GLOBAL SUPPLIER
PURCHASING TERMS, CONDITIONS
& QUALITY REQUIREMENTS

Revision Date: August 31, 2026

These Global Supplier Terms, Conditions & Quality Requirements ("Terms") govern purchases of products and services by Pacific Aerospace & Electronics, LLC, Litron, LLC, Sinclair Manufacturing Company, LLC, and Legacy Technologies, LLC (collectively, "PacAero"), each acting solely in its individual capacity when identified as the Buyer in the applicable Purchase Order, unless the applicable Buyer expressly agrees otherwise in a written agreement **executed** by an authorized representative of that Buyer. These Terms are intended to allocate risk to the Supplier to the maximum extent permitted by applicable law.

PART I. COMMERCIAL TERMS

The following commercial terms apply to all Purchase Orders issued by a Buyer, together with the applicable Quality Requirements in Appendix A and the clause reference information in Appendix B.

1. SCOPE AND ORDER OF PRECEDENCE

These Terms govern all purchases of Goods and Services by a Buyer. If there is any conflict among the Purchase Order, these Terms, the Supplier's quote or proposal, and any other incorporated document, the Purchase Order controls unless the applicable Buyer expressly states otherwise in writing. Any Supplier terms that add to, vary from, or conflict with these Terms are rejected unless expressly accepted in writing by the applicable Buyer.

The term “Purchase Order" means a purchase order, release, contract, amendment, solicitation, quotation, or other written instrument issued or executed by a Buyer that expressly incorporates these Terms.

2. DEFINITIONS

The following terms have the meanings stated below whenever used in these Terms or in a Purchase Order, unless the context clearly requires otherwise.

“Buyer” means the PacAero entity identified on the applicable Purchase Order as the purchasing party.

“Supplier” means the person or entity furnishing Goods or Services under a Purchase Order.

“Goods” means products, parts, materials, components, software, firmware, tooling, equipment, documentation, or other deliverables supplied under a Purchase Order.

“Services” means labor, processing, inspection, testing, design, engineering, repair, maintenance, consulting, or other services furnished under a Purchase Order.

“Quality Requirements” means the requirements set out in Appendix A and any additional quality requirements identified in the Purchase Order.

3. COMMERCIAL TERMS

Pricing, payment terms, taxes, shipping charges, duties, and any requested price increase are governed by the Purchase Order and these Terms. Unless otherwise agreed in writing, invoices are paid net ninety (90) days from receipt of conforming products or completion of conforming Services. No charges will be accepted for boxing, crating, drayage, or storage unless approved in writing by the Company.

The Company may audit Supplier records and, where Supplier is found non-compliant, Supplier shall reimburse the Company for reasonable audit costs incurred to verify compliance.

Payment shall not constitute acceptance of Goods or Services and shall not waive Company's rights with respect to shortages, defects, nonconformities, warranty claims or any other Supplier failure.

4. DELIVERY, TITLE, PACKAGING, AND RISK

Title and risk of loss remain with Supplier until delivery at the FOB point stated on the Purchase Order or as otherwise stated in writing by the Company. Supplier shall package and mark shipments in good commercial practice and in a manner suitable for safe arrival, and shall identify each shipment with the applicable Purchase Order number, shipment date, and the names of the Company and Supplier.

Time is of the essence for delivery and service commitments. Supplier shall promptly notify the Company if a scheduled delivery cannot be met. The Company may reject over-shipments or excess Services at Supplier’s expense.

Company may inspect Goods and Services at any reasonable time and may reject any Goods or Services that fail to conform to the Purchase Order. At Company's option, Supplier shall promptly repair, replace or reperform the nonconforming Goods or Services, provide an appropriate credit, or reimburse Company for reasonable costs incurred in correcting the nonconformity. Payment, inspection or acceptance shall not waive latent defects, warranty claims, fraud or other rights or remedies.

5. CHANGE CONTROL AND SPECIAL TOOLING

The Company may issue changes within the general scope of the Purchase Order by written notice. Supplier changes are not effective unless approved in writing by the Company. Any request for equitable adjustment must be submitted in writing within ten (10) days after notice of the change.

Special tooling included in the purchase price becomes the property of the Company upon acquisition or manufacture, unless the Company agrees in writing that Supplier may retain it for further orders.

