

Standard Terms and Conditions of Sale

These terms and conditions ("Terms and Conditions of Sale") are applicable if you purchase Goods (as defined herein) from Reata Engineering & Machine Works, Inc. ("Reata") and represent a contract between the Buyer (as defined herein) and Reata.

Any change, modification or other variation to the conditions or representations about the Goods shall have no effect unless expressly agreed to in writing and signed by an authorized representative of Reata. Buyer acknowledges that it has not relied on any statement, promise or representation made or given by or on behalf of Reata which is not set out in the Order.

Each Order shall be governed exclusively by these Terms and Conditions of Sale. Such Order acknowledgement is expressly limited to these Terms and Conditions of Sale. The Buyer's failure to object to inconsistent or supplementary provisions contained in the Order or other communications shall not be deemed to be a waiver or modification of these Terms and Conditions of Sale, or an acceptance of such provisions. Exceptions to these Terms and Conditions of Sale shall be expressly and mutually agreed by the Buyer and Reata and confirmed in the Reata's corresponding sales order acknowledgment. Without prejudice to the foregoing, the delivery of Goods or the acceptance of Goods or any other act or conduct of the Buyer in confirmation of the supply of Goods by the Reata shall constitute an unqualified acceptance by the Buyer of these Terms and Conditions of Sale.

Additional or different terms contained in the Buyer's Order or any other documentation of Buyer shall be void and of no effect unless accepted in writing by Reata. No change in, modification of or revisions of an Order shall be valid unless in writing signed by Reata.

1. Defined Terms

- 1.1 Buyer – The person, firm or company who purchases Goods from Reata.
- 1.2 Goods – Any products or services agreed to in the Contract to be supplied to Buyer by Reata.
- 1.3 Contract – Any agreement between the Buyer and Reata for the sale and purchase of Goods
- 1.4 Order – An agreement, oral or written (usually evidenced by a formal purchase order or Contract), subject to these Terms and Conditions of Sale, placed by Buyer for the Goods, which shall form a Contract upon acceptance by Reata.
- 1.5 Quotation – An estimate issued by Reata for the sale of Goods subject to these Terms and Conditions of Sale.
- 1.6 Specifications – The dimensional, mechanical, procedural, and material description of the Goods purchased hereunder. Specifications shall not mean any work performed by Reata under this Contract including, without limitation, providing representations, suggestion or any other work related to the nature, design, manufacture or other aspects of Buyer's Goods. Any incorporation by Buyer of Reata's representations, suggestions, or any other work shall be solely and exclusively at the Buyer's discretion and if so incorporated, shall be at Buyer's sole risk.

2. Quotation Validity

- 2.1 Unless otherwise indicated on the quote, written quotations by Reata shall expire automatically thirty (30) days after the date appearing on the quotation unless Reata receives and accepts Buyer's Order within that period or withdraws the quotation.
- 2.2 Prior to the expiration date, any quotation is subject to change by Reata at any time upon written notice to Buyer, unless Reata receives and accepts Buyer's order within the aforementioned validity period.

3. Order

- 3.1 A Buyer's Order is not accepted by Reata until a written acknowledgement of the Order is issued by Reata or substantial work on the order has commenced. Buyer shall ensure that the terms of its Order are complete and accurate.
- 3.2 Orders may be pushed out or pulled in based on the following criteria:
 - 3.2.1 Pushed Out – If no material has been ordered and/or no production has not commenced, an order may be pushed out up to 60 days upon request.
 - 3.2.2 Pulled In – Reata will accommodate requests to expedite and/or pull in orders dependent upon scheduling and capacity constraints. Expedite fees may apply.

4. Price

- 4.1 Reata reserves the right during execution of the Order to adjust the prices for Goods if Reata's costs of producing, manufacturing, packaging, storing, or transporting the Goods increase as a result of:
 - 4.1(a) Reata's compliance with any new or amended rules, policies or Specifications of Buyer;
 - 4.1(b) Reata's compliance with any new or amended law, regulation, or ordinance, including without limitation any change in, or introduction of, a tax, tariff and/or increased costs (such as the cost of acquiring permits); or
 - 4.1(c) a significant change in Reata's costs for raw materials, wages or services, as determined by Reata in its sole discretion.
- 4.2 Such price adjustments will become effective 30 days after the date Reata provides Buyer with written notice of such price adjustment. In the event of any specific requirements (including without limitation any design, specification, ordered quantity, shipment dates/changes) representing a price increase, or in the event of changes in market conditions which impact costs, Buyer will be notified and afforded an opportunity to confirm within (5) business days from Reata's notice.

