

KFT FIRE TRAINER – UK VENDOR TERMS

1 Definition 'Order' shall mean the purchase order, contract, subcontract or agreement and all revisions and modifications thereto incorporating by reference these Terms and Conditions and all specifications, drawings, data, instructions, exhibits, attachments and appendices which are incorporated by reference hereto. "Contract Products" shall mean the goods, services, data, drawings or other items constituting the subject matter of this Order which are to be furnished by Seller. "Buyer" shall mean KFT Fire Trainer GmbH. "Seller" shall mean the person, organization, corporation, firm or entity responsible for furnishing the Contract Products described in this Order.

2. Acceptance of Order This Order is Buyer's offer to Seller. This Order shall become binding upon the Seller either by Seller's signed acknowledgment of this Order, Seller's execution of any counterparts, Seller's commencement of performance, Seller's shipment of any of the Contract Products, or by Seller's dispatch of Seller's acknowledgment, provided that such acknowledgment agrees with this Order with respect to the description of the Contract Products, quantity, Price, delivery schedule and all other material requirements of this Order. By accepting, using any of these methods, Seller agrees to all of the terms, conditions, provisions and requirements of this Order. Seller's acceptance is expressly limited to the terms of this Order and Buyer objects to any additional or different terms or conditions in Seller's acceptance.

3. Cancellation Buyer shall have the right at any time to cancel all or a portion of this Order, to delay the delivery date of some or all of the Contract Products or to delay some of all of the Order by giving Seller written notice. If Buyer cancels all or a portion of the Order, Buyer shall pay Seller reasonable cancellation charges on which the parties agree which shall consist solely of direct costs for labor and materials for the Order expended by Seller before the cancellation, minus the salvage amount that Seller can realize by selling or using any materials. Seller shall take all reasonable actions to minimize any cancellation and shall provide an accurate accounting of all charges to Buyer at the time Seller makes a request for payment of those charges. Cancellation charges shall not include any incidental or indirect charges or expenses. If the sum of Buyer's prior payments and deposits under the Order exceed the cancellation charges and other amounts due under the Order, Seller shall promptly refund the balance to Buyer.

4. Packing, Shipment and Documentation Seller shall have all Contract Products suitably packaged and marked in accordance with good commercial practices and forwarded to Buyer using the most economical means of transportation unless otherwise specified in this Order. All shipments shall be accompanied by a complete packing list identifying this Order number, Order item number, description of the item shipped, and quantity. After Contract Products have been shipped, Seller shall issue to Buyer a signed bill of lading, shipping specification, freight receipts, certificate of insurance (if required by this Order) and Seller's invoice for the Contract Products shipped.

5. Delivery Seller agrees to deliver the Contract Products to Buyer by the dates specified in this Order. Time is of the essence of this Order. Unless otherwise specified in this Order, all Contract Products must be tendered in a single delivery, must equal the exact quantities set-fourth in this Order and shall not be delivered substantially in advance of the delivery schedule unless specifically authorized in writing by Buyer. Payment is due only upon delivery in accordance with the terms specified in this Order. Seller shall promptly notify Buyer in writing of any actual or anticipated delay in meeting the delivery schedule specified in this Order. Seller's notification shall indicate the causes, anticipated duration and proposed actions by Seller to mitigate any such actual or

anticipated delay. If Seller fails to meet the delivery schedule, the Buyer reserves the right to terminate this Order in whole or in part and to acquire the Contract Products elsewhere. Buyer reserves the right to hold Seller accountable for all costs occasioned by Seller's failure to comply with and meet the delivery requirements of this Order. Such rights shall be in addition to any other rights or remedies provided bylaw or equity.

6. Inspection and Acceptance Unless otherwise specified in this Order, Buyer reserves the right either before, during, or after manufacture or performance to inspect the Contract Products tendered or delivered or identified to this Order, at any reasonable pace and time and in any reasonable manner. Failure of Buyer to inspect Contract Products before payment does not waive or impair Buyer's right to inspect after their tender or delivery. A list of Quality Clauses (Q-Clause) is provided herein that may be applicable to your Order. If a Q-Clause is stipulated in the Order, the Seller is required to comply with the content of that clause. Hardware may be returned to the Seller by the Buyer if compliance is not maintained. Buyer will inspect and provide Seller written notice of defects or rejection within a responsible time after the Contract Products are available for inspection. Final inspections will be on Buyer's premises unless otherwise provided for in this Order. Buyer also reserves the right to perform in-process or final inspection at the Seller's facility to verify the condition of the Contract Products. This right shall also be extended to the Buyer's Customer or the Customer's representative. When anticipated, this verification inspection will be identified within the Order. In case any of the Contract Products are found to be defective in material or workmanship, or otherwise not in conformity with the requirements of this Order, Buyer shall have the right to reject the same or require that such Contract Products be corrected or replaced promptly. Contract Products rejected as not conforming to this Order shall be returned at Seller's expense inducing packaging, transportation and handling costs. If Buyer so rejects the Contract Products or if Seller, when requested by Buyer, fails to proceed promptly with the replacement or correction thereof, Buyer either may terminate this Order for default or may replace or correct such Contract Products and in either event may charge Seller the cost or damages incurred. Acceptance of the Contract Products by Buyer shall not relieve Seller of its liability for Contract Products which do not conform to the requirements of this Order. Notwithstanding Buyer's right to inspect Contract Products, Seller shall be responsible for assuring that all Contract Products furnished hereunder are in complete conformity with all requirements of the order. When the Seller determines that a nonconformity exists prior to shipment to the Buyer, the Seller shall contact the Buyer's Purchasing or Quality Assurance Manager via fax or mail and identify the know conditions. Known nonconforming Product must not be shipped to the Buyer unless authorized by the Buyer. A copy of this authorization must accompany any shipments to the Buyer.

