

AirBorn General Terms and Conditions of Sale

Effective Date: August 24, 2020

These General Terms and Conditions of Sale apply to all purchases of AirBorn products and services made directly from AirBorn Inc. or its wholly owned subsidiaries and affiliates. If Buyer is a party to a separately signed contract or Distributor Agreement with Seller governing its purchases of Seller's products and/or services, then such signed agreement or Distributor Agreement will have precedence over these General Terms and Conditions of Sale to the extent they conflict with these General Terms and Conditions of Sale. Purchases of Seller's Products or Services made from Seller's authorized distributors or resellers may be subject to authorized distributors and resellers' terms and conditions of sale, which in no event will be binding upon Seller. These General Terms and Conditions of Sale are in effect as of the time of publication and may change at any time.

1. Definitions.

- a. **"AirBorn's Price File"** means the prices of Products which reside in electronic form within the information management systems of AirBorn, Inc. or its wholly owned subsidiaries and affiliates, typically in one of their order management system.
- b. **"Buyer"** means the individual or entity identified on Buyer's purchase order, or if different, on Seller's quotation, order acknowledgment or confirmation.
- c. **"Custom Product"** means a Product which is manufactured and/or assembled by Seller based on the designs and/or specifications provided or required by Buyer.
- d. **"Deliverables"** means all documents, including without limitation, diagrams, drawings, specifications, meeting minutes, analyses and reports or any other written material prepared, developed, or created by Seller for Buyer as part of the Services delivery process as described in the Statement of Work.
- e. **"Products"** means Seller's interconnect products, flexible circuit and cable assemblies, electronic components and other products that it manufactures and/or sells, including related firmware.
- f. **"Intellectual Property Rights"** means all present and future copyrights, trademark rights, service mark rights, trade secret rights, patent rights, moral rights, know-how and other intellectual property and proprietary rights recognized in any jurisdiction, including any registrations, applications, renewals and extensions of such rights.
- g. **"Seller"** means either AirBorn Inc. or one of its wholly-owned affiliates and subsidiaries, whichever entity sells the Product.
- h. **"Services"** means services that Seller offers to Buyers, including but not limited to, technical support, engineering design, testing services, assessments, implementation, and other similar services provided by Seller and set forth in a Statement of Work or a Quotation.
- i. **"Standard Product"** means a Product which is a catalog item which is manufactured according to Seller's published specifications.
- j. **"Statement of Work" or "SOW"** means the document executed by Seller and Buyer that describes in detail the Services that Seller will provide to Buyer.
- k. **"Quotation"** means a document that is issued by Seller to Buyer that describes in detail the Products and/or Services and prices that Seller would provide to Buyer if Seller accepts Buyer's purchase order. The Quotation may be in the form of a Statement of Work, a proposal or any other similar document.

2. Orders.

- a. **Placing Purchase Orders & Acceptance of Terms and Conditions.** To purchase Products or Services, Buyer must provide Seller with a valid purchase order, including the purchase order number and all additional information required by Seller. Seller will provide written acceptance or rejection of such purchase order within five (5) business days of receipt of the purchase order from the Buyer. Buyer's issuance of a purchase order to Seller for Products or Services will constitute Buyer's acknowledgement that these General Terms and Conditions of Sale will apply if Seller accepts the purchase order. No additions or modifications to these General Terms and Conditions of Sale will be binding on Seller unless agreed to in writing and signed by an authorized representative of Seller. Seller specifically rejects all pre-printed, non-negotiated terms in Buyer's purchase orders, standard terms and conditions of purchase or other similar documents. Seller's failure to

object to any term or condition in any communication from Buyer will not be construed as an agreement to such terms or conditions, nor will it be deemed a waiver of these General Terms and Conditions of Sale.

