



General Provisions of Purchase Orders

P029

March 2024

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1 Formation of Contract

This purchase order, which incorporates by reference these General Provisions and all other terms and conditions set forth (collectively, the "Contract"), are Buyer's terms to purchase the goods and/or services (collectively, the "Goods"). Seller shall ensure all articles furnished by Seller and its suppliers conform to contract requirements and all applicable technical and quality requirements are met. Acceptance is strictly limited to these terms and conditions. Unless specifically agreed to in writing by Buyer's Authorized Procurement Representative, Buyer objects to, and is not bound by, any term or condition that differs from or adds to this Contract. Seller's commencement of performance or acceptance of this Contract in any manner shall conclusively evidence acceptance of this Contract as written. This Contract shall solely govern seller's provision of the Goods. Buyer and Seller are referred to herein as a "Party" or collectively as the "Parties."

2 Delivery

- 1) Goods delivered pursuant to the terms of this Contract shall be packed for shipment in suitable containers to permit safe transportation and marked for shipment by Seller to the shipping destination specified in the applicable purchase order. All packages must be accompanied by a packing list detailing the contents including description and quantity of the goods, part number or size, if applicable, and appropriate evidence of inspection. Buyer's purchase order number and line-item number must appear on all packing lists and/or bills of lading. Seller shall ship and deliver all Goods to Buyer FCA Free Carrier (Origin), unless otherwise stated in the purchase order. Seller shall strictly adhere to the shipment or delivery schedules specified in this Contract. Seller shall not deliver Goods more than 10 business days prior to the scheduled delivery dates unless authorized by Buyer's Authorized Procurement Representative.
- 2) In the event of any anticipated or actual delay, including but not limited to labor disputes, Seller shall:
 - a) Promptly notify Buyer in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay
 - b) Provide Buyer with a written recovery schedule; and
 - c) If requested by Buyer, ship via air or other expedited routing to avoid or minimize delay the maximum extent possible, unless Seller is excused from prompt performance as provided in the "Force Majeure" clause of this Contract. The added premium transportation costs are to be borne by Seller.

3 Title and Risk of Loss

Title to the Goods and risk of loss shall pass to Buyer when product is handed off to carrier (standard FCA Free Carrier (Origin) terms) or in accordance with shipping terms of the individual purchase order. Per Section 6.2, title for defective goods rejected by Buyer shall transfer to Seller after written notification of the rejection.

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4 Payment

As full consideration for delivery of the Goods and the assignment of rights to Buyer as provided herein, Buyer shall pay Seller the amount agreed upon and specified in the Contract. Seller's invoice shall itemize Purchase Order, line number, part number, description, item cost, quantity and all applicable taxes and other charges such as shipping costs, duties, customs, tariffs, imposts, and government-imposed surcharges. Seller shall consider payment concluded when either check is received through the mail or electronic deposit of funds is completed. Payment shall not constitute acceptance unless otherwise stated herein. All personal property taxes assessable upon the Goods prior to receipt by Buyer of Goods conforming to the Contract shall be borne by Seller. Seller shall invoice Buyer for only Goods delivered and completed. Except as otherwise agreed to in writing, Seller will not be entitled to any royalty or other remuneration on the production or distribution of any products developed by Buyer in connection with or based on the Goods.

5 Warranties

- 1) Seller warrants that all Goods furnished under this Contract shall conform to all specifications and requirements of this Contract and shall be free from defects in materials and workmanship. To the extent Goods are not manufactured pursuant to detailed designs and specifications furnished by Buyer, the Goods shall be free from design and specification defects. Seller warrants that all Goods provided will be new and will not be used or refurbished unless agreed to by both parties in writing. Any additional warranties provided by Seller are hereby incorporated by reference. Warranty shall run to Buyer and its successors and assigns.
- 2) If Buyer identifies a warranty problem with the Goods during the applicable warranty period, Buyer will promptly notify Seller of such problems and, at Seller's expense return the Goods to Seller. Unless otherwise agreed to in writing, within five (5) business days of receipt of any returned Goods, Seller shall assess the returned good and communicate a plan to, (i) either rework or replace such Goods; or (ii) credit Buyer's account for the same. Rework or replacement shall take place as quickly as possible, but in no case greater than 60 days from receipt of returned goods unless agreed upon in writing by both parties. Seller shall not redeliver corrected or rejected goods without disclosing the former rejection or requirement for correction and the corrective action taken in writing via email to Buyer's representative. Reworked material will be clearly identified as reworked when shipped. Replacement and reworked Goods shall be warranted and shall conform to all specifications and requirements of this Contract and be free from defects in materials and workmanship. This Warranty shall run to Buyer and its successors and assigns. If services are to be performed as part of this Contract, Seller warrants that it is qualified to perform such services and warrants all services in accordance with standards referenced in any statement of work. Seller warrants that all services performed hereunder shall be performed by employees or agents of Seller who are experienced and skilled in their profession and in accordance with industry standards. Seller further warrants that all services performed under this Contract, at the time of acceptance, shall be free from defects in workmanship and conform to the requirements of the Contract.

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- 3) If firmware or software loading is included in Seller's contract, then Seller shall take all steps necessary to ensure that code provided to it by Buyer is protected from infection with viruses, malicious code, trojan horses, worms, time bombs, self-help code, back doors, or other software code or routines designed to:
 - a) damage, destroy, or alter any software or hardware,
 - b) reveal, damage, destroy or alter any data,
 - c) disable any computer program automatically, or
 - d) permit unauthorized access to any software or hardware. Seller shall not install any third-party software or code without the express written consent of Buyer.

