

Acceptance of this purchase order ("PO" or "Purchase Order") constitutes agreement to abide by and follow the terms and conditions and special instructions listed below and inclusive in special instructions with the PO. Acceptance involves acknowledging, acceptance of payment and commencement of performance, as applicable. If this PO is issued against a government prime contract, additional clauses and/or terms and conditions will be provided.

### **Acceptance of Contract/Terms and Conditions**

**Confidentiality** –AirBoss Defense Group, LLC ("AirBoss Defense") and the Supplier (collectively, the "Parties") shall abide by all terms in any previously signed Non-Disclosure Agreement in force. In the event the Parties have not previously entered into a Non-Disclosure Agreement, the Parties shall treat all information not in the public domain that is learned and/or produced in connection with the performance of the work under this PO as confidential in nature and held to strict confidence unless written consent is obtained.

**Performance** – Supplier shall comply with the performance requirements provided either through drawings, PO, addendums, special instructions, quality or other requirements outlined in writing. Supplier shall promptly provide written notification to AirBoss Defense of any potential delay in delivery for whatever reason. Any associated costs require written consent from AirBoss Defense before being assigned against or in association with the PO.

Supplier shall make no substitutions or changes to the items furnished under this PO (the "Products") without prior written notice to and receipt of written approval.

Supplier shall comply with all foreign, federal, state, and local laws, including but not limited to any statute, rule, regulation, order or license applicable to Supplier or the performance of this contract and as it relates to performance under this PO.

**Shelf Life certification** (where applicable) – At the point of delivery, Products shall have at least 85% of the usable shelf life remaining, as defined by the manufacturer. Each shipment shall be accompanied by a signed and dated certificate of conformance, cure and/or manufacture and expiration date. Cure and/or manufacturing date and/or expiration date shall also be physically marked on Products or the corresponding packaging. Marking of expiration date is the preferred method.

**Inspection and Acceptance** - AirBoss Defense and its government customer, as applicable, may inspect all Products and associated work at reasonable times and places, including, when practicable during manufacture and before shipment. Supplier shall provide all information, access to facilities, and assistance necessary for safe and convenient inspection to AirBoss Defense and its government customers, as applicable, without additional charge. For greater certainty, no such inspection provides any relief from Supplier's obligation to furnish and warrant all Products in accordance with the requirements outlined by and associated with the PO.

If supplier delivers non-conforming Products, AirBoss Defense may, in addition to any other remedies available at law or at equity: (i) accept all or part of such Products at an equitable price reduction or (ii) reject such Products or (iii) require Supplier, at Supplier's cost, to make all repairs (when deemed

appropriate and acceptable), modifications, or replacements at the direction of AirBoss Defense necessary to enable such Products to comply in all respects with requirements outlined in and associated with the PO.

Supplier shall not re-tender rejected Products without disclosing the corrective action taken.

**Packing and Shipment** – Unless otherwise specified, all Products are to be packed in accordance with good commercial practice. A complete packing list shall be enclosed with all shipments. All packages will be properly marked with necessary lifting, loading, and shipping information including AirBoss Defense Contract number, Purchase Order number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading shall include the Purchase Order number. When packaging specifications are not provided, delivery shall be Freight on Board(FOB) – Origin.

**Risk of Loss and Title to Goods** - Title will pass to Buyer at the time that risk of loss or damage to the Goods passes to AirBoss Defense in accordance with the applicable Incoterm 2010 delivery term.

**Export Control** – (a) Supplier shall comply with all applicable U.S. and/or Canadian export control laws and economic sanctions laws and regulations, specifically including but not limited to the International Traffic in Arms Regulations ("ITAR"), 22 C.F.R. 120 et seq.; the Export Administration Regulations ("EAR"), 15 C.F.R. 730-774; the Canadian Export Control List ("ECL") and the Foreign Assets Control Regulations, 31 C.F.R. 500-598 (collectively, "Export Control Laws"). Without limiting the foregoing, Supplier shall not transfer any export controlled item, technical data, technology, or service, including transfers to foreign persons employed by or associated with, or under contract to Supplier or Supplier's lower tier suppliers, unless authorized in advance by an export license, license exception or license exemption (collectively, "Export Authorization"), as required.

(b) Supplier shall notify AirBoss Defense if any deliverable under this PO is restricted by applicable Export Control Laws. Before providing AirBoss Defense any item or data controlled under any of the Export Control Laws, Supplier shall provide in writing to AirBoss Defense the export classification of any such item or controlled data (i.e. the export classification under the EAR, ITAR, ECL or other applicable export control list) and shall notify AirBoss Defense in writing of any changes to the export classification information of the item or controlled data. Supplier represents that an official authorized to bind the Supplier has determined that the Supplier or the designer, manufacturer, supplier or other source of the Products has properly determined their export classification.

