

# Purchasing Terms and Conditions

Revision A

Date: 3/15/2022

## 1. ACCEPTANCE

Seller has read and understands this order and agrees that Seller's written acceptance or commencement of any work or service under this order shall constitute Seller's acceptance of these terms and conditions only. All terms and conditions proposed by Seller which are different from or in addition to this order are unacceptable to Buyer; are expressly rejected by Buyer, and shall not become part of this order, unless agreed to in writing by an officer of Buyer.

## 2. SHIPPING AND BILLING

Seller agrees: (a) to properly pack, mark and ship goods in accordance with the requirements of Buyer and involved carriers in a manner to secure lowest transportation cost; and (b) to make no charge for handling, packaging, storage or transportation of goods unless otherwise stated in this order.

## 3. DELIVERY SCHEDULES

Deliveries shall be made both in quantities and at times specified in Buyer's schedules. Buyer shall not be required to make any payment for goods delivered to Buyer which are in excess of quantities specified in Buyer's delivery schedules. Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price for goods or services covered by this order.

## 4. PREMIUM SHIPMENTS

If Seller's acts or omissions result in Seller's failure to meet Buyer's delivery requirements and Buyer requires a more expeditious method of transportation for the goods than the transportation method originally specified in Buyer's delivery schedules. Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price for goods or services covered by this order.

## 5. CHANGES

Buyer reserves the right at any time to direct changes or cause Seller to make changes, to drawing and specifications of the goods or to otherwise change the scope of the work covered by this order, including work with respect to such matters as inspection testing or quality control and Seller agrees to promptly make such changes; any difference in price or time for performance resulting from such changes shall be equitably adjusted by Buyer after receipt of documentation in such form and detail as Buyer may direct.

*A. Seller agrees to make no change to product and/or process to make such product supplied to G3 Aerospace without prior written approval from G3 Aerospace's VP of Quality Assurance or an Executive Officer of G3 Aerospace.*

## 6. NONCONFORMING GOODS

To the extent Buyer rejects goods as nonconforming, the quantities under this order will automatically be reduced unless Buyer otherwise notifies Seller. Seller will not replace quantities so reduced without a new order or schedule from Buyer. Nonconforming goods will be held by Buyer for disposition in accordance with Seller's instructions, at Seller's risk. Seller's failure to provide written instructions within ten (10) days, or such shorter period as may be

commercially reasonable under the circumstances, after notice of nonconformity shall entitle Buyer, at Buyer's option, to charge Seller for storage and handling, or to dispose of the goods, without liability to Seller. Payment for nonconforming goods shall not constitute an acceptance, limit or impair Buyer's right to assert any legal or equitable remedy, or relieve Seller's responsibility for latent defects.

## **7. COUNTERFEIT PARTS PREVENTION**

For purposes of this Order, "Counterfeit Part" means a product or separately identifiable component that: (i) is produced or altered to resemble or imitate an original or genuine product or new item without the authority or right to do so; (ii) does not contain the proper external or internal materials or components required by the original equipment manufacturer or original component manufacturer (collectively, "OEM"), nor constructed in accordance with the OEM's specification; (iii) are not traceable to an OEM sufficient to ensure authenticity in the OEM design or manufacture; (iv) has not successfully passed all OEM required testing, verification, screening, and quality control processes; or (v) may be of new manufacture, but are misleadingly labeled to provide the impression they are of a different class or quality or from a different source than is actually the case. A part is a suspect Counterfeit Part if visual inspection, testing, or other information provide reason to believe that the part may be a Counterfeit Part.

Seller represents and warrants that only new and authentic materials are used in Products to be delivered to Buyer under this Order and that the Products delivered contain no Counterfeit Parts or suspect Counterfeit Parts.

Seller shall only purchase products to be delivered or incorporated as Products to Buyer directly from the OEM, or through an OEM authorized distributor chain. Such products shall not be acquired from independent distributors or brokers unless approved in advance in writing by Buyer. Seller must make available to Buyer, at Buyer's request, OEM documentation that authenticates traceability of the components to the applicable OEM.

