

**STELLAR BLU - GENERAL TERMS AND CONDITIONS FOR PROCUREMENT  
(the "Terms and Conditions")**

**1) Definitions:**

- (a) **"Order/s":** SBS's purchase order, or any other similar document, through which SBS order Work from Supplier including the SOW, as defined below, and each appendix attached to it.
- (b) **"Supplier" or "Vendor"** - the person/corporation contracting with SBS pursuant to the Order.
- (c) **"SBS" or "Buyer"** - Stellar Blu Solutions LLC, a limited liability company organized under the laws of the State of Delaware having its principal place of business at 2060 Eagle Parkway, Fort Worth, TX 76177, and any corporate affiliate of Stellar Blu Solutions LLC that issues the Order, including any subsidiary or related entity.
- (d) **"Products"**- The products ordered by SBS from the Supplier, as detailed in the Order.
- (e) **"Services"**- The services ordered by SBS from the Supplier, as detailed in the Order.
- (f) **"Work"** - means all required labor, articles, materials, documents, supplies, Products, and/or Services constituting the subject matter of the Order.
- (g) **"Customer/s"** - The customer with whom SBS has contracted and who ordered from SBS any product that includes the Work.
- (h) **"Statement of Work (SOW)"**, means the document that outlines the specific scope, Supplier responsibilities, technical requirements, technical specifications, and, in general, all conditions required by SBS for the Work.

**2) Applicability of the Terms and Conditions**

The following Terms and Conditions apply to any SBS Order. The Supplier accepts the Order and undertakes to perform the obligations specified in the Order subject to these Terms and Conditions. Unless approved by SBS in advance and in writing, no other terms shall apply to the Order, even if they were sent to SBS after the Order was issued and without SBS explicitly rejecting the other conditions. In the event of any contradiction or conflict between the provisions of the Terms and Conditions and the terms of the Order or any appendix to the Order, an express provision shall prevail over a general provision. In the event of explicit, contradictory provisions, the terms of the Order shall prevail over any accompanying Appendix, and the provisions of and Appendix shall prevail over the provisions of the Terms and Conditions.

**3) Receiving an Order**

The Supplier is required to confirm the Order within 72 hours of receipt. As long as the Supplier has not confirmed the above Order, SBS may cancel the order in any manner and without any cause for compensation being established. Without derogating from the generality of the aforesaid, if the Supplier did not approve the said Order, but provided SBS with the Work and/or accepted SBS's payments, SBS may, at its discretion, either (a) accept the Work and treat it as acceptance of the Order and the Terms and Conditions by the Supplier; or (b) reject the Order on the basis of the rejection of the Order by the Supplier as aforesaid. In any event, any change in the Order will not be valid unless it is done in writing and signed by SBS and the Supplier.

**4) Price**

The prices set forth in the Order are firm fixed unless otherwise stated therein. No additional charges (e.g., for packing, handling cartage, or change in currency) shall apply in addition to the Order price. The prices include all taxes (including VAT, duties and levies, where applicable), tariffs, and similar fees imposed by any government.

All taxes, if applicable, shall be listed as a separate line item on the invoice

**5) Payments**

a) Unless explicitly agreed otherwise, payments will be made within current plus seventy-five (75) days from the latest of the following: (i) SBS's receipt of Supplier's proper and undisputed invoice; (ii) scheduled delivery date of the Work; (iii) actual delivery date of the Work; or (iv) acceptance of the Work by SBS.

b) Invoices shall be submitted in duplicate after delivery and acceptance by SBS, with the second copy to be marked as a duplicate and shall include the order reference and the number of each delivery item.

c) In case of defective delivery or service, SBS shall be entitled to withhold payment on a pro-rata value basis until complete and satisfactory fulfillment occurs. The Supplier shall send a revised invoice as shall be directed by SBS.

d) Partial deliveries and/or accelerated deliveries are acceptable, only if Buyer provided Supplier with a prior written authorization, authorizing Supplier to deliver such partial deliveries, or to deliver in advance of the delivery schedule. Invoices submitted for approved partial delivery will be paid based on the unit price listed in the Purchase Order.