7. Invoices and Payment Upon shipment of the Contract Products, Seller shall issue to Buyer a proper invoice identifying this Order number, Order item numbers, descriptions of the Contract Products, quantities, prices and remittance information. Invoices which do not conform to this requirement or do not agree with other terms of this Order may be returned to Seller for correction. Buyer shall pay Seller the prices stipulated on this Order for Contract Products delivered and accepted or services rendered and accepted, less any deductions provide for this Order. Unless a cash discount period is specified in this Order, payment shall be due 30 days after the later of the following: a) receipt of a proper invoice, b) acceptance of the Contract Products or c) the delivery date specified in this Order. Payment is not evidence of Buyer's final acceptance of the Contract Products.

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8. Taxes The prices stipulated in this Order for the Contract Products are exclusive of Value Added Tax (VAT).

9. Warranty Notwithstanding inspection and acceptance by Buyer of Contract Products furnished under this Order, Seller warrants that for a period of 15 months after acceptance by Buyer or 12 months after final acceptance by Buyer's customer under any applicable prime contract of Buyer, all Contract Products furnished:

- (1) Are free from defects in material and workmanship and conform to the specifications, drawings or other requirements of this Order;
- (2) Are free from defects in design;
- (3) Are of a quality to pass without objection in the trade under the Order description;
- (4) Are fit for the intended purpose for which the Contract Products will be used;
- (5) Are of even kind, quality and quantity within each unit and among all units;
- (6) The preservation, packaging, packing, marking and preparation for and method of shipment of the Contract Products will conform with all requirements of this Order; and
- (7) Conform to the promises or affirmations of fact made on the container or packaging.

Seller shall promptly repair, correct or replace, without expense to Buyer, any Contract Products not conforming to the foregoing requirements. If return, repair, correction or replacement of the Contract Products is required, all transportation, charges and liability for the Contract Products, shall be the responsibility of the Seller.

Any Contract Products or parts thereof, repaired, corrected or furnished in replacement under this provision shall also be subject to the terms of this provision to the same extent as the Contract Products initially furnished. The warranty with respect to such Contract Products or parts thereof shall be equal in duration of the foregoing requirements and shall run from the date of acceptance of the repaired, corrected or replaced Contract Products as set forth above.

Buyer shall provide Seller written notice of any breach of warranties or non-conformance in the Contract Products within 30 days of the discovery of such defect or non-conformance. If Seller, fails promptly to repair, correct or replace Contract Products not conforming to the foregoing requirements, Buyer may, without further notice to Seller, repair, correct or replace such Contract Products and Seller agrees to reimburse Buyer for all costs occasioned to Buyer. The rights and remedies of the Buyer provided by this provision are in addition to and do not limit any rights afforded Buyer by any other provision of this Order.

All warranties herein shall run to Buyer, its successors, assigns, customers, and end users of the Contract Products.

10. Buyer Furnished Property/Confidentiality Seller shall safeguard, keep secure and maintain the confidentiality and proprietary nature of all property including tools, components, materials, processes, know how, designs, drawings and data of any type or description, furnished or disclosed by or specifically paid for by Buyer or intended for use by Seller in connection with Seller's performance under this Order. All such property shall remain the sole property of Buyer. Seller shall use all Buyer furnished property only in connection with performance under this Order and Seller shall not disclose, divulge or transfer such property to any third party without the express written consent of Buyer. Buyer shall have the right at any time during performance of this Order to remove any such property furnished to Seller. Upon completion of this Order, Seller shall return to Buyer all property furnished or disclosed or paid for by Buyer. Seller shall clearly

identify all Buyer furnished or disclosed paid for property in Seller's possession as the property of Buyer and shall take reasonable steps to protect all such property from damage or loss, normal wear and tear excepted. In the event of damage or loss to Buyer of furnished or paid for property in the possession of Seller, Seller shall, at Seller's sole expense repair or replace all such property with property of like kind and quality.

