

FSIP Electronics Supplier Terms & Conditions

Article 1: Applicability

- 1.1 Unless otherwise expressly agreed, the legal relationship between FSIP Electronics (there after the “Buyer”) and the Seller are subject exclusively to the General Terms and Conditions of Purchase here present and the Order (hereafter collectively the “Agreement”).
- 1.2 The acceptance or execution of an Order by the Seller implies complete and unconditional acceptance of the General Terms and Conditions of Purchase.
- 1.3 The Buyer retains the right to modify the terms of the Agreement at any time. In the absence of a reaction from the Seller within 15 calendar days following the announcement of these modifications to the Seller by e-mail or fax, the Seller shall be assumed to have accepted the modifications.
- 1.4 The Seller recognizes that the execution of this Agreement does not create any obligation on the part of the Buyer to bear or to compensate the Seller for any investment. Any decision in relation to additional capacity shall be taken by the Seller at its sole discretion and be made at its own risk, cost and expense, unless agreed upon otherwise in advance and in writing.
- 1.5 Nothing contained herein shall constitute a representation or agreement that the Parties are members of any partnership, joint venture, association, syndicate, agency or other entity for any purpose whatsoever and the Parties hereto agree and acknowledge that they are independent contractors.

Article 2: Definitions

Agreement

The present General Terms and Conditions of Purchase and the Order.

Buyer

FSIP Electronics (Formally known as Flight Systems Industrial Products) with offices located at 1015 Harrisburg Pike, Carlisle, PA 17013 USA

Customized Tooling

Specific equipment which is required for the manufacturing of Products at the order of the buyer and may be developed by the Seller on basis of Technical Data and Specifications provided by the Buyer.

New Product

Product with a new reference number and which may require new Technical Data.

Order

The Buyer’s purchase order or any agreement or legal relationship between the Parties which concerns the sale and supply of Products and/or Services. A request for a proposal initiated by Buyer does not entail any engagement or commitment from the buyer.

Products

The product(s), part(s), equipment, tool(s), apparatus, installation(s) and / or machine(s) described in the Order.

Services

The services including any works, installment of Products or any part of it or ancillary services described in the Order or that are the result of the supply and delivery of Products.

Specifications

Any information supplied by the Buyer to the Seller regarding (i) the marking and labeling, (ii) the information and documentation to be supplied by the Seller to the Buyer, (iii) the information and documentation to be kept available at the Sellers’ premises, (iv) the inspection, packaging and transport, as set out in the Order, and as may be amended from time to time.

Technical Construction File

The test results, risk analysis, documentation, information and other measures defined in article 10.7.2 hereof.

Technical Data

Information, other than software, which is required for the design, development, production, manufacture, assembly, operation, repair, testing, maintenance or modification of articles. This includes blueprints, drawings, photographs, plans, instructions or documentation.

Article 3: Subject

- 3.1 The Seller shall sell and supply the Products and/or Services in accordance with the Agreement when ordered by the Buyer.
- 3.2 In the event that the buyer considers placing an Order for a New Product, the Seller undertakes to provide the Buyer with a sample prior to the execution of a possible Order, if the Buyer so requests.

The Buyer shall notify the Seller in writing of any changes to be effected to the sample or of its approval of the sample before placing an Order for a New Product. Where relevant, the Seller shall manufacture the New Product in accordance with the approved sample product, after receipt of a firm Order from the Buyer.

Article 4: Orders

- 4.1 When placing Orders, the Buyer will use a written order form sent by e-mail, by fax or by other electronic means, specifying the number of ordered Products, Services, the price and/or additional and/or specific requirements.
- 4.2 Where relevant, the buyer undertakes to supply the Seller with all the necessary Technical Data in order to enable the Seller to duly perform its obligations under this Agreement. Should the Order or the Technical Data not be complete or clear to the Seller, the Seller shall timely request the necessary explanations in this respect.
- 4.3 Except where the Seller objects in writing (by e-mail or by fax) to the Order as described in Article 4.1 for any reasonable motive within 3 working days after receiving it, the Order is deemed accepted, and it is no longer subject to any subsequent and unilateral change by any of the Parties. For New Products, the delay for acceptance of the Order is 5 working days from receiving the firm Order.

