

CLAYTON INTERNATIONAL INC.

QUALITY FORM

QF 6.7

TERMS AND CONDITIONS

APPROVED BY:

M. Stille

EFFECTIVE DATE:

April 9, 2010

REVISION: D

REV DATE: June 12, 2023

1) Definitions

- Buyer – Clayton International, Inc., a corporation of the State of Georgia, having a place of business in the City of Peachtree City, State of Georgia, United States of America.
- Seller – The business entity to which an order is issued by Buyer.
- Terms and Conditions – All of the provisions of this document.
- Order – A purchase order or a contract for goods and/or services, issued by Buyer to Seller, which incorporates these Terms and Conditions by reference therein.

2) Contract Acceptance

Each Order is Buyer's offer to Seller, and Seller's acceptance of each Order is expressly limited to the Terms and Conditions of the Order without additions, deletions or other modifications. Seller's commencement of performance under an Order, delivery of any supplies or services under an Order, or acknowledgement of an Order shall conclusively evidence Seller's acceptance of the Order. Upon acceptance, the Order is a complete and exclusive statement of the terms of the transaction between Buyer and Seller. No change or modification of an Order (including any additional or different terms in Seller's acceptance) shall be binding on Buyer unless agreed to in writing by a duly authorized representative of Buyer.

3) Notice

All notice required to be given under the terms of this Order shall be and be deemed to be properly given if made either in writing or by fax to the Seller at his recognized address and/or fax number appearing elsewhere in this Order, and to Buyer at his recognized address and/or fax number appearing at the head of this Order.

4) Delivery

It is the responsibility of the Seller to comply with the agreed upon delivery schedule. Time shall be of the essence of this order and, in the event that delivery of goods is not made in the quantities and at the time or times specified, or rendering of services is not completed at the times specified, Buyer may, at its sole option and without incurring any liability and in addition to all other rights and remedies which it may have pursuant to this order, take either of the following courses of action:

- direct expeditious routing of goods (the difference in cost between the expedited routing and the order routing costs shall be paid by Seller),
- as to goods not yet shipped or services not yet rendered, terminate this order by notice in writing.

In the event that goods are received more than fifteen (15) days in advance of the agreed upon delivery schedule, Buyer reserves the right to return goods at Seller's expense or, alternatively, defer payment until agreed upon delivery date and payment terms.

5) Invoicing

Two (2) copies of commercial invoice with supporting documentation as may be called for elsewhere herein, are required for each shipment. On date of shipment, include one (1) copy with shipment and mail one (1) copy to Clayton International, Inc., 300 Dividend Drive, Peachtree City, GA 30269, Attn: Accounts Payable.

6) Preservation, Packing, Packaging, and Marking

The preservation, packing, packaging and marking of the supplies shall be accomplished by Seller as specified in the Order and shall be otherwise in accordance with good commercial practice for the types of supplies specified in the Order. Unless otherwise specified in the Order, the price stated in the Order includes the cost of preparation and packaging for shipment, container marking, and furnishing of packing lists, test reports, and all other applicable documents.

7) Supporting Documents

Test Reports, x-rays, certificates and other supporting documents must accompany each shipment as required by the Order. Additional copies of packing lists, test reports and other documents shall be furnished to Buyer when requested. Where Buyer supplies any constituent materials for use in the performance of this order Seller's Certificate of Conformity should contain a statement along the following lines and signed by a responsible representative of Seller. "We hereby certify that the products covered by this document have been manufactured from properly identified and classified materials including materials supplied by Buyer". Records required to be kept on file for 7 years or as otherwise instructed by buyer.

8) Inspection and Acceptance

All goods and services deliverable under this order are subject to final inspection and acceptance by Buyer at final destination. Payment for, or receipt at the premises of the Buyer, shall not constitute inspection or acceptance. Final inspection, for the purpose of acceptance, shall be made within a reasonable time (not to exceed ninety (90) days or such longer period of time as Buyer and Seller shall agree) after receipt at final destination. Buyer shall be the final judge as to the acceptability of goods or services deliverable under this order.

Buyer shall not be liable for failure to accept any part of the goods or services if such failure is the result of any cause beyond Buyer's control. Without limiting the generality of the foregoing, Buyer shall not be liable if such failure to accept results

from fire, flood, act of God, strike, differences with employees, casualties, delays in transportation, or total or partial shutdown of Buyer's plant for any cause.

In the event that the Seller becomes aware of defective and/or unairworthy goods before or after they have been shipped, or of services that were not performed in accordance with designated specifications, the Buyer shall be notified immediately. The Buyer shall then determine future actions to be taken, which may include rejection of goods or non-acceptance of services.

