

**R. E. DARLING CO., INC. ("Seller")
STANDARD TERMS AND CONDITIONS OF
QUOTATION/SALE**

R.E. DARLING CO., INC. (Seller) quotation and/or acceptance of Buyer's Purchase Order for Seller's Products and/or Services is expressly conditioned upon Buyer's assent to the below Terms and Conditions. Buyer's acceptance of Seller's Products is also deemed by the parties to be Buyer's assent to Seller's terms.

1. GENERAL.

All Terms and Conditions of Seller's Quotation/Sale for Seller's products/ services are as follows except as specifically noted on the face of Seller's Acknowledgment or Quotation to Buyer.

2. PRICE QUOTES.

- (a) Seller's price quotations implies no obligations on the part of Seller until and unless it becomes an order form acceptable to Seller. The prices quoted are for the number of items indicated only. Individual line items may be purchased. However, each purchase must meet the minimum order requirements and all the terms and conditions of the original quotations. Seller's quotation confirms Buyer's RFQ or solicitation and the prices reflect the information Buyer gave Seller at the time of the RFQ. Any additional Buyer information and/or requests added to Buyer's subsequent purchase order which are not reflected on Seller's quote or on the current drawing of the products ordered may result in a price increase or a cancellation of Buyer's order.
- (b) Any acceptance of Seller's price quotation form is expressly conditioned upon Buyer's assent to Seller's terms herein and any others on the face and back of Seller's quote form. Any variation in any degree made by Buyer to any of the terms of Seller's price quotation which affect the product quality, description, quantity, price or delivery schedule is hereby objected to and rejected; and, such changes or any other variations shall be deemed a material alteration to Seller's terms and conditions, and Seller's price quotation shall be deemed accepted by Buyer without Buyer's said additional or different terms. If the Buyer deems Seller's price quotation an acceptance of a prior offer, such acceptance shall be expressly conditioned upon Buyer's assent to Seller's terms and conditions herein.

3. BUYER'S PURCHASE ORDER TERMS.

Seller's acknowledgement and acceptance of any Buyer order for Seller's products and/or services is expressly conditional upon Buyer's assent to Seller's terms and conditions contained herein. Any of those Buyer's Terms and Conditions which are in addition to or different from those contained herein which are not separately agreed to by Seller in writing are hereby objected to by Seller and shall be of no effect. Buyer will be deemed to have consented to all terms and conditions contained herein if receipt of any part of the products described herein is accepted by Buyer or the Buyer accepts parts of the products described herein.

4. DELIVERY, DELAYS AND PERFORMANCE.

All scheduled or quoted delivery dates represent commercially reasonable estimates and are based upon Seller's current and anticipated manufacturing capabilities, and are only approximate. Seller assumes no liability for loss or direct, indirect or consequential damages resulting from delays in delivery of products. Fulfillment of Buyer's order is contingent upon the availability of materials. Seller shall not be liable for any delay in delivery or for non-delivery in whole or in part caused by the occurrence of any contingency beyond the control of either Seller or suppliers to the Seller, including but not limited to failure of Buyer to provide all necessary information and customer furnished material or equipment promptly, acts of war, sabotage, acts of civil disobedience, failure or delay in transportation, act of any government or agency or subdivision thereof, judicial action, labor dispute, fire, accident, explosion, epidemic, quarantine, restrictions, storm, flood, earthquake or act of God, shortage of labor, fuel, raw material or machinery or technical failure. In such event Seller may allocate production and deliveries among Seller's customers. If the Seller, in its sole discretion, determines that Seller's performance hereunder would result in a loss to Seller on this sale, as computed under Seller's normal accounting procedures, because of causes beyond Seller's control, then the Seller may terminate this agreement in whole or in part without liability for any delay in the delivery of or failure to deliver the Seller's products ordered or sold hereunder.

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5. WARRANTY.

