

Aerofab Terms and Conditions - Revision 2

GENERAL CONDITIONS FOR PURCHASES

1. GENERAL These General Conditions for Purchases (“General Conditions”) shall apply unless otherwise agreed In Writing between the Parties. SELLER’s acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER’s unqualified acceptance of this Contract.

2. DEFINITIONS “SELLER” shall mean the company or person stated as such in the Purchase Order. “BUYER” shall mean the company stated as such in the Purchase Order. “Party” shall mean either SELLER or BUYER. “Parties” shall mean both SELLER and BUYER. “Purchase Order” shall mean a request for the performance of the Work issued In Writing. “Order Confirmation” shall mean a document issued by SELLER In Writing using BUYER’s form as attached to the Purchase Order, in which SELLER declares and undertakes to perform the requested Work according to the Contract. “Contract” shall mean the written contract between the Parties for the performance of the Work by SELLER, consisting of the Purchase Order, these General Conditions and any other Contract Documents. “Contract Document” shall mean any document explicitly made part of the Contract. “Purchase Order Price” shall have the meaning set forth in Article 4. “Work” shall mean all supplies and services to be performed by SELLER for BUYER under the Contract. “Scope of Work” shall mean the portion of the Work to be performed by SELLER. The Scope of Work may be included in the Purchase Order or in any other of the Contract Documents. “Specifications” shall mean the specification of the Work, including but not limited to quality, design, and construction. The Specifications may be included in the Purchase Order or in any other of the Contract Documents. “Delivery Schedule” shall mean the schedule which specifies the time for delivery, performance, partial performance or Completion, as applicable. The Delivery Schedule may be included in the Purchase Order or in any other Contract Document. “Completion” shall mean when the Work has been performed in full, together with delivery of all applicable documentation, drawings, models, instructions, descriptions, handbooks, and manuals necessary for correct installation, operation, maintenance, and use of the Work, as specified in a Contractual Documentation Requirements List (“CDRL”) or any other Contract Document. “Day” shall mean calendar day. “In Writing” shall mean a document signed by BUYER and/or SELLER and submitted to the other Party either by hand, courier service, letter, fax, or pdf-attachment to an e-mail. “Force Majeure” shall mean an occurrence beyond the control of the Party affected impeding the performance of its obligations under the Contract, provided that such occurrence could not have been reasonably foreseen at the time of entering into the Contract and that the Party affected could not reasonably have avoided or overcome it or its consequences, including but not limited to, act of God, act of public enemy, war, blockage, strike on a national level, riot, lightning, fire, storm, flood, explosion, and Government restriction. “Open Source” shall mean any software, which is subject to license terms. “Intellectual Property” shall mean all work of authorship, procedures, designs, patented and unpatented inventions and discoveries, mask works, drawings, specifications, plans of operation, technical documentation, samples, models, tools, test equipment, copyrighted works, registered and unregistered trademarks, trade secrets, know-how, and proprietary information, in all formats, languages, and versions.

3. ORDER CONFIRMATION The Purchase Order to which these General Conditions apply is BUYER’s offer and shall become a Contract only upon full and unconditional acceptance by SELLER and in strict

accordance with these General Conditions. SELLER shall also be bound by the Purchase Order upon actual adherence thereto. If the Order Confirmation returned by SELLER to BUYER does not comply with the Purchase Order, these General Conditions or what is otherwise agreed with BUYER, BUYER reserves the right to cancel the Purchase Order without cost and/or obligation.

4. PURCHASE ORDER PRICE The Purchase Order Price shall mean the total price specified in the Purchase Order which is subject to adjustment in accordance with Article 6 only and which shall constitute full compensation to SELLER for the Work, including all costs, expenses, taxes, unless otherwise is explicitly stated in a Contract Document, duties, fees or charges of any kind incurred by or levied on SELLER related to the performance of the Purchase Order and the provision by SELLER of the Work.