Article 5: Sale and supply of Products and Services

5.1 The Seller shall sell and/or supply each Product and/or Service in a professional manner taking into account the Order, the Technical Data, the Specifications, all applicable regulatory requirements in the United States (in particular the relevant health and safety requirements), the prevailing state of art, the best available techniques and the prevailing safety standards. The Seller shall supply each Product and Service together with all legally required data and documentation as specified in the purchase order.

5.2 Upon arrival of the Products at the premises of the buyer or after the provision of the Services, the Quality department of the buyer shall submit each Product and/or the Services to a visual inspection. This does not imply acceptance under article 7.5. At its own discretion, the Buyer may require third party intervention in order to ascertain the quality of the Products and/or Services.

5.3 Manuals, as applicable (for use and maintenance) supplied by the Seller to the Buyer shall contain all legally required data and must be supplied in all required languages, including English, at the latest upon delivery of the Products or the Services.

Article 6: Manufacturing

- 6.1 Where the Seller manufactures the Products for the Buyer in accordance with the Specifications or Technical Data from the Buyer, the Seller hereby undertakes and warrants that it shall do so exclusively for the Buyer and that it shall deliver such Products, as well as any products derived, derogated or inspired from the Products, exclusively to the buyer. The Seller shall not itself offer for sale, sell, rent or otherwise commercialize or dispose of the Products or any products derived, derogated or inspired from the Products without prior written approval of the buyer, including after termination of the Agreement.

- 6.2 The Seller shall store the stock of the manufactured Products in its premises at its own expense, and keep them in good condition and stored properly and in accordance with good business practice.
- 6.3 The buyer shall be entitled to check the quality and progress of production work at the Seller's premises at any time after giving prior notice.
- 6.4 For Products that require Customized Tooling, the Seller shall inform the Buyer accordingly.
- The Customized Tooling is the property of the buyer. Seller shall keep it in good condition, for use at Buyer's order solely. Seller shall return it at all times upon request of the Buyer.
- The Seller shall use the Customized Tooling exclusively for the buyer and shall deliver such Products and any products derived, derogated or inspired from the Products exclusively to the Buyer.
- 6.5 The Buyer may request a sample prior to submitting an Order. The Buyer shall notify the Seller of any changes to be effected to the sample. The Seller shall immediately inform the Buyer if the requested changes entail a price change.

Article 7: Delivery

- 7.1 The Products shall be delivered in accordance with the agreed upon Incoterms 2020, specified on the Order.
- 7.2 The Seller undertakes to strictly comply with the delivery date set out in the Order, unless prior written consent from buyer to a new delivery date, or unless Seller is affected by force majeure. In the event of force majeure, the Seller is required to notify the Buyer in writing forthwith following the occurrence of this event and to give a detailed description of the situation of force majeure, as well as a new delivery time. In these circumstances, the Buyer shall nevertheless have the right to cancel the Order concerned without being liable to any compensation towards the Seller.
- 7.3 Title to the products shall pass to the Buyer on the earlier of the following two dates: (i) payment of the Order, or (ii) completion of the delivery. Risk in the products delivered, or in any portion thereof, shall pass to the Buyer as from the acceptance of the delivery pursuant to Article 8 (Acceptance and defective products).

Article 8: Acceptance and Defective Products

- 8.1 Notwithstanding the provisions of this article, acceptance of the Products and the Services shall explicitly be deemed to have occurred after inspection for visible defects by the Buyer and at the latest within 14 working days following (i) for Products, their arrival at the premises of the Buyer or (ii) for Services, a written demand of the Seller to accept the Services carried out. Such inspection for visible defects does not affect the Buyer's right to claim hidden defects in a Product or Service within a period of three months after this hidden defect came to the attention of the Buyer as provide in article 10.4 of the Agreement.
- 8.2 After submitting a claim for delivery not in conformity with the order, the Buyer shall be entitled to suspend payment of the invoice covering the Products and/or Services concerned, until an acceptable solution has been obtained.

