



## Supplier Terms and Conditions

**General:** As a supplier to Bisco Industries, Inc., it is understood that your organization agrees to meet the terms and conditions set forth in these Supplier Terms and Conditions (this "Agreement"). Your acceptance of any Bisco Purchase Order confirms acceptance of this Agreement.

**Definitions:** "Buyer" shall mean Bisco Industries. "Supplier/Seller" shall mean the party identified as the goods or service provider in any Purchase Order accompanied by these Terms and Conditions. "Goods" shall mean those goods identified in any Purchase Order, which may be changed, from time to time by the mutual written agreement of the parties. "Services" shall mean those services identified in any Purchase Order, which may be changed from time to time by the mutual written agreement of the parties. "Purchase Order" shall mean any transfer of data that conveys purchase information from Buyer to Seller. All accepted Purchase Orders shall be subject to and are a part of this Agreement, and shall supersede and replace any different or conflicting terms provided by Seller.

- 1. Orders and Order Acceptance:** Orders for Goods or Services shall be by means of Purchase Orders placed by Buyer's authorized Procurement agents, which shall specify applicable prices, quantities, delivery schedules, shipping instructions, destinations, applicable specifications, required insurance, any special requirements, the address which Seller's invoice shall be sent, and other similar matters which are necessary for the individual transaction to be adequately described. Seller shall have two (2) business days following receipt of any Purchase Order to accept or request modifications to the Purchase Order. If Seller does not request modifications during such two (2) day period, the Purchase Order shall be deemed accepted by Seller and shall be binding upon Seller.
- 2. Price and Payment Terms:** The prices established by the Purchase Order are firm fixed prices unless otherwise stated by the Buyer. Seller warrants and covenants that any unit prices charged to Buyer do not and will not exceed the unit prices charged by Seller to other customers in substantially similar transactions. In the event Seller is liable to Buyer for any amounts, Buyer may, at its election, set-off against any amounts payable to Seller under this Agreement or any other agreements owed. Buyer will not be bound to any prices, tariffs, taxes, duties, delivery, or any other charges to which it has not specifically agreed in writing. Payment terms shall be NET 45 from date of invoice, unless otherwise set forth in the Purchase Order or otherwise agreed in writing by Buyer and Seller.
- 3. Schedule and Delivery:** Seller shall strictly adhere to all Purchase Order schedules and ship dates. Time is and shall remain of the essence in the performance of this Agreement. Seller shall notify Buyer in writing immediately of any actual or potential delay to the performance of this Agreement. Such notice shall include a revised schedule and shall not constitute a waiver to Buyer's rights and remedies hereunder.
- 4. Packing and Shipping:** Seller shall prepare and package the goods to prevent damage or deterioration and shall use best commercial practice for packing and packaging of items to be delivered under this Agreement, unless otherwise specified in the Purchase Order. Comingling of lots is prohibited. Lots shall be packaged separately to maintain traceability back to the manufacture lot numbers. Lot traceability must be documented on both the package for each lot and the associated shipping documents. Seller shall charge no packing, handling or preparation charges of any kind unless specifically stated in the applicable Purchase Order. Purchase Order's will state appropriate shipping method, carriers and accounts to be used. Unless otherwise stated in the applicable Purchase Order the risk of loss shall pass to Buyer upon delivery to Buyer's requested shipping address. Seller must establish, maintain and document a F.O.D. program in place that is accepted by Buyer and complies with NAS-412.
- 5. Inspection and Acceptance:** Buyer may perform inspection activities to ensure that purchased product meets purchase requirements and applicable specifications. Buyer may perform inspection of product at Seller's facility or at Buyer's facility. Seller and its suppliers shall establish and maintain a quality control and inspection program as

specified in this Agreement or by the Purchase Order. All required certifications, inspection and test reports, affidavits, technical and traceability documents requested by Buyer are to be included with each shipment and must be clear and legible. Carbon copies of certificates and other shipping documents will not be accepted.

