ADEPT FASTENERS

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Terms and Conditions of Sale and Service

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The following Terms and Conditions are applicable to all sales of Products (Part Numbers) by Adept Fasteners, Inc. (Seller) to customer (Buyer). The Terms and Conditions of this Agreement take precedence over any Standard Purchasing Terms and Conditions set forth by the Buyer.

1. **ACCEPTANCE.** Buyer's Agreement/Purchase Order is accepted subject to the following terms and conditions and no others, unless the same have been consented to in writing by the Seller. The placing of orders by Buyer shall be conclusive evidence of the Buyer's approval of and consent to the terms and conditions contained herein.

2. **PRICES AND PRICE REVISION.** Proposals are quoted in $US dollars and are valid for 7 days. All stock and partial lead-time products are subject to prior sale. Seller retains the right to change/withdraw pricing until Purchase Order has been formally accepted. Seller may quote additional charges for any rush/AOG shipments, special packaging, etc. amongst any other non-standard requirements required by the Buyer. Seller may revise its quoted unit prices, in the event of supplier price increases or other circumstances beyond the reasonable control of Seller, including Buyer's orders varying +/- 25% from Buyer's forecast. Unless otherwise specified, quoted prices are for a single delivery. If Buyer places Purchase Order for Products with multiple delivery dates, Seller reserves the right to reprice and confirm availability of products until each respective delivery date, if the manufacture's cost increases between the date of the Purchase Order and requested delivery dates. If Buyer's usage requires alternate sources, gap buys, or expedite and premium transport fees to meet Buyer's demand, all such additional costs and fees shall be paid by Buyer. Seller shall use its best efforts to mitigate the impact of such price revisions upon Buyer and will provide notice of Seller's intent to revise prices. Unless otherwise noted at time of quotation, quoted prices do not include any taxes or duties on the purchase or sale of Parts, including, but not limited to, federal, state, or municipal excise, sales, use or value added taxes or import duties, if any. Any such taxes and duties that may become due and owing will be paid by Buyer, excluding taxes based upon Seller's gross income. Buyer shall reimburse Seller upon demand for any such taxes, duties or similar charges that Seller is required to pay or collect. Unless specifically offered otherwise, Buyer's orders shall be a minimum $25.00 per discrete line item and $50.00 per order. Seller reserves the right to limit order quantities for certain parts.
Notwithstanding any prior agreement or understanding between the parties, the Seller reserves the right to adjust prices for products subject to tariffs, customs duties, or other government-imposed charges that may arise after the date of this Agreement. Such price adjustments may be made in response to changes in the tariff structure, import/export regulations, or other governmental actions affecting the cost of goods. The Seller shall provide written notice of any price increase resulting from such tariffs and related costs prior to shipment of products. Concurrence of the price increase in the form of a purchase order amendment will be required prior to shipment of product. Nothing in this paragraph shall limit Buyer's responsibility for tariffs, duties, taxes, brokerage fees, customs charges, or other importation costs for which Buyer is responsible under Section 5 of these Terms and Conditions.

3. **PAYMENT.** All transactions are to be made in $US dollars. Unless otherwise mutually agreed, payment terms are net thirty (30) days from date of invoice, subject to approval of Buyer's credit. Buyer's credit terms may be evaluated at any time and Seller may modify or withdraw credit terms without advance notice to Buyer if deemed necessary. Buyer's without established credit terms may be subject to payment in advance (credit card or wire transfer). If Buyer is delinquent in its payment obligations to Seller, Seller may at its option (i) be relieved of its obligations with respect to guarantees, including without limitation, turnaround times, spares support and delivery lead-times; (ii) refuse to process any credit to which Buyer may be entitled; (iii) set off any credit or sum owed by Seller to Buyer against any undisputed amount owed by Buyer to Seller; (iv) withhold future deliveries to Buyer; (v) declare Buyer's performance in breach and terminate the purchase order; (vi) repossess Parts for which payment has not been made; (vii) make future deliveries on a cash-with-order or cash-in-advance basis; (viii) charge interest on delinquent amounts at a rate of 1.5% per month or the maximum rate permitted by law, if lower, for each month or part thereof; (ix) charge storage or inventory carrying fees on Parts; (x) recover all costs of collection including, without limitation, reasonable attorneys' fees; (xi) if Buyer is delinquent on a payment schedule, accelerate all remaining payments and declare the total outstanding balance then due and owing; or (xii) combine any of the above rights and remedies as may be permitted by applicable law. The above remedies are in addition to all other remedies available at law or in equity. Payment delinquencies from Buyer will prompt Seller to place them on hold and stop all shipments until resolved.

