforce a provision of this Agreement in any instance is not a continuing waiver or a waiver of any other of its rights, nor is it a waiver of any material breach or failure of performance by the other Party.
- 25. SURVIVAL.** The following articles will survive the termination or expiration of this Agreement or completion of any order: 1: Acceptance of Order; Parties to Agreement; 2: Prices; Taxes; 3: Payment Terms; Credit; 5: Delivery Schedules; 6: Force Majeure; 9: Warranty and Disclaimers; 11: Cancellation; 12: Default; 13: Governing Law; Disputes & Jurisdiction; 14: Export Compliance; U.S. Foreign Corrupt Practices Act; 16: Intellectual Property Rights; Confidentiality; 17: Indemnification; 18: Limitation of Liability; 22: Assignment; 23: Severability; and 25: Survival.
- 26. ENTIRE AGREEMENT; AMENDMENT.** This Agreement is the final, complete, and exclusive statement of the agreement between Seller and Buyer related to the Services. Any previous agreements or understandings pertaining to this Agreement, whether oral, written or implied, are superseded by this Agreement. This Agreement shall prevail over any subsequent or contemporaneous terms and conditions contained in any Order or other document submitted by Buyer. This Agreement may be amended only by the mutual written agreement by an authorized official of each Party.