e) In addition to SBS's remedies and rights pursuant to the Order, SBS will be entitled to offset any amount due to the Supplier according to the Order against any amount due to it or to any of its subsidiaries from the Supplier for any reasons including, but not limited to, amounts in respect of damages caused to SBS, whether fixed or not, as a result of the Supplier's breach of the terms of the Order.

f) All payments under the Order shall be made in United States Dollars (USD), unless expressly agreed otherwise by both parties. In the event that payment is linked to a foreign currency, the payment will be made according to the exchange rate of the central bank of the SBS's entity issuing the Order only and according to the invoice date.

**6) Packing**

a) Supplier will provide SBS with (i) the Harmonized Tariff Schedule number, country of origin information or certificates, ECCN number, relevant RoHS number and any other documents or information SBS may require complying with international trade regulations or to lawfully minimize duties, taxes, and fees; and (ii) Free Trade Agreement ("FTA") certificates for all Products that qualify under one (1) or more FTAs. Supplier shall provide SBS all documents, records, and other supporting information necessary to substantiate the Products' qualification under such FTA. Supplier shall exert reasonable efforts to qualify the Products under FTA.

b) With each shipment, Supplier will send SBS, and SBS's designated agent, a complete set of shipping documents including the commercial invoice and packing list in hard copy, within the shipment container or packaging.

- c) All items shipped by Supplier will be packaged properly to ensure receipt in an undamaged condition. All containers shall be properly marked for identification, Order number(s), Product part number, Product description, serial number(s) country of origin, total number of boxes in shipment, quantity of Products shipped, final delivery address and any other required information SBS may request.
- d) Supplier, when providing Products for use on or in an aircraft ("Airborne Goods"), will provide SBS with individual Certificates of Compliance certifying such Airborne Goods adhere to their respective design specifications.

**7) Delivery Terms – Transfer of risk of loss and title.**

- a) Unless otherwise specified in the Order, all ordered Products and/or Work shall be delivered Ex-Works (EXW)(Incoterms 2020), at a mutually agreed location.
- b) Unless otherwise directed, all Products shipped in one (1) day from and to a single location must be consolidated on one (1) bill of lading or air waybill, as appropriate
- c) For domestic shipments, if requested by SBS, and for all international shipments, Supplier will give notice of shipment to SBS when the Products are delivered to a carrier for transportation.
- d) Risk of loss and title to the ordered Products and/or the Work shall pass to SBS upon its delivery to SBS according to applicable incoterms as specified in previous paragraphs.
- e) Time is of the essence with respect to all deliveries specified in the Order. Partial or accelerated deliveries will be subject to prior coordination and approval of Buyer. Items delivered either early or partially without the Buyer's authorization, or late, may be returned at Supplier's expense. SBS reserves all other remedies under law in this regard.

**8) Changes**

- a) SBS may at any time, by written notice, make changes within the general scope of the Order in any one or more of its components.
- b) If any such change results in an increase or decrease of more than 10 % in the cost or time required for the performance of any part of the Order, SBS shall make an equitable adjustment to the Order price and/or delivery schedule, all according to the terms to be mutually agreed with Supplier.
- c) Supplier must assert its right to an equitable adjustment under this clause within thirty (30) days from the date of receipt of the written change order from SBS.

**9) Stop Work**

- (a) SBS may, at any time, require the Supplier to stop Work for up to ninety (90) days in accordance with any written notice received from SBS, or for such longer period as the parties may agree and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work during the period of Work stoppage.
- (b) Within such a period, SBS shall either terminate the Order in accordance with section 16.1. below (Termination for Convenience) or continue the Work by written notice to Supplier. In the event of a continuation, an equitable adjustment in accordance with the principles of the Changes clause shall be made to the price, delivery schedule, or other provision(s) affected by the Work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after date of notice to continue.