If Buyer disputes Seller's invoice, or any portion thereof, Buyer will so notify Seller within seven (7) business days of the date of Seller's invoice. Buyer's failure to provide notification within said period shall be deemed acceptance of Seller's invoice by Buyer. The parties will use all reasonable efforts to resolve invoice disputes expeditiously. Notwithstanding any invoice disputes, Buyer shall promptly remit payment for invoices, or portions thereof, not in dispute.

4. **PURCHASE AND DELIVERY.** Buyer will issue Purchase Order to Seller specifying Part Number, Quantity, Quoted Price and Delivery Schedule. Adept Fasteners reserves the right to re-quote if Buyer's Order stipulates any special conditions, specifications, approvals, certificates, test reports, first articles, special packaging, multiple delivery schedules, or other significant changes that were not requested at the time of the original or most recent quotation. Buyer may not cancel any Part Number unique to Buyer after Purchase Order has been confirmed. Special order items are NON-CANCELABLE and NON-RETURNABLE. Cancellations are subject to cancellation/restocking fees. Shipping tolerance is +/-5% for any line under $500. Buyer affirms that each Product varies in weight, size, thickness and/or length, as per the allowed tolerance(s) stated on the drawing/specifications. The quantity of Product(s) which is based on a weight count is deemed to be conforming and accepted if the count does not exceed +/- 5% of the ordered quantity, and order shall be considered order complete. For delivery shortages that exceed the +/- 5%, Buyer may direct Seller to fulfill any Product(s) shortfall. Any Product(s) delivered more than Buyer's order, Buyer has the option to return or purchase the excess. For all returns of excess product, contact the Seller for instructions prior to returning product. Additional shipping tolerances may apply on special manufactured items. Seller will not be liable for any penalties until after first receipt of product by Seller from the manufacturer. All lead times are subject to factory on-time delivery. If shelf life requirement is not directly noted at time of quotation, then all shelf life product quoted will have a minimum of 90 days remaining. Certain parts quoted may be ITAR classified and may require a license when exported outside of the US. ITAR parts will be noted at time of quotation by Seller.
Seller will prepare and package Parts in accordance with its normal commercial practices. Unless otherwise mutually agreed in writing by Seller and Buyer, the applicable shipping terms and delivery location shall be as stated on Seller's quotation, order acknowledgment, or other applicable shipping documentation. Seller shall ship Parts by the mode and carrier designated by Buyer in accordance with the shipping instructions provided in the applicable purchase order. Where Buyer provides no instructions for the method of shipment, the method of shipment will be at Seller's discretion. Seller will schedule delivery in accordance with its standard lead time unless Seller agrees in writing to a separate delivery date. Title and risk of loss will pass to Buyer when Seller places Parts at the disposal of Buyer at Seller's facility. Seller is entitled to quote additional charges for any rush shipments, special routing, packing, labeling, handling or insurance requested by Buyer. Seller reserves the right to deliver up to 14 (fourteen) days in advance of Buyer's Purchase Order's scheduled delivery date.

5. **SHIPPING ORIGIN, FREIGHT, DUTIES AND IMPORTATION.** Adept Fasteners maintains facilities in the United States and the United Kingdom. Seller reserves the right to fulfill and ship Products from any of its facilities or other authorized locations, unless a specific shipping location has been agreed to in writing by Seller and Buyer.
Unless otherwise agreed to in writing, Buyer shall be responsible for all freight, transportation, insurance, brokerage, customs clearance, import duties, tariffs, taxes, fees, and other charges associated with the shipment and importation of Products. Such charges may be invoiced directly to Buyer by the carrier, freight forwarder, customs broker, or governmental authority, or may be paid by Seller and subsequently invoiced to Buyer, as applicable.
For shipments requiring importation into the destination country, Buyer shall be the importer of record unless otherwise expressly agreed to in writing by Seller. Buyer shall be responsible for satisfying all requirements applicable to the importer of record, including customs clearance, payment of applicable duties, tariffs, taxes and fees, and providing any information or documentation reasonably required to facilitate importation.

Buyer acknowledges that tariffs, duties, taxes, customs requirements, and other governmental charges are subject to change and may be imposed, modified, increased, decreased, or eliminated after the date of quotation or Purchase Order. Seller shall not be responsible for increases or changes in such charges occurring after quotation or order acceptance. Unless expressly stated otherwise in Seller's quotation or written agreement, all such charges shall be the responsibility of Buyer.

