

## TERMS AND CONDITIONS OF PURCHASE

### 1. Acceptance of Purchase Order - Modification

- 1.1. This general purchase terms and conditions are applicable for the purchase of goods, services or both ("Goods") as described on the Purchase Order ("PO") issued by Contraves Advanced Devices Sdn Bhd and/or its subsidiaries ("CAD Group") at the address stated on the PO to a Vendor/Subcontractor/Sub-Supplier ("Supplier").
- 1.2. The PO is deemed accepted by Supplier upon:
  - (a) the date Supplier returns the signed acknowledgment copy of the PO to CAD Group; or
  - (b) three (3) business days from the date the PO is issued by CAD Group to Supplier, regardless of transmission method from CAD Group to Supplier, and Supplier has not communicated otherwise to CAD Group.
- 1.3. CAD Group expressly rejects any additional, conflicting and/or inconsistent terms and conditions offered by Supplier, including those contained in any Supplier's quotation, bid, proposal, invoice and/or any other document. Reference to such documents shall not be construed as acceptance of any terms or conditions therein, unless expressly agreed to in writing by an authorized representative of CAD Group.
- 1.4. No course of prior dealings, trade custom and/or usage shall modify, supplement and/or explain any terms used in a PO issued by CAD Group.
- 1.5. These terms and conditions, together with the specification(s), drawing(s) and/or any other document explicitly referred to and/or attached to the PO, constitute the entire agreement and supersede any and all prior and/or contemporaneous communication(s), representation(s), promise(s), and/or negotiations, whether oral and/or written, relating to the subject matter of the PO.
- 1.6. No change to and/or modification of the PO will be binding upon CAD Group unless explicitly agreed in writing, specifically referencing the PO being amended and approved by an authorized representative of CAD Group.
- 1.7. If Supplier identifies any ambiguity(ies), issue(s) and/or discrepancy(ies) between the PO and any related specification(s), design(s) and/or other technical requirement(s), Supplier shall immediately notify CAD Group in writing seeking clarification. Any such ambiguity, issue and/or discrepancy must be explicitly resolved in writing prior to proceeding with any further action to supply Goods.

### 2. Order of Precedence

- 2.1. All documents referenced or incorporated in the PO shall be read as one integrated agreement.
- 2.2. In the event of any inconsistency or conflict among the document(s) forming the PO, the order of precedence shall be as follows, unless otherwise expressly agreed in writing by both Parties:
  - (a) the PO, including any special condition(s) and/or supplemental term(s) explicitly stated or incorporated by reference;
  - (b) these Terms and Conditions of Purchase;

