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## ***1. ACRONYMS AND DEFINITIONS***

- a. **DAR:** Designated Airworthiness Representative
- b. **EAR:** Export Administration Regulations
- c. **FAA:** Federal Aviation Authority
- d. **ITS:** Infinity Trading & Solutions, LLC
- e. **OFAC:** Office of Foreign Assets Control
- f. **PMA:** Parts Manufacturer Approval
- g. **Seller:** An entity or other legal person to which ITS issues a purchase order or order

## ***2. CONDITIONS OF PURCHASE***

- a. Except to the extent superseded by the terms and conditions of an agreement between ITS and Seller, these terms and conditions of

purchase apply to and form part of each order issued by ITS to Seller to the exclusion of any other terms that Seller seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing. The order is ITS's offer to purchase from Seller the goods and components described in the order. Seller's commencement of performance or acceptance of this offer in any manner constitutes acceptance of this offer as written. Unless specifically agreed to in writing by ITS's duly authorized representative, ITS objects to, and is not bound by, any additional or different terms or conditions. This offer is expressly limited to and made conditional upon Seller's acceptance of the terms and conditions contained herein.

- b. Orders shall be binding only if they are placed by ITS in writing.
- c. The order (incorporating these terms and conditions of purchase) shall constitute the entire agreement between ITS and Seller and supersede all communications, oral or written, between Seller and ITS relating to the subject matter of the order, unless agreed in writing as an amendment to these terms & conditions signed by the duly authorized representatives of the parties.
- d. Documents used by Seller in business dealings with ITS shall indicate: order number, part number, full good/component description, condition, and quantity.
- e. Quotations issued by Seller are valid for 60 days.

### ***3. GOODS AND COMPONENTS***

- a. The Seller shall:
  - i. if the good or component is in Serviceable (Modified, Inspected, Tested, Repaired or Overhauled) condition, deliver the original dual release, FAA 8130-3, or EASA Form one and work order/teardown report;
  - ii. transfer to ITS ownership of all technical documents pertaining to the goods and components in Seller's possession;
  - iii. not provide alternate or DAR/PMA parts without prior written consent by ITS;
  - iv. deliver goods and components with traceability to a Certificated Organization (FAA Part 121, 129, 145, certificated EASA Equivalents, or OEM) unless approved by ITS in writing in advance of purchase, and include a completed Material Certification stating condition of goods and components at time sold to ITS;
  - v. deliver all goods and components with a non-incident statement from the previous operator to the effect the good component was never subject to over temperature or extreme stress condition or immersion in salt water and was not obtained from any

- government, military, or sanctioned source; and
  - vi. if applicable, provide full back to birth/back to overhaul documentation for the good or component.
  - vii. Provide a Certified True Copy Airworthiness Release Certificate (ARC) if the quantity ordered is less than the full quantity indicated on ARC.
- b. ITS shall have the right to inspect goods and components at Seller's facility and upon receipt at ITS's facility. In the event the good or component or the tender of delivery of the good or component does not conform to the requirements of the order, in addition to any other remedies available pursuant to the order, at law, or in equity, ITS, at its sole option, may:
- i. Hold nonconforming goods and components after inspection pending a determination to accept or reject any or all of such goods and components;
  - ii. Accept the nonconforming good or component at a reasonably reduced price; and/or
  - iii. Reject the nonconforming good or component and return the nonconforming good or component to Seller at Seller's expense for prompt credit, replacement, or correction as ITS may direct. Title and risk of loss of nonconforming goods and components shall revert to Seller upon shipment by ITS if the nonconforming good or component is returned to Seller.

