

## **PURCHASE ORDER TERMS AND CONDITIONS**

These Purchase Order Terms and Conditions (the "Terms and Conditions") apply to any Purchase Order ("PO") issued by Consolidated Aerospace Manufacturing, LLC, or its affiliates ("Buyer") that is not governed by a written Master Purchase Agreement entered into between Buyer and the vendor or seller named on the PO (the "Supplier"). "Affiliates" shall mean any company directly or indirectly owned or controlled by CAM, including but not limited to Bristol Industries, LLC, 3V Fasteners Company, Inc., AeroFit, LLC, QRP, Inc., Voss Industries, Inc., and Moeller Manufacturing & Supply, Inc. Supplier's commencement of performance pursuant to or acknowledgment by electronic mail or otherwise of Buyer's PO constitutes Supplier's acceptance of these Terms and Conditions without modification, alteration, deletion, or addition notwithstanding any contrary terms or provisions which may appear in or on any form or document produced by Supplier. Any additional or different terms in any form, document, or acknowledgement prepared and sent to Buyer from Supplier are expressly rejected by Buyer and will not be deemed accepted by Buyer unless Buyer responds in writing to the additional or different term and such writing specifically approves the additional or different term. The manufactured materials or goods described in the PO to be delivered by Supplier to Buyer are referred to in these Terms and Conditions as the "Goods."

### **1) Price; Payment Terms**

A separate original invoice is required for each shipment under the PO. Buyer will pay for the Goods within forty-five (45) days after the later of the date of Buyer's receipt of the applicable invoice or the date acceptable Goods are received by Buyer (but not earlier than the specified delivery date). Supplier warrants that the prices charged to Buyer are no higher than the lowest prices charged to any other customer during the past twelve (12) months for the same or comparable Goods.

The price will reflect shipping [F.O.B. Buyer's facility.] Buyer will not accept C.O.D. shipments. Unless otherwise agreed to by Buyer in writing, Supplier will be responsible for payment of all charges for handling, shipping, packaging, wrapping, bags, container, boxing, crating, labeling, customs and duties, taxes (except for state sales tax, if any), storage, insurance and other related matters. Supplier will cause all Goods to be insured for the full value during all phases of packaging and delivery and such insurance will remain in place until such time as Buyer has accepted delivery of Goods at its facility.

The price includes all taxes directly applicable to the Goods unless otherwise specified. Notwithstanding the foregoing, Buyer will only be liable for such federal, state, and local taxes that Supplier is required by law to collect from Buyer.

### **2) Specifications**

Supplier will comply with any specifications stated on the face of the PO and with any applicable specifications of Buyer's customer. Supplier may obtain copies of any applicable specifications upon written request to Buyer.

### **3) Quality Management System**

Seller will establish and maintain a quality control system acceptable to CAM and relevant to the Product. Processes, product, services, or supplies are to the latest revision unless otherwise stated. Supplier shall inform Buyer of changes in processes, product, services, or supplies, including changes of their external providers of location of manufacture, processing and approvals prior to processing and shipping to Buyer, and when applicable, obtain Buyer approval. Supplier shall have adequate controls to prevent the shipment of counterfeit processes, product, services, or supplies to Buyer.

### **4) Buyer Inspections**

Buyer's rights to perform inspections, surveillance, and tests and to review procedures, practices, processes, and documents related to quality assurance, quality control, and configuration control at

Supplier's facility or its subcontractor's facility, a right which Supplier hereby grants to Buyer, will extend to Buyer's customers. Supplier will cooperate with any government-directed or Buyer-directed inspection, surveillance, test or review, without additional charge to Buyer. Nothing in these Terms and Conditions will be interpreted to limit United States Government access to Supplier's facilities pursuant to law or regulation.

Verification by Buyer, Buyer's customers, representatives, or regulatory authorities shall not absolve the Supplier of the responsibility to provide acceptable processes, product, services, or supplies. Nor shall it preclude subsequent rejection by the Buyer.