6. **Performance Requirements:** Seller shall maintain a quality level of zero defects on all items. Seller shall adhere 100% to Purchase Order schedules and ship dates. The parties agree that Seller's quality and on time delivery is subject to monitoring and the failure to maintain the desired performance requirements may result in Buyer, in its sole discretion, electing to pursue corrective actions, performance improvement plans, and/or disqualification.
7. **Right of Entry and Record Retention:** Subject to applicable national security regulations, Buyer and Buyer's representatives shall have the right of access, on a non-interference basis, to any area of Seller's or Seller's supply chain sub-tier premises where any part of the work is being performed. Seller shall flow this requirement down to its sub tier supply chain suppliers as a condition of this Agreement. Seller shall, without additional costs to Buyer, provide all reasonable in-plant accommodations, facilities, and assistance for the safety and convenience of the Buyer and the Buyer's representatives in the performance of their duties. Seller shall permit Buyer, Buyer's customers, any regulatory authorities and any designee of Buyer access to all supplier facilities and to all applicable records or other materials. Seller shall provide all appropriate information to Buyer that may include but is not limited to test reports, certificates of conformity and spec sheets for any inspection duties at no charge unless specified otherwise on Purchase Order so that Buyer may perform inspection at Buyer's facility. Any and all records relating to this Agreement and the performance by Buyer hereof shall be retained and made available for review by Buyer, Buyer's customers, regulatory authorities and Buyer's designees for a minimum of thirty (30) years.
8. **Changes:** By written order, Buyer may direct changes to the Purchase Order. All changes must be made in writing. Seller may not subcontract any of its obligations under this Agreement without the prior written consent of Buyer. Alternate or equivalent product including but not limited to part numbers or manufacturers must be approved prior to shipment by Buyer in writing. If no part revision or drawing revision is listed on the Buyer Purchase Order the most current revision must be supplied. Seller shall notify Buyer of all changes in product and/or processes, changes of suppliers, changes of manufacturing location and must obtain written approval. Seller must notify Buyer in writing of any unusual visual appearance which could result in unfavorable reaction or questions when seen by Buyer. Unusual visual appearance on product may not violate engineering requirements, however condition must be brought to the attention of the Buyer in writing (examples include but are not limited to: discoloration, uneven surface condition, evidence of rework/repair, etc.)
9. **Non-Conforming and Counterfeit Product:** All product provided to Buyer shall consist of new materials and authentic products only. Buyer must be contacted in the event that Seller becomes aware of Non-Conforming or Counterfeit Product. Product will be considered Non-Conforming / Counterfeit if Purchase Order calls manufacturer name and required manufacturer is not supplied. Any changes to Purchase Order requests not approved in writing may be considered Non-Conforming / Counterfeit. In order to prevent and mitigate for Counterfeit products, all suppliers must have an applicable Counterfeit protection plan in place consistent with the appropriate industry standards such as AS5553 or AS6174. A Counterfeit part is defined by Buyer as a part that is one or more of the following - an illegal or unauthorized copy or substitute of an original equipment manufacturers item; an item that does not contain the proper materials or components as required by the OEM specifications; an item that is used, refurbished or reclaimed and represented as new; an item that has/does not successfully pass all OEM testing requirements; or an item with labeling, marking or design (with or without intent) that could mislead one into believing an item is something that it is not.
10. **Rejection:** If Seller delivers Non-Conforming Goods or Services, Buyer may, at its option and Seller's expense: return the Goods for refund or credit; require Seller to promptly correct or replace the Goods or Services; correct the nonconformance; or obtain conforming Goods or Services from another source. Buyer shall specify the reason for any return or rejection of nonconforming Goods or Services and/or shall describe the action taken. Seller shall be liable for any increase in costs, including procurement costs attributable to Buyer's rejection of the Non-Conforming Goods or Services. If Buyer determines or has reason to believe that Goods provided contain suspect and/or Counterfeit parts, Buyer shall provide Seller an appropriate notice, impound the suspect/counterfeit parts, and report occurrences to ERAI and GIDEP. The Seller may be liable for all costs associated with the detection and disposal of Counterfeit product.
11. **Corrective Action and Flow down; Seller Rating:** Buyer may require specific actions where timely and/or effective corrective actions to supplier issues are not achieved. These actions may include but are not limited to withholding of payment until issue is resolved, removal of the supplier from Buyers Approved Supplier List, and legal actions. Seller shall be AS9100, ISO9001 or comparably compliant and adhere to all requirements for Seller to flow down

