Sagetech Avionics, Inc.
317 W. Steuben St.
Bingen, WA 98605

Commercial Terms and Conditions

1. **Goods**. Sagetech Avionics, Inc. “Seller“ agrees to provide the goods described in the applicable order (the "Goods") in accordance with the requirements set forth on the face of the applicable purchase order (the "P.O.") received from “Buyer” identified therein and these terms and conditions. The P.O. and these terms and conditions constitute and are collectively referred to as the "Agreement".

   This Agreement may not be added to, modified, superseded, or otherwise altered, except by writing signed by an authorized representative of Seller. Any terms or conditions contained in any acknowledgment, invoice, or other communication of Buyer, which are inconsistent with the terms and conditions herein, are hereby rejected. To the extent this Agreement might be treated as an acceptance of Buyer's prior offer, such acceptance is expressly made on condition of assent by Buyer to the terms of this Agreement and shipment of the Goods by Seller shall constitute such assent.

2. **Delivery.** Goods delivered pursuant to the terms of this Agreement shall be suitably packed for shipment in suitable containers to permit safe transportation and marked for shipment by Seller to the shipping destination specified in the applicable purchase order. All packages must be accompanied by a packing list detailing the contents including description and quantity of the goods, part number or size, if applicable, and appropriate evidence of inspection. Buyer’s P.O. number and line-item number must appear on all packing lists and/or bills of lading. Seller shall ship and deliver all Goods to Buyer Free Carrier (FCA) (Incoterms 2011) at Sagetech Avionics, Inc. in accordance with the purchase order or sales order agreement. In the event of any anticipated or actual delay, including but not limited to labor disputes, Seller shall: (i) promptly notify Buyer in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay; (ii) provide Buyer with a written recovery schedule; and (iii) if requested by Buyer, ship via air or other expedited routing to avoid or minimize delay to the maximum extent possible, unless Seller is excused from prompt performance as provided in the "Force Majeure" clause of this contract. The added premium transportation costs are to be borne by Buyer. If any Goods are not shipped within thirty (30) days after the shipping date specified in the applicable purchase order, then Buyer may cancel the applicable purchase order with respect to any such Goods by giving Seller written notice of such cancellation.

3. **Identification, Risk of Loss & Destruction of Goods.** Title to the Goods and risk of loss shall pass to Buyer upon loading of the Goods onto the initial carrier designated for delivery. If the Goods ordered are destroyed prior to title passing to Buyer, Buyer may at its option cancel the Agreement or require delivery of substitute Goods of equal quantity and quality. Such delivery will be made as soon as commercially practicable. If loss of Goods is partial, Buyer shall have the right to require delivery of the Goods not destroyed. It is the Buyer’s responsibility to request the Goods be insured during delivery and to pay for all charges applicable to shipping, handling, insurance, taxes, tariffs, and other fees or import duties.

4. **Payment.** As full consideration for delivery of the Goods and the assignment of rights to Buyer as provided herein, Buyer shall pay Seller the amount agreed upon, plus all applicable taxes and other charges such as shipping costs, duties, customs, tariffs, imposts and government imposed surcharges, and other charges specified in the P.O. Seller's invoice shall separately

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state all applicable taxes and other charges such as shipping costs, duties, customs, tariffs, imposts and government imposed surcharges. Seller shall consider payment made when Buyer's payment is received by Seller. All personal property taxes assessable upon the Goods prior to receipt by Buyer of Goods conforming to the P.O. shall be borne by Seller. Seller shall invoice Buyer for only Goods delivered, as well as all applicable taxes and other charges such as shipping costs, duties, customs, tariffs, imposts, and government-imposed surcharges. Unless other payment terms are agreed to in writing with an authorized Sagetech agent, Buyer will pay the full amount due prior to shipment of the product.

Late payments will be assessed a 1.5% per month interest fee assessed on a daily basis. The interest will cover the first calendar day the payment is past-due through the workday the payment is received by Seller. Buyer shall contact Seller for calculation of interest due, before making the final payment.

