



Purchase Order Provisions

Capewell Aerial Systems LLC Purchase Order Provisions

These purchase order provisions (these “Terms”) are the only terms which govern the purchase of material and other goods (the “Goods”) by Capewell Aerial Systems LLC (“Capewell”) from the seller named on the applicable purchase order (the “Supplier”). The applicable purchase order issued by Capewell (the “Purchase Order”) and these Terms (collectively, this “Agreement”) comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. These Terms prevail over any of Supplier’s general terms and conditions of sale regardless whether or when Supplier has submitted its sales confirmation or such terms. This Agreement expressly limits Supplier’s acceptance to the terms of this Agreement. Fulfillment of the Purchase Order constitutes acceptance of these Terms. Capewell may, in its sole discretion and at any time for any reason, change these terms or any policies, instructions or guidelines. It is the Supplier’s responsibility to review, understand and comply with these terms and any related policies, instructions or guidelines which may be updated from time to time and posted on Capewell’s website.

Standard Clauses S1 through S32 are incorporated as part of all Purchase Orders issued by Capewell. Other clauses (A1 through E1) may be imposed as additional requirements of a Purchase Order. Clauses F1 through F5 are imposed if the Purchase Order is issued by Capewell in connection with a United States Government Department of Defense (“DoD”) contract in which Capewell is either the Prime Contractor or Subcontractor.

In case of any conflict with this Agreement and any other requirements, the order of precedence is as follows:

1. Purchase Order
2. Drawings, Specifications, and/or Electronic Files
3. These Terms

S1. Flowdown Requirements - All applicable requirements that are invoked or applied to the Purchase Order, including this clause, shall be flowed down to the Supplier and Supplier's sub-tier suppliers.

S2. Rights of Access - Work under this Agreement is subject to Government and/or Capewell surveillance/inspection at Supplier's plant or Supplier’s sub-tier supplier's facility. The Supplier will be notified if a surveillance/inspection is to be conducted.

S3. Quality System - Supplier compliance and/or certification to AS9100, IS09001, ISO 17025, or equivalent recognized quality management system is preferred, but not mandatory. At a minimum there shall be adequate process controls to ensure the Supplier can meet Capewell's Purchase Order requirements.

S4. Suspension of Contract Deliveries – In addition to any remedies that may be provided under these Terms, if there is evidence of unacceptable Quality Procedures, Capewell may, in its sole but reasonable discretion, suspend contract deliveries pending demonstration of appropriate corrective actions by Supplier.

S5. Inspection; Nonconforming Material– Capewell has the right to inspect the Goods on or after the Delivery Date (as defined below). Capewell, at its sole option, may inspect all or a sample of the Goods and may reject all or any portion of the Goods if such Goods are nonconforming or defective. If Capewell rejects any portion of the Goods, Capewell has the right, effective upon written notice to Supplier, to: (a) rescind this Agreement in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require replacement of the rejected Goods. If Capewell requires replacement of the Goods, Supplier shall, at its expense and no later than fifteen (15) days after receiving notice from Capewell, replace the nonconforming or defective Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective material and/or goods and the delivery of replacement Goods. Repair dispositions on nonconforming or defective Goods must be approved in advance by Capewell. A copy of the approval shall be enclosed with each shipment made pursuant to this Agreement. If Supplier fails to timely deliver replacement Goods, Capewell may replace them with goods from a third party and charge Supplier the cost thereof and terminate this Agreement for cause pursuant to Clause S22. Any inspection or other action by Capewell under this Clause shall not reduce or otherwise affect Supplier’s obligations under the Agreement, and Capewell shall have the right to conduct further inspections after Supplier has carried out its remedial actions.

S6. Supplier Reporting - The Supplier shall provide for timely reporting of nonconformities that may affect already delivered Goods. Notification shall include a clear description of the discrepancy, identification of

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suspect parts (to include manufacturing dates, serial numbers, quantity, etc.) and material affected by the deficiency, dates delivered, and any information to the root cause/corrective action steps initiated to address the defective condition and to prevent recurrence.

S7. Packaging/Preservation Not Specified - When specific packaging is not referenced in the Purchase Order and/or drawing, the Supplier shall package Goods in such a manner as to prevent damage during shipment and subsequent storage at Capewell.

S8. Foreign Object Control - The Supplier shall have sufficient foreign object controls within their facilities/operations to prevent foreign objects from entering into the Goods.