Seller should have awareness and adhere to a Counterfeit and Surveillance Program to ensure no counterfeit parts are knowingly sold or used. A counterfeit part is knowingly misrepresented as the genuine part of an original or authorized manufacturer. Counterfeit parts often have false, misleading, inaccurate, or fraudulent labels, markings, serial numbers, date codes, grades, documentation, or performance characteristics. The Buyer shall be notified immediately of any suspected counterfeit part. The Buyer shall then determine future actions to be taken, which may include rejection of goods or non-acceptance of services.

9) Rejection

Buyer may, at its option, reject nonconforming goods or services, whether constituting all or part of an order. Buyer shall notify Seller if any goods or services delivered under an order are rejected. Rejected goods or services may, at Buyer's option and Seller's risk and expense, be (i) held by Buyer until reasonable instructions for the disposition thereof are received from Seller or, (ii) returned to Seller. In no event shall Buyer be responsible for payment of the purchase price of, or costs and expenses incurred by Seller in connection with goods or services rejected by Buyer. No replacement or correction of non-conforming supplies shall be made by Seller unless agreed to in writing by Buyer.

Buyer, at Seller's expense, shall have the right to return any non-conforming supplies to Seller for repair or replacement or, if Buyer has paid to Seller all or a portion of the purchase price of the supplies, for credit or refund, at Buyer's option. If Buyer determines it to be impractical to return non-conforming supplies, Buyer shall so notify Seller in writing, and Buyer may perform necessary repairs to the supplies at its facility. Seller shall reimburse Buyer the reasonable cost of such repairs upon demand.

10) Warranty

Seller warrants to Buyer and/or Buyer's customer that all supplies and services delivered under this order shall be free from defects in materials and workmanship, shall conform to applicable descriptions, specifications and drawings and, to the extent such supplies are not manufactured pursuant to detailed designs furnished by Buyer, shall be free from defects in design and fit for their intended purpose.

In addition to any warranty, express or implied by law or otherwise, and notwithstanding prior acceptance by Buyer, Seller shall replace without cost to Buyer any article or part which is determined to be defective within twelve months of the date of delivery to Buyer, or within twelve months of the date of resale to a customer of Buyer.

11) Termination For Seller's Default

- Subject to the provisions of paragraph (c) below, Buyer may, by written notice of default to Seller, terminate all or any part of an Order in the event of any one or more of the following:
 - Failure by Seller to make delivery of the goods, or to perform the services, within the time specified in the Order or any extensions thereof; or
 - Failure by Seller to perform any of the other provisions of the Order or to so fail to make progress in performance of the Order as to jeopardize performance of the Order in accordance with its terms, if any such failure is not cured by Seller within ten (10) days (or such longer period as Buyer may authorize in writing) after written notice by Buyer to Seller specifying such failure; or
 - The bankruptcy or insolvency of Seller, or the filing of a petition against Seller for the bankruptcy or reorganization, of Seller, or the appointment of a receiver or trustee for Seller or its property.
- In the event Buyer terminates the Order in whole or in part as provided in paragraph (a) of this clause, Buyer may procure, upon such terms and in such manner as Buyer may deem appropriate, supplies or services similar to those so terminated, and Seller shall be liable to Buyer for any excess costs and expenses of such similar supplies or services; provided that Seller shall continue the performance of the Order to the extent not terminated under the provisions hereof.
- If the Order is terminated as provided in paragraph (a) of this clause, Buyer, in addition to any rights provided in this clause, may require Seller to transfer title to and to deliver to Buyer, in the manner and to the extent directed by Buyer, (i) any completed supplies, and (ii) such partially completed supplies, materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, contract rights and similar materials as Seller has specifically produced or specifically acquired for the

CLAYTON INTERNATIONAL INC.
QUALITY FORM

QF 6.7
TERMS AND CONDITIONS

APPROVED BY:	M. Stille	EFFECTIVE DATE:	April 9, 2010	REVISION: D	REV DATE: June 12, 2023
--------------	-----------	-----------------	---------------	-------------	-------------------------

- performance of such part of the Order as has been terminated. Seller shall, upon the direction of Buyer, protect and preserve property in the possession of Seller in which Buyer has an interest. Payment for completed supplies delivered to and accepted by Buyer shall be at the Order price. Payment for the items referred to in clause (ii) of this paragraph (c) which are delivered to and accepted by Buyer and for the protection and preservation of property shall be in an amount agreed upon by Seller and Buyer; failure to agree upon such amount shall be a dispute subject to resolution in accordance with Section 24. Buyer may withhold from amounts otherwise due Seller for completed supplies, or the items referred to in clause (ii) of this paragraph (c), such sum as Buyer determines to be necessary to protect Buyer against loss because of outstanding liens or claims of former lien holders.
- d) If, after notice of termination of the Order under the provisions of this clause, it is determined for any reason that Seller was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of the parties shall be determined under Section 16 as if the notice of termination had been for the convenience of Buyer.
- e) The rights and remedies of Buyer provided in these Terms and Conditions shall not be exclusive and are in addition to any other rights and remedies provided by law or under the Order.