### 3. Delivery, Shipment and Packaging

- 3.1. Supplier shall deliver the Goods in the quantity(ies) and on the date(s) specified on the PO or related scheduled release(s). Where delivery date(s) is/are not stated, Supplier shall propose the best delivery date(s), subject to CAD Group's written acceptance. Unless otherwise directed, any and all Goods shipped/delivered on the same day from and to a single location must be consolidated under a single bill of lading or airwaybill, as appropriate.
- 3.2. If any delivery is likely to be delayed for any reason other than caused or requested by CAD Group, Supplier shall, at its own cost, expedite shipment/delivery by the fastest commercial method. CAD Group reserves the right to reject, without cost to itself, any delivery that varies from the authorized quantity(ies) and/or includes unapproved substitution(s). Any and all substitution(s) require(s) CAD Group's prior written approval. Item(s) shipped/delivered in advance of CAD Group's delivery schedule may be returned or stored at Supplier's expense and risk.
- 3.3. All items shall be packaged in accordance with CAD Group's packaging instructions. If such instructions are not provided by CAD Group, Supplier shall use good commercial practices/methods to ensure safe delivery and undamaged condition of Goods. CAD Group shall not be liable for any discharge, spill and/or other environmental incident (including but not limited to costs to clean-up any such incidents) until the Goods are received. Each package/container must be properly and accurately marked for identification as instructed in CAD Group's PO and must include a packing slip specifying at minimum: CAD Group's PO number(s), product part number(s), detailed product description(s), number of box(es), quantity(ies) of product(s) being shipped/delivered and final destination's delivery address.
- 3.4. For all domestic and/or international shipment/delivery, Supplier shall notify CAD Group in writing upon delivery of the Goods to the carrier. The PO number(s) must appear on all correspondence(s), shipping label(s), packing slip(s), bill(s) of lading, airwaybill(s) and shipping document(s). Within one (1) business day after delivery of the Goods to the carrier, the Supplier shall transmit to CAD Group a complete set of shipping documents, including but not limited to:
  - For sea freight: three (3) original clean on-board Bill(s) of Lading, commercial invoice(s) and packing list(s);
  - For air freight: the Airwaybill(s) (AWB), commercial invoice(s) and packing list(s);
  - For domestic land transport: delivery order(s) or consignment note(s), commercial invoice(s) and packing list(s).
 These documents shall be provided in hard copy or electronically, as required, to enable CAD Group to take timely and lawful possession of the Goods and to facilitate customs clearance, inspection and payment processing.
- 3.5. Unless specifically exempted by the destination country's governing authorities, all Goods must be clearly and permanently marked in a conspicuous place with their country of origin (manufacture) and such marking shall be legible, indelible and in compliance with applicable laws and commercial standards.
- 3.6. Supplier shall provide CAD Group with the following documents, including but not limited to:
  - (a) the Harmonized Tariff Schedule number(s), information on country(ies) of origin, relevant certificate(s), manufacturer's affidavit(s), and any applicable Free Trade Agreement ("FTA") certificate(s);
  - (b) any document(s) and/or information required to comply with international trade laws and/or regulations to legally minimize duties, taxes and fees; and
  - (c) any and all supporting document(s), record(s) and substantiation(s) necessary to demonstrate the eligibility of the Goods under one or more FTA(s).
 Supplier shall make reasonable efforts to qualify the Goods under relevant FTA(s) and shall promptly notify CAD Group in the event of any change(s) affecting such qualification.
- 3.7. Supplier shall use suitable and environmentally friendly packing material at its own expense. Upon request, Supplier shall submit a certificate of declaration, confirming adherence to applicable environmental laws and regulations. CAD Group reserves the right to dispose of packaging material in accordance with the law, at Supplier's cost.

### 4. Notice of Delay

If Supplier becomes aware of any circumstance(s) (existing or anticipated) that may delay or threaten to delay the timely performance of its obligations under the PO, Supplier must immediately notify CAD Group in writing, providing all relevant information including nature of the delay, root cause, estimated duration and proposed actions to mitigate any such delay(s). Such mitigating actions and any subsequent new delivery date

must be mutually agreed in writing between CAD Group and Supplier. Any and all liquidated damages and cost(s) arising from any delay caused by Supplier shall be borne by Supplier.

## 5. Excusable Delay (Force Majeure)

- 5.1. Supplier is not liable for delays and/or failure to perform its obligations under the PO due to events beyond Supplier's reasonable control, such as natural disasters, acts of Gods, war, riot, terrorism, pandemic outbreaks, relevant government actions and/or embargoes. This may include global supply chain disruptions not caused by Supplier, provided that the delay is not due to Supplier's fault, failure to plan appropriately and/or negligence.
- 5.2. Delay(s) caused by the default of Supplier's sub-tier supplier/vendor/contractor does not constitute excusable delay, unless:
  - (a) Supplier is able to clearly demonstrate that the delay was beyond the control of Supplier and/or its sub-tier supplier/vendor/contractor, and is not the result of any fault or negligence by either party; and
  - (b) the Goods cannot be obtained from alternative source(s) in sufficient time to meet the delivery schedule.
 Supplier's ability to sell the Goods at a more advantageous price and/or Supplier's economic hardship in procuring material(s) or manufacturing of the Goods shall not constitute grounds for an excusable delay.
- 5.3. Any Supplier affected by a Force Majeure event must provide written notice to CAD Group within seven (7) business days from the event's onset, with accurate and complete details of the event and the expected duration to recover from any delay arising from such event; and use its best efforts to overcome and mitigate the delay.
- 5.4. If Supplier delays delivery of the Goods due to a Force Majeure event, CAD Group may, at its sole discretion, cancel the PO and any scheduled delivery(ies) at no cost to CAD Group; or extend the period of performance to cover the period of delay caused by the excusable delay. Supplier shall equitably allocate available supply of Goods to CAD Group, at least the same proportion of Supplier's total output of Goods as was allocated before the excusable delay event.
- 5.5. Where CAD Group accepts to extend the period of performance by Supplier, CAD Group shall not be liable for any loss and/or damage incurred by Supplier as a result of any Force Majeure event.
- 5.6. Supplier shall inform CAD Group in writing when the Force Majeure event ends.

