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# Built on Relationships

## Purchase Order Agreement

Any purchase order shall constitute a binding contract between the parties, subject to the conditions hereof and shall constitute the entire agreement between K-1 Technologies Inc. (“Buyer”) and Seller. This order shall supersede any other agreements or understanding prior to this date of the order. The acceptance of this Purchase order shall, by acknowledgement, shipment of products, performance of services, or commencement of work on supplies, constitute acceptance of the terms and conditions set forth in the Purchase Order. These terms and conditions may only be modified with buyer’s express written consent.

**Confidentiality:** Seller agrees to keep confidential from third parties all information obtained from Buyer while performing obligations pursuant to this Purchase Order. Seller shall use the same care in protecting Buyer confidentiality as the Sellers uses in protecting its’ own confidential information. Any information provided to the Seller shall be distributed internally on a need-to-know basis and shall not be used except to perform obligations pursuant to this purchase order. Seller shall not disclose the existence of this purchase order to any third party.

**Responsibility for Property:** Seller shall be responsible for loss or damage to property of K-1 Technologies Inc. caused by negligence or wrongful acts or omissions of Seller, representatives, or employees. Seller shall include nothing in its prices for direct damage insurance in property of K-1 Technologies Inc.

**Pricing:** Seller shall sell the Buyer products or services shown on the face of this Purchase Order at the price specified. All prices are exclusive of applicable freight charges and duties unless otherwise agreed upon by Buyer. Seller warrants that the prices charged for the purchased products are not higher than those charged to any other customer for products of like grade and quality in similar quantities or for smaller services performed. If Seller fails to extend buyer such pricing, Buyer may, in addition to any other remedies available at law or equity, invoice Seller for the difference between Buyer’s price and such lower price for all products already received and immediately change the price on this Purchase Order to reflect such lower price. Seller shall pay such invoice within 30 days from the date of the invoice.

**Limitation of Quantities and Fabrication:** K-1 Technologies Inc. will not accept nor assume responsibility or liability for material or quantities in excess of amounts necessary to meet the release quantities set forth in the Purchase Order.

**Delivery:** Delivery shall be strictly in accordance with the delivery schedule set out or referred to in this order. Delivery Date shall mean the date the Purchase Order line item is required to arrive at Buyer’s facility. Seller shall ship all line quantities complete unless approved in writing. Seller shall ship all line items on PO with common dock date together unless otherwise agreed upon in writing by K-1 Technologies Inc. Incomplete or unauthorized shipments may result in delayed payment of invoices.

All shipments by the Seller shall be shipped against the Seller’s carrier account number and via the method indicated on the purchase order unless otherwise agreed upon in writing by K-1 Technologies Inc. Seller reserves the right to refuse charges accrued when shipping terms on PO deviate from the specified methods. Packages with shipping charges greater than \$50.00 USD will be refused without previous written approval

and/or authorization. K-1 Technologies Inc. reserves the right to refuse payment for non-authorized shipping insurance charges, tariff charges, and all other unapproved, added charges.

If the Seller fails to meet the scheduled delivery date, the Buyer may, at its discretion, cancel this purchase order or any part of this Purchase Order without incurring added liability. If Buyer requests expedited shipment of any late deliveries, Seller shall pay any additional cost of expedited shipment. Seller shall not ship ahead of the scheduled Delivery Date unless authorized by Buyer, in writing. Buyer may return, at its discretion, all unauthorized early shipments to Seller at Seller's expense. When the Seller has reason to believe that deliveries will not be made as scheduled, Seller shall immediately notify the Buyer. Seller shall be liable for Buyer's additional expenses in the event that Seller fails to provide such notification.

**Packing:** All packages shall, at no additional cost to K-1 Technologies Inc., be properly packaged or otherwise prepared in a manner satisfactorily to Buyer, in accordance with the requirements of any carrier. Seller shall be liable for any loss or damage due to its failure to properly preservice, secure, package, handle, or pack any shipment. No charges shall be allowed for handling, crating, returnable containers, import duties, transportation, documentation or media unless previously agreed in writing and such agreement is referenced on the face of the Purchase Order.

**Changes:** K-1 Technologies Inc. may at any time, by written notice, make changes to the specifications, shipping instructions, quantities, and delivery schedule. Should any such change increase or decrease the cost of or the time required for performance of the order, an equitable adjustment in the price and/or delivery schedule will be made. Any claims for adjustment by Seller must be made within thirty (30) days from the date the change is ordered or within such a period of time as may be approved by K-1 Technologies Inc. Nothing in this clause shall excuse the Seller from proceeding with order as changed.

**Inspection and Acceptance Status:** All items ordered are subject to final inspection and acceptance at destination by K-1 Technologies Inc., despite prior payment or inspection at source. Payments shall not constitute final acceptance of the product. K-1 Technologies Inc. may reject any item which contains defective material or workmanship or does not conform to specifications, manufacturer specifications, samples, or is not as ordered. Rejected items may be returned at Seller's expense and are considered non-confirming material, at the full invoiced price plus incoming transportation charges, if any, and no replacement of defective items shall be made unless specified by K-1 Technologies Inc. If requested, Seller shall provide a complete inspection system satisfactory report to K-1 Technologies Inc. covering the inspection of all materials and/or fabricating methods. K-1 Technologies Inc., our customer, and relevant regulatory authorities shall also reserve the right to inspect the Seller's facilities and all applicable records related to the performance of this order. The Seller must also notify Buyer of any changes in product and/or process definition, changes of suppliers, change of manufacturing facility location and, where required, obtain organization approval.

