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Purchasing Terms and Conditions

This document constitutes the entire agreement between the parties relating to purchases of the materials specified on the purchase order and prevails over any and all terms contained in Sellers terms and conditions or QED/inc.'s written acknowledgment. However, prices, quantities, dates, delivery destination, means of transportation are to be specified by QED/inc. (hereinafter called Buyer) on the purchase order. Seller shall acknowledge in writing acceptance of Purchase Order conditions.

1. Performance Expectations

All suppliers shall have a quality system approved by the Buyer's Quality Assurance Manager. Suppliers with 100% quality and delivery rating will receive Preferred Status in consideration by the purchasing department for placement of orders. All suppliers are expected to have a rating of 95.0% or better. Monitoring data will be furnished to suppliers by the Buyer's Quality Assurance Manager upon request.

2. Quality Assurance Provisions

Each purchase order issued by the Buyer shall contain Quality Assurance Provisions (QAPs) relevant to the product purchased. Seller shall comply with these QAPs. Should the Seller fail to conform to the Buyer's quality requirements, then Buyer may reject the Goods and seek all applicable rights and remedies.

3. Delivery Terms

The Buyer's purchase order specifies the delivery date. Parts are to be delivered by P.O. dock date. It is the responsibility of the Seller to notify QED/inc., in advance, if on-time delivery cannot be met. Late delivery shall seriously affect the delivery rating of the Seller. Items received greater than one day late will begin to negatively affect the suppliers rating.

4. Shipment Quantities

Buyer is under no obligation to accept any variation in the quantity specified on the purchase order. Excess material will be returned to the Seller at the Seller's expense and a \$250.00 administrative handling fee will be assessed. In lieu of paying the \$250.00 administrative handling fee, Seller may opt to allow QED, Inc. to absorb excess quantities at no cost to QED, Inc. The Buyer may elect to close a purchase order at a lesser quantity upon the request of the Seller.

5. Material

Buyer prefers that domestic material be used in the production of the products on this order, however, if material that is being supplied complies with Defense Federal Acquisition Regulation (DFAR) 252.225-7014, and the foreign country is listed as a "qualifying country" per DFAR 225.872, and sub-section 225.872-1 of the Defense Federal Acquisition Regulation Supplement, then Buyer will accept material from a "qualifying country".

6. Nonconforming Material

Buyer reserves the right to return nonconforming parts (material) to Seller at the Seller's expense. Seller will be debited until discrepant parts are accepted by the Buyer's quality department. If parts are scrapped it is the sole responsibility of Seller to replace material in an expedient manor acceptable to Buyer.

7. Tooling

Tooling purchased to aid in the manufacture of Buyer's parts and paid for by the Buyer becomes the sole property of the Buyer and cannot be used for any other customer. Tooling may be retained by the Seller, and shall be clearly identified with the QED/inc. name and part number. Buyer reserves the right to have tooling shipped to our facility or any facility Buyer requests. Rework of tooling to be done only with the written permission of the Buyer.

8. Patent Infringement

All QED/inc. drawings are owned by the Buyer with proprietary rights in effect. They are not to be copied or used by any one other than the Seller awarded a purchase order to manufacture parts from said print. Seller assumes responsibility for any patent infringement by any person, firm or corporation while in the Seller's company. Off loading, sub-contracting or novating of Buyer's parts, without the expressed written permission of the Buyer, is considered reason for terminating any contract, agreement or purchase order.

9. Clerical Errors

Buyer reserves the right to ask for corrected certifications, shippers or any and all paperwork sent with typographical errors which will interfere in acceptance of purchased material. Incorrect paperwork may result in delay in payment to the Seller.

10. Inspection/ Source Inspection

Seller agrees to inspect and test all goods furnished in performance of this agreement to insure compliance with specifications and other requirements of an order. Test reports and/or certifications shall be retained by Seller for a minimum of seven (7) years after shipment of goods. Seller agrees to permit inspection and testing by Buyer of all goods furnished in performance of this agreement during manufacture, where practical, and at all other reasonable times and places. All goods shall be received subject to Buyer's inspection and acceptance or rejection. Inspection or testing of, or payment for any goods shall not constitute an acceptance thereof. Acceptance by Buyer does not relieve Seller of liability for latent defects, fraud or such gross error or defects as amount to fraud. Buyer shall have the right to reject any goods found not to be in compliance with specifications or other requirements of this agreement. The obligations of this paragraph shall survive the cancellation, termination or completion of any Order.

11. Right of Entry

Buyer's personnel and Buyer's customers' personnel as well as the Government Source Inspectors have the right to enter any facility working on Buyer's parts to inspect the manufacturing of said parts. QED, its customers, and authorities, will be allowed access to all supplier facilities involved in the order and also be allowed access to all applicable records at any level of the supply chain, involved in the order and to all applicable records.