- (a) Seller warrants all new products to be furnished to Buyer under an order to be free from defects due to faulty workmanship or material under normal use and service for the period of twelve months from the date of delivery to Buyer.
- (b) Seller neither expressly nor impliedly warrants against defects in design, workmanship and material of parts or materials supplied by others and utilized by Seller in such products. Seller shall give to Buyer (insofar as it is assignable) the benefits of any express written warranties given to Seller by such manufacturer or other vendors. Seller shall have no obligation to process any warranty claim against such manufacturer and supplier for the benefit of Buyer.
- (c) Seller neither expressly nor impliedly warrants, or makes any representation whatsoever, as to service life of Seller's products since conditions of usage and experienced service life are neither within the control of nor knowledge of Seller.
- (d) This Warranty shall apply only on the condition that:
 - (1) Buyer delivers written notice of its claim under this clause to Seller within such warranty period, but not later than fifteen days after discovery of the defect which is the basis for its claim;
 - (2) Unless otherwise directed by Seller, Buyer delivers such products to Seller at its plant in Tucson, AZ, U.S.A., within thirty days after such written notice. In no event shall any such product or materials be reworked or scrapped by the Buyer without the express written authorization of Seller;
 - (3) Seller determines (in its sole discretion) that such products are defective and have not been subject to accident, abuse, misuse, mishandlings, improper testing, negligence, disassembly, repair or alteration that shall have occurred outside Seller's facility, and have been operated and maintained in accordance with the Seller's recommendations and specifications; and
 - (4) The products have not been the subject of a replication (ie., reverse engineering) program, either formal or informal, sponsored or supported by the U.S. Government or any other entity.
- (e) The obligations and liabilities of Seller under this Warranty are expressly limited to the replacement or the repair of such products at Seller's option, and shall not include any removal, disassembly, failure analyzing fault isolation, inspection, retrofit or reinstallation costs incident to such correction or replacement.
- (f) All warranty claims shall be returned by R.M.A. (Return Material Authorization) number; which shall be issued via phone by the Darling Quality Control Department or Customer Service Personnel.
- (g) Should Buyer make a claim for, or return such products claimed to be defective, Seller reserves the right at its discretion to charge Buyer a per event fee for any and all unsubstantiated warranty claims. In addition, Seller shall re-bill all debited charges for any products that, after inspection and/or testing, are found not to be defective. A repackaging fee may be applied to each return, and return shipping shall be to the Buyer's account.
- (h) Seller will reimburse Buyer for its reasonable transportation costs to return such products which are confirmed by Seller to be defective under subparagraph (d)(3) above.
- (i) THE WARRANTIES PROVIDED IN THIS ARTICLE 5, AND THE OBLIGATIONS AND LIABILITIES OF SELLER AND THE RIGHTS AND REMEDIES OF BUYER HEREUNDER ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND SELLER HEREBY DISCLAIMS, AND BUYER HEREBY WAIVES, ALL WARRANTIES AND LIABILITIES OF SELLER AND ALL CLAIMS AND REMEDIES OF BUYER, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY DEFECT IN ANY PRODUCT, INCLUDING, WITHOUT LIMITATION, ANY (A) IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, (B) ANY IMPLIED WARRANTY ARISING FROM COURSE OF DEALING OR PERFORMANCE OR USAGE OF TRADE, (C) RECOVERY BASED UPON TORT, WHETHER OR NOT ARISING FROM SELLER'S NEGLIGENCE, AND (D) ANY RECOVERY BASED UPON DAMAGED PROPERTY, OR OTHERWISE BASED UPON LOSS OF USE OR PROFIT OR OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES. THIS WARRANTY SHALL NOT BE EXTENDED, ALTERED OR VARIED EXCEPT BY A WRITTEN INSTRUMENT SIGNED BY SELLER AND BUYER. IN THE EVENT THAT ANY PROVISION HEREOF SHOULD FOR ANY REASON BE HELD INEFFECTIVE, THE REMAINDER OF THIS WARRANTY SHALL REMAIN IN FULL FORCE AND EFFECT.

6. EXTENT OF SELLER'S LIABILITY.

Seller will not have any liability for liquidated damages, penalties, fees, or for collateral, indirect, incidental, consequential or special damages, including loss of profits or loss of use, and the aggregate total liability of any damages under an order shall in no event exceed its contract price for the product giving rise to the claim (or claims) of liability, whether resulting from delays in delivery or performance, breach of warranty, claims of negligent manufacturing, patent or copyright infringement, or otherwise. Buyer agrees to indemnify and hold harmless Seller from all claims by third parties which extend beyond the foregoing limitations of Seller's liability.

