

Terms & Conditions

1. Sole and Exclusive Terms

These Terms and Conditions and the terms set forth on the Purchase Order Confirmation (the “Order Confirmation”), along with any drawings or specifications related to the products described on the Order Confirmation that are delivered by to Buyer (as may be superseded by the delivery of subsequent drawings and/or specifications to Buyer), are the sole and exclusive agreement governing this transaction (collectively, the “Contract”) between Pacific Aerospace & Electronics, LLC (the “Company”) and the buyer (the “Buyer”) (collectively the “Parties”) notwithstanding any different or additional terms that may be contained in any prior, contemporaneous, or subsequent communications, offers, or purchase orders of Buyer (if applicable) or any other writing delivered, or otherwise made available, to the Company by Buyer; all such different or additional terms are hereby expressly rejected. The Company’s agreement to enter into the Contract and perform its obligations thereunder is expressly conditioned upon Buyer’s assent to the terms and conditions hereof, which assent shall be conclusively and finally evidenced by the first to occur of (A) Buyer’s failure to advise the Company, in writing, of any objection to the Terms within fifteen (15) calendar days of the date set forth on the Order Confirmation, or (B) Buyer’s receipt of any of the products described on the Order Confirmation.

2. Price and Payment

Prices and terms of payments specified herein for the products covered hereby may be adjusted to the Company's prices and terms of payment in effect at the time of performance or shipment. Unless otherwise specified, the terms of payment are net 30 days from date of invoice. the Company reserves the right to periodically invoice Buyer for progress payments in the course of performing any of its obligations hereunder (including, without limitation, manufacturing and/or preparing products for sale).

3. Transaction/Risk

Notwithstanding any actions to the contrary, including any pursuit of freight claims by the Company on behalf of Buyer (if applicable), the Company’s exclusive terms of sale regarding the transfer of title of products sold and risk shall pass immediately to Buyer upon delivery to a carrier at the point of shipment (Seller’s facility).

Domestic: The Company’s exclusive terms of sale of products sold as a domestic transaction is F.O.B Origin.

International: Appropriate Incoterms must be applied. Unless specifically stated otherwise in Seller’s quotation, prices are **Free Carrier (FCA)** the Seller location listed in the Order per Incoterms 2020. Prices are subject to change upon notification by Seller. Seller reserves the right to increase prices upon giving notice to Buyer. Once Seller provides notice of a price increase, all current and open backlog orders will be adjusted to the new price 30 days from notification date, and all unshipped orders will then be adjusted to the new price. Written quotations automatically expire 30 calendar days from the date issued and are subject to termination by notice within that period. Quotations may not be disclosed to any third party or used in preparation of any request for quotation for goods similar to, or as a substitution for, Goods quoted by Seller. Prices for Goods

and Services are exclusive of all city, prefectural and national excise taxes, including taxes on manufacture, sales, receipts, gross income, occupation, use, and similar taxes. Wherever applicable, such tax or taxes will be added to the invoice as a separate charge to be paid by Buyer.

4. Inspection

Buyer shall, within 10 days of the receipt of any products delivered hereunder, inspect such products and, not later than five days after such inspection, shall advise the Company, in writing, time being of the essence, if any of the products are, in the opinion of Buyer, not in compliance herewith. In the event that no such notification is received by the Company, the products shall be deemed to have been conclusively accepted by Buyer and, for any and all purposes hereof, deemed to be compliant with the terms hereof. Any products that are, in the opinion of Buyer, not in compliance herewith and with respect to which the Company receives a written notice as set forth in this Section 4, shall be placed by Buyer in safe storage for inspection by the Company. The provisions of this Section 4 shall not be deemed, in any respect, to effect the transfer of title and risk of loss provisions of Section 3.

5. Taxes

Any tax or taxes now or hereafter imposed under any existing or future law upon or with respect to the sale of products by the Company (including but not limited to with respect to delivery, storage, processing, use, consumption or transportation), except income taxes, shall be for the account of, and paid by, Buyer and, if paid or required to be paid by the Company, the amount thereof shall be added to and become part of the price payable by Buyer.

6. Force Majeure

The Company shall not be responsible for delays in the shipments or delivery of products or for no performance of the Contract, in whole or in part, if such delay or non-performance shall be due to fires, floods, strikes, work stoppages or slow down, accidents, casualties, inability to procure materials or labor, delays in transportation however caused, or other like or unlike causes, foreseen or unforeseen, beyond the Company's control. The foregoing shall be in addition to and not in limitation of any excuses for nonperformance available to the Company under the Uniform Commercial Code or any other applicable law.