6. TERMINATION

The Company may terminate a Purchase Order for convenience on written notice. In the event of termination, Supplier shall stop work promptly, cease procurement to the extent practicable, and take reasonable steps to cancel related commitments. The Company may consider documented termination costs actually incurred before termination but will not be liable for undelivered goods in Supplier’s standard stock or for claims not submitted with supporting data within 60 days of written notice to terminate.

Either party may terminate for the other party’s uncured material breach after written notice and a reasonable cure period. No termination relieves either party of obligations accrued before termination.

Notwithstanding the foregoing, the Company may terminate a Purchase Order immediately upon written notice, without any cure period, if Supplier commits fraud, willful misconduct, bribery or corruption, knowingly violates applicable export-control or sanctions laws, misuses or improperly discloses the Company's Confidential Information or controlled technical data, knowingly supplies counterfeit material, or engages in other conduct that creates a material legal, regulatory, safety, security, or reputational risk to the Company. The Company may also suspend performance, deliveries, access, or payments reasonably related to the suspected violation while the Company investigates the matter. Termination under this paragraph shall be without cost, liability, or penalty to the Company, except for conforming Goods or Services accepted by the Company before the effective date of termination.

Company's liability upon termination for convenience shall be limited to the contract price for conforming Goods completed prior to termination and Supplier's reasonable, documented and unavoidable costs for authorized work-in-process and committed materials that cannot reasonably be cancelled, returned or used elsewhere. Company shall have no liability for anticipated profit, unabsorbed overhead, standard inventory, readily marketable material or costs incurred after receipt of the termination notice.

7. WARRANTIES

Supplier warrants that all Goods and Services will conform to applicable specifications, drawings, instructions, quality requirements, and samples accepted by the Company; will be free from defects in material and workmanship; and will be fit for their intended use. Inspection, testing, acceptance, or payment does not waive any warranty or other remedy available to the Company.

Supplier further warrants good title, free and clear of liens and competing claims, and warrants that the Goods and Services will not infringe any third-party intellectual property right to the extent arising from Supplier's design, manufacture, or performance.

Supplier warrants for one year following Company's acceptance that all Goods and Services conform to the Purchase Order, specifications and applicable quality requirements and are free of defects in design (except to the extent based solely on Company-mandated designs), material and workmanship and are fit for their intended purpose.

Supplier shall promptly repair, replace or reperform nonconforming Goods or Services at no cost to Company, including reasonable transportation, inspection, sorting, removal and reinstallation costs attributable to the nonconformity.

8. CONFIDENTIALITY, INTELLECTUAL PROPERTY, AND WORK PRODUCT

Each party shall protect the other party's Confidential Information and restrict disclosure to a need-to-know basis unless disclosure is required by law. Any Company-furnished or Company-paid tools, drawings, fixtures, molds, models, work instructions, and related materials remain the Company's property and shall be used exclusively for Company orders unless the Company agrees otherwise in writing.

To the extent Supplier develops work product expressly ordered and paid for by the Company, the ownership and licensing of that work product will be governed by the Purchase Order and any written IP provisions accepted by the parties. No implied license, assignment, or work-made-for-hire status is created unless expressly stated in writing.

Unless otherwise expressly stated in the Purchase Order, Company shall own deliverables, designs, drawings, specifications, reports and other work product specifically created by Supplier and paid for by

Company under the Purchase Order, excluding Supplier's pre-existing intellectual property and general know-how.

To the extent Supplier background IP is incorporated into Company-owned work product and is necessary for Company's use thereof, Supplier grants Company a perpetual, worldwide, irrevocable, royalty-free license to use such background IP solely as necessary to use, maintain, repair, reproduce or procure the applicable Goods or work product.

9. FORCE MAJEURE

Neither party will be liable for delay or failure to perform to the extent performance is prevented by an unforeseeable event beyond the affected party's reasonable control and without its fault or negligence ("Force Majeure"). Force Majeure does not include changes in market conditions, increased costs, shortages caused by a party's failure to maintain commercially reasonable sources of supply, inability to obtain labor on commercially reasonable terms, or financial hardship.

The affected party shall promptly notify the other party in writing of the Force Majeure event, its expected duration, the obligations affected, and the steps being taken to mitigate its effects. The affected party shall use commercially reasonable efforts to mitigate the impact of the event and resume full performance as soon as practicable.

If Supplier is affected by Force Majeure, Supplier shall use commercially reasonable efforts to allocate available production, materials, and capacity so as to minimize disruption to the Company and shall cooperate with the Company in obtaining alternate sources of supply. The Company may obtain substitute goods or services from alternate sources during the period of delay without liability to Supplier.