Article 9: Price and Payment

- 9.1 The prices for the Products and/or Services supplied under this Agreement shall be as stated in the Order. Prices include all costs for, amongst others, product development, tests, inspections, conformity with legal requirements, buffer stocks, packaging, and warranties. Price adjustments must be mutually agreed upon in writing before acceptance of the order.
- 9.2 Original invoices and Customs invoices shall be sent by electronic means, to the Buyer at the address identified within the Order not later than the date of export from the Seller. The Buyers undertakes to effect payment within the period specified in the Order, subject to acceptance of the Products and/or the Services as provided in article 8.

Article 10: Intellectual Property

10.1 The Seller shall sell the Products and/or Services free and clear from any third party right or claim based on any intellectual property rights. In the event any Product and/or Services infringes on the intellectual property rights of a third party, the Seller shall at its expense and at the choice of the Buyer (i) obtain the necessary rights for the continued manufacture, sale or distribution of the Products and/or Services, (ii) supply non-infringing Products and/or Services satisfactory to the Buyer, (iii) modify the Products and/or Services to the satisfaction of the Buyer so that they become non-infringing, or (iv) refund any purchase price paid by the Buyer for such Products and/or Services.

10.2 All Technical Data, Specifications, Customized Tooling or intellectual property rights of the Buyer remain the sole property of the Buyer regardless of the termination of this Agreement. The Seller acknowledges that it will not claim any intellectual property or proprietary rights in the Technical Data and/or the Specifications.

For the execution of this Agreement, the Buyer grants where necessary to the Seller a non-assignable, revocable, royalty-free and non-exclusive license on the Technical Data, the Specifications or the intellectual property rights of the Buyer and the Seller undertakes to use the Technical Data, the Specifications, the Customized Tooling or the intellectual property rights for no other purpose than for the manufacturing of the Products or for the provision of the Services solely at the Order of the Buyer and as provided for in this Agreement.

It is the Seller's responsibility to ensure that in the event of the buyer providing any Technical Data and Specifications that such does not infringe or that the use or re-sale does not infringe the patents, copyright, design, trade mark or other industrial or intellectual property rights of any other person. Should the Seller not be satisfied that the Technical Data and Specifications proposed by the Buyer would not infringe the rights of any other person then the Seller should decline to accept the Order.

10.3 The Seller grants an assignable, irrevocable and royalty free license to the Buyer to use the product brand or trademark for the sole purpose to resell the Products and/or Services. The Seller also grants an exclusive, assignable, irrevocable and royalty free license to the Buyer to adjust the form (but not the contents) of its manuals and/or information, to translate them, to duplicate them and to reproduce and communicate them in either digital or analogue manner and to distribute them in its own name.

10.4 In the event that one Party becomes aware that any third party is infringing on or threatens to infringe on the other Party's intellectual property rights, the former shall decide in consultation with the latter as to whether any legal action will be taken. Irrespective of whether or not this occurs Parties shall engage the services of legal counsel. Who will bear the costs of any legal action and legal counseling, shall at all times be determined through joint consultation.

Article 11: Warranties

11.1 The Seller warrants to the Buyer that all Products and/or Services supplied under this Agreement will be free from all defects of any kind, be of proper quality, fit for their intended purpose, not injurious to the health or safety of any person, that the Products and/or Services will comply with the Specifications and additional requirements on the Order, that each Product and/or Services is in accordance with all relevant governmental and legal requirements of the United States and that each Product and/or Service will not, directly or indirectly infringe on the intellectual property rights of any third party.

11.2 The Seller provides a warranty for the Products and/or Services towards the Buyer and/or its customers for a period of two years upon delivery.

11.3 This warranty shall not cover any defect that is due to normal wear and tear, improper maintenance, excessive wear and tear caused by use in unusual circumstances; misapplication; neglect; unauthorized repair; abnormal use; accident; malicious intent or abuse; mishandling; improper installation or usages; natural disasters; power surges; exposure to liquids or chemicals; faulty service or modifications or failure to comply with the relevant directions for use and overloading. It shall not cover any defect which results from the modification of a Product by the Buyer's customer or the Product's end user, subject to the proviso that the mere attachment or incorporation of a Product to or in a larger entity by the Buyer or a third party without the Sellers' consent shall not be deemed to constitute a modification.

