

# BARNES AEROSPACE

## TERMS AND CONDITIONS OF PURCHASE

Revised 29 April 2025

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## 1. DEFINITIONS

- 1.1. **“Applicable Laws”** means all applicable federal, national, state, provincial, and local laws (including common law), statutes, ordinances, orders, rules, codes, standards, and regulations of the United States, the country(ies) in which the Parties and their operations and facilities are located, customs and export controls, and all other relevant jurisdictions.
- 1.2. **“Authorized Purchasing Representative”** means the individual whose name appears on the face of the Purchase Order under “Buyer Name,” or who is otherwise designated in writing by Buyer as its authorized purchasing representative.
- 1.3. **“Buyer”** means the entity that appears on the face of the Purchase Order or LTSA as “Buyer” doing business with Seller pursuant to these Terms.
- 1.4. **“Buyer’s Supplier Portal”** means Buyer’s secure, password-protected website, if any, as Buyer may update from time to time.
- 1.5. **“Code of Conduct”** means the Barnes Group Inc. Supplier Code of Conduct that sets forth ethical standards and principles and responsible business practices applicable to each entity or individual that provides goods or services (including, but not limited to, Products and Services) to Buyer, located at [\[https://www.onebarnes.com/wp-content/uploads/2023/02/Suppliers-Code-of-Business-Ethics-and-Conduct.pdf\]](https://www.onebarnes.com/wp-content/uploads/2023/02/Suppliers-Code-of-Business-Ethics-and-Conduct.pdf), as Buyer may update from time to time.
- 1.6. **“Delivery Date(s)”** means the date by which Products or Services covered by a Purchase Order must be delivered to Buyer, subject to any Lead Times.
- 1.7. **“DFAR”** means Department of Defense Federal Acquisition Regulation Supplement.
- 1.8. **“FAR”** means Federal Acquisition Regulation.
- 1.9. **“Government”** means the Government of the United States unless otherwise specified.
- 1.10. **“Intellectual Property”** means patented and unpatented inventions and discoveries, pending patent applications, copyrighted works and copyrightable subject matter in published works and unpublished works, pending copyright registration applications, computer software data, databases and documentation thereof, trade secrets and other confidential information, know-how and proprietary processes, business methods, formulae, designs, models, technical data and methodologies, trademarks, trade names, and other similar intangible assets.
- 1.11. **“Lead Time”** means the total minimum lead time required to deliver Products or Services, as agreed by the Parties.
- 1.12. **“LTSA”** means a long-term supply agreement between the Parties that provides for Buyer to purchase Products and/or Services from Seller through the release of Purchase Orders against that agreement. Each LTSA incorporates these Terms by reference unless stated otherwise in the LTSA.
- 1.13. **“Party”** or **“Parties”** means Buyer and Seller collectively.
- 1.14. **“Products”** means those goods, supplies, reports, computer software, data, materials, articles, items, parts, components, or assemblies described in the Purchase Order and sold to Buyer by Seller pursuant thereto.
- 1.15. **“Property/Tooling”** means all property and tooling (including, but not limited to, all materials, dies, jigs, tools, patterns, castings, cavity dies, molds, gauges, models, equipment, fixtures, and other items) with all related appurtenances, accessions, and accessories, packaging, and all documents, standards, or specifications, trade secrets, proprietary information and other materials and items whether furnished or made available by Buyer or

Buyer's customers, or fabricated, acquired, or otherwise provided by Seller or its subcontractors (on Buyer's behalf), for use in the performance of the Purchase Order.

- 1.16. **"Proprietary Information"** means all information that is confidential, business sensitive, or proprietary in nature about Buyer, its subsidiaries, or its other affiliates, or their respective businesses, assets, plans, or activities, including, but not limited to, Intellectual Property and other technical, business, financial, company, and product development information and data (whether or not reduced to writing and regardless of the medium in which maintained), and any other confidential or non-public information that is disclosed or made available to Seller or its Representatives (defined below) by or on behalf of Buyer or any of its subsidiaries or other affiliates, along with all copies, notes, such information. Notwithstanding the foregoing, "Proprietary Information" does not include information that: (i) is in the public domain as of the effective date of any LTSA or Purchase Order, or comes into the public domain other than through the breach of any obligation by Seller or any of its Representatives; (ii) is lawfully obtained by Seller from a third party without breach of any obligation and otherwise not in violation of the rights of Buyer or any of its subsidiaries; (iii) is known to Seller at the time of disclosure as shown by its written records in existence at the time of disclosure; or (iv) is independently developed by Seller, provided that Seller can demonstrate it did not make any use of any Proprietary Information in such development.
- 1.17. **"Purchase Order"** means a paper or electronic document for Buyer's purchase of Products or Services, governed by these Terms and agreed to by the Parties in writing, which may be issued as a stand-alone order or pursuant to an LTSA.
- 1.18. **"Seller"** means the party to whom Buyer is issuing the Purchase Order.
- 1.19. **"Services"** means those services described in the Purchase Order to be provided by Seller to Buyer, including any goods, supplies, materials, articles, items, parts, components, or assemblies incidental to the performance of such services.
- 1.20. **"Specifications"** means the written requirements for the manufacture, test, qualification, and workmanship of a Product or the performance of Services, including, but not limited to, descriptions, designs, drawings, layouts, plans, parts lists, process and material specifications, and inspection and test procedures, as Buyer may modify from time to time.
- 1.21. **"Terms"** means these Buyer Terms and Conditions of Purchase, as Buyer may modify or amend from time to time.
- 1.22. **"Work Product"** means and includes any and all designs, drawings, processes, prototypes, deliverables, developments, inventions, concepts, improvements, discoveries, ideas, know-how, and technical information (whether patentable or not) developed, created, made, conceived or reduced to practice in connection with the Agreement by Seller, whether solely by Seller or jointly with others (including, without limitation, Buyer or any Representatives) and all Intellectual Property rights related thereto.

## 2. SELLER'S OBLIGATIONS

- 2.1. Seller shall comply with:
- (i) these Terms;
  - (ii) the terms of any applicable LTSA;
  - (iii) the requirements stated in the Purchase Order;
  - (iv) the Specifications, including, but not limited to, those provided by Buyer and/or retrieved from Buyer's Supplier Portal in the "review item documentation" location;
  - (v) any quality requirements communicated by Buyer;

- (vi) Property/Tooling requirements communicated by Buyer;
  - (vii) shipping instructions communicated by Buyer;
  - (viii) the Code of Conduct; and
  - (ix) any other documents incorporated by reference in the Purchase Order, LTSA, or these Terms.
- 2.2. Within five (5) working days of receipt of a Purchase Order, Seller shall provide notice of acceptance or rejection to Buyer in accordance with instructions set forth on Buyer's Supplier Portal or on the Purchase Order; any Purchase Order not rejected in such manner shall be deemed accepted. Notwithstanding the above, Seller shall accept all Purchase Orders that are consistent with any delivery volumes, Lead Times and Delivery Dates set forth in the applicable LTSA. Seller must include the reason for any Purchase Order rejection to Buyer in writing with notice of the rejection.
- 3. **ENTIRE AGREEMENT; ORDER OF PRECEDENCE**

The items described in Clause 2.1(i) through Clause 2.1(ix) are hereby incorporated by reference into the Purchase Order, collectively referred to as this "**Agreement.**" This Agreement is the entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior or contemporaneous understandings and agreements (including any term sheets, letters of intent, or other communications) between the Parties relating to its subject matter. No additional or different terms shall be binding on Buyer (including, but not limited to, any terms or prices in Seller's invoices), and Buyer objects to any additional or different terms. Any inconsistency between the terms of the Purchase Order and the terms of any other document regarding the subject matter of the Purchase Order shall be resolved by giving precedence in the following order:

  - 3.1. terms expressly stated on the face of the Purchase Order (excluding documents incorporated by reference);
  - 3.2. terms expressly stated on the face of any applicable LTSA (excluding documents incorporated by reference);
  - 3.3. these Terms (excluding documents incorporated by reference or referenced herein, but subject to clause 29.3 regarding any NDA (defined below));
  - 3.4. terms included in any statement of work, if applicable; and
  - 3.5. any other documents incorporated by reference or referenced in a Purchase Order, LTSA, or these Terms.
- 4. **DIRECTED BUY**

If Seller is a "designated source" or "directed-buy" vendor of an original equipment manufacturer or end-customer of Buyer (collectively, the "**End Customer**"), Seller shall flow down its terms and conditions, including, but not limited to, price, that it has contracted and/or negotiated with the End Customer to Buyer. Upon Buyer's reasonable request, Seller shall add Buyer to its agreement with the End Customer, if applicable, through a Joinder Agreement, Adoption Agreement or addendum thereto. If Buyer is subject to or incurs damages, costs, penalties, or liabilities from the End Customer due to the actions of Seller as a "designated source" or "directed-buy" vendor, Seller shall indemnify and hold Buyer harmless for any such damages, costs, penalties, or liabilities.
- 5. **BUYER AUTHORIZATION**
  - 5.1. Buyer's Authorized Purchasing Representative has sole authority to make contractual commitments on behalf of Buyer, to provide contractual direction, and to change contractual requirements as defined in the Purchase Order.

