

1. NO ADDITIONAL TERMS AND CONDITIONS. This Purchase Order is an offer to the party identified as Supplier on such Purchase Order ("Supplier") to contract on the terms set forth herein, and any additional or different terms proposed by Supplier are specifically rejected, unless expressly agreed to in writing and signed by a representative of Southwest Airlines Co., ("Southwest"), notwithstanding Southwest's acceptance of delivery or payment for products and/or services. No verbal agreement or other understanding shall in any way modify these Purchase Order Terms and Conditions. In the event Southwest transmits a Purchase Order to Supplier which does not contain these Purchase Order Terms and Conditions, Supplier acknowledges that, prior to Acceptance of such Purchase Order, it has had an opportunity to review and agrees to these Purchase Order Terms and Conditions. If this Purchase Order is issued in connection with a written agreement between Southwest and Supplier, the terms and conditions of such agreement shall govern where inconsistent herewith.

2. ACCEPTANCE OF PURCHASE ORDER. This Purchase Order is not an expression of acceptance of any offer made to Southwest by Supplier. This Purchase Order is subject to immediate acceptance by Supplier. Any performance by Supplier hereunder shall be deemed an acceptance by Supplier, without exception, of these Purchase Order Terms and Conditions. Southwest expressly limits any acceptance to the terms set forth on the face and reverse of this Purchase Order and any attachment hereto.

3. SOUTHWEST'S RIGHT TO CHANGE OR CANCEL. Southwest may issue Change Orders modifying previously issued Purchase Orders. If the Change Order affects items ordered, prices, performance, or delivery dates, such changes will be effective upon Supplier's receipt of the Change Order. Southwest may cancel this Purchase Order (a) if Supplier refuses or fails to deliver products or perform the service within the "Need By" date specified in this Purchase Order or within any extension thereof; (furthermore, whenever any event delays or threatens to delay the timely performance of this Purchase Order, Supplier will immediately notify Southwest of such event and furnish all relevant details; receipt by Southwest of such notice will not constitute a waiver of the Need By date or any rights hereunder); or (b) in the event of any suspension of payment or the institution of any proceedings by or against Supplier, voluntary or involuntary, in bankruptcy or insolvency or under the provisions of the United States Bankruptcy Code, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors, of the property of Supplier; or (c) at any time, upon 30 days prior written notice.

4. SHIPPING INSTRUCTIONS. Supplier shall ship in accordance with Southwest's Shipping Instructions, of which Supplier acknowledges receipt in connection with its Vendor Enablement process with Southwest. Shipments shall be suitably packaged to prevent damage, and Supplier shall impose no additional charges, including cartage, boxing expenses, etc. unless approved in writing by Southwest prior to Supplier's acceptance of this Purchase Order. Supplier shall reference this Purchase Order number (and line number, where applicable) on all shipments, packing slips, shipping labels, bills of lading, freight bills, correspondence, and all other documentation pertaining to this Purchase Order. For each shipment, Supplier shall furnish a receipted bill of lading, packing slip or other documentation required by Southwest as evidence of shipment. Southwest's count or weight of the products purchased pursuant to this Purchase Order shall be final and conclusive.

5. INSPECTION AND ACCEPTANCE. All products or services ordered pursuant to this Purchase Order shall be subject to final inspection and acceptance by Southwest. Any products or services which do not conform in all respects with the specifications set forth on this Purchase Order or which contain defective material and/or workmanship may be rejected by Southwest irrespective of the date payment is made for such products or services. Southwest may allow Supplier the opportunity to correct such rejected service. Southwest may hold any such products rejected for cause until it receives Supplier's

instructions for return shipment, or Southwest may return such rejected products to Supplier at Supplier's expense; furthermore, Supplier shall promptly refund all payments made by Southwest for such products or service rejected for cause. Supplier will bear all risk of loss, damage or destruction to the ordered goods until final acceptance of the goods by Southwest at destination. Supplier will bear the same risk with respect to any goods rejected by Southwest.