6 Inspection

- 1) At no additional cost to Buyer, goods shall be subject to inspection, surveillance conducted, and tests performed at reasonable times and places, including Seller's subcontractors' locations. Buyer and Buyer's Customer have the right to visit Seller's and Seller's subcontractors' locations during operating hours and have access to, and cooperation to inspect, review and assess progress and performance under this Contract, including, but not limited to, production, schedule, and quality. Any Buyer representative shall be allowed access to all areas used for the performance of this Contract. Buyer shall perform inspections, surveillance, and tests so as not to unduly delay the work.
- 2) All goods delivered under this contract are subject to inspection and or acceptance testing by Buyer or its agents. Goods that do not meet specifications or are otherwise defective shall be replaced, reworked, or refunded, subject to Buyer's approval, at Seller's expense. Per Section 5.2, if Seller is unable to replace or rework goods within 60 days, Buyer retains the right to terminate affected sections of the contract for cause in accordance with Section 19. Buyer shall promptly notify Seller in writing of any shipments containing defective goods and may at their sole discretion withhold payment for such goods until remedied. After notification from Buyer, Seller assumes risk for loss associated with defective goods and is responsible for all shipping, handling and insurance costs associated with return or replacement.
- 3) If Buyer performs an inspection or test on the premises of Seller or its subcontractors, Seller shall furnish, and require its subcontractors to furnish, without additional charge, reasonable facilities, and assistance for the safe and convenient performance of these duties.
- 4) At Buyer's discretion, Buyer and Buyer's Customer shall be permitted to witness First Article Inspections, or any other pertinent inspections identified at least ten days in advance in writing by Buyer, at Seller's facility prior to delivery of Goods to Buyer. Seller shall give Buyer at least 10 days' notice of the time and place such inspections can occur. Additional terms and conditions may be required by P015, "Supplier Quality Requirements", incorporated herein by reference.

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7 Counterfeit Goods

- 1) Seller shall not furnish to Buyer any Goods under this Contract that are “Counterfeit Goods,” defined as Goods or separately-identifiable items or components of Goods that are: unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be authentic, unmodified parts, components or Goods from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used unmodified parts, components or Goods represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.
- 2) Seller shall ensure that Goods furnished to Buyer under this Contract are not Counterfeit Goods. Seller’s strategy shall include, but is not limited to, the direct procurement of items from OEMs or authorized suppliers, conducting approved testing or inspection to ensure the authenticity of items, or, when items are to be procured from nonauthorized suppliers, obtaining from such non-authorized suppliers appropriate certificates of conformance that provide one or more of the following: (a) the OEM’s original certificate of conformance for the item; (ii) sufficient records providing unbroken supply chain traceability to the OEM; or (iii) test and inspection records demonstrating the item’s authenticity.
- 3) Counterfeit Goods delivered or furnished to Buyer under this Contract are deemed nonconforming. If Seller becomes aware or suspects that it has furnished Counterfeit Goods to Buyer under this Contract, Seller shall promptly notify Buyer and replace, at Seller’s expense, such Counterfeit Goods with OEM or Buyer-approved Goods that conform to the requirements of this Contract. Seller shall be liable for all costs related to the replacement of Counterfeit Goods and any testing or validation necessitated by the installation of authentic Goods after Counterfeit Goods have been replaced. The remedies contained in this article are in addition to any remedies Buyer may have at law in equity, or under other provisions of this Contract.
- 4) Seller shall indemnify Sagotech, its agents, and third parties for any financial loss, injury, or property damage resulting directly or indirectly from material, components, or parts that are not genuine, original, and unused, or not otherwise suitable for the intended purpose. This includes, but is not limited to, materials that are defective, suspect, or counterfeit; materials that have been provided under false pretenses; and materials or items that are materially altered, damaged, deteriorated, degraded, or result in product failure. The Seller’s warranty also extends to labels and/or trademarks or logos affixed, or designed to be affixed, to items supplied or delivered to Sagotech. In addition, because falsification of information or documentation may constitute criminal conduct, Sagotech may reject and retain such information or items, at no cost, and identify, segregate, and report such information or activities to the applicable government authorities.
- 5) Seller bears responsibility for procuring authentic Goods or items from its subcontractors and shall ensure that all such subcontractors comply with the requirements of this article.

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8 Conflict Minerals

In accordance with the Dodd-Frank Act, Section 1502, Seller shall conduct and require due diligence throughout its supply chain to prevent use of Conflict Minerals, which include gold (Au), tantalum (Ta), tungsten (W) and tin (Sn) sourced from areas identified as conflict regions, including the Democratic Republic of the Congo (DRC) and Central Africa.

9 Quality Management

Seller shall establish and maintain a quality management system acceptable to Buyer for the Goods purchased under this Contract. Seller might use other parties e.g., Buyer, to perform supplier surveillance or assessments on its behalf for qualification and auditing of a supplier's quality system. These include but are not limited to, reviewing procedures, practices, processes, and related documents to determine Contract commercial, quality, and technical acceptability. Seller shall have a continuing obligation to promptly notify Buyer of any violation of or deviation from Seller's approved inspection/quality management system and to advise Buyer of the quantity and specific identity of any Goods delivered to Buyer during the period of any such violation or deviation. Additional terms and conditions shall be required to be followed in accordance with P015, "Supplier Quality Requirements", incorporated herein. These Supplier Quality Requirements are to be flowed down to their 2nd tier suppliers, accordingly.

10 Configuration Management

Seller shall establish and maintain a configuration management system acceptable to Buyer for the Goods and services purchased under this Contract. Seller shall permit Buyer to review procedures, practices, processes, and related documents to determine such acceptability. Seller shall have a continuing obligation to promptly notify Buyer of any violation of or deviation from Seller's configuration management system and to advise Buyer of the quantity and specific identity of any Goods delivered to Buyer during the period of any such violation or deviation.

11 Subcontracting

Seller shall maintain complete and accurate records regarding all subcontracted items and/or processes. Unless Buyer's prior written authorization or approval is obtained, Seller may not purchase completed or substantially completed Goods for delivery as Seller's product. Completed or substantially completed Goods do not include components or subassemblies necessary to produce supplier product. Unless Buyer's prior written authorization or approval is obtained, Seller may not purchase services where said services result in any Intellectual Property commitments on behalf of Buyer.