**10) Inspection and Acceptance**

- a) SBS will be entitled to refuse to accept the Work at its sole discretion, in whole or in part, if it does not comply with the terms of the Order or is otherwise defective.
- b) The Work shall be deemed to have been received by SBS only after delivery to SBS under the terms of the Order, accompanied by

all the required documents and approvals required for the acceptance and subject to SBS quality assurance approval.

- c) SBS and Customer may inspect all Work at reasonable times and places, including, when practicable, during manufacture and before shipment. Supplier shall provide all information, facilities, and assistance necessary for safe and convenient inspection without additional charge.
- d) No such inspection shall relieve the Supplier of its obligations to furnish and warrant all Work in accordance with the requirements of the Order.
- e) If Supplier delivers non-conforming Work, SBS may, in addition to any other remedies available at law or at equity: (i) accept all or part of such Work at an equitable price reduction; or (ii) reject such Work; or (iii) require Supplier, at Supplier's cost, to make all repairs, modifications, or replacements at the direction of SBS necessary to enable such Work to comply in all respects with Order requirements.

**11) Quality Control System**

- a) Supplier shall provide and maintain a quality control system to an industry- recognized quality standard and in compliance with any specific quality requirements identified in the Order.
- b) Records of all quality control inspection work by the Supplier shall be kept complete and available to SBS and the Customer.
- c) Supplier, when providing Airborne Goods, will comply with the Code of Federal Regulations - Title 14 (14CFR), Part 21 and Part 145 and the latest issue of SBS's Quality Management Document QMP-03-10-01 and QMP-03-13-01-C-01 attached to the Order, which Supplier acknowledges having received and understood.

**12) Warranty and Recall.**

- a) The Work supplied shall be warranted (i) to conform to the items' specifications, drawings, designs, samples and other requirements specified by SBS in the SOW; (ii) to be new and made from new materials, unless otherwise mutually agreed by the Parties; (iii) to be free from claims by third parties; (iv) to be fit for their intended purpose and operate as intended; (v) to be merchantable; (vi) to be free and clear of all liens, security interests or other encumbrances; (vii) to be free from any viruses, disabling programming codes, instructions, or other such items that may interfere with or adversely affect SBS's permitted use of the Work; (viii) to be free from defects in material and workmanship until thirty-six (36) months from the date of delivery to SBS or the Customer, as the case may be. If any of the Work, or any part thereof, delivered by Supplier do not meet these warranties, SBS may, in addition to any other rights SBS may have under law: (1) require Supplier to repair, replace or reperform at no cost to SBS any defective or non-conforming item; or (2) return to Supplier the defective or non-conforming item at Supplier's expense and receive a full refund of the purchase price, or (3) correct the defective or non-conforming item/service and charge Supplier with the cost of such correction. In any case, Supplier will bear the transportation costs from/to SBS premises, or Customer premises, as the case may be.

This warranty shall survive any inspection, delivery, acceptance, or payment by SBS for the items.

- b) **Recall.** Supplier is liable for all costs or damages associated with any voluntary or involuntary recall of defective or potentially defective Products or any products containing or incorporating such Products including, but not limited to, recalls by a Customer, regulatory agency or in accordance with applicable laws or regulations. Supplier will be solely responsible for administering any recall, or shall actively participate in the administration of any recall conducted by SBS at or its customer in relation to the Products, as directed by SBS. Each party will cooperate in making

available records and other information reasonably required by the other party in connection with any recall. This section will survive any termination or expiration of the Order and apply for at least the same duration as SBS's obligation to its Customer(s).

### **13) End of Life Notice**

- a) The Supplier agrees to provide SBS with a written notice of no less than twelve (12) months in advance of the End of Life (EOL) of any Products.
- b) During the EOL notification period, SBS shall have the right to place a Last Time Purchase order for the Products.
- c) In the event that the Supplier cancels the EOL of any Products, any pending Last Time Purchase orders may also be canceled by SBS without any penalties or charges.