- 5.2. Buyer's representatives other than Buyer's Authorized Purchasing Representative may release to Seller information applicable to the Purchase Order. If Seller believes that information so provided to Seller changes the contractual requirements or performance of the Purchase Order, Seller shall request confirmation of such information from Buyer's Authorized Purchasing Representative prior to any action on such information.

**6. DELIVERY, SHIPPING, TITLE AND RISK OF LOSS**

- 6.1. The Delivery Dates are (i) as set forth in the Purchase Order, or (ii) if no Delivery Date is specified in the Purchase Order, the Delivery Date is the date determined by adding any Lead Time to the date of acceptance of the Purchase Order or the date the Purchase Order was required to have been accepted under Clause 2.2, whichever comes first, or (iii) as otherwise specified by Buyer. Products or Services must be received at the location(s) designated by Buyer not later than such Delivery Dates, regardless of the agreed upon shipping terms. The Parties agree that time is of the essence in Seller's performance of a Purchase Order and Seller shall deliver the Products or perform the Services by the Delivery Date.
- 6.2. Notwithstanding any provision herein to the contrary, including, but not limited to, the Termination for Convenience clause and the Changes clause, in no event shall Buyer be liable for any costs or expenses incurred in connection with or as a result of: (i) procurement of materials in advance of Lead Times in effect at the time of such material procurement or (ii) commencement of production in advance of Lead Times for the Product. Seller understands and agrees that any forecast information that Seller may receive from Buyer is for planning purposes only and shall not create an obligation on the part of Buyer to issue Purchase Orders or purchase such Products or Services.
- (i) Without affecting any other rights of Buyer, Buyer may cancel any Purchase Order, in whole or in part, without liability to Seller, at any time prior to the start of the applicable Lead Time.
  - (ii) Shipping terms shall be as designated on the Purchase Order, and if no shipping terms are designated on the Purchase Order, then EXW Seller's facility INCO TERMS 2020. Seller must ship strictly in accordance with the instructions and requirements in any shipping instructions provided by Buyer.
  - (iii) Risk of any loss or damage of Products occurring before receipt at Buyer's specified delivery point shall be Seller's responsibility. Title and risk of loss shall pass to Buyer upon receipt at Buyer's specified delivery point (except as otherwise specified in the Purchase Order); however, passing of title shall not relieve Seller of any other obligations under this Agreement.
  - (iv) All deliveries shall be strictly in accordance with the applicable quantities and schedules set forth in the Purchase Order. Unauthorized over-shipments may be returned at Seller's expense.
  - (v) Whenever it appears Seller will not meet a Delivery Date, Seller shall immediately notify Buyer of the reason and estimated length of delay. Such notice does not release Seller from liability for delayed performance except as set forth in Clause 20.1. Seller shall make every effort to avoid or minimize the delay, at Seller's expense, including the expenditure of premium time and most expeditious transportation.
  - (vi) If Seller is unable to meet the Delivery Date for any reason, other than a Change (defined below) directed by Buyer, Buyer shall have the option to: (i) cancel the

Purchase Order, in whole or in part, or (ii) fill such Purchase Order, or any portion thereof, from sources other than Seller and to reduce Seller's Purchase Order quantities accordingly at no increase in unit price, without any penalty to Buyer. Further, if Seller fails to meet a Delivery Date and such delay is not as a result of a Force Majeure Event (defined below), then, commencing one (1) week after the Delivery Date, Buyer shall have the right to claim, in addition to any damages or costs to which Buyer may be entitled, and Seller shall pay by way of liquidated damages to Buyer, two and a half percent (2.5%) of the price of the Products or Services subject to the delay for each week after the Delivery Date that the delivery is late, pro-rated for partial weeks up to delivery, up to a maximum of ten percent (10%) of the total price for all late Products or Services.

- (vii) Seller shall be responsible and reimburse Buyer for any additional costs associated with such requirements and any other costs or damages which Buyer incurs or for which Buyer is responsible as a result of late deliveries, including, but not limited to, any fees, damages, or penalties charged to Buyer by Buyer's customer.
- (viii) THIS DELIVERY, SHIPPING, TITLE AND RISK OF LOSS CLAUSE DOES NOT LIMIT BUYER'S RIGHTS OR REMEDIES UNDER ANY OTHER PROVISION OF THESE TERMS OR AS PROVIDED BY LAW OR EQUITY.

## 7. PACKAGING AND PACKING

Seller shall use all reasonable and prudent measures, consistent with industry standards, to protect the Products from any damage or from otherwise being rendered noncompliant with Seller's warranty obligations hereunder, unless otherwise stated in this Agreement. Without limiting the foregoing, Seller shall comply with International Standards for Phytosanitary Measures (ISPM) 15 (packaging material treatment requirements) as applicable. Seller is responsible for any costs resulting from Seller's failure to comply with packaging requirements.

## 8. ACCEPTANCE AND REJECTION, NONCONFORMING PRODUCTS

- 8.1. Seller shall only tender Products to Buyer that have passed inspection in accordance with the applicable inspection system and that conform to all requirements of this Agreement.
- 8.2. Unless otherwise specified in this Agreement, Buyer's final inspection and acceptance shall be at destination. Notwithstanding (i) delivery of; (ii) payment for; or (iii) use thereof, Products and Services shall be subject to Buyer's final inspection and acceptance and, subject to Buyer's rejection, acceptance takes place one hundred eighty (180) days after Buyer's receipt of such Products or Services (the "**Inspection Period**"), unless otherwise specified in this Agreement or unless there is a change in Buyer's timetable for using the Products or Services that is beyond Buyer's reasonable control, including, but not limited to, a delay by Buyer's customer in the delivery schedule for Buyer's products incorporating the Products or Services, in which case the Inspection Period shall be extended for the length of such delay plus ninety (90) days. Transfer of title to Buyer shall not constitute acceptance.
- 8.3. During the Inspection Period, Buyer may, with respect to Products that do not conform in any respect to this Agreement: (i) reject all or a portion of such nonconforming Products and require delivery of conforming Products ; (ii) accept all or a portion of the nonconforming Products with a price reduction for the cost of repair or diminution of value; or (iii) make, or have a third party make, all repairs, modifications, or replacements necessary to enable such Products to comply in all respects with the terms of this Agreement (the "**Corrections**"). Seller shall be liable to Buyer for all costs incurred or suffered by Buyer in connection with



the nonconformance of the Products or Services in question, including, but not limited to, the costs of substitute Products or Services, costs of labor and material to make Corrections (or to have Corrections completed by a third party), shipping costs, expediting fees, late fees or other pass-through charges imposed by Buyer's customer, contract breakage fees, storage and material handling fees, and net costs resulting from having to scrap any Products (all such costs, fees, and similar obligations of Buyer due to such nonconformance, "**Defect Costs**"). Seller shall be subject to Buyer's return material procedures as set forth in Buyer's Supplier Portal.