5. Payment

- 5.1 Buyer will pay to Reata the prices set forth in the Order no later than 30 days from the date of invoice. All payments will be made in the manner and to the place identified in the invoice. Extended payment terms are available, pending Reata's credit manager approval and are subject to additional charges.
- 5.2 All Orders are subject to management approval and periodic review of credit and payment terms, which may be modified by Reata on reasonable notice for cause.
- 5.3 Payments not received when due will incur service charges at a rate of 1.5% per month (18% per annum) of the unpaid amount until paid. Reata reserves the right, among other remedies, to limit or cancel the credit of Buyer, suspend further deliveries or performance, or terminate the Order if Buyer fails to pay any invoices when due.
- 5.4 No rebates or discounts will apply if Buyer's account is more than 30 days past due. Buyer will pay all reasonable attorneys' fees, collection costs, and other expenses incurred by Reata for collection of past due invoices. All claims for money due or to become due from Buyer will be subject to deduction or set off by Reata by reason of any counterclaim arising out of the Order or any other transaction with Buyer.
- 5.5 Upon written request by Reata, Buyer shall provide Reata with all then-current financial information necessary at any time to review and confirm Buyer's creditworthiness. Should Buyer not be in a position to furnish any of the payment guarantees required by Reata, Reata shall be entitled to immediately cancel any deliveries and/or Orders and/or terminate these Terms and Conditions of Sale by written notice with immediate effect.

6. Specifications

- 6.1 Reata will manufacture the Goods strictly in accordance with the drawings and/or specifications provided by Buyer or otherwise agreed upon by Buyer and Reata in writing.
- 6.2 Buyer is responsible for ensuring that the properties and performance of the material selected meet the requirements of their application.
- 6.3 All materials shall be furnished subject to the standard manufacturing and commercial variations and practices of Reata.
- 6.4 If part tolerances are not provided by the Buyer, parts will be machined per Reata's General Manufacturing Standards.
- 6.5 Reata shall not develop any Specifications for Buyer's Order.
- 6.6 Buyer may make changes to the Specifications at any time upon reasonable advance notice to Reata. If such changes result in delay or additional expense to Reata, unusable raw materials, WIP and/or finished goods, or the obsolescence of any Goods or materials, Reata reserves the right to make an equitable adjustment of price and delivery schedule.
- 6.7 Buyer shall ensure that its Specifications are complete and accurate and do not infringe upon any third party rights.