(c) Supplier hereby represents that neither Supplier nor any parent, subsidiary or affiliate of Supplier is included on any of the restricted party lists maintained by the U.S. Government, including the Specially Designated Nationals List administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), Denied Parties List, Unverified List or Entity List maintained by the U.S. Commerce Department's Bureau of Industry and Security ("BIS"), or the List of Statutorily Debarred Parties maintained by the U.S. State Department's Directorate of Defense Export Controls (collectively, "Restricted Party Lists"). Supplier shall immediately notify AirBoss Defense if Supplier, or any parent, subsidiary or affiliate of Supplier becomes listed on any Restricted Party List or if Supplier's export privileges are otherwise denied, suspended or revoked in whole or in part by any U.S. or non-U.S. government entity or agency.

(d) If Supplier is engaged in the business of exporting manufacturing (whether exporting or not) or brokering defense articles or furnishing defense services, Supplier represents that it is and will continue

to be registered with the Directorate of Defense Export Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with the ITAR.

(e) Where Supplier is a party to or signatory under a AirBoss Defense Export Authorization, Supplier shall provide prompt notification to AirBoss Defense in the event of (1) changed circumstances including, but not limited to, ineligibility, a violation or potential violation of the ITAR, EAR or ECL or other applicable governmental restrictions, and the initiation or existence of a U.S. and/or Canadian Government investigation, that could affect Supplier's performance under this PO, or (2) any change by Supplier that might require AirBoss Defense to submit an amendment to an existing Export Authorization or request a new or replacement Export Authorization. Supplier shall provide to AirBoss Defense all information and documentation as may reasonably be required for AirBoss Defense to prepare and submit any required export license applications. Delays on Supplier's part to submit the relevant information for export licenses shall not constitute an excusable delay under this PO.

(f) Supplier shall include paragraphs (a) through (d) and this paragraph (f) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or delivered as Products to AirBoss Defense. Supplier shall immediately notify AirBoss Defense upon learning that any lower tier subcontractor with which it engages has become listed on the Restricted Parties List.

(g) Supplier shall be responsible for all losses, costs, claims, causes of action, damages, liabilities and expense, including attorney's fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of Supplier, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.

**Warranty-** Supplier warrants that all Products furnished pursuant to this PO shall strictly conform to applicable specifications, drawings, samples, descriptions, quality and other requirements of this PO, shall be of good workmanship and quality, be free from defects in design, material, and workmanship, and be fit for the purpose for which they are intended. Without derogating from the foregoing, Supplier provides the same warranty terms, including offers of extended warranties, customary in commercial practices. To the extent applicable, Supplier hereby transfers to AirBoss Defense any and all transferable warranties made to Supplier by the manufacturers of the Products, to the extent Supplier is not the manufacturer of the Products.

**Tooling and Fixturing owned by Government or Government customer** – Where tooling or fixtures used during the performance of the PO are owned by a Government customer or the Government, the equipment is to be maintained and used by Supplier or any subcontractor in a manner to prevent damage and deterioration. Annual tool inspection is to be performed by Supplier with records of results maintained by the Supplier. Supplier is required to provide notification in writing to AirBoss Defense should tooling require repair, rework or replacement.

**Force Majeure Event** – In the event of delays related to or directly caused by a force majeure event, Supplier will provide written notification to AirBoss Defense within 72 hours including extent of delay. Any cancellation requires agreement by both Parties to avoid default. For purposes of this provision, “force majeure” shall include, by way of example and not limitation, natural disasters, fires, floods, windstorms, severe weather, explosions, riots, wars, sabotage and power failures. However, Supplier’s inability to

perform as a result of or delays caused by Supplier's insolvency or lack of financial resources will not excuse Supplier's performance under the PO.

**Stop Work** – Supplier shall stop work for up to ninety days (90) days in accordance with any written notice received from AirBoss Defense, or for such longer period of time as the Parties may agree and shall take all reasonable steps to minimize the incurrence of costs allocable to the Products during the period of stoppage.

Within such period of stoppage, AirBoss Defense shall terminate in accordance with the provisions of this PO or continue the work by written notice to the Supplier. In the event of a continuation, an equitable adjustment in accordance with the principles of the "Changes clause" outlined in the PO shall be made to the price, delivery schedule, or other provision(s) affected by the work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after date of notice to continue.

**Termination for Convenience** – AirBoss Defense reserves the right to terminate this PO, or any part hereof, for its sole convenience. In the event of such termination, Supplier shall immediately cease all work hereunder, and shall immediately cause any and all of its suppliers and subcontractors to cease work. In the case of termination for convenience by AirBoss Defense of all or any part of this order, Supplier may submit a claim to AirBoss Defense within sixty (60) days after the effective date of termination for fees owing for Products provided prior to the effective date of such termination. In no event shall AirBoss Defense be obligated to pay Supplier any amount other than the PO price(s) for Products provided by Supplier prior to the date of such termination. The provisions of this section shall not limit or affect the right of AirBoss Defense to cancel this order for default.