### **14) Furnished Property**

- a) SBS may, by written authorization, provide to Supplier property owned by either SBS or Customer (“**Furnished Property**”). Furnished Property shall be used only for the performance of the Order.
- b) Title to Furnished Property shall remain in SBS or Customer, as the case may be. Supplier shall clearly mark all Furnished Property to show its ownership.
- c) Except for reasonable wear and tear, Supplier shall be responsible for, and shall promptly notify SBS of, any loss or damage to Furnished Property. Without additional charge, Supplier shall manage, maintain, and preserve Furnished Property in accordance with applicable law, the requirements of the Order and good commercial practice.

### **15) Work on SBS's and Third Party's Premises**

- a) “Premises” as used in this clause means premises of SBS, Customers, or other third parties where Work is being performed.
- b) Supplier shall ensure that Supplier personnel working on the Premises comply with any on-premises policies.
- c) Prior to entry on the Premises, Supplier shall coordinate with SBS, or with any third party where the Work is being performed, to gain access.
- d) SBS may, at its sole discretion, have Supplier remove any specified employee of Supplier from the Premises and require that such employee not be reassigned to any Premises under the Order.

### **16) Termination**

#### **16.1 Termination for Convenience**

- a) SBS reserves the right to terminate the Order, or any part hereof, for its convenience. SBS shall terminate by delivering to Supplier a notice of termination specifying the extent of termination and the effective date. In the event of such termination, Supplier shall immediately stop all work hereunder and shall immediately cause all its suppliers and subcontractors to cease work. Subject to the terms of the Order, Supplier shall be paid a percentage of the Order price reflecting the percentage of the Work performed prior to the notice of termination, or the costs that Supplier can demonstrate, to the satisfaction of SBS, that have resulted from the termination. Supplier shall not be paid for any Work performed or costs incurred which reasonably could have been avoided.
- b) In no event shall SBS be liable for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Order price. Supplier's termination claim shall be submitted within sixty (60) days from the effective date of the termination.
- c) Supplier shall continue all Work not terminated.

#### **16.2 Termination for Default/ Cause.**

If Supplier defaults in the performance of the Order and such default or delay is not cured within ten (10) days from receipt of written notice from SBS of such default or delay, SBS may immediately terminate the entire Order or any part thereof without liability, and SBS reserves its rights to all remedies available under law with respect thereto. A default under the Order shall be any of the following failures of Supplier to:

- i. Deliver the Work within the time specified in the Order or any extension; or
- ii. Perform any of the other provisions of the Order.

SBS will be entitled to terminate the entire Order or any part thereof without giving an advance notice to the Supplier if the Supplier ceases to operate for a period exceeding fourteen (14) days or if he is facing bankruptcy or receivership proceedings or the Supplier's death, or in the case of a corporation - liquidation proceedings or if an application is filed to appoint a receiver by his creditors, or in the process of arranging a debt with his creditors. In each of these cases, SBS will be entitled, without any further authorization, to enter the Supplier's premises and take possession of SBS assets and to remove them.

The Supplier shall not be entitled to any compensation other than in respect of the unperformed Work already supplied, received, and accepted by SBS. SBS will be entitled to receive a full reimbursement for payments already paid with respect to the terminated Work.

### **17) Software Open Source- Limitations**

The use of an open-source in any Work in connection with the Order shall be subject to the following: (i) The incorporation of the open-source within the Work is permissible according to the open-source's terms and conditions, and the use of it by SBS shall not violate any third party rights, including (without limitations) intellectual property rights; and (ii) Supplier shall incorporate the relevant notices regarding copyright and/or other notices, as may be required by the open-source's terms and conditions; and (iii) Supplier shall not use any copy-left open-source or other type of open-source that may derogate and/or otherwise eliminate SBS's ownership and/or rights in and to the Work, including any information incorporated therein.