S9. Delivery Date and Location; Shipping – Supplier shall deliver the Goods in the quantities and on the date(s) specified in the applicable Purchase Order or as otherwise agreed in writing by the parties (the “Delivery Date”). Timely delivery of the Goods is of the essence. If Supplier fails to deliver the Goods in full on the Delivery Date, Capewell may terminate the Purchase Order immediately by providing written notice to Supplier and Supplier shall indemnify Capewell against any losses, claims, damages, and reasonable costs and expenses directly attributable to Supplier’s failure to deliver the Goods on the Delivery Date. Capewell has the right to return any Goods delivered prior to the Delivery Date at Supplier’s expense and Supplier shall redeliver such Goods on the Delivery Date. All Goods shall be delivered to the address specified in the Purchase Order (the “Delivery Location”) during Capewell’s normal business hours or as otherwise instructed by Capewell. Delivery shall be made FOB Delivery Location, Incoterms® 2020, unless otherwise specified in the Purchase Order. Supplier shall give written notice of shipment to Capewell when the Goods are delivered to a carrier for transportation. Supplier shall provide Capewell all shipping documents, including the commercial invoice, packing list, air waybill/bill of lading and any other documents necessary to release the Goods to Capewell after Supplier delivers the Goods to the transportation carrier.

S10. General Workmanship - Unless otherwise specified (i.e. drawing requirements, specifications, Purchase Order) material shipped pursuant to this Agreement shall be free of dents, gauges, burrs, scratches, sharp edges, foreign matter, or any other evidence of poor workmanship standards that shall create a condition that renders said part unsatisfactory for its intended use. In addition, Supplier warrants to Capewell that for a period of twenty-four (24) months from the Delivery Date (or for a longer period if specifically set forth in the Purchase Order or by mutual agreement of the parties), all Goods will: (a) be free from any defects in workmanship, material and design; (b) conform to applicable specifications, drawings, designs, samples and other requirements specified by Capewell; (c) be fit for their intended purpose and operate as intended; (d) be merchantable; (e) be free and clear of all liens, security interests or other encumbrances; and (f) not infringe or misappropriate any third party’s patent or other intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment of or for the Goods by Capewell. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Capewell’s discovery of the noncompliance of the Goods with the foregoing warranties. If Capewell gives Seller notice of noncompliance with this Clause, Supplier shall, at its own cost and expense and within fifteen (15) days or such notice, replace or repair the defective or nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Supplier and the delivery of repaired or replacement Goods to Capewell.

S11. Purchase Order Change Control - Purchase Order changes that affect the requirements defined in the Purchase Order shall be formally communicated from the Supplier to Capewell via a Purchase Order change request, which may be approved or denied by Capewell at its sole discretion.

S12. Product and Manufacturing Change Control - No change in specification, materials or manufacturing process that may affect fit, form or function is allowed to Goods without prior written approval from Capewell.

S13. Certificate of Compliance (C of C) - The Supplier shall furnish certification that Goods shipped comply with all requirements of the Purchase Order, drawings, and specifications. The certificate shall state:

1. Supplier’s name and address
2. Manufacturer’s name and address (if different from Supplier)
3. Date certificate is issued

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4. Capewell Purchase Order Number
5. Identification of Goods by serial number, lot numbers, production date or other identifiable means.
6. Description of Goods
7. Drawing /specification number and revision
8. A statement certifying that all materials used are in accordance to the applicable specifications, all prescribed processes have been met and all inspections and test were successful and passed.
9. Signature and title of Supplier's authorized quality representative
10. Certificate of Conformance stating all items shipped pursuant to this Agreement are in compliance with the Berry Amendment (B.A.C.)

S14. Certificate of Compliance - Raw Materials –

(a) The Supplier will include with each shipment the raw material manufacturer's test report (e.g., mill test report) that states that the lot of material furnished has been tested, inspected, and found to be in compliance with the applicable material specifications. The test report will list the specifications, including revision numbers or letters, to which the material has been tested and/or inspected and the identification of the material lot to which it applies.

(b) When the material specification requires quantitative limits for chemical, mechanical, or physical properties, the test report will contain the actual test and/or inspection values obtained. For aluminum mill products (except castings), certifications for chemistry may indicate compliance within the allowed range. Certifications for physical properties will show actual values.

(c) When Supplier provides converted material produced by a raw material manufacturer, Supplier shall submit all pre and post conversion chemical /physical tests reports.

S15. Certificate of Manufacturing Date - A certificate is required for shelf life of age/environmental sensitive materials submitted. Any product, substance or material that has a limited life shall have a minimum of 90% of its certified shelf life remaining upon delivery to Capewell. The limited life period shall be identified on the product or support documentation. A Material Safety Data Sheet (MSDS) is to be provided with each shipment of Goods.