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12 Diminishing Manufacturing Sources and Material Shortages

Seller shall minimize the impact of all known obsolescence and Diminishing Manufacturing Source & Material Shortages (DMS & MS) issues from design through support. Seller shall regularly monitor the obsolescence status of component content in the equipment. Seller shall identify obsolete parts, diminishing manufacturing sources and material shortages. Seller shall monitor the parts and materials that have the potential to adversely affect Buyer's supply of such parts production or life cycle supportability. Seller shall provide Buyer with a minimum of 30 days written notice any time a part is identified as an at-risk part or material, or within five days of receiving notice or becoming aware of a potential issue, whichever comes first. Seller's notice shall address part cost, where and how often parts are used in the Goods, and how many parts are affected. Upon request of Buyer, Seller shall provide a management plan describing Seller's effort to identify these parts, diminishing manufacturing sources and material shortages.

13 Changes

- 1) Buyer's Authorized Procurement Representative may, without notice to sureties and in writing, direct changes within the general scope of this Contract in any of the following areas:
 - a) technical requirements and descriptions, specifications, statement of work, drawings or designs;
 - b) shipment or packing methods;
 - c) place of delivery, inspection or acceptance;
 - d) reasonable adjustments in quantities or delivery schedules or both;
 - e) amount of Buyer-furnished property;
 - f) and, if this Contract includes services,
 - i) description of services to be performed;
 - ii) time of performance (e.g., hours of the day, days of the week);
 - iii) place of performance, and
 - iv) terms and conditions of this Contract required to meet Buyer's obligations under Government prime contracts or subcontracts.
- 2) If such change increases or decreases the cost or time required to perform this Contract, Buyer and Seller shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. Buyer shall modify this Contract in writing accordingly. Seller must assert any claim for adjustment to Buyer's Authorized Procurement Representative, in writing, within 15 calendar days and deliver a fully supported proposal to same within 30 calendar days. Buyer may, at its sole discretion, consider any claim regardless of when asserted. If Seller's proposal includes the cost of property made obsolete or excess by the change, Buyer may direct the disposition of the property. Seller has the burden to support the amount of Seller's claim for equitable adjustment.
- 3) If Seller considers that Buyer's direction constitutes a change outside of the general scope of this Contract, Seller shall notify Buyer's Authorized Procurement Representative immediately in writing as to the nature of such conduct and its effect upon Seller's performance. Pending direction from

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Buyer's Authorized Procurement Representative, Seller shall take no action to implement any such change.

14 Indemnification, Insurance, Protection of Property, and Evidence of Citizenship

- 1) This section is applicable to work performed by Seller on or about Buyer's premises.
- 2) Indemnification. Seller shall defend, indemnify and hold harmless Sagetech Avionics, Inc. and their directors, officers, employees and agents from and against all actions, causes of action, liabilities, claims, suits, judgments, liens, awards and damages of any kind and nature whatsoever for property damage, personal injury or death (including without limitation injury to or death of employees of Seller or any subcontractor thereof) and expenses, costs of litigation and counsel fees related thereto or incident to establishing the right to indemnification, arising out of or in any way related to this Contract, the performance thereof by Seller or any subcontractor thereof or other third parties, within the control or acting at the direction of Seller, or any of their respective employees (collectively for the purposes of this paragraph, the "Seller Parties"), including, without limitation, the provision of Goods, Services, personnel, facilities, equipment, support, supervision or review. The foregoing indemnity shall apply only to the extent of the negligence or willful misconduct of Seller, any subcontractor thereof or their respective employees that occurs while Seller is on a premise owned or controlled by Buyer. In no event shall Seller's obligations hereunder be limited to the extent of any insurance available to or provided by Seller or any subcontractor thereof. Seller expressly waives any immunity under industrial insurance, whether arising out of statute or other source, to the extent of the indemnity set forth in this paragraph [2]).
- 3) Commercial General Liability. Seller shall carry and maintain, and ensure that all subcontractors thereof carry and maintain, throughout the period when work is performed and until final acceptance by Buyer, Commercial General Liability insurance with available limits of not less than one million dollars (\$1,000,000) per occurrence for bodily injury and property damage combined. Such insurance shall contain coverage for all premises and operations, broad form property damage, contractual liability (including, without limitation, that specifically assumed under paragraph [2]) herein) and goods and completed-operations insurance with limits of not less than one million dollars (\$1,000,000) per occurrence for a minimum of twenty-four (24) months after final acceptance of the work by Buyer. Such insurance shall not be maintained on a per-project basis unless the respective Seller or subcontractor thereof does not have blanket coverage.
- 4) Automobile Liability. If licensed vehicles will be used in connection with the performance of the work, Seller shall carry and maintain, and ensure that any subcontractor thereof who uses a licensed vehicle in connection with the performance of the work carries and maintains, throughout the period when work is performed and until final acceptance by Buyer, Business Automobile Liability insurance covering all vehicles, whether owned, hired, rented, borrowed or otherwise, with available limits of not less than one million dollars (\$1,000,000) per occurrence combined single limit for bodily injury and property damage.