## 6. Quality Assurance

- 6.1. Where CAD Group determines that there is a significant or material risk that Supplier may not meet its performance or delivery requirements under the PO, CAD Group reserves the right to conduct quality system and production line audits at Supplier's cost in fulfilling its obligations. CAD Group may appoint a Supplier Quality Representative ("SQE") to monitor, inspect and verify quality assurance processes of the Goods on site until the deliveries are completed. CAD Group may request Supplier to provide a Quality Assurance Plan that outlines specific inspections, reports and performance requirements, reasonably tailored to ensure Supplier's adequate performance under identified provisions of the PO, and in accordance with the required Quality Standards. Failure to implement or comply with the terms of the Quality Assurance Plan shall constitute a material breach of Supplier's obligations under the PO.
- 6.2. Supplier shall promptly notify CAD Group in writing, without undue delay, if it becomes aware of any deviation from specifications of the Goods; any actual or potential quality issues; any and all modifications that could affect the reliability, safety, performance and/or characteristics of the Goods; and/or any defects or deficiencies in components or documentation included in the scope(s) of delivery(ies).

## 7. Shipping Terms, Title and Risk of Loss

- 7.1. Unless otherwise stated in the PO, the shipping terms shall be Delivered at Place ("DAP"), in accordance with the latest applicable Incoterms, to the CAD Group's address specified in the PO. Supplier shall be responsible for arranging shipment in accordance with CAD Group's shipping instructions. Any additional costs arising from Supplier's failure to comply with such instructions, and/or from the need to use an expedited mode of transport to meet agreed delivery date(s), shall be borne solely by Supplier.
- 7.2. Risk of loss shall remain with Supplier until the Goods are received and accepted by CAD Group at the designated DAP location, unless otherwise specified in the PO. Title of the Goods shall pass to CAD Group only upon formal acceptance of the Goods in accordance with the PO. Notwithstanding any restrictive legends, title to all plan(s), drawing(s), and specification(s) related to the Goods shall vest in CAD Group and may be used by CAD Group at its discretion.
- 7.3. CAD Group may, by written instruction, direct Supplier to deliver the Goods to an alternative CAD Group facility or to a third party designated by CAD Group, in which case Supplier shall comply with the revised delivery instructions without additional cost to CAD Group, unless otherwise agreed in writing.

## 8. Import/ Customs Compliance

- 8.1. Supplier assumes full responsibility and liability for securing all required government import clearances for the Goods by the PO. If any countervailing, anti-dumping or retaliatory duties are imposed on the Goods by any relevant government authority, CAD Group reserves the right to terminate the PO in accordance with the Termination clause contained herein, and recover from Supplier any such costs, duties, penalties, and/or additional freight incurred due to Supplier's non-compliance.
- 8.2. Supplier shall fully comply with all applicable export and/or import laws and regulations of the countries involved in any and all supply to CAD Group. Supplier shall NOT submit any export or re-export requests, including for drawing(s), data, hardware, equipment and/or other item provided by CAD Group, nor transfer any such item(s) without CAD Group's prior written approval.  
If Supplier is a U.S. company involved in the manufacture or export of defense articles or services, Supplier must be duly registered with the U.S. Department of State, Directorate of Defense Trade Controls and comply with International Traffic in Arms Regulations ("ITAR") and Export Administration Regulations ("EAR").
- 8.3. Supplier shall control access to all technical data, hardware, information and/or other item(s) received from CAD Group in accordance with the applicable U.S. export control laws and regulations, including but not limited to the ITAR and EAR. Supplier shall not transfer, disclose and/or provide access to such control item(s) or information to any foreign national, subsidiary, affiliate or third party without the prior written authorization of CAD Group; and the applicable export license, technical assistance agreement and/or other required documentation under ITAR and EAR. Supplier shall indemnify CAD Group for all liabilities, penalties, losses, damages, costs and/or expenses arising from and/or related to any violation of such export control laws and regulations by Supplier including but not limited to improper or delayed submission of application, information and/or declaration.
- 8.4. Supplier shall immediately notify CAD Group if Supplier is or becomes listed on any Excluded or Denied Party List of any U.S. Government agency, or if Supplier's export privileges are denied, suspended or revoked.
- 8.5. CAD Group may be required to obtain information regarding the citizenship or export control status of Supplier's personnel. Supplier agrees to provide such information upon request and certifies that all the information provided are true, accurate and complete.