- 8.4. Within thirty (30) days of Seller's receipt of Buyer's notification of a nonconformity, Seller shall investigate the nonconformity, deliver to Buyer a written report of its investigation and conclusions and formulate a corrective action plan acceptable to Buyer. In addition, within five (5) working days of Buyer's request, Seller shall make available to Buyer all records related to the Products or Services in question, including, but not limited to, all manufacturing records, work instructions, records of all inspections and tests, material quality and content information, shipping and storage information, and any records related to the suitability and qualification of Seller's facilities and personnel to produce, test, and deliver the Products or Services in accordance with this Agreement (all such records, the "**Seller Data**").
- 8.5. Neither Buyer's inspection and acceptance of any Products or Services nor Buyer's failure to inspect and accept or reject Products or Services shall alter or affect the obligations of Seller or the rights of Buyer and its customers under this Agreement, any other agreement then in effect, or as may be provided by law or equity.

## 9. **INVOICING AND PAYMENT**

- 9.1. Buyer shall pay Seller the price set forth in this Agreement for the Products and Services received. Unless otherwise set forth in the LTSA or Purchase Order, payment terms will be net one hundred twenty (120) days, payable on Buyer's next regular payment date. Payment due dates, including discount periods, will be calculated from the date of receipt of Products or Services or the Delivery Date, whichever is later. The prices set forth in the LTSA or Purchase Order are not subject to increase and include all applicable taxes and charges.
- 9.2. Seller shall submit a separate invoice for each shipment and shall include the following information taken from the Purchase Order: Purchase Order number, item number, part number, quantity, unit price, extended item price, and any discount payment terms. Seller's invoice shall also include Seller's vendor number, phone number and address, the invoice number, invoice date, total amount due, ship date, and shipper or packing slip number. No invoice shall be issued prior to shipment of Products.

## 10. **PRICE WARRANTY**

Seller warrants that the price does not exceed the price charged by Seller to any other customer purchasing the same or similar products or services in like or smaller quantities/volumes under similar conditions during the term of this Agreement. Seller shall reimburse Buyer promptly upon the discovery of a violation of this Price Warranty clause in the amount of the difference between the lower price charged and that charged Buyer.

## 11. **CHANGES**

- 11.1. Buyer's Authorized Purchasing Representative may at any time by written notice to Seller make changes to the Purchase Order, including changes with respect to: (i) the Specifications; (ii) method of shipment, packaging, or packing; (iii) place of delivery; (iv)



method or manner of performance or quality requirements; (v) quantity of Product (increase or decrease); (vi) Delivery Dates; or (vii) customer flow-down requirements (“**Changes**”). Seller shall immediately comply with such Change(s) upon receipt of notice, irrespective of the failure of the Parties to agree to an equitable adjustment. Any change in manufacturing or location, including, but not limited to, any significant process, product, or inspection technique change, requires Buyer’s prior written approval.

- 11.2. Except as otherwise expressly set forth in the Purchase Order, if the Change causes an increase or decrease in the cost or time required to perform the Purchase Order, an equitable adjustment may be made in the price or Delivery Dates, and the Purchase Order modified in writing accordingly.
- 11.3. If Seller believes that Buyer’s conduct constitutes a Change, Seller shall notify Buyer’s Authorized Purchasing Representative immediately in writing as to the nature of such conduct and its effect on Seller’s performance. Seller shall take no action to implement any such Change without written direction from Buyer’s Authorized Purchasing Representative.
- 11.4. Seller unconditionally waives any claim for adjustment to cover increased costs unless asserted in writing and delivered to Buyer within fifteen (15) days after the date of the Authorized Purchasing Representative’s written notice resulting in the Change. Failure to agree to any adjustment shall constitute a dispute within the meaning of the Disputes & Jury Waiver clause. The existence of a dispute shall not excuse Seller from proceeding with the Change.
- 11.5. If Seller claims the cost of any property made obsolete or excess, Buyer shall have the right to prescribe the manner of disposition of the property, to include the right to acquire that property for the cost claimed.
- 11.6. Buyer has the right to examine any of Seller’s pertinent books and records for the purpose of verifying Seller’s claims.

## 12. **STOP WORK**

- 12.1. Buyer may, at any time, by written direction to Seller (a “**Stop Work Order**”), require Seller to stop all or any part of the work under this Agreement, for a period of up to one hundred twenty (120) days and for any further period to which the Parties may agree. Seller shall immediately comply with the terms of any Stop Work Order at no cost to Buyer.
- 12.2. To the extent a Stop Work Order is canceled by Buyer or the period of work stoppage specified by the Stop Work Order or any extension thereof expires, Seller shall resume work and the Parties will agree upon a reasonable adjustment to the Delivery Dates.

## 13. **ADEQUATE ASSURANCE OF PERFORMANCE**

- 13.1. If at any time Buyer has reasonable grounds for insecurity as to Seller’s full, timely, and sustained performance in accordance with this Agreement, Buyer may request, by written notice to Seller, adequate assurance in writing that Seller is able and willing to perform all of its obligations under this Agreement.
- 13.2. If Seller does not provide adequate written assurance within fifteen (15) days after Buyer’s written notice and request, Buyer may, at its option, treat this Agreement as materially breached by Seller.

## 14. **WARRANTY**

- 14.1. Seller warrants to Buyer that all Products delivered under this Agreement will: (i) be new, of Seller’s own manufacture, safe, merchantable, of good quality, and free from defects in materials, workmanship, and manufacturing processes; (ii) be suitable for the purposes

- intended whether expressed or reasonably implied; (iii) conform to the terms of this Agreement, including, but not limited to, the Specifications; (iv) be free from defects in design, unless the design was furnished by Buyer; (v) be free of all liens and encumbrances; and (vi) conform to any statements made on containers, labels, or advertisements, and be adequately contained, packaged, marked, and labeled. This warranty shall run to Buyer and its successors, assigns, and customers.
- 14.2. Seller warrants Services are provided with the degree of skill, diligence, attention, and care consistent with generally accepted industry standards applicable to similar services, and in accordance with any standards set out in the Specifications.
- 14.3. If any Product or Service fails to comply in any respect with the warranties set forth above, Buyer shall have the option, in its sole discretion, at Seller's expense, to (i) return such Products and debit Seller's account or demand a refund, replacement, or reperformance; or (ii) require Seller to promptly make all corrections necessary to enable such Product or Services to comply in all respects with such warranties.
- 14.4. Seller shall further ensure that all of its employees and subcontractors involved in performance of its obligations under this Agreement are made aware of these and other obligations of Seller that affect the form, fit, or function of Products and Services delivered pursuant to this Agreement, and the importance of full compliance with these requirements.
- 14.5. In addition to other rights or remedies Buyer may have under this Agreement (including, but not limited to, Corrections, Defect Costs, and the other remedies set forth in Clause 14.3), Seller shall be responsible for and shall save and hold Buyer harmless from, and Buyer shall have the right to recover from Seller, any other loss or damage (including consequential damages) that Buyer may suffer, or any other costs that Buyer may incur, due to the breach of these warranties. Seller acknowledges that the Products may be incorporated in aircraft parts manufactured by Buyer. Seller further acknowledges that, if those aircraft parts are the subject of recall, service letter, service bulletin, airworthiness directive or similar actions as a result of any defects in Products delivered to Buyer or other breach of warranty, Seller will indemnify Buyer for any losses related thereto.
- 14.6. These warranties shall be cumulative and in addition to all other warranties, express, implied, or statutory, and all warranties shall survive inspection, test, acceptance, payment, and use. The rights and remedies of Buyer set forth in this Warranty clause shall be in addition to, and not in lieu of, any other rights or remedies Buyer may have under this Agreement, or by law or equity.
- 15. U.S. GOVERNMENT CONTRACTS**
- 15.1. In order to meet the requirement of its customer, Buyer may be required to accept and agree, in its contract with such customer for the sale of products embodying Products, sale terms which are not reasonably reflected by the terms of these Terms ("**Sale Terms**"). In such event, Seller shall accept all such provisions that are flowed down provided such terms do not materially change price, quantity and delivery terms.
- 15.2. Without prejudice to Clause 15.1, if Buyer is required to flow down to its suppliers any appropriate regulations or requirements of Buyer's customer, Seller agrees to accept the inclusion of such regulations or requirements in the relevant Purchase Order.
- 15.3. If a Defense Priority an Allocation System (DPAS) rating appears on this Agreement, Seller shall comply with all the requirements of 15 CFR Part 700. Seller must accept or reject a rated order in writing or electronically within fifteen (15) working days after receipt of a DO

rated order and within ten (10) working days after receipt of a DX rated order. If the rated order is rejected, Seller must give reasons in writing (not electronically) for rejection.