7. Delivery and Packaging

- 7.1 Unless otherwise stated on the Order, Buyer shall bear all costs of delivery. All deliveries are Free on Board ("FOB") Reata's facility ("FOB Origin") using Reata's standard packaging and containers for the Goods. Risk of loss and title will pass to Buyer upon delivery at the FOB Origin. Any dates specified for delivery of the Goods are an estimate only. In the event that Buyer designates a specific carrier, Reata will attempt to use that carrier. However, Reata may select an alternative carrier to transport the Goods if, in Reata's sole and exclusive discretion, it determines use of an alternative carrier is necessary to satisfy delivery requirements. Unless otherwise stated in the Order, all Goods ordered hereunder shall be deliverable within twelve (12) months of the date of this Order.
- 7.2 If Reata agrees to pre-pay freight and add the prepaid freight charges to the total cost of Buyer's Order, the Buyer agrees to pay an administration handling fee for each such shipment, which will be added to the cost of the freight.
- 7.3 Should Reata experience an excusable delay, it will cooperate with Buyer in reasonable ways to minimize the impact of such circumstances. A delay will not entitle Buyer to terminate or rescind the Order, unless such delay exceeds 180 days. Reata will not be liable for damages (including, without limitation, consequential or incidental damages), nor be deemed to have defaulted under or breached the Order, for any failure or delay in its performance resulting from causes beyond its control, including without limitation:
 - 7.3.1 Acts of God; fire, flood, earthquake, explosion or other casualty or accident; strikes, labor disputes, labor stoppages or slowdowns, or other industrial disturbances;
 - 7.3.2 Inability to procure parts, supplies, raw materials, transportation facilities, fuel, power or labor; war, invasion, hostilities, terrorist threats or acts, riot, or other violence;
 - 7.3.3 Breakage or failure of equipment machinery or apparatus;
 - 7.3.4 Any law, order, proclamation, regulation, ordinance, demand, requirement or action of any government agency;
 - 7.3.5 Buyer's failure to provide Reata with adequate delivery or other instructions that are relevant to the supply of the Goods;
 - 7.3.6 The default or declaration of a force majeure by a supplier or subcontractor of Reata; or
 - 7.3.7 Any other event, whether or not of the class or kind enumerated herein, beyond the reasonable control of Reata, which makes impractical the performance of the manufacture, transportation, or shipment of the Goods or of a material or other resource upon which the manufacture, transportation, or shipment of the Goods depends.
- 7.4 Buyer shall inspect shipments for freight damages at the time of delivery and shall immediately notify carrier of freight damage, file a claim directly with the carrier, and notify Reata of the damage. Reata is not liable for freight damage or for losses incurred by Buyer as a result of freight damage or delays.
- 7.5 In the instance that Buyer purchases a quantity of Goods less than the ordered quantity, Buyer shall pay for the shipped quantity at the recalculated unit price based upon such shipped quantity, and the balance of the Order shall be cancelled.

- 7.6 Buyer initiated changes in delivery schedule must be agreed to in writing in advance by Reata and may incur fees related to storage, replacement or adjustments in price (e.g. material cost increase, labor increases).
- 7.7 Reata will not be liable for any non-delivery of Goods (even if caused by Reata's negligence) unless Buyer gives written notice to Reata of the non-delivery within 5 days of the date when the Goods, in the ordinary course of events, would have been delivered. Buyer's sole and exclusive remedy for non-delivery of the Goods will be limited to replacing the Goods within a reasonable time or adjusting the invoice respecting such Goods to reflect the actual quantity delivered.
- 7.8 Unless expressly stated otherwise in the Order, Reata reserves the right to deliver Goods prior to the original delivery date as indicated on the Order.
- 7.9 The cost of standard packaging is included in Reata's price. Any requests for customized packaging (e.g. RFID tagging, specialist materials) may incur additional costs and will be billed accordingly.

8. Acceptance Testing

- 8.1 Upon delivery of the Goods, Buyer shall have thirty (30) days to conduct acceptance testing of the Goods to determine whether the Goods conform to Specifications and operate in accordance with the Specifications for the Goods ("Acceptance Test Period").
- 8.2 On or before the end of the Acceptance Test Period, Buyer shall notify Reata in writing of Buyer's acceptance or rejection of the Goods. If Buyer fails to provide notification of acceptance or rejection within the Acceptance Test Period, the Buyer shall be deemed to have accepted the Goods. If Buyer rejects the Goods due to non-conformance, then Buyer's exclusive remedies shall be as set forth in Section 11 below.

9. Quantities

- 9.1 Reata reserves the right to over or under ship by 10% of the ordered quantity for any given shipment until the Order is complete, and invoice Buyer for the amount actually shipped.
- 9.2 Reata may, in its sole discretion, without liability or penalty, make partial shipments of Goods to Buyer. Each partial shipment will constitute a separate sale, and Buyer will pay for the units actually shipped.
- 9.3 Nothing herein will relieve either party from fulfilling the obligations set forth herein, and Buyer will not be entitled to object to or reject the Goods or any portion of them by reason of a surplus, shortfall, or partial shipment.

10. Representations

- 10.1 Buyer warrants that the Goods i) are not intended for use as (and should not be used for) components or components of assemblies used in implantable medical devices, ii) are not finished medical devices.
- 10.2 Buyer expressly warrants that it shall not introduce the Goods in clinical trials or similar testing without Reata's prior written approval signed by an authorized representative.
- 10.3 Unless otherwise stated on the Order, Buyer warrants that the Goods or Services are not intended for use as components or components of assemblies used in aircraft (military or commercial).