S16. Record Retention - The Supplier shall maintain records for review by Capewell or the customer/regulatory agency, as applicable, for a minimum of ten (10) years from the date of delivery of product to Capewell. Records shall include, but not be limited to:

1. Evidence of inspection to assure adherence to applicable drawings or specifications and revisions
2. First Article Inspection Report
3. Test Reports
4. Periodic inspection and control of inspection media
5. Records to indicate control of Special Tooling and Special Test Equipment
6. Test data records of all qualification and acceptance test performed
7. Certification of personnel as required by specification and/or contract
8. Raw Material and Process certifications
9. Material Review Reports

S17. Material Lot Control, and Traceability - Material delivered pursuant to this Agreement requires material lot control, and traceability. Manufacturing lots shall be traceable and identified to manufacturing documents. Lot date codes, manufacturing lot numbers, or unique job numbers are acceptable means of identification and must be referenced on certification of compliance and traceable to the Supplier's manufacturing documents. Lot date codes shall not exceed three (3) years from date of manufacture. As applicable, for assemblies and subassemblies, lot date codes shall not exceed three (3) years from date of assembly.

S18. Price; Payment Terms

The price of the Goods is the price stated in the Purchase Order (the "Price"). Unless otherwise specified in the Purchase Order, the Price includes all packaging, transportation costs to the Delivery Location, insurance, customs duties and fees and applicable taxes, including, but not limited to, all sales, use or excise taxes. No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior

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written consent of Capewell. Applicable payment terms will also be set forth in the Purchase Order. If no payment terms are included in the Purchase Order, Capewell will pay all properly invoiced amounts due to Supplier within sixty (60) days after Capewell's receipt of such invoice, except for any amounts disputed by Capewell in good faith. All payments hereunder must be in US dollars. Notwithstanding anything to the contrary in this Agreement, and without prejudice to any other right or remedy it has or may have, Capewell reserves the right to set off at any time any amount owing to it by Supplier against any amount payable by Capewell to Supplier, whether such amount is matured or unmatured or arises under this Agreement or otherwise.

S19. Counterfeit Goods -

(a) Supplier shall not furnish Counterfeit Goods to Capewell. "Counterfeit Goods" are defined as goods or separately-identifiable items or components of goods that: (i) are an unauthorized copy or substitute of an Original Equipment Manufacturer or Original Component Manufacturer (collectively, "OEM") item; (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OEM design but not disclosed as such or are represented as OEM authentic or new; or (v) have not passed successfully all OEM required testing, verification, screening, and quality control processes. Notwithstanding the foregoing, goods or items that contain modifications, repairs, re-work, or re-marking as a result of Supplier's or its subcontractor's design authority, material review procedures, quality control processes or parts management plans, and that have not been misrepresented or mismarked, shall not be deemed Counterfeit Goods. Counterfeit Goods shall be deemed nonconforming to the applicable Purchase Order for which they were delivered.

(b) Supplier shall implement and/or maintain an appropriate strategy to ensure that goods furnished to Capewell under this Agreement are not Counterfeit Goods. Supplier's strategy shall include, but is not limited to, the direct procurement of items from OEMs or authorized suppliers, conducting approved testing or inspection to ensure the authenticity of items, and, when items are to be procured from non-authorized suppliers, obtaining from such non-authorized suppliers appropriate certificates of conformance that provide one or more of the following: (i) the OEM's original certificate of conformance for the item; (ii) sufficient records providing unbroken supply chain traceability to the OEM; or (iii) test and inspection records demonstrating the item's authenticity.

(c) If Supplier becomes aware or suspects that it has furnished Counterfeit Goods to Capewell under this Agreement, Supplier promptly, but in no case later than thirty (30) calendar days from discovery, shall notify Capewell and replace, at Supplier's expense, such Counterfeit Goods with OEM or Capewell-approved goods that conform to the requirements of the applicable Purchase Order. Supplier shall be liable for all costs related to the replacement of Counterfeit Goods and any testing or validation necessitated by the installation of authentic goods after Counterfeit Goods have been replaced.

(d) Supplier bears responsibility for procuring authentic goods or items from its subcontractors and shall ensure that all such subcontractors comply with the requirements of this provision.

S20. Supplier Obligations; Indemnification -

(a) Supplier's contributions to product or service conformity is vital to the success of both organizations, as well as Capewell's customers. Goods and services must meet all the requirements of this Agreement including, for the avoidance of doubt, the applicable Purchase Order.

