

1. Offer and Acceptance. This Order constitutes an offer by Aerojet to purchase the goods or services described in this Order (the "Goods") from the supplier identified on the front of this Order (the "Seller"). If Seller accepts this offer, Aerojet and Seller will have formed a contract on the terms and conditions set forth below. Seller may accept this Order either by giving Aerojet written notice of Seller's acceptance or by beginning performance of Seller's obligations under this Order. Aerojet hereby limits acceptance of this offer to the terms and conditions contained in this Order, and Aerojet hereby gives notice of objection to and rejection of any terms and conditions which add to or differ from those set forth in this Order.
2. Governing Law. This Order, and the contract created on its acceptance, will be governed by the provisions of the Uniform Commercial Code which are in effect in the State of California on the date of this Order (exclusive of any conflict of laws provisions), except to the extent that the provisions of the Uniform Commercial Code are modified or supplemented by the terms set forth elsewhere in this Order.

Any dispute not settled between the parties will be referred to a court of competent jurisdiction in the State of California. Pending resolution of any dispute between the parties, Seller shall proceed diligently with the performance of all aspects of this Order as though no dispute existed. The rights and obligations of Aerojet and Seller under this paragraph 2 shall survive completion of, and final payment under this Order. However, nothing herein shall be interpreted as extending the statute of limitations.
3. Prices. Aerojet will not pay prices for the Goods higher than those stated on the front of this Order. Unless otherwise specified, the prices include all charges for packaging, handling, storage and delivery. Seller will pay all delivery charges in excess of the delivery charges which Aerojet has agreed in writing to pay. Unless otherwise provided herein, the prices include all taxes not expressly imposed by law on Aerojet. If Seller makes any price reductions after the date of this Order but prior to the payment date, such price reductions will be applicable to this Order.
4. Delivery. Aerojet will not be obligated to accept substitutions, untimely deliveries, deliveries in quantities other than those ordered by Aerojet or deliveries of Goods failing to conform to Seller's warranties contained in paragraph 8 hereof. Time is of the essence in this Order. Acceptance by Aerojet whether of substitutions, late deliveries, partial deliveries or deliveries of non-conforming Goods shall not waive the delivery schedule set forth in this Order. Seller will immediately give written notice to Aerojet of any actual or potential cause or event which threatens the timely performance of this Order. Unless otherwise specified in this Order, Seller will retain the risk of loss or damage in transit until Goods are actually delivered to Aerojet's requested destination.
5. Invoices. Unless other payment provisions are specified elsewhere in this Order, payment shall be made upon the later of (i) final acceptance by Aerojet of the Goods, or (ii) submission by Seller of a proper invoice. Payment for Goods does not constitute acceptance. Aerojet will take advantage of any discounts incorporated elsewhere in this Order, or found on individual invoices, whichever discount is more favorable to Aerojet. Delays in receiving invoice(s), errors or omissions on invoice(s), or lack of supporting documentation required by the terms of this Order, will be cause for Aerojet to withhold payment without losing discount privileges. The first day of any discount period shall be the later of (i) the first working day of Aerojet following final acceptance of the Goods, or (ii) Aerojet's receipt of a proper invoice. Aerojet may make adjustments to amounts invoiced by Seller for shortages, rejection, or other failure to comply with the provisions of this Order. Aerojet will notify Seller of any such adjustments. Unless specified elsewhere in this Order, Seller shall furnish a separate invoice for each shipment of Goods or major increment of service rendered. Invoices must contain the following information:
  - (i) Seller's name;
  - (ii) Invoice number and date;