If, in the performance of this Order, Buyer furnishes Seller with components or other items to be incorporated by Seller into the Contract Products to be furnished to Buyer, Seller is not relieved of its obligation to deliver Contract Products in conformance with the requirements of this Order.

11. Changes Buyer may direct at any time, and without notice Seller's sureties or assignees, changes to this Order and Seller shall proceed immediately with this Order as changed. Seller shall notify Buyer within twenty (20) calendar days of receipt of any such directed change of any increase or decrease in the cost of, or time required for performance of any part of this Order, or both. If any such change shall be deemed to cause an increase or decrease in the cost of or in the time required for the performance of any work under this Order, an equitable adjustment will be made in the Order price or delivery schedule, or both and the Order will be modified in writing in accordance with the provision entitled "Miscellaneous Headings: Modification."

Failure of Buyer and Seller to agree upon an adjustment in the Order price or delivery schedule, or both, resulting from any directed change from the Buyer, shall be deemed a dispute concerning a question of fact within the meaning of the provision of this Order entitled "Disputes."

12. Disputes Except as otherwise provided in this Order, any dispute between Buyer and Seller arising under or in connection with this Order which is not settled by common accord of the parties shall be reduced to writing and submitting for resolution to ascending levels of management of the respective parties. If the dispute cannot be resolved by the parties after good faith negotiations by ascending levels of management, the parties in good faith will attempt to establish a mutually agreeable alternate dispute resolution mechanism. In the event Buyer and Seller fail to reach an agreement either party may pursue resolution by a court of law in England. Pending resolution Seller shall proceed diligently with the performance of this Order and abide by and comply with Buyer's direction.

13. Assignment and Setoff Seller shall ***not delegate any duties or responsibilities or assign any rights or obligations under this Order*** without the prior written approval of Buyer. No assignment or transfer of any right, obligation or responsibility under this Order by Seller shall constitute a novation to this Order or otherwise release Seller of its obligations hereunder. Seller shall make no contract with any other party for furnishing any of the completed or substantially completed Contract Products, exclusive of standard or commercial products or raw materials, without the prior written approval of Buyer.

Any claims by Seller for payments due or to become due from Buyer under this Order, shall be subject to deduction by Buyer, for any set off or counterclaim arising out of this Order or any other of Buyer's orders with Seller, whether such setoff or counterclaim arose before or after any such claim for payment by Seller.

14. Indemnification Seller shall indemnify and hold harmless at its own expense, Buyer and its officers, directors, employees, agents, affiliates or subcontractors from any and all liability, claims, actions and expenses, of any nature whatsoever, including reasonable attorney's fees based upon, connected with or arising out of in whole

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or part Seller's performance of this Order. Included in this indemnity are any and all claims, actions, demands and/or controversies that the Contract Products furnished by the Seller under this Order infringe any letters patent, copyright or trademark, provided that the foregoing shall not apply to any infringement resulting from Seller's use of patented or copyrighted items furnished by Buyer.

15 Termination Buyer reserves the right to terminate this Order in whole or in part if Seller becomes subject to any proceedings relating to bankruptcy, whether voluntary or involuntary or is insolvent.

In the event of Seller's bankruptcy, insolvency or breach of any material requirement or obligation under this Order, Buyer shall have the right to cancel this Order immediately without any liability to Seller.

16. Miscellaneous Headings: The headings and titles to the articles, sections, and paragraphs of this Order are inserted for convenience only and shall not be deemed a part hereof or affect the construction or interpretation of any provision hereof. **Remedies:** Unless otherwise expressly provided here, the rights and remedies hereunder are in addition to, and not in limitation of, other rights and remedies under this Order, at law or in equity, and exercise of one right or remedy will not be deemed a waiver of any other right or remedy. **Modification:** No cancellation, modification, amendment, deletion, addition, or other change in this Order or any provision hereof, or waiver of any right or remedy herein provided, will be effective for any purpose unless specifically set forth in writing and signed by both parties. **Entire Agreement** This Order supersedes all other representations, offers or agreements, oral or written heretofore made with respect to the subject matter hereof and the transactions contemplated hereby and contains the entire agreement of transactions contemplated hereby and contains the entire agreement of the parties. **Severability:** Any provision of this Order prohibited by or unlawful or unenforceable under any applicable law of any jurisdiction shall as to such jurisdiction be ineffective without affecting any other provisions of this Order. To the full extent, however, that the provisions of such applicable law may be waived, they are hereby waived, to the end that this Order be deemed to be a valid and binding agreement enforceable in accordance with its terms. **Controlling Law:** All questions concerning the validity and operation of this Order and the performance of the obligations imposed upon the parties hereunder shall be governed by the Laws of England and will be subject to the jurisdiction of the courts of England. **Successors and Assigns:** The provisions of this Order shall be binding upon and inure to the benefit of Seller and Buyer and their respective successors and assigns. This provision shall not be deemed to expand or otherwise affect the limitation on assignment and transfers set forth herein and no party is intended to have (or shall have) any right or interest under this order, except as provided herein. **Waiver of Contractual Right:** The failure of either party to enforce any provision of this Order or to assert any right or to seek any remedy hereunder, shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Order, nor to assert any right or seek any remedy provider hereunder. **Conflicts:** To the extent of any inconsistency or conflict between the terms of this Order (including these Terms and Conditions) and any exhibit, attachment, schedule, appendix or rider incorporated into this Order by reference or otherwise, the terms of the Order shall control. **Notices:** All notices, requests, consents and other communications required or permitted under this Order must be in writing and shall be deemed delivered when presented in person or by registered or certified mail to the other Party at its respective business address as shown elsewhere in this Order. Such addresses may be changed by either party by providing written notice to the other in the manner set forth herein.