(b) Supplier's contribution to product safety is paramount. Supplier acknowledges and agrees that the Goods provided to Capewell under this Agreement are included in products and services which our customers utilize in human life support and crucial aerial delivery applications.

(c) Supplier shall defend, indemnify and hold harmless Capewell and Capewell's subsidiaries, affiliates, successors or assigns and their respective directors, officers, shareholders and employees and Capewell's customers (collectively, "Indemnitees") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "Losses") arising out of or occurring in connection with the products purchased from Supplier or Supplier's negligence, willful

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misconduct or breach of this Agreement. Supplier shall not enter into any settlement without Capewell's or Indemnitee's prior written consent.

(d) Supplier shall, at its expense, defend, indemnify and hold harmless Capewell and any Indemnitee against any and all Losses arising out of or in connection with any claim that Capewell's or Indemnitee's use or possession of the Goods infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party. In no event shall Supplier enter into any settlement without Capewell's or Indemnitee's prior written consent.

S21. Compliance with Law - Supplier is in compliance with and shall comply with all applicable laws, regulations and ordinances. Supplier has and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Purchase Order. Supplier shall comply with all export and import laws of all countries involved in the sale of Goods under this Agreement. Supplier assumes all responsibility for shipments of Goods requiring any government import clearance. Capewell may terminate this Order if any government authority imposes antidumping duties, countervailing duties or any retaliatory duties on the Goods.

S22. Termination

(a) Termination for Convenience

Capewell may terminate the Purchase Order, in whole or in part, at any time with or without cause, by delivering to Supplier a notice of termination specifying the extent of termination and the effective date. In the event of such termination, Supplier shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of the Purchase Order, Supplier shall be paid a percentage of the Purchase Order price reflecting the percentage of the work performed prior to the notice of termination, plus reimbursement for reasonable and documented out-of-pocket costs and expenses incurred by Supplier in connection with work in process through the date of termination after using its best efforts to mitigate such costs and expenses (the work percentage payment and the direct costs and expenses are collectively referred to herein as the "Termination Fee"). The parties acknowledge and agree that the Termination Fee shall not include, nor shall Supplier be paid or otherwise compensated for, any work performed or costs incurred which reasonably could have been avoided, or for which Supplier is able to recuperate or otherwise mitigate its losses. In no event shall the Termination Fee exceed the Price. The parties intend the Termination Fee to be liquidated damages constituting compensation, and not a penalty. The parties acknowledge and agree that damages resulting from termination pursuant to this Clause 22(a) would be impossible or very difficult to accurately estimate, and that the Termination Fee is a reasonable formula to determine anticipated or actual harm that may arise from such termination. Capewell's payment of the Termination Fee to Supplier is Capewell's sole liability and entire obligation, and Supplier's exclusive remedy for any termination by Capewell under this Clause 22(a). For the avoidance of doubt, in no event shall Capewell be liable for lost or anticipated profits or revenue, or any indirect or incidental costs or liabilities, or for any consequential, special, exemplary or punitive damages. If Supplier determines in good faith that amounts are owed to Supplier under this Clause 22(a), Supplier must submit such claim to Capewell, along with documentation to support such claim, within thirty (30) days from the effective date of termination. If Supplier fails to submit a claim within such thirty (30) day period, Supplier shall have forfeited the right to make any claim with respect to damages or losses incurred as a result of any termination by Capewell under this Clause 22(a). Supplier shall continue all work not terminated.

(b) Termination for Cause

(i) Capewell may, by written notice to Supplier, cancel all or part of the Purchase Order: (A) if Supplier fails to deliver the Goods within the time specified by the Purchase Order or any written extension executed by the parties, if applicable, and such failure continues for five (5) days after Supplier's receipt of written notice; (B) if Supplier fails to perform any other provision of the Purchase Order so as to endanger performance of the Purchase Order, and such failure continues for five (5) days after Supplier's receipt of written notice; or (C) in the event of Supplier's bankruptcy, suspension of business, insolvency, appointment of a receiver for Supplier's property or business, or any assignment, reorganization or arrangement by Supplier for the benefit of its creditors. Supplier shall continue all work not terminated.

(ii) Upon termination of this Agreement pursuant to Clause 22(b)(i), Capewell may require Supplier to transfer title and deliver to Capewell, as directed by Capewell, any (A) completed Goods, and (B) any partially completed Goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and Purchase Order rights (collectively,

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"Manufacturing Materials") that Supplier has specifically produced or acquired for the canceled portion of the Purchase Order. Upon direction from Capewell, Supplier shall also protect and preserve property in its possession in which Capewell or its customer has an interest.