12) Applicable Law

The within Order and the Terms and Conditions thereof shall be interpreted and construed in accordance with the laws of the State of Georgia.

Compliance with Applicable Laws

Seller warrants that in the performance of this Order it will comply with all applicable Federal, state, and local laws, ordinances, rules, and regulations.

13) Force Majeure

Except with respect to defaults of Subcontractors (as defined below), Seller shall not be liable for any excess costs if the failure to perform the Order arises out of causes beyond the control and without the fault or negligence of Seller. Such causes may include, but are not restricted to, acts of God or the public enemy, fires, floods, strikes or freight embargoes. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both Seller and Subcontractor, and without the fault or negligence of either of them, Seller shall not be liable for any excess costs for failure to perform, unless the supplies or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedule. For purposes of these Terms and Conditions, the term "Subcontractor" includes any subcontractor at any tier.

14) Modification

Buyer reserves the right to, by written notice to Seller, make changes in any one or more of the following:

- (i) drawings, designs, and specifications,
- (ii) method of shipment or packaging,
- (iii) place or method of inspection, delivery, or acceptance,
- (iv) reasonable modifications in quantity,
- (v) reasonable modifications in delivery schedule,
- (vi) the amount of Buyer furnished property,
- (vii) such other modifications as Buyer may deem appropriate;

Seller shall proceed immediately to perform the Order as modified. If any such modification causes an increase or decrease in the work or time required for performance of the Order, an equitable adjustment shall be made in the purchase price or delivery schedule, or both, and the Order shall be modified in writing accordingly. Any claim by Seller for adjustment under this clause shall be deemed waived unless asserted within twenty (20) days from the date of receipt by Seller of such modified Order or within such further time as may be mutually agreed upon in writing by both parties. The amount of the claim shall be stated when it is submitted. Nothing in this clause shall excuse Seller from proceeding promptly with the Order as modified, including the failure of the two parties to agree upon an adjustment to be made under this clause.

The Seller shall not make any changes in the definition of the product and/or process without prior approval of the Buyer.

15) Title and Risk of Loss

Unless a specific requirement of this order provides for earlier passage of title, title to goods and services furnished under this order shall pass to Buyer upon formal acceptance at final destination, regardless of when or where physical possession of the goods or services is taken. Unless specifically provided otherwise in this order, risk of loss or damage to the supplies shall remain with the Seller, and shall pass to Buyer upon:

- a) Delivery of the goods and services to a carrier, if delivery is F.O.B. shipping point; or
 - b) Acceptance of the goods and services by Buyer upon delivery at the destination specified in this order, if transportation is F.O.B. destination.
- Notwithstanding a) above, risk of loss or damage to goods and services with respect

to which Buyer would have the right of rejection, pursuant to Section 11, shall remain with Seller. Seller shall not be liable for loss or damage to goods or services caused by Buyer's representatives.

16) Subcontracting

The supplies and services to be delivered by Seller under the Order shall not be procured by Seller from a third party in completed or substantially completed form without Buyer's prior written consent. In addition, Seller shall not enter into a subcontract for performance of the Order in an amount greater than twenty-five percent (25%) of the total value of the Order, without Buyer's prior written consent. The provisions of these Terms and Conditions shall be applicable to all subcontractors, and Seller shall insert the substance of these Terms and Conditions in all subcontracts awarded in performance of this Order. In addition, applicable requirements listed in the Purchase Order, including key product characteristics, shall apply to all subcontractors.

17) Buyer Property

All tools, jigs, dies, patterns, gauges, equipment, material, specifications, drawings, models, etc. loaned or supplied by Buyer to Seller for incorporation into or to aid in the manufacture of the goods and services are to be preserved in good condition and Seller shall be liable for any damage to said tools, jigs, dies, patterns, gauges, equipment, material, specifications, drawings, models, etc. caused through Seller's fault or negligence, but not for ordinary wear and tear. Seller is responsible for the security and protection of all tools, jigs, dies, patterns, gauges, equipment, material, specifications, drawings, models, etc. loaned or issued to him for the execution of this Order and is to regard as confidential all technical data such as drawings, specifications, loaned or issued to him for the execution of this order and must not copy or reproduce or allow to be copied or reproduced or furnished to others any information contained therein without the written consent of Buyer. Title to all tools, jigs, dies, patterns, gauges, equipment, material, specifications, drawings, models, etc. loaned or supplied to Seller or developed or acquired by Seller for use in the performance of this order and for which Seller is entitled to be reimbursed hereunder, shall remain, vested in Buyer and shall be returned forthwith at Buyer's request or disposed of according to Buyer's instruction.