- b. **Minimum Order Quantities and/or Order Amounts.** All orders for Standard Products are subject to a minimum order quantity of ten (10) pieces, or US\$1,000, per line item. In addition, the overall Minimum Order Value must be US\$1,000. All other Products are subject to any applicable minimums set forth in the Quotation.
 - c. **Order Changes, Substitutions and Cancellations.** Orders accepted by Seller are not subject to change or cancellation, except as expressly allowed in writing by Seller, and as set out below. Allowed changes to orders may require adjustments in price, scheduling and other affected terms and conditions. Restocking, storage or other fees, including reimbursement for direct costs, may apply to changed or cancelled orders. Seller reserves the right to substitute using the latest superseding revision or series or equivalent Product having comparable form, fit and function.
 - i. **Cancellation of Standard Product:** If Seller determines that the Product being cancelled is a Standard Product, Seller may charge a cancellation fee according to the (a) quantity being canceled, (b) time frame between Buyer's request to Seller to cancel and the order's scheduled ship date, and (c) dollar amount of order being cancelled. The calculation of the exact cancellation fee will be at Seller's discretion. Any orders that constitute greater than fifty percent (50%) of the previous six (6) month total orders of a particular Product will be deemed an order for "Custom Products" for purposes of cancellation and will be subject to the cancellation provisions for Custom Products, set forth below.
 - ii. **Cancellation of Custom Product:** If Seller determines the Product being cancelled to be Custom Product, as defined above, Seller may deny Buyer's cancellation request. If Seller permits the cancellation of Custom Product, Buyer agrees to pay Seller for all of Seller's out-of-pocket costs associated with the cancellation of the order including, but not limited to: (i) raw materials, (ii) work in process, (iii) inventory carrying costs, (iv) scrapping and disposal fees, (v) return charges for returned materials, and (vi) a reasonable and equitable profit for Seller, which shall not be less than twenty percent (20%) of such costs. In no case will the cancellation fee be less than Seller's actual costs (including overhead and other indirect costs). The amount of cancellation fee to be charged to Buyer shall be determined at the sole discretion of Seller and may equal 100% of the amount of the order at the time of Seller's receipt of Buyer's request for cancellation.
 - iii. **Reschedules:** Buyer may only reschedule an order with Seller's written consent. A reschedule should not extend further than an additional thirty (30) calendar days from original ship date requested. Reschedules may be subject to a ten percent (10%) rescheduling charge based on total amount of the order or portion of the order rescheduled.
 - d. **Expedited Orders.** All orders are subject to Product availability and lead times. Seller offers an Accelerated Delivery Service (ADS) to accommodate requests for expedited orders. Refer to the ADS Program within these General Terms and Conditions of Sale for details or contact Customer Service to determine if request is a possible candidate for ADS.
 - e. **Partial Shipment.** Seller reserves the right to make delivery in installments, unless otherwise agreed upon in writing between Buyer and Seller. All such installments shall be separately invoiced and paid for when due, without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve Buyer of its obligation to accept remaining deliveries.
3. **Prices and Payment Terms.**
- a. **Prices.** Except as otherwise provided in a Quotation or a Statement of Work, the prices of Products and Services shall be as set forth in AirBorn's Price File in effect at the time Seller accepts Buyer's purchase order, provided Buyer's requested shipment date does not exceed one hundred twenty (120) days from the date of order. All prices are valid for the quantity quoted and, unless otherwise indicated on the quotation, assume a single shipment for the same quantity quoted. Seller may correct errors or omissions in published or quoted prices and/or change its prices at any time without notice. Prices are Ex Works the named Seller Manufacturing Plant or Seller Distribution Center per Incoterms 2010 unless otherwise expressly agreed to in writing by Seller. Written quotations from Seller automatically expire thirty (30) calendar days from the date issued and are subject to termination by Seller by notice within that period. Buyer acknowledges that the pricing of the Products and Services and the other terms of this Agreement have been set based on the sections of this Agreement providing for an agreed allocation of the risk for any defective or nonconforming

Products or Services between the parties. Buyer further acknowledges that the pricing and terms would have been different if there had been a different allocation of the risk.

