

Advanced Thermoplastic Composites, LLC

General Sales Terms and Conditions

1. RECITALS

THESE GENERAL SALES TERMS AND CONDITIONS APPLY TO ALL SALE AGREEMENTS, ORDERS, ACKNOWLEDGEMENTS, OR CONFIRMATIONS WHICH REFERENCE THESE TERMS AND ALL OTHER SALES MADE BY ADVANCED THERMOPLASTIC COMPOSITES, LLC UNLESS OTHERWISE AGREED UPON IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF ADVANCED THERMOPLASTIC COMPOSITES, LLC, and are referenced below as the "Terms". Each contract document, order, order acknowledgement, or confirmation that references or incorporates these Terms, together with any schedules, exhibits, or other documents, is referenced below collectively as the "Contract". The term "Product(s)" used below refers to the products or materials sold by Supplier and identified in the Contract. The Contract constitutes the complete and exclusive statement of the Terms of the contract between Advanced Thermoplastic Composites, LLC (hereinafter "Supplier") and purchasing party (hereinafter "Customer") regarding the sale and purchase of the Product(s), or Service(s). No additional terms or any rescission, wavier, alteration, or modification of the Contract shall be valid unless it is made in writing and signed by authorized representative of each Party and specifically references the Contract. None of Customer's inconsistent and/or additional terms and conditions submitted in acknowledging or accepting this Contract or in issuing purchase orders, release, shipping instructions, or other documents shall apply. Unless expressly provided in a Contract document signed by both parties, if any term, condition, or other provision contained in any schedule, exhibit, or other document expressly incorporated by reference into the Contract is in any way inconsistent with or creates any ambiguity concerning these Terms, these Terms shall control.

Customer's acceptance or use of any shipment of Product after Supplier's offer of sale referencing or incorporating these Terms makes a definite and timely act or expression of acceptance, shall constitute acceptance of the terms of the Contract as to that shipment only, but shall not in itself constitute an acceptance of the final written expression of the Contract with respect to future shipments.

2. OBLIGATIONS

2.1 Supplier's Obligations

The Supplier shall provide the Products as identified in the Contract. The Supplier agrees to provide the Products in accordance with the conditions specified in the Contract, in a professional manner and in accordance with recognized good practices, meet the technical standards, drawings, models, specifications, applicable as of the date of the Contract in the country of delivery, or any other standards that may be expressly and unequivocally discussed and agreed to between the Parties in writing. Any new technical standard, drawing, model, specification, drawing, law, or regulation applicable to the Products which becomes mandatory. Any changes during the execution of the Contract may lead to a price adjustment or a revision of time schedule or any other impacted conditions.

2.2 Customer's Obligations

The Customer shall provide to the Supplier within a reasonable time with regards to the agreed timeframes for performance all information relevant to the execution of the Contract, including but not limited to clear and reliable compositions, drawings, models, specifications, and characteristics of the final product.

In accordance with the applicable Incoterm, the Customer shall, at its own risk and expense, obtain all permits, authorizations, licenses, documents, and certificates needed for the importation and delivery of Products.

The Customer shall promptly inform the Supplier in writing if it requests compliance with specific standards different from those contained in the offer. Customer shall assume responsibility for the Product no longer under the Supplier's warranty.

The Supplier shall not be held liable for damages suffered by the Customer due to non-compliance with the obligations stated above.

3. PRICE, PAYMENT TERMS, AND SHIPMENTS

3.1 Price

All prices are in U.S. dollars and are valid for ninety (90) days from the date of quotation unless otherwise indicated in writing. All prices are subject to federal, state, and local taxes.

3.2 Payment Terms

Unless agreed in writing by Supplier, payment in full without deduction or set off is due ten (10) days from invoice date. Alternative credit terms are eligible subject to credit application and approval.

All late payments shall bear interest at the monthly rate equal to one and one-half percent (1.5%), calculated daily and compounded monthly, or the highest rate permissible under applicable usury law.

Supplier may alter or revoke credit terms at any time without notice.

3.3 Shipments

All orders are ExWorks (Incoterm 2020) from Supplier's facility.

The Customer will select the carrier of its choice to ship Products. The Customer is responsible for all freight charges, insurance premiums, duties, and taxes, unless otherwise agreed upon in writing.

3.4 Minimum Order Due

The Customer shall submit purchase order(s) that shall be in conformity with Supplier's minimum number of parts per order or a minimum of \$250.00. Seller reserves the right at any time in its sole discretion to modify its minimum order requirements.

3.5 Shipping Tolerance

Each Purchase Order will be considered supplied in full if (a) the quantities of Products delivered are within a range of plus or minus [10%] of the quantities ordered and (b) if delivery is within [5 days] of the required Delivery date [or ship date?] set forth in such Purchase Order.

4. DELIVERY

4.1 Lead Times

Lead times are calculated from the quote date on quotes and from the order date on orders. Lead times are estimates and may be subject to change. Lead times shall start to run upon receipt by the Supplier or Order from Customer. Supplier is not responsible for any delays that may arise or for any damages that result from delayed or cancelled shipments for any reason. Lead-times will start over for all canceled orders.

4.2 Delays Due to Customer

The Customer's delay in providing the data needed for the performance of the Contract (including the items specified in 2.2 above) or any other delay attributable to the Customer or outside the control of the Supplier, may result in the extension of the initially agreed time schedules for the provision of Products and/or performance of Services, for a period of at least equal to the delay. The Supplier shall be entitled to receive reimbursement by the Customer of all costs and expenses resulting from such delays (including but limited to storage costs, waiting time of Supplier's staff, and/or demobilization/remobilization of same).

5. EXPEDITE / FIRST ARTICLE INSPECTION

Expedites are subject to a fee of 25% of sale or \$250 per part number, whichever is greater.

