

SOLAIR's General Terms and Conditions (Procurement)

ACCEPTANCE OF THE OFFER TO PURCHASE EVIDENCED BY THE ATTACHED PURCHASE ORDER (THE "P.O.") BY ACKNOWLEDGEMENT, SHIPMENT OR OTHER PERFORMANCE SHALL BE UNQUALIFIED, UNCONDITIONAL AND SUBJECT TO AND EXPRESSLY LIMITED TO THE TERMS AND CONDITIONS OF THE P.O., INCLUDING THE TERMS AND CONDITIONS ATTACHED. ALL PREVIOUS OFFERS BY THE SUPPLIER NAMED IN THE ACCOMPANYING P.O. ("SUPPLIER") ARE HEREBY REJECTED. SOLAIR GROUP, INC., OR ANY OF ITS SUBSIDIARIES OR AFFILIATES ("SOLAIR"), SHALL NOT BE BOUND BY TERMS ADDITIONAL TO OR DIFFERENT FROM THOSE IN THE P.O. THAT MAY APPEAR IN SUPPLIER'S QUOTATIONS, ACKNOWLEDGEMENTS, INVOICES OR IN ANY OTHER COMMUNICATIONS FROM SUPPLIER (INCLUDING LANGUAGE IN SUPPLIER'S FORM TO THE EFFECT THAT ACCEPTANCE OF SUPPLIER'S FORM CONSTITUTES SOLAIR'S CONSENT TO OR ACCEPTANCE OF THE TERMS OF SUCH FORM WITHOUT CHANGE). ACCEPTANCE OF PRODUCTS OR SERVICES, PAYMENT, OR ANY ACTION OR INACTION BY SOLAIR SHALL NOT CONSTITUTE SOLAIR'S CONSENT TO OR ACCEPTANCE OF ANY SUCH TERMS NOT FOUND IN THE P.O. The terms contained in the P.O., and, to the extent applicable, any related master services or supply agreement (a "Master Agreement") or Non-Disclosure or Confidentiality Agreement executed by SOLAIR and Supplier, shall constitute the entire agreement between Supplier and SOLAIR with respect to the subject matter of the P.O. and may not be modified, amended or rescinded except by a writing signed by authorized representatives of SOLAIR and Supplier. In the event of conflict between the P.O. and any Master Agreement, the Master Agreement shall prevail.

1. **Price and Taxes.** The prices for the products or services purchased by SOLAIR pursuant to the P.O. will be specified and paid in U.S. Dollars. The prices for the products or services include, unless specifically excluded on the face of the P.O., all federal, state and local taxes, as well as any value-added taxes (VAT) or other international taxes if applicable, and all packing, inspection, insurance, shipping, and other costs and charges. All charges are included in the price and no extra charges of any kind will be allowed unless specifically provided in the P.O.

2. **Delivery and Default.** Time is of the essence in the delivery of products or services pursuant to the P.O. Unless otherwise expressly stated on the face of the P.O., the delivery method shall be Ex Works (Incoterms® 2020) at Supplier's location as indicated on the P.O., and all risks of loss or damage will remain with Supplier until the products are made available as required at such location. SOLAIR will receive all products subject to its rights of inspection and rejection. Delivery (i) shall not be deemed to be complete until products or services have actually been accepted by SOLAIR and (ii) must be made and completed within the time specified in the P.O. or if no time is specified, then within a reasonable time. If any delivery is threatened to be delayed, Supplier shall promptly give written notice to SOLAIR of such delay or threatened delay. On default by Supplier or if SOLAIR has reason to believe Supplier will not deliver products or services by the specified delivery date, SOLAIR may, by written notice, terminate the whole or any part of the P.O. In the event of termination pursuant to this section, SOLAIR shall have the right, in addition to any other rights and remedies conferred by law or under the P.O., to procure, upon such terms and in such manner as SOLAIR may deem appropriate, products or services similar to those terminated, and Supplier shall, without otherwise limiting SOLAIR's claims for Supplier's default, be liable to SOLAIR for any excess costs for such similar products or services.

3. **Packing and Shipping.** Supplier will pack, mark (including suitable marking on the outside of each package) and ship the products in accordance with SOLAIR's policies and requirements, including, but not limited to, any Specifications, Quality Manuals and Security Seals and the requirements of all U.S. Customs or other applicable regulatory agencies. When transportation costs are payable by SOLAIR, products will be shipped in a manner to secure the lowest transportation cost, unless otherwise specified by SOLAIR in the P.O. No charge will be made by Supplier for packing, boxing, drayage or storage, unless otherwise expressly stated on the face of the P.O.