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7. **SHIPPING/F.O.B. POINT.**

Unless otherwise agreed to in writing, all sales are made for Buyer F.O.B. at Seller's factory in Tucson, Arizona U.S.A. Seller's liability ceases as to delivery and risk of loss upon making delivery of the products purchased hereunder to carrier at said shipping point in good condition; the carrier acting as Buyer's agent. All shipping charges, regardless of method, liability coverage and risk of loss, shall be on the account of the Buyer.

8. **PRICE.**

- (a) Prices and terms are not subject to verbal changes or other agreements unless approved in writing by Seller. Prices are based on costs and conditions existing on the date of quotation and are subject to change by the Seller before final acceptance. Unless otherwise specified, prices do not include export or special packaging, compliance testing, or inspection charges. Buyer shall have no right to access of Seller's cost or pricing data or other book and records.
- (b) If there is a delay in completion of shipment of this order due to any change requested by the Buyer or as a result of any delay on Buyer's part in furnishing information or material required for completion of the order, the price agreed upon at the time of acceptance of the order is subject to change.

9. **TAXES.**

Buyer shall reimburse the Seller for all taxes, excises or other charges which the Seller may be required to pay to any domestic government (national, state or local) upon the sale, production or transportation of the products sold hereunder; and, for international operations (export sales) additionally, all taxes, licenses, duties, and governmental exactions by whatever name known which may be levied or assessed on or account of the products sold hereunder, or their documents.

10. **PAYMENT.**

- (a) Payments for domestic customers in good standing shall be made to Seller NET 30 days from date of shipment or after such delivery to Buyer, whichever is earlier.
- (b) Each shipment shall be considered a separate and independent transaction. If performance by Seller or shipments are delayed by the Buyer, payments shall become due on the date when the Seller is prepared to make shipment and such payments shall be made based on the purchase price and the percentage of completion. The Seller reserves the right to ship its Products and make collection by sight draft with a Bill of Lading attached.

11. **CREDIT.**

All invoices paid after due date will be assessed the late payment service charge of 18% per annum or the maximum allowed by applicable law, whichever is lower. If, in the Seller's judgment, the financial conditions of the Buyer at the time merchandise is ready for shipment does not justify the terms specified, Seller reserves the right to change these terms or to require full or partial payment in advance. Seller may, at any time, suspend performance of any order or require payment in cash, security or other adequate assurance satisfactory to Seller when, in Seller's opinion, the financial condition of Buyer or other grounds for insecurity warrant such action. All sales are subject to the approval of Seller's credit department.

12. **SELLER'S PROPRIETARY RIGHTS.**

- (a) All of Seller's data and/or software and its products, tangible or intangible, furnished to or acquired by Buyer have been privately developed by Seller at great expense and are its confidential and proprietary information concerning Seller's trade secrets, such as, but not limited to, any formula, design, specifications, diagrams, engineering drawings, device or compilation of information, including Seller's manufacturing methods or processes, treatment and chemical composition of materials and tooling, and shall be kept confidential by Buyer, and not reproduced for or disclosed to third parties without Seller's express written permission.
- (b) BUYER SHALL NOT USE SELLER'S TECHNICAL DATA AND/OR SOFTWARE, IN WHOLE OR IN PART, OR SELLER'S PRODUCTS, TO COPY, REDESIGN, REVERSE ENGINEER, REPLICATE OR MANUFACTURE (OR ENABLE MANUFACTURE BY ITSELF OR ANY THIRD PARTY) THE PRODUCTS OR ANY PORTIONS THEREOF, PRODUCTS SIMILAR THERETO OR PRODUCTS DERIVED THEREFROM, WITHOUT SELLER'S EXPRESS WRITTEN PERMISSION. THE PRICE FOR THE PRODUCTS DOES NOT INCLUDE ANY SUCH DATA, INFORMATION OR REPLICATION RIGHTS.