- 11.4 The Buyer shall notify the Seller in writing of visible defects in a Product and/or Service within 14 working days after discovery of such defect. The Buyer shall notify the Seller in writing of such hidden defect came to its attention. The Seller shall accept claims for hidden defects of the Product.
- 11.5 In case of a claim for hidden or visible defect under the terms set forth above, the Seller undertakes to inspect and to repair the defective Product at its own expense and risk within two months after receipt of such claim. The Buyer shall make available the Product to the Seller at its premises in Carlisle, PA or at any other location specified by the Buyer. This obligation is without prejudice to the Seller's liability as provided for in article 11.2 of the Agreement.
- 11.6 A new warranty period shall apply in respect of every Product that is replaced or repaired, and its duration shall be identical to that referred to in article 11.2 of this Agreement as from the delivery date of the replacement or of the repaired Product.
- 11.7 For the Products, the Seller warrants the following to the Buyer:
- 11.8.1 The Seller, its employees, representatives, agents or other nominee's, shall not make or offer any gift, promise, benefits, gratuities, whatsoever to employees, representatives, agents or other nominees of the Buyer, except promotional or commemorative items having a value of less than 25USD. The Seller also represents and warrants that no employee, representative, agent or other nominee of the Buyer has any financial interest in the Seller, except where such has been disclosed in advance and in writing to the Buyer's management.
- GIFTS AND IMPROPER PAYMENTS: The Seller is prohibited from engaging in corruption, extortion or embezzlement in any form. Suppliers must comply with all applicable anti-corruption laws and regulations of the countries in which they operate such as the U.S. Foreign Corrupt Practices Act, and as applicable, the UK Anti-Bribery Act, the OECD Anti-Bribery Convention and any other international anti-corruption conventions. The Seller will not offer or accept bribes or employ other means to obtain an undue or improper advantage. Bribes, kickbacks, facilitating payments and similar payments to government officials or to the Buyer employees or agents acting on the Buyer's behalf are prohibited. The Buyer's employees are discouraged from accepting gifts of more than minimal value or lavish entertainment from suppliers. When business meals and entertainment are appropriate to further business relationships, those expenses may not be extravagant in nature.
- 11.9 The Seller shall declare origin of the Products, and the Seller warrants that it has the required qualifications to do so. The Seller carries all responsibility for compliance with customs regulations and regulations on origin declaration. Furthermore, the Seller shall keep the original documents and records pertaining to each origin and customs declaration, as well as the data used to issue such customs declaration for a period of five years. The Buyer shall keep a copy of the documents and records provided by the Seller for a period of five years.

Article 12: Liabilities

- 12.1 The Seller undertakes to hold the Buyer harmless from any claim, demand or proceeding which is based on a failure of the Product and/or Services to comply with any requirement under this Agreement, or on any direct or indirect harm caused directly or indirectly by, or is in any way connected to any Product and/or Services supplied.
- 12.2 The Seller undertakes to provide compensation for any direct or indirect harm, whatsoever its nature, which the Buyer or their customers may suffer, if such harm is directly or indirectly caused by or is in any way connected to any defect in or non-conformity of a Product and/or Service supplied by the Seller, or to any negligence with or loss of the Customized Tooling. Such compensation shall cover the total harm and loss of earnings the Buyer suffers either directly or indirectly, as well as any expenses they incur. These expenses shall be deemed to include the comprehensive payment of the cost of legal counsel.
- 12.3 During this Agreement, the Seller undertakes to have adequate liability insurance no less than 120% of the value of the product covering its obligations under this Agreement, and will pay premiums therefore. A copy of the Seller liability insurance policy shall be submitted to the Buyer and the Seller will from time to time, at the Buyer's request, provide proof of valid insurance coverage to the Buyer.