4. **Quality and Inspection.** All products or services delivered shall at all times be subject to SOLAIR's inspection, but neither SOLAIR's inspection nor failure to inspect shall relieve Supplier of any obligations hereunder. SOLAIR reserves the right to reject and return at the risk and expense of Supplier all or any portion of any delivery which may be defective or fails to comply with specifications or other requirements of the P.O. Any products rejected may be held for disposition at the expense and risk of Supplier or, at SOLAIR's sole discretion, be returned for a refund by Supplier at Supplier's sole expense. SOLAIR may inspect Supplier's manufacturing facilities and processes and Supplier shall provide SOLAIR or its representative's access to the same upon SOLAIR's request. Supplier shall retain all records, with such records to be in the English language, related to the P.O. for a minimum often (10) years from the date of delivery and acceptance of the products or services by SOLAIR.

5. **Cancellation.** Should conditions arise which in the opinion of SOLAIR make it advisable or necessary to cancel the P.O. in whole or in part, SOLAIR may cancel by giving written notice to Supplier. Such cancellation shall be without cost or charge to SOLAIR to the extent the products are standard goods or products that can be resold by Supplier and/or the services have not yet been performed. In other cases (other than termination for Supplier's default), Supplier shall have the right to reasonable compensation as agreed by SOLAIR and Supplier for products produced or for work performed in accordance with the requirements of the P.O. up to the date of such cancellation by SOLAIR. All claims for compensation under this Section shall be made by Supplier to SOLAIR in writing not later than 30 days after SOLAIR notifies Supplier of the cancellation or such claim shall be deemed waived.

6. **Changes.** SOLAIR shall have the right to make changes in the products or services and the dates of delivery, but no additional charges will be allowed unless authorized in writing by SOLAIR. If such changes requested by SOLAIR affect delivery times or the amount to be paid by SOLAIR, Supplier shall notify the SOLAIR in writing immediately and negotiate an adjustment. SOLAIR may, at any time, upon written notice to Supplier, make changes in the specifications, drawings, samples or other terms of the P.O. If such change causes a material increase or decrease in the products to be delivered, the services to be provided, or the time required therefor, and Supplier notifies SOLAIR within five business days from the date of receipt of written notice from SOLAIR to make such change, SOLAIR and Supplier may agree to an equitable adjustment of the purchase price or the time for Supplier's performance. No claim for adjustment, including in price, will be valid unless such change is specifically requested, and the amount of adjustment is specifically agreed to, by SOLAIR in writing. Supplier shall not make any changes to raw materials, or any portion or component of the products, the production process, the production equipment or the production location relating to Supplier's performance under the P.O. unless and until Supplier has obtained SOLAIR's prior written consent, which may be granted, or withheld in SOLAIR's sole discretion.

7. **Invoice and Payment.** Unless otherwise expressly provided on the face of the P.O., (i) Supplier shall submit invoices only, and promptly upon, delivery of products or completion of services and (ii) SOLAIR shall issue payment within 60 days of receipt of a correct invoice. Adjustments for payments made for rejected products or services or for any overpayments shall be deducted from subsequent payments due or, at SOLAIR's option, promptly refunded by Supplier upon request.

8. **Indemnity.** Supplier shall indemnify, defend and hold harmless SOLAIR and its affiliates from and against any and all claims, demands, litigation, liabilities, injuries, losses, damages, costs or expenses (including reasonable attorneys' fees), of whatever kind (whether based upon negligence, breach of express or implied warranty, strict liability, or any other theory) arising out of, by reason of, attributable to, or in any way connected with (i) accidents, occurrences, injuries, illness, death, loss, or damage to or of any person or any property in any way actually, or alleged to be, due to or resulting from, in whole or in part, the products or services provided by Supplier, the design, manner of preparation, manufacture, completion, delivery or non-delivery of the products or services by Supplier or any subcontractor or supplier of Supplier, or the failure of Supplier or any subcontractor or supplier of Supplier to give adequate warnings in connection with the products or services; (ii) any actual or alleged breach by Supplier of any representation, warranty, covenant or agreement of Supplier in the P.O.; (iii) any recall, withdrawal of, or safety notice relating to, any products or services of Supplier; and (iv) any claims that Supplier's products or services infringe upon any third-party intellectual property rights. Without limiting the generality of the foregoing, in the event of a recall, withdrawal or safety notice, Supplier shall be responsible for all costs and expenses associated with the recall, withdrawal or notice, including refunds to customers and SOLAIR's costs of unsold items.