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- 5) **Workers' Compensation and Employers' Liability.** Throughout the period when work is performed and until final acceptance by Buyer, Seller shall, and ensure that any subcontractor thereof shall, cover or maintain insurance in accordance with the applicable laws relating to Workers' Compensation (and Employers' Liability with limits not less than one million dollars (\$1,000,000) per incident) with respect to all of their respective employees working on or about Buyer's premises. If Buyer is required by any applicable law to pay any Workers' Compensation premiums with respect to an employee of Seller or any subcontractor, Seller shall reimburse Buyer for such payment.
- 6) **Certificates of Insurance.** Prior to commencement of the work, Seller shall provide for Buyer's review and approval certificates of insurance reflecting full compliance with the requirements set forth in paragraphs (b), (c), and (d). Such certificates shall be kept current and in compliance throughout the period when work is being performed and until final acceptance by Buyer and shall provide for 30 days advance written notice to Buyer in the event of cancellation. Failure of Seller or any subcontractor thereof to furnish certificates of insurance, or to procure and maintain the insurance required herein or failure of Buyer to request such certificates, endorsements or other proof of coverage shall not constitute a waiver of Seller's or subcontractor's obligations hereunder.
- 7) Where Seller either entering or performing work at premises owned or controlled by Buyer or Buyer's customer or obtaining access electronically to Buyer systems or information, Seller shall comply with: (i) all the rules and regulations established by Buyer or Buyer's customer for access to and activities in and around premises controlled by Buyer or Buyer's customer; and (ii) Buyer's requests for information and documentation to validate citizenship or immigration status of Seller's personnel or subcontractor personnel. In addition, Seller acknowledges that Buyer may perform routine background checks on Seller personnel.
- 8) **Self-Assumption.** Any self-insured retention, deductibles and exclusions in coverage in the policies required under this article shall be assumed by, for the account of and at the sole risk of Seller or the subcontractor which provides the insurance and to the extent applicable shall be paid by such Seller or subcontractor. In no event shall the liability of Seller or any subcontractor thereof be limited to the extent of any of the minimum limits of insurance required herein.
- 9) **Protection of Property.** Seller assumes and shall ensure that all subcontractors thereof and their respective employees assume, the risk of loss or destruction of or damage to any property of such parties whether owned, hired, rented, borrowed, or otherwise, brought to a facility owned or controlled by Buyer or Buyer's customer. Seller waives and shall ensure that any subcontractor thereof and their respective employees waive, all rights of recovery against Buyer, its subsidiaries and their respective directors, officers, employees and agents for any such loss, destruction or damage. At all times Seller shall, and ensure that any subcontractor thereof shall, use suitable precautions to prevent damage to Buyer's property. If any such property is damaged by the fault or negligence of Seller or any subcontractor thereof, Seller shall, at no cost to Buyer, promptly and equitably reimburse Buyer for such damage or rework or otherwise make good such property to Buyer's satisfaction. If Seller fails to do so, Buyer may do so and recover from Seller the cost thereof.

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15 Intellectual Property Indemnity

Seller will indemnify, defend and hold harmless Buyer and its customer from all claims, suits, actions, awards (including, but not limited to, awards based on intentional infringement of patents known at the time of such infringement, exceeding actual damages and/or including attorneys' fees and/or costs), liabilities, damages, costs and attorneys' fees (collective, "claims") related to the actual or alleged infringement of any United States or foreign intellectual property right (including, but not limited to, any right in a patent, copyright, industrial design or semiconductor mask work, or based on misappropriation or wrongful use of information or documents) and arising out of the manufacture, sale or use of Goods by either Buyer or its customer, when such claims are not related to the design, documentation, intellectual property or other such items as owned by and/or provided by Buyer. Buyer and/or its customer will duly notify Seller of any such claim, suit, or action. Seller will, at its own expense, fully defend such claim, suit, or action on behalf of the indemnities. Seller will have no obligation under this article with regard to any infringement arising from (a) the compliance of Seller's new product design with formal specifications issued by Buyer where infringement could not be avoided in complying with such specifications or (b) use or sale of Goods for other than their intended application in combination with other items when such infringement would not have occurred from the use or sale of those Goods solely for the purpose for which they were designed or sold by Seller. For purposes of this article only, the term Buyer will include Sagetech Avionics, Inc. and all officers, agents and employees thereof.

16 Confidentiality

Prior to the execution of any contract which involves disclosure or utilization of any company confidential, proprietary information or intellectual property, Buyer and Seller shall execute a Non-Disclosure Agreement (NDA) agreeable to both parties and shall abide by its terms throughout the execution of such contract.

17 Intellectual Property

- 1) Intellectual Property (IP). IP means inventions, discoveries and improvements; know-how; technical data, drawings, specifications, system interface requirements, process information, reports and documented information; and computer software. IP includes all worldwide common law and statutory rights to the foregoing, including but not limited to, patents, industrial designs, trade secrets, copyrights, mask work registrations, and the like.
- 2) Background IP. Seller shall retain ownership of all IP owned or developed by Seller prior to the effective date of or outside the scope of this Contract ("Background IP"). Seller grants to Buyer an irrevocable, nonexclusive, sublicensable, perpetual, paid-up, royalty-free, worldwide license (i) to use, reproduce, distribute, modify, and prepare derivative works of such Background IP and (ii) to use, make, have made, offer for sale, sell, distribute and import products and services that incorporate or embody such Background IP, in each case solely as necessary for the purpose of exploiting Buyer's rights in the Goods. Seller grants to Buyer such license rights for any purpose.

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- 3) Employee Agreements. Seller shall obtain agreements with its personnel to enable the grant of rights to which Buyer is entitled under this Article.
- 4) Third Party IP. To the extent Seller incorporates third-party IP into any contract deliverable, Seller shall obtain for Buyer at least the license rights granted in paragraph 2 of this Article in such third-party IP, at no additional cost to Buyer.
- 5) Foreground IP. Seller shall retain ownership of all IP related to the manufacturing process unless specifically funded by Buyer through NRE charges. In such case funded IP shall be the exclusive property of Buyer. IP created which is embodied in the deliverable product shall be the exclusive property of Buyer.