11. Warranty and Remedies

- 11.1 Reata warrants that the Goods provided under the Order:
 - 11.1.1 Are free from defects in material and workmanship (but not design); and
 - 11.1.2 Comply with the Buyer's Specifications as described in the Order.
- 11.2 These are Reata's SOLE WARRANTIES with respect to the Goods provided under the Order. REATA MAKES NO OTHER WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED WITH REGARD TO THE GOODS PROVIDED HEREUNDER. REATA EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- 11.3 Reata's warranties shall commence upon the delivery of the Goods and shall continue thereafter until the earlier of:
 - 11.3.1 The introduction of the Goods into any assembly process or other process whereby the Goods are integrated into a separate product;
 - 11.3.2 When the Goods are shipped to Buyer's customer; or
 - 11.3.3 Thirty (30) days after acceptance of the Goods.
- 11.4 These warranties do not cover damage to Goods caused by abuse, misuse, accident or neglect of Buyer or its agents.
- 11.5 If Specifications are not met, Reata will, at its option, repair or replace the Goods or refund the purchase price by crediting Buyer's account. Reata's exercise of one of these options shall not prejudice its exercise of other options in other circumstances.
- 11.6 Goods may not be returned to Reata without first obtaining a Returned Material Authorization Number ("RMA). The return to Reata of any nonconforming Goods and delivery of any corrected or replaced Goods shall be at Reata's expense unless, after inspection by Reata, Reata determines, at its discretion, that the returned Goods are conforming to Buyer's Specifications.
- 11.7 Buyer shall retain title to returned Goods until Reata verifies the Goods do not meet Specifications.
- 11.8 The purpose of the express exclusive warranty and remedies is to provide Buyer with replacement, exchange or refund for defective Goods. The exclusive remedies will not be deemed to have failed of their essential purpose as long as Reata is willing and able to replace, exchange, or refund such defective Goods.
- 11.9 IN NO EVENT SHALL REATA BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES.

12. Limited Liability

- 12.1 TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL REATA BE LIABLE TO BUYER OR TO ANY THIRD PERSON OR ENTITY WITH RESPECT TO THE SUBJECT MATTER OF THIS ORDER, UNDER ANY EQUITY, COMMON LAW, TORT, CONTRACT, ESTOPPEL, NEGLIGENCE, STRICT LIABILITY, WARRANTY, OR OTHER THEORY, FOR ANY (I) INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY, CONSEQUENTIAL, OR INDIRECT DAMAGES, OR (II) DAMAGES RELATING TO DIMINUTION OR DEPRECIATION IN VALUE, DELAY OR IDLE TIME FOR LABOR AND EQUIPMENT, OR LOSS OF SALES, CONTRACTS, BUSINESS, PROFITS, REVENUES, PRODUCTION, SAVINGS, DATA, OPPORTUNITY, USE, REPUTATION, OR GOODWILL, EVEN IF THE REMEDIES PROVIDED FOR IN THIS ORDER FAIL FOR THEIR ESSENTIAL PURPOSE AND EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF ANY OF THE FOREGOING DAMAGES OR THE FOREGOING DAMAGES COULD HAVE BEEN REASONABLY FORESEEN.
- 12.2 SUBJECT TO SECTION 12.1 AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL REATA'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS ORDER, UNDER ANY EQUITY, COMMON LAW, TORT, CONTRACT, ESTOPPEL, NEGLIGENCE, STRICT LIABILITY, OR OTHER THEORY EXCEED THE LESSER OF (I) THE TOTAL OF THE AMOUNTS PAID TO REATA FOR THE GOODS AND SERVICES SOLD PURSUANT TO THIS ORDER DURING THE 12 MONTHS IMMEDIATELY PRIOR TO THE INCIDENT GIVING RISE TO SUCH LIABILITY, OR (II) \$50,000.
- 12.3 EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, ANY ACTION AGAINST REATA MUST BE BROUGHT WITHIN 12 MONTHS AFTER THE DATE SUCH CAUSE OF ACTION ACCRUED. EACH PROVISION IN THIS ORDER THAT PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTY, OR EXCLUSION OF DAMAGES IS SEVERABLE AND INDEPENDENT OF ANY OTHER PROVISION AND IS TO BE ENFORCED AS SUCH.