9. **Force Majeure.** In the event of war, fire, flood, strike, labor trouble, epidemics or pandemics, accident, riot, act of governmental authority, Acts of God or other similar or dissimilar contingencies experienced by and beyond the reasonable control of the applicable party, quantities so affected shall be eliminated at SOLAIR's option without any liability of SOLAIR to Supplier, but the terms of the P.O. shall otherwise remain unaffected.

10. **Warranties.** Supplier warrants that (i) it will, and all products or services provided pursuant to the P.O. will, comply with all applicable federal, foreign, state and local laws, ordinances, codes, regulations, including (but not limited to) any certification and related record retention requirements of the Federal Aviation Administration (FAA) applicable to the products or services under the P.O. (collectively, "Laws"); (ii) products or services will be manufactured or performed by appropriately qualified and trained personnel and otherwise in accordance with AS9100 or equivalent QMS standards; and (iii) products sold and services performed under the P.O. do not, and will not, infringe any patent, copyright, trade secret or any other intellectual property right or interest and shall be free from all defects in design, material and workmanship, conform strictly to the specifications, drawings, or samples specified or furnished, and be merchantable and fit for SOLAIR's use and, in the case of services, will be performed in accordance with, and will meet, industry standards.

11. **Insurance.** Unless otherwise agreed by SOLAIR in writing and without limiting Supplier's obligations or liability pursuant to the other provisions of the P.O., Supplier has and will maintain at its own expense (a) Commercial General Liability Insurance (which may include a commercial umbrella policy), including but not limited to bodily injury, property damage, contractual liability, advertising, personal injury, products liability and completed operations coverage, in minimum amounts of \$1 million per occurrence, \$2 million in the aggregate, and \$5 million in the aggregate for products liability, (b) Automobile Liability Insurance, including coverage for hired, owned or non-owned vehicles, with a combined single limited minimum of \$1 million, (c) Workers' Compensation Insurance at the statutory limits and (d) to the extent the P.O. applies to products, product recall insurance in an amount and upon terms reasonably satisfactory to SOLAIR. SOLAIR will be named in such liability and recall policies as an additional insured. Supplier will furnish SOLAIR with certificates of insurance issued by the companies providing the insurance policies, and all such coverage and the related policies will be subject to SOLAIR's approval for adequacy of protection (not to be unreasonably withheld). All such certificates will stipulate that the companies providing the coverage will not cancel or materially change such insurance policies without giving SOLAIR at least 30 days prior written notice.

12. **SOLAIR's Property.** All drawings, sketches, blueprints, specifications, designs, models, tools, molds, jigs, dies, patterns and other material and information furnished or paid for by SOLAIR pursuant to the P.O. shall be and remain

property of SOLAIR and shall be delivered to SOLAIR or otherwise disposed of in accordance with SOLAIR's instructions. Supplier assumes all risk and liability for loss of or damage to SOLAIR's property in its custody or control, except for normal wear and tear, and shall insure such property at its own expense for an amount at least equal to the replacement cost thereof. Unless previously known to Supplier free of any obligation to keep it confidential, all information of SOLAIR shall be kept confidential and shall not be disclosed by Supplier and such information and other property of SOLAIR shall be used only in the proper performance of the P.O. and may not be used for other purposes.

13. **Survival.** The obligations of the parties under the P.O. which by their nature (or as otherwise expressly stated therein) would continue beyond the termination, cancellation or expiration of the P.O., such obligations and sections herein shall survive termination, cancellation or expiration of the P.O.

14. **Supplier's Information.** No specifications, drawings, sketches, models, samples, tools, computer programs, technical or business information, or data, written, oral or otherwise furnished by Supplier to SOLAIR pursuant to the P.O., or in contemplation of performance under the P.O., shall be considered by Supplier to be confidential or proprietary.