## 4. WARRANTY

- a. Seller warrants to ITS that the goods and components shall (i) conform to the description set forth in the order and will be free from defects in material, workmanship, and design and remain so for the warranty period outlined below, (ii) if delivered as repairable or as removed, be serviceable if repaired/overhauled, (iii) be conveyed with good title free and clear of any charges, liens, and security interests, and (iv) comply with applicable statutory and regulatory requirements relating to the manufacture, labelling, storage, handling and delivery of the goods and components.
- b. The warranty time period, unless otherwise agreed in writing by ITS, is as follows:
  - i. New Surplus – 3 months from date of Delivery.
  - ii. Factory New – 1 year from date of Delivery or the OEM's new product warranty, whichever is longer.
  - iii. Inspected and/or Tested – 3 months from date of Delivery.
  - iv. Repaired – 6 months from date of Delivery.
  - v. Overhauled – 1 year from date of Delivery.
- c. ITS's inspection, acceptance or payment for the goods and components

- shall not constitute a waiver, exclusion, or modification of the warranty.
- d. If a good or component is found not to conform to the warranty, in addition to all other remedies which ITS may have under the order or applicable law, then ITS may require Seller to promptly repair or replace the defective good or component so that the nonconforming good or component conforms to the warranty, all at no cost to ITS. Removal and reinstallation costs and testing costs related to the replacement or repair of the nonconforming good or component shall be paid by Seller. In the event ITS supplies its customer with a replacement for a nonconforming good or component in order to expedite a repair or replacement, Seller shall provide ITS with a credit for the full price of the good or component supplied by ITS. If ITS returns a good or component pursuant to a warranty claim, the delivery shall be EXW ITS's facility or its customer's facility (Incoterms 2020, as if ITS were a seller). Delivery to ITS of a repaired or replacement good or component shall be DDP (Incoterms 2020, as if Seller were a seller) to the destination designated by ITS . Title and risk of loss for the replacement good or component shall pass upon delivery of the replacement good or component. Seller authorizes ITS to offer the terms of this warranty to ITS's customers.
  - e. Seller shall ensure that at all times it has and maintains all licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the order.
  - f. Seller confirms that it has in place processes to prevent the supply and/or use of suspected unapproved, unapproved, and counterfeit parts.
  - g. Seller agrees to defend, indemnify, and hold harmless ITS, its affiliates, members, managers, officers, servants, agents, and employees, successors and assigns from and against any and all liabilities, losses, damages, demands, fines, penalties, and claims of any kind whatsoever, including all costs, expenses, and reasonable attorneys' fees incidental thereto, arising out of or in any manner connected with the performance or breach of Seller's obligations under the order or breach of a duty imposed by law, including Seller's negligence or strict liability in law. This clause shall survive the cancellation, termination, or expiration of the order.

## ***5. DELIVERY***

- a. Title and risk of loss and damage to goods and components shall pass to ITS immediately upon delivery to ITS or its agent at the delivery location stated in the order.
- b. The goods and components must be suitably packed using nonhazardous materials and prepared for shipment to secure lowest transportation rates, comply with carrier regulations, and prevent damage and deterioration. ITS will not be charged for packaging unless a packaging charge is

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expressly stated in the order. Damage to any good or component resulting from improper packaging will be charged to Seller. Separate packing sheets shall be provided for the hazardous and nonhazardous materials contained in the same shipment. Seller shall package goods and technical data subject to ITAR (International Traffic in Arms Regulations) separate from non-ITAR items. All goods and components shipped on the same day via the same route shall be consolidated on one bill of lading, unless ITS authorizes otherwise. Each container shall be marked to show the order number, gross weight, dimensions, final destination, placards as required (such as “fragile”, “top”, and stacking limitations) and consecutively numbered with the number that the container represents in the entire shipment (e.g., box 1 of 2 boxes). The container and order numbers shall be listed on the bill of lading. Goods and components sold EXW or FCA (Incoterms 2020) shipping point or F.O.B. shipping point shall be forwarded collect and Seller shall not insure such shipments beyond the shipping point. Seller shall make no declaration concerning the value of the goods and components shipped, except where the tariff rating is subject to the released or declared value. In such case, Seller shall release or declare such value at the maximum value within the lowest rating. Each shipment shall include (i) an original and two (2) copies of a packing slip containing the order number, good or component description; part number; serial number (where applicable); and the quantity and (ii) a certificate of conformance or other appropriate inspection certification in conformance with the order. In addition, international shipments shall also include an original plus two (2) copies of a commercial invoice complying with the requirements of applicable import laws and supplying ITS with all applicable international shipping documents, including bills of lading/air waybill, delivery receipts, declarations, manifests and certificates of origin and a clear mark or stamp on the goods or component and related packaging to indicate the country of manufacture, e.g., “Made in [country].”