- (iii) Order number, line item number, description of the Goods or services, quantity, unit of measure, unit price, and extended total;
  - (iv) Name and address for remittal of payment.
6. Changes. Aerojet, through its Procurement Representative, will have the right to make changes at any time in the drawings, designs, specifications, delivery schedules (postponements only) and requirements relating to packaging or destination by giving Seller notice. If any such change causes any increase or decrease in the cost or the time required for performance, then the parties will make an equitable adjustment in the Order price or delivery schedule. Seller waives all claims for adjustment under this paragraph 6 unless Seller makes a claim in writing within ten (10) days after receipt by Seller of notice of such change. The right to an equitable adjustment provided in this paragraph 6 shall be Seller's exclusive remedy for claims under this Order. Nothing in this paragraph 6, including any disagreement with Aerojet as to the equitable adjustment to be made, shall excuse Seller from proceeding with this Order as changed.
7. Hazardous Materials. Seller and its agents will comply with all applicable local, state, U.S. and foreign laws and regulations relating to safety, environmental protection, transportation, and labeling. Sellers of chemicals must supply current Material Safety Data Sheets, must label their products with appropriate warnings and must certify that their chemicals are on the Toxic Substances Control Act (TSCA) inventory.
8. Warranty. In addition to all statutory warranties, express or implied, Seller warrants that all goods or services furnished hereunder will be free from defects in design, materials and workmanship, will be merchantable, and will conform to all specifications and other requirements applicable to this Order. Seller also warrants that Seller has complied, and will comply with all federal, state and local laws, regulations and directives that may relate to this Order. These warranties will survive acceptance, payment and subsequent use and/or resale of any Goods by Aerojet.
9. Inspection. Aerojet and/or its customers may inspect and test the Goods at Seller's place of business to verify compliance with the requirements of this Order. Any such inspection shall not relieve Seller of its contractual obligations.
10. Insurance Requirements. Seller agrees that any services to be rendered or Goods to be furnished by Seller under this Order shall be rendered or furnished as an independent contractor, and Seller shall be solely responsible for the safe conduct of the performance under this Order and for the protection of all persons, premises or facilities involved in said performance. Seller shall provide all safeguards and take all necessary precautions to prevent the occurrence of any accident, injury, death or loss to any person or property in the performance of this Order, whether on Seller's property, Aerojet's property or elsewhere. All performance under this Order by Seller is at Seller's risk as to the methods, processes, procedures and safe conduct of the work. Seller will indemnify and defend Aerojet and hold Aerojet harmless from and against any and all losses, liabilities, claims, demands, suits, actions, proceedings and subrogations arising from or relating to the performance of Seller's work. Before performing any work on Aerojet's premises, Seller will obtain (and thereafter maintain) the following insurance: (a) Workers' Compensation and Employer's Liability Insurance in the amount of \$500,000 or the minimum limits required by law, whichever is greater, with waiver of subrogation in favor of Aerojet; (b) General Liability Insurance (including contractual, products and completed operations coverage) with bodily injury limits of at least \$1,000,000 per occurrence and \$1,000,000 annual aggregate and with property damage limits of \$1,000,000 per occurrence; and (c) Automobile Liability Insurance with bodily injury limits of at least \$1,000,000 for any injuries to any person, \$1,000,000 for any one accident involving two or more persons, and property damage of not less than \$1,000,000

per accident. Seller will assure that all of the foregoing insurance will identify Aerojet as a certificate holder and additional named insured, and Seller will provide a certificate of insurance upon request evidencing such coverage. Such insurances shall be primary to any other insurance maintained by Aerojet. Seller will also assure that all certificates must provide ten (10) days notice to Aerojet prior to cancellation or alteration of the insurance.

11. Indemnification. Seller will indemnify and defend Aerojet and hold Aerojet harmless from and against all losses, liabilities, damages, claims, demands, suits, actions, proceedings, subrogations and expenses, including court costs and reasonable attorneys fees, arising from (a) death or injury to any person or damage to any property resulting or alleged to have resulted from any defect in design, workmanship or materials or from any negligence or malfeasance or breach of warranty in any way related to the Goods, (b) any claim that the manufacture, use, sale or resale of any Goods supplied hereunder infringes any patent (except to the extent such infringement is caused directly and solely by detailed specifications originated by Aerojet), and (c) arising out of Seller's performance of this Order. Seller will, at Aerojet's election and request, promptly assume full responsibility for any such suit, action or proceeding which may be brought or threatened against Aerojet and/or Seller. The provisions of this paragraph 11 shall survive the termination, cancellation or completion of this Order.

12. No Assignment. This Order may not be assigned, and no performance, duty or other obligation of Seller may be delegated by Seller without the prior written consent of Aerojet.