7. Termination

This Contract is binding upon the Parties and cannot be cancelled or modified by Buyer except with the written consent of the Company and on terms to be agreed upon that shall include protection of the Company against any loss. The Company may, at its option, terminate the Contract if Buyer fails to make payment in accordance with the terms and provisions of the Contract or any other agreement with the Company, or fails to otherwise comply with the provisions of the Contract or any other agreement with the Company, and the Buyer hereby waives any cause of action and the right to any offset or counterclaim against the Company by reason of such termination. Restrictive endorsements on Buyer's checks will not reduce Buyer's obligations to the Company. the Company may, at any time or times, suspend shipment or delivery of any products or require payment in cash, security or other adequate assurance satisfactory to the Company when, in the Company's opinion, the financial condition of Buyer or other grounds for

insecurity warrant such action. Upon a termination of the Contract (by either party and for any reason) prior to the Company's delivery of all products sold hereunder, the Company reserves the right to seek payment and reimbursement from Buyer for all work performed and costs incurred by the Company hereunder or in connection herewith (including, without limitation, manufacturing and/or preparing products for sale) up to the point of termination. The foregoing right shall be in addition to, and not in limitation of, any other rights at law or equity that the Company may have upon a termination of the Contract.

8. Intellectual Property

Products sold by the Company are manufactured, in whole or in part, to the specifications of Buyer. Buyer does hereby release and agree to indemnify, defend and hold harmless the Company from and against any and all claims, losses or liabilities (including, but not limited to, legal fees, costs and expenses) with respect to, or arising out of, any actual or alleged violation of any of the intellectual property rights of any party on account of the manufacture of such products.

9. Patents/Indemnity

If Buyer receives a claim that products, or part thereof manufactured by the Company infringes a patent, Buyer shall notify the Company promptly in writing and give the Company information, assistance and exclusive authority to evaluate, defend and settle such claim. Where Buyer has furnished specifications/designs for the manufacture of the allegedly infringing products, Buyer shall defend, indemnify and hold harmless the Company against third-party claims for infringement arising out of Seller's use of such specifications/designs.

10. Warranty

The Company warrants that its products shall conform to the description on the face of the Order Confirmation and shall be free from defects in products and workmanship as determined by the Company's manufacturing and production standards. THE LIMITED WARRANTY DESCRIBED HEREIN SHALL BE IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED. NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE SHALL APPLY. The terms that are contained herein constitute the entire agreement of the parties with respect to warranties and representations of the Company. There are no other representations, warranties, or guarantees that apply to the sale of the Company's products unless otherwise expressly agreed to in writing by the Company. Any claim for breach of the express warranties set forth herein that is not made within the timeframes set forth in Section 10 shall be deemed to be waived.

11. Exclusive Remedy

Buyer's exclusive remedy for any warranty claim, or for any other claim arising from, based on, or in connection with the Contract, shall be, at the Company's option, (a) replacement, rework or repair of any non-conforming product or service, or (b) refund of the purchase price for the product or service involved (which may be conditioned upon the return to the Company of the relevant product). Any products that the Company chooses to replace, rework or repair will be shipped to Buyer F.O.B., Origin. In no event shall any products be returned, repaired, reworked, or scrapped by Buyer without the written authorization of the Company. Any claim by Buyer for

any cause arising from, based on, or in connection with the Contract shall be deemed waived unless made, in writing, within 30 days of the discovery of any such claim; provided, however, that no action shall be brought by Buyer for any cause arising from, based on, or in connection with the Contract more than one year after the date of shipment of the relevant goods.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, (I) THE COMPANY'S TOTAL LIABILITY, WHETHER ARISING FROM, BASED ON, OR IN CONNECTION WITH THE CONTRACT, WHETHER A CLAIM IS MADE UNDER CONTRACT, WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY, OR ANY OTHER CAUSE OR BASIS WHATSOEVER, SHALL NOT, IN ANY EVENT, EXCEED THE PURCHASE PRICE OF THE PRODUCTS INVOLVED, AND (II) THE COMPANY SHALL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY LOSSES, DAMAGES OR EXPENSES, WHETHER DIRECT OR INDIRECT.

12. Suitability

Buyer shall have sole responsibility for selection and specification of the products appropriate for the intended end use of such products, even if Buyer has informed the Company of the intended end use for such products. Buyer acknowledges that it alone has determined that the products purchased hereunder will suitably meet the requirements of their intended end use.

13. Work Product

All specifications, drawings, designs, data, information, ideas, methods, patterns and inventions made, conceived, developed, or generated by the Company incident to its procurement of or performance under the Contract ("Work Product") shall vest in and inure to the Company and be the sole property of the Company.

14. Confidentiality

Buyer agrees to keep confidential the terms of the Contract, all Work Product, and any confidential information of the Company furnished or made available to Buyer. Buyer shall, upon the Company's request, return to the Company any materials furnished to Buyer by the Company, together with any and all copies thereof and any and all extracts therefrom.

15. Government Contracts

If Buyer's order is for a U.S. government contract, and products ordered from the Company are to be used in the performance of said contract, Buyer shall inform the Company of such intended use and only those mandatory flow down clauses of applicable U.S. government procurement regulations required by federal statute to be included in U.S. government subcontracts shall be incorporated herein by reference. In any such case, Buyer shall furnish to the Company all government contract numbers and related information, documentation and procurement data. Additionally, only Federal Acquisition Regulation ("FAR") supplement clauses expressly accepted in writing by the Company shall be included or incorporated by reference herein. the Company shall not be bound by and makes no representation of compliance with FAR or FAR supplement clauses that the Company has expressly accepted in writing.