## 9. CAD Group - Supplied Materials, Technical Data, Consigned Tooling and Equipment

- 9.1. Title to any material, tooling, equipment, technical data or other property provided or paid for by CAD Group, including replacements ("CAD Group Property"), shall remain with and/or vest in CAD Group at all times. Supplier shall:
  - (a) clearly and conspicuously label CAD Group Property;
  - (b) maintain all CAD Group Property in good condition at all times;

- (c) keep accurate written records of CAD Group Property possession and physical location;
  - (d) not relocate or transfer CAD Group Property without the prior written approval of CAD Group; and
  - (e) not permit any liens, charges, encumbrances and/or third-party claims to be placed on any CAD Group Property.
- Supplier is responsible for inspecting CAD Group Property upon receipt to confirm usability and acceptable condition for its intended purpose. Supplier shall notify CAD Group of any defects, damages or discrepancies of any CAD Group Property without undue delay.

- 9.2. Supplier shall use CAD Group Property exclusively for the purpose of fulfilling CAD Group's PO(s), unless otherwise authorized in writing by CAD Group. CAD Group Property shall remain at the Supplier's site only unless specifically authorized in writing by CAD Group. Supplier shall be liable for any loss, damage, or destruction of CAD Group Property and any loss, damage and/or destruction of third-party property caused by Supplier's negligent use of CAD Group Property. Supplier shall not include the cost of insurance for CAD Group Property in the prices charged under the PO. Supplier shall return or dispose of the CAD Group Property as explicitly directed by CAD Group in writing. CAD Group makes no representation(s) and disclaims all warranty(ies) (express or implied) with respect to any CAD Group Property provided to Supplier.

## 10. Price

- 10.1. The PO is issued on a firm fixed price basis that includes all packaging, freight and delivery charges to the specified delivery address, required documentation and certificates, applicable taxes, levies and government charges, and sales, use and/or excise taxes, duties and/or customs fees.

### 10.2 Price: Preferred Customer Benefit

Supplier warrants that the prices charged to CAD Group for the Goods under the PO are the lowest prices offered by Supplier to any of its external customers for the similar Goods, in similar volumes. If Supplier offers or charges a lower price to any other external customer for similar Goods in similar quantities, Supplier shall promptly notify CAD Group in writing and the lower price shall automatically apply to all Goods under the PO, effective from the date the lower price was offered. If, at any time prior to full completion of the PO, CAD Group receives a written offer from another supplier for Goods with similar specification and volume at a price lower than the price stated in the PO, CAD Group shall notify Supplier in writing of the competing offer; and Supplier shall match the lower price for Goods not yet delivered. If Supplier declines or fails to meet the lower price, CAD Group at its option, reserves the right to terminate the remaining undelivered portion of the PO without incurring any further obligation and/or liability.