**Terminations by Government Customer** – Notwithstanding the "Termination for Convenience" provision above, to the extent that AirBoss Defense's government customer contract contains termination provisions, AirBoss Defense may only cancel or modify all or any portion of this PO for convenience in response to a proportionate modification of the PO issued to AirBoss Defense by the end-customer, being the United States and/or Canadian government.

**Termination for Cause** – AirBoss Defense may, by written notice to Supplier, terminate all or part of this PO if Supplier (i) fails to deliver the Products within the time specified by this PO or any written extension; or (ii) fails to perform any other provision of this PO or fails to make progress, so as to endanger performance of this PO and does not cure the failure within ten (10) days of written notice from AirBoss Defense, or (iii) in the event of Supplier's bankruptcy, suspension of business, insolvency, appointment of a receiver for Supplier's property or business, or any assignment, reorganization or arrangement by Supplier for the benefit of its creditors. Supplier shall continue all work not terminated. If AirBoss Defense terminates all or part of this PO for cause, Supplier shall be liable for all reasonable AirBoss Defense's excess re-procurement costs. AirBoss Defense may require Supplier to transfer title and deliver to AirBoss Defense, any (i) completed goods, and (ii) any partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights that Supplier has specifically produced or acquired for the canceled portion of this PO. Upon direction from AirBoss Defense, Supplier shall also protect and preserve property in its possession in which AirBoss Defense or its customer has an interest.

**Record Retention** – Supplier shall maintain on file at the Supplier’s facility, quality records traceable to the conformance of Products delivered for a period of not less than 10 years.

**Disputes** – All disputes under this PO with respect to the rights, duties, or obligations of the Parties that are not disposed of by agreement within 90 days after being submitted in writing to the other Party may be decided by recourse to an action at law or in equity.

**Priority of Terms** – AirBoss Defense hereby provides its notice of objection to any terms stated or supplied by Supplier by any means which are additional to or different from those contained in these terms and conditions. Any such additional or different terms and any purported rejection of any of the terms and conditions contained in these terms and conditions, shall not be binding upon AirBoss Defense unless specifically accepted in writing by AirBoss Defense. To the extent there is any inconsistency between these terms and conditions and the terms of any PO or other specific document expressly incorporated in the contract, the terms of the PO or other specific incorporated document, as applicable, will apply.

**Governing Law** – The PO and any matter arising out of or related to the PO shall be governed by the laws of the State of Maryland, without regard to its conflicts of laws provisions. Supplier, in the performance of its obligations under the PO, shall comply with all applicable local, state, and federal laws, contracts, rules, regulations, and ordinances. Supplier shall procure all licenses/permits, pay all fees, and other required charges and shall comply with all applicable guidelines and directives of any local, state, and/or federal governmental authority. Supplier, at its expense, shall provide reasonable cooperation to AirBoss Defense in conducting any investigation regarding the nature and scope of any failure by Supplier or its personnel to comply with applicable local, state, and federal laws, contracts, rules, regulations, and ordinances that may affect the performance of Supplier's obligations under this PO. Venue shall be in a court of competent jurisdiction in the State of Maryland, Prince George’s County.

**Indemnity** - Supplier shall indemnify and hold harmless AirBoss Defense from and against any and all obligations, liabilities, claims, and demands for damages to property, or injuries to or death of any persons which may be asserted against AirBoss Defense or its property by reason of or related to any acts or omissions of Supplier in connection with Supplier obligations hereunder. In addition to other remedies of AirBoss Defense, AirBoss Defense may withhold out of amounts otherwise due Supplier sums sufficient to compensate itself for any loss or damage sustained as a result of any claims or liabilities caused by Seller for any reason.

Supplier will defend AirBoss Defense against any claims or legal actions and will indemnify and save harmless AirBoss Defense against any damages, costs, and attorney fees, incident to any infringement or claimed infringement of any patent in the manufacture or sale of the articles or materials covered by this PO or connected with the use thereof by AirBoss Defense, provided, however, that AirBoss Defense may be represented in any such legal actions or settlement of such claims by attorneys of its own expense. In addition to all remedies provided herein, AirBoss Defense hereby reserves all additional rights and remedies provided by law or equity.

**DPAS Rating** – To the extent applicable, Supplier acknowledges this is a rated order certified for National Defense use, and accordingly Supplier acknowledges and agrees it is required to follow all the provisions of DPAS Regulation (15 CFR PART 700) in accordance with FAR 52.211-15.



**ITAR/EAR/ECL** – If the parts subject to this PO are Defense Articles subject to U.S. ITAR (International Traffic in Arms Regulations 22 CFR Parts 120-130), Export Administration Regulations (EAR 15 CFR Parts 730-774), including applicable export control laws as outlined in 48 CFR 252.225-7048 and/or the Canadian Export Control List.

**Additional Clauses** - This PO incorporates one or more clauses by reference, with the same force and effect as if they were given in full text, and AirBoss Defense reserves the right to incorporate additional clauses by reference, to the extent such clauses are added by the government customer of the Products.