## 16. EXPORT CONTROLS AND SANCTIONS

- 16.1. The Parties shall comply with all applicable export control and sanctions laws, regulations, and orders relating to the export, re-export, transfer, disclosure, or provision of Products, software, technology or Services, including, without limitation, the (i) Export Administration Regulations ("**EAR**") administered by the Bureau of Industry and Security, U.S. Department of Commerce, 15 C.F.R. parts 730-774; and (ii) International Traffic in Arms Regulations (the "**ITAR**") administered by the Directorate of Defense Trade Controls, U.S. Department of State, 22 C.F.R. parts 120-130 (the "**Export Control Laws**").
- 16.2. Seller is responsible for obtaining all applicable licenses, approvals, and authorizations, and providing the notifications required for Seller's export of any Products, Services or Technical Data (defined below) provided under this Agreement. Seller assumes all responsibility for shipments of Products requiring any government export or import clearance.
- 16.3. Seller shall, upon request, provide Buyer with a copy of any governmental export authorization ("**Authorization**") related to the Products, software, technology, or Services, and of all provisions or conditions relating to that Authorization, including, but not limited to, any restriction on sublicensing, retransfer, resale, or re-export, any requirement for non-disclosure agreements and any limitation on individuals having access to Seller's Products, software, technology, or Services. Seller shall, without delay, provide any information requested by Buyer in support of any Authorization related to the Products, software, technology, or Services in support of Buyer's compliance activities, including, but not limited to, Buyer's internal licensing processes.
- 16.4. Seller shall provide Buyer with (i) the applicable Harmonized Tariff Schedule Number, and (ii) either (a) the United States Munitions List ("**USML**") category of such Products, software, technology, or Services that are controlled by the ITAR, or (b) the Export Control Classification Number ("**ECCN**") of such Products, software, or technology that are controlled by the EAR, to include the ECCN of parts and components if such classification differs from the ECCN of the Products, software, or technology, and (iii) any analogous classification under Applicable Laws. If Seller is in the business of manufacturing, exporting, or brokering USML items, Seller shall maintain registration with the Directorate of Defense Trade Controls ("**DDTC**") as may be required by 22 C.F.R. §§ 122.1 and/or 129.3 of the ITAR and provide Buyer annually with its DDTC registration expiration date.
- 16.5. Seller shall not, directly or indirectly, export, re-export, or transfer the Products to any country, entity, or person prohibited or otherwise restricted under the Export Control Laws without the appropriate license from the U.S. governmental authority and any other governmental authority as necessary under the Export Control Laws.
- 16.6. Seller shall not, directly or indirectly, export, re-export, transfer, disclose, or otherwise provide Buyer's technical data controlled by Export Control Laws ("**Technical Data**") to any non-U.S. persons or foreign commercial entities, or modify or divert such Technical Data to any military application, unless Seller receives advance written authorization from Buyer. Any subcontracts between non-U.S. persons in the approved country for manufacture of Products or provision of Services shall contain all the limitations of this clause and shall comply with all applicable export licenses or authorizations.

- 16.7. Upon Buyer's request, Seller shall demonstrate to Buyer, to Buyer's reasonable satisfaction, Seller's and Seller's subcontractors' compliance with this Export Controls and Sanctions clause and all Export Control Laws. Seller shall also immediately notify Buyer if it becomes aware of any failure by Seller or Seller's subcontractors to comply with this Export Controls and Sanctions clause and shall cooperate with Buyer in any investigation of such failure to comply. Seller will also immediately notify Buyer if Seller's export privileges are denied, suspended, or revoked, in whole or in part, by any U.S. or other government entity or agency. Upon completion of its performance under this Agreement, Seller and its subcontractors shall destroy or return to Buyer all Technical Data. Without limiting the foregoing, Seller must control access to Technical Data, technologies, tooling, or materials, including, but not limited to, the Products subject to the ITAR or the EAR, until such point as (i) the technologies, tooling, materials, or Products are rendered mutilated or scrapped or reverted to a base alloy, and (ii) the Technical Data and derived Technical Data has been cross-cut shredded, burned, or chemically reverted to pulp, in all of the foregoing in accordance with applicable Export Control Laws.
- 16.8. The Parties shall comply with the laws and regulations administered and enforced by the U.S. Department of Commerce, Bureau of Industry and Security and the U.S. Department of the Treasury, Office of Foreign Assets Control (collectively the "**Sanctions Laws**"). Seller represents that it is not a sanctioned person and is not owned or controlled by a person or entity sanctioned under the Sanctions Laws. Neither Party will directly or indirectly export, re-export, transfer to, or otherwise make any Products available for use in Russia, Belarus, the Donetsk, Luhansk, or Crimea regions of Ukraine, Cuba, Iran, Democratic People's Republic of Korea (North Korea), Syria, Sudan, Venezuela, or any other location in violation of any applicable Sanctions Law.

## 17. NOTICES

Any notice to be given under this Agreement shall be in writing and shall be sent by registered or recorded delivery post or delivered by hand to the address of the relevant Party as set forth in the Definitions clause, or to such other address as that Party may from time to time notify to the other Party in accordance with this Notices clause. In each case, notice given to Buyer shall be with copy to [supplychain@barnesaero.com](mailto:supplychain@barnesaero.com) via email (which will not constitute notice).

## 18. TERMINATION FOR DEFAULT

- 18.1. Buyer may, by written notice to Seller, terminate this Agreement in whole or in part, if Seller:
- (i) Fails to deliver conforming Products or Services on time or to perform any other obligation under this Agreement within the time specified in this Agreement or any extension granted in writing by Buyer;
  - (ii) Fails to make progress so as not to endanger performance of the Purchase Order or to perform any of the other provisions of this Agreement and does not cure such failure within fifteen (15) days of written notice from Buyer specifying Seller's failure to perform;
  - (iii) Fails to provide adequate assurances of performance in accordance with the Adequate Assurance of Performance clause;
  - (iv) Breaches this Agreement and does not cure such breach within thirty (30) days of written notice from Buyer, except as set forth below;

- (v) Breaches Applicable Law, including, but not limited to, the U.S. Government Contracts clause or the Export Controls and Sanctions clause (in each case, constituting a material breach of this Agreement); or
  - (vi) Becomes insolvent or makes a general assignment for the benefit of creditors, or files or has filed against it a petition of bankruptcy or for reorganization or pursues any other remedy under any other Applicable Law relating to the relief for debtors, or if a trustee or receiver is appointed for Seller's property or business.
- 18.2. If Buyer terminates this Agreement in whole or in part pursuant to this Termination for Default clause, if requested by Buyer, Seller shall cooperate in the transition of supply. Seller will continue production and delivery of all Products or Services ordered by Buyer at prices and in compliance with the terms of the Purchase Order, without premium or other condition, during the entire period reasonably needed by Buyer to complete transition to an alternative supplier. Buyer shall have no liability in relation to those Products not delivered and accepted or Services not performed prior to the termination. Buyer may obtain, under this Agreement and in the manner Buyer considers appropriate, products or services similar to those terminated, and Seller will be liable to Buyer for any excess costs for re-procurement of those products or performance of services. Seller shall continue the work not terminated. Seller shall also be responsible for any delay and disruption costs incurred by Buyer, and any other costs or damages that Buyer incurs or for which Buyer is responsible as a result of Seller's default, including, but not limited to, any penalties or damages required to be paid to Buyer's customer or any government authority.
- 18.3. If the failure to perform is caused by a Force Majeure Event, as described in the Force Majeure clause, Seller shall not be liable for any excess costs of re-procurement, according to the terms of that clause.
- 18.4. If this Agreement is terminated for default, Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer, any (i) completed Products; (ii) partially completed Products, supplies and materials (including raw material), parts, tools, dies, jigs, fixtures, plans, drawings, information, and any other items that Seller has specifically produced or acquired on Buyer's behalf for the terminated portion of this Agreement; (iii) Property/Tooling; and (iv) Seller Data. At Buyer's direction, Seller shall also protect and preserve property in its possession in which Buyer has an interest, including any Property/Tooling.
- 18.5. If, after notice of termination under this clause, it is determined that Seller was not in default, then the rights and obligations of the Parties shall be determined as if the notice of termination had been issued pursuant to the Termination for Convenience clause.
- 18.6. If this Agreement is terminated by Buyer for Seller's default, upon such termination, Seller hereby grants to Buyer and its affiliates an irrevocable, perpetual, fully paid-up, non-exclusive, royalty-free, transferable, sub-licensable (through multiple levels of sub-licensees), worldwide right and license to use the Seller Background Technology and any other Intellectual Property owned or controlled by Seller that is necessary to use, sell, offer for sale, import, export, copy, adapt, embed, modify, make and have made Products, and perform the Services or have Services performed for it, for so long as it takes for Buyer and its affiliates to receive the Products and Services contracted for on the terminated Purchase Order, without the need for further consideration and without any obligation to account to

Seller or any third party, and Seller will provide, at Seller's cost, all such Seller Background Technology and other Intellectual Property to Buyer promptly following such termination.