16. FCPA Compliance

The Parties shall comply with all applicable U.S. anti-bribery and anti-corruption laws. In accordance with the Foreign Corrupt Practices Act, the Parties shall not, either directly or indirectly, in order to assist in obtaining or retaining business for or with, or directing any business to, any person, make or cause to be made, a payment of money or offer, gift, promise to give or authorize the giving of anything of value to any foreign official or to any foreign political party or official thereof for the purposes of influencing any act or decision of that person in his, her or its official capacity, inducing that person to do or omit to do any act in violation of his, her or its lawful duty, securing any improper advantage or inducing that person to use influence to affect or influence any official act or decision.

17. Export Laws

The Buyer agrees to comply fully with all applicable sanctions and export control laws of Canada, the U.S., the U.K., the E.U., and other relevant countries, including those maintained by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC), the U.S. Department of State, and the U.S. Commerce Department's Bureau of Industry and Security. The Buyer shall not sell, provide, export, re-export, transfer, or otherwise dispose of any products, services, software, source code, or technology ("Goods") received from the Seller to any person, entity, destination, or for any use prohibited by these laws without the necessary authorization from the relevant government authorities.

To comply with U.S. law, the Buyer further agrees to screen all customers and business partners against U.S., E.U., and Canadian lists of sanctioned or restricted parties before providing any "Goods". This includes checking the U.S. OFAC SDN list, BIS Denied Persons and Entity Lists, U.S. State Department DPL, Canadian DPL, and the EU Consolidated List.

Buyer acknowledges and agrees that Seller's right to furnish certain products to Buyer is subject to and conditioned upon applicable sanctions and export control laws and regulations, and that Seller will have no liability for acting in a manner Seller deems to be in compliance with such laws and regulations.

18. Dies, Tools, Patterns

The Company's charges for dies, molds, patterns and the like represent the Buyer's proportionate cost thereof, it being expressly understood that they remain the property of the Company. Modifications made to the dies, molds, patterns, and the like in order to manufacture products shall be at the discretion of the Company.

19. Prohibition for Hazardous Use

Products sold hereunder are not intended for application in, and shall not be used by Buyer in construction or application of a nuclear installation or in connection with use or handling of nuclear material or for any hazardous activity or critical application, where failure of a single component could cause substantial harm to persons or property, unless products have been specifically approved for such activity or application. the Company disclaims all liability for loss

or damage resulting from such unauthorized use and Buyer shall defend, hold harmless and indemnify the Company against any such liability, whether arising under breach of contract, warranty, tort (regardless of the degree of fault or negligence), strict liability or otherwise.

20. Finance Charges; Collection Fees

In consideration for the extension of credit, Buyer agrees to pay for all purchases within the terms agreed (net 30 days unless otherwise specified) and agrees to pay a service charge of 1-1/2% per month (18% annual percentage rate) on all past due balances. In the event that any third parties are employed to collect any outstanding monies owed to the Company by Buyer, Buyer agrees to pay to the Company reasonable collection costs, including attorney fees, whether or not litigation has commenced, and all costs of litigation incurred by the Company.

21. Other Provisions

Applicable Law

The contract shall be construed in accordance with the laws and jurisdiction of the State of California, Washington, Massachusetts, Connecticut, Ohio, Kansas, Colorado; provided, however that the Convention on Contracts for International Sale of Goods is specifically excluded. Buyers hereby irrevocably submit to the exclusive jurisdiction and venue of the state courts or the U.S. District Court for the aforementioned state which la for the adjudication of any dispute arising from, based on, or in connection with the Contract, and hereby irrevocably agrees that it will not assert in any such suit, action or proceeding, any claim that is not personally subject to the jurisdiction of any such court, or that such suit, action or proceeding is improper.

Severability

If any of the terms or conditions of the Contract are declared to be unenforceable by a court of competent jurisdiction, all other portions shall be considered to be valid and enforceable to the extent that they are reasonably severable.

Entire Agreement

The Terms constitute the entire Contract between the parties, notwithstanding any purchase order and/or terms and conditions delivered, or otherwise made available, to the Company by Buyer in connection with the subject matter hereof. There are no other agreements, representations, warranties or terms or conditions, other than those stated herein. Any alteration or modification to this Contract must be in writing signed by the Company.

Assignment

Buyer shall not assign the Contract or any interest therein without the written consent of the Company. Any such actual or attempted assignment without the Company's prior written consent shall be invalid and shall entitle the Company to cancel the Contract upon notice to Buyer.

Conformity

All parties must conform to terms and requirements set fore in Qnnect's Global Policy, incorporated by reference, and found [here](#).