



## TERMS AND CONDITIONS -- CONTRACT FOR PURCHASE OF SERVICES

The following Terms and Conditions constitute and govern the contractual relationship for the provision of services (Services) between Pankl Aerospace Systems (Customer) and the person or business entity providing said Services (Provider) described on the corresponding purchase order and supporting documents (Order), which are incorporated herein by reference.

**1. Acceptance.** This Order constitutes a contract for Services herein mentioned at the prices stated and upon the terms and conditions herein contained. In the event that this Order is not accepted within 10 days after receipt by the Provider, the Customer shall be entitled to cancel this Order. The Provider hereby acknowledges that acceptance of the Customer's Order (either by written confirmation or by performance) includes the acceptance of the terms and conditions herein contained, which shall override any supplemental, inconsistent or conflicting terms and conditions contained in any subsequent communications between the parties hereto. Any modifications to the Order by the Customer must be in writing and are upon these terms and conditions unless the Customer agrees otherwise in writing.

**2. Place and Manner of Performance.** Services shall be provided at the locations specified in the Customer's Order and if not specified at such address as the Customer shall specify in due course; all personal property of Customer entrusted to Supplier for the performance of the Services shall be transported from and to Customer's facility at Supplier's expense. All such personal property shall be packed securely to ensure it is not damaged in transit, and shall be clearly marked with the Order number as well as such other means of identification as Customer may reasonably request.

**3. Time for Performance; Property and Risk.** Services shall be provided and completed on the date(s) specified. Time shall be of the essence and the Customer shall (without prejudice to any other rights of the Customer) be entitled to reject the untimely provision of Services and terminate the contract, and to obtain services similar to those with respect to which default has been made, and Provider will indemnify the Customer against any loss the Customer may sustain as a result of such default if the Services ordered are not provided on the specified date(s) or at the specified hour of the specified date (depending on the nature of the Service). The entrustment of Customer's personal property to Supplier for the performance of the Services described in the Order constitutes a bailment of said personal property, and is not a sale, lease or the creation of a security interest in said personal property. Supplier will not have, or at any time acquire, any right, title, or interest in said personal property, except the right to possession and use as provided in the Order; Customer will at all times be the sole owner of the property. If said personal property is lost, damaged or destroyed resulting from any cause whatsoever during its possession by Supplier or in transit between Customer and Supplier, Supplier shall be fully liable for the loss or damage incurred by Customer. Customer has advised Supplier, and Supplier is aware, that the personal property delivered to Supplier for processing has undergone extensive machining to obtain critical tolerances, and if damaged, lost or destroyed, will require Customer to incur substantial direct and indirect costs to replace such personal property. The loss for which Supplier will be liable includes all of the accrued direct and indirect expenses incurred by Customer in processing said personal property, the additional costs that may be incurred by Customer if it must expedite the production of a replacement for such damaged, lost or destroyed part to meet Customer's contractual commitments to its customers, as well as any lost profits or breach of contract damages Customer may incur caused by Supplier's failure to provide the Services as agreed in the Order, or to timely deliver said personal property according to the Order. Supplier shall keep adequate liability insurance for theft, loss, damage or destruction of Customer's personal property while in Supplier's possession or in transit between Customer and Supplier. Supplier shall provide Customer with proof of such insurance on demand from Customer.

**4. Quality of Services.** The Provider warrants and represents that all Services supplied to the Customer in connection with the Order will meet or exceed in every respect all specifications provided or specified by the Customer and will be supplied with competence and due care and in accordance with the Customer's instructions. Provider shall perform the services in accordance with the revision levels in effect at the date the Order is written. Supplier will timely provide all certifications required. Upon Supplier's receipt of Customer's purchase order, Supplier shall review the specifications and other requirements identified in the Order, and will immediately notify Customer in writing if it does not have the

capability, record keeping or the documentation to comply with the particular revision level of the specifications called out on Customer's Order or supporting documents.

**5. Indemnity.** The Provider will defend and indemnify and keep the Customer fully indemnified in respect of any and all damages, costs, claims, liabilities, expenses, losses (including reasonable attorneys fees) and demands incurred by the Customer, directly or indirectly, (individually and collectively "Claims"), as a result of the Provider's breach of any of the warranties and representations specified above, as well as resulting from any loss, damage or destruction of Customer's property as described in Paragraph 3 hereof. Said indemnity and defense obligations shall extend to Claims arising from or incurred by reason of any alleged infringement of any third party patent, trade mark or other industrial or commercial rights of a similar nature, used in connection with Supplier's performance of the Services. The Provider will indemnify the Customer against all Claims arising from any negligent acts and/or omissions of the Provider's employees, agents, sub-contractors or representatives (save to the extent that such loss, damage, costs claims or expenses arise from negligent acts and/or omissions of the Customer's employees, agents, sub-contractors and representatives). The Provider undertakes to insure itself against any and all liability under this Order and the Customer has the right to demand proof in writing that this insurance requirement has been complied with.

**6. Prices.** All prices quoted by the Provider or specified in any purchase order by the Customer shall, unless otherwise agreed in writing by the Customer, include transport and packaging and shall be and remain firm. On all orders subject to settlement discount afforded to the Customer by the Provider, the discount period shall be calculated from the date the invoice is received by the Customer.

**7. Payment.** Payment shall be due as follows: when the Services are completed. If payment is made by the Customer within 14 days of completion of the Services, the Customer shall be entitled to deduct a discount of 3% unless otherwise agreed between the parties. All Services shall be invoiced on date of completion.

**8. Confidentiality and Design.** This Order and the subject matter hereof shall be treated as confidential between the parties and shall not be disclosed or publicized to any third party for any reason without prior written consent. The Provider shall not use the name or other identity of the Customer for advertising or publicity purposes without the Customer's prior written consent. The Provider will not copy, publicize or make available to any third party any drawings, patterns, design formula, written instructions, any means of production, material, tools, samples, casting equipment, models, forging dies, gauges, plans, descriptions as well as any other documents accompanying the Order including any confidential information, specifications and other technical papers, supplied by the Customer or produced by the Provider at the expense of the Customer for the purposes of this Order, and the same shall remain the Customer's property and must be returned together with any other property of the Customer in the Provider's possession to the Customer on demand at the expense of the Provider. The Provider shall return and shall ensure that any assignee or sub-contractor returns any of the Customer's property in the Provider's possession to the Customer immediately on termination of this contract free of charges and without request from the Customer.

**9. Assignment and Sub-contracting.** The Provider shall not without written consent of the Customer, assign, transfer or sub-contract this Order, or any substantial part of it, to any third party. In the event that the Customer permits the Provider to transfer or sub-contract this Order to a third party, the Provider shall ensure that such third party complies with all the terms and conditions contained in this Order, and the Provider hereby indemnified the Customer against any cost, loss, expense or liability incurred as a result of the failure of such third party to comply with the terms and conditions of this Order.

**10. Right to Inspect.** The Customer shall be entitled to inspect on reasonable notice to the Provider, the facility where the Services are being performed.

**11. Resolution of Disputes.** Customer and Provider agree that any and all disputes under the Agreement shall be resolved by the Superior Court of California, County of Los Angeles, which shall have exclusive jurisdiction.

**Pankl Aerospace Systems, A member of Pankl Racing Systems**

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