6. **WARRANTY.** Supplier warrants that all services rendered hereunder shall be rendered in a workmanlike manner and in conformance with the specifications on this Purchase Order (if any). Supplier warrants that it has good title to the products delivered hereunder and that such products are free and clear from all liens and encumbrances and new and not previously sold. Supplier warrants that all products delivered hereunder shall be free from defects in materials and workmanship, defects inherent in the design thereof in view of the state of the art as of the date of such design, that all products shall conform in all respects with the specifications set forth on this Purchase Order, and to the extent that such products are not manufactured pursuant to detailed designs furnished by Southwest, that all products shall be free from defects arising from the selection of material or manufacturing process, and suitable for the intended purposes. Without prejudice to any other remedy which Southwest may have, Supplier shall be responsible for and bear the expense of any necessary correction or adjustment due to defects in materials or workmanship, or due to design defects, or to the extent that such products and/or services do not conform in all respects with the specifications set forth on this Purchase Order. Supplier shall promptly repair, replace, or accept a return and refund to Southwest the amounts paid for any good or deliverables that fail to conform to the foregoing warranty. In addition, Supplier shall promptly re-perform any non-conforming services, or if unable to successfully re-perform, shall promptly refund to Southwest all amounts paid for non-conforming services. Supplier further warrants that all products delivered or services rendered pursuant to this Purchase Order shall be delivered or rendered in compliance with federal, state and local statutes, ordinances, regulations, common law and rules (hereinafter collectively referred to as the "law") of any authority having jurisdiction over the subject matter hereof. Supplier shall refrain from doing any act, which causes Southwest's agents or employees to be non-compliant with the law. Supplier further warrants that products and services delivered or provided pursuant to this Purchase Order do not infringe, or constitute an unauthorized use of any United States or foreign letters patent, copyright, or trademark, or trade secrets (hereinafter collectively referred to as "Intellectual Property"). Supplier agrees to defend against and shall indemnify Southwest and hold Southwest harmless against any and all claims, suits, actions, or proceedings, in law or in equity against Southwest, its successors, assigns, customers, and users of any products delivered hereunder, arising out of the actual or alleged breach of any of Supplier's warranties hereunder, and Supplier further agrees to pay and discharge any and all judgments, decrees, penalties, and settlements which may be rendered or reached in any and all such claims against Southwest, its successors, assigns, customers, and users of any products delivered hereunder. Supplier agrees to file no patent application in connection with any designs developed by Southwest and incorporated in the manufacture of products for Southwest, unless prior written approval is given to Supplier by Southwest.

7. **INVOICES, PAYMENTS, AND TAXES.** Supplier shall submit invoices for each shipment of product or performance of service to Southwest no earlier than the date of shipment or performance of service, as the case may be, in accordance with the "Bill To" instructions on this Purchase Order. Supplier shall reference this Purchase Order number and line number(s) on all invoices pertaining to this Purchase Order. Terms of payment (including prompt-payment discounts) shall begin to accrue from Invoice Date. Southwest assumes no liability for the payment of any products shipped or services rendered unless shipped or rendered pursuant to a duly authorized and issued Purchase Order. Unless otherwise

set forth herein, the price for products and/or services purchased pursuant to this Purchase Order does not include sales, use, excise, or similar taxes. All such taxes shall be referenced separately on Supplier's invoice unless otherwise requested by Southwest. Supplier shall pay and shall be liable for taxes based on its net income or capital or any franchise taxes, margin taxes, gross receipts taxes, excess profit taxes, or other taxes levied on its business imposed by any federal, state or local government in connection with this Purchase Order. If a claim is made against Supplier for a Southwest tax liability, Supplier shall promptly notify Southwest, and Supplier shall not pay such taxes unless Supplier relieves Southwest of all liability for the taxes related to the claim. Southwest may set off against any amounts payable to Supplier all present and future indebtedness of Supplier to Southwest arising from this or any other transaction or occurrence.

8. CONFIDENTIAL INFORMATION. Supplier shall treat any Confidential Information (as defined in this Section) of Southwest as proprietary and confidential, and neither use, copy, or disclose, nor permit any employee of Supplier or other third party to use, copy, or disclose, such confidential information, except as necessary to fulfill Supplier's obligations pursuant to this Purchase Order. For purposes of this Purchase Order, "Confidential Information" shall mean any information designated by Southwest to Supplier as confidential or any information of Southwest that Supplier should reasonably consider to be confidential.

9. EQUAL OPPORTUNITY. It is the policy of Southwest to administer all company actions and procedures without regard to race, color, religion, sex or national origin. Supplier agrees in accepting this offer to abide by all provisions of this policy, and of Executive Order No. 11246, and the rules and regulations pertaining thereto, including without limitation the provisions of 41 C.F.R. 60-1.4.

10. SUPPLIER DIVERSITY COMMITMENT. Supplier agrees to comply with Southwest's supplier diversity program. By fulfilling the terms of this Purchase Order, Supplier acknowledges and agrees to the following: If the products or services provided pursuant to this Purchase Order are other than commercial components or commercial items, as those terms are defined at 48 C.F.R. 2.101, Supplier shall comply with the applicable requirements of Federal Acquisition Regulation ("FAR") Clause 52.219-8 ["Utilization of Small Business Concerns"] in all subcontracts over \$150,000 that offer further subcontracting opportunities. Further, if the products or services provided pursuant to this Purchase Order are other than commercial components or commercial items, as those terms are defined at 48 C.F.R. 2.101, and the value of such products and services exceeds \$700,000 (\$1,500,000 for construction contracts for public facilities), Supplier (unless itself a Small Business Concern) shall adopt a small business subcontracting plan that complies with the requirements of FAR Clause 52.219-9, "Small Business Subcontracting Plan." If the value of the products and services provided pursuant to this Purchase Order is equal to or greater than \$100,000, Supplier shall comply with the applicable requirements of FAR Standard Clause 52.222-35, 48 C.F.R. 52.222-35, "Equal Opportunity for Veterans." If the value of the products and services provided pursuant to this Purchase Order exceeds \$15,000, Supplier shall comply with the applicable requirements of FAR Standard Clause 52.222-36, 48 C.F.R. 52.222-36, "Affirmative Action for Workers with Disabilities."