- b. **Changes in Specifications or Drawings.** All additional expense to Seller due to changes in specifications or drawings which have been approved by Seller and for any products furnished in addition to that herein specified, shall be added to the purchase price and paid by Buyer.
- c. **Taxes.** Prices for the Products specified herein are exclusive of all city, state and federal excise taxes, including, but without limiting the generality of the foregoing, taxes on manufacture, sales, receipts, gross income, occupation, use, and similar taxes. Wherever applicable, such tax or taxes will be added to the invoice as a separate charge to be paid by Buyer.
- d. **Release Quantities.** The total release quantity used for pricing must be requested for shipment and shipments must be within one hundred twenty (120) days from the date of order, unless specifically agreed to in writing by Seller. Orders received requesting multiple shipments against a single quoted quantity will be re-quoted at the requested ship quantities. Modifications in schedule made by Seller will not affect customer pricing. If shipments are cancelled or reduced in quantity, Seller reserves the right to invoice with prices based on the actual shipped quantity meeting the indicated requirements.
- e. **Invoicing.** Orders for Products will be invoiced upon shipment. Orders for Services will be invoiced to Buyer upon acceptance of the Services and/or Deliverables by Buyer per Section 5(b) herein.
- f. **Currency.** Unless otherwise specified in writing by Seller, prices and invoices will be in US Dollars.
- g. **Payment Terms.** Unless otherwise specified, payment terms on invoices are Net 30 days from date of invoice. All payment terms are subject to Seller's credit approval, which may be modified or withdrawn by Seller in its sole discretion at any time. Other payment terms, restrictions or requirements may apply. Payment by Buyer shall not be contingent upon payment by a third party. Buyer shall pay all amounts due in full without any deduction, withholding or set-off except as required by law or as agreed to in writing by Seller. Seller reserves the right to withhold shipments and/or performance of Services to Buyers whose account(s) are in arrears. Withholding of shipments or suspension of Services does not relieve Buyer of its obligation to pay for Products and Services previously rendered. Late payments will accrue interest at a rate equivalent to one and one half percent (1.5%) per month or the highest rate permitted by law, whichever is less. Buyer shall reimburse Seller for all reasonable costs of collecting any payments from Buyer that are overdue including reasonable attorneys' fees.
- h. **Claims and Errors.** Claims of erroneous charges or price corrections must be presented within 30 days of the date of invoice or they may be disallowed by Seller. Claims of shortage or incorrect shipments must be presented, in writing, within 30 days of the date of invoice or they may be disallowed by Seller.
- i. **Gold Price Adjustment.** AirBorn prices are based on a gold price of \$1,800 per troy ounce. AirBorn reserves the right to adjust the price of any product containing gold in the event that the price of gold exceeds \$1,850 per troy ounce. The price of gold shall be determined based on Engelhard Industrial Bullion (EIB) prices. Price adjustments based on a change in gold price may be invoiced separately, at AirBorn's discretion.

4. **Shipping and Delivery Terms.**

Unless otherwise stated in a Quotation, all shipments are Ex Works from Seller's dock (Incoterms 2010). Title and risk of loss pass to the Buyer at the time of delivery. Unless specified allowances apply, Buyer is responsible for all shipping and handling costs, including any applicable storage, insurance or other costs associated with the Buyer's delay in acceptance of delivery or pick up of Products after proper notification of availability for pick up has been given to Buyer. Acknowledged shipping dates are approximate only and based on prompt receipt of all necessary information from Buyer. Seller will make commercially reasonable efforts to ship the Products by the estimated shipping date, but Seller shall have no liability for late delivery, performance or completion. Seller shall be entitled to defer delivery until any monies due from Buyer have been received.