The Seller shall also flow down the supply chain any applicable requirements including customer requirements. The Seller will provide K-1 Technologies Inc. with a signed Certificate of Conformity (COFC) for each order as requested, including extreme stress, heat or environment, and whether or not the part was obtained from the Government or Military Services. When requested, the Seller agrees to provide test reports and/or airworthiness certificates. Certifications outlining work completed, also to include but not limited to, "work orders" and 8130 documentations. The Seller also agrees to maintain a record of parts scrapped related to the order by K-1 Technologies Inc. and this record shall contain a description of the part, part number, correlating serial number when applicable, and the date the part was scrapped/destroyed. The Seller shall retain all records related to the performance of this purchase order for a period of at least seven years.

**Counterfeited Parts & Suspect Parts Policy:** In order to avoid the reintroduction of counterfeit parts into the open market, K-1 Technologies Inc. reserves the right to seize and quarantine any suspected counterfeit product received from the seller against this purchase order. Any suspect counterfeit products may be forwarded and/or reported to the appropriate authorities for analysis, possible confiscation, and/or destruction. If products

furnished by the Seller are determined to be counterfeit, Seller agrees to reimburse K-1 Technologies Inc. the full price paid as well as any 3rd party testing charges, shipping fees, and/or other costs associated and incurred by K-1 Technologies Inc.

K-1 Technologies Inc. defines Counterfeit and Suspect Electronic Part as follows:

- I. Substitutes or unauthorized copies of product.
- II. A product as defined by the manufacturers' part number identification, date code, and manufacturers' identification (logo, trademark) in which the materials used or the performance of the product has changed without notice by someone other than the OEM of the product.
- III. A substandard component misrepresented by the supplier.
- IV. Products that have been re-topped (black-topped), remarked, or otherwise fraudulently altered and/or misrepresented by a 3rd party.

**Default:** K-1 Technologies Inc. may terminate this contract whole or in part for default if (1) the Seller fails to make delivery of the supplies or fails to perform the services within the time specified herein or (2) the Seller fails to perform any other material provisions of this contract or so fails to make progress as to endanger performance and does not cure such failure within a period of ten (10) days after receipt of notice from K-1 Technologies Inc. that specifies the failure.

In the event K-1 Technologies Inc. terminates this contract for default as provided in the above paragraph, Seller shall be responsible for any excess procurement cost and all other damages incurred by K-1 Technologies Inc. as a consequence for such defect.

**Cancellation:** Buyer may cancel the Purchase Order in whole or in part without any liability, at any time upon the occurrence of certain events, including but not limited to:

- I. Default by Seller with respect to delivery, quality, or other obligations under this Purchase Order.
- II. Insolvency of Seller, filing by Seller of a voluntary petition in bankruptcy.
- III. K-1 Technologies Inc. agrees with Seller in writing that purchased product is non-cancellable or non-refundable.

Buyer shall have the option to cancel this order at its discretion. If the cancellation occurs, Buyer's liability shall not exceed the full price of the products already available to meet the next due date. Such liability is limited to deliveries that Buyer has ordered with Dock Dates of no more than thirty (30) calendar days from the date of notification of such cancellation. Upon cancellation of software or service orders, Buyer shall only be liable for the price of the work that has been completed as of the date of the cancellation notice. At no time shall the buyer pay cancellation charges exceeding the value of the unpaid balance of the purchase order. Upon notification of Buyer's cancellation of Purchase Order, Seller shall immediately stop all work on the Purchase Order. Buyer will not be responsible for excess material purchased or manufactured that is attributed to Seller's poor material management practices.

**Invoices:** Invoices may be delivered electronically to an authorized contact or may be mailed to the address stated on the Purchase Order for each and every shipment. Freight and additional charges shall be shown on the invoice as well as any discounts to be taken. Seller must show the method of transportation and whether the articles are prepaid or collect. Payment terms are set forth on the face of the Purchase Order and are payable from the date Buyer receives a correct invoice or approves product, whichever occurs last. All invoices, packing lists, and bill of lading must reference the Purchase Order.

**Guarantees & Warranties:** Seller warrants that it is authorized to sell the product to the Buyer. Seller hereby expressly warrants, for a period of eighteen months after acceptance, that all material or services covered by this order shall conform to all specifications, drawings, samples, and any other description furnished or adopted by

K-1 Technologies Inc. Product shall be new, of the best quality and fit, sufficient for the purpose intended, merchantable, and free of defects. Seller hereby agrees to be responsible for all defects in design, materials, and workmanship. Any breach of warranty, goods, or material, which are not as warranted may, at the option of K-1 Technologies Inc., be returned at Sellers expense for either credit or replacement. Replacement product shall be new and subject to full original warranty. All warranties shall process against K-1 Technologies Inc. and its' successors.