## 11. Invoicing and Payment

- 11.1. Following each shipment of Goods or completion of services, Supplier shall submit an invoice to CAD Group that includes the following, where applicable:
- (a) A detailed description of the Goods and/or Services;
  - (b) Part number(s), quantity(ies), unit(s) of measure, hours (for services), unit price(s), and total price(s); and
  - (c) Any authorized incidental charges (for example royalties, selling commissions or non-recurring engineering fees) or any other incidental charges must be clearly itemized and identified separately.
- 11.2. The invoice must be in English Language, and if required, in Malay Language (*Bahasa Malaysia*), and include the following details, where applicable:
- (a) name and address of Supplier and the CAD Group entity purchasing the Goods;
  - (b) name of shipper (if different from Supplier);
  - (c) CAD Group PO number(s)/Call number(s);
  - (d) country of export;
  - (e) full description of the Goods and/or services provided;
  - (f) Harmonized Tariff Schedule number(s);
  - (g) country of origin (manufacture) of the Goods (or each part, if from multiple countries/origins);
  - (h) gross or net weights of Goods shipped;
  - (i) currency used in the sale;
  - (j) agreed payment terms;
  - (k) applicable shipment terms; and
  - (l) any applicable rebates or discounts.
- 11.3. The invoice must be accompanied, where applicable, by a signed bill of lading, delivery note and/or express receipt evidencing shipment and/or service completion.
- 11.4. Payment of any invoice shall not constitute acceptance of the Goods and/or services by CAD Group and is subject to adjustment or verification.
- 11.5. If Supplier fails to meet the requirements and/or terms and conditions of the PO, CAD Group shall make payment only for Goods and/or services that are fully delivered and/or performed in accordance with the terms and conditions of the PO. Unless otherwise mutually agreed in writing by both parties or stated in the PO, the standard payment terms are:
- (a) Net sixty (60) business days from the date of receipt of valid and accurate invoice(s) and accepted delivery of conforming Goods and/or completion of services, whichever is later.
  - (b) Payment will be processed in the first applicable payment cycle following the due date under the above terms.
  - (c) CAD Group reserves the right to withhold or adjust payment for any non-conforming Goods and/or Services. CAD Group may also set off any amount owed by Supplier to CAD Group against any amount due to Supplier under the PO and/or any other written agreement.

## 12. Inspection

- 12.1. All Goods supplied under the PO may be inspected and/or tested by CAD Group, its customers, prime contractors and/or end users at all reasonable times and locations. If inspection and/or testing is/are conducted at Supplier's site, Supplier shall provide reasonable facilities, access and assistance required to carry out such inspection and/or testing at no additional charge to CAD Group. Supplier shall use an inspection system that has been accepted by CAD Group in writing as part of its quality assurance obligations. All inspection records, including those from sub-tier suppliers relating to the Goods, shall be kept and maintained by Supplier for a minimum of seven (7) years and made available to CAD Group upon request during the execution of the PO and for any additional period as required by CAD Group.
- 12.2. Unless otherwise specified in the PO, final inspection and acceptance shall occur at the delivery destination designated by CAD Group. CAD Group reserves the right to conduct one hundred percent (100%) inspection or sampling inspection of Goods, at its sole discretion; and may reject all or part of the Goods or any lot if found to be defective or non-conforming. If additional inspection is required due to prior discovery of defects or non-conformance beyond its standard inspection Goods, Supplier shall bear such additional inspection costs. No inspection, testing, approval and/or acceptance of Goods (including design approval) shall relieve Supplier of its obligations under warranty, and/or exempt the supplier from the responsibility for latent defects, fraud, or negligence.
- 12.3. If Goods are found to be defective or nonconforming to the requirements of the PO, CAD Group may, by written notice, elect to:
- (a) rescind the PO in whole or in part with respect to the non-conforming Goods; and/or

- (b) accept Goods with an equitable reduction in price; or
- (c) reject Goods and require the delivery of replacements.

12.4. Replacements must be accompanied by a written notice clearly indicating that Goods are replacement items. Supplier shall be fully responsible for any lost, cost, damage and/or expense, including legal fees related to enforcement and/or claims, incidental and/or consequential damages, and/or replacement costs incurred by CAD Group due to rejection of non-conforming or late delivery Goods.