Article 13: Termination

- 13.1 Without prejudice to any other rights or remedies, the Buyer shall be entitled to terminate the Agreement immediately by giving notice to the Seller:

- 13.1.1 in case the Seller infringes against its exclusivity obligation;
 - 13.1.2 in case of failure or insolvency, judicial reorganization, bankruptcy of any the parties or in case any of the Parties is placed in dissolution or liquidation;
 - 13.1.3 in case of direct or indirect change of control over the Seller;
 - 13.1.4 in case the Seller consistently fails to comply with any obligation under this Agreement and, in case such failure is capable of being remedied, fails to remedy the failure within thirty days of notice given by the Buyer.
- 13.2 When the Order is executed or when the Agreement comes to an end, the Seller shall immediately, upon such termination, return all Technical Data and Customized Tooling, as well as all molds which are property of the Buyer, and shall destroy any remaining copies thereof.

Article 14: Non-disclosure and Non-compete

- 14.1 **CONFIDENTIALITY:** The Seller must protect the Confidential Information entrusted to them by the Buyer, its affiliates, customers or suppliers. Confidential Information may only be used and disclosed in a manner authorized by the Buyer. Confidential Information includes any business information of Buyer, its customers or suppliers that is not generally known to the public.
- 14.2 The Seller undertakes to keep the existence and the contents of this Agreement, and all other information that is marked or is by nature confidential, strictly confidential, and will not disclose these to any third party. The Seller undertakes to enforce this duty of confidentiality upon its employees and representatives. This duty of confidentiality remains in force after termination of this Agreement.
- 14.3 The Seller shall not use the Buyer's names, trademarks, brands or part numbers in any promotion or marketing or announcement of Orders, without having first obtained the prior written consent of the Buyer.
- 14.4 The provisions of this article shall not apply in those cases where disclosure is mandatory pursuant to a judicial order.

Article 15: Miscellaneous

- 15.1 The Seller must comply with all U.S. laws, rules and regulations and in all countries where the Buyer and its affiliates conduct business. These laws, rules and regulations include but are not limited to:

CHILD LABOR: The Seller will not directly or indirectly employ workers that are younger than the applicable required minimum age.

FORCED LABOR: The Seller will not knowingly source materials from supply chain associated with human trafficking and will take reasonable efforts to ensure that their own suppliers comply with this requirement.

WAGES AND WORKING HOURS: The Seller must comply with all applicable wage and hour laws, including those relating to minimum wage, overtime hours, and other elements of compensation, and must provide all legally mandated benefits. The Seller will not require employees to work more than the maximum number of hours permitted under applicable laws.

ENVIRONMENTAL, HEALTH AND SAFETY LAWS: The Seller must comply with all applicable environmental, health and safety laws and regulations and must provide workers with a safe and healthy work environment.

INTERNATIONAL ACTIVITIES: Each Party agrees that it will not knowingly: (a) export or re-export, directly or indirectly, any technical data (as defined by the U.S. Export Administration Regulations) provided by the other Party or (b) disclose such technical data for use in, or export or re-export directly or indirectly, any direct product of such technical data, including Software, to any destination to which such export or re-export is restricted or prohibited by United States or non-United States law, (including Cuba, Iran, Sudan, Syria, N. Korea and other Sanctioned Countries) without obtaining prior authorization from the U.S. Department of Commerce and other competent Government Entities to the extent required by Applicable Laws.

The Buyer and Seller acknowledge that all products and any associated technology transferred by the Seller are subject to the U. S. export control and sanctions laws, regulations and Executive Orders, including without limitation the Export Administration Regulations (15 C.F.R. Parts 730 to 774), the International Traffic in Arms Regulations (22 C.F.R. Parts 120-130) and the Foreign Assets Control Regulations (31 C.F.R. Parts 500-598).

In no event shall Seller sell, lease, use, transfer, release, import, export, or re-export products in violation of such applicable laws, regulations, orders or requirements. The Seller hereby agrees that it will not transfer, export or re-export the Products and related technology except in compliance with all applicable U.S. export control and sanctions laws, regulations and Executive Orders. Exports and re-exports to parties who have been denied export privileges or debarred from an export transaction are prohibited. Exports and re-exports to embargoed and sanctioned countries are prohibited unless otherwise authorized by the U.S. regulatory licensing authority.