**Non-Transferrable:** The contract shall not, nor shall any interest herein, be transferred or assigned by the Seller without the consent in writing from K-1 Technologies Inc.

**Intellectual Property Indemnify:** Seller shall defend, indemnify, and hold harmless the Buyer and its affiliates, subsidiaries, assigns from any claims, losses, demands, fees, and damages or liability incurred of any kind or nature arising from any actual or claimed infringement of any patents, trademarks, service marks, trade secrets, mask work rights, or copyrights with respect to any products or services furnished under this purchase order.

**Compliance with Applicable Laws & Regulations:** Seller certifies that all the products to be furnished to the Buyer to fulfill this Purchase Order shall be manufactured and supplied in an accordance with all currently applicable federal, state, and local laws, rules, regulations, and orders. Seller shall furnish Buyer with specific certifications of legal compliance upon request.

**ITAR Controlled Product:** If the Seller has been informed, or have reason to know that the subject item(s) are ITAR-Controlled, Seller shall notify K-1 Technologies Inc. prior to formal acceptance of this purchase order.

**Equal Employment Opportunity:** Seller shall not discriminate against any employee because of race, color, religion, sex, handicap, age, veteran status, national origin, or for any other illegal reason. Seller will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, sex, handicap, age, veteran status, national origin, or any other legally protected status. Seller will comply with all provisions of Executive Order 11246 of September 24, 1965 and with the rules, regulations and relevant orders of the Secretary of Labor. The Seller certifies that they do not and will not maintain facilities at any of their establishments that are segregated on the basis of race, color, religion, sex, handicap, age, veteran status, national origin, or any other legally protected category. The Seller further certifies that they do not and will not require their employees to perform services at any location under the Sellers control where segregated facilities are maintained.

In the event the Seller's non-compliance with the discrimination clause of this Purchase Order or with any such rules, regulations, or order, this Purchase Order may be cancelled, terminated or suspended in whole or in part at Buyer's discretion. Seller will include the provisions of this paragraph in the event the subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965 so that such provisions will be binding upon each subcontractor or vendor.

During the performance of this contract the Seller agrees that it, and each subcontractor involved in the fulfilling of this contact, shall to the extent applicable to the contacts: Comply with the Terms of the Equal Opportunity Clause contained in 41 CFR 60-1.4 or its successors, which clause is hereby incorporated by reference as provided in 41 CFR 60-1.4; Comply with the Affirmative Action Compliance Program requirements contained in 41 CFR 60- 1.40 or its successors; filed Equal Opportunity Information Reports as required by 40 CFR 60-1.7; File Federal Contractor Veteran's Employment Reports as required by 41 CFR 61-250.10 or its successors, and comply with the terms of the Employment Reports on Special Disabled Veterans, Veterans id the Vietnam Era and Veterans who served active duty during the war or in a campaign or expedition for which a campaign badge has been authorized clause contained in 41 CFR 61-250.10 or its successors, which clause is hereby incorporated by reference. Comply with the terms of the Affirmative Action for Special

Disabled Veterans, Veterans of the Vietnam Era and Veterans who served on active duty during a war or in a campaign badge has been authorized clause contained in 41 CFR 60-250.5, or its successors, which clause is hereby incorporated by reference as provided for in 41 CFR 60-250.5. Finally, comply with the terms of the Affirmative Action for Individuals with Disabilities clause contained in 41 CFR 60-741.5 or its successors, which clause is hereby incorporated by reference as provided in 41 CFR 60-741.5.

**Diversity & Inclusion Statement:** At K-1 Technologies Inc., diversity is an integral part of our history, culture, and identity. Inclusion is the way we treat and perceive all differences. To be engaged, you must feel included and valued. We know through experience that different ideas, perspectives, and backgrounds create a stronger and more creative work environment that delivers better results. Companies that are diverse in age, gender identity, race, sexual orientation, physical or mental ability, ethnicity, and perspective are proven to be better companies. More importantly, creating an environment where everyone, from any background, can do their best work is the right thing to do. Advancing in diversity and inclusion is an investment that will move our company and industry forward.

**Notices:** Any notices to the Buyer shall be directed to Buyer's Authorized Representative whose initials appear under the issue date on the face of the Purchase Order.

**Miscellaneous:** Failure by Buyer to insist upon strict compliance to the terms and conditions of the Purchase Order is not a waiver of the terms or conditions. If any provisions herein shall be held to be invalid or unforeseeable for any reason, such provision shall, to the extent of such invalidity or unenforceable, be reformed or, if necessary, served to the minimum extent necessary to render this Purchase Order to be valid or enforceable, buy without in any way affecting the remainder of such provision or any other provision contained herein, all of which shall continue in full force and effect. This Purchase Order shall be construed in accordance with and governed by the laws of the State of Florida. Seller shall hereby consent to submit any disputes arising hereunder to the Florida courts with jurisdiction over Pinellas County, Florida.