If a Force Majeure event delays Supplier's performance for more than thirty (30) consecutive days, or such shorter period as is commercially necessary to avoid material disruption to the Company or its customers, the Company may terminate the affected Purchase Order, in whole or in part, without liability or penalty.

Payment obligations already due are not excused by Force Majeure.

10. INDEMNIFICATION

Supplier shall defend, indemnify, and hold harmless the Company, its parent and affiliated companies, and their respective officers, directors, employees, agents, representatives, successors, assigns, and customers from and against all claims, demands, actions, damages, losses, liabilities, fines, penalties, judgments, settlements, costs, and expenses, including reasonable attorneys' fees and defense costs, arising out of or relating to:

(a) any act or omission of Supplier or any of its employees, agents, subcontractors, or lower-tier suppliers in connection with a Purchase Order;
(b) any actual or alleged defect, deficiency, nonconformity, or failure in the design, manufacture, material, workmanship, labeling, packaging, delivery, or performance of any Goods or Services supplied by Supplier;
(c) bodily injury, death, or damage to tangible property caused by or arising from Supplier's Goods, Services, acts, or omissions;
(d) Supplier's breach of any warranty, representation, covenant, or obligation under a Purchase Order or these Terms;

(e) Supplier's violation of applicable law, regulation, export-control requirement, sanctions requirement, anti-bribery law, environmental requirement, or other compliance obligation; or **(f)** any actual or alleged infringement, misappropriation, or violation of any patent, copyright, trademark, trade secret, mask work, or other intellectual or proprietary right arising from the Goods or Services, except to the extent the claim results solely from a design furnished and mandated by the Company and not modified or contributed to by Supplier.

Supplier shall control the defense of any indemnified claim with counsel reasonably acceptable to the Company; provided, however, that the Company may participate with counsel of its own choosing at its own expense. Supplier shall not settle any claim in a manner that admits fault by the Company, imposes any obligation on the Company, restricts the Company's business, or adversely affects the Company's rights without the Company's prior written consent. If Supplier fails to assume the defense promptly after written notice, the Company may defend the claim and recover its reasonable costs from Supplier.

The Company's remedies are cumulative, and acceptance of products or payment for them does not waive any breach or remedy.

Supplier's obligations under this Section shall survive inspection, acceptance, payment, expiration, completion, and termination of the applicable Purchase Order.

11. COMPLIANCE WITH LAWS

Supplier shall comply with all applicable laws, rules, regulations, orders, and standards relating to the manufacture, labeling, sale, shipment, and performance of the Goods and Services, including laws relating to employment practices, anti-discrimination, anti-slavery and human trafficking, anti-bribery and anti-corruption, environmental compliance, hazardous materials, and country-of-origin marking where applicable.

Supplier shall comply with the U.S. Foreign Corrupt Practices Act, the UK Bribery Act 2010, and all other applicable anti-bribery and anti-corruption laws. Supplier shall not, directly or indirectly, offer, promise, authorize, give, request, or accept anything of value for the purpose of obtaining or retaining business, securing an improper advantage, influencing an official act, or otherwise inducing improper conduct. Supplier shall maintain reasonable policies, procedures, books, and records designed to ensure compliance with this paragraph and shall require its employees, agents, subcontractors, and lower-tier suppliers involved in performance of a Purchase Order to comply with equivalent obligations.

Supplier shall not use forced, bonded, indentured, involuntary, prison, trafficked, or slave labor and shall comply with all applicable laws relating to human trafficking, forced labor, and modern slavery. Supplier shall maintain reasonable due-diligence procedures for its supply chain.

Supplier shall comply with all applicable environmental, health, safety, chemical-substance, labeling, and hazardous-material laws and regulations applicable to the Goods and Services, including, where applicable, TSCA, REACH, OSHA hazard-communication requirements, and equivalent requirements in jurisdictions into which Supplier knows or is informed the Goods will be shipped. Upon request, Supplier shall provide safety data sheets, chemical-composition information, regulatory certifications, and other documentation reasonably required by the Company to demonstrate compliance.

To the extent applicable to the Goods supplied, Supplier shall maintain reasonable due-diligence procedures regarding conflict minerals and other regulated source materials and shall provide supporting declarations or documentation reasonably requested by the Company.