18) Termination For Buyer's Convenience

Buyer may, by written notice to Seller, terminate all or any part of an Order at or for Buyer's convenience. In such event, the Order price shall be equitably adjusted, not to exceed the total Order price. Seller shall not be entitled to any amount for anticipated profit on work not performed. Seller's written claim for adjustment must be received within thirty (30) days of the effective date of termination. Any termination shall not relieve Buyer or Seller of their respective obligations as to any unperformed portions of the Order. Upon receipt by Seller of Buyer's notice of termination under this clause, Seller shall stop work to the extent specified in the notice and take such other action as Buyer may direct or as may be necessary to minimize the cost of termination to Buyer. In addition, Seller shall take such action as specified in Buyer's notice and such other action as Buyer may direct or as may be necessary for the protection or preservation of property covered by the Order and rights which are related to the termination.

19) Patent Protection and Indemnity

Seller represents and warrants to Buyer that the goods or the production thereof or the services or the performance thereof do not constitute infringement of any patents, inventions, trademarks, copyrights, covenants or letters patent and agrees to indemnify and hold harmless Buyer against all costs and expenses, including damages, party-party costs and solicitor-client costs and agrees to defend at Seller's own expense all suits, actions or proceedings in which Buyer or Buyer's customers are made parties and further agrees to pay and discharge any and all judgments, decrees or penalties which may be rendered in any such suit, action or proceedings against such parties.

20) Assignment

None of the sums due or to become due, nor any of the services to be performed or goods to be supplied under this Order shall be assigned, nor shall any part of this Order be subcontracted by Seller without the prior written consent of the Buyer. Subject to the foregoing, this Order shall ensure to the benefit of and be binding on the successors and assignees of Seller and Buyer respectively.

21) Technical Information Disclosure and Use

The following shall apply to all designs, drawings, computer models, technical documents, manufacturing methods, techniques, knowhow and information ("Technical Information") furnished or otherwise disclosed to Seller by Buyer and any items manufactured by use of such Technical Information, except as may be necessary to execute any subcontract hereunder. Technical Information furnished shall remain the exclusive property of Buyer and shall be regarded and treated as confidential. Technical Information shall be used only in the performance of the Order and any subcontract hereunder and shall not be reproduced or disclosed to any third party without Buyer's express written consent. Any goods manufactured by such Technical Information shall not be sold to or examined by any third party

CLAYTON INTERNATIONAL INC.
QUALITY FORM

QF 6.7
TERMS AND CONDITIONS

APPROVED BY:	M. Stille	EFFECTIVE DATE:	April 9, 2010	REVISION: D	REV DATE: June 12, 2023
--------------	-----------	-----------------	---------------	-------------	-------------------------

without Buyer's express written consent. Disposition of any residual Technical Information, or copies thereof, will be as directed by Buyer. If Seller desires to employ Buyer's Technical Information for uses other than those specifically allowed hereunder, Seller agrees to negotiate with Buyer in an effort to formulate a mutually satisfactory licensing agreement.

22) Document Marking and Use

Seller agrees that any documents, such as drawings or any printed or written material containing instructions, data, or information furnished to Buyer in connection with this order, shall be free from confidential, proprietary or restricted use marking, other than statutory patent, or any Government security notices. Buyer, its customers, agents or assignees may duplicate or use such documents in connection with further manufacture, use or disposition of the material furnished under this Order, and may remove, obliterate, or ignore any marking on such documents not authorized by this clause.

23) Disputes

If any dispute between Buyer and Seller is not resolved by agreement of the parties, Seller shall request Buyer's Purchasing Manager to resolve the dispute. If Seller does not accept the decision of Buyer's Purchasing Manager, the dispute may be submitted, upon the request of either party to the American Arbitration Association for arbitration. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The location of any arbitration shall be Peachtree City, GA, and the law of the State of Georgia shall govern.

If the dispute arises between the parties as to any requirement of the Order, Seller shall proceed diligently with performance of the Order in accordance with the interpretation of Buyer, pending resolution of the dispute.

24) Right of Access

The Buyer, the Buyer's customer and any regulatory agencies having jurisdiction over the order shall be granted access when required to the Seller's facilities involved in execution of the order, and to all applicable records.

25) Joint Certification Program (JCP) Provisions

If Seller requires data to perform a service (i.e. machining or parts, repair or overhaul of components), and data is to be furnished by Buyer, vendor shall have or shall apply for and receive JCP registration prior to being released restricted or controlled data.

26) Contributions, Conformity and Ethics

The supplier shall ensure that their personnel are aware of their contributions to product conformity, product safety and ethical behavior.