**19. TERMINATION FOR CONVENIENCE**

- 19.1. Buyer may, at any time, terminate all or part of this Agreement, for its convenience upon written notice to Seller.
- 19.2. Upon receipt of a written notice of termination, except as directed by Buyer, Seller shall immediately proceed with the following obligations and any other actions directed or authorized by Buyer's Authorized Purchasing Representative, regardless of any delay in determining the amounts due under this Termination for Convenience clause:
- (i) cease terminated work as of the date specified in the notice;
  - (ii) place no further subcontracts or orders for materials, services, or facilities except as necessary to complete any continued portion of the Purchase Order;
  - (iii) prepare and submit to Buyer an itemization of all completed and partially completed Products or Services;
  - (iv) deliver to Buyer at the pre-termination Purchase Order price any and all Products that were ordered by Buyer and completed consistent with Lead Times prior to the date of termination;
  - (v) if directed by Buyer, deliver any work in process, materials, and/or Property/Tooling; and
  - (vi) complete performance of any non-terminated work.
- 19.3. If Buyer terminates this Agreement for convenience after performance of the work has commenced, Buyer will compensate Seller for the actual and reasonable work in process costs incurred by Seller with respect to Products and Services based on the appropriate level of completion consistent with Lead Times. Seller shall undertake efforts to mitigate its own and Buyer's liabilities under this clause, including providing prompt notice to all sub-tier contractors. To receive compensation, Seller's invoices following termination pursuant to this clause must be submitted within ninety (90) days from the effective date of termination.
- 19.4. Buyer shall not be liable to Seller for any costs or damages except as described above, and in no event will Buyer be liable for lost or anticipated profits, unabsorbed overhead, or other indirect costs, or for any sum in excess of the price attributable to the portion of this Agreement terminated.

**20. FORCE MAJEURE**

- 20.1. If the delivery of any Product or the performance of Services or any obligation under this Agreement is delayed as a result of causes that are, at one and the same time, unforeseeable, unavoidable, outside Seller's control, and without its fault or negligence, and provided that Seller provides Buyer, within three (3) days of Seller's learning of such cause, written notice to the effect that a failure or delay by Seller will occur or has occurred ("**Force Majeure Event**"), the Delivery Dates or schedule for performance may be revised as determined by Buyer. Seller shall provide a recovery plan acceptable to Buyer within ten (10) days after submission of such notice. In no event shall Seller's ability to sell Products or Services at a better price, Seller's inflationary pressures, economic hardship in buying raw materials necessary to manufacture Products, or labor strike constitute a Force Majeure Event. If Buyer's performance under any customer order or other obligation is jeopardized in any way by Seller's failure or delay in performance due to a Force Majeure Event, Buyer may cancel its purchase of affected Products or Services without liability to Seller. Notwithstanding the



foregoing, Buyer may terminate this Agreement in whole or in part if Seller is unable to resume normal performance within thirty (30) days of commencement of the Force Majeure Event affecting this Agreement. Notwithstanding the occurrence of a Force Majeure Event, Seller shall use its best efforts to mitigate and resolve the effects of the Force Majeure Event. If a Force Majeure Event allows Seller to allocate supply, Seller will allocate to ensure Buyer at least the same proportion of Seller's total output as was purchased by Buyer prior to the Force Majeure Event.

- 20.2. If Seller has knowledge that any actual or potential labor dispute involving Seller or any tier of Seller's suppliers or subcontractors is delaying or threatens to delay timely performance under this Agreement, Seller shall immediately give notice to Buyer, together with all relevant information, including, but not limited to, the nature of the dispute, estimated duration, labor organizations involved, and estimated impact on Seller's performance of this Agreement. Seller shall notify Buyer at least ninety (90) days prior to the expiration of any labor agreement that may delay performance of this Agreement. Such notices do not release Seller from liability for delayed performance except as set forth in Clause 20.1.

**21. CONTINUING OBLIGATION TO SUPPLY**

Seller will take such actions as are necessary to ensure the uninterrupted supply of Products, including, without limitation, providing for certain minimum inventory requirements to ensure supply continuity. Seller will cooperate with Buyer and use best efforts to promptly resolve the impact of any supply chain constraints, including, without limitation, Force Majeure Events, geopolitical risks, natural disasters, equipment failures, quality issues, or materials scarcity, which may impact Seller's ability to supply the Products to Buyer on a timely basis. In the event of any dispute between Buyer and Seller, regarding pricing or otherwise, Seller agrees that it does not have the right to, and will not, stop shipment of Products to Buyer. Seller further agrees that any stoppage of shipment of Products that is not otherwise excused under this Agreement is a material breach of this Agreement causing irreparable harm to Buyer for which there is no adequate remedy at law.

**22. BUYER'S ASSISTANCE**

If Buyer or Buyer's customer determines that Seller's delay or failure to perform under this Agreement requires Buyer's or Buyer's customer's technical or manufacturing assistance, Buyer may provide technical or manufacturing assistance at Seller's cost, at such level and scope, and for such period of time, as is reasonably necessary to remedy or mitigate the risk to Buyer or Buyer's customer's production system(s) or schedule(s). This Buyer's Assistance clause does not limit Buyer's rights or remedies under any other provision of this Agreement or as provided by law or equity.

**23. INSPECTION AND AUDIT RIGHTS**

Buyer and representatives of Buyer's customers shall have the right to inspect all premises where the Purchase Order is being performed and the right to review, inspect and test all Products and Services, and all related supplies, components, materials, and workmanship, and to review all Seller Data, at all places and times, including, but not limited to, when practicable, during the period of manufacture or performance and before shipment. If any such inspection or test is required to be made on the premises of Seller or any tier of Seller's suppliers or subcontractors, Seller shall furnish and require such suppliers and subcontractors to furnish, without additional charge, access to all reasonable facilities, including appropriate office space and assistance necessary for a safe and convenient inspection, test, or review. The rights in this Inspection and Audit Rights clause shall also be granted by Seller to representatives of any governmental agency having regulatory or oversight authority with respect to Buyer or to the Products or Services provided by Seller.



**24. BOOKS AND RECORDS**

Seller shall maintain complete and accurate records and documents supporting all Products and Services provided, costs and expenses incurred by Seller, Seller Data, and records of all quality control inspection work performed by Seller. Seller shall make such records and documents available at Seller's office for Buyer's examination, reproduction, and audit at all reasonable times from the date of this Agreement until the date that is (i) ten (10) years after final payment under this Agreement and (ii) the end of the retention period specified in the applicable Purchase Order (which may reflect the requirement of Buyer's customer), whichever is later. Seller is relieved from maintaining the aforementioned records when the applicable purchasing document requires transfer of original records to Buyer. Seller shall assist Buyer to interpret Seller's records and documents, upon Buyer's request.