- c. Delivery dates in the order are the dates goods and components are to be delivered to the delivery point stated in the order. Any premium freight costs will be borne by the Seller unless approved in writing by ITS’s authorized representative in advance of shipment. Any schedule relief or adjustment must be in writing by ITS’s authorized representative. If Seller tenders a good or component for delivery more than ten (10) days before the applicable delivery date, ITS may, in its absolute discretion, either: (i) return the good or component to Seller and require redelivery on the delivery date, all at Seller’s expense and risk; or (ii) retain the goods and components and make payment in accordance with the original delivery/payment schedule set forth in the order.
- d. In addition to any other rights or remedies provided in the order and these terms and conditions, at law or in equity, ITS shall be entitled to the

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remedies stated below if ITS is late in meeting a delivery date:

- i. If ITS elects to require an expedited method of shipment or delivery to a location different than that originally designated, Seller shall comply with ITS's instructions and Seller shall be responsible to bear any increase in costs incurred because of the expedited transportation method.
  - ii. ITS may terminate the order, in whole or in part, without further obligation or liability, except for the obligation to pay for any goods and component already accepted by ITS.
- e. For delays in delivery of goods or components more than five (5) days after the delivery date, ITS shall be entitled to deduct one percent (1%) from the purchase price. ITS shall also be entitled to deduct an additional one percent (1%) from the purchase price, for each additional day of delay. The deduction for delays pursuant to this paragraph shall not exceed twenty percent (20%) of the purchase price of the late goods and components. In view of the difficulty in calculating the actual damages, ITS shall be entitled to this deduction as liquidated damages, and not as a penalty. The parties agree this amount is reasonable in the light of the anticipated or actual harm caused by delays in delivery and the difficulties of proof of damages.
- f. Time is of the essence in Seller's performance of the order.

## ***6. INSURANCE***

- a. During the term of the order and for a period of two years thereafter, Seller shall at its expense maintain in force, with a reputable insurance company, commercial general liability, aviation/product completed operations liability, and worker's compensation (or country equivalent) insurance to cover the liabilities that may arise under or in connection with an order, and shall on ITS's request deliver copies of insurance certificates evidencing the insurance. Seller shall notify ITS immediately if coverage should lapse or change.
- b. The insolvency, bankruptcy, or failure of any insurance company carrying insurance for Seller, or its failure to pay a claim, does not relieve Seller of any of the requirements of the terms and conditions set forth in the order.

## ***7. INVOICING AND PAYMENT***

- a. Seller shall not invoice for goods and components prior to delivery. The payment due date shall be computed from the date of receipt of a proper invoice.
- b. Invoices shall separately show (i) order number, (ii) the price payable by ITS to Seller as set out in the order issued by ITS, (iii) shipping point, (iv)

part number, (v) delivery date, and (vi) quantity. If expressly stated in the order as payable by ITS, taxes, transport, packaging, insurance, and other fees and charges must be itemized in the invoice.

- c. Unless expressly stated in the order, Seller is responsible for all taxes, transport, packaging and insurance or other fees and charges in connection with the goods and components supplied by Seller.
- d. Payment of Seller's invoices is subject to adjustment for any shortage, rejection or breach by Seller.