(iii) Upon termination of this Agreement pursuant to Clause 22(b)(i), Capewell shall pay the Purchase Order price for completed Goods accepted, if applicable. In addition, any payment for Manufacturing Materials accepted by Capewell and for the protection and preservation of Capewell's property shall be at a price determined reasonable, except that Supplier shall not be entitled to profit. Capewell may withhold from any amount due under the Purchase Order any sum Capewell determines to be necessary to protect Capewell or Capewell's customer against loss because of outstanding liabilities, liens or claims of former lien holders.

(iv) If, after termination pursuant to Clause 22(b)(i), it is determined that Supplier was not in default, the rights and remedies of the parties shall be as if the Purchase Order had been terminated for convenience in accordance with Clause 22(a).

S23. Waiver - No waiver by any party of any of the provisions of the Purchase Order shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in the Purchase Order, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from the Purchase Order shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

S24. Confidential Information - All non-public, confidential or proprietary information of Capewell, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Capewell to Supplier, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with the Purchase Order is confidential, solely for the use of performing the Purchase Order and may not be disclosed or copied unless authorized by Capewell in writing. Upon Capewell's request, Supplier shall promptly return all documents and other materials received from Capewell. Capewell shall be entitled to injunctive relief for any violation of this Clause. This Clause shall not apply to information that is: (a) in the public domain; (b) known to the Supplier at the time of disclosure; or (c) rightfully obtained by the Supplier on a non-confidential basis from a third party.

S25. Assignment - Supplier shall not assign, transfer, delegate or subcontract any of its rights or obligations under the Purchase Order without the prior written consent of Capewell. Any purported assignment or delegation in violation of this Clause shall be null and void. No assignment or delegation shall relieve the Supplier of any of its obligations hereunder. Capewell may at any time assign, transfer or subcontract any or all of its rights or obligations under the Purchase Order without Supplier's prior written consent.

S26. Relationship of the Parties - The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity shall be construed from this Order.

S27. No Third-Party Beneficiaries - This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

S28. Governing Law - All matters arising out of or relating to this Order shall be governed by and construed in accordance with the internal laws of the State of Connecticut without giving effect to any choice or conflict of law provision or rule (whether of the State of Connecticut or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Connecticut.

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S29. Submission to Jurisdiction - Any legal suit, action or proceeding arising out of or relating to this Order shall be instituted in the federal courts of the United States of America or the courts of the State of Connecticut in each case located in the City of Hartford and County of Hartford, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

S30. Cumulative Remedies - The rights and remedies under this Agreement are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

S31. Severability - If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Additional Purchase Order Provisions - these Clauses apply if specifically referenced in the Purchase Order.

A1. Supplier Inspection Data -The Supplier shall provide their inspection data with each delivery.

A2. First Article Inspection - The Supplier is required to complete a First Article Inspection to verify compliance to all product requirements and specifications. The Supplier shall provide the results to Capewell at time of shipment (Note: AS9102, First Article Inspection, shall be used as guideline):

1. The first article unit may be one item or a representative sample from the initial lot, batch, run, or the first 10 units produced from production tooling for this Purchase Order.
2. The First Article Inspection shall provide supporting data to verify 100% of the product drawing requirements, specifications, and notes.
3. The First Article Inspection shall consist of all records and inspection/test data related to build history, failures, repairs, acceptance test results, and other pertinent configuration documentation.
4. Capewell reserves the right to witness the First Article Inspection at the Supplier's facility.

A3. First Piece Inspection - The Supplier shall provide first piece dimensional inspection data. The first piece shall be from the initial lot, batch, or run. 100% of the dimensions shall be measured as part of the first piece inspection. Data sheet shall depict dimension, tolerance, and actual measurement (with variables data recorded), and be traceable to the Capewell part number and revision. First piece inspection data shall be sent to Capewell at least once for each Purchase Order. Subsequent Purchase Orders shall require another first piece inspection datasheet. Any revision or change to a drawing that affects any dimensions shall necessitate additional first piece inspection data for an open Purchase Order.

A4. Critical/Key Dimensions Inspection - The Supplier shall provide critical/key dimension inspection results with each shipment. Critical/Key dimensions are identified either on the drawing or as part of the Purchase Order notes. Data shall be supplied on 100% of the identified dimensions, to a 1% AQL of the production lot.