17. Reproduction Rights (i) Seller grants to Buyer the right to reproduce and use and disclose in connection with the use, maintenance and service of the products supplied hereunder all reports, drawings and reproduction thereof data and technical information delivered to Buyer. (ii) Seller agrees to keep confidential the features of all products, equipment, designs, drawings, engineering data and other technological or proprietary information furnished by Buyer and to use such items only in the performance hereof and to return all such items to Buyer upon completion or termination of the order or sooner if requested by the Buyer.

18. Patent and Other Rights If the within order is in whole or in part for the development of a product and/or process or for any item as to which Buyer furnishes the specifications. Seller hereby conveys to Buyer (i) all rights, title interest in and to any inventions, data and Know-How (whether covering processes, formulae, designs, techniques, assembly, manufacture or otherwise whether patentable or unpatentable) conceived or first reduced to practice in connection with work called for under this order and (ii) a perpetual royalty-free right and license (with right to sublicense) to utilize any patents, inventions, data and Know-How of Seller or any of its subcontractors hereunder which are incorporated or utilized in connection with the product and/or process delivered hereunder. Seller agrees to keep records available to buyer upon request. Seller agrees to execute and deliver all such documents and instruments a Buyer may from time to time hereafter reasonably require to give effect hereto or to enable Buyer to more fully or conveniently enjoy the rights purchased hereunder. Seller and its employees shall upon request execute all papers necessary to assign such discoveries, inventions and designs to Buyer and to cause at Buyer's expense patent applications to be filled thereon in favor of Buyer. The decision as to whether to file patent applications and to prosecute same shall be made solely by Buyer. Seller will promptly disclose to Buyer in writing any rights acquired under sub-clause (i) hereof and will notify Buyer in writing prior to incorporating in the product and/or process called for hereunder anything covered by an existing or pending patent of Seller or any of its subcontractors.

19. Title and Risk of Loss Seller shall not reserve title or a security interest in products shipped to Buyer. For products shipped DDP Seller's facility and for which Seller has no obligation to assemble, install or test at destination the risk of loss or damage shall pass to Buyer upon delivery of the Product properly packed to the carrier for products shipped DDP designation and for which Seller has no obligation to install, assemble or test at destination the risk of loss or damage shall pass the Buyer upon delivery of the product upon Buyer's dock for products for which Seller has the obligation to assemble, install or test at destination the risk of loss or damage shall not pass to Buyer until final acceptance regardless of the shipping point.

20. Contingencies Buyer further reserves the right at its option and without liability either to direct suspension of shipments of materials covered by this order or to cancel this order in whole or in part at any time where such suspension or cancellation is caused by Government order or other requirements, embargoes, acts of civil or military authorities, acts of the public, enemy, inability to secure transportation facilities, strikes, differences with workmen, accidents at plant of Buyer or any other law, order, or regulation or other contingencies beyond control of the Buyer.

21 Export/Import Compliance: Seller shall be solely responsible and liable for compliance with all local, state, and federal laws, rules, and regulations applicable to the manufacture, use, importation, exportation or the re-importation/re-exportation of the goods and/or services provided under this Order. Seller shall comply with all applicable import/export and customs control laws and regulations

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of the country having proper jurisdiction and, in particular, the Laws of England for any goods and/or services provided under this Order. Seller shall provide Buyer with the export control classification number of its products and shall maintain export records for at least six (6) years.

22. Publicity No information relating to this order, including its existence or provisions, shall be divulged as a news release or other public announcement or employed in any form by the Seller in any advertising, marketing or other display of its products or technology without the prior written consent of Buyer.