



Purchase Order Terms & Conditions

These Purchase Order Terms and Conditions (these “Terms”) govern each purchase order (each, a “PO”), and are entered into as of the first date of a PO (the “Effective Date”) by and between Karman Industries Inc (“Karman”) and the party to whom the applicable PO is addressed (“Seller”). As used herein, “Goods” means the goods or services sold by Seller to Karman pursuant to a PO. The term “Agreement” means these Terms and each PO.

1. Purchase Order

- (a) Karman may issue POs for the Goods from time to time. Each PO shall include at least the following: (i) Karman’s PO number; (ii) identification of the Goods ordered by Karman; (iii) the delivery date; and (iv) any shipping instructions, including shipping destination.
- (b) Seller shall provide an acknowledgement of the receipt of a PO within five (5) business days following submission of any PO by Karman. Any PO that Seller does not reject within five (5) business days shall be deemed accepted. Seller will accept all POs that comply with Seller’s standard lead time for the applicable Goods. Seller will use commercially reasonable efforts to accept any PO which have a lead time shorter than Seller’s standard lead time for the applicable Goods. If Seller objects to any of the terms in the PO, Seller shall inform propose alternative terms, which Karman may accept by issuing a revised PO in accordance with such alternative terms. If a revised PO is not issued by Karman, then such alternative terms are deemed rejected. Any pre-printed terms or conditions of any PO form or any acknowledgement form that are in addition to or inconsistent with the terms of this Agreement will be deemed stricken from such PO or acknowledgement and are hereby rejected. Any forecasts or estimates issued by Karman are to be considered non-binding and issued for informational purposes only.
- (c) Upon acceptance of a PO, Seller may not cancel any confirmed PO. Karman may, upon notice given at least thirty (30) calendar days prior to the scheduled delivery date for any PO, make written changes to a PO regarding specifications, delivery, quantities, or packaging; provided that If such changes materially affect cost or timing, Seller may propose an equitable adjustment to pricing or delivery date within fifteen (15) days of Karman’s written notice. No change is valid unless agreed in writing by Karman.

2. Term and Termination of Purchase Order

- (a) This Agreement will be effective on the Effective Date and continue until terminated in accordance with this Section.
- (b) Either party may also terminate this Agreement for cause in the event of breach by the other party which remains uncured for thirty (30) days after the non-breaching party’s notice thereof. Upon termination for Seller’s breach, Karman is not liable for further payment and may recover damages.
- (c) Karman may terminate for convenience at any time with written notice, paying only for conforming Goods delivered.
- (d) Sections 2(d), 5, and 7 through 11 will survive termination or expiration of this Agreement.

3. Delivery and Acceptance of Goods

- (a) The Goods shall be manufactured in accordance with the applicable specifications designated by



Seller for such Goods or otherwise mutually agreed upon by the parties (the “Specifications”).

- (b) Upon delivery, Karman shall have the right, in addition to all other rights available to Karman under this Agreement, under the Uniform Commercial Code and any other applicable law, to reject Goods that are non-conforming or defective, and at Karman’s option either (i) retain the non-conforming or defective Goods in whole or in part with an appropriate adjustment in the price for the Goods; or (ii) require Seller to repair or replace the non-conforming or defective Goods promptly upon Karman’s notice thereof, at Seller’s sole cost and expense. Acceptance does not waive Karman rights regarding latent defects or warranty claims that maybe be found later.

4. Delivery

- (a) Seller shall deliver Goods both in quantities and at times specified on each accepted PO. All Goods shall be delivered FCA (Incoterms 2020) Karman’s designated destination, with export customs formalities completed by Seller and title will transfer upon receipt of the Goods by Karman at such destination. Seller shall be responsible for all freight charges, insurance, and any damage or loss in transit. Seller must pack, mark, and ship goods in accordance with Karman’s instructions and good commercial practice, clearly referencing the PO number on all packages and documents. Unauthorized over-shipments or under-shipments may be refused or returned at Seller’s expense. If expedited transportation is required to meet the delivery schedule, Seller shall bear the additional cost unless otherwise agreed in writing by Karman. Any amendments to these delivery terms must be expressly agreed to in writing by Karman.
- (b) TIME, QUANTITY, AND QUALITY ARE OF THE ESSENCE AS TO ALL GOODS. Seller will use all reasonable efforts to maintain a one hundred percent (100%) on-time delivery rating, in accordance with the delivery date in the accepted PO. If Seller is unable or otherwise fails (or is reasonably likely to be unable or fail) to supply the agreed Goods by the agreed delivery date(s) or meet quantity or quality requirements in accordance with this Agreement (or indicates that it will not meet any future delivery date), Seller shall immediately notify Karman setting forth the cause for the anticipated delay and use best efforts to resolve the issue causing the constraint, and Karman may: (a) cancel all or a portion of any PO without liability; (b) require Seller, at Seller’s cost and expense, to deliver Goods using expedited delivery methods necessary to meet delivery schedules set forth in the applicable PO; or (c) purchase substitute Goods from other suppliers and hold Seller liable for the difference between the price of the Goods to have been provided by Seller and amounts charged for the substitute Goods.