A5. Inspection and Test Plan - The Supplier shall submit an Inspection and Test Plan to Capewell. Changes are not allowed to the Inspection and Test Plan without approval from Capewell. The Inspection and Test Plan should include the following:

1. A flow chart that includes a brief word description of the type of operation, inspection or test performed at the steps provided in the chart.
2. An identification of the applicable test procedure numbers, process specifications, or other documents utilized in the performance of operations listed.

B1. Government Source Inspection (GSI) - U.S. Government Source Inspection (GSI) is required prior to delivery to Capewell. Upon receipt of this Purchase Order, Supplier shall promptly notify the U.S. Government representative who normally services the Supplier's plant, in order that the U.S. Government representative can accomplish appropriate planning for conducting Government Source Inspection at the Supplier's facilities. If the Supplier cannot locate the U.S. Government representative to arrange for the required Source Inspection, the Supplier shall notify Capewell immediately. Upon request, the Supplier shall make available to the U.S.

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Government representative any measuring and test equipment, facilities, records and personnel to facilitate the U.S. Government Source Inspection.

B2. FAA Source Inspection - During the performance of this Purchase Order, Supplier's quality control or inspection system and manufacturing processes are subject to review, verification, and analysis by the Federal Aviation Administration (FAA). FAA inspection or release of product prior to shipment is not required unless Supplier is otherwise notified.

C1. Certificate of Compliance (C of C) Calibration - The Supplier shall submit for each item calibrated, one reproducible record of actual calibration results, including applicable graphic and tabular data. Records shall be traceable to the individual item tested, by part number, serial number and Capewell's Purchase Order number for the item shipped. The Supplier's calibration certificate shall include a unique calibration tracking number, tolerance range, and environmental conditions at the time each parameter was calibrated. The certificate shall also state the operating error per specification, the degree of correction of out of tolerance condition and remaining uncorrected out of tolerance condition, if applicable.

C2. Special Process Certification - Articles on this Purchase Order require special processes such as, but not limited to: soldering, painting, welding, heat-treating, electroplating, anodizing, chemical films, or nondestructive testing. These processes shall be validated by the Supplier and under proper process controls to ensure conformance to product and process specifications/parameters. The Supplier shall furnish certification to the processes (include process specification number, type, class, color, etc.). See Standard Purchase Order Clause S13 for the contents of a C of C.

C3. Nondestructive Examination (NDE) / Nondestructive Testing (NDT) Certification - The Supplier shall furnish with each shipment, and affixed to the product/material, a copy of the NDE/NDT certification for materials requiring any of the following non-destructive tests/inspections (see Purchase Order for NDE/NDT requirements):

- Liquid Penetrant
- Magnetic Particle
- Eddy Current
- Ultrasonic
- Radiographic

D1. Electrostatic Discharge (ESD) Handling and Package Control - The Supplier is required to provide ESD protection as identified by the specification or drawing on this Purchase Order. The Supplier shall have documented procedures for protection of ESD sensitive devices during all phases of manufacture, handling, packaging, testing, storage, and shipment. The Supplier's ESD program shall be in accordance with MIL-STD-1686, MIL-HDBK-263, ANSI/ESD-20-20, or Capewell approved equivalent. An ESD identification label shall be affixed to each package noting "ESD SENSITIVE."

D2. Electrical and electronic components - The supplied product shall have manufacturer lot date code identification and shall be packaged to provide segregation to assure traceability to unique lot codes and quantities can be maintained.

E1. Calibration System - The Supplier shall have a documented calibration system that meets the requirements of ISO 17025, "General Requirements for the Competence of Testing and Calibration Laboratories", or the American National Standard Institute (ANSI)/National Conference of Standards Laboratories (NCSL) Z540-I, "General Requirements for Calibration Laboratories and Measuring and Test Equipment."

E2. Foreign Object Damage (FOD) Prevention - The Supplier is required to establish and maintain a FOD prevention program in compliance with AS9146 Foreign Object Damage (FOD) Prevention Program-Requirements for Aviation, Space, and Defense Organizations

F1. FAR/DFARS Flow Down - This Purchase Order is issued under a United States Government Department of Defense (DoD) prime contract or subcontract, and the regulations of the below identified clauses set forth in the Federal Acquisition Regulations (FAR) or DOD FAR Supplement (DFAR) in effect on the date of this order are incorporated herein by reference, it being understood that as used therein, (a) the terms "Government" and "Contracting Officer" shall be deemed to mean buyer, (b) the term "Contractor" means seller, and (c) the term "Contract" means this Purchase Order or subcontract. The identified requirements also apply to the Supplier's

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sub-tier suppliers and sub-contractors.