## **5) Supplier Inspections**

Supplier will inspect and otherwise verify that all Goods, including those components procured from or furnished by others, comply with the requirements of the law, the specifications and the PO prior to shipment. Supplier is responsible for all tests and inspections. Supplier agrees to furnish copies of test and/or control in data upon request of Buyer. Supplier must assure Buyer in writing that all Goods and production comply with Buyer's Quality Assurance and Product Data (DPD) surveys and that the Goods are processed and shipped in compliance with the latest version of Buyer's specifications. Further, Supplier warrants that Goods have been inspected per the defined standard process unless an alternative process is specifically noted on the PO. Supplier will maintain all quality documentation for a period of ten (10) years, which records must directly reflect that all Goods were produced in accordance with applicable specifications. Quality documentation includes all inspection records and any other document which furnishes objective evidence of the fulfillment of the requirement for quality.

Acceptance sampling is a method to reduce cost of inspection while ensuring an acceptable quality level. Acceptance sampling can only be used as a means of ensuring conformance to requirements, not for quality improvement. All plans must have a "zero acceptance" number. The lot shall be rejected if a nonconformance is discovered in the sample. If a nonconformance is found in the sample, inspect all pieces in the lot for the nonconformance that had been noted and remove all nonconforming pieces from the lot. The sampling plan and tests shall be performed in accordance with the applicable print or specification. If sample size is not specified on the print or specification, please contact the Buyer.

Gage and Test Equipment shall be controlled and calibrated to ANS/ISO/IEC 17025 and/or ANSI/NCSL Z 540-2 or equivalent.

Plating – All individual lots must be processed in the same plating tank or bath.

Heat Treaters – Each load must be individually inspected and tested.

## **6) Change Orders**

Buyer may at any time, by written notice to Supplier, make changes in the drawings, specifications, quantities, delivery schedules, shipping instructions, and other terms and conditions under a PO. Supplier will immediately comply with any such change. If any such change increases or decreases the cost of performing or the time required for performance of the PO, an equitable adjustment in prices and/or schedules will be considered by Buyer provided that any claim by Supplier for such adjustment is presented in writing with supporting documentation to Buyer within two (2) business days from the date of Buyer's notice to Supplier. No changes whatsoever will be initiated by Supplier without Buyer's written approval.

## **7) Subcontracting and Mandatory Flow Down**

Supplier will not enter into a subcontract for manufacture or procurement of any Goods without first obtaining Buyer's prior written approval. This does not, however, preclude Supplier from purchasing raw materials from subtiers as long as such raw materials are in compliance with the specifications standards and rules of the PO and the Supplier and its subtiers must comply with all mandatory flow down clauses of any customers of Buyer or otherwise which are applicable to Buyer and the Goods, including special requirements, critical items or key characteristics where required

## **8) Ownership of Intellectual Property**

Buyer retains title and ownership of all information, patents materials and intellectual property (“Buyer IP”) furnished to Supplier or developed by Supplier in connection with performance of the PO, and the same will be: (i) treated as and will legally become Buyer’s sole property segregated from Supplier’s property, and individually marked and identified as Buyer’s property; (ii) used by Supplier exclusively for the purpose of completing the PO, and (iii) returned to Buyer at Buyer’s direction or upon completion, termination, or cancellation of the PO, along with all copies or reproductions, unless otherwise agreed in writing by Buyer. Except as noted in this paragraph, all work product and intellectual property developed in relation to Goods for sale to Buyer in conjunction with the performance of a PO is and will be the sole property of Buyer and that Buyer will have all rights therein or arising from such and the same will also be deemed Buyer’s IP. To the extent all rights in Buyer IP do not automatically vest in Buyer, Supplier and each employee or subcontractor of Supplier hereby assigns and grants to Buyer all of the right, title, and interest of every kind and nature in any IP, without additional compensation for doing so, in a manner that will enable Buyer to fully secure the applicable Buyer IP rights. Supplier and each of its employees waive any and all of their respective intellectual property rights in the Buyer IP. Buyer IP does not include Supplier’s background patent and intellectual property rights. Supplier grants to Buyer an irrevocable, non-exclusive and world-wide license of all intellectual property owned or controlled by Supplier, but only to the extent that such intellectual property rights would interfere with Buyer’s use or enjoyment of the Goods delivered by Supplier.