6. **EXPORT COMPLIANCE.** Buyer represents and warrants that it will comply with all import and export control laws and regulations, including, but not limited to the United States Export Administration Regulation ("EAR") and the United States International Traffic in Arms Regulations ("ITAR"), and will retain documentation evidencing such compliance. Buyer will provide an End Use Statement to the Seller on request. The Buyer will also obtain import and reexport approvals and licenses required for Parts, transfers, services and technical data delivered and will retain documentation evidencing compliance with those laws and regulations. Buyer agrees to indemnify and hold Seller harmless from any fines, penalties, or other liability imposed by any government agency arising from any failure of Buyer to comply with such laws and regulations.
Seller will deliver Parts cleared for export, but Seller will not be liable to Buyer for any failure to provide Parts, services, transfers or technical data as a result of government actions that impact Seller's ability to perform, including, but not limited to (i) any governmental failure to provide, or the cancellation of, export or re-export licenses; (ii) any subsequent interpretation of applicable import, transfer, export or re-export law or regulation after the date of any order or commitment that has a material adverse effect on Seller's performance; or (iii) delays due to Buyer's failure to follow applicable import, export, transfer, or re-export laws and regulations or to assist Seller in acquiring same. Buyer shall not be relieved of its payment obligations if any of the above events occur.
If Buyer designates the freight forwarder for export shipments, then Buyer's freight forwarder will export on Buyer's behalf and Buyer will be responsible for any failure of Buyer's freight forwarder to comply with all applicable export requirements. Seller will provide Buyer's designated freight forwarder with required commodity information.
Where Buyer holds the design authority for a Part, Buyer shall provide Seller with export classification data, such as Export Control Classification Number ("ECCN"), Harmonized Tariff Schedule ("HTS") code, Harmonized System ("HS") code or International Traffic in Arms Regulations ("ITAR") classification, as applicable.

7. **CERTIFICATION/DOCUMENTATION.** Seller will deliver Parts accompanied by applicable certificates of conformity identifying the specifications of the respective Part manufacturers, and such Parts will meet all applicable governmental requirements in effect at that time.

8. **WARRANTY.** Seller warrants that articles delivered hereunder conform to final specifications, drawings, and other description agreed in writing, and are free from defects in materials and workmanship. These warranties shall run to the Buyer, its successors, assigns and customers. These warranties shall expire twelve (12) months after delivery of the article to the Buyer; or such longer period offered in the manufacturers' warranties.
These warranties shall not apply if the articles or any parts thereof have been subjected to; any maintenance, overhaul, installation, storage, operation, use, handling or environment which is improper or not in accordance with Seller's instructions; any alteration, modification, or repair by anyone other than Seller or its authorized representative; or any accident, misuse, neglect, or negligence after delivery by Seller. Lot traceability must be maintained and positively controlled by the Seller for all warranty claims. Products with no lot traceability void warranty actions regardless of timeframe. Warranties shall not apply for defect or non-conformities attributable to any part not supplied by or approved by the Seller.
Buyer understands that Seller is not the manufacturer of the products purchased and the only warranties offered are those of the manufacturer, not Seller. The extent of Seller's obligation and liability for nonconforming Products is replacement of nonconforming products and associated freight charges. Seller will act on behalf of the Buyer for any warranty claims beyond replacement of nonconforming products.

9. **DISCLAIMER OF WARRANTY.** THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF, AND SELLER DISCLAIMS, AND BUYER WAIVES, ALL OTHER WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND OF ANY OTHER TYPE, WHETHER EXPRESS OR IMPLIED, ARISING BY LAW (STATUTORY OR OTHERWISE) AND WHETHER OR NOT OCCASIONED BY SELLER'S NEGLIGENCE.

10. **LIMITATION OF LIABILITY.** IN NO EVENT SHALL SELLER BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES, HOWEVER ARISING, INCLUDING ANY DAMAGES OCCASIONED BY SELLER'S NEGLIGENCE. IN ADDITION, SELLER'S LIABILITY ON ANY CLAIMS FOR DAMAGES OR CHARGES ARISING OUT OF OR CONNECTED WITH THIS AGREEMENT OR THE

MANUFACTURE, SALE, DELIVERY OR USE OF THE PRODUCTS SHALL NOT EXCEED THE PURCHASE PRICE OF THE PRODUCTS AND/OR SERVICES GIVING RISE TO THE CLAIM. Any action for breach of this Agreement, indemnity or any covenant or warranty must be commenced within one (1) year after the cause of action occurs.
All previous binding confidentiality agreements between Buyer and Seller supersede these Terms and Conditions. In the absence of such agreement, all information exchanged by both Parties are to be maintained in confidence. Confidential information is not be disclosed to any third person without written consent between both Parties. Completion or termination of a Purchase Order do not affect these obligations of confidentiality.