all information to sub-tier suppliers. The Seller will be rated for on-time delivery and order/product quality. If Seller is found to be outside of the Buyer's defined acceptable ranges, Buyer may consider Seller in violation of default, remove Seller from Buyer's Approved Supplier List, or both.

12. **Warranty:** Seller warrants the Goods delivered pursuant to this Agreement, unless specifically stated otherwise in the Purchase Order shall be new, conform to the product's specifications, conform to the Purchase Order, not contain Counterfeit materials, and be free from all defects in all situations. Seller further warrants that the performance of work and services shall conform with the requirements of this Agreement and to the highest professional and industry standards. These warranties shall survive inspection, test, final acceptance and payment of Goods and Services. This warranty entitlement shall insure to the benefit of both Buyer and Buyer's customers and shall cover a minimum period of 24 months following delivery; and, Seller shall be liable for and save Buyer harmless from any loss, damage, or expense whatsoever that Buyer may suffer from the breach of any of these warranties.
13. **Termination for Convenience:** Buyer may, by notice in writing, direct Seller to terminate this Agreement or work under any Purchase Order delivered hereunder, in whole or in part, at any time, and such termination shall not constitute default. In such event, Buyer shall have all rights and obligations accruing to it either at law or in equity, including Buyer's rights to title and possession of the goods and materials paid for. Buyer may take immediate possession of all work so performed upon notice of termination. Seller shall immediately stop work and limit costs incurred on the terminated work. If such termination is for the convenience of the Buyer, Buyer, after deducting any amount(s) previously paid, shall reimburse Seller for the actual, reasonable, substantiated and allowable costs with the total amount to be paid by the Buyer being determined by negotiation. In the case of a Force Majeure event, such as a war, strike, riot, crime, epidemic, pandemic, or any other event that can be considered an act of God, Buyer may, by notice in writing, direct seller to terminate this Agreement or work under any Purchase Order delivered hereunder, in whole or in part, and at such time, Seller shall release Buyer of all liability or obligation to pay any compensation, cost, damages, or expense incurred directly or indirectly as a result of said cancelation of this Agreement.
14. **Termination for Default:** Buyer may, by written Notice of Default to Seller, terminate this Agreement in whole or in part if the Seller fails to: deliver the Goods or to perform the Services within the time specified in the Purchase Order or any extension; make progress, so as to endanger performance of this Agreement; or fail to perform any of the other provisions of this Agreement or of the Purchase Order.
15. **Calibration:** Calibration must be in accordance with ISO 17025 most current standard revision unless alternate requirement is noted on purchase order or by Buyer's written requirements.
16. **First Article Inspection Reports:** All First Article Inspection Reports must be in AS9102 format unless alternate First Article Inspection requirements are designated on Buyer Purchase Order. Current revision of AS9102 must be used based on Buyer Purchase Order date.
17. **HAZMAT/ Shelf Life / Climate Controlled Product:** Seller shall inform buyer of all HAZMAT / Dangerous Goods prior to order acceptance - buyer will then confirm shipping method and delivery address. All HAZMAT items must be properly identified and marked per FAA, DOT or applicable laws and requirements. Seller shall inform buyer of any product with shelf life requirements, expiration dates or climate control requirements prior to order acceptance. All shelf life and climate controlled product must be marked as such on packing list documentation or certificate of conformance.
18. **Cybersecurity:** Per the requirements of DFARS 252.204-7020, Seller shall have completed at minimum the Basic Assessment in accordance with NIST SP 800-171 DoD Assessment Methodology within the last three years and have submitted its summary level scores, and other information required by paragraph (d) of DFARS 252.204-7020, directly into the Supplier Performance Risk System (SPRS). Exceptions apply to solicitations of contracts solely for the acquisition of COTS.
19. **Regulatory Compliance:** The Buyer and Seller are required to comply with legal requirements, acts, laws and guidelines; this includes, but is not limited to, those of the United States Export Controls and Customs, congressional acts, federal government, state and local governments, etc. These legal requirements, acts, laws, and guidelines can be, but are not limited to, that of ITAR, DFAR/FAR, OSHA, HIPPA, DLA, DCMA, DOT, etc. All suppliers must adhere to the international Traffic in Arms Regulations (ITAR) related requirements when ITAR compliancy is indicated as a requirement on the purchase order via flow down or if the goods are listed on the Munitions List. Seller shall be responsible for compliance with all applicable foreign and domestic laws, regulations,