15. **Quality Assurance.** For all products or services provided to SOLAIR: (a) Supplier will prepare and submit to SOLAIR such quality control records, including those related to traceability, as SOLAIR may require. (b) Supplier will notify SOLAIR immediately (i) upon learning that any product does not conform to specifications or any Laws, or (ii) in the event of any inspection of Supplier or of any plant by a representative of the FAA or any other federal, state or local regulatory agency, Supplier will provide to SOLAIR, within 24 hours of receipt of same, any and all reports issued by, or correspondence from, any regulatory agency that conducts any such inspection. Supplier will also maintain a log reflecting the lot numbers, manufacturing dates and expiration dates of all products and services supplied to SOLAIR. (c) Unless otherwise agreed by SOLAIR in writing, Supplier shall, at its expense, obtain a third-party quality assurance and product safety audit of its facilities annually and promptly provide SOLAIR a copy of any such audit or report. Each such audit shall be performed by a reputable third-party auditor reasonably acceptable to SOLAIR. (d) Supplier will maintain accurate and complete books of accounts and records covering transactions related to the P.O. SOLAIR or its designated representative will have the right, at reasonable times and in its sole discretion, to inspect, copy and audit all such records. (e) SOLAIR reserves the right to review and approve Supplier's Quality Management System relevant to the products or services being provided by Supplier to SOLAIR. (f) Supplier shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data used in the performance of requirements of the P.O. Supplier shall also provide a Certificate of Conformance verifying compliance with the applicable design standards, and, when applicable, a Certificate of Calibration verifying compliance with ANSI Z540 (or the equivalent standard, as applicable) and such certificate shall identify the standards utilized and must be traceable consistent with the applicable NIST standards. (g) Supplier shall flow down all applicable requirements of SOLAIR and any U.S. Government, Regulatory and/or AS9100/AS9110 requirements to sub-tier suppliers (including requirements in the purchasing documents and key characteristics). However, SOLAIR does not allow or consent to Supplier subcontracting for any product or process to a sub-tier supplier without prior written approval from SOLAIR's authorized representative. (h) To prevent the purchase of counterfeit or suspect/unapproved products and to ensure product identification and traceability (and for other reasons), SOLAIR implements controls that include the requirement of material verification and traceability to include, but not limited to Material Certificates, Certificates of Conformity, special tests and inspections and/or other supporting documentation from the Supplier as appropriate or may be as specified in the P.O. Supplier agrees to use commercially reasonable practices to prevent counterfeit work from being delivered to SOLAIR. (i) If SOLAIR (or its customer) has identified a non-conforming product or process, a Corrective Action Request (CAR) may be issued to the Supplier. Supplier agrees to take appropriate and timely action to respond to the CAR with an acceptable corrective action plan, subject to SOLAIR's approval, and to implement the required corrective actions. When the Supplier does not provide a timely and/or effective corrective action plan, SOLAIR will take appropriate action, including, but not limited to, termination for default, withholding payment, removing Supplier from the SOLAIR's Approved Supplier List, and/or legal action, as appropriate and solely at SOLAIR's discretion. (j) Supplier is responsible for maintaining a Supplier register with documentation to support their selection of subcontractors based on their ability to supply product that fulfill SOLAIR's Order, including, but not limited to, evidence of customer-approved processor status. Supplier is responsible for assuring their subcontractors hold the required approvals and certificates to provide the purchased product and for applying the appropriate level of control over the subcontractor's performance to assure compliance with the P.O. However, SOLAIR does not permit the Supplier to subcontract any portion of the P.O. without prior written approval from SOLAIR's authorized representative. (k) For the avoidance of doubt, Supplier acknowledges and understands, and shall ensure any approved sub-supplier or subcontractor acknowledges and understands, the importance of ethical behavior and that Supplier's products or services play an important role and contribute to SOLAIR's ability to provide products and services to its customers that conform to specifications, quality and product safety standards at all times.

16. **Miscellaneous.** The P.O. AND ALL QUESTIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF FLORIDA, WITHOUT REGARD TO THE CHOICE OR CONFLICT OF LAWS RULES AND PRINCIPLES OF FLORIDA. THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS (CISG) SHALL NOT

APPLY TO AND IS EXPRESSLY EXCLUDED. SOLAIR shall be entitled to recover its reasonable costs and expenses, including attorneys' fees, incurred in enforcing and/or defending its rights under the P.O. A holding that any term or condition of the P.O. is void or unenforceable shall not render void or unenforceable any other terms or conditions of the P.O.

17. **Dispute Resolution.** SOLAIR and Supplier shall attempt, in good faith, to resolve any dispute arising out of or relating to the P.O., or the products and/or services provided hereunder, promptly by negotiation between executives. If the matter has not been resolved within thirty (30) days of a party's request for negotiation, either party may initiate arbitration as hereinafter provided. Any dispute between SOLAIR and Supplier arising out of or related to the P.O. or the products and/or services provided hereunder which has not been resolved by the negotiation procedure described above, shall be fully and finally settled by arbitration administered by the American Arbitration Association in accordance with its then current Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Unless SOLAIR and Supplier otherwise agree in writing, the arbitration panel shall consist of one arbitrator. Except as otherwise expressly provided for herein, the arbitrator(s) shall have no authority to award punitive or other damages not measured by the prevailing party's actual damages and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of the P.O. The arbitration proceeding shall be conducted in Florida.