

TERMS AND CONDITIONS OF PURCHASE

Of

Aero Engine Solutions, Inc.
(hereinafter referred to as AESI)

Effective December 12th, 2023

1. ACCEPTANCE AND ENTIRE AGREEMENT. The attached Repair Order (herein referred to as the “Order”) is neither an expression of acceptance of any offer made to AESI by Vendor nor a confirmation of any contract or agreement between AESI and Vendor; this Order is an offer to the Vendor to contract on the terms set forth herein, and such offer expressly limits acceptance by Vendor to the terms set forth herein, and any additional or different terms proposed by Vendor are specifically rejected, unless expressly agreed to in a subsequent writing signed by an authorized representative of the AESI. The accompanying Order and these Terms & Conditions of Purchase comprise the entire agreement between the parties and may herein be referred to collectively as the “Agreement”.

2. SPECIFICATION, CERTIFICATION AND TRACEABILITY (APPLICABLE TO AESI’S PURCHASE OF AIRCRAFT AND/OR ENGINE MATERIAL, PARTS, EQUIPMENT AND AVIATION RELATED PRODUCTS AND SERVICES). All material, parts, equipment or items supplied by Vendor shall comply with the applicable part numbers and other specifications stipulated on this Order. No substitutes are permitted except upon the prior written consent by an authorized representative of AESI, any material, parts, equipment or items subject to Federal Aviation Regulations must have been manufactured in accordance with FAR Part 21 Sub part F, G, K or O and must be certified accordingly, material, parts, equipment or items manufactured outside the U.S.A. which are to be fitted to a U.S. type certificated product shall be imported into the USA in accordance with FAR part 21 Sub-part N, under a certificate of airworthiness. Material, parts, equipment or items manufactured outside the United States under EASA, JAA or other approved Civil Aviation Authority shall be certified by EASA from One, JAA Form 1 or approved equivalent Authorized Released Certificate/Airworthiness Approval Tag. All material, parts, equipment or items in new, overhauled, modified, repaired or serviceable condition shall be appropriately certified in accordance with FAA, EASA, and JAA or approved Civil Aviation Authority airworthiness requirements. All material, parts, equipment or items shall be traceable in accordance with the FAA Advisory Circular 20-62, latest revision. All standard parts shall be accompanied by a certificate from the OEM and distributor stating that the parts fully comply with the applicable published national, international, or industry specification stated on this Order, and include a Non – Incident /Non- Accident letter stating that the parts have not been involved in an incident or accident.

3. PURCHASING INFORMATION. The purchasing information shall describe the product to be repaired, including where appropriate, (a) quality management system requirements, (b) the name/product description or other positive identification, and applicable issues of specifications, drawings, process requirements, inspection instructions and other relevant technical data (e.g. revision level), (c) requirements relative to supplier notification to organization of nonconforming product, (d) requirements for the supplier to notify the organization of changes in product definition, (e) right of access by the organization, their customer, and regulatory authorities to all facilities involved in the order and to all applicable records, and (f) requirements for a certificate of conformity, test reports, and/or airworthiness approval from the approved manufacturer or approved repair station, (g) Requirements for the Vendor to flow down to the supply chain all applicable requirements, including customer requirements.

4. UNAPPROVED PARTS. As soon as an Unapproved Parts Notification is issued and provided to Vendor and such notification is applicable to the Unapproved Parts delivered by Vendor to AESI, Vendor will inform AESI promptly in writing about such Unapproved Parts Notification and the Unapproved Parts concerned. Vendor shall be liable for all costs related to the replacement of Unapproved Parts, including but not limited to any costs for removal of any Unapproved Parts and any installation, shipment, testing, or validation costs necessitated by the installation of products in replacement of Unapproved Parts.

5. VENDOR’S NOTICE OF DISCREPANCIES. Vendor shall promptly notify AESI in writing when discrepancies in Vendor’s process, including any violation of or deviation from Vendor’s approved inspection/quality control system, or the products are discovered or suspected regarding the products delivered or to be delivered under this Agreement, including but not limited to the quantity and specific identity of any impacted products. Vendor shall be liable for all costs related to the delivery or replacement including removal, reinstallation and shipment costs of products affected by such discrepancies.

6. COUNTERFEIT PARTS PREVENTION. Vendor shall not furnish “Counterfeit Parts”, which is defined as unauthorized copies, imitation, substitute or modified parts (e.g. materials, parts, components, subassemblies) which are misrepresented as a specified genuine part(s) of an original or authorized manufacturer. Counterfeit Parts can include, but are not limited to,

the false identification of marking or labelling, grade, serial number, lot number, date code, documentation or performance characteristics, including but not limited to used parts represented as new. Counterfeit and Suspect Counterfeit Parts shall be deemed nonconforming to this Agreement. A "Suspect Counterfeit Part" is defined as a part for which there is objective and credible evidence indicating that it is likely a Counterfeit Part.