18 Termination for Convenience

- 1) Buyer may terminate all or part of this Contract for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to stop work unless such work performed by supplier or subcontractor was previously disclosed as non-cancellable, non-returnable (NCNR) and Buyer has previously authorized such work or purchase. Subject to the terms of this Contract, within thirty (30) days after the effective date of termination, Seller may submit to Buyer a claim reflecting the percentage of the work performed prior to the effective date of termination, plus reasonable charges that Seller can demonstrate to the satisfaction of Buyer using its standard record keeping system have resulted from the termination. Seller shall not be paid for any work performed or costs incurred which reasonably could have been avoided. Further, Seller shall not be paid, and in no event shall Buyer be obligated to pay, lost or anticipated profits or unabsorbed indirect costs or overhead. In no event shall Buyer be obligated to pay Seller any amount in excess of the Contract price. The provisions of this Article shall not limit or affect the right of Buyer to cancel this Contract for default. Seller shall continue all work not terminated.
- 2) Buyer may terminate performance of work under this Contract in whole or, from time to time, in part if the Buyer determines that a termination is in the Buyer's interest. The Buyer shall terminate by delivering to the Seller a Notice of Termination specifying the extent of termination and the effective date.
- 3) After receipt of a Notice of Termination, and except as directed by the Buyer, the Seller shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:
 - a) Stop work as specified in the notice.
 - b) Place no further subcontracts or orders (referred to as subcontracts in this clause) for materials, services, or facilities, except as necessary to complete the continued portion of the Contract.
 - c) Terminate all subcontracts to the extent they relate to the work terminated, except such work which was previously disclosed as NCNR and authorized by Buyer.

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- d) Assign to the Buyer, as directed by the Buyer, all right, title, and interest of the Seller under the subcontracts terminated, in which case the Buyer shall have the right to settle or to pay any termination settlement proposal arising out of those terminations.
 - e) With approval or ratification to the extent required by the Buyer, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts; the approval or ratification will be final for purposes of this clause.
 - f) As directed by the Buyer, transfer title and deliver to the Buyer –
 - i) The fabricated or un-fabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated; and
 - ii) The completed or partially completed plans, drawings, information, and other property that, if the Contract had been completed, would be required to be furnished to the Buyer.
 - g) Complete performance of the work not terminated.
 - h) Take any action that may be necessary, or that the Buyer may direct, for the protection and preservation of the property related to this Contract that is in the possession of the Seller and in which the Buyer has or may acquire an interest.
- 4) The Seller shall submit complete termination inventory schedules no later than 30 days from the effective date of termination, unless extended in writing by the Buyer upon written request of the Seller within this 30-day period.
- 5) After termination, the Seller shall submit a final termination settlement proposal to the Buyer in the form and with the certification prescribed by the Buyer. The Seller shall submit the proposal promptly, but no later than thirty (30) days from the effective date of termination, unless extended in writing by the Buyer upon written request of the Seller within this 30-day period. If the Seller fails to submit the proposal within the time allowed, the Buyer may determine, on the basis of information available, the amount, if any, due the Seller because of the termination and shall pay the amount determined.
- 6) Subject to paragraph [5]) of this clause, the Seller and the Buyer may agree upon the whole or any part of the amount to be paid or remaining to be paid because of the termination. The amount may include a reasonable allowance for profit on work done. However, the agreed amount may not exceed the total Contract price as reduced by
- a) the amount of payments previously made and
 - b) the Contract price of work not terminated
- 7) The cost principles and procedures of Part 31 of the Federal Acquisition Regulation, in effect on the date of this Contract, shall govern all costs claimed, agreed to, or determined under this clause.
- 8) In arriving at the amount due the Seller under this clause, there shall be deducted –
- a) All un-liquidated advance or other payments to the Seller under the terminated portion of this Contract
 - b) Any claim which the Buyer has against the Seller under this Contract; and
 - c) The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by the Seller or sold under the provisions of this clause and not recovered by or credited to the Buyer.

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- 9) If the termination is partial, the Seller may file a proposal with the Buyer for an equitable adjustment of the price(s) of the continued portion of the Contract. The Buyer shall make any equitable adjustment agreed upon. Any proposal by the Seller for an equitable adjustment under this clause shall be requested within 7 days from the effective date of termination unless extended in writing by the Buyer
- 10) The Buyer may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the Seller for the terminated portion of the Contract if requested by Seller, if the Buyer believes the total of these payments will not exceed the amount to which the Seller will be entitled
- 11) Unless otherwise provided in this Contract or by statute, the Seller shall maintain all records and documents relating to the terminated portion of this Contract for 4 years after final settlement. This includes all books and other evidence bearing on the Seller's costs and expenses under this Contract

19 Cure and Default

- 1) Buyer may, by written notice to Seller, cancel all or part of this Contract: (i) if Seller fails to deliver the Goods within the time specified by this Contract or any written extension; (ii) if Seller fails to perform any other provision of this Contract or fails to make progress, so as to endanger performance of this Contract, and, in either of these two circumstances, within ten (10) days after receipt of notice from Buyer specifying the failure, does not cure the failure or provide Buyer with a written detailed plan adequate to cure the failure if such failure reasonably cannot be cured within such ten (10) days and such plan is acceptable to Buyer's Authorized Procurement Representative; or (iii) in the event of Seller's bankruptcy, suspension of business, insolvency, appointment of a receiver for Seller's property or business, or any assignment, reorganization or arrangement by Seller for the benefit of its creditors.
- 2) Seller shall continue work not canceled.
- 3) Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer, any (i) completed Goods, and (ii) any partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (collectively, "Manufacturing Materials") that Seller has specifically produced or acquired for the canceled portion of this Contract and which was funded by Buyer through amortization in price of Goods or through NRE. Upon direction from Buyer, Seller shall also protect and preserve property in its possession in which Buyer or its Customer has an interest.
- 4) Buyer shall pay the Contract price for Goods accepted. In addition, any payment for Manufacturing Materials accepted by Buyer and for the protection and preservation of property shall be at a price determined in accordance with the "Termination for Convenience" article of this Contract, except that Seller shall not be entitled to profit.
- 5) If, after cancellation, it is determined that Seller was not in default, the rights and remedies of the Parties shall be as if the Contract had been terminated according to the "Termination for Convenience" article of this Contract.