**25. BUYER PROPERTY/TOOLING**

25.1 Except as otherwise specified in this Agreement, Buyer or Buyer's customer, as applicable, shall own and retain title to: (i) any and all Property/Tooling furnished or made available by Buyer or Buyer's customers for use in the performance of this Agreement; and (ii) any and all Property/Tooling fabricated, acquired, or otherwise provided by Seller or its suppliers or contractors for use in the performance of this Agreement. Buyer's Property/Tooling will be held by Seller on a bailment basis as a bailee-at-will. Seller bears the risk of loss of and damage to Buyer's Property/Tooling. Seller is solely responsible for inspecting, testing, and approving all Buyer Property/Tooling prior to any use, and Seller assumes all risk of injury to persons or property arising from Buyer's Property/Tooling. Buyer's Property/Tooling will be housed, maintained, repaired, and replaced by Seller at Seller's expense in good working condition capable of producing Products meeting all applicable conditions, shall not be used by Seller other than in the performance of this Agreement without Buyer's prior written consent, will be deemed personal property of the Buyer, will be conspicuously marked by Seller as the property of Buyer, will not be commingled with the property of Seller or with that of a third person, and will not be moved from Seller's premises without Buyer's approval. Seller will insure Buyer's Property/Tooling with full fire and extended coverage insurance for its replacement value. Any replacement of Buyer's Property/Tooling will become Buyer's property. Seller may not release or dispose Buyer's Property/Tooling to any third party without the express written permission of Buyer. Buyer will have the right to enter Seller's premises to inspect Buyer's Property/Tooling and Seller's records regarding Buyer's Property/Tooling. Only Buyer has any right, title, or interest in Buyer's Property/Tooling, except for Seller's limited right, subject to Buyer's sole discretion, to use Buyer's Property/Tooling in the manufacture of Products. Buyer has the right to take immediate possession of Buyer's Property/Tooling at any time without payment of any kind. Seller agrees to cooperate with Buyer if Buyer elects to take possession of Buyer's Property/Tooling. Effective immediately on written notice to Seller, without further notice or legal action, Buyer has the right to enter the premises of Seller and take possession of all of Buyer's Property/Tooling. Seller expressly waives any right to additional notice or process and agrees to provide Buyer or its nominee(s) with immediate access to Buyer's Property/Tooling. Seller grants to Buyer a limited and irrevocable power of attorney, coupled with an interest, to execute and record on Seller's behalf any notice financing statements with respect to Buyer's Property/Tooling that Buyer determines are reasonably necessary to reflect Buyer's interest in Buyer's Property/Tooling.

At Buyer's request, Buyer's Property/Tooling will be immediately released to Buyer or delivered by Seller to Buyer either (i) FCA (loaded) transport equipment at Seller's plant, properly packed and marked in accordance with the requirements of Buyer's selected carrier, or (ii) to any location designate<sup>25.1d</sup> by Buyer, in which case Buyer will pay Seller the reasonable costs of delivery. Seller waives, to the extent permitted by law, any lien or other rights that Seller might otherwise have on any of Buyer's Property/Tooling, including but not limited to molder's and builder's liens.

- 25.2 Seller will not, without the prior written consent of Buyer, sell to, or use for, any other person or otherwise dispose of any Products manufactured by Seller to Buyer's designs, drawings or specifications (including, but not limited to, the Specifications) or based upon them, or any tooling designed for use in manufacture of the Products, and Seller shall refer to Buyer all inquiries received for such Products or tooling.

## 26. INDEMNIFICATION

- 26.1. In addition to any other provision of this Agreement, Seller shall indemnify, defend and hold harmless, Buyer, any customer of Buyer or of Buyer's customer, its affiliates and each of their officers, employees, directors, agents, shareholders, and subcontractors ("**Indemnified Parties**") from any claims, demands, actions, liabilities, losses, costs, or expenses, including reasonable attorney's fees ("**Claims**"), arising from any (i) negligence of Seller or its sub-tier suppliers or contractors, (ii) breach of this Agreement, or (iii) other act or omission of Seller related to the performance of this Agreement, including, but not limited to, any Claims relating to or arising out of any sickness, injury, or death of Seller's employees or contractors.
- 26.2. Seller shall indemnify, defend, and hold harmless the Indemnified Parties from and against any and all Claims related to any actual or alleged infringement of any United States or foreign Intellectual Property rights (including, but not limited to, any patent, copyright, industrial design right, or based upon misappropriation or wrongful use of information or documents) arising out of the Work Product, Services or the manufacture, sale, or use of the Products by the Indemnified Parties, and shall notify Buyer of any such Claim. Seller shall not be liable for any Claim based on Seller's compliance with any Specifications provided by Buyer, unless: (i) Seller could have complied with the Specifications using a design that was non-infringing; (ii) the Specifications were derived from information provided by Seller; or (iii) Seller knew of a potential Claim and did not promptly notify Buyer in writing.
- 26.3. Seller shall, at its own expense, fully defend any Claim on behalf of the Indemnified Parties. Buyer may supersede in the defense of any Claim and assume and conduct the defense in its sole discretion. In such instance, Seller shall be relieved of the cost of such defense, but not the cost of any settlement or damages. Seller will not enter into the settlement of any Claim without Buyer's consent.

## 27. INSURANCE

- 27.1. Without limitation of Seller's indemnification obligations hereunder, irrespective of the place of performance, Seller, at its own expense, shall procure and keep in force the following insurance coverages in the minimum amounts indicated:
- (i) Commercial General Liability coverage, written on an "occurrence" basis with a combined single limit of at least \$2,000,000 per occurrence, and \$4,000,000 in the aggregate, for bodily injury and property damage in a form providing coverage of not less than a standard commercial general liability policy;

- (ii) Aviation Liability coverage, including products and completed operations liability, covering bodily injury and property damage, in an amount not less than \$100,000,000 per occurrence arising or resulting from the performance of this Agreement;
  - (iii) Worker's Compensation coverage for all employees and representatives as required by Applicable Law where work is performed; and
  - (iv) Comprehensive Automobile Liability – Bodily injury/property damage covering all vehicles used in connection with the Products in the amount of \$1,000,000 combined single limit per occurrence.
- 27.2. All insurance shall be procured from insurers licensed to provide insurance in the state(s) or country, as applicable, in which the work is performed, and each insurer (including reinsurers) with a minimum A.M. Best's rating of A VII or Standard & Poor's rating of A. All of Seller's insurance coverages shall be primary and without contribution from any insurance coverages that Buyer carries.
- 27.3. Seller shall provide Buyer with certificates of insurance evidencing that the required minimum coverage is in effect and that Buyer is named as an additional insured, provide a waiver of subrogation clause in favor of Buyer, and provide that all coverage provided by Seller shall be primary, which certificates shall be renewed at the beginning of each calendar year. Such insurance shall not exclude the actions of Seller's subcontractors. Seller's insurance has no effect on any of Seller's other obligations under this Agreement. Seller shall notify Buyer within ten (10) days of any changes in its insurance coverage.

## **28. INTELLECTUAL PROPERTY**

- 28.1. Each Party retains all right, title and interest to any and all designs, drawings, processes, developments, inventions, concepts, improvements, discoveries, ideas, know-how, and technical information (whether patentable or not) employed by such Party in connection with the activities under this Agreement which are (a) owned or controlled by such Party (or its affiliates) prior to the effective date of the Agreement or (ii) acquired, conceived, or created by or on behalf of such Party (or its affiliates) after such effective date but outside of the activities under this Agreement ("Background Technology").
- 28.2. Subject only to any applicable FARs and DFARs in the event that the Purchase Order is issued in support of a procurement under a Government subcontract, all Work Product is hereby the sole and exclusive property of Buyer, and if the Purchase Order is issued in support of a procurement under a Government subcontract, then such FAR or DFAR clauses applicable to the procurement will apply to ownership of the Work Product to the extent contrary to this Section. All Work Product representing copyrightable subject matter is deemed to be "work made for hire" within the meaning of the Copyright Act of 1976, as amended ("Act") and any foreign equivalents, of which Buyer is the author within the meaning of such Act and any foreign equivalents. To the extent that any such Work Product is not deemed "work made for hire" by operation of law or does not represent copyrightable subject matter, Seller, in exchange for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby irrevocably assigns, transfers, and conveys to Buyer the sole and exclusive right, title and interest to such Work Product. Seller shall provide Buyer and its designees with all reasonable assistance and execute all documents deemed by Buyer necessary to assist or enable Buyer to perfect, preserve,

register, record or enforce its rights in any Work Product. Should Seller fail or refuse to provide such assistance or execute any such document, Seller hereby irrevocably appoints Buyer as attorney-in-fact to prepare and/or execute such documents in the name of Seller and its behalf and to institute and prosecute any proceedings as Buyer may deem necessary or appropriate to perfect, preserve, register, record or enforce the Work Product. Seller shall promptly disclose all Work Product to Buyer. Buyer hereby grants Seller a limited, revocable, non-exclusive, non-transferable, non-sublicenseable, royalty-free, right and license to use the Work Product for the sole purpose of fulfilling its requirements and responsibilities under this Agreement, and Buyer may terminate this license grant at any time upon notice to Seller. Upon completion of its performance under this Agreement, Seller shall, at Buyer's discretion, destroy or return to Buyer all Work Product in Seller's custody or control.