If Vendor becomes aware or suspects that it has furnished Counterfeit or Suspect Counterfeit Parts to AESI, Vendor promptly, but in no case later than thirty (30) days from discovery, shall notify AESI and replace, at Vendor's expense, such Counterfeit Parts or Suspect Counterfeit Parts with products that conform to the requirements of this Agreement. Vendor shall be liable for all costs related to the replacement of Counterfeit Parts or Suspect Counterfeit Parts, including but not limited to any costs for removal of any Counterfeit Parts or Suspect Counterfeit Parts and any installation, shipment, testing, or validation costs necessitated by the installation of products in replacement of Counterfeit Parts or Suspect Counterfeit Parts.

Vendor bears responsibility for procuring authentic parts or items from its subcontractors and shall ensure that all such subcontractors comply with the requirements of this Article. Vendor shall include the substance of this Article, including but not limited to this flowdown requirement, in all subcontracts awarded by Vendor for work under this Agreement.

7. PACKING AND PACKAGING. Vendor shall pack the products to prevent damage and deterioration. All products will be packed and marked (including notice of hazardous substances) in accordance with industry standards and will comply with applicable laws and carrier requirements. All products will be packed in accordance with ATA 300. Each container will be marked with the applicable Order number and be accompanied by one copy of the shipping papers. Vendor shall not charge AESI for standard or special packaging of the products. AESI may charge Vendor for damage to or deterioration of any returned parts resulting from improper packing or packaging.

8. REDELIVERY, SHIPMENT AND STORAGE. Vendor should use reasonable efforts to redeliver the repaired parts before or by the delivery date indicated by Vendor. If the repaired part is ready for redelivery, and (a) shipment is delayed for reasons beyond Vendor's control, or (b) AESI asks Vendor to temporarily store the repaired part, the risk of damage or loss shall not immediately pass from Vendor to AESI, and Vendor (including its authorized agents, subcontractors or authorized representatives) shall be liable to AESI for any loss of or damages to the repair part. This also applies to partial deliveries.

If redelivery of any repaired part is delayed due for reasons beyond Vendor's control, Vendor shall not charge AESI the costs of storage from the date of notification of readiness for redelivery until actual shipment. If AESI asks Vendor to temporarily store the repaired part, Vendor may charge AESI the reasonable costs of storage upon mutual negotiation and agreement.

9. TITLE AND RISK OF LOSS. Title and risk of loss of products purchased hereunder will be borne by Vendor until products are physically received, in accordance with the terms hereof, at the delivery point specified in this Agreement at which time title and risk of loss shall transfer to AESI.

10. TERMINATION OF CONVENIENCE. AESI may at any time prior to delivery terminate this Order for its convenience, in whole or in part, by written, telegraphic or verbal notice confirmed in writing to Vendor. If Vendor has specifically manufactured the products to fill this order and is unable to make other commercially reasonable disposition of the products, AESI will pay Vendor the cost incurred for the line of work performed by Vendor in respect of such products at the time of written notification by AESI. Vendors will mitigate such costs to the extent it is reasonably possible. AESI's liability under this paragraph will not exceed the aggregated price specified in this Order.

11. RETURNS. AESI may, in its sole discretion, at any time and from time to time, within (60) days after acceptance of the products, return to Vendor any part or all products for inspection and/or repair if a redelivered or repaired part is found unserviceable. AESI will receive full credit on such return.

12. INSPECTION. All services or products ordered will be subject to inspection and acceptance at destination by AESI or its authorized representative within a commercially reasonable time. AESI, at its sole option, may inspect all or a sample of the services or products, and may reject all or any portion of the services or products if it determines the services or products are nonconforming or defective. If AESI rejects any portion of the services or products, AESI has the right, effective upon written notice to Vendor, to: (a) rescind the Order in its entirety; (b) accept the services or products at a reasonably reduced price; or (c) reject the services or products and require replacement of the rejected services or products. If AESI requires replacement of the services or products, Vendor shall, at its expense, within five (5) business days replace the nonconforming or defective services or products and pay for all related expenses, including, but not limited to, shipping and transportation charges for the return of the nonconforming and defective services or products and the delivery of replacement services or products. If Vendor fails to timely deliver replacement services or products, AESI may replace them with services or products from a third party and charge Vendor the increased cost thereof and terminate this Order for cause. Any inspection or other

action by AESI under this Section shall not reduce or otherwise affect Vendor obligations under the Order, and AESI shall have the right to conduct further inspections after Vendor has carried out its remedial actions.