12. Long Term Agreements

Long Term Agreements (LTAs) will specify individual part numbers, firm fixed pricing with no escalation clauses for number of years called out in agreement. Agreements will be given only to those Sellers whose quality and delivery are consistently high enough to receive preferred status by the Buyer's Quality Assurance Manager. The preferred level is 100% as noted the "Performance Expectations" clause of this document.

13. Changes

Buyer shall have the right at any time to make changes in one or more of the following: (i) drawings, designs or specifications, (ii) method of shipment or packing; and (iii) place of delivery or performance. After receiving First Article Certification, notices of changes shall be delivered to the Seller in writing. The Seller is required to review any and all changes in drawings, designs or specifications, which affects the base price of the goods, or method of shipment or packing and to request from the Buyer appropriate modification of the purchase order. Seller shall be conclusively deemed to have waived all claims against Buyer twenty (20) days after the Buyer's notice of change. Changes in the total quantities or time of delivery are covered in the "Shipment Quantities" and "Delivery Terms" clauses of this document.

14. Configuration Control

Seller shall make no change in design, manufacturing or assembly processes or source of supply which would affect form, fit, function, weight or performance of the Goods ordered hereunder without the express, written approval of Buyer. In the event the Seller proposes such a change, the Seller shall provide copies of the proposed revision and supporting data to the Buyer for written approval. Should the Seller fail to obtain the Buyer's written approval prior to delivering the modified Goods, then Buyer may reject the Goods and seek all applicable rights and remedies. The seller shall notify QED of any changes in product and/or product definition and, where required, obtain QED approval.

The Seller shall advise Buyer of products(s) deficiencies and rectification actions which affect the satisfactory operation of the product(s) and/or Valve of which it is a part.

15. Compliance with Laws

Seller agrees, in accepting this Agreement, to comply with all applicable local, state and federal laws, Orders, directives and regulations heretofore or hereafter promulgated. Including, but not limited to, those found in 41 CFR Chapter 60 requiring equal opportunity and affirmative action without regard to race, color, religion, sex, national origin, presence of a disability or status as a special disabled veteran or Vietnam era veteran. If Seller fails to comply with the provisions of this Paragraph, Buyer may, by written notice to Seller, terminate this Agreement upon a default in accordance with the "Termination for Default" paragraphs of this Agreement in addition to any other rights or remedies provided by law.

16. Stop Work

Buyer may at any time, by written notice to Seller, require Seller to stop all or any part of the work called for by an Order for a period of up to ninety (90) days after notice is delivered to Seller. Upon receipt of a Stop Work Order, Seller shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the

Order during the period of work stoppage. Within a period of ninety (90) days after Stop Work Order is delivered to Seller, or within any extension of that period to which the parties shall have agreed, Buyer shall either cancel the Stop Work Order, or terminate the work covered by the Order as provided in the "Termination for Default" or the "Termination for Convenience" paragraph of this Agreement, whichever may be appropriate. Seller shall resume work upon cancellation or expiration of any Stop Work Order. An equitable adjustment may be made in the delivery schedule or prices hereunder, or both, and the Order shall be modified in writing accordingly, if the Stop Work Order results in an increase in the time required for the performance of the Order or the Seller's costs properly allocable thereto.

17. Payment Terms

Payment terms are net 30 days from date of shipment. As mutually agreed upon by the Buyer and the Seller, a discounted invoice for early payment shall be utilized.

18. Force Majeure

Seller shall not be liable for any excess costs if the failure to perform an Order rises out of causes beyond the control and without the fault or negligence of Seller. Such causes may include, but are not limited to: acts of God, or of the public enemy, acts of Government in either its sovereign or contractual capacity, fires, flood, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. However, in every case the failure to perform must be beyond the control and without the fault or negligence of Seller.

19. Termination and Settlement

Buyer may, by written notice of default to Seller, immediately terminate the whole or any part of an Order if Seller fails to make delivery of the Goods or to perform the services required by an Order within the time specified on the purchase order or any modification thereof. If Seller fails to satisfy any of the other requirements of an Order, or so fails to make progress as to endanger performance of an Order in accordance with its terms and conditions, and does not cure such failure within a period of ten (10) calendar days (or such longer period as Buyer may authorize in writing) after receipt of notice from Buyer specifying such failure, then Buyer may terminate the whole part of an Order.

If an Order is terminated, Buyer, in addition to any other rights provided in this Agreement may require Seller to transfer title and deliver to Buyer, in the manner and to the extent directed by Buyer, the following: (i) any completed goods; and (ii) such partially completed goods and materials, parts, tools, dies, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing materials") as Seller has specifically produced or specifically acquired for the performance of such part of the Order as has been terminated. Seller shall also, upon direction of Buyer, protect and preserve property in the possession of Seller in which Buyer has an interest. Payment for completed goods delivered to and accepted by Buyer shall be at the contract price. Payment for manufacturing materials delivered to and accepted by Buyer and for the protection and preservation of property shall be in an amount agreed upon by Buyer and Seller; failure to agree to such amount shall be considered a dispute and may be handled in arbitration by a third party or arbitrator to resolve any issues. Buyer may withhold from amounts otherwise due to Seller for such completed goods or manufacturing materials such sum as Buyer determines to be necessary to protect Buyer against loss because of outstanding liens or claims of former lien holders.