## 8. QUALITY

- a. The Seller shall maintain a Quality Management System (QMS), appropriate for the size and scope of the organization, which is acceptable to ITS. Copies of all quality certifications are required for Seller approval, as determined by the ITS Vendor Approval Process.
- b. The Seller QMS shall include processes for the prevention of suspected unapproved parts, unapproved parts, and counterfeit parts, as well as awareness of the supplier's contribution to product and service conformity, product safety, and the importance of ethical behavior.
- c. Seller shall immediately provide ITS notice of any changes to its QMS, processes, products, or services, including changes of their external providers or location, in writing.
- d. Upon reasonable prior written notice to Seller, ITS and its representatives shall be afforded reasonable access during normal working hours to Seller's and any of Seller's subcontractors' or sub-tier suppliers' facilities and systems and shall furnish ITS and its representatives all information and data reasonably required to perform inspections of Seller's quality system. Nothing in this subsection 8.d. or in any inspection by ITS shall in any way relieve Seller from the obligation of testing, inspection and quality control.
- e. The Seller shall ensure that all persons performing work under its control which affects the performance and effectiveness of the QMS are competent on the basis of appropriate education, training or experience.
- f. ITS shall monitor the Supplier's Performance and On-Time Delivery.
- g. The Seller shall use customer-designated or approved external providers, including process sources. The Seller shall flow down to any external providers all applicable requirements including customer requirements.
- h. The Seller shall notify the organization of non-conforming processes, products or services and obtain approval from ITS for their disposition.
- i. The Seller shall retain documented information for a minimum of 2 years after the sale to ITS.

## ***9. EXPORT COMPLIANCE***

- a. Seller represents and warrants that Seller (i) shall comply with all laws applicable to the goods and components and any supporting documentation supplied by Seller under any order and/or any transaction with ITS, including but not limited to the Export Administration Regulations (EAR) of the U.S. Commerce Department's Bureau of Industry and Security, the International Traffic in Arms Regulations (ITAR) of the U.S. State Department's Directorate of Defense Trade Control (DDTC), and the rules and regulations of the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) and (ii) is fully authorized under all applicable law to sell all goods and components and documents in accordance with these terms and conditions.
- b. Seller agrees that it will at all times comply with all applicable laws relating to anti-bribery and anti-corruption (including but not limited to the Bribery Act 2010 and United States Foreign Corrupt Practices Act of 1977 as amended (FCPA)) and it shall not engage in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or FCPA. Seller warrants that neither it nor any of its employees, agents or representatives has offered or given or will offer or give any gratuities to ITS's employees, agents or representatives with a view toward securing any order or favorable treatment with respect to an order.
- c. ITS complies with trade agreements, tariffs, embargoes, export controls and sanctions established by the US government as well as regulations that prohibit the direct or indirect export to specified countries.
- d. Seller also represents and warrants that it and its Sellers are not debarred, suspended, prohibited, restricted or otherwise impaired from exporting, re-exporting, receiving, purchasing, procuring, or otherwise obtaining any items, documentation and/or services regulated by any US government agency.
- e. Seller agrees that if Seller breaches any term of this Section 9, the order or transaction is subject to immediately cancellation or termination.
- f. Should a violation of any of the terms of this Section 9 occur, the Seller shall notify ITS immediately, fully co-operate in any and all investigations or litigations, and shall indemnify ITS against any fees, fines and damages (including attorney's fees) associated with the violation.

## ***10. TERMINATION FOR CONVENIENCE***

- a. ITS may for any reason and at any time, terminate the order, in whole or in part, by giving written notice to Seller. Upon receipt of termination notice, Seller shall promptly cease all terminated work under the order, in accordance with the notice. Seller shall use best efforts to mitigate its



costs and expenses resulting from termination. If Seller has specifically manufactured the goods or components to fill the order and is unable to make other commercially reasonable disposition of the goods or components, ITS shall reimburse Seller the reasonable cost of raw materials and work in process that could not reasonably be avoided by Seller's best efforts. ITS's liability under this paragraph will not exceed the price specified in the order.