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20 Disputes

The parties agree to make every effort to resolve disputes through communication amongst the parties. The following steps shall be taken to resolve any disputes: (1) oral communication between the parties; then (2) the aggrieved party shall notify the other party in writing as to the dispute with 30 days to resolve; if not resolved then (3) either party may seek redress in any court of competent jurisdiction. Pending final resolution of any dispute, Seller shall proceed with performance of this contract according to Buyer's instructions so long as Buyer continues to pay amounts not in dispute. Notwithstanding the foregoing, this Article shall not prohibit either Party from instituting litigation to preserve any statutory rights or seeking an injunction to prevent a breach or violation of a Party's rights under Article 17, Confidentiality.

21 Buyer's Employees

For the term of this Agreement and 12 months following its expiration or termination, Supplier shall not employ or retain as an independent contractor any employee of Sagotech without Sagotech's consent.

22 Buyer's Property

Seller shall clearly mark, maintain an inventory of, and keep segregated or identifiable all of Buyer's property and all property to which Buyer acquires an interest by virtue of this Contract. Buyer may require that a Bonded Stores Agreement be executed between the parties. Seller assumes all risk of loss, destruction, or damage of such property while in Seller's possession, custody, or control, including any transfer to Seller's subcontractors. Upon request, Seller shall provide Buyer with an inventory of the property and adequate proof of insurance against such risk of loss. Seller shall not use such property other than in performance of this Contract without Buyer's prior written consent. Seller shall notify Buyer's Authorized Procurement Representative if Buyer's property is lost, damaged, or destroyed. As directed by Buyer, upon completion, termination, or cancellation of this Contract, Seller shall deliver such property, to the extent not incorporated in delivered Goods, to Buyer in good condition subject to ordinary wear and tear and normal manufacturing losses. Nothing in this article limits Seller's use, in its direct contracts with the Government, of property in which the Government has an interest.

23 Force Majeure

Seller shall not be liable for excess re-procurement costs pursuant to the "Cure & Default" article of this Contract incurred by Buyer because of any failure to perform this Contract under its terms if the failure arises from causes beyond the control and without the fault or negligence of Seller. Examples of these causes are: (a) acts of God or of the public enemy; (b) acts of the Government in either its sovereign or contractual capacity; (c) fires; (d) floods; (e) epidemics; (f) quarantine restrictions; (g) strikes; (h) freight embargoes; and (i) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of Seller. If the Seller's failure is caused by the failure of a

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subcontractor of Seller and if such failure arises out of causes beyond the reasonable control of both, and if such failure is without the fault or negligence of either, Seller shall not be liable for excess re-procurement costs unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedules. Seller shall notify Buyer in writing within ten (10) days after the beginning of any such cause(s). In all cases, Seller shall use reasonable efforts to avoid or minimize all such failures, including exercising work-around plans or obtaining the Goods from other sources.

24 Severability

If any provision of this Contract shall be deemed to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

25 Assignment and Delegation

- 1) Seller shall not and shall cause its affiliates not to, directly, indirectly, voluntarily or involuntarily, in each case, whether by transfer, operation of law, Change of Control (as described in subparagraph b below) or otherwise assign any of its rights or interest in this Contract, delegate any of its obligations under this Contract, or subcontract for all or substantially all of its performance of this Contract (each, an "Assignment"), without Buyer's prior written consent after advance written notice by Seller. No purported assignment, with or without Buyer's consent, shall relieve Seller of any of its obligations under this Contract or prejudice any rights or claims that Buyer may have against Seller, whether such obligations, rights or claims, as the case may be, arise before or after the date of any purported Assignment; provided however, that Seller may assign its right to monies due or to become due under this Contract, and this Article does not limit Seller's ability to purchase standard commercial supplies or raw materials in connection with its performance of this Contract.
- 2) For the purposes of this Contract, the term "Change of Control" shall mean any of the following, whether in a single transaction or a series of related transactions and whether or not Seller is a party thereto:
 - a) a sale, conveyance, transfer, distribution, lease, assignment, license or other disposition of all or substantially all of the assets of Seller;
 - b) any consolidation or merger of Seller or its controlling affiliates, any dissolution of Seller or its controlling affiliates, or any reorganization of one or more of Seller or its controlling affiliates; or
 - c) any sale, transfer, issuance, or disposition of any equity securities or securities or instruments convertible or exchangeable for equity securities (collectively, "securities") of Seller or its controlling affiliates in which the holders of all of the securities that may be entitled to vote for election of any member of a board of directors or similar governing body of Seller or such controlling affiliate immediately prior to such transaction(s) holds less than fifty percent (50%)

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of the securities that may be entitled to vote for the election of any such member in such entity immediately following such transaction(s).

26 Nonexclusive Contract

This is not an exclusive Contract. Buyer is free to engage others to provide Goods or services the same as or similar to Seller's. Seller is free to, and is encouraged to, advertise, offer, and provide Seller's standard Goods or services to others; provided however, that Seller does not breach this Contract.

27 Notices

Except for Purchase Orders which may be sent by local mail, facsimile transmission, or electronically transmitted, all notices, and other communications hereunder shall be in writing, and shall be addressed to Seller or to an authorized Buyer representative, and shall be considered given when (a) delivered personally, (b) sent by email or facsimile, (c) sent by commercial overnight courier with written verification receipt, or (d) ten (10) days after having been sent, postage prepaid, by first class or certified mail.

28 Survival of Obligations

Any obligations and duties which by their nature extend beyond the expiration or termination of this Contract shall survive the expiration or termination of this Contract, including but not limited to Confidentiality, which shall be maintained per the terms described in Non-Disclosure Agreements, if any, referenced in paragraph 16.