13. Intellectual Property, Assumption of Risk & Indemnification

- 13.1 Buyer is solely responsible for determining that the Goods are appropriate for Buyer's intended use or application. Buyer acknowledges that it is familiar with and assumes all risks and liability associated with the Goods and their use. Unless otherwise agreed to by Buyer and Reata in writing, Buyer is solely responsible for determining whether any verbal or written technical advice, assistance, recommendations, opinions, statements, or other information of Reata is appropriate for Buyer's intended use or application. Any such information is provided by Reata to Buyer on an "AS IS" basis, and Reata makes no claims, promises, warranties, representations, or guarantees, either express or implied, concerning such information, including without limitation as to the accuracy, completeness, adequacy, quality, merchantability, and fitness for a particular purpose of such information.
- 13.2 Buyer will indemnify, defend, and hold harmless Reata and its owners, parents, affiliates, subsidiaries, officers, directors, employees, representatives, and agents, from and against any and all liabilities, losses, damages, claims, costs or expenses (including reasonable attorneys' fees and costs) incurred by Reata with respect to:
- 13.2.1 Claims of misuse of proprietary information and infringements of intellectual property based on designs, drawings, Specifications, or other information which Buyer provides to Reata or which is developed by Reata or others in conjunction with Buyer;
 - 13.2.2 The design, manufacture, integration or usage of a Good which alone or as a component in an assembly, is alleged or proved to have caused injury or damage;
 - 13.2.3 Buyer's failure to comply with any applicable foreign, federal, state, or local law, rule, regulation, order, or ordinance, including without limitation U.S. export control laws, regulations, or orders, or Buyer's failure to provide Reata adequate information related thereto; and
 - 13.2.4 Any breach of Buyer's obligations under this Order.
- 13.3 It is clearly understood that Reata is not providing Specifications related to the Goods sold hereunder. Except for Specifications, all information developed by Reata relating to the manufacture of the Goods shall belong exclusively to Reata. Buyer agrees that all such information and derivative works developed and/or discovered by Reata shall remain/become the property of Reata. Buyer agrees to cooperate with the execution of any documentation required to effectuate the protection, copyrighting, and/or patenting of such works.

14. Confidentiality and Protection of Buyer's Rights

- 14.1 Each party agrees that they shall maintain all materials and information of the other party with a level of care no less than such care as it uses in maintaining the confidentiality of its own information, but in no case less than a reasonable degree of care. Each party shall use such materials and information of the other party only to the extent, for the purpose and in the course of performing its obligations under the Order. Either party has the right, upon written request to the other party to have any materials and information it disclosed under the Order returned or destroyed.
- 14.2 Nothing herein shall be construed as granting to either party any right or license under any copyrights, inventions, or patents now or hereafter owned or controlled by the other party.
- 14.3 The parties understand and agree that any use or dissemination of information in violation of the Order shall cause irreparable harm, will leave the non-disclosing party with no adequate remedy at law, and shall entitle such party to injunctive relief.

15. Insurance

- 15.1 Buyer will, at its expense, procure and maintain insurance on all of its operations, including the policies listed below:
- 15.1.1 Workers' Compensation Insurance in the statutory amount.
 - 15.1.2 \$1,000,000 per occurrence Employer's Liability Insurance.

- 15.1.3 \$10,000,000 per occurrence Commercial General Liability Insurance and/or Medical Products Liability Insurance and/or Aerospace Products Liability Insurance, including coverage for property damage and personal injury.
- 15.2 If Buyer is unable to obtain general liability and/or products liability policies on an occurrence basis and/or Buyer ceases manufacture of the Good(s), then Buyer shall, for the life of the Good(s), maintain in effect the then current general liability and/or products liability policies with respect to claims arising from the Good(s). If such insurance coverage cannot be maintained, Buyer shall obtain and maintain the most advantageous policies of general liability and/or products liability obtainable.
- 15.3 Buyer shall name Reata as an additional insured on policies required under the Order and will furnish Reata with Certificates of Insurance as requested.
- 15.4 Buyer shall indemnify and hold harmless Reata in the event it fails to obtain and maintain the levels of insurance required herein.