11. **ACCEPTANCE/RETURNS.** Goods are deemed accepted within 30 days of delivery. Returns shall only be made upon Seller's issuance of a Return Material Authorization (RMA). Returns sent without an RMA are subject to a $500.00 administrative fee. Service related returns are subject to a restock fee plus a $100.00 administrative fee.

12. **FORCE MAJEURE.** Seller shall not be liable for any failure to perform its obligations under the contract resulting directly or indirectly from, or contributed to by, acts of God, acts of Buyer, civil or military authority, fires, strikes or other labor disputed, accidents, floods, war, terrorism, riot, inability to secure material or transportation facilities, acts or omissions of carriers, or any other circumstances beyond Seller's reasonable control. Buyer and Seller will work in good faith to resolve any repercussions impacting delivery and cost escalation relating to Force Majeure.

13. **NONDISCLOSURE.** These conditions of sale do not supersede any confidentiality agreement executed by Buyer and Seller that otherwise applies to Parts, services, technical data or other information delivered in connection with any purchase order. In the absence of such confidentiality agreement, Buyer may use Seller's proprietary and/or confidential information ("Proprietary Information") only in relation to the use of Seller's Parts by Buyer or for purposes directly relating to these conditions of sale. For purposes of these conditions of sale, "Proprietary Information" shall mean any business records, technical information or data of any kind including, but not limited to, all financial information, costs, quotations, price lists, designs, specifications, or drawings, that have been disclosed by Seller, or any other information expressly marked as "Confidential" or "Proprietary" by Seller or any of its suppliers. Proprietary Information shall remain the property of Seller and its suppliers. Buyer may only disclose Proprietary Information to its employees and supply base on a need-to-know basis and will protect against its inadvertent disclosure.

14. **BUYER'S FORECAST/USAGE.** Buyer shall; a) purchase 100% of its first year's forecast and provide an updated forecast for each succeeding year ninety (90) days prior to the anniversary date; and b) meet with Seller annually to review, i) deviations from forecast, and ii) its purchase commitment for the succeeding year. Failure of Buyer to complete either a) or b) may make Seller's price and delivery commitment invalid.

15. **SAFETY STOCK.** Where Buyer requires, Seller shall hold safety stock for the items and quantities identified by Buyer. Unless otherwise agreed, Seller shall hold an amount not less than 90 days usage plus a buffer based on factory lead-time, administrative and material handling, and transit time. In the event of partial or full termination, obsolescence of items, or expiration of this Agreement, Buyer shall purchase all remaining inventories, including parts on order(s) specific to this agreement not yet received by the Seller, at the contract prices identified herein.

16. **SLOW MOVING / INACTIVE INVENTORY.** The Parties shall review the inventory usage annually, to identify slow moving or inactive parts. Slow moving parts are those with actual usage less than or equal to eighty (80%) percent of Buyer's annual forecast. Inactive parts are those with no usage in a twelve (12) month period. Buyer shall purchase the inventory of all slow moving and inactive parts at the unit prices herein within sixty (60) days after the annual review.

17. **CONTRACT RENEWAL.** Upon reaching twelve months, or the longest contact part lead time prior to expiration date of the contract, the Parties shall start discussions related to the potential renewal of the contract. During this period, Adept Fasteners will advise Buyer of any parts that require replenishment orders to be placed and request Buyer approval to place such purchases. In the event the contract is not renewed, Buyer will be liable for 100% of

the contract price for items purchased during this period.

18. **TERMINATION FOR CONVENIENCE.** Seller and Buyer shall have the right to Terminate for Convenience any portion or the entire Agreement with one hundred eighty days advance written notice to the other Party. Buyer will be responsible for the balance of the MOQ if Buyer exercises this right.

19. **SEVERABILITY.** If any provision of this Agreement is held invalid or unenforceable, the remaining provisions will remain in full force and effect, and the invalid or unenforceable provision will be limited or eliminated to the minimum extent necessary.

20. **LAWS AND DISPUTES.** In the event of a dispute, a Party shall provide written notice to the other Party within thirty (30) days and shall be escalated to upper management. If the dispute is not resolved within a reasonable amount of time not to exceed sixty (60) days from the date of the written notice, either Party may commence litigation regarding provisions set out in the Order. A Party may not commence litigation relating to the Order more than one (1) year after the cause has occurred. In no event will any payment of any invoiced amount due to Adept Fasteners be withheld for any reason set-off by a claim or dispute with Adept Fasteners and its employees. Both parties shall act in good faith to resolve any disputes within a timely manner. All Parties waive the right to trial by jury in any dispute, suit, action or proceeding regarding the Order or the transactions directly or indirectly relating to such Order.
Each Party shall comply with all applicable international, supranational, national, federal, state, and local laws, statutes, rules, regulations, and ordinances. Any Agreement and/or Purchase Order shall be governed by the laws of the state of California. Any claim arising out of or relating to this Agreement and/or Purchase Order, or the breach thereof, shall be settled by binding arbitration which shall be administered in the city of Valencia, California. The United Nations Convention on Contracts for the International Sale of Goods does not apply to the Order.