5. **Acceptance.**

- a. **Acceptance of Products.** All Products delivered pursuant to these General Terms and Conditions will be deemed accepted thirty (30) days after receipt.
- b. **Acceptance of Services.** Unless otherwise stated in a Statement of Work, Buyer or Buyer's customer must accept or reject each Deliverable within five (5) business days of receipt of the Deliverable (the "Acceptance Period"). Use of the Deliverables by Buyer or Buyer's customer, or the failure to reject the Deliverables in

writing within the Acceptance Period, shall constitute acceptance of the Deliverables by Buyer. If Buyer reasonably believes that Seller did not complete the Services and Deliverable in substantial conformance with the SOW, Buyer must notify Seller in writing, with specific reasons delineated, of its rejection of the Services and/or Deliverables within the Acceptance Period. Seller will be given five (5) business days to make corrections ("Correction Period") so that the Deliverable and/or Service substantially conforms with the SOW, unless the SOW specifies a different Correction Period. At the end of the Correction Period, Seller will represent the Deliverable to Buyer in accordance with the procedure outlined herein. If Seller does not receive any written rejection or acceptance from Buyer within five (5) days of presenting the corrected Deliverable, the Deliverable and/or Service will be deemed to be accepted by Buyer.

6. **Returns.**

All returns require a Return Materials Authorization ("RMA") issued by Seller PRIOR to the return of material. RMAs will not be unreasonably withheld, but are subject to various restrictions including, but not limited to, packaging, quantities and frequency. Restocking fees may apply. Certain Products, including, but not limited to, non-Standard, Custom or obsolete Products, are not returnable. Only Standard Products which were purchased within 1 year may be considered for return and must be in resalable condition. All returns of Products, other than those properly rejected pursuant to Articles 5, must be shipped freight prepaid by Buyer.

7. **Licensed Firmware.**

For Products that include firmware, Buyer is granted a non-exclusive, non-transferable license to use the firmware only in object code and solely in connection with Seller-provided Products, with no rights to sublicense, disclose, disassemble, decompile, reverse engineer, or otherwise modify the firmware.

8. **Limited Warranties.**

- a. **AirBorn Limited Product Warranty.** Seller warrants the Products to Buyer in accordance with the terms, conditions and limitations of Seller's Limited Product Warranty in effect as of the date of shipment. **Seller's Limited Product Warranty is located on Seller's website and is incorporated by reference into these General Terms and Conditions of Sale.**
- b. **AirBorn Limited Service Warranty.** Seller warrants to Buyer that the Services will substantially conform to the specifications for such Services set forth in the applicable SOW for a period of thirty (30) days from the date of performance of such Services by Seller. Seller's sole and exclusive obligation, and Buyer's sole and exclusive remedy under this warranty, is Seller's re-performance of Services which fail to substantially conform to such specifications and for which Seller's has received written notice of such failure during the thirty-day warranty period.
- c. **THE FOREGOING WARRANTIES ARE SELLER'S EXCLUSIVE WARRANTIES. OTHERWISE, SELLER MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT WITH RESPECT TO THE PRODUCTS, SERVICES AND DELIVERABLES PROVIDED OR THE RESULTS OBTAINED THEREFROM, AND BUYER AGREES THAT ALL SUCH OTHER REPRESENTATIONS AND WARRANTIES THAT ARE NOT PROVIDED IN THIS ARTICLE 8 ARE HEREBY EXCLUDED AND DISCLAIMED. SELLER WILL NOT BE LIABLE FOR ANY THIRD-PARTY SERVICES OR PRODUCTS EVEN IF IDENTIFIED OR REFERRED TO BUYER BY SELLER.**

9. **Disclaimer and Limitation of Liability.**

TO THE FULLEST EXTENT PERMITTED BY LAW, UNDER NO CIRCUMSTANCES WILL SELLER BE LIABLE FOR SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, ACTUAL OR ANTICIPATED LOST REVENUE OR PROFITS, LOSS OF BUSINESS OPPORTUNITY OR GOODWILL, LOSS OF ANTICIPATED SAVINGS, COSTS OF PROCUREMENT OF SUBSTITUTE PRODUCTS OR SERVICES, LOSS OF DATA, DOWNTIME COSTS, SORTING COSTS, OR ANY LOSS DUE TO DELAY OF PERFORMANCE OR DELIVERY, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. SELLER DISCLAIMS ALL LIABILITY RELATIVE TO GRATUITIOUS INFORMATION OR ASSISTANCE PROVIDED BY, BUT NOT REQUIRED OF SELLER HEREUNDER. THE