- 28.3 Seller will not include or otherwise incorporate any Seller Background Technology into any Work Product without the prior express written permission of Buyer. To the extent any Seller Background Technology is incorporated or otherwise included in any Work Product, whether Seller obtains permission from Buyer or not, Seller hereby grants to Buyer and its affiliates an irrevocable, perpetual, fully paid-up, non-exclusive, royalty-free, transferable, sub-licensable (through multiple levels of sub-licensees), worldwide right and license to make, have made, use, offer for sale, sell, further develop and improve and otherwise exploit (and have others exercise such rights on behalf of Buyer and its affiliates) all or any portion of such Seller Background Technology in connection with developing, making, having made, using, offering for sale, selling, importing, marketing, distributing or otherwise using or exploiting the Work Product, without the need for further consideration and without any obligation to account to Seller or any third party. All rights and licenses granted under or pursuant to this Agreement by Seller to Buyer are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code (the "Code"), licenses to rights to "intellectual property" as defined under the Code.

## 29. PROPRIETARY INFORMATION

- 29.1. Seller agrees that, with respect to all Proprietary Information regarding Buyer or its affiliates or customers, however received, it shall (i) use such Proprietary Information solely for the purpose of this Agreement and not for any other purpose (including, but not limited to, designing, manufacturing, selling, servicing, or repairing products for entities other than Buyer); (ii) maintain such Proprietary Information in confidence and secrecy, and not disclose to any third party or use, directly or indirectly, except as set forth below; and (iii) not reverse engineer, disassemble, or decompile such Proprietary Information. Seller shall protect the Proprietary Information from unauthorized disclosure and use at least the same degree of care it exercises to protect its own proprietary information from unauthorized disclosure and use (but in no case less than reasonable care).
- 29.2. Seller may: (i) copy the Proprietary Information on an as-required basis to fulfill its obligations under this Agreement, provided that all such copies or portions thereof bear copies of the original legends regarding confidentiality (if any); (ii) disclose the Proprietary Information to its officers, employees, agents, and others under Seller's control (collectively, "**Representatives**"), who have a need-to-know for purposes of performance under this

Agreement, provided Seller causes all Representatives to observe the terms of this Proprietary Information clause and shall be responsible for any breach of this Proprietary Information clause by it or its Representatives; and (iii) disclose Proprietary Information where, but only to the extent that, such disclosure is required by Applicable Law or applicable legal process, provided Seller shall to the extent not prohibited by Applicable Law: (a) give the earliest notice practicable to Buyer that such disclosure is or may be required and (b) cooperate in protecting the confidential or proprietary nature of the Proprietary Information to be disclosed.

- 29.3. Upon completion of its performance under this Agreement, Seller and its subcontractors shall destroy or return to Buyer all Proprietary Information. Except as expressly provided in this Proprietary Information clause or in the Intellectual Property clause, it is understood that no right in, or license under, any present or future idea, invention, or other Intellectual Property is either offered or granted under this Proprietary Information clause, nor may any such right or license be implied by the disclosure or receipt of any information or data hereunder. If the Parties have previously entered, or subsequently enter, into a separate nondisclosure agreement or other agreement regarding protection of Proprietary Information (an “NDA”), the Parties agree that in case of any conflicts or differences between this clause and the NDA, the terms of the NDA shall take precedence over this clause, until the NDA expires or terminates.

### **30. TOXIC OR HAZARDOUS SUBSTANCES**

- 30.1. Seller warrants that, if the Purchase Order involves delivery of any hazardous material, the packaging and shipment of such material will be made in accordance with all Applicable Laws, and Seller shall submit a copy of a current Materials Safety Data Sheet to Buyer’s Authorized Purchasing Representative prior to delivery of any hazardous material.
- 30.2. Seller further represents and warrants that the Products and any substances contained therein or utilized in the production thereof are not prohibited or restricted by, and will be supplied and utilized in compliance with, all applicable environmental laws, including, but not limited to, European Regulation (EC) No. 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (hereinafter, “REACH”), and that nothing prevents the import, sale, or transport of the Products or substances in Products, in any country or jurisdiction in the world and that all such Products and substances are appropriately labeled, if labeling is required, and have been pre-registered, registered, notified, or authorized under REACH, as required. Seller shall bear all costs, charges, and expenses related to pre-registration, registration, evaluation, and authorization under REACH of the Products and substances in the Products.
- 30.3. In addition to the foregoing obligations, Seller shall, at Seller’s expense, timely provide Buyer with all relevant information, on the Products or Services, and any substances contained therein or utilized in the production thereof, as Buyer determines to be necessary for Buyer or Buyer’s customers to timely and accurately fulfill their obligations under REACH and other Applicable Laws.

### **31. CONFLICT MINERALS**

Seller represents, warrants, and undertakes, at its sole cost, to supply Products under this Agreement in compliance with the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “CPA”). Seller commits to have in place a supply chain policy and processes to undertake: (i) a reasonable inquiry into the country of origin of Conflict

Minerals (defined in the CPA) incorporated into Products it provides to Buyer; (ii) due diligence of its supply chain, following a nationally or internationally recognized due diligence framework, as necessary, to determine if Conflict Minerals sourced from the Democratic Republic of the Congo and adjoining countries directly or indirectly support unlawful conflict there; and (iii) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures.

**32. COMPLIANCE WITH LAWS**

- 32.1. Seller warrants that it shall comply with all Applicable Laws in the performance of this Agreement, except to the extent inconsistent with U.S. anti-boycott laws. On Buyer's request, Seller will provide written certification of compliance with this Compliance with Laws clause. If a Purchase Order references a Government contract number, Seller agrees to comply with all applicable provisions of said Government contract, and all such provisions are hereby incorporated by reference. A copy of the applicable provisions will be provided on Seller's request.
- 32.2. Seller shall, as soon as possible, notify Buyer if Seller is (i) charged, indicted, or convicted of any crime; (ii) suspended, debarred, or proposed for suspension or debarment from doing business with the Government; or (iii) listed or is proposed to be listed by the Government in any "denial orders," as a "blocked person" or "specifically designated national" or as a "specially designated terrorist." Any such suspension, debarment, listing, or proposal shall constitute cause for Buyer to terminate this Agreement for default.
- 32.3. Seller hereby certifies that all Products furnished hereunder shall have been produced in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the Administrator of the Wage and Hour Division issued under Section 14 thereof, and in accordance with all applicable state and federal laws and regulations governing general conditions for labor employed in the production of such Products.

**33. QUALITY CONTROL**

- 33.1. Seller shall provide and maintain a quality control system to an industry recognized quality control standard and in compliance with any other specific quality requirements applicable to the Purchase Order or as otherwise prescribed by Buyer. Seller will not produce or alter a Product to imitate or resemble another product without authority or right to do so, with the intent to mislead or defraud by passing the imitation as original or genuine.
- 33.2. Seller shall maintain a counterfeit avoidance program that meets the requirements of SAE Standard AS6174 Counterfeit Material; Assuring Acquisition of Authentic and Conforming Material or AS5553 Counterfeit Electrical, Electronic, and Electromechanical (EEE) Parts: Avoidance, Detection, Mitigation, and Disposition, as applicable. If Seller provides Products that are assemblies, Seller shall flow down these requirements to sub-tier suppliers to prevent the inadvertent use of counterfeit parts and materials. If Seller provides (distributes) non-electrical standard parts (like fasteners, nuts, washers, springs, O-rings, inserts, and pins), Seller shall have a counterfeit detection process that is similar to and must meet the intent of, SAE standard AS6081 and have a certification from the original component manufacturer and/or original equipment manufacturer delivered with each lot/shipment. Seller shall not misrepresent as new any used or reclaimed parts.