Seller shall immediately notify Buyer with the pertinent facts if Seller becomes aware that it has furnished Counterfeit Parts or suspect Counterfeit Parts to Buyer. Seller shall cooperate with Buyer in any investigation relating to such Counterfeit Parts or suspect Counterfeit Parts, including the impounding by Buyer or government agencies of the Counterfeit Parts or suspect Counterfeit Parts for purposes of investigation.

This clause applies in addition to any quality provision, specification, statement of work or other provision included in this Order addressing the authenticity of Products. To the extent such provisions conflict with this clause, this clause shall prevail.

In the event that Products delivered under this Order constitutes or includes Counterfeit Parts or suspect Counterfeit Parts, Seller shall, at its expense, promptly replace such Products so as to conform to the requirements of this Order. Notwithstanding any other provision in this Order, Seller shall be liable for all costs relating to Counterfeit Parts or suspect Counterfeit Parts and the cost of rework or corrective action that may be required to remedy the use or inclusion of such parts, including without limitation Buyer's and Buyer's Customer's costs of removing Counterfeit Parts, of installing replacement Products and of any testing necessitated by the reinstallation of the Products after Counterfeit Parts have been exchanged. All such costs shall be deemed direct damages. The remedies contained in this paragraph are in

addition to any remedies Buyer may have at law, equity or under other provisions of this Order.

Seller shall include the requirements of this paragraph or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Products to Buyer.

#### **8. WARRANTY**

Seller warrants the goods and services covered by this order unconditionally for a period of not less than one (1) year from receipt by Buyer, unless a different period is agreed in writing between Seller and Buyer. Seller also warrants that all goods or services covered by this order will conform to the specifications, drawings, samples, or descriptions furnished to or by Buyer, and will be merchantable, of good material and workmanship and free from latent defects. In addition Seller acknowledges that Seller knows of Buyer's intended use and expressly warrants that all goods covered by this order which have been selected, designed, manufactured, or assembled by Seller, based upon Buyer's stated use, will be fit and sufficient for the particular purpose intended by Buyer.

#### **9. CANCELLATION FOR BREACH**

Buyer reserves the right to cancel all or any part of this order, without liability to Seller, if Seller (a) repudiates or breaches any of the terms of this order, including Seller's warranties; (b) fails to perform services or deliver goods as specified by Buyer; or (c) fails to make progress so as to endanger timely and proper completion of services or delivery of goods, and does not correct such failure or breach within ten (10) days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying such failure or breach.

#### **10. TERMINATION**

In addition to any other rights of Buyer to cancel or terminate this order, Buyer may at its option immediately terminate all or any part of this order, at any time and for any reason, by giving written notice to Seller. Upon such termination, Buyer shall pay to Seller the following amounts without duplication: (a) the order price for all goods or services which have been completed and delivered in accordance with this order and not previously paid for; and (b) the actual cost of work-in-process and raw materials incurred by Seller in furnishing the goods or services under this order to the extent such costs are reasonable in amount and are properly allocated or apportionable under generally accepted accounting principles to the terminated portion of this order, less, however, the reasonable value or cost (whichever is higher) of any goods or materials used or sold by Seller with Buyer's written consent, and the cost of any damaged or destroyed goods or material. Buyer will make no payments for finished goods, work-in-process or raw materials fabricated or procured by Seller in amounts in excess of those authorized in delivery releases nor for any undelivered goods which are in Seller's standard stock or which are readily marketable. Except as provided in this Paragraph, Buyer shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unauthorized depreciation costs, and general and administrative burden charges from termination of this order. Within sixty (60) days from the effective date of termination, Seller shall submit a comprehensive termination claim to Buyer, with sufficient supporting dates to permit Buyer's audit, and shall thereafter promptly furnish such supplemental and supporting information as Buyer shall request. Buyer, or its agents, shall have the right to audit and

examine all books, records, facilities, work, material, and other items relating to any termination claim of Seller.