TOTAL LIABILITY, IF ANY, OF SELLER, AND ITS AFFILIATES, SUBSIDIARIES, OFFICERS, DIRECTORS, EMPLOYEES AND SUBCONTRACTORS INCLUDING BUT NOT LIMITED TO LIABILITY ARISING OUT OF CONTRACT, TORT, BREACH OR FAILURE OF WARRANTY, OR OTHERWISE, SHALL NOT IN ANY EVENT EXCEED THE PURCHASE PRICE PAID BY BUYER FOR THE PRODUCT AND/OR SERVICES FROM WHICH THE CLAIM AROSE. THE PRICE STATED FOR THE PRODUCTS AND SERVICES IS A CONSIDERATION IN LIMITING BUYER'S LIABILITY.

10. Intellectual Property Rights & Indemnification.

- a. Except as otherwise stated herein, or in a written Quotation or Statement of Work, all Intellectual Property Rights in the Products and Services belong to Seller and its licensors and subcontractors, and the Buyer shall not acquire any title, right or interest in such Intellectual Property Rights. Seller and its licensors and subcontractors retain all right, title and interest in any pre-existing intellectual property that is owned by Seller or its licensors or subcontractors ("AirBorn IP"), and which may be used in carrying out the Services, including any modifications or improvements made to AirBorn IP during or as a result of the Services to be performed under any SOW. Unless otherwise stated in a Statement of Work, upon payment in full of the amounts due Seller for the Services, the Deliverables, except for any AirBorn IP contained within such Deliverables, shall be owned by Buyer or Buyer's customer. Seller hereby grants Buyer or Buyer's customer a worldwide, non-exclusive, royalty-free, perpetual, without the right to sublicense, license to use the AirBorn IP that is incorporated in the Deliverables for Buyer's or Buyer's customer's own internal use.
- b. Except as provided below, Seller shall defend and indemnify Buyer from and against any damages, liabilities, costs and expenses (including reasonable attorneys' fees and court costs) arising out of any claim that Products or Deliverables purchased from Seller infringe a valid United States patent or copyright or infringe a trade secret of a third party, provided that (i) Buyer promptly provides Seller written notice thereof and reasonable cooperation, information, and assistance in connection therewith, and (ii) Seller has sole control and authority with respect to the defense, settlement, or compromise thereof. Should any Products or Deliverables become or, in Seller's opinion, be likely to become the subject of such a claim, Seller may, at its option, either (x) procure for Buyer the right to continue purchasing and using such Products or Deliverables, or (y) replace or modify such Products or Deliverables so that they become non-infringing, or (z) request that Buyer return such Products or Deliverables and, upon receipt, reimburse Buyer the full purchase price paid for such Products or Deliverables as full and complete satisfaction for any claims Buyer may have against Seller arising from such infringement. In such event, Seller may withhold further shipments of infringing or potentially infringing Seller Products or Deliverables. Seller's liability hereunder shall not exceed the purchase price paid by Buyer for Products or Deliverables found to be infringing. The foregoing states the entire liability of Seller with respect to infringement of patents, copyrights and trade secrets by Seller's Products or any part thereof or by their operation.
- c. Seller shall have no liability or obligation to Buyer hereunder with respect to any patent, copyright or trade secret infringement or claim thereof based upon (i) compliance with designs, plans or specifications of Buyer or Buyer's customer, (ii) use of the Products or Deliverables by Buyer or any agents or customers of Buyer in combination with, or the incorporation or imbedding of the Products or Deliverables into third-party devices or products where Seller's Product or Deliverable alone would not be infringing, (iii) use of the Products or Deliverables by Buyer or Buyer's customer in an application or environment for which such Products or Deliverables were not designed or contemplated, (iv) modifications of the Products or Deliverables by anyone other than Seller, or (v) any claims of infringement of a patent, copyright or trade secret in which Buyer or any affiliate or customer of Buyer has an interest or license.