29 Governing Law

This Contract shall be governed and construed in all respects in accordance with the domestic laws and regulations of the State of Washington, without regard to its conflicts of laws principles to the contrary.

30 Compliance with Government Flow-Down Clauses

Government clauses which may be applicable to this Contract are incorporated herein either by attachment to this document or as referenced on Purchase Order.

31 Suspension of Work

- 1) Buyer's Authorized Procurement Representative may, by written order, suspend all or part of the work to be performed under this Contract for a period of 100 days. Within such period of any suspension of work, Buyer shall
 - a) cancel the suspension of work order;

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- b) terminate this Contract in accordance with the "Termination for Convenience" article of this Contract; or
 - c) extend the stop work period.
- 2) Seller shall resume work whenever a suspension is canceled. Buyer and Seller shall negotiate an equitable adjustment in the price or schedule or both if
- a) this Contract is not canceled or terminated;
 - b) the suspension results in a change in Seller's cost of performance or ability to meet the Contract delivery schedule; and
 - c) Seller submits a claim for adjustment within 20 days after the suspension is canceled.
- 3) Seller may submit to Buyer a claim for costs associated with suspension. Seller may accept or reject claim. If rejected, the suspension will be immediately terminated, or the Buyer will terminate the contract in accordance with the "Termination for Convenience" article of this Contract at Buyer's sole discretion.

32 Publicity

- 1) Seller shall implement the intent of this paragraph in its business operations and at all of its sub-tier Suppliers as follows:
- a) Seller shall not use Buyer's brand (text or visual use of Buyer's products, services, company name, logo, programs, etc.), of any kind through any outbound channel, including, but not limited to: press releases, advertising, media articles, websites, presentations, video, still photos and tradeshow graphic panels & promotional items or denial or confirmation of same regarding this Contract or the Goods or program to which it pertains without prior written consent of Buyer.
 - b) Seller shall make best effort to require that its subcontractors, at all tier levels, not release any publicity, advertisement, news release or denial or confirmation of same regarding this Contract or the Goods or program to which it pertains without prior written consent of buyer. Information released includes, but is not limited to: press releases, advertising, media articles, websites, presentations, video, still photos, and tradeshow graphic panels & promotional items, etc.
 - c) By accepting this Contract, Seller explicitly agrees that dissemination of unauthorized publicity is strictly prohibited unless approved prior to any release, in writing, by a representative of Buyer's Procurement organization.

33 Business Conduct

- 1) Compliance with Laws. Seller shall comply fully with all applicable statutes and government rules, regulations, and order. Without acting as a limitation, Seller shall comply with (i) all applicable country laws relating to anti-corruption or anti-bribery, including, but not limited to, legislation implementing the Organization for Economic Co-operation and Development "Convention on

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Combating Bribery of Foreign Public Officials in International Business Transactions” (the “OECD Convention”) or other anti-corruption/anti-bribery convention; and (ii) the requirements of the Foreign Corrupt Practices Act, as amended, (“FCPA”) (15 U.S.C. §§78dd-1, et. seq.), regardless of whether Seller is within the jurisdiction of the United States, and Seller shall, neither directly nor indirectly, pay, offer, give, or promise to pay or give any portion of monies or anything of value received from Buyer to a non-U.S. public official or any person in violation of the FCPA and/or in violation of any applicable country laws relating to anti-corruption or anti-bribery.

- 2) Gratuities. Seller warrants that neither it nor any of its employees, agents, or representatives have offered or given, or will offer or give, any gratuities to Buyer's employees, agents or representatives for the purpose of securing this Contract or securing favorable treatment under this Contract.
- 3) 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 worldwide operations. In furtherance of this commitment, Buyer has adopted a Code of Business Ethics setting out in detail the measures it takes to ensure this commitment is fulfilled. Buyer strongly encourages Seller to adopt and enforce these concepts 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. Further, any material violation of law by Seller relating to basic working conditions and human rights including laws regarding slavery and human trafficking, of the country or countries in which Seller is performing work under this Contract may be considered a material breach of this Contract for which Buyer may elect to cancel any open orders between Buyer and the Seller, for cause, in accordance with the provision of this order entitled "Cure and Default".
- 4) Environmental, Health, & Safety Performance. Seller acknowledges and accepts full and sole responsibility to maintain an environment, health, and safety management system ("EMS") appropriate for its business throughout the performance of this Contract. Buyer expects that Seller's EMS will promote health and safety, environmental stewardship, and pollution prevention by appropriate source reduction strategies. Seller shall convey the requirement of this clause to its suppliers. Seller shall not deliver Goods that contain any asbestos mineral fibers.
- 5) Seller Facility. Seller shall provide Buyer written notice of any proposed plans for moving Seller's manufacturing location for goods or moving tooling or other equipment utilized in the manufacture of the Goods to another factory and will provide plans to ensure contractual commitments are met with no disruption.
- 6) Communication with Buyer's Customer. Seller agrees to communicate solely with the Buyer on all issues regarding the contents and requirements of the Buyer's Purchase Order. Direct communication with the Buyer's Customer for business outside the purview of the Buyer's Purchase Order is not restricted.