## **9) Cyber Security**

Supplier shall apply reasonable and appropriate cyber security administrative, technical, physical, organizational, and operational safeguards and operations to protect Buyer’s Data against accidental and unlawful destruction, alteration, and unauthorized or improper disclosure or access regardless of whether such data is on Buyer’s internal systems or a cloud environment.

If Suppliers performance of the contract involves the transmission, storage, or processing of Proprietary Information over a network, Seller shall at a minimum apply the following controls: Controls from FAR 52.204-21 (Basic Safeguarding of Covered Contractor Information Systems).

## **10) Storage of Goods Prior to the Time for Delivery**

Supplier will store Goods at its cost in a safe manner and not subject to environmental degradation until the Goods are ready for shipment to Buyer.

## **11) Packing**

Goods will be suitably prepared for shipment to secure the lowest transportation rates (unless a premium method is specified on the face of a PO) and comply with all carrier regulations. No charges are allowed for packing, crating, freight express, or cartage unless authorized by Buyer. Aluminum clad material must be interleaved with foam, craft paper or similar grade and quality protective packaging. Supplier will ensure that the goods are packaged in accordance with the applicable specifications, or where no packaging requirements are detailed therein, to a standard commensurate with the types of goods being shipped, with due recognition given to the mode of transportation and to the environmental impact of such. In all cases, Supplier must ensure that all packaging meets the requirements of the applicable law. Suppliers packaging method shall ensure that no Foreign Object Debris / Foreign Object Damage (FOD), conditions exist. FOD is any substance, metal, tool, equipment, part container that could potentially cause damage to any direct good. I.E. (FOD – Foreign Object Damage).

## **12) Liens, Claims and Encumbrances**

Supplier warrants and represents that all the Goods when delivered will be free and clear of all liens, claims, encumbrances and infringements of any patents, trademarks, copyrights or franchise rights

### **13) Routing, Risk of Loss, Excess Shipments and Delays**

Time is of the essence in the performance of POs. Supplier will take all necessary action, both normal and extraordinary, to ensure timely deliveries. If Buyer selects the mode of transportation, routing of, and carrier for the Goods on the face of the PO, Supplier will be liable for excess transportation costs resulting from deviation. Supplier will bear the risk of loss until the delivery point specified in the PO or, if not so specified, until delivery at Buyer's dock. If Supplier believes that it will be unable to meet its delivery schedule, Supplier will immediately notify Buyer in writing. Upon receipt of notice of the anticipated delay or upon occurrence of an actual delay, Buyer may (i) direct expedited routing of Goods, with excess costs paid by Supplier, or (ii) cancel the PO and purchase substitute Goods elsewhere.

### **14) Rejection of Goods and Revocation of Acceptance**

Buyer's action in paying for or initially accepting any Goods will not constitute a waiver of any rights or remedies of Buyer, including Buyer's right to revoke acceptance and return any part of the Goods or the right to make a claim for damages because of the failure of the Goods to conform to the PO. For all non-conforming Goods, Supplier will provide Buyer, at Buyer's election, a full refund or replacement of the Goods, at Supplier's risk and expense, including transportation costs both ways. As an example of grounds for rejection, Buyer will not accept hardware marked "FAA-PMA." Buyer may, at its option, purchase substitute Goods in lieu of non-conforming Goods, and Supplier will be liable for the difference in costs, less expenses saved by Buyer. Buyer's rights herein will be in addition to all other rights of Buyer under the PO and applicable law.