- 11. Remedies for Events of Default.** If Buyer (i) fails to pay any amount within 30 days of the due date, (ii) files a petition in bankruptcy or seeks relief under any bankruptcy, reorganization, insolvency, dissolution, liquidation or similar law of any jurisdiction, or (iii) becomes unable to pay or suspends payment of its debts as they become due, or if a court issues an order appointing a receiver, custodian or administrator over all or part of Buyer's assets, Seller may terminate any outstanding purchase order. In addition, without waiving any other available remedies, Seller may declare immediately due and payable all sums due and to become due under any outstanding purchase order and/or stop all shipments in progress and future shipments to Buyer until the account is fully paid.

12. **Force Majeure.** Seller will not be liable for any loss, damage or delay arising out of its failure (or that of its subcontractors) to perform hereunder due to causes beyond its reasonable control, including without limitation, acts of God, acts or omissions of Buyer, acts of civil or military authority, fires, strikes, floods, epidemics, quarantine restrictions, war, riots, acts of terrorism, delays in transportation, or transportation embargoes. In the event of such delays, Seller's performance date(s) will be extended for such length of time as may be reasonably necessary to compensate for the delay.
13. **Export Controls.** If Buyer exports or re-exports the Products or Deliverables, Buyer agrees to comply with all applicable export laws and regulations, and Buyer shall be responsible for all export authorizations needed for such export or reexport. If Buyer exports or re-exports the Products or Deliverables, Buyer will, at its own expense, pay for all export licenses, customs charges, duties and related fees, and take all other actions required to accomplish the legal distribution of the Product or Deliverable acquired by Buyer. Buyer shall not, directly or indirectly, sell, distribute, export or re-export, (nor enable any third party to sell, distribute, export or re-export) any Products or Deliverable provided hereunder to any embargoed, terrorist or restricted country as designated by the U.S. Government or any other country with which commerce or export may be restricted, prohibited or otherwise limited by the U. S. Government or by the Territorial government (whether now or in the future) except as allowed by law. Buyer further agrees to provide Seller upon request written assurances of compliance with the requirements of this provision.
14. **No Partnership or Joint Venture.** The parties agree that nothing in these General Terms and Conditions of Sale will create any agency, employment relationship, partnership, or joint venture between Buyer and Seller.
15. **Assignment.** These General Terms and Conditions of Sale or any purchase order may not be assigned by either party without the written consent of the other (which consent may not be unreasonably withheld). However, consent is not required for internal transfers and assignments as between Seller and its parent company, subsidiaries or affiliates as a part of a consolidation, merger or any other form of corporate reorganization or pursuant to a sale of substantially all of the equity interest in, or assets of Seller, or pursuant to a sale of substantially all of the assets of a business unit or division of Seller. Any assignment other than as provided in this Article 15 is null and void.
16. **Waiver.** Seller's waiver of any breach of any provision contained in these General Terms and Conditions of Sale will not waive any other breach by Buyer. Seller's delay or failure to enforce its rights under these General Terms and Conditions of Sale shall not be deemed a waiver of such rights.
17. **Governing Law, Forum and Language.** These Terms and Conditions of Sale are governed by the laws of the State of Texas without regard to choice of law principles. All disputes arising out of these Terms and Conditions of Sale shall be subject to the exclusive jurisdiction of the state courts in and for Williamson County, Texas (or, if there is federal jurisdiction, the United States District Court for the Western District of Texas, Austin Division) and the parties hereby irrevocably agree to submit to the personal and exclusive jurisdiction and venue of such courts. These General Terms and Conditions of Sale shall not be governed by the United Nations Convention on Contracts for the International Sale of Goods, the application of which is expressly excluded. The parties further agree that the English language shall be the controlling language of these General Terms and Conditions of Sale.
18. **Entire Agreement.** These General Terms and Conditions of Sale together with Seller's Quotation or order acknowledgment or confirmation, constitute the entire agreement between the parties regarding Buyer's purchases of Seller's Products and/or Services from Seller. If any provision of these General Terms and Conditions of Sale is held invalid, illegal or unenforceable, such provision will be reformed only to the extent necessary and all remaining provisions will continue in full force and effect.