### **18) Insurance Requirements**

a) Supplier will maintain during the term of the Order, at its own expense, with reputable insurance companies, the following insurance coverage: (1) Workers' Compensation in compliance with the statutory requirements of the state, province or other jurisdiction in which the work is performed, and Employers' Liability insurance with an insured limit of at least \$1,000,000 per occurrence; (2) Commercial General Liability insurance on an occurrence basis with a minimum amount of \$1,000,000 per occurrence and \$2,000,000 in the aggregate for bodily injury including death, personal injury, and property damage; (3) Umbrella or Excess Liability insurance on an occurrence basis of at least \$4,000,000 per occurrence; and (4) Auto liability insurance covering all vehicles owned by or registered in the name of Supplier or its Affiliates with a minimum insured limit of \$1,000,000 per occurrence. In addition, Supplier will maintain an Aviation liability insurance with an insured limit of at least \$50,000,000 in the aggregate for bodily injury including death, personal injury, and property damage.

b) All above-mentioned policies shall be evidenced on a Certificate of Insurance furnished to SBS upon request and must provide SBS with at least thirty (30) days written notice in the event of cancellation of any such policy.

### **19) Supplier Liability**

The Supplier shall be liable for any damage or loss caused to the body or property of any person, including his employees and employees of SBS or Customer, or anyone acting on their behalf, caused in connection with the Supplier's execution of the Order.

## **20) Intellectual Property and Intellectual Property Indemnity**

- a) Supplier warrants that no third party has any property rights on any item listed in the Order and, in particular, that no patents, licenses or other property rights will be violated through the delivery and use of the items listed in the Order.
- b) Supplier shall defend any claim that is brought against SBS or Customer that an item or service listed in the Order or a device or process resulting from its use infringes or misappropriates a patent, copyright, or trade secret of any third party, provided that SBS shall notify Supplier promptly in writing and give Supplier authority, information, and assistance, at Supplier's expense, to defend the claim. Supplier will pay all damages and costs awarded against SBS or Customer and will indemnify SBS, at its first demand, for any damages suffered by SBS in this respect. If use of an item is enjoined, Supplier will, at Supplier's expense, procure the right to continue using the item, replace the item with a non-infringing equivalent, or with SBS written approval, remove the item and refund the purchase price and the transportation and installation cost.
- c) Any right in the Work, insofar as it relates to the Order and was established in the framework of its execution, shall belong exclusively and fully to SBS and the Supplier hereby waives any such demand or right.
- d) In the event that the Order includes purchase of design Services or other engineering Services, or in any other case where the Supplier is unable to deliver the Work or its obligations with respect to post-sales support, SBS shall have full license to use the Supplier's previous intellectual property rights and any new intellectual property created as consequence or in relation to the Order, by itself or through a third party. The said license shall not bear royalties and shall be irrevocable, unlimited in territory, transferable and assignable to a third party. In such a case, in order to enable SBS to execute the license, the Supplier undertakes to transfer to SBS exclusively and in a complete manner, all the Work of the Order, including without limitation, full product files, drawings, specifications, product details and its distribution to its various components (full BOM), quality requirements and testing procedures for each part of the product, detailed instructions regarding the manner in which the product is manufactured and any other detail relating to the product in a manner that will allow SBS to produce the Work.
- e) Except for software provided under appropriate license or except as otherwise agreed by the parties, any technology developed for SBS in connection with the Order, including any associated intellectual property rights, shall be deemed SBS's property. Accordingly, in each case Supplier hereby assign and agree to assign to SBS, and to cause Supplier's employees to assign to SBS, without additional compensation, all of such technology and associated intellectual property rights.

## **21) Rights and Remedies**

- a) The rights and remedies of either party in the Order are cumulative and in addition to any other rights and remedies provided by law or in equity.
- b) Without derogating from any other right and remedies according to this Terms and Conditions or applicable law, in the event of delay of more than 5 (five) days in the provision of the Work due to Supplier acts or omissions, or anyone on its behalf, SBS will be entitled to apply a daily penalty of 0.5 % (half percent) of the price of the delayed Work for each day of delay, up to a maximum amount of ten percent (10%) of the total value of the Order.

## **22) Confidentiality and Publicity**

The Supplier undertakes to keep under confidentiality, both during the execution of the Order and thereafter, any information disclosed by SBS, whether commercial or technical information, or any other information relating to the execution of the Order or to SBS business, its products, working methods, etc., This undertaking does not derogate from the terms of the confidentiality agreements signed between the Supplier and SBS.