### 13. Warranty

- 13.1. Supplier warrants to CAD Group, its successors, assignees, customers, prime contractors and/or end users that all Goods provided (including replacements and/or corrected items) under the PO shall:
- (a) be new, unused and free from defects in material, workmanship and/or design;
  - (b) conform to applicable specifications, drawings, designs, quality control plans, samples and/or other descriptions provided and/or approved by CAD Group;
  - (c) be merchantable and supplied by an authorized Original Equipment Manufacturer ("OEM"), reseller or distributor, and free from Counterfeit Items;
  - (d) be fit for the intended purpose(s) and operate as intended;
  - (e) comply with all applicable laws, regulations and standards (international and local);
  - (f) be free from any liens, restrictions, reservations, security interests and encumbrances; and
  - (g) not infringe any third-party intellectual property rights, including patents and trade secrets.
- 13.2. Supplier warrants any hardware, software and/or firmware:
- (a) shall not contain any virus, malicious code, Trojan horse, worm, time bomb, self-help code, back door and/or other software code and/or is routine designed to:
    - (i) damage, destroy or alter any software or hardware;
    - (ii) reveal, damage, destroy, or alter any data;
    - (iii) disable any computer program automatically; and/or
    - (iv) permit unauthorized access to any software and/or hardware.
  - (b) shall not contain any third-party software (including software that may be considered free software or open-source software) that:
    - (i) may require any software to be published, accessed or otherwise made available without the consent of CAD Group; or
    - (ii) may require distribution, copying or modification of any software free of charge.
  - (c) shall not infringe any patent, copyright, trademark and/or other proprietary right of any third party and/or misappropriate any trade secret of any third party.
- 13.3. Supplier further warrants all Goods with a defined shelf-life shall be within the valid usage period at the time of delivery, have been properly stored in accordance with the manufacturer's instructions/guidelines, and not refurbished, extensively maintained and/or remnants of terminated contract or excess stock.
- 13.4. The warranty shall benefit CAD Group and its customers, including but not limited to CAD Group's successors, assignees, direct and indirect customers, direct-sale end users, higher-tier subcontractors and/or prime contractors.
- 13.5. All warranties shall survive delivery, inspection, testing, acceptance and payment.
- 13.6. Warranty entitlement applies for the longer of:
- (i) period specified in the PO; or
  - (ii) the period mandated by applicable law; or
  - (iii) the period accepted by industrial standards/generally accepted market terms or relevant government/customer requirements.
- 13.7. Upon discovery of non-conforming Goods, CAD Group may require, at Supplier's cost: repair, replacement or correction. CAD Group may also recover all related costs including inspection, logistics, disassembly, reinstallation, freight, customer penalties and/or corrective actions within fourteen (14) calendar days from receipt of CAD Group's written notice.
- 13.8. If the Supplier fails to complete the repair or replacement within the period specified by CAD Group, the Supplier shall be liable to pay CAD Group the full amount of liquidated damages as determined by CAD Group for the defective Goods, without limitation. The payment of liquidated damages shall not relieve the Supplier of its obligation to complete the repair or replacement, nor shall it prejudice CAD Group's right to claim additional losses or to exercise any other rights or remedies available under this PO or at law. CAD Group may, at its sole discretion:
- (i) procure equivalent Goods or services from alternative source(s) and recover from the Supplier all additional costs, losses, and expenses incurred; and/or
  - (ii) extend the warranty period for the affected Goods for a period equal to the delay in completing the repair or replacement.
- 13.9. If CAD Group exercises self-help to correct defects, Supplier shall reimburse CAD Group for all costs upon receipt of invoice from CAD Group.
- 13.10. All repair or replacement Goods shall be warranted for the original warranty period from the date of CAD Group's acceptance of the repaired or replacement.
- 13.11. Supplier shall promptly inform CAD Group from PO acceptance through warranty expiration of any Goods or components, of any equipment, part or item of a system or of any spare parts becoming obsolete or at risk of obsolescence. Supplier shall be obliged to provide advanced notice of discontinuation; a binding last stockpiling offer and to specify substitute products, if available; and proposed substitute, if any. Supplier shall bear all the costs of replacement of such part or item, which is obsolesce or obsolete including, but not limited to damage suffered by CAD Group due to delayed and inaccurate notice/information, including the acquisition of replacement(s) from third parties and/or redesign.
- 13.12. For the purpose of this Purchase Terms & Conditions, "Latent Defect" means a fault that:
- (a) is not detectable by reasonable inspection during of the warranty period;
  - (b) inhibits performance or reliability or adversely affects operations;
  - (c) results from a manufacturing error or deficiency, or design error or deficiency;
  - (d) is not due to fair wear and tear; and/or
  - (e) is not fall within the incidence of random failures.

### 14. Customer Changes

- 14.1. CAD Group reserves the right by written or electronic notification, to direct changes in the drawings, designs and/or specifications method of shipment and/or packing, quantity, time or place of delivery of the Goods, scope, reschedule and/or location of the services, and/or any additional or diminished services. Only authorized CAD Group procurement representatives are permitted to issue such changes to the PO.
- 14.2. All PO changes shall be deemed acknowledged in writing by Supplier on/within:
- (a) the date Supplier returns the signed acknowledgment copy of the PO to CAD Group; or

(b) three (3) business days from the issuance of the change by CAD Group, regardless of the communication method, whichever is earlier; Silence or failure to respond within the timeframe shall be deemed as Supplier's acceptance of the change.