Expedites for new or existing parts requiring FAI are subject to a fee of 25% of sale or \$1,000 per part number, whichever is greater.

If a new part requiring First Article Inspection ("FAI") has an expedite request, customer agrees to modify the PO at time of shipment to match the number of acceptable parts, which at minimum will meet the customer requirements and at maximum meet our minimum order quantity. This is to accommodate any loss of parts in our initial production run for testing or other purposes.

6. CANCELLATION

Order cancellations must be requested in writing by the Customer and are only possible if the ordered Part production has not commenced. The Customer must provide a cancelled purchase order to Supplier in order for the order cancellation to take effect.

Once an Order is placed, the Customer becomes responsible for all costs associated with cancelled Orders for Product(s) that require non-standard manufacturing material(s), including, but not limited to, material and labor costs.

7. WARRANTIES

Supplier warrants the Products to be free of defects in materials and workmanship for a period of ninety (90) days from the date of shipment. Should the Customer and Supplier find a Product to be defective, Supplier will credit Customer for the defective Product(s) or replace it at no charge to the Customer. This is the sole and exclusive remedy of the Customer under this Warranty.

It is the Customer's responsibility to notify Supplier immediately if a Product is found defective. The Customer must request and obtain a return authorization before returning the Product to Supplier. The defective Product must be returned to Supplier within forty-five (45) days of notification of defect. If no return authorization is obtained, or the part is not received by Supplier within the forty-five (45) day period, the Warranty will be voided and the Customer will be charged for the replacement part(s) at the current list price. Supplier may request that the Product be scrapped on site at Customer's facility. Under those circumstances, Supplier will ship the replacement Product to Customer as soon as the Product is available.

8. DISCLAIMER OF OTHER WARRANTIES

THE WARRANTIES SET FORTH IN SECTION 7 ABOVE ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, WHICH ARE EXCLUDED.

9. LIMITATION OF LIABILITY

SUPPLIER'S LIABILITY FOR ANY LOSS OR DAMAGE ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM PERFORMANCE OR BREACH OF THE TERMS HEREOF, OR FROM THE MANUFACTURE, SALE, DELIVERY, RESALE, INSPECTION, REPAIR, OPERATION OR USE OF GOODS SOLD OR PROVIDED BY SUPPLIER TO THE CUSTOMER, SHALL IN NO CASE EXCEED THE PRICE ALLOCABLE TO THE GOODS THAT GIVE RISE TO THE CLAIM. IN NO EVENT SHALL SUPPLIER HAVE ANY LIABILITY FOR EXEMPLARY, INCIDENTAL, CONSEQUENTIAL, OR LOST PROFITS OR DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST SALES, LOST OPPORTUNITIES, LOST MARKET GROWTH, OR LOSS OF FUTURE MARKET SHARE. THE LIMITATIONS OF LIABILITY SET FORTH HEREIN SHALL OPERATE ON ANY CLAIM(S) OF ANY KIND (INCLUDING, BUT NOT LIMITED TO, CLAIMS FOR INJURY TO PERSONS OR PROPERTY), WHETHER BASED ON CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER LEGAL THEORY, EVEN IF SUPPLIER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10. FORCE MAJEURE

Neither Party will be held liable if its performance or its obligations under the Contract is delayed, prevented, or made unreasonably onerous due to a Force Majeure event, such as, but not limited to, natural disasters, acts of war, terrorism, blockades, embargoes, riots, mobs, governmental decisions or actions (including, but not limited to, the prohibition of export or re-export, or revocation of applicable export license), fire, flood, snow, or other interruption or delay in the supply of energy, raw materials or transportation, external labor conflict to the

affected party, defects or delays due to subcontractors when caused by such circumstances ("Force Majeure").

Upon the occurrence of an event of Force Majeure, the affected party has the right to suspend the execution of their contractual obligations, upon seven (7) days' notice to the other party, and shall take all reasonable steps to mitigate the Force Majeure within thirty (30) days. In the event that Force Majeure continues for more than sixty (60) days, the Contract may be terminated upon written notice, without prejudice to the payment of amounts due to the Supplier prior to the occurrence of the Force Majeure.

11. EXPORT

All sales hereunder shall at all times be subject to the export control laws and regulations of the United States government and any amendments thereto. Customer agrees that it shall not make any disposition, by way of transshipment, reexport, diversion or otherwise, except as such laws and regulations may expressly permit, of Products, other than in and to the ultimate country of destination specified in this Agreement or any Order placed hereunder. Customer agrees that it shall not knowingly sell, transfer, or deliver, directly or indirectly, any part or portion of the Products or related documentation supplied by Supplier pursuant to this Agreement to any person or organization in any country where such sale, transfer, or delivery by Customer would be prohibited by law or regulation now or hereafter in effect which imposes any restrictions on United States trade with foreign countries.

12. ASSIGNMENT

Neither this Agreement nor any of the rights, interests, or obligations hereunder shall be assigned by any of the Parties hereto, in whole or in part (whether by operation of law or otherwise), without the prior written consent of the other Parties, and any attempt to make any such assignment without such consent shall be null and void. Subject to the preceding sentence, this Contract will be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors and assigns [assignees?].

13. WAIVER

Failure of Supplier to exercise any right under this Contract shall not be deemed a waiver thereof.

14. LAW AND JURISDICTION

This Contract is to be construed, and the respective rights and duties of Customer and Supplier are to be determined according to the laws of the State of Idaho. The Parties agree that any litigation arising out of this contract shall be brought only in the federal or state courts in the State of Idaho and both Parties consent to the jurisdiction of such courts.

15. GENERAL

All notices to be given hereunder shall be in writing and shall either be personally delivered or sent by mail with return receipt requested.