- 33.3. Seller shall comply with AS9146 Foreign Object Damage (FOD) Prevention Program – Requirements for Aviation, Space, and Defense Organizations, as applicable to the product supplied. This includes appropriate FOD protection and prevention during shipment.

**34. SUBCONTRACTING**

- 34.1. Seller shall not subcontract and shall not permit its first-tier suppliers or subcontractors to subcontract, work with respect to any Products or Services, without Buyer’s prior written consent. Any such consent shall not relieve Seller of responsibility for the performance of its suppliers or subcontractors or for compliance with this Agreement.
- 34.2. Any subcontract awarded to a “foreign person” (as defined in the International Traffic in Arms Regulations) or to a “non-U.S. person” (as defined in EAR) [must comply with the Export and Import Compliance clause of the Purchase Order].

**35. DISPUTES & JURY WAIVER**

- 35.1. Except as provided below, prior to a Party initiating a formal legal proceeding relating to a dispute under this Agreement, that Party must provide the other with a written request for dispute resolution (“**Notice of Dispute**”). Each Party shall, within five (5) days of receipt of a Notice of Dispute, designate a representative for negotiating a dispute resolution in good faith. Should the representatives fail to reach agreement within thirty (30) days of receipt of the Notice of Dispute, executives of each Party shall attempt to resolve the dispute within sixty (60) days of receipt of the Notice of Dispute. If the Parties fail to reach agreement within sixty (60) days of receipt of the Notice of Dispute, or such additional time as the Parties agree upon in writing, either Party may bring suit in Federal or State court in the State of Connecticut.
- 35.2. Pending final resolution of any dispute, Seller shall proceed diligently with performance of this Agreement. These dispute resolution procedures do not supersede, delay, or otherwise affect any express rights of termination in this Agreement.
- 35.3. This Agreement will be construed and interpreted according to the law of the State of Connecticut, and the United States without regard to conflicts of law provisions, and without regard to the United Nations Convention on Contracts for the International Sale of Goods.
- 35.4. TO THE MAXIMUM EXTENT PERMITTED BY LAW, SELLER HEREBY WAIVES ITS RIGHT TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, COUNTERCLAIM OR CROSS-COMPLAINT IN ANY ACTION, PROCEEDING OR HEARING BROUGHT BY EITHER PARTY AGAINST THE OTHER PARTY ON ANY MATTER WHATSOEVER ARISING UNDER OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF THE PARTIES OR ANY CLAIM OF INJURY OR DAMAGE, OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY LAW, STATUTE, OR REGULATION NOW OR HEREAFTER IN EFFECT.
- 35.5. Any action by Seller arising out of or related to this Agreement must be commenced within one (1) year after the Delivery Date.

**36. LIMITATION OF LIABILITY**

BUYER SHALL NOT BE LIABLE, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, FOR ANY SPECIAL, INDIRECT, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES WHATSOEVER, INCLUDING LOSS OF PROFITS, REGARDLESS OF (I) WHETHER SUCH DAMAGES WERE FORESEEABLE, AND (II) WHETHER BUYER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. Buyer's liability on any claim of any kind arising out of or related to this Agreement shall in no case exceed the purchase price of the Products or Services which give rise to the claim.



**37. PAYMENT BY SELLER; SETOFF**

With respect to the payment or performance of any obligation, sum, or amount owing at any time to Buyer, Buyer shall, at its option, have the right either to (i) invoice Seller directly for such amounts, which invoice shall be paid within thirty (30) days of Seller's receipt or (ii) set such amounts off against, or appropriate and apply them to (a) all deposits, amounts, or balances held by Buyer for the account of Seller; and (b) any amounts owed by Buyer to Seller.

**38. SPECIFIC PERFORMANCE**

Seller agrees if Seller breaches this Agreement, damages may be difficult, if not impossible, to ascertain, and it is therefore agreed that Buyer will have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any such breach, and enforcing specifically the terms and provisions hereof, and Seller hereby waives any and all defenses it may have on the ground of lack of jurisdiction or competence of the court to grant such an injunction or other equitable relief. The existence of this right will not preclude Buyer from pursuing any other rights and remedies by law or equity which Buyer may have.

**39. ASSIGNMENT**

Seller may not assign (by operation of law, merger, or otherwise) this Agreement or any rights or obligations under this Agreement without Buyer's prior written consent. Any assignment by Seller without Buyer's prior written consent will be null and void and shall constitute a material breach. If Seller's beneficial ownership changes, directly or indirectly, by fifty percent (50%) or more of the ownership interest in, or voting power over, Seller, Buyer shall have the right to terminate a Purchase Order or this Agreement in whole or part upon thirty (30) days' written notice. Buyer's obligations upon such termination shall be limited to payment for such Products and Services actually received during that thirty (30)-day period.

**40. SURVIVAL**

The clauses of this Agreement regarding payment, Intellectual Property, Proprietary Information, Property/Tooling, Warranty, Indemnification, Disputes & Jury Waiver, Limitation of Liability, Books and Records, and all others that by their sense and context are intended to survive the performance, termination, or expiration of this Agreement shall survive and continue in effect. If any provision in this Agreement is or becomes void or unenforceable by force or operation of law, all other provisions shall remain valid and enforceable.

**41. NON-WAIVER**

A Party's failure at any time to enforce any provision of this Agreement shall not constitute a waiver of such provision or prejudice a Party's right to enforce such provision at any subsequent time.

**42. RELEASE OF INFORMATION AND ADVERTISING**

Seller shall not, without Buyer's prior written consent, make any disclosure, or public announcement, denial, or confirmation, regarding any part of the subject matter of this Agreement, or in any manner advertise or publish the fact that Seller has supplied or contracted to supply to Buyer the Products and Services, except as required to perform this Agreement. Seller shall not use Buyer's or Buyer's customers' Intellectual Property, or release photographs of any of Buyer's or Buyer's customers' facilities, products, or personnel without Buyer's prior written consent.

**43. INDEPENDENT CONTRACTOR STATUS**

Seller and Buyer are independent contractors. This Agreement will not create an employment relationship, partnership, joint venture, or other relationship between the Parties. Neither Party will have the power to bind the other or incur obligations on the other Party's behalf without the other Party's prior written consent. Seller's employees, subcontractors, agents, or representatives shall at

all times be under Seller's direction and control. Seller shall pay all wages, salaries, and other amounts due such persons in connection with this Agreement and shall be responsible for all withholdings, reports, and other obligations with respect to such persons, including, but not limited to, Social Security and income tax withholdings, unemployment compensation, worker's compensation premiums, and equal employment opportunity reporting.

**44. CUMULATIVE REMEDIES**

Buyer's remedies provided herein shall be cumulative and in addition to any other remedies provided by law or in equity.

**45. HEADINGS**

The descriptive headings contained in this Agreement are for convenience of reference only and are not to be used to interpret the meaning of any provision.

**46. FAR/DFAR FLOWDOWN CLAUSES/PROVISIONS**

46.1. The Supplemental Purchasing Terms and Conditions Flowdown Clauses for Purchase Orders Issued in Support of U.S. Government Contracts, available at <https://barnesaero.com/wp-content/uploads/2025/04/Barnes-Purchasing-Terms-and-Conditions-Flowdown-Clauses-2025-04-29.pdf> are hereby incorporated by reference, with the same force and effect as if they were given in full text, and are, applicable, in instances where work is being performed under Purchase Orders for all U.S. Government contracts, prime contractors contracting with the U.S. Government, and all subcontracts.

[The Supplemental Purchasing Terms and Conditions Flowdown Clauses for Purchase Orders Issued in Support of U.S. Government Contracts](#) may require the submission of certifications and representations.

When requested by Buyer, Seller shall furnish any certification or representation that Buyer determines is necessary for compliance with suc