5. THE WORK SELLER shall perform the Work: (i) in conformity with the Delivery Schedule; and (ii) in conformity with the Scope of Work; and (iii) in conformity with the Specifications; and (iv) in accordance with best industry practices and standards; and (v) to achieve fitness for purpose to the extent that a particular purpose is either expressly or by implication specified in any of the Contract Documents; and (vi) in accordance with SELLER's quality assurance system, unless otherwise required by BUYER in any of the Contract Documents; and (vii) in compliance with all applicable laws and regulations pertaining to the performance and delivery of the Work; and (viii) in a safe and secure manner with active regard to and in compliance with all of the SELLER's national health, environmental and safety laws, regulations, instructions, and requirements. The BUYER will evaluate the SELLER's performance using these metrics or one similar.

6. CHANGES BUYER may at any time instruct changes to the Delivery Schedule, Scope of Work, or Specifications of the Work required by the Contract ("Change Order"). If any Change Order causes an increase in the cost and/or time required for SELLER's performance of the Work, SELLER may request an equitable adjustment to the Purchase Order Price and/or Delivery Schedule. SELLER shall without undue delay implement a Change Order when it has been received, even if the Parties have not reached a final agreement on the adjustment to the Purchase Order Price and/or the Delivery Schedule.

7. BUYER'S INFORMATION AND PROPERTY SELLER shall keep confidential and not use BUYER's drawings, specifications, samples, software, technical documentation, or any other data or information of a proprietary or confidential nature of the BUYER for any other purposes than performing its obligations under the Contract and in strict accordance with BUYER's instructions. Notwithstanding the provisions of Article 16, SELLER shall be solely responsible for loss or damage to any buyer furnished property or information in SELLER's possession or custody, and shall at BUYER's instruction promptly replace such at its own cost and expense or refund its value.

8. DELAYED PERFORMANCE OF THE WORK SELLER is in delay if performance of the Work is not achieved in accordance with the Delivery Schedule for reasons other than Force Majeure. Liquidated damages hereunder shall be BUYER's sole monetary remedy in the event of delay on part of the SELLER except for termination for default under Article 10 and except for gross negligence or willful misconduct on part of SELLER. If the delay is caused by gross negligence or willful misconduct on part of SELLER, BUYER may claim damages for actual losses in excess of the liquidated damages.

9. END OF LIFE AND CHANGE NOTIFICATION The SELLER shall immediately inform the BUYER in writing of any major changes that the SELLER plan to implement in the future with respect to its offerings of products or services that has either (i) already been purchased by the BUYER from the SELLER under a

Purchase Order, or (ii) that forms part of the offerings from the SELLER to the BUYER under a framework agreement or otherwise. The SELLER is not entitled to implement any such changes with effect for any active Purchase Order or for any framework agreement within the term of such framework agreement. The SELLER is committed to offer the BUYER the supply of end of life (EOL) products with 75% remaining EOL to the BUYER. The SELLER is not entitled to change prices or charge the BUYER of any potential costs that may arise from this obligation.

10. TERMINATION FOR CONVENIENCE BUYER may at any time and for any reason (whether SELLER is in default or not) terminate the unperformed parts of the Contract in whole or in part by notice In Writing to SELLER. BUYER's sole obligation shall be to make payment for the part of the Work delivered and shall make payment of unavoidable and documented direct costs incurred on part of SELLER relating to the terminated part of the Work.

11. TERMINATION FOR DEFAULT BUYER shall be entitled to terminate the Contract, or any part of the Work thereof, for default with immediate effect by notice In Writing to SELLER if SELLER fails to comply with any of the requirements of the Contract. SELLER shall diligently proceed with the performance of the Work not terminated by BUYER. BUYER shall in case of termination for default be entitled to return the terminated part of the Work and to reclaim all corresponding payments made of the Purchase Order Price. In addition, BUYER shall be entitled to compensation for the documented direct costs and expenses, hereunder any excess re-procurement costs resulting from the termination, subject to the limitation of liability in Article 15.