11. REQUIRED INSURANCE. During the 5 year period following delivery of product or performance of service, Supplier, at its own expense, shall procure and maintain policies of insurance to include the following coverage: (a) Workers' Compensation Insurance for its own employees that meets the statutory limits of the states in which Supplier operates and all federal statutes and regulations; (b) Employer's Liability of not less than \$2,000,000 combined single limit per occurrence; (c) General Commercial Liability of not less than \$2,000,000 relating to such Product including personal injury and

property damage for each occurrence and in the aggregate per policy year. This insurance shall be procured from an insurance company that is rated as least A-VIII or better by the then-current edition of the Best Insurance Reports published by the A.M. Best Co. and shall include (a) product and complete operations liability coverage, (b) contractual liability coverage for the liabilities assumed by Supplier under this Purchase Order, and (c) care, custody or control of Supplier. Southwest is to be named as additional insureds as its interest may appear under the aforementioned policies. Nothing in this Section shall be deemed to limit Supplier's liability to the amounts stated above or to limit any coverage of Supplier's insurance policies. Supplier shall furnish to Southwest a Certificate of Insurance evidencing all such coverages immediately upon receipt of this Purchase Order and within 30 days prior to the effective date of any modification or termination of coverage via e-mail to Insurance@wnco.com.

12. AUDIT RIGHT. Supplier agrees to maintain accurate business records and account information relating to this Purchase Order, including records relating to shipping, billing, and payments, and to retain the same for a period of at least 3 years from the date this Purchase Order. All such records may be audited or inspected by Southwest's representatives upon reasonable notice at all reasonable times.

13. LICENSE. All services rendered by Supplier, and its affiliates and subcontractors and their respective employees, officers, directors and shareholders, and the product or proceeds of such services, including, but not limited to (a) any written or computer coded materials manifested in documentation, systems design, disks, tapes, drawings, reports, specifications, notebooks, recommendations, data and memoranda, and (b) any and all inventions which are developed and any and all improvements, implementations, developments and reductions to practice of the subject matter performed by or for services (collectively the "Work Product") shall be solely owned by Supplier. Supplier hereby grants to Southwest a nonexclusive, royalty-free, perpetual, irrevocable, transferable, worldwide license, with the right to grant and authorize sublicenses to third parties solely for the benefit of Southwest), to make, have made, use, reproduce, and modify such Work Product solely in connection with Southwest's business purposes. For the avoidance of doubt, Southwest retains ownership of any of its materials, information, and intellectual property provided to Supplier under this Purchase Order.

14. MISCELLANEOUS. No remedy herein provided shall be deemed exclusive of any other remedy allowed by law or equity. Southwest shall not grant Supplier, and Supplier shall not otherwise obtain, any purchase money security interest in any product it supplies by this Purchase Order. This Purchase Order is not assignable by Supplier without the prior written consent of Southwest; any attempt by Supplier to assign this Purchase Order shall render the purported assignment null and void. Supplier shall be considered as an independent contractor and under no circumstance an agent of Southwest. This Purchase Order shall be construed in accordance with the laws of the State of Texas, regardless of conflict of law principles; therefore, all provisions contained within the Uniform Commercial Code pertaining to the sale of products, as adopted by the State of Texas, are in full force and effect as of the date hereof. Supplier shall neither use Southwest's name, trade names, or trademarks in publicity releases or advertising, including customer lists, or for other purposes, nor disclose the fact that Southwest has issued to Supplier this Purchase Order, or any of its terms, without obtaining the prior written consent of Southwest. All notices required hereunder shall be deemed sufficient and binding upon Supplier when forwarded by U.S. Mail, postage prepaid, to Southwest addressed as follows: Southwest Airlines Co., Procurement Department -- M/S HDQ-7PD, 2702 Love Field Drive, Dallas, TX 75235. Time is of the essence for all goods or services provided under this Purchase Order. Supplier shall furnish goods and services as an independent contractor and not as an employee or agent of Southwest. These Purchase Order Terms and Conditions constitute the entire understandings between Southwest and Supplier with respect to the products and services contained

herein and supersede any prior understandings and agreements, written or oral, between them respecting such subject matter.

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