### **15) Quality; Warranties**

Supplier warrants that all Goods delivered will strictly conform to the PO (and all applicable Buyer specifications); will be of good design, material, and workmanship; will be free of defects; will be merchantable and fit for their intended purpose; and will meet all applicable industrial and governmental safety standards. Supplier further warrants that Supplier will have title to and the right to sell such Goods at the time of delivery, and that all such Goods will be new (unless otherwise specified in the PO) at the time of delivery. Supplier will also transfer to Buyer the warranties on goods and services incorporated into Goods. All warranties will survive any inspections, delivery, acceptance or payment by Buyer, and will run to Buyer, its successors, assigns, customers and users of Goods. Buyer may, at its option and without cost to Buyer, either (i) return for credit or refund any defective or nonconforming Goods, (ii) require prompt correction or replacement of the defective or nonconforming Goods, or (iii) repair the defective or nonconforming Goods and charge Supplier for all related repair costs. Return to Supplier of defective or nonconforming Goods and re-delivery to Buyer of corrected or replaced Goods will be at Supplier's expense and Supplier will pay for all other resulting damage, loss or claims arising out of defective or nonconforming Goods. Supplier's warranties with respect to repaired or replaced Goods will be the same as the warranties given with respect to the original Goods. No approval of Supplier's designs, drawings, samples, test results, procedures, processes, schedules or other items by Buyer will in any way limit or diminish Supplier's warranties hereunder.

### **16) Indemnification**

Supplier agrees to defend, indemnify and hold Buyer, including its officers, directors, employees, parent, subsidiaries, affiliates and agents (collectively, the "Indemnified Party"), harmless of and from any claim, loss, cost, damage, settlement or judgment arising out of Supplier's provision of Goods to the Indemnified Party or the presence of Supplier's employees, agents or subcontractors on the Indemnified Party's premises. This duty to defend, indemnify and hold harmless extends to any legal claim or proceeding, whether based on contract, warranty, infringement, strict liability in tort, negligence or other legal theory, and also extends not only to third party claims but also to any loss suffered directly by the Indemnified Party. Buyer is entitled to control Supplier's defense of Buyer hereunder.

## **17) Limitations of Buyer's Liability**

Any liability of Buyer for any breach of any term or condition imposed upon it, whether such term or condition is contained in these Terms and Conditions or otherwise, will not exceed the purchase price for the Goods involved in the alleged breach. Buyer will not under any circumstance be liable for consequential or incidental damages.

## **18) Assignment**

Supplier will not assign or delegate any of its rights or interest in a PO without the prior written consent of Buyer, which consent Buyer will give in its sole and absolute discretion. The prohibition against assignment or delegation includes, without limitation, a change of control of Supplier. Change of control means any of the following transactions: (a) the sale or other transfer to, or acquisition by, any person of securities possessing more than fifty percent (50%) of the total combined voting power of the outstanding securities of Supplier in one or more related transactions; or (b) the sale or other transfer of all or substantially all of the assets of Supplier in one or more related transactions, whether by sale, exchange, merger, consolidation, reorganization, dissolution, or liquidation; or (c) a merger or consolidation (or series of related transactions culminating in a merger or consolidation) (i) in which Supplier is not the surviving entity, except for a transaction the principal purpose of which is to change its state of domicile, or (ii) in which Supplier is the surviving entity but in which securities possessing more than fifty percent (50%) of the total combined voting power of its outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such event. Failure to obtain approval of any assignment, including an involuntary assignment to creditors, will constitute a breach which may lead to termination of any outstanding POs.

## **19) Buyer's Remedies**

All of Buyer's rights and remedies under any PO or at law are cumulative and non-exclusive. In the event of a delivery delay other than due to Force Majeure, in the event Supplier violates these Terms and Conditions, or in the event the Supplier delivers nonconforming Goods (any of these events is hereafter a "Breach"), the parties acknowledge that Buyer will suffer and Supplier will be liable for Buyer's actual costs and damages arising from or relating to the Breach, along with all incidental and consequential damages, and that Buyer may proceed to press its claims against Supplier and, at the same time, pursue corrective actions.