#### **11. INTELLECTUAL PROPERTY**

Seller agrees: (a) to defend, hold harmless and indemnify Buyer, its successors and customers against all claims, demands, losses, suits, damages, liability and expenses (including reasonable attorney fees) arising out of any suit, claim or any action for actual or alleged direct or contributory infringement of inducement to infringe, any United States or foreign patent, trademark or copyright, or mask work right by reason of the manufacture, use or sale of the goods or services ordered, including infringement arising out of compliance with specifications furnished by Buyer, or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Seller's actions; (b) to waive any claim against Buyer under the Uniform Commercial Code or otherwise, including any hold harmless or similar claim, in any way related to a claim asserted against Seller or Buyer for patent, trademark, copyright or mask work right infringements or the like, including claims arising out of compliance with specifications furnished by Buyer; and (c) to grant to Buyer a worldwide, nonexclusive, royalty-free, irrevocable license to repair and have repaired the goods ordered hereunder.

#### **12. CONFIDENTIAL INFORMATION**

During the course of this order, either party may have or may be provided access to the other's confidential information and materials. Provided such are marked in a manner reasonably intended to make the recipient aware, or the recipient is sent written notice within forty-eight (48) hours of disclosure, that the information or materials are "Confidential", each party agrees to maintain such information in accordance with the terms of this order or any applicable separate nondisclosure agreement between Buyer and Seller. In the absence of another written agreement, at a minimum each party agrees to maintain such information in confidence and limit disclosure on a need to know basis, to take all reasonable precautions to prevent unauthorized disclosure, and to treat such information as it treats its own information of a similar nature, until the information becomes rightfully available to the public through no fault of the non disclosing party. The parties agree that neither will disclose the existence of this order, nor any of its details or the existence of the relationship created by this order, to any third party without the specific, written consent of the other.

#### **13. INDEMNIFICATION**

Seller shall for itself and its assigns, indemnify and hold Buyer and its officers, directors, employees, and agents, harmless from and against any claims of any kind whatsoever, including reasonable attorneys fees and related expenses, which in any manner are caused by, arise from, or are incident to Seller's performance of this Agreement. This includes, but is not limited to, contractual claims for breach; labor and employment law claims; governmental obligations, such as, but not limited to, obligations under the laws pertaining to social security, unemployment insurance, worker's compensation, income tax and other reports, deductions, and withholdings required by state and federal law; and injury or death to persons and damage to property, except only claims caused solely by Seller's negligence or willful misconduct.

#### **14. INSURANCE**

Seller shall maintain insurance coverage in amounts not less than the following: (a) Workers' Compensation-Statutory Limits for the state or states in which this order is to be performed (or evidence of authority to self-insure); (b) Employer's Liability – \$250,000; (c) Comprehensive General Liability (including Products/Completed Operations and Blanket Contractual Liability) – \$1,000,000 per person, \$1,000,000 per occurrence Personal Injury, and \$1,000,000 per occurrence Property Damage, or \$1,000,000 per occurrence Personal Injury and Property

Damage combined single limit, and (d) Automobile Liability (including owned, non-owned and hired vehicles)-\$1,000,000 per person, \$1,000,000 per occurrence Personal Injury and \$1,000,000 per occurrence Property Damage, or \$1,000,000 per occurrence Personal Injury and Property Damage combined single limit. At Buyer's request Seller shall furnish to Buyer certificates of insurance naming Buyer as insured, setting forth the amount(s) of coverage, policy number(s) and date(s) of expiration for insurance maintained by Seller and, if further requested by Buyer, such certificates will provide that Buyer shall receive thirty (30) days prior written notification from the insurer of any termination or reduction in the amount or scope of coverage's.