and guidelines such as, but not limited to, the importation or exportation of any products under this agreement, RoHS, REACH, S.E.C. Dodd-Frank Act section 1502, Proposition 65, etc.

20. **Buyer's Property:** All drawings, tools, jigs, dies, fixtures, materials, and other property supplied or paid for by Buyer shall be and remain the property of Buyer; and if Seller fails to return such property upon Buyer's demand, Buyer shall have the right, upon reasonable notice, to enter Seller's premises and remove any such property at any time without being liable for trespasses or damages of any sort.
21. **Insurance:** Seller shall maintain and carry commercial general liability insurance. A certificate of insurance specifically naming Buyer as additionally insured is required to be kept on file.
22. **Assignment:** Seller shall not assign, transfer, delegate or otherwise dispose of this Agreement, any Purchase Order or any right or obligation hereunder or thereunder, without the prior written consent of Buyer. Any attempted or purported assignment or other transfer not complying with the foregoing shall be null and void.
23. **Relationship of the Parties:** This Agreement shall not be construed as creating an agency, partnership, joint venture or any other form of association for tax purposes or otherwise, between Buyer and Seller. Buyer and Seller are and at all times shall remain independent contractors.
24. **Indemnification:** Seller shall indemnify, hold harmless, and at Buyer's request, defend Buyer, its officers, directors, customers, agents and employees, against all claims, liabilities, damages, losses and expenses, including attorneys' fees and cost of suit arising out of or in any way connected with the Goods or Services provided under this Agreement.
25. **Disputes:** The provisions of this Agreement shall be interpreted in accordance with the laws of the State of California without resort to said state's Conflict of Law rule, and in accordance with its fair meaning and not strictly against either party. Any dispute arising out of or related to this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts located in Orange County, California, and the parties hereby irrevocably submit to the personal and exclusive jurisdiction and venue of such courts.
26. **Ethics:** Seller will comply with and flow down the following code of conduct – All suppliers are prohibited to engage in any activity that creates a conflict of interest; must comply with all laws, regulations, statutes, rules, and acts; must report any illegal or unethical conduct to management or other appropriate authorities; and must understand the implications of ethical behavior. For more information regarding ethical conduct, contact [info@biscoind.com](mailto:info@biscoind.com).
27. **Safety:** The organization shall plan, implement, and control the processes needed to assure product safety during the entire product life cycle.
28. **Order of Precedence:** In the event of a conflict between this Agreement and any other documents: (a) any provisions set forth on Buyer's Purchase Order specifically modifying the terms of this Agreement; (b) this Agreement; (c) any other provisions or communications set forth by the Buyer in writing.
29. **Miscellaneous Terms:** If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect. This Agreement and the Purchase Orders delivered by Buyer hereunder contain the entire understanding of the parties with respect to the subject matter hereto and supersede any prior or contemporaneous understandings or agreements. Any waiver, modification or amendment of any provision hereof shall be effective only in writing and signed by authorized representatives of both parties.
30. **Survivability:** The following provisions of this Agreement shall survive the termination (whether for convenience or default), suspension or completion of this Agreement: Sections 3, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21 and 22.