12. GIDEP Alerts. The supplier must be a member of GIDEP, if eligible, and take appropriate corrective and preventive actions on all suspect or defective material or suspect counterfeit or counterfeit parts reported by GIDEP alerts. Access to GIDEPs can be viewed at www.gidep.org/gidep.htm. The supplier must ensure that all occurrences where it has: 1) Acquired suspect or defective material or suspect counterfeit or counterfeit parts are reported to GIDEP. 2) Provided suspect or defective material or suspect counterfeit or counterfeit parts are immediately reported to the buyer. Note: The supplier must respond to any suspect or defective material or suspect counterfeit or counterfeit part inquiries made by the buyer regarding the authenticity of products provided by the supplier.

13. INVOICES AND PAYMENT SELLER's invoices shall be issued according to the Purchase Order. Unless otherwise specified, invoices may not be issued before actual delivery and Completion of the Work. BUYER reserves the right to make setoff against payments due or at issue under the Contract or any other contract with SELLER.

14. AUDIT RIGHTS BUYER, its customer, and any representative appointed by them shall at any time, at no extra cost or expense, during normal working hours have the right to for the duration of the Contract, visit SELLER's and its subcontractors' premises for the purpose of: (i) conducting technical audits, testing and inspections; or (ii) conducting quality assurance audits, testing and inspections; or (iii) verifying that the Work is compliant with the Specifications and other requirements of the Contract. No audits, inspections, or supervisions shall exempt SELLER from its performance obligations under the Contract.

15. INTELLECTUAL PROPERTY The Parties shall retain all rights, title, and interest in or to all their respective Intellectual Property owned, developed, conceived, acquired, or obtained prior to the Contract (hereinafter referred to as "Background IP"). Intellectual Property developed, conceived, acquired or obtained by SELLER as part of the Work during the performance of the Contract (hereinafter referred to

as “Foreground IP”) shall be regarded as the sole Intellectual Property of BUYER unless otherwise explicitly stated in the Contract. Notwithstanding the foregoing, BUYER shall always have the right to exploit the Work by way of a nonexclusive, irrevocable, worldwide, perpetual, royalty free right to use, amend, further develop and make any sale, transfer, assignment, sublicense, distribution, incorporation or other commercial disposal of the Work in the course of its business operations. All derivative work made by BUYER based on the Work provided by SELLER to BUYER shall be regarded as the sole Intellectual Property of BUYER.

16. **LIMITATION OF LIABILITY** Except for gross negligent or wilful acts or omissions of either Party, their employees, subcontractors, or representatives, neither SELLER nor BUYER shall be liable to the other for any loss of profit, loss of use, loss of production, loss of contracts, attorney’s fees, or for any indirect, consequential or special damages whatsoever that may be suffered by the other. Except for gross negligent or wilful acts or omissions of either Party, their employees, subcontractors, or representatives, the total cumulative liability to the other Party whether in contract or tort shall be limited to the amount of the total Purchase Order Price. For avoidance of doubt, the limitation provisions of this Article 15 shall not apply to the indemnity provisions of Articles 7, 16 and 17.

17. **INDEMNITIES** Except for gross negligent or wilful acts or omissions of the other Party, each Party shall indemnify and hold harmless the other Party, its affiliated entities, its subcontractors, their respective agents, and employees thereof from and against all claims, damages, losses, and expenses in respect of: (i) bodily injury, sickness, diseases, or death of any of its employees; and (ii) loss of or damage to its property; and (iii) bodily injury, sickness, diseases, or death, and loss of or damage to the property of any third party, caused by itself; arising from or related to the performance of the Contract.

18. **THIRD PARTIES’ RIGHTS** SELLER shall hold harmless, defend, and indemnify BUYER against any claim alleging that any part of the Work infringes any third party Intellectual Property Rights. SELLER warrants that the Work is free from any liens, attachments, charges, encumbrances, claims, or the like, and undertakes to hold harmless, defend, and indemnify BUYER from and against any claims related thereto.

19. **OPEN SOURCE** SELLER warrants that no part of the Work include, is integrated, bundled or linked with any software that is based upon Open Source. No deviation from this warranty shall be regarded as validly accepted by BUYER; unless and to the extent SELLER: (i) explicitly and conspicuously has listed any and all Open Source based software with a brief description of their function separately; and (ii) duly provided BUYER with this information In Writing together with correct versions of all relevant license terms and conditions; and (iii) thereafter obtained an explicit complete and corresponding acceptance for the deviation In Writing from an authorized BUYER representative, included as part of each relevant Purchase Order from BUYER where such a deviation is regarded as made. SELLER shall hold harmless, defend and indemnify BUYER from and against any claims, costs, losses and damages resulting from a breach of this warranty.