5. **Limited Warranty.** Seller warrants all Goods furnished under this contract shall conform to all specifications and requirements of this contract and shall be free from defects in materials and workmanship for a period of one year. Seller warrants all Goods provided will be new and will not be used or refurbished unless so specified on the P.O. Additionally, all warranties shall not be exclusive and shall run both to Buyer and to its customers. This warranty does not apply to: (a) Any of Seller's products that have been modified, altered, opened or repaired by an unauthorized agent or improperly transported, stored, installed, used, or maintained; (b) Damage caused by acts of nature, including flood, erosion, or earthquake; (c) Damage caused by abnormal conditions, including but not limited to, a sustained low or high voltage situation or by a low or high voltage disturbance, including brownouts, sags, spikes, or power outages; or (d) Damage caused by war, vandalism, theft, depletion, or obsolescence.
   a. If Buyer identifies an issue or discrepancy with the Goods during the applicable warranty period, Buyer will promptly notify Seller and return the Goods to Seller. Within ninety (90) business days of receipt of any returned Goods, Seller shall, at Sellers' option and Seller's expense (i) either repair or replace such Goods; or (ii) credit Buyers' account for the same.
   b. Replacement and repaired Goods shall be warranted for the remainder of the warranty. Warranty is transferable to Buyer's customer.
   c. Upon return, responsibility of loss or damage to Goods is borne by Buyer until they are loaded onto delivery carrier designated for return shipping with insurance added if requested by Seller. Responsibility for loss or damage to Goods is transferred to Seller upon receipt of Goods from delivery carrier at Seller's address specified above.

6. **Return Policy:** Sagetech only allows returns in accordance with section 5. Limited Warranty.

7. **Restocking Fees:** Sagetech does not impose restocking fees for any warranty replacement Goods.

8. **Inspection and Acceptance.** Buyer shall have a reasonable time after receipt of Goods and before payment to inspect Goods for conformity with this Agreement. If Goods tendered do not conform to the provisions of this Agreement and its customer Specifications, Buyer shall have the right to reject such Goods. Nonconforming Goods will be returned to Seller FOB destination, and risk of loss will pass to Seller upon delivery to Seller

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9. **Changes.**
   a. Changes may only be made if mutually agreed to in writing.
   b. If such change increases or decreases the cost or time required to perform this contract, Buyer and Seller shall negotiate an equitable adjustment in the price or schedule, or both, to reflect the increase or decrease. Seller shall modify this contract in writing accordingly.

10. **Indemnity.** Seller and Buyer shall mutually indemnify, hold harmless, and at either party's request, defend the other party, 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 provided under this Agreement. Neither party shall settle any such suit or claim without the prior written approval of the other. The non-prevailing party agrees to pay or reimburse all costs incurred by the prevailing party in enforcing this indemnity, including attorneys' fees.

11. **Termination**. Buyer may terminate this Agreement upon written notice to Seller if Seller fails to deliver Goods within the time specified by this contract plus 90 days, or any written extension, or if Seller fails to perform any other provisions of this contract or fails to make progress so as to endanger performance of this contract and does not correct the failure within 90 days after receipt of notice from Buyer, or otherwise breaches this Agreement, files a petition in bankruptcy, becomes insolvent, or dissolves. In the event of such termination, Buyer shall pay Seller for those conforming Goods delivered to Buyer through the date of termination and for any in-process Goods, less appropriate offsets. Seller shall continue work not cancelled.
    a. Seller may terminate this Agreement upon written notice to Buyer if Buyer fails to pay Seller within forty-five (45) days after Seller notifies Buyer in writing that payment is past due.
    b. Upon the expiration or termination of this Agreement for any reason: (a) each party will be released from all obligations to the other arising after the date of expiration or termination, except for those which by their terms survive such termination or expiration.

12. **Remedies.** If Seller or Buyer breaches this Agreement, the non-breaching party shall have all remedies available by law and at equity. Seller may, at its option, recover damages caused by breach of obligations by Buyer including legal fees and costs.

13. **Disputes.** The parties agree to make every effort to resolve disputes through communication between the parties. The following steps shall be taken to resolve any disputes: (1) oral communication between the parties; then (2) the aggrieved party shall notify the other party in writing as to the dispute with 30 days to resolve; if not resolved then (3) the aggrieved party can request a mutually funded 1-day mediation by a mutually agreed third party to take place within 30 days of such a request. If the dispute has not been resolved after steps (1), (2), and (3) either party may then seek legal remedies. Pending final resolution of any dispute, Seller shall proceed with performance of this contract according to Buyer’s instructions so long as Buyer continues to pay amounts not in dispute.