#### **15. BAILED PROPERTY**

All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment and other items furnished by Buyer, either directly or indirectly, to Seller to perform this order, or for which Seller has been reimbursed by Buyer, shall be and remain the property of Buyer. Seller shall bear the risk of loss of and damage to Buyer's property. Buyer's property shall at all times be properly housed and maintained by Seller; shall not be used by Seller for any purpose other than the performance of this order; shall be deemed to be personal property; shall be conspicuously marked "G3 Aerospace, LCC" by Seller; shall not be commingled with the property of Seller or with that of a third person; and shall not be moved from Seller's premises without Buyer's prior written approval. Upon the request of Buyer, such property shall be immediately released to Buyer or delivered to Buyer by Seller, either: (i) F.O.B. transport equipment at Seller's plant, properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property; or (ii) to any location designated by Buyer, in which event Buyer shall pay to Seller the reasonable cost of delivering such property to such location. Buyer shall have the right to enter onto Seller's premises at all reasonable times to inspect such property and Seller's records with respect thereto.

#### **16. ATTORNEY FEES**

The prevailing party in any action to enforce the obligations of either party hereunder shall be entitled to receive, in addition to any other recovery, attorney's fees related to such enforcement.

#### **17. OBSOLESCENCE AND SUPPORT**

Seller shall ensure that any items sold hereunder shall be available, whether in their original form or as a replacement acceptable to Buyer, for a period of no less than ten (10) years after the sale of the first such item. Seller shall support all Items sold hereunder with adequate spare parts and service for the life of the items.

#### **18. NON-ASSIGNMENT**

Seller may not assign or delegate its obligations under this order without Buyer's prior written consent.

#### **19. GOVERNING LAW**

This order is to be construed according to the laws of the state from which this order issues as shown by the address of Buyer on the face side of this order.

#### **20. ORDER OF PRECEDENCE**

In the event the Parties have executed an LTA, these Terms and Conditions shall also apply to the LTA. In the event of any conflict between the LTA, these Terms and Conditions, and any supplemental terms, the order of precedence shall be as follows: (i) LTA; (ii) Supplemental

Terms (iii) any other supplemental terms referenced in the Order; and (iv) these Terms and Conditions.

## **21. ENTIRE AGREEMENT**

This order, together with the attachments, exhibits, or supplements specifically referenced in this order, constitutes the entire agreement between Seller and Buyer with respect to the matter contained herein and supersedes all prior oral or written representations and agreements. This order may only be modified by a purchase order amendment alteration issued by Buyer. If this order is for services, including non-recurring engineering, the following terms and conditions also apply:

## **22. NEW DEVELOPMENTS**

Seller agrees that all inventions, improvements, developments, and discoveries conceived, made, or discovered by Seller solely or in collaboration with others, in the course of its development of deliverables for Buyer hereunder as well as all patents, copyrights, trade secrets, trademarks, and other intellectual property rights therein and thereto (collectively, "Developments"), are the sole property of Buyer. Seller agrees to assign (or cause to be assigned) and does hereby assign fully to Buyer all such Developments.

Seller agrees to assist Buyer, or its designee, at Buyer's expense, in every proper way to secure Buyer's right in the Developments, including the disclosure to Buyer of all pertinent information and data with respect thereto and the execution of all applications, specifications, oaths, assignments, and all other instruments which Buyer may deem necessary in order to apply for and obtain such rights and in order to assign and convey to Buyer, its successors, assigns, and nominees the sole and exclusive rights, title, and interest in and to such Developments. Seller further agrees that Seller's obligation to execute or cause to be executed, when it is in Seller's power to do so, any such application, specification, oath assignment, or other instrument shall continue after the termination of this purchase order. Seller further agrees to assist Buyer in enforcing all patents, trademarks, copyrights, trade secrets, or other ownership rights to protect Buyer's exclusive interest in Developments.

Buyer acknowledges and agrees that Seller shall retain sole and exclusive ownership of, and/or unrestricted right to license, any invention, improvement, development, discovery, or other proprietary information owned by Seller or in which Seller has an interest ("Seller IP"). Notwithstanding the foregoing, Seller agrees that if in the course of performing hereunder, Seller incorporates any Seller IP into any Development developed hereunder, Buyer is hereby granted and shall have a nonexclusive, royalty free perpetual, irrevocable, worldwide license, including the right to sublicense, under any such Seller IP to make, have made, use, reproduce, sell, or otherwise distribute such Seller IP as part of or in connection with such Development.