Supplier shall promptly notify the Company of any actual or suspected material violation of this Section that may affect the Goods, Services, a Purchase Order, the Company, or the Company's customers, and shall cooperate reasonably with the Company in investigating and remediating the matter. Any material violation involving fraud, bribery, corruption, forced labor, knowing violation of applicable law, or other conduct creating material legal, regulatory, safety, security, or reputational risk to the Company shall constitute grounds for immediate suspension or termination by the Company under Section 6 without a cure period and without cost, liability, or penalty to the Company.

12. EXPORT CONTROL AND CUSTOMS

Supplier shall comply with all applicable export control, sanctions, customs, and trade laws and regulations, including ITAR, EAR, applicable U.S. sanctions requirements, and foreign trade regulations. Supplier shall obtain all licenses, authorizations, approvals, and registrations required for its performance under any Purchase Order.

Supplier shall not export, reexport, transfer, release, disclose, or otherwise provide any controlled technical data, software, technology, Goods, or Services to any foreign person, country, destination, end user, or other person or entity without all authorizations required by applicable law.

Supplier represents and warrants that neither Supplier nor, to Supplier's knowledge, any person or entity used by Supplier in performance of a Purchase Order is a prohibited, denied, restricted, debarred, or sanctioned party under applicable export control or sanctions laws. Supplier shall not use any such person or entity in connection with a Purchase Order.

Supplier shall promptly notify the Company if Supplier becomes subject to any suspension, debarment, denial, restriction, investigation, sanction, or other governmental action that could materially affect Supplier's ability to perform a Purchase Order or lawfully export, reexport, transfer, furnish, receive, or otherwise handle any item, software, technology, technical data, or service.

Upon request, Supplier shall provide the applicable export classification, country of origin, Harmonized Tariff Schedule classification, statements of origin, and other customs or export documentation reasonably required by the Company.

Supplier shall flow down applicable export-control, sanctions, customs, and controlled technical-data requirements to its subcontractors and lower-tier suppliers. Any knowing or willful violation of this Section shall constitute grounds for immediate termination by the Company under Section 6 without a cure period.

13. INDEPENDENT CONTRACTOR STATUS; GOVERNING LAW; SEVERABILITY

The parties are independent contractors. Nothing in these Terms creates an employment, agency, joint venture, or partnership relationship. No party may bind the other except as expressly authorized in writing. If any provision is held invalid or unenforceable, the remainder will remain in effect to the fullest extent permitted by law.

The Purchase Order and these Terms shall be governed by and construed in accordance with the laws of the state in which the Buyer identified on the applicable Purchase Order has its principal place of business, without regard to that jurisdiction's conflict-of-laws principles. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to any Purchase Order or these Terms. Supplier consents to the exclusive jurisdiction of the state and federal courts located in that jurisdiction for any dispute arising out of or relating to a Purchase Order or these Terms; provided, however, that the Company may seek injunctive or equitable relief in any court of competent jurisdiction.

APPENDIX A. SUPPLIER QUALITY REQUIREMENTS

The quality requirements in this Appendix apply where referenced by the Purchase Order or otherwise incorporated into the order documents. If a Purchase Order contains a more specific requirement, the more specific requirement controls for that order.

A. GENERAL SUPPLIER QUALITY REQUIREMENTS

- Certificate of Conformance signed by a responsible quality representative is required, and the specification revision shall be noted on the certificate.
- Measuring and test equipment used in performance of the order shall be supported by a calibration system traceable to NIST or an equivalent recognized national standard, where applicable.
- All parts shall be free from contamination, oil, grease, dirt, oxidation, foreign object debris, and other harmful contamination, and shall be packaged in accordance with good industry practices.
- The Supplier shall maintain a counterfeit parts prevention program and shall provide only new and authentic materials.
- Purchase order numbers, part numbers, revision levels, and quantities shall appear on packages and related certifications and documents.
- Process changes, source changes, equipment changes, service changes, and facility relocations require prior notice to the Company and approval where required.
- The Company may access applicable facilities and documented information at reasonable times to verify work quality and conformity.
- Personnel performing the work shall be competent and understand their contribution to product conformity, product safety, and ethical behavior.
- Supplier shall maintain a quality management system appropriate to the products and services provided.
- Performance may be measured based on delivery, quality, and documentation accuracy.