- b. Seller shall have no claim for compensation of any nature whatsoever, except as expressly provided above, and shall have no claim for damages or loss of profit, as a result of the termination of the order in whole or in part.
- c. In the event of a partial termination, the price, delivery schedule and other requirements relating to the remainder of the order not terminated shall not be affected by such termination.

## ***11. TERMINATION FOR DEFAULT***

- a. ITS may by written notice of default to the Seller, terminate the order, in whole or in part, if the Seller fails to:
  - i. Deliver the good or component within the time specified in the order or any extension authorized in writing by ITS; or
  - ii. Perform any of the other provisions of the order.
- b. The order will be subject to immediate termination without notice if Seller files a petition in bankruptcy for liquidation or reorganization; makes an assignment for the benefit of creditors; consents to the appointment of a receiver, trustee or other custodian for all or a substantial part of its property; is adjudicated bankrupt; fails to cause to be vacated, set aside or stayed within 30 days any court order appointing a receiver, trustee or other custodian for all or a substantial part of its property or ordering relief against it in any involuntary case of bankruptcy; or admits in writing its inability to pay its debts as they mature.
- c. If ITS terminates the order in whole or in part, it may acquire, under the terms and in the manner ITS considers appropriate, goods, components, or services similar to those terminated, and the Seller will be liable to ITS for any excess costs for those goods, components, or services. However, the Seller shall continue the work not terminated, and ITS shall pay the order price for completed goods, components, and services delivered and accepted.
- d. If, after termination, it is determined that the Seller was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of ITS pursuant to Section 10.
- e. The rights and remedies of ITS in this Section are in addition to any other

rights and remedies provided by law or under the order.

## 12. MISCELLANEOUS

- a. *Unenforceability*: If any clause in these terms and conditions is ineffective, this shall not affect the validity of the remaining clauses which can be given effect without the invalid clause or application.
- b. *Confidentiality*: Information contained in ITS's orders, invoices and/or any contract or any other information delivered by ITS to Seller is intended for the exclusive use of the Seller to whom it is addressed. Any distribution, copying, publicizing or other disclosure to third parties without prior written consent of ITS is prohibited.
- c. *Assignment*: Neither party may assign any of its rights and obligations pursuant to any order without the other party's prior written approval. These terms and conditions shall inure to the benefit of and be binding upon the legal representatives, successors, and permitted assigns and transferees of ITS and of Seller.
- d. *Remedies and Waiver*: Failure by a party to exercise or enforce any rights hereunder shall not be deemed to be a waiver of any such right nor operate so as to bar the exercise or enforcement thereof at any time or times thereafter.
- e. *Notices*: All notices, correspondence and documents to be given shall be in English or a signed English translation. If there is any difference between the English version and any version in any other language, the English version shall prevail. Notices or communications pertaining to an order may be sent by first class mail, by email, or by telecopy, a recognized overnight messenger, which shall be directed to the addresses of ITS and Seller set forth on the front of the purchase order.

## 13. GOVERNING LAW AND JURISDICTION

- a. The governing law of the order and these terms and conditions and/or any contract is the laws of the state of Arizona, USA, without consideration of any choice of law rules. ITS and Seller submit to the exclusive jurisdiction of any U.S. Federal or Arizona State court sitting in Phoenix, Arizona in any action or proceeding arising out of or relating to the order, these terms and conditions, or any contract, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such Arizona State court or, to the extent permitted by law, in such Federal court, and hereby waives, and agrees not to assert, as a defense in any such action or proceeding, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or

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that its property is exempt or immune from execution, that the suit, action or proceeding is brought in an inconvenient forum, or that the venue of the suit, action or proceeding is improper. ITS AND SELLER EACH, TO THE EXTENT IT MAY LEGALLY DO SO, HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, OR CAUSE OF ACTION ARISING OUT OF THE ORDER, THESE TERMS AND CONDITIONS, ANY CONTRACT, OR ANY DOCUMENT EXECUTED IN CONNECTION HEREWITH.