16. Assignment and Subcontracting

- 16.1 Reata reserves the right to assign any of its rights or obligations hereunder. Buyer shall not assign any of its rights or obligations hereunder without Reata's written consent.
- 16.2 Reata expressly reserves the right to subcontract all or part of its obligations under the Order without the consent of Buyer; provided, however, any such subcontracting shall be made in accordance with Reata's then current quality management system.

17. Buyer Supplied Items and Material

- 17.1 Buyer may supply Reata with items to be incorporated into the Goods sold hereunder. Reata shall use reasonable measures to protect and preserve items provided by Buyer and will only be liable for replacement of such items if lost, destroyed or rendered useless due to Reata's gross negligence.
- 17.2 Unless otherwise agreed to by the parties, any items of personal property directly supplied by Buyer to Reata related to the Order will be returned to Buyer upon expiration of the Order, as received, less normal wear and tear. Buyer warrants that any items provided hereunder comply with all applicable federal, state and local laws and regulations.

18. Tooling

- 18.1 Any plant, machinery, equipment, molds, tooling, dies, test and assembly fixtures, gauges, jigs, patterns, casting patterns, cavities, and documentation (including engineering specifications and test reports) any accessions, attachments, parts, accessories, substitutions, replacements and appurtenances thereto (collectively, "Tooling") that Reata requires to perform its obligations under the Order will, at all times, be and remain the sole and exclusive property of Reata and in the custody and control of Reata. Regardless of whether the cost of designing and producing any Tooling is paid for or reimbursed by Buyer, Buyer will have no ownership rights therein, except as set forth in Section 18.2 below.
- 18.2 Buyer may purchase Tooling that Reata specifically manufactured or acquired for the sole purpose of supplying the Goods to Buyer. Such purchase shall be made on pricing and terms set forth on the face of the Order or as otherwise agreed to by Reata and Buyer in a writing signed by an authorized representative of both Reata and Buyer.
- 18.3 The purchase price for the Tooling paid by Buyer shall be nonrefundable unless otherwise agreed to by Buyer and Reata in writing. Upon payment of the purchase price for the Tooling, Buyer shall be the sole and exclusive owner of the Tooling, except that under no circumstances shall Buyer obtain or receive any ownership, license, or use rights with respect to any Reata intellectual property or other proprietary information incorporated into, used to manufacture, or otherwise arising out of or relating to the Tooling. Any Tooling purchased by Buyer shall remain in the custody and control of Reata.
- 18.4 Upon termination or expiration of the Order, Buyer and Reata shall agree upon whether any Tooling purchased by Buyer shall be delivered to Buyer or destroyed. If any Tooling purchased by Buyer will be delivered to Buyer, Reata may, at its sole option, remove any Reata intellectual property or other proprietary information from the Tooling or destroy any Tooling where Reata intellectual property or other proprietary information cannot be removed.

19. Termination

- 19.1 Each party will have the right to terminate the Order as follows:
 - 19.1.1 Upon a material breach by the other party of any term or condition stated in the Order, provided that the non-breaching party gave the breaching party written notice of the breach and the breaching party failed to cure such breach, or present the non-breaching party with a plan to cure such breach, within 10 days after the breaching party's receipt of the written notice of such breach; or
 - 19.1.2 In the event the other party becomes insolvent, files a petition for bankruptcy, or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors.
- 19.2 In the event that Reata finds that Buyer has breached any other Order or Contract that Buyer has with Reata, Reata may terminate the Order, in whole or in part. Buyer will remain liable under the Order in the event of such termination by Reata. Reata may also terminate the Order or suspend performance or deliveries under the Order if the costs incurred by Reata in performing its obligations under the Order exceed the amounts paid by Buyer to Reata for Goods supplied under the Order.
- 19.3 Buyer shall only be entitled to terminate the Order early for convenience if Buyer placed this Order pursuant to Buyer's prime contract with a government and such prime contract is terminated by the government or is so changed by the government as to necessitate termination of the Order. In such event, Buyer may terminate the Order or any part thereof by written notice to Reata specifying the extent of termination and the effective date. In the event of such termination, Reata shall immediately stop all work and shall immediately cause any

and all of its suppliers and subcontractors to cease work. Reata shall be paid a percentage of the Order price reflecting the percentage of the work performed prior to the effective date of termination, plus reasonable charges Reata incurred resulting from the termination. This provision does not give Buyer or the government any right to audit Reata's records.