Without limiting the foregoing, in the event of a Breach, Buyer, in its sole and absolute discretion, may elect to pursue any or all legal or equitable rights and claims against Supplier. This includes, as illustration and not as limitation, the right to pursue claims for all damages, expenses, and costs incurred directly or indirectly by the Breach, including any charges or penalties assessed to Buyer by its customer, and the right to terminate the PO with Supplier, as well as a reasonable attorney fee for pursuing such remedies.

In addition to all other rights and remedies available to Buyer, Supplier specifically agrees to be liable for all administrative expenses incurred by Buyer because of a Breach. Administrative expenses include but are not limited to: employee overtime; telecommunication costs; transportation charges; special handling expenses; and various anticipated and unanticipated costs to install the products out of the normal manufacturing sequence.

## **20) Non-Compliant Shipments**

Supplier shall notify Buyer of any nonconforming process, product, service, or supplies and must obtain Buyer approval prior to shipment. Processes, products, services, or supplies discovered with nonconformance after shipment to Buyer must be reported to Buyer immediately.

Supplier will be charged a \$250.00 administrative fee each time (a) Supplier ships Goods in excess of the allowable PO tolerance (if any) without prior approval from Buyer, or (b) Supplier's Goods are rejected at Buyer's facility.

**21) Setoff**

Buyer will, at its option, have the right to set off against and apply to the payment or performance of any obligation, sum, or amount owing at any time to Buyer or any affiliate of Buyer under the applicable PO or any other purchase order or agreement with Supplier of any affiliate of Supplier, all deposits, amounts, or balances held by Buyer or any affiliate of Buyer for the account of Supplier or any affiliate of Supplier and any amounts owed by Buyer or any affiliate of Buyer to Supplier or any affiliate of Supplier.

**22) Termination for Convenience**

Buyer may terminate all or part of a PO by written notice to Supplier. Any such written notice of termination will specify the effective date and the extent of any such termination. Notwithstanding the foregoing, Buyer may only implement this provision in the exercise of good faith and solely to the extent necessary: (i) to terminate a PO erroneously entered by it or its agent; (ii) to terminate all or part of a PO with respect to Goods that Buyer subsequently determines it has no actual need of in its processes and does not use in its processes; or (iii) to the extent Buyer's customer has terminated all or part of its contract with Buyer and such termination directly affects the Goods. Buyer will not use this provision in a situation primarily to permit it to obtain for itself or its customers more favorable pricing or other terms with respect to Goods. In addition, any reimbursement to Supplier will be limited to the same extent Buyer is limited to seeking reimbursement from its customer.

**23) Event of Default; Remedies**

The occurrence of any one or more of the following events will constitute an "Event of Default":

- a. Any failure by Supplier to deliver, when and as required by a PO, any Good;
- b. Any failure by Supplier to perform or comply with any other obligation as set forth in the PO or these Terms and Conditions;
- c. Suspension, dissolution, or winding-up of Supplier's business;
- d. Supplier's insolvency, inability to pay debts, or nonpayment of debts, as they become due;
- e. Initiation by Supplier of bankruptcy proceedings;
- f. An assignment by Supplier for the benefit of its creditors; and
- g. Supplier ceases, or threatens to cease, to carry on business.

If any Event of Default occurs, Buyer may in addition to any rights or remedies it may have at law or in equity, implement or require one or more of the following:

- a. Termination – Buyer may, by giving written notice to Supplier, immediately cancel any and all POs, in whole or in part, and Buyer will not be required after such notice to accept the tender by Supplier of any Goods subject to termination;
- b. Cover – Buyer may manufacture, produce or provide, or may engage any other persons to manufacture, produce or provide, any Goods in substitution for the Goods to be delivered or provided by Supplier. In addition to any other remedies or damages available to Buyer hereunder or at law or in equity, Buyer may recover from Supplier the difference between the agreed price for such Goods and the aggregate expense, including, without limitation, administrative and other indirect costs, paid or incurred by Buyer to manufacture, produce or provide, or engage other persons to manufacture, produce or provide, the Goods;
- c. Title – Buyer may require Supplier to transfer title and deliver to Buyer, as directed by Buyer, any (i) completed Good, and (ii) any partially completed Good and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights that Supplier has