The rights and remedies of Buyer provided in this Paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement. Any termination of an Order shall not relieve Seller of any obligations and liabilities which may have arisen under any of the terms and conditions of this Agreement prior to such termination, including, but not limited to, patent infringement, reproduction rights, latent defects, and warranty obligations.

20. Gratuities; Policies and Procedures

If it is found that gratuities (in the form of entertainment, gifts or otherwise) are offered by Seller, or any agent or representative of Seller, to any employee of Buyer with a view toward securing favorable treatment with respect to the awarding or performing of any Order, Buyer may, by written notice to Seller, terminate all Orders as upon a default in accordance with this Agreement in addition to any other rights or remedies by law.

Seller, its employees, representatives and agents shall comply with all Buyer's rules, regulations, policies and procedures while on Buyer's premises or in the company of any of Buyer's employees. If Seller, its employees, representatives or agents violate Buyer's rules, regulations, policies or procedures, Buyer may, by written notice to Seller, terminate all Orders as upon a default in accordance this agreement in addition to any other rights or remedies provided by law.

21. Amendment by Law

This Agreement shall be deemed to contain all provision required to be included by any applicable local, state or federal laws. Orders, regulations or directives heretofore or hereafter promulgated without the subsequent amendment of this Agreement specifically incorporating such provisions.

22. Assignment

Seller shall not assign the performance of this Agreement without prior written consent of Buyer. Proceeds due or to become

due under an Order may be assigned by Seller only with the written consent of Buyer and provided that payment to an assignee of any claim related to an Order shall be subject to all applicable defenses, reductions and setoffs.

23. Authorizations

All authorizations of Buyer required or permitted to be given herein shall be deemed properly given only if given in writing by an authorized purchasing representative of Buyer.

24. Governing Law

The laws of the state of California will govern the validity, interpretation and enforcement of this instrument. The sole, exclusive and proper venue for any proceedings brought to interpret or enforce this instrument or to obtain a declaration of the rights of the parties hereunder will be the County of Orange, California.

25. Flowdown Of Applicable Requirements and Key Characteristics To Sub-tiers

The supplier shall flowdown to sub-tiers the applicable requirements in the purchasing documents, including key characteristics where required.

26. ITAR/EAR Export Control Regulations Notification To U.S. Suppliers

The supplier shall agree to the terms and conditions outlined in the QED INC. Notification to U.S. Suppliers letter for orders subject to U.S. Government Export control regulation in accordance with ITAR 120.10 and EAR 772. A signed agreement will be provided to QED Purchasing prior to acceptance of the contract.

27. Supplier Record Retention

The supplier shall agree to retain records for a minimum period of 15 years. Records shall remain legible, readily identifiable, and retrievable. Supplier records shall include copies of dimensional layouts, First Article Inspections (when required by contract), SPC charts (when contractually required) and records pertaining to the process and process control of purchased product, i.e. part routers, inspection and test data, and any special process control records for heat treat, mechanical and/or physical testing, and rejection and rework data.

28. Notification of Changes to processes, suppliers, and manufacturing facility.

The supplier shall notify QED of changes in product and/or process, changes of suppliers, changes of manufacturing facility location and, where required, obtain organizational approval.

29. Prevention of Counterfeit Products.

The supplier organization shall plan, implement, and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to QED. Supplier shall notify QED if any shipment is affected by counterfeit or suspect counterfeit part.

30. Supplier employees contribution and awareness:

The supplier shall ensure that the employees are aware of:

- their contribution to product or service conformity;
- their contribution to product safety;
- the importance of ethical behavior.

31. CUSTOMER SPECIFIC TERMS & CONDITIONS

31.1 BOEING COMMERCIAL AIRPLANES

Boeing Purchase Order Note Q29: Supplier shall comply with Boeing Form X31764 and Boeing PO Note Management Requirements set forth. If supplier does not have Boeing Supplier Portal Access, Supplier may contact QED Procurement or Quality Assurance personnel to request the latest PO Note Text and Form X31764.

31.2 AIRBUS DEFENCE AND SPACE: Supplier shall comply with the EASA/EMAR21 Part 21 DOA requirements.

AIRBUS DEFENCE AND SPACE DOA 21J.032 – 21a.239 (a) ITEM 2 AND (C), 21a.243 (D), & 21.a.245 (A).

31.3 COLLINS AEROSPACE AN RTX BUSINESS: Supplier shall comply with COL-ASQR-PRO-003-06 & RC-9000.

31.4 DOD Cybersecurity Maturity Model Certification (CMMC) DFARS Clauses:

DFARS 252.204-7012, DFARS 252.204-7019, DFARS 252.204-7020, & DFARS 252.204-7021. CMMC Level 2 is required for all suppliers handling CUI, effective 01-Oct-2025.