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34 The Sagotech Controlled Document Template

- 1) Buyer may (at its sole discretion) grant in writing to Seller a limited, nontransferable, nonexclusive, revocable (in Buyer's sole discretion) right for Seller personnel to access electronic information systems operated by or on behalf of Buyer, including but not limited to, facilities, network communication systems, telecommunications systems, software, applications, information and data, (collectively, the "Sagotech Systems") during the term of this Contract to the extent necessary for Seller to perform this Contract. Seller personnel shall not access or use the Sagotech's Systems for any other purpose. SAGETECH SYSTEMS ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS, AND SELLER EXPRESSLY AGREES THAT BUYER MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RELIABILITY AND AVAILABILITY OF ANY SAGETECH SYSTEM.
- 2) In addition to any other rights and obligations set forth in any relevant Contract, Seller acknowledges that any information accessed through the Sagotech Systems, whether or not marked as "proprietary" or equivalent, shall be considered proprietary to Buyer and shall be protected in accordance with the "Confidential" Article of the Contract.
- 3) Buyer shall have the right to audit Seller's compliance with this Article.
- 4) Seller and Seller personnel understand and consent as follows: Seller and Seller personnel have no reasonable expectation of privacy in any communications or data, personal or otherwise, transiting or stored on Sagotech Systems; any communications or data transiting or stored on Sagotech Systems may be monitored, intercepted, recorded, and searched at any time and for any lawful purpose, and may be used or disclosed for any lawful purpose.
- 5) Any security breach of the Sagotech Systems or other breach of the requirements of this Article, shall be grounds for default in accordance with the "Cure and Default" Article of this Contract.

35 Trade Control Compliance

- 1) The Parties shall comply with all export and import laws, regulations, decrees, orders, and policies of the United States Government and the Government of any country in which the Parties conduct business pursuant to this Contract, including but not limited to the Export Administration Regulation ("EAR") of the U.S. Department of Commerce, the International Traffic in Arms Regulations ("ITAR") of the U.S. Department of State, the U.S. Customs & Border Protection Regulations, the Harmonized Tariff Schedule, and the anti-boycott and embargo regulations and guidelines as set forth in EAR and in the U.S. Department of Treasury, Office of Foreign Assets Control (collectively, "Trade Control Laws").
- 2) Seller shall control disclosure of, and access to, controlled items or technical data provided by Buyer related to performance of the Contract in compliance with all applicable Trade Control Laws. Seller shall not transfer (to include transfer to foreign persons employed by or associated with, or under contract to Seller, or Seller's sub-tier suppliers or Seller's non-U.S. subsidiaries) any export-controlled item, data, or services, without providing advance notice to Buyer and obtaining the requisite export and/or import authority.

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- 3) Subject to applicable Trade Control Laws, Seller shall provide Buyer with the export control classification of any commodity or technology including software.
- 4) Seller represents that it maintains an effective export/import control compliance program in accordance with all applicable Trade Control Laws. A copy of process control documents and other documents reasonably requested by Buyer related to Seller's compliance with applicable Trade Control Laws shall be made available to Buyer upon request.
- 5) Seller shall promptly notify Buyer if Seller is, or becomes, listed in any Denied Parties List or if Seller's export privileges are otherwise denied, suspended, or revoked in whole or in part by any Government entity.
- 6) Seller shall timely inform Buyer of any actual or alleged violations of any applicable Trade Control Laws including any suits, actions, proceedings, notices, citations, inquiries, or other communications from any government agency concerning any actual or alleged violations, in Seller's performance under this Contract and shall comply with all reasonable requests from Buyer for information regarding any such violations.
- 7) Seller shall incorporate into any contracts with its sub-tier suppliers obligations no less restrictive than those set forth in this Article requiring compliance with all applicable Trade Control Laws.

36 Claims Adjustment

Buyer may at any time deduct or set-off Seller's claims for money due or to become due from Buyer against any claims that Buyer has or may have arising out of this Contract or other transactions between Buyer and Seller.

37 No Waiver; Rights and Remedies

- 1) Any failure, delays, or forbearances of either Party in insisting upon or enforcing any provision of this Contract, or in exercising any rights or remedies under this Contract, shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies; rather, the same shall remain in full force and effect.
- 2) Except as expressly and affirmatively disclaimed in writing in this Contract, the rights and remedies set forth herein are cumulative and in addition to any other rights or remedies that the Parties may have at law or in equity. If any provision of the Contract is or becomes void or unenforceable by law, the remainder shall be valid and enforceable. Seller acknowledges and agrees that money damages may not be adequate remedy for any actual, anticipatory, or threatened breach of this Contract by Seller with respect to its delivery of the Goods to Buyer.
- 3) Seller agrees that Buyer's approvals of Seller's technical and quality specifications, drawings, plans, procedures, reports, and other submissions shall not relieve Seller of its obligations to perform all requirements of this Contract.

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38 Order of Precedence

- 1) All documents and provisions in this Contract shall be read so as to be consistent to the fullest extent possible. In the event of a conflict or inconsistency between the documents or provisions as incorporated into or attached to the Contract, the documents or provisions shall prevail in the order listed below, with the first document or provision listed having the highest precedence: Document Title/Description:
- a) Customer Contract Requirements (CCR) or equivalent, if set forth in this Contract.
 - b) The system generated purchase contract document.
 - c) General Provisions for Purchase Orders and any Special Business Provisions.
 - d) Specifications (the most recently agreed to and issued version of specifications shall control and Buyer's specifications shall prevail over any subsidiary documents referenced therein).
 - e) Statements of Work (the most recently agreed to and issued version of a statement of work shall control).
 - f) All other attachments, exhibits, appendices, documents, or terms incorporated by reference in or attached to this Contract.

39 Entire Agreement

This Contract, together with all purchase orders, change orders, attachments, exhibits, supplements, specifications, and other terms referenced in this Contract, contains the entire agreement of the Parties, and supersedes any and all prior agreements, understandings and communications between Buyer and Seller related to the subject matter of this Contract. Except as authorized herein, no amendment or modification of this Contract shall bind either Party unless it is in writing and is signed by Buyer's Authorized Procurement Representative and an authorized representative of Seller.

Version History

Ver.	Summary of Changes	Effective ¹	Approved by
1.0	Initial Release	March 2022	DCR00029
2.0	Added section 7.4 (was in P027)	April 2022	DCR00029
3.0	Added Section 8 Conflict Minerals and expanded Section 6, Inspection.	March 2024	DCR00055

¹ Indicates month and year that the version become effective. The DCR captures the effectivity date.

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