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13. **PATENTS AND INTELLECTUAL PROPERTY.**

- (a) **Background (Pre-Existing) Inventions, Patents and Other Intellectual Property.** Seller grants to Buyer, an irrevocable, nonexclusive, paid-up, worldwide license to use any inventions, patents, industrial designs and mask works (whether domestic or foreign) owned or controlled by Seller at any time prior to or during the term of Buyer's order, but only to the extent to allow Buyer's mutually agreed to use or enjoyment of the products, including obtaining airworthiness certifications for its aircraft in which the products are used, but not for copying, redesign, or manufacture of Seller's products.
- (b) **Foreground Inventions, Patents and Other Intellectual Property.** All inventions and intellectual property conceived, developed, or first reduced to practice by, for, or with Seller in the course of any work which is performed under Buyer's order, and any patents resulting from such inventions (both domestic and foreign) shall be the sole property of Seller. Seller grants to Buyer an irrevocable, nonexclusive, paid-up, worldwide license to use such Foreground Property, but only to the extent to allow Buyer's mutually agreed to use or enjoyment of the products, including obtaining airworthiness certification for its aircraft in which the products are used, but not for copying, redesign, or manufacture of Seller's products.
- (c) Seller warrants that the use or sale of its products will not infringe the claims of any United States of America patent governing the products themselves for a period of twelve months after the products are delivered to Buyer. Seller does not warrant against patent infringement by reason of the use of its products in combination with others or in the operation of any process. Buyer assumes liability for patent and copyright infringement when products are made to Buyer's specifications. Buyer shall indemnify and hold Seller harmless from all damages and costs related to such infringement.

14. **ACCEPTANCE**

Final acceptance or rejection of the products shall be made as promptly as practical after delivery to Buyer; however, unless earlier rejected, the products shall be deemed by the parties to be accepted within sixty (60) days after delivery to Buyer. Upon acceptance of each unit of products, Buyer waives any right to revoke such acceptance for any reason, whether known or unknown to Buyer at the time of acceptance. Any defect or nonconformance becoming apparent in the products after such acceptance shall be corrected under and subject to, the conditions of the terms herein entitled **Warranty**.

15. **ORDER CHANGES.**

Seller will make every effort to deliver its products according to the schedule agreed to at time of the Buyer's order. It is hereby recognized by both parties that significant effort and cost is associated with the planning and production of items ordered. Changes to the agreed schedule and/or quantity can cause significant disruption to Seller's production planning and add cost to the fulfillment effort. As such, no changes to quantity and/or delivery schedule shall be made without the written agreement of Seller. Seller reserves the right to charge an order change fee upon agreement of both parties to the requested change.

16. **CANCELLATION.**

Cancellations of an order by Buyer will be accepted only with the specified written approval of the Seller and shall be subject to cancellation charges, which will include all of Seller's expenditures made and committed for the order with a reasonable allowance for prorated overhead expenses, profit and cost for preparing, submitting and negotiation of Seller's cancellation claim.

17. **BUYER-FURNISHED MATERIAL.**

When a quotation or Order specifies that material is to be furnished by the Buyer, ample allowances shall be made by the Buyer for reasonable spoilage or scrap of the material so as to facilitate efficient, timely production by Seller.

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18. **EXPORT AND IMPORT COMPLIANCE.**

Buyer and Seller (hereafter also known collectively as "parties") shall comply with the laws and regulations of the United States of America (U.S.) relating to exports and foreign transactions, including, but not limited to, the International Traffic in Arms Regulations (ITAR) [22 C.F.R. Parts 120-130], the Arms Export Control Act [22 U.S.C. 2778], the Export Administration Regulation (EAR) [15 C.F.R. Parts 730-774] and the Export Administration Act of 1979, as amended [50 U.S.C. 2401 et. seq.]. In particular, the parties shall not disclose any technical data, nor deliver, export, re-export or re-transfer any product out of the U.S., or to foreign persons or entities within or outside the U.S., without the proper written authorization and/or license from the U.S. Government. Buyer hereby indemnifies and agrees to hold Seller harmless from any costs, damages, penalties, attorney's fees and similar expenses of Seller due to Buyer's breach (or threatened breach) of such obligation. The parties shall reasonably cooperate with each other in obtaining all required export and import licenses, approvals and/or notifications pursuant to such U.S. laws.