5. Representations and Warranties

Seller hereby represents and warrants that (a) Seller has full right and power to enter into and perform this Agreement without the consent of any third party; (b) Seller will comply with all laws and regulations applicable to Seller's obligations under this Agreement, (c) all Goods will comply with, conform to and/or operate in accordance with the applicable Specifications, (d) all Goods will be merchantable, free from defects in design, material and workmanship and shall be new; (e) all Goods will be fit for the purpose for which they are intended and safe for any use that is consistent with the applicable Specifications or that is reasonably foreseeable; and (f) all Goods will be free and clear of all liens, claims or other encumbrances, and conveyed to Karman with good title. These representations and warranties survive inspection, acceptance, and payment. Defects discovered during the warranty period must be addressed within 30 days with an action plan that is accepted by Karman for repair, replacement, or refund at Seller's expense.

6. Payment Terms

Karman will make payment within forty-five (45) days of receiving both an undisputed invoice and conforming Goods, unless an alternative schedule is agreed in writing. Invoices must refer to the PO number and include description, quantity, unit price, and total. Karman may withhold payment for defective or late performance until cure is made and may offset amounts due from Seller against other obligations. Karman may reject improper invoice and payment term will not initiate until corrected invoice is received. All prices shall be listed in U.S. Dollars and shall be inclusive of all applicable taxes and duties applicable to the Goods and all storage, handling, packaging, labeling, shipping and all other expenses and charges.

7. Insurance

Seller shall maintain in force adequate worker's compensation, commercial general liability, errors and omissions, and other forms of insurance, in each case with insurers reasonably acceptable to Karman, with policy limits sufficient to protect and indemnify Karman and its affiliates, and each of their officers, directors, agents, employees, subsidiaries, partners, members and controlling persons, from any losses resulting from Seller or Seller's agents', permitted subcontractors' or employees' conduct, acts, or omissions. Karman shall be listed as additional insured under such policy, and Seller shall forward a certificate of insurance verifying such insurance upon Karman's written request, which certificate will indicate that such insurance policies may not be canceled before the expiration of a 30-day notification period and that Karman will be immediately notified in writing of any such notice of termination

8. Indemnification

Seller shall indemnify, defend, and hold Karman, and its affiliates, and each of their officers, directors, agents, employees, partners, members and controlling persons harmless from all claims, damages, or liabilities arising from (a) Seller's breach, (b) any allegation that the Goods infringe or misappropriate any intellectual property rights, (c) any product liability claims and/or (d) negligence, or misconduct of Seller, its employees, agents or any of its permitted subcontractors. Seller shall indemnify against infringement claims related to supplied goods or services.

9. Confidential Information

(a) As used herein, "Confidential Information" means any information or data disclosed or made

available by either party (the “Disclosing Party”) to the other party (the “Receiving Party”) that is either marked or identified in writing as confidential or proprietary or which a reasonable person would understand to be confidential in light of the circumstances of disclosure

- (b) Neither party shall use or disclose Confidential Information of the other party disclosed to it hereunder for any purpose other than to perform its obligations or exercise its rights under this Agreement. The Receiving Party shall not disclose, transfer, or disseminate Confidential Information of the Disclosing Party to any third parties except to the Receiving Party’s employees or contractors who have a need to know such Confidential Information and who are bound to retain the confidentiality thereof under provisions no less restrictive than those required by this Agreement. The Receiving Party shall maintain Confidential Information of the Disclosing Party with at least the same degree of care it uses to protect its own proprietary information of a similar nature or sensitivity, but in any event, not less than reasonable care. Any copies of the Disclosing Party’s Confidential Information shall be identified as belonging to the Disclosing Party at the time of disclosure. Each party shall advise the other party in writing of any misappropriation or misuse of Confidential Information of the other party of which the notifying party becomes aware. No rights or licenses to trademarks, inventions, copyrights or patents are implied or granted under this Agreement. All Confidential Information (including all copies thereof) shall at all times remain the property of the Disclosing Party.
- (c) The restrictions in this Section shall not apply to any information that (i) is or becomes public knowledge without any action by, or involvement of, the Receiving Party; (ii) is disclosed by the Receiving Party with the specific, prior written approval of the Disclosing Party; (iii) is independently developed by the Receiving Party without use of the Disclosing Party’s Confidential Information; or (iv) is rightfully received by the Receiving Party from a third party without a duty of confidentiality to the Disclosing Party. Furthermore, this Agreement will not prevent the Receiving Party from disclosing Confidential Information of the Disclosing Party to the extent required by a judicial order or other legal obligation, provided that, in such event, the Receiving Party shall promptly notify the Disclosing Party prior to disclosure to allow intervention, notify the requesting entity of the confidentiality of the materials, and cooperate with the Disclosing Party to contest or minimize the scope of the disclosure (including application for a protective order).