Supplier will not (a) issue any press release; or (b) use any of SBS's products or SBS's name in promotional activity; or (c) otherwise publicly announce or comment on the Order, without prior written consent of SBS.

## **23) Compliance with SBS Policies and Government Requirements**

- a) The Supplier has read and agreed to comply with SBS's [Supplier Code of Conduct](#), as may be in effect from time to time, which sets SBS's requirements applicable to suppliers with respect to conduct, compliance, and responsible business practices.
- b) The Supplier shall obtain, at its own expense, any license, including marketing licenses, export and re-export licenses, brokerage licenses and any other permit, required to allow SBS to receive and to export, including to re-export, the subject matter of the Order by SBS and by the Customers whose identity has been conveyed to the Supplier.
- c) Supplier shall comply with all applicable export and import control laws and regulations, including but not limited to the US Export Administration Regulation (including prohibited party lists issued by other federal governments), the State of Israel, and all applicable national and international embargoes.
- d) In the event there are any changes in the country-of-origin information, certificates or in any information provided by Supplier as specified in these Terms and Conditions, Supplier shall immediately update SBS before shipping the Products.
- e) The Supplier confirms that it will comply and shall continue to comply with all applicable provisions of the NDAA (FAR and DFARS), including, without limitation, the provision of section 889 thereof, as listed in the Order/s.
- f) Supplier shall meet the [Minimum Security Requirements for Suppliers](#), where applicable according to the terms of such requirements.
- g) The Supplier shall meet [SBS's Quality Requirements](#) for the items set forth in the Orders.
- h) SBS has the right to reject any Product which, at SBS's sole discretion, does not comply with international trade regulations, SBS Policies and/or applicable government requirements or declarations. This includes, but it is not limited to countervailing duties, antidumping duties, or retaliatory duties on the Products imported under the Order. Supplier will be debited for any duties, fees, or freight incurred by SBS due to Supplier's failure to comply with the terms and conditions of the Purchase Order.

## **24) Conflict Minerals**

The Supplier undertakes that, to the extent that the Work that is the subject of the Order contains one or more of the following minerals: gold, tin, tungsten and tantalum, the Supplier shall provide SBS with timely and necessary information regarding such minerals.

## **25) Change in Control of Supplier**

Supplier will promptly notify SBS in writing prior to a potential change of control and provide any information as SBS may request, consistent with applicable law and confidentiality

restrictions. SBS will be entitled to terminate the Order according to the terms specified in section 16.1 hereof.

**26) Independent Contractor Relationship**

The Order does not create an employer-employee or agency relationship, or a joint venture or partnership between SBS and the Supplier. The Supplier is engaged as and shall be an independent contractor only for all purposes. The Supplier shall be solely responsible for all persons and entities which Supplier engages to carry out any or all its obligations under the Order.

**27) Assignment and subcontractors**

- a) Any assignment of Supplier's Order rights or delegation of Supplier's duties shall be void, unless prior written consent is given by SBS.
- b) Supplier shall not subcontract orders or part thereof to third parties without SBS's prior written consent. If such consent is granted, Supplier shall remain responsible for meeting all contractual obligations.

**28) Audit and Records.**

The Supplier shall retain all relevant documents and records pertaining to the Work, for a period of 10 years following final payment. Buyer shall have the right, subject to prior written coordination with Supplier, to audit such records related to the performance of the Work and for pricing, to evaluate the completeness and accuracy Supplier's records.

**29) Governing Law and Venue**

The law governing the Order shall be the law of the place of incorporation of the SBS's entity issuing the Order, the courts of which shall have exclusive jurisdiction over any dispute hereunder. Without derogating from the above, and to the maximum extent possible, either party irrevocably waives the right for a trial by jury in any legal proceeding directly or indirectly arising out of or relating to the Order.

**30) Notices**

All notices in connection with the Order will be given in writing and will be delivered by registered mail, or e-mail, to the addresses indicated in the Order.