19. **DISPUTES/COLLECTION/APPLICABLE LAW.**

Should Seller initiate collection (in court or otherwise) against the Buyer by reason of Buyer's failure to make payment in accordance with Seller's payment terms or other disputed contract interpretation or to enforce this agreement, then the prevailing party in such action shall be paid all costs (including its reasonable attorney's fees) actually incurred in connection with such action, or any appeal therefrom, from the other party regardless of any otherwise applicable court schedule used in connection with the determination thereof. Any such action to interpret, construe or enforce these terms shall be governed by the laws of the State of Arizona, U.S.A., except for its internal conflict of law's provisions. *This contract excludes the application of the 1980 United Nations Convention on Contracts for the International Sale of Goods.* Any dispute between Buyer and Seller may be brought in any state or federal court having competent jurisdiction.

20. **SEVERABILITY.**

If any part of these Terms and Conditions shall be held invalid, illegal and/or unenforceable, it shall be deemed separable and the remainder of these terms shall continue in full force and effect, and in lieu of such invalid, illegal and/or unenforceable provision there shall automatically be added as part of these terms a provision as similar in terms to such invalid, illegal and/or unenforceable provision as may be possible which is valid, legal and enforceable.

21. **ADDITIONAL PROVISIONS.**

Seller has the right to correct any stenographical or clerical errors in any of the writings issued by it. The failure of Seller to enforce any right will not be construed as a waiver of Seller's right to performance in the future. Buyer may not assign any rights to, or delegate any performance owed under, this agreement without prior written consent of Seller. Seller shall have the right to a credit toward the payment of any monies that may become due to Seller hereunder for any sums which may hereafter be owned to Buyer by Seller.

22. **GOVERNMENT PROGRAM CONDITIONS.**

- (a) Seller will promptly review all so-called mandatory flow-down provisions required by the U.S. Federal Acquisition Regulation (FAR), or DoD FAR Supplement (DFARS) requested to be inserted in subcontracts under the Buyer's Prime Government Contract. But, unless agreed to in writing, Seller expressly rejects all flow-down FAR or DFARS provisions printed on the Buyer's standard form purchase order; and, incorporates herein by reference ***Addendum to R.E. DARLING CO., INC. ("Seller") Standard Terms and Conditions of Quotation/Sale Conditions Applicable To Orders Placed Under U.S. Government Programs For Non-Commercial Items and Services (REV. 01/01/15).***
- (b) Seller reserves all rights to, and Buyer agrees not to disclose, any Technical Data delivered by Seller to Buyer (under any order for Seller's products/services) to any non-party to such order, including, without limitation, the Government of the United States of America ("Government") and other subcontractors, without the prior written consent of Seller. Should Seller expressly permit disclosure of any Technical Data to the Government, Buyer shall mark the data with the "Limited Rights" legend in accordance with FAR 52.227-14 or DFARS 252.227-7013, or Seller's commercial "PROPRIETARY" legend in accordance with DFARS 252.227-7015, as directed by Seller at that time.
- (c) Buyer and Seller shall promptly enter into a Technical Data and/or Commercial Item Determination (CID) Agreement pursuant to FAR Part 12 and 2.101., and DFARS 244.402(a), if requested by Seller.
- (d) Upon written request during the term or upon any termination of this Agreement, Buyer shall destroy all such Seller confidential and proprietary Technical Data, including copies thereof, then in its possession or control, or

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will return all such Technical Data and copies to Seller. For purposes of this clause, the term Technical Data shall mean all data (other than computer software) which are of a scientific or technical nature.

- (e) Unless otherwise agreed in writing by Seller, it is agreed that Buyer's order for Seller's products/services does not involve any type of experimental, developmental or research work as one of its purposes; as those words are interpreted in DFARS 252.227-7013 and -7015.
- (f) Title to all materials, tooling, facilities, production aids, drawings technical data and other property required for performance of Buyer's order (herein called "property") and furnished by Seller shall remain with Seller. Seller shall not have any obligation to indemnify Buyer for any costs, damages or expenses arising out of or related to Buyer's order, Seller's performance thereunder, or any products sold or work performed hereunder.

23. **EXCLUSIVE AGREEMENT.**

This instrument contains the entire and only agreement between the parties hereto relating to the subject matter hereof, and any representation, affirmation of fact, and course of prior dealings, promise or condition in connection therewith or usage of the trade not incorporated herein shall not be binding on either party. No change, modification, recession, discharge, abandonment or waiver of these standard conditions of sale shall be binding upon Seller unless made in writing and signed on its behalf by an authorized employee.