20. **SUPPLIER CONDUCT PRINCIPLES** SELLER commits itself to conduct its business activities in a fair, honest, responsible, ethical, and lawful manner and in strict adherence to all applicable laws and regulations governing the ethical and legal conduct of business organizations. The Supplier Conduct Principles shall form an integral part of the Contract, and SELLER is expected to comply with or actively pursue compliance with these principles. SELLER shall upon written request from BUYER always be obliged to: (i) document compliance with the requirements set forth above; and (ii) allow BUYER, BUYER’s customer, or a third party appointed by BUYER or BUYER’s customer the right to conduct such

audits as it finds necessary to verify compliance with the requirements of this Article 19. For the avoidance of doubt the audit rights shall include: (a) unrestricted access to all production sites and premises; and (b) the right to communicate with and interview employees and other personnel; and (c) the right to review pertinent documentation or any other relevant material. SELLER shall ensure that any of SELLER's lower tier suppliers may also be subject to such audits as described above. The Parties shall carry their own costs incurred in relation to performance of such documentation and audit.

21. MATERIAL SUBSTITUTION IS PROHIBITED. Unauthorized material substitutions are not permitted on Aerofab Goods. Unauthorized material substitution includes any deviation from the engineering definition of a raw material. Engineering definition includes Buyer design drawing and applicable specifications, product specification, form, size, shape, chemistry, melt method, origin, temper/condition, product testing or surface finish. Alternate materials specified in the engineering definition (and often described as approved material substitutions therein) do not constitute unauthorized material substitution. Contact Buyer's Authorized Procurement Representative for details regarding deviations to authorized materials. Seller agrees and understands that such deviations only apply to this purchase contract, and only as indicated in the Buyer's authorized document.

22. EXPORT CONTROL SELLER shall properly notify BUYER of the applicable classification(s) of the work and if any part of the Work is subject to export control laws or regulations or similar applicable restrictions such as transit/transport restrictions. Regardless of any agreed trade term, SELLER shall always be responsible for obtaining and maintaining required export licenses for exporting and transporting the Work to BUYER. If any documentation is required from BUYER, BUYER shall reasonably assist obtaining such documentation. SELLER is responsible for obtaining and maintaining required import and export licenses relevant to its lower tier suppliers. If any documentation is required from BUYER, BUYER shall reasonably assist obtaining such documentation. If any documentation is required from SELLER or SELLER's lower tier suppliers, for BUYER to obtain export licenses or the like, SELLER shall reasonably assist BUYER in obtaining such documentation.

23. ANTI-BRIBERY AND BUSINESS ETHICS In recognition of the principles of (a) the United States Foreign Corrupt Practices Act, (b) any applicable laws relating to anti-bribery and business ethics of any country in which SELLER performs Work under this Contract, SELLER represents and agrees that he will not directly or indirectly, give or offer any improper advantage to anyone in connection with post, office or commission, or (2) for himself or anyone else, directly or indirectly, request, receive or accept an offer for an improper advantage in connection with post, office or commission, or (3) directly or indirectly, give or offer any improper advantage with the purpose of influencing the performance of a post, office or commission, or (4) for himself or anyone else, directly or indirectly, request, receive or accept an offer for an improper advantage with the purpose of influencing the performance of a post, office or commission. SELLER agrees that any breach of this provision is a substantial breach of the Contract.

24. FOREIGN OBJECT DEBRIS (FOD). The supplier shall develop, implement and maintain a Foreign Object Debris/ Damage process that meets the requirements of NAS 412, Foreign Object Damage/ Foreign Object Debris (FOD Prevention), and AS9146. The FOD prevention program shall include the review of design and manufacturing processes to identify and eliminate foreign object entrapment areas and paths through which foreign objects can migrate. Supplier shall ensure work is accomplished in a manner preventing foreign objects or material in deliverable items.