- 19.4 In the event of any early termination or cancellation of the Order by Buyer for any reason, in addition to any other remedies available to Reata under law or under the Order (including this Section 19), Reata shall be entitled to payment for all work performed through the date of termination, plus reimbursement of all costs for materials, tooling, WIP, shipping, transportation, handling, and labor incurred by Reata through the date of termination, less any value for scrapped materials received by Reata. All materials, tooling, and other items or property purchased by Reata through the date of termination shall remain Reata property and shall not be transferred to or become Buyer's property upon termination or upon any payment made by Buyer in connection with termination.

20. Non-Waiver and Severability

- 20.1 Reata's waiver of any right under the Order will not constitute a waiver of such right or any other right on any other occasion. In the event any provision of the Order is determined to be invalid, such invalidity will not affect the validity of remaining portions of the Order, and the parties will substitute for the invalid provision a provision that most closely approximates the intent and economic effect of the invalid provision.

21. Independent Contractors, Subcontractors and Assignment

- 21.1 The relationship of the parties established under the Order is that of independent contractors and neither party is a partner, employee, agent, or joint venture of or with the other. Nothing in the Order will preclude Reata from providing similar goods or services to others.
- 21.2 Reata expressly reserves the right to subcontract all or part of the Order without the consent of Buyer. Reata reserves the right to assign any of its rights or obligations under the Order without the consent of Buyer. Buyer will not assign any of its rights or obligations under the Order without the prior written consent of Reata. Any assignment without Reata's consent will be null and void.

22. Survival

- 22.1 The provisions of the Order that, by their sense and context, are intended to survive performance by either or both parties will also survive the completion, expiration, termination, or cancellation of the Order.

23. Taxes and Charges

- 23.1 Price is exclusive of any custom duties, taxes, levies and similar charges, premium freight costs, customized packaging, disassembly, take-back, proper recycling and disposal of waste or other costs ("Charges").
- 23.2 Any such Charges, which are liable for payment shall be charged by Reata at the prevailing rate at the time of invoicing.

24. Compliance with Laws, Jurisdiction and Venue

- 24.1 The Buyer and Reata must comply with all applicable standards, provisions, and stipulations of all foreign, federal, state, and local laws, rules, regulations, ordinances, and Executive Orders.
- 24.2 The laws of the State of Colorado will govern, construe, and interpret the Order, notwithstanding conflict of laws. If an arbitrator or court determines that terms and conditions in addition to those contained in the Order should be included in interpreting the agreement between the Buyer and Reata, then notwithstanding any contrary Colorado law, the Buyer and Reata agree that any different terms and conditions will be interpreted under Article 2 of the Uniform Commercial Code, section 2-207(2).
- 24.3 The Buyer and Reata elect not to be bound by the United Nations Convention on Contracts for the International Sale of Goods. By ordering the Goods, Buyer acknowledges that it is transacting business at Reata's principal place of business in Englewood, Colorado. The federal and state courts in the State of Colorado will have exclusive jurisdiction over all disputes and controversies arising out of the Order. Venue will be proper in Englewood, Colorado.

25. Export Compliance

- 25.1 Reata is subject to U.S. export and import laws and regulations, including without limitation the International Traffic in Arms Regulations (ITAR). Buyer agrees that it will not export, re-export, release or otherwise transfer, directly or indirectly, Goods and/or technical data, provided by Reata in violation of U.S. law.
- 25.2 Buyer is responsible for obtaining any necessary U.S. government authorization required to ensure compliance of Buyer with U.S. law. Buyer represents and warrants that any export controlled Goods or information that are subject to U.S. export controls will be appropriately marked or otherwise labeled in accordance with U.S. law.
- 25.3 Orders requiring Reata to obtain export licenses may be subject to additional fees and/or minimum order requirements.

26. Modification and Merger

- 26.1 The Order may be modified only by a written agreement that is expressly designated as an amendment to the Order and is signed by both the Buyer and Reata.
- 26.2 The Order comprises the entire agreement between the Buyer and Reata and supersedes all prior or contemporaneous oral and written understandings, agreements, negotiations, representations, warranties, and communications between the Buyer and Reata.