F2. SPECIALTY METALS - DFARS 252.225-7009 – The Contractor/Supplier shall include (flow down) to all their suppliers of specialty metals as defined by DFARS 252.225-7009. DOD's interpretation of this specialty metals clause is that it prohibits the contractor (including its suppliers at every tier) from incorporating into military parts, components, and/or end item deliverables "specialty metals" which have been melted outside the United States, its possessions, or Puerto Rico, unless certain limited exceptions set forth in the clause or DFARS Subpart 252.225-7009 apply. One such exception is for specialty metals melted in a qualifying country or incorporated into an article manufactured in a qualifying country. Those countries are listed at DFARS 225.003. Supplier must maintain raw material certifications/proof of compliance on file and provide them upon request within 5 business days.

F3. BUY AMERICAN ACT - FAR 25.102 is hereby imposed.

(a) The Buy American Act requires that only domestic end products be acquired for public use, except articles, material, and supplies -

- (1) For use outside the United States;
- (2) For which the cost would be unreasonable, as determined in accordance with 25.105;
- (3) For which the agency head determines that domestic preference would be inconsistent with the public interest;
- (4) That are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities, of satisfactory quality (see 25.103); or Purchased specifically for commissary resale.

(b) Unless agency regulation prescribes otherwise -

- (1) The contracting officer may make a non-availability determination under 25.103 for an acquisition if -
 - A. The acquisition was conducted by full and open competition;
 - B. The acquisition was synopsisized under 5.201; and,
 - C. No offer for a domestic end product was received.

F4. EXPORT CONTROL COMPLIANCE - The information contained may be subject to International Traffic Arms Regulations (ITAR) or Export Administration Regulations (EAR) Controls and may not be disclosed to any foreign person(s) or firm, including persons employed by or associated with your firm, without first complying with all requirements of the ITAR, 22 CFR 120-130 and the EAR, 15 CFR 730-774.

Capewell Suppliers are hereby notified of the following International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR) Compliance Requirements.

- Capewell Suppliers are also notified that any technical data (i.e. specification, drawings, etc.) provided by Capewell is considered to be export controlled and may not be provided to any foreign person

* Foreign persons are person who are not 1) U.S. Citizens, 2) U.S. Permanent Resident Aliens (Green Card Holders), or 3) Protected Persons (Refugees or Asylees).

- Capewell Suppliers may also **not** provide any of the export controlled technical data provided by Capewell to foreign suppliers or affiliates, regardless of the nature of the relationship to the U.S. supplier, for any reason, without prior specific export authorization secured from the Directorate of Defense Trade Controls (for ITAR Controlled data) or the Bureau of Industry and Security (for EAR Controlled data).

- Capewell Supplier is also notified that it may not transfer any export controlled technical data provided by Capewell to any U.S. sub-contractor/vendor without first notifying the subcontractor/vendor of the export compliance requirements as stated above.

By this notification, Supplier, as a Capewell supplier, has been so advised of Supplier's compliance obligations under the ITAR and EAR.

F5. SPECIAL CONDITIONS – FAR / DFARS FLOWDOWN CLAUSES OR PROVISIONS

To the extent this Order is in support of a US Government Contract, the FAR clauses or provisions referenced below are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable during the performance of this Contract.

Capewell Aerial Systems LLC Purchase Order Provisions

If the date or substance of any of the clauses or provisions listed below is different than the date or substance of the clause or provisions incorporated in the prime contract, the date or substance of the clause or provision incorporated by said prime contract shall apply. Any clauses or provisions missing from below that is not flowed down from the prime contract, the clauses or provisions incorporated by said prime contract shall apply.

FAR FLOWDOWN CLAUSES/PROVISIONS - REQUIRED:

1. 52.203-13 Contractor Code of Business Ethics and Conduct (OCT 2015)
2. 52.203-19 Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements (JAN 2017)
3. 52.204-21 Basic Safeguarding of Covered Contractor Information Systems (JUN 2016)
4. 52.204-23 Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (JUL 2018)
5. 52.204-25 Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment (AUG 2020)
6. 52.209-6 Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment (AUG 2013)
7. 52.211-15 Defense Priority and Allocation Requirements (APR 2008)
8. 52.215-14 Integrity of Unit Prices (OCT 2010) (delete paragraph (b) of the clause)
9. 52.219-8 Utilization of Small Business Concerns (OCT 2018)
10. 52.222-21 Prohibition of segregated facilities (APR 2015)
11. 52.222-26 Equal Opportunity (SEP 2016)
12. 52.222-35 Equal Opportunity for Veterans (OCT 2015)
13. 52.222-36 Equal Opportunity for Workers with Disabilities (JUL 2014)
14. 52.222-37 Employment Reports on Veterans (FEB 2016)
15. 52.222-40 Notification of Employee Rights Under the National Labor Relations Act (DEC 2010)
16. 52.222-50 Combating Trafficking in Persons (JAN 2019)
17. 52.225-1 Buy American – Supplies (MAY 2014)
18. 52.225-13 Restrictions on Certain Foreign Purchases (JUN 2008)
19. 52.227-1 Authorization and Consent (DEC 2007)
20. 52.232-40 Providing Accelerated Payments to Small Business Subcontractors (DEC 2013)
21. 52.234-1 Industrial Resources Developed Under Title III, Defense Production Act (SEP 2016)
22. 52.244-6 Subcontracts for Commercial Items (MAR 2015)
23. 52.246-11 Higher-Level Contract Quality Requirement (DEC 2014)
24. 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels (FEB 2006)

DFARS FLOWDOWN CLAUSES/PROVISIONS - REQUIRED:

1. 252.203-7002 Requirement to Inform Employees of Whistleblower Rights (SEP 2003)
2. 252.204-7000 Disclosure of Information (OCT 2016)
3. 252.204-7009 Limitations on the Use or Disclosure of Third- Party Contractor Reported Cyber Incident Information (OCT 2016)
4. 252.204-7012 Safeguarding covered defense information and cyber incident reporting (DEC 2019)
5. 252.204-7014 Limitations on the Use or Disclosure of Information by Litigation Support Contractors (MAY 2016)
6. 252.204-7018 Prohibitions on the Acquisition of Covered Defense Telecommunications Equipment or Services (DEC 2019) except as modified below: All subparagraphs of the DFARS clause will remain the same except for (d)(1), which will read as follows:
 - (1) In the event the Seller identifies covered defense telecommunications equipment or services used as a substantial or essential component of any system, or as critical technology as part of any system, during contract performance, the Seller shall report to Boeing the information in paragraph (d)(2) of this clause.
7. 252.223-7008 Prohibition of Hexavalent Chromium (JUN 2013)
8. 252.225-7001 Buy American and Balance of Payments (DEC 2017)
9. 252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals (OCT 2014)
10. 252.225-7007 Prohibition on Acquisition of Certain Items from Communist Chinese Military Companies (DEC 2018)
11. 252.225-7036 – Buy American – Free Trade Agreements – Balance of Payments Program – Basic (DEC 2017)

**Capewell Aerial Systems LLC
Purchase Order Provisions**

12. 252.225-7048 Export-Controlled Items (JUN 2013)
13. 252.227-7015 Technical Data - Commercial Items (FEB 2014), applies if any technical data related to commercial items developed in any part at private expense will be obtained from Seller for delivery to the Government.
14. 252.227-7037 Validation of Restrictive Markings on Technical Data (SEP 2016)
15. 252.228-7001 Ground and Flight Risk (JUN 2010)
16. 252.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD contracts) (JUN 2013)
17. 252.246-7003 Notification of Potential Safety Issues (JUN 2013)
18. 252.247-7023 Transportation of Supplies by Sea (APR 2014)

FAR FLOWDOWN CLAUSES/PROVISIONS – IN ADDITION WHEN APPLICABLE:

1. 52.203-6 Restrictions on Subcontractor Sales to the Government (SEP 2006) (If subcontract exceeds the simplified acquisition threshold)
2. 52.203-7 Anti-Kickback Procedures (If subcontract exceeds \$150,000)
3. 52.203-17 Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights (If subcontract exceeds the simplified acquisition threshold)
4. 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (If subcontract exceeds the simplified acquisition threshold)
5. 52.230-2 Cost Accounting Standards (OCT 2015) (In subcontracts in excess of \$750,000 or full Capewell coverage applies)
6. 52.230-3 Disclosure and Consistency of Cost Accounting Practices (In subcontracts in excess of \$750,000 or full Capewell coverage applies)
7. 252.215-7010 Requirements for Certified Cost or Pricing Data and Data Other Than Certified Cost or Pricing Data (JAN 2018) (If subcontract exceeds the simplified acquisition threshold)
8. 252.249-7002 Notification of Anticipated Contract Termination or Reduction (OCT 2015) (If subcontract exceeds \$700,000)