14. **Intellectual Property.** Buyer shall not attempt to modify, reverse engineer, decompile, disassemble or otherwise copy or discover any of Seller’s proprietary information, including, without limitation, patentable, patented or non-patented inventions, trade secrets, secret processes, software, source code or other confidential information embodied or contained in Seller’s Goods or any component thereof, or otherwise misappropriate, circumvent or violate

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any of Seller's intellectual property rights or other rights and interests. Nor will Buyer allow or assist any third party to do so. If, however, directly applicable law prohibits enforcement of the foregoing, then Buyer may engage in reverse engineering only to the limited extent permitted by directly applicable law and only to the extent reverse engineering is necessary to obtain such information, but only if Buyer has first requested such information from Seller and Seller has failed to make such information available (for a fee or otherwise) under reasonable terms and conditions. Buyer may not remove any proprietary notices, marks, or labels from the Goods. Buyer shall institute reasonable measures to ensure compliance with these terms and conditions by its employees and other agents.

15. **Force Majeure.** Neither party shall be liable for any failure to perform, including Buyer's failure to take delivery of the Goods as provided, caused by circumstances beyond that party's control which make such performance commercially impractical including, but not limited to, acts of God, fire, flood, acts of terrorism, acts of war, government action, accident, labor difficulties or shortage, inability to obtain materials, equipment, or transportation. In the event performance is so excused, either party may terminate the Agreement and Buyer shall at its expense and risk, return any Goods received to the place of shipment.

16. **Severability.** If any provision of this Agreement shall be deemed to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

17. **LIMITATION OF LIABILITY.** SELLER IS NOT LIABLE FOR ANY DAMAGES CAUSED BY ITS PRODUCTS OR FOR THE FAILURE OF ITS PRODUCTS TO PERFORM. THIS INCLUDES ANY LOST PROFITS, LOST SAVINGS, INCIDENTAL DAMAGES, OR CONSEQUENTIAL DAMAGES. SELLER IS NOT LIABLE FOR ANY CLAIM MADE BY A THIRD PARTY OR BY A SELLER AUTHORIZED PARTNER FOR A THIRD PARTY. THIS LIMITATION OF LIABILITY APPLIES WHETHER DAMAGES ARE SOUGHT, OR A CLAIM IS MADE, UNDER WARRANTY OR AS A TORT CLAIM (INCLUDING NEGLIGENCE AND STRICT PRODUCT LIABILITY), A CONTRACT CLAIM, OR ANY OTHER CLAIM. THIS LIMITATION OF LIABILITY CANNOT BE WAIVED OR AMENDED BY ANY PERSON. THIS LIMITATION OF LIABILITY WILL BE EFFECTIVE EVEN IF SELLER OR AN AUTHORIZED REPRESENTATIVE OF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH DAMAGES. THIS LIMITATION OF LIABILITY, HOWEVER, WILL NOT APPLY TO CLAIMS FOR PERSONAL INJURY.

18. **Assignment; Waiver.** Buyer may not assign this Agreement or any of its rights or obligations under this Agreement, without the prior written consent of Seller. Any assignment or transfer without such written consent shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of Buyer without restriction. A waiver of, or any default hereunder of any term or condition of this Agreement shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition.

19. **Notices.** Except for Purchase Orders which may be sent by local mail, facsimile transmission, or electronically transmitted, all notices, and other communications hereunder shall be in writing, and shall be addressed to Seller or to an authorized representative of Seller, and shall be considered given when (a) delivered personally, (b) sent by email, confirmed telex or facsimile,

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(c) sent by commercial overnight courier with written verification receipt, or (d) ten (10) days after having been sent, postage prepaid, by first class or certified mail.

20. **Survival of Obligations.** Any obligations and duties which by their nature extend beyond the expiration or termination of this Agreement shall survive the expiration or termination of this Agreement.

21. **Governing Law.** This Agreement shall be governed and construed in all respects in accordance with the domestic laws and regulations of the State of Washington, without regard to its conflicts of laws principles to the contrary. The parties specifically agree the 1980 United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement.

22. **Entire Agreement; Modification.** This Agreement is the complete, final, and exclusive statement of the terms of the agreement between the parties and supersedes any and all other prior and contemporaneous negotiations and agreements, whether oral or written, between them relating to the subject matter of this Agreement. This Agreement may not be varied, modified, altered, or amended except in writing, including a purchase order or a change order issued by Buyer, signed by the parties. The terms and conditions of this Agreement shall prevail notwithstanding any variance with the terms and conditions of any acknowledgment or other document submitted by Buyer.

23. **Marketing.** Seller may use Buyer's logo; the logo of the specific program Seller's products is used on and other publicly available information in its advertisements and marketing promotions.

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Version History

Ver.	Summary of Changes	Effective	Approved By
1.0	Initial release	Aug 2022	DCR00023
2.0	Remove review comments	Jul 2024	DCR00043
3.0	Add document number and version to header Add Version History table	Mar 2025	DCR00066