

Advanced Aero Coatings LLC - Terms and Conditions

This document outlines the Terms and Conditions under which materials are accepted for processing. These terms govern the relationship between Advanced Aero Coatings LLC (hereafter referred to as 'the Company') and its customers.

General Policy:

The Company follows established practices of the metal finishing industry in processing customer materials. Despite utilizing advanced technology and experienced professionals, inherent risks remain in metal processing, inspection, and finishing. These Terms and Conditions take precedence over any other agreement unless explicitly approved in writing by Company Management. Issuance of a Purchase Order (PO) constitutes acceptance of these terms.

Instructions, Inspection, and Material Specifications:

Whenever materials are provided with detailed processing instructions, responsibility shall end upon the Company carrying out those instructions. The type of material, heat treatment condition, tolerances, and specifications for processing shall be declared in writing prior to processing. Inspection and acceptance of processed materials rest with the customer unless otherwise stated in writing.

Charges and Lot Minimums:

Multiple processes will be charged up to the highest three (3) lot minimums. All subsequent lot minimum charges may be waived. Lot minimums and/or lot charges may not include the cost of non-stock/specialty paints, salt spray testing, additional testing, vendor COC's, or additional operations not listed.

Stripping and Salvage Operations:

Where operations involve "salvaging" (e.g., stripping coatings or other rework not originated by the Company), the work is accepted on a "best effort" basis. No liability shall attach unless previously agreed upon in writing.

Inspection and Rejection:

Parts, materials, and components processed by the Company shall be presumed satisfactory unless the customer notifies the Company of damages, shortages, or other discrepancies within ten (10) working days of receipt.

Rejected parts must be returned for rework. Further processing or assembly of rejected parts constitutes a waiver of any liability on the part of the Company.

Uncontrollable Variables:

If results are unsatisfactory due to metal imperfections, material variations, manufacturing flaws, or improper uses beyond the intended process design, the customer must pay the

contracted amount for the finishing operation performed.

Limited Liability:

The Company's maximum liability for any cause is limited to the cost of direct labor and material of the product directly damaged by processing, or two (2) times the Company's processing charges on such material, whichever is lesser.

Charges for services are based on this limitation of liability. No liability will be assumed for scrappage of up to three percent (3%).

Extended Liability:

Liability greater than that stated above will only be assumed when agreed to in writing. In such cases, a higher service charge may apply.

Payment Terms:

Payment terms are Net 30. Balances over 15 days may result in a system Credit Hold, delaying shipment of in-house product. Orders on Credit Hold will be released only after satisfactory account resolution. Continuous failure to make payment on time may cause COD requirements to the Customer. Credit card payments incur a 4% processing fee.

Energy and Environmental Fee:

A \$15 energy surcharge will be applied to all invoices. A \$10 environmental surcharge will be applied to all invoices.

This rate may be adjusted or eliminated based on market conditions.

FOB Origin:

Unless otherwise agreed in writing, all shipments are made FOB Origin. Title and risk of loss transfer to the customer at the point of shipment.

Questions or Clarifications:

For questions regarding these Terms and Conditions, please contact AAC.