13. TURN-AROUND TIME. Vendor hereby unconditionally undertakes to use commercially reasonable efforts to perform the Repair Services within the time indicated by Vendor to AESI in writing either in the order acknowledgement or otherwise (in either case, "Turn-around Time"). The Turn-Around Time is measured in Days from the date of receipt of the Repair Order by Vendor until the delivery of the products to AESI. If AESI requests an earlier delivery date on a Repair Order, Vendor shall use commercially reasonable efforts to comply with AESI's request and deliver the products within the requested time frame.

14. DELAYS. Time is of the essence for performance of this Agreement. If any products are not delivered within time specified by AESI, in addition to any other remedies provided by law or equity, Vendor shall immediately inform AESI in writing as soon as Vendor becomes aware of any circumstances causing the agreed Turn-Around Time to be exceeded. Such notification shall include a description of the circumstances causing the Turn-Around Time to be exceeded and shall advise AESI of a new delivery date. In the event that the Turn-Around Time is exceeded for any reason, AESI may cancel this Order in addition to any other remedies provided at law or in equity. Notwithstanding the foregoing, neither party will be liable for delays in delivery caused by force majeure which shall include Acts of God, war, fire, flood, explosion or earthquakes or any other cause beyond such party's reasonable control.

15. COST ESTIMATES. Cost estimates and/or quotations for the Repair Services shall be binding only when submitted in writing and expressly marked and agreed as binding by AESI. The Repair Services performed shall not be charged to the AESI's account until the Service Parts are provided to Vendor and the Repair Order is finally placed. AESI shall be notified of all significant variations from the original cost estimate and/or quotation in relation to the Agreement and shall confirm its acceptance of such variations within three (15) calendar days after being notified by Vendor. The variations shall not be deemed accepted by AESI without AESI's confirmation. AESI retains the right to partially or fully accept or deny cost estimates and/or quotations, drawings and other documents prepared by Vendor.

16. PRICES. The prices set forth in the Order are all inclusive, including, but not limited to taxes, the cost of packing, crating, materials, and delivery to the delivery point. In the event that AESI rejects the purchase price initially offered by Seller and a revised purchase price is subsequently agreed between Seller and AESI, Seller will send a revised offer containing the mutually agreed revised purchase price prior to the Order being placed by AESI. Prices are not subject to revision. If Vendor employs third parties to perform repair or maintenance services that are beyond the scope of the quoted price and are not provided by Vendor, such services and additional charges shall be approved by AESI.

17. CHANGES. Vendor shall not make minor or major changes to the agreed Repair Services (repair workscope) which do or do not affect price without the prior written consent of AESI. If there are non-mandatory and mandatory OEM bulletins issued after the performance of this Agreement becoming effective will be complied with, Vendor shall inform AESI in writing if the Contractual Price will be changed or increased before performing additional repair services. AESI reserves the right to accept or reject the changes proposed by Vendor.

18. QUALITY CONTROL AND AUDIT. Vendor shall establish and maintain a quality control system acceptable to AESI for products and/or services. Vendor shall permit AESI to review procedures, practices, processes and related documents to determine such acceptability. AESI may request a visit or an audit at Vendor's facility anytime or from time to time.

19. WARRANTIES. Vendor warrants that (a) all products and services when delivered will be merchantable and free from defects in workmanship and material, will conform strictly to the specifications, drawings, samples, or other description specified herein or furnished herewith, and will be fit for their ordinary intended purposed and any special purpose specified by AESI; (b) it has good title to the products free from all encumbrances and that it will defend such title against demands of all persons whomsoever arising; (c) all products of Vendor's design or production will be free from defects in design or production; and (d) it has all required authority and approvals to sell the products to and perform the services for AESI. All warranties shall run to AESI, its successor's assigns, and all persons to whom the products may be resold.

20. INDEMNITY. Vendor hereby agrees to release, Indemnify, defend and hold AESI, its subsidiaries, affiliates and shareholders, and all of their respective officers, directors, managers, members, employees, agents, successors and assigns (collectively referred to as the "AESI Indemnitees") harmless against any and all proceedings, actions, claims, litigation, investigations, fines, penalties, losses, liabilities, damages, costs, expenses and reasonable attorneys' fees and costs (collectively "Claims") resulting or arising (directly or indirectly) from (a) infringement or alleged infringement of any United States or foreign patent or any other intellectual property right by the services provided hereunder or by any of the products delivered hereunder which were designed or manufactured by Vendor; (b) for deaths of or injuries to any persons

whomsoever, and for loss of, damage to delay in delivery or destruction of any property and other losses of any kind or nature which arise out of or are in any way connected with the services performed or products sold hereunder; and (c) Claims alleged or asserted against any AESI Indemnitee by any third-party with respect to any Unapproved Part, Counterfeit Part or Suspect Counterfeit Part supplied by Vendor to AESI, except to the extent that such Claim is caused solely by the willful misconduct of any AESI Indemnitee. Promptly on a AESI Indemnitee's request or demand Vendor will defend and indemnify the AESI Indemnitees against such actual or alleged claims, actions, proceedings, and litigation and further pay any and all such losses, liabilities, costs, and expenses arising from any such actual or alleged Claims.