13. No Waiver/Severability. No modification, change or waiver of any provision hereof will be effective for any purpose unless such modification, change or waiver is specifically authorized by an Aerojet Procurement Representative. No waiver of any right or remedy in respect to any occurrence or event on one occasion will be deemed a waiver of such right or remedy in respect of such

occurrence or event on any other occasion. Invalidity of any part of this Order shall not affect the validity of any other part of this Order.

14. Offsets. Aerojet may offset against any sums otherwise due Seller any amounts Aerojet in good faith claims to be due from Seller, whether such claims arise under or outside this Order.

15. Cancellation of Order. Aerojet may cancel this Order in part or in its entirety prior to delivery by Seller. In the event of such cancellation, Seller shall immediately stop work and shall cause any and all of its suppliers and subcontractors to immediately cease work. Subject to the terms of this Order, Seller shall be paid a percentage of the Order price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges that Seller can demonstrate to the satisfaction of Aerojet using its standard record keeping system, having resulting from the cancellation. Seller shall not be paid for any work performed or costs incurred which reasonably could have been avoided.

16. Seller's Information. Any knowledge or information which Seller has disclosed or may disclose hereafter to Aerojet incident to the placing and filling of this Order shall not, unless otherwise specifically agreed upon in writing by Aerojet, be deemed to be confidential or proprietary information and accordingly shall be acquired free from any restriction other than restrictions imposed by patent rights. All copyrights to data generated by Seller under this Order belong to Aerojet.

17. Property. Seller shall be responsible and accountable for all Aerojet and Aerojet customer owned property ("Furnished Property"). Seller shall maintain and follow a program for the use, maintenance, repair, protection and preservation of Furnished Property in accordance with sound industrial practice. Seller shall maintain insurance fully covering all Furnished Property and Property acquired by Seller for performance of this Order. If Furnished Property is not delivered to Seller by the later of (i) the time stated in this

Order for such delivery, or (ii) the time by which such property is essential for Seller to comply with the performance dates under this Order, Seller shall be entitled to request an equitable adjustment under the provisions of paragraph 6, Changes.

Title to material purchased from Seller's suppliers or subcontractor(s) shall pass to and vest in Aerojet upon the supplier's or subcontractor's delivery of such material; and title to all other material shall pass to and vest in Aerojet upon the earliest of (i) issuance of the material for use in performance of this Order, (ii) commencement of processing of the material or its use in performance of this Order, or (iii) reimbursement of the cost of material by Aerojet.

Unless Aerojet and/or the owner of the Furnished Property, if other than Aerojet ("the Owner") otherwise expressly permits in writing, Seller shall use Furnished Property only in the performance of this Order. To the extent reasonably needed to permit easy and reliable identification, or as may be reasonably required by the owner, Seller shall mark, tag or segregate Furnished Property. Aerojet and/or the Owner shall have access at all reasonable times to the premises in which Furnished Property is located for the purpose of inspecting the Furnished Property. Seller shall promptly, and in no event more than 10 days of first learning of such an event, inform Aerojet in writing of any loss of or damage to Furnished Property. Unless otherwise expressly provided in this Order. Seller assumes risk of, and shall be fully responsible for, any loss or destruction of, or damage to, Furnished Property. However, Seller is not responsible for reasonable wear and tear or for Furnished Property properly consumed in performance of this Order.

18. Force Majeure. Seller shall not be liable for failure or delay in performance which results, directly or indirectly, from any cause or circumstance beyond its reasonable control. Such causes or circumstances shall include, without limitation, acts of God, acts or orders of any governmental authority, strikes or labor

disputes, natural disasters, civil disturbances, difficulties or delays in transportation or delivery services, or other causes beyond the reasonable control of Seller. Seller agrees to notify Aerojet of any such failure or delay in performance as soon as practicable.

19. Rights and Remedies. The rights and remedies of Aerojet provided in these terms and conditions are cumulative, and are in addition to any other rights and remedies that Aerojet may have at law or in equity. IN NO EVENT SHALL AEROJET BE LIABLE FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS).

20. Entire Agreement. The terms and conditions set forth herein, including all specifications, drawings and other documents expressly referred to in this Order, contain the entire agreement of the parties and supersede all prior negotiations, agreements, understandings or arrangements between the parties with respect to the subject matter hereof.