21. **WAIVER.** The failure or delay of Seller to enforce any of the provisions of these conditions of sale shall not be construed to be a continuing waiver of any provisions hereunder nor shall any such failure prejudice the right of Seller to take any action in the future to enforce any provisions hereunder.

22. **ASSIGNMENT.** Buyer will not assign any rights nor delegate any obligations under these conditions of sale or any portion thereof in whole or in part, by operation of law or otherwise, without Seller's advance, written consent which will not be unreasonably withheld. Any attempt to assign or delegate in violation of this section will be void.

23. **ENTIRE AGREEMENT/AMENDMENT.** This Agreement constitutes the entire, integrated agreement between the Parties related to the subject matter of this Agreement, and any and all discussions, understandings, agreements, representations, courses of dealings, customs, and usages of trade heretofore made or engaged in by the Parties with respect to the subject matter hereof are merged into this Agreement which alone fully and completely expresses the Parties' Agreement. No amendments, modifications, waivers, or termination of this Agreement can be made through the Parties' course of dealings and no such change can be made except in a single writing by the Parties hereto.

24. **ORDER OF PRECEDENCE.** Any inconsistencies between these terms and subsequent Agreements/Purchase Orders shall be resolved in accordance with the following descending order of precedence: (i) These Terms and Conditions of Sale and Service, (ii) other Agreement(s) and attachments thereof; (ii) Statement of Work; (iii) Face of the Purchase Order, release document, or schedule (including any electronic release) as applicable.

25. **INDEMNITY.** Seller will defend, indemnify and save Buyer harmless from and against any and all losses, costs, expenses (including without limitation reasonable attorney's fees), damages, and liabilities (collectively "Damages"), arising from or in connection with (i) Seller's violation of any laws, ordinances or regulations; (ii) any third party claim for personal injury (including death) and tangible property damage to the extent of Seller's gross negligence or willful misconduct; or (iii) any rightful claim of any third person by way of infringement of any United States patent or copyright by products which are of Seller's own manufacture, provided that Buyer promptly gives Seller written notice of any such suits, gives Seller or its designee full control over the defense and settlement, and provide Seller

with all reasonable information and assistance (at Seller's cost) to handle the defense and settlement. Should any goods become, or in Seller's opinion, are likely to become, the subject of any claim for infringement of any U.S. patent or copyright, Seller, in its sole option may either procure the right for Buyer to continue using the good, modify the good to make it non-infringing, substitute an equivalent non-infringing good, or take back and refund the depreciated value of the infringing good. Seller's indemnification obligation does not apply if the alleged infringement results from Buyer's modification or enhancement of the Products or use of the Products in combination with other products not provided or approved by Seller. If Buyer furnishes specifications to Seller for use in the manufacture of the products, Buyer will indemnify and hold Seller harmless against any claim of intellectual property infringement or any other claim which arises out of compliance with the specifications. Seller's obligation to indemnify Buyer hereunder shall only apply if Buyer promptly notifies Seller of any claim or action.

26. **CONTROLLED UNCLASSIFIED INFORMATION (CUI).** Buyer is responsible for identifying and notifying Adept Fasteners, in writing and in advance, of any order, documentation, or technical data that contains Controlled Unclassified Information (CUI) prior to transmission. Adept Fasteners does not typically accept orders involving CUI. In the event CUI is identified, Adept Fasteners will review the request and, if accepted, will provide approved secure methods for transmission and handling in accordance with applicable cybersecurity requirements. Under no circumstances shall CUI be transmitted to Adept Fasteners via standard, unencrypted email, as this constitutes non-compliance with CMMC Level 2 requirements.
All CUI must be properly identified and marked in accordance with applicable regulations. Per DoD Instruction 5200.48, Section 3.4(a), unclassified DoD documents containing CUI must include the designation "CUI" in both the banner and footer of the document. Failure to properly identify and mark CUI prior to transmission may result in rejection of the order or associated data. For additional guidance, Buyers may reference the National Archives and Records Administration (NARA) CUI Marking Handbook, available at https://www.archives.gov/cui, which provides detailed instructions for identifying and marking CUI.