21. ASSIGNMENT. Vendor may not assign any rights or obligations arising under this Agreement without the prior written consent of AESI.

22. MODIFICATIONS. No modifications of this Agreement will be binding on AESI unless in writing and signed by a duly authorized officer of AESI. Usage of trade, course or performance any course of dealing cannot supplement or modify this Agreement. AESI reserves the right to make, and Vendor agrees to accept, reasonable changes to this Agreement, including changes as to packing, leasing, destinations, specifications, designs, and delivery schedules but changes will be authorized by AESI's written instructions. If such instructions affect delivery or price, Vendor will notify AESI Immediately, and an equitable adjustment in prices or other terms hereof will be agreed upon in a written amendment to this Order. AESI's (a) failure to insist on strict performance of any term or condition hereof; or (b) failure or delay to exercise any right or remedy provided herein or by law or property to notify Vendor in the event of breach; or (c) acceptance of or payment for services or products hereunder ; or (d) approval of any design will not release Vendor from any of the warranties or obligations of this order and will not be deemed a waiver of any right of AESI to insist upon strict performance here of or any of its rights or remedies as to any prior subsequent default hereunder; nor will any purported oral modification or rescission of this Agreement by AESI operate as a waiver of any term or condition hereof.

23. SET-OFF. Vendor agrees that AESI may, at any time and from time to time, set-off, recoup or credit any amounts owed by Vendor to AESI hereunder against any amounts owed by AESI or any affiliate of AESI to Vendor under this or any other agreement. For the purposes hereof, "affiliated" means any parent corporation, subsidiary corporation, or corporation or other entity under common ownership or control with AESI.

24. CONTROLLING DOCUMENT. If there is an express conflict between the terms of this Agreement and the provisions of any current written agreement between Vendor and AESI also intended expressly to apply to the products and/or services ordered herein, those provisions will control only for those products and services contemplated both by this Agreement and the agreement (as expressly stated therein). In performing this Agreement, Vendor and any subcontractors will comply with all applicable federal, state and local laws and the rules and regulations and shall furnish evidence of such compliance as required by AESI.

25. GOVERNING LAW AND JURISDICTION. This Agreement shall be constructed and governed according to the laws of the State of Florida and the state and federal courts situated in Palm Beach County shall have non-exclusive jurisdiction to hear any claims arising hereunder. If the Vendor is from a country which has ratified the 1980 U.N. Convention on the Contracts for the international Sale of products (the "Convention"), the rights and obligations of the parties shall not be governed by such Convention, but shall be governed by the law of the State of Florida. Vendor agrees to pay all costs and expenses, including reasonable attorney's fees incurred by AESI in any action to enforce its rights hereunder. To the fullest extent permissible under applicable law, Vendor and AESI each hereby waives; (a) the right to jury trial in any and all proceedings; (b) any and all objections to venue and inconvenient forum in the state and federal courts, referred to in this section and (c) any and all objections to service of process by certified mail, return receipt requested or by international recognized courier.

26. COMPLIANCE. Vendor understands that any products, technology, or products manufactured from the technology furnished by AESI pursuant to this Agreement are subject to export controls under the laws of the United States, including but not limited to: (i) U.S. exports regulations governing the export, transfer, or re-export of U.S. manufactured products, and products containing U.S. components, software, or technology as set forth in the U.S. Export Administration Regulations (EAR), 15 C.F.R. §§ 772 et seq.; (ii) U.S. export regulations and laws restricting U.S. companies and their foreign affiliates and subsidiaries from doing business with certain embargoed countries and entities as set forth in the U.S. Foreign Asset Control Regulations (FACR), 31 C.F.R. §§ 500 et seq.; and (iii) the International Traffic in Arms Regulations, 22 C.F.R. §§ 120 et seq. Vendor agrees, warrants and represents that it will not export or re-export any products, technology, or products manufactured from the technology that are the subject of this Agreement in violation of the export laws of the United States.

27. SURVIVAL. Provisions of these Terms & Conditions which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Order including, but not limited to, the following Sections: Section 12 (Indemnity); Section 17 (Governing Law & Jurisdiction); and Section 18 (Compliance).