AirBorn Accelerated Delivery Service (ADS)

Throughout the years of Seller providing exceptional electronic solutions and services to the military, aerospace, industrial, medical, and commercial electronics markets, handling requests for accelerated delivery have become an important service element for our customers who require parts quickly to keep their program development on schedule or to meet important production deadlines. Since the majority of Seller products are built-to-order, Seller is able to provide a very wide range of standard, configured, and custom parts. The processes used to accomplish this accelerated delivery require many manual, disruptive operations, personalized oversight, and other activities that add cost. Some examples of these include:

- 1) Customer Service
 - a. Revising existing order(s)
 - b. Coordinating changes internally across the organization
- 2) Materials
 - a. Checking material availability
 - b. Contacting suppliers for expedited material support
 - c. Paying expedite fees to bring in materials
 - d. Paying expedited freight charges
- 3) Production
 - a. Changing / Generating accelerated product work orders for the production floor
 - b. Re-shuffling shop floor schedule to accommodate the “pull-in” order
 - c. Frequent status reporting
 - d. Incurring operator overtime
 - e. Facilities operating beyond normal work hours incurring additional utility expenses

While Seller continues to work to improve standard lead times, the ADS Program provides an option for customers who have a critical accelerated delivery need, provided the request is a candidate for ADS as determined by Seller in its sole discretion. The following chart lays out the cost multipliers to be used on all products when customers require ADS. The ADS is applied to orders that are scheduled or rescheduled within the product line’s standard lead time.

Accelerated Service Requirement	Accelerated Service Multiplier
48 Hours	2.7
72 Hours	2.2
7 Days	1.9
14 Days	1.7
21 Days	1.5
28 Days	1.3