Violations against any U.S. export laws, sanctions and regulations may result in termination of this Agreement by the Buyer. If the Seller embarks on any course of conduct that leads to a violation of applicable export controls or sanctions, Seller agrees to indemnify, defend and hold harmless Buyer from and against any damages, liabilities, losses, costs, expenses and fees (including reasonable attorneys' fees) to the extent arising out of or related to Seller's acts or omissions.

FAIR DEALINGS AND COMPETITION LAWS: The Seller should not take unfair advantage of anyone else through manipulation, concealment, abuse, mis-representation of material facts or any other unfair dealing. The Seller will not engage in collusive bidding, price fixing, price discrimination or other unfair trade practices in violation of applicable antitrust and competition laws. The Seller will uphold fair business standards in advertising, sales and competition.

CONFLICT MINERALS: The Buyer is committed to complying with federal laws and regulations requiring disclosure of the use of conflict minerals and expects the same commitment from the Seller. Upon request of the Buyer, the Seller shall determine whether any products provided by Seller contain tin, tantalum, tungsten, gold or any other material that is designated under applicable rules of the Securities and Exchange Commission as a "conflict mineral." The Seller shall also take such necessary actions and provide such additional information in the format requested by Buyer as may be necessary in order for Buyer to be or remain compliant with applicable laws, rules and regulations relating to conflict minerals.

OFAC Compliance: Each party shall take any actions that may be required to comply with the terms of the USA Patriot Act of 2001, as amended, any regulations promulgated under the foregoing law, Executive Order No. 13224 on Terrorist Financing, any sanctions program administered by the U.S. Department of Treasury's Office of Foreign Asset Control or Financial Crimes Enforcement Network, or any other laws, regulations or executive orders designated to combat terrorism or money laundering, if applicable, to this agreement. Each party represents and warrants to the other party that it is not an entity named on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Department of Treasury, as last updated prior to the date of this agreement.

SUPPLY CHAIN SECURITY: The Seller represents warrants and covenants to Buyer that it has reviewed its supply chain security procedures and that these procedures and their implementation are, and shall remain during the Term of this Agreement, in accordance with the conveyance security criteria set forth by C-TPAT. Seller represents and warrants that it has developed and implemented, or shall develop and implement within sixty (60) days of its execution of this Agreement, procedures for periodically reviewing and, if necessary, improving its supply chain security procedures to assure the integrity of the Product while in transit.

Seller will adhere to all applicable Laws pertaining to security of the supply chain with respect to Product, as well as to standard industry practices. Seller will make available to Buyer any documentation outlining their internal supply chain security program with respect to Product upon request, and will work with the Customer to resolve gaps identified within that process.

COUNTERFEIT: In no event shall Seller manufacture, supply or otherwise distribute for itself or a third party a counterfeit of the Product.

- 15.2 This Agreement is personal to the Seller and the Seller shall not assign or transfer any of its rights or obligations hereunder. In the case where the Seller needs to outsource the Seller shall notify the Buyer. except with the prior written consent of the Buyer.
- 15.3 This Agreement forms the sole agreement existing between the Parties concerning its subject matter and explicitly excludes the application of the general terms and conditions of the Seller.

- 15.4 It replaces any existing negotiations, agreements or contracts, whether concluded orally or in writing. Any supplements or amendment to this Agreement must be mutually agreed upon in writing and duly executed by the Parties.
- 15.5 In the Event that one or more provisions of this Agreement would be declared void, this shall not affect the validity of the other provisions of this Agreement. Furthermore, the Parties undertake to replace such voided provision by a valid provision which has the same effect.

Article 16: Applicable Law

- 16.1 This Agreement will in all respects shall be governed by and construed in accordance with U.S. law.
- 16.2 All disputes arising in connection with this Agreement shall be subject to the exclusive jurisdiction of the Courts nearest to the seat of the Buyer.