- specifically produced or acquired for the canceled portion of a PO;
- d. Rework or Repair –Buyer or its designee may rework or repair any Good at Supplier’s sole cost and expense;

## **24) Governing Law; Disputes**

The Terms and Conditions, the PO, any other applicable contract documents will be construed and governed by the and construed in accordance with the substantive and procedural laws of the State of Delaware, USA, without regard to conflicts principles that would result in the application of the laws of another jurisdiction. This agreement excludes the application of the United Nations Convention on Contracts for the International Sale of Goods.

The Parties agree that any dispute relating to or arising from this Agreement will be adjudicated exclusively in the state or federal courts of Delaware, USA. For this purpose, the Parties irrevocably waive objection to venue in the state or federal courts in Delaware, USA. THE PARTIES WAIVE THE RIGHT TO TRIAL BY JURY ON ANY CLAIM, WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. The Parties also waive any right to a defense of sovereign immunity arising from any claim.

## **25) Customer Agreements**

Supplier acknowledges that Buyer has written agreements with customers which require Buyer to bind its suppliers to certain terms and conditions. Supplier agrees to be bound, to the extent applicable to Supplier, by any and all such customer agreements.

## **26) Export Compliance**

In performing work under any PO, Supplier and its subcontractors will comply with all applicable federal, state, and local laws, and the rules and regulations of any governmental authority. Specifically, Supplier agrees to comply with all applicable U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2794, including the International Traffic in Arms Regulation (“ITAR”), 22 C.F.R. 120 et seq.; and the Export Administration Act, 50 U.S.C. 2401-2420, including the Export Administration Regulations (“EAR”), 15 C.F.R. 730-774; and including the requirement for obtaining any export license or agreement, if applicable.

Supplier represents and warrants that (a) it is not a representative of a foreign interest; (b) it will not employ foreign persons on the effort related to this PO; and (c) it is a U.S. firm incorporated under U.S. law. Supplier will notify Buyer immediately if any of these representations or warranties changes.

Supplier will ensure that Goods that are subject to the ITAR and/or EAR will not be exported, re-exported, transferred, or released to a foreign person or country for international shipments, without first complying with all applicable U.S. export requirements; and will immediately notify Buyer if Supplier is, or becomes, listed on any U.S. or other government list of restricted or prohibited persons, or if Supplier’s export privileges are otherwise denied, suspended or revoked in whole or in part by any government entity or agency.

## **27) Code of Basic Working Conditions and Human Rights**

Buyer is committed to providing a safe and secure working environment and the protection and advancement of basic human rights in its operations and throughout its supply chain as fully described on its website: [www.camaerospace.com/resources](http://www.camaerospace.com/resources) (the “Supply Chain Transparency Policy”). Seller will adopt and enforce similar policies throughout its supply chain, including conducting Seller’s operations in a manner that is fully compliant with all applicable laws and regulations pertaining to fair wages and treatment, freedom of association, personal privacy, collective bargaining, workplace safety, and environmental protection. Seller will promptly cooperate with and assist Buyer in Buyer’s implementation of and adherence to its Supply Chain Transparency Policy (which may be amended from time to time).

**28) Miscellaneous**

- a. The PO constitutes the entire agreement between Buyer and Supplier with respect to the subject matter and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings, and all other communications between Buyer and Supplier. No waiver, alteration, modification of or addition to the PO will be binding unless expressly agreed to in writing and signed by duly authorized representatives of Buyer and Supplier. A waiver of any PO term or condition will not be deemed a continuing waiver, but will apply solely to the instance to which the waiver is specifically, in writing, directed.
- b. Any conflict between provisions on the face of the PO and these terms and conditions will be resolved so that the provisions printed directly on the PO prevail.