B. RAW MATERIAL REQUIREMENTS

- Chemical and physical material certifications, including heat or batch lot numbers, are required.
- Mill certification with associated heat lot number is required for raw metals.
- Heat or batch lot numbers must be permanently identified and recorded on the Certificate of Conformance.
- Material over .125" must be cut, not sheared.
- Raw material shall be domestic unless an exception is approved by the Company.
- Material shall be free from defects affecting fit, form, function, or reliability.

C. SPECIALTY METALS

Specialty metals supplied under the Purchase Order must comply with DFARS 252.225-7009 and DFARS 252.225-7052, including applicable domestic melt requirements, qualifying-country requirements, and required lower-tier flow-downs.

D. ADDITIONAL QUALITY AND TRACEABILITY REQUIREMENTS

- Supplier shall maintain adequate traceability for all products and source materials used in performance of the Purchase Order, and traceability shall be documented on the packing list, Certificate of Conformance, or directly on the product where appropriate.
- Supplier shall maintain records of inspections, tests, certifications, and acceptance evidence for at least ten (10) years unless the Purchase Order or contract requires a different period.
- Supplier shall provide access to applicable facilities, records, and documented information upon request for verification or validation activities.
- Supplier shall notify the Company before changing processes, methods, products, equipment, services, sources, or manufacturing locations, and shall obtain approval where required.
- Supplier shall comply with any applicable cybersecurity or secured communications flow-downs identified in the Purchase Order.

APPENDIX B. FAR / DFARS CLAUSE REFERENCE

This appendix provides a quick-reference index to the federal clauses and compliance topics referenced in these Terms and in the Quality Requirements. The operative obligations remain those stated in the Purchase Order, these Terms, and any applicable prime contract flow-downs.

Clause	Title	Applies When	Supplier Responsibility
FAR 52.225-8	Duty-Free Entry	When import relief is available	Support duty-free entry procedures and provide documentation
DFARS 252.225-7013	Duty-Free Entry / DoD Prime Contracts	When a DoD prime contract or flow-down applies	Claim duty-free entry as required by the clause
FAR 52.222-90	Federal Contractor DEI Compliance	When applicable to the order or flow-down	Comply with the clause and any related subcontract flow-down obligations
DFARS 252.225-7001	Buy American and Balance of Payments	When domestic preference applies	Provide domestic preference support and country-of-origin information
DFARS 252.225-7009	Specialty Metals	When specialty metals are supplied	Use compliant specialty metals and flow down the requirement
DFARS 252.225-7052	Specialty Metals Flowdown	When specialty metal restrictions apply	Apply required specialty metals restrictions to lower tiers
DFARS 252.246-7007	Traceability	When traceability is required	Maintain auditable source traceability to source materials and components
DFARS 252.204-7012	Cybersecurity	When CUI or CDI is involved	Protect covered information and maintain required safeguards
ITAR / EAR	Export-Controlled Technical Data	When controlled technical data is involved	Do not export or disclose controlled technical data without authorization
TSCA / REACH / OSHA	Environmental and Hazardous Materials	When relevant materials or shipments are involved	Provide required chemical, safety, and regulatory information

APPENDIX C. EXPORT CONTROL AND CUSTOMS COMPLIANCE

Supplier shall comply with all applicable export control, sanctions, and customs laws and regulations. If the Purchase Order involves controlled technical data or controlled items, Supplier shall obtain required authorizations before disclosure, transfer, or export. Supplier shall provide origin statements and customs documentation upon request and shall flow down export control requirements to lower-tier suppliers where applicable.

APPENDIX D. DEFINITIONS AND ACRONYMS

This appendix provides a convenient reference for terms used throughout the master document. The operative meaning of any term remains the meaning given by the Purchase Order, these Terms, or the applicable Appendix.

Term	Reference Meaning
Confidential Information	Non-public information disclosed by one party to the other in connection with the Purchase Order or these Terms.
Controlled Technical Data	Technical data subject to ITAR, EAR, or other export-control restrictions.
Counterfeit Part	An item whose origin, material, performance, or authenticity is misrepresented.
Domestic	Manufactured or sourced in the United States unless a different meaning is stated in the Purchase Order or applicable clause.
FOD	Foreign object debris or foreign object damage prevention requirements.
Purchase Order	The Company order document and any incorporated solicitation, quote, proposal, amendment, or written contract.
Raw Material	Base material supplied for further processing or manufacture.
Specialty Metals	Metals subject to domestic melt or qualifying-country restrictions under applicable DFARS clauses.
Quality Requirements	The requirements stated in Appendix A and any order-specific quality clauses.