10. Limitation of Liability

IN NO EVENT SHALL KARMAN BE LIABLE TO SELLER FOR ANTICIPATED OR LOST PROFITS, INTEREST, PENALTIES OR FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES IN CONNECTION WITH THE AGREEMENT.

11. Miscellaneous

- (a) This Agreement shall not be assigned by either party, whether voluntarily or involuntarily or by operation of law, in whole or in part, to any other entity without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Karman may assign this Agreement to an affiliate or to a successor in interest upon a merger, reorganization, change of control, acquisition or sale of all or substantially all the assets of Karman to such successor, and any such assignment shall not require the consent of Seller. Any assignment in violation of this Section shall be null and void from the beginning, and shall be deemed a material breach of this Agreement.
- (b) Any waiver of a breach of any term or condition of this Agreement will be in writing and will not operate as a waiver of any other or subsequent breach of such term or condition or of any other

term or condition, nor will any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof.

All notices to Karman shall be made in writing and sent by certified or registered mail, return receipt requested and proper postage prepaid to the designated address provided by Karman (or such other address as may later be specified to Seller by Karman)

- (c) If any one or more of the provisions contained in this Agreement is held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby. The parties will in such an instance use their reasonable best efforts to replace the invalid, illegal or unenforceable provision(s) with valid, legal and enforceable provision(s) which, insofar as practical, implement the purposes of this Agreement.
- (d) Seller's relationship with Karman will be that of an independent contractor, and nothing in this Agreement should be construed to create a partnership, joint venture, or employer-employee relationship. This Agreement will not constitute either party to be the agent or legal representative of the other party for any purpose whatsoever, and neither party will hold itself out as an agent of the other party. Each party will each be solely responsible for their own employees and for their acts and omissions.
- (e) The rights and obligations of the parties under this Agreement shall not be governed by the provisions of the 1980 United Nations Convention on Contracts for the International Sale of Goods or the United Nations Convention on the Limitation Period in the International Sale of Goods, as amended; rather, these rights and obligations shall be governed in all respects by the laws of the State of California exclusively, without regard to conflict-of-law provisions. Any claims or disputes arising between the parties arising under this Agreement shall, at Karman's sole election, be resolved through binding arbitration in Los Angeles County, California before a neutral single arbitrator, whose decision will be final and binding and the arbitral proceedings will be administered by JAMS under its Comprehensive Arbitration Rules and Procedures then in effect. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. The parties undertake to keep confidential all awards in their arbitration, together with all materials in the proceedings created for the purpose of the arbitration and all other documents produced by the other party in the proceedings not otherwise in the public domain, save and to the extent that disclosure may be required of a party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in legal proceedings before a court or other judicial authority. If Karman does not elect arbitration, then Seller consents to the exclusive jurisdiction of the state and federal courts in Los Angeles County, California for any legal or equitable action or proceeding arising out of, or in connection with, this Agreement. Seller specifically waives the right to a jury and any and all objections to venue in such courts.
- (f) In performing its duties under this Agreement, each party shall at all times comply with all applicable international, federal, state and local laws, including all applicable export control laws and all laws relating to bribery or corruption, including the U.S. Foreign Corrupt Practices Act.
- (g) Seller shall not subcontract any of its obligations under the Agreement without the prior written consent of Karman. Any such consent of Karman will not release Seller from, or limit, any of Seller's obligations under the Agreement. Seller warrants and guarantees that any such subcontractor's performance will satisfy all requirements and obligations applicable to Seller under the Agreement.
- (h) This Agreement supersedes any arrangements, understandings, promises or agreements made

or existing between the parties prior to or simultaneously with this Agreement and constitutes the entire understanding between the parties. Except as otherwise provided herein, no amendment to or modification of this Agreement shall be effective unless it is in writing and signed by and on behalf of both parties.