AirBorn Limited Product Warranty

Effective Date: August 1, 2016

- Limited Product Warranty.** For purposes of this Limited Product Warranty, “**AirBorn**” means AirBorn Inc. or one of its affiliates (which includes wholly-owned subsidiaries) whichever entity sells the Warranted Product (defined below) to the buyer (the “**Buyer**”). “**AirBorn Products**” mean all products that AirBorn and its affiliates manufacture and sell with AirBorn or its affiliates’ brand-names and which are catalog items which are made according to AirBorn’s published specifications. AirBorn warrants that the AirBorn Product, and each part or component of the AirBorn Product, when installed properly, will conform with AirBorn’s published specifications and will be free from defects in material and workmanship for a period of 1 year from the date of invoice from AirBorn or its authorized distributor, not to exceed 18 months from the original date of shipment from AirBorn’s facility (the “**Warranty Period**”). AirBorn Flexible Circuit Products are warranted for an additional 1 year above the standard Warranty Period. “**Custom Products**” means products which are manufactured and/or assembled by AirBorn based on designs and/or specifications provided or required by the Buyer. As to Custom Products, AirBorn’s warranty is limited to manufacture and workmanship in conformance with Buyer’s designs and/or specifications. AirBorn Products and Custom Products are collectively referred to herein “**Warranted Products.**” The express warranties set forth in this Section 1 are referred to herein as the “**Warranty Standards.**”
- Remedies.** AirBorn’s sole and exclusive obligation and Buyer’s sole and exclusive remedy under this warranty is AirBorn’s repair or replacement of the Warranted Product which fails to conform to the applicable Warranty Standards and for which AirBorn receives written notice of such nonconformity during the Warranty Period. AirBorn shall have sole discretion as to which of these remedies AirBorn will provide to Buyer. Buyer requested on-site warranty service is not covered and will be at Buyer’s sole expense, unless authorized in writing by AirBorn in advance. AirBorn has the right to either examine the Warranted Product where it is located or, in its sole discretion, issue shipping instructions for return of the Warranted Product. Where applicable, Buyer must return the nonconforming Warranted Product, part or component, transportation prepaid to AirBorn’s customer service department accompanied by AirBorn’s Return Goods Authorization. If AirBorn confirms that there is a nonconformity that is covered by this warranty, the repaired or replaced Warranted Product will be warranted for the remainder of the Warranty Period applicable to the originally shipped Warranted Product, or for a period of 90 days from the date of shipment to Buyer, whichever is longer. If requested by AirBorn, Buyer must provide a proof of purchase, including date of purchase, in order to receive warranty coverage.
- Counterfeit.** Counterfeit parts are a concern for everyone and AirBorn strongly encourages our customers to purchase from one of our authorized distributors, within the assigned Territory for which they are authorized, or on a direct basis. AirBorn does not sell directly to brokers and non-authorized distributors and strongly discourages our customers from buying AirBorn Products from such brokers or non-authorized distributors. In addition, we also purchase materials directly from manufacturers or their authorized distributors, dealers or resellers. Although all genuine AirBorn Products should bear the AirBorn logo and/or 10400 on the part, these markings alone do not ensure that the part is not counterfeit. AirBorn’s Limited Product Warranty does not apply to counterfeit goods.
- Exclusions.** Before using, Buyer shall determine the suitability of the Warranted Product for Buyer’s intended use, and Buyer assumes all risk and liability whatsoever in connection therewith. The warranties contained herein shall not apply to any Warranted Products that have been modified by persons other than AirBorn or persons authorized by AirBorn. In addition, this Limited Product Warranty does not cover any nonconformity or defect resulting from: (a) misuse or abuse; (b) neglect; (c) improper storage or handling; (d) accidental damage beyond AirBorn’s control such as fire, storm or water damage; (e) Buyer-supplied firmware or unauthorized interfacing; (f) operation outside of the environmental specifications for the Warranted Products; (g) improper or inadequate site preparation or maintenance, (h) specifications or designs provided or required by Buyer, or (i) products, parts or components other than AirBorn Products. AirBorn does not warrant that the operation of the firmware contained in Warranted Products will be uninterrupted or error-free.
- Medical Applications.** In connection with any anticipated use of Warranted Products by Buyer in medical applications, unless otherwise confirmed in a written agreement executed by duly authorized representatives of AirBorn, Buyer acknowledges and agrees that:

- a. Warranted Products are manufactured under AirBorn's normal manufacturing conditions, which may not satisfy the requirements applicable to products manufactured for certain medical applications. It is the sole responsibility of persons contemplating medical uses of Warranted Products to comply with all applicable laws, regulations, codes and standards, including but not limited to the U.S. Federal Food, Drug and Cosmetic Act and regulations of the Food and Drug Administration ("**FDA**"). Warranted Products have not been designed, manufactured, tested or qualified for use in certain medical applications (including life support systems) and AirBorn has not sought or received any rulings from the FDA or any other federal, state, or local government agency as to the safety, effectiveness or appropriateness of the Warranted Products for such applications. Persons intending to evaluate or to use Warranted Products for medical purposes must rely on their own medical and legal judgment without any representation on AirBorn's part.
 - b. Buyer will indemnify, defend, and hold harmless AirBorn and its affiliates and its and their respective officers, directors, employees, agents, and contractors (collectively, the "**AirBorn Group**") from and against any and all losses, claims, damages, liabilities, and expenses (including reasonable attorneys' fees) arising out of or based upon any bodily injury or property damage arising from Buyer's incorporation of Warranted Products as part of any product made by Buyer for medical applications, including without limitation cardiac pacemakers, defibrillators, electrodes, leads, programmers, and components therefore. AirBorn shall give Buyer written notice of any such claim and shall cooperate in the defense of such claim at Buyer's expense.
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