- 14.3. If any such change results in an increase or decrease in the cost or time required to fulfil the PO, CAD Group shall make an equitable adjustment to the PO price, delivery schedule or date, or both. Any claim by Supplier for an equitable adjustment must be submitted in a written claim for adjustment, including full details including all relevant costs, within five (5) business days of receipt of the change instruction. Failure to meet this deadline may, at CAD Group's discretion, result in waiver of the claim.
- 14.4. If a change renders any material or component obsolete or excessive, CAD Group may prescribe the manner of disposal of such property.
- 14.5. In all circumstances, pending resolution of any dispute regarding a change or adjustment, Supplier shall continue to perform its obligations under the original or modified PO without delay or interruption.

#### 15. Supplier Changes

- 15.1. Supplier shall not make any changes to the specifications, including but not limited to the design, material, manufacturing location and/or production process, as stated in the PO or in any referenced documents or if none, those in effect at the time the PO is issued, without prior written approval from CAD Group's procurement representative.
- 15.2. Changes to process specifications include, but are not limited to modifications to the production process, replacement or reconfiguration of manufacturing equipment, transition from manual to automated processes (or vice versa), and/or any change, even if intended as a product improvement or cost-saving measure.
- 15.3. Any unauthorized change may be considered a material breach of contract and CAD Group reserves the right to reject the Goods or terminate the PO.
- 15.4. Supplier shall notify CAD Group promptly in writing of any proposed changes for review and approval. CAD Group reserves the right to require validation, risk assessment and/or re-qualification in relation to such proposed changes.

#### 16. Suspension

- 16.1. CAD Group may, at its sole discretion and by written notice to Supplier, suspend all or part of the work under the PO for a period of up to twelve (12) months without liability ("Stop Work Order"). Upon receipt of the Stop Work Order, Supplier shall immediately cease the specified or affected work, preserve and protect the Goods, materials, work-in-progress (WIP) and property in its custody from deterioration, loss and/or damage during the suspension period, and comply fully with any instructions provided in the Stop Work Order. If the suspension period exceeds twelve (12) months, both parties shall enter into good faith discussions to determine a suitable path forward, which may include extension, adjustment or termination.
- 16.2. At any time during the suspension period, CAD Group may, in whole or in part:
  - (a) cancel the Stop Work Order and direct Supplier to resume performance; or
  - (b) terminate the PO in accordance with the Termination clause contained herein.
- 16.3. If and when the Stop Work Order is cancelled by CAD Group or expires, Supplier must resume work to complete its obligations under the PO.

#### 17. Termination

- 17.1. Either party may terminate the PO if the other party:
  - (a) materially breaches any provision and fails to remedy such breach within fifteen (15) business days of receiving written notice specifying the breach; or
  - (b) becomes insolvent, enter into bankruptcy, receivership, reorganization and/or makes an assignment for the benefit of creditors.
- 17.2. CAD Group may, at any time, terminate the PO in whole or in part for any reason, including convenience, by providing five (5) business days' prior written notice to Supplier for undelivered Goods, without incurring liability except for the following:
  - (a) CAD Group's sole liability shall be limited to payment for conforming Goods received and accepted before the termination date, subject to any rights of set-off against any damages owed by Supplier to CAD Group.
  - (b) CAD Group may require Supplier to transfer title and deliver any Goods under work-in-progress and/or related materials produced or procured specifically for the PO. Supplier will be credited with the reasonable value (not exceeding actual cost or the corresponding portion of the PO value, whichever is lower).
- 17.3. For any portion of the PO not terminated, Supplier shall continue performance without disruption and in accordance with the existing terms.

#### 18. Cessation of Supplier Production

- 18.1. If Supplier intends to suspend or discontinue production of any Goods specified under the PO one (1) year from the last delivery date, Supplier shall provide at least one hundred eighty (180) business days' prior written notice to CAD Group.
- 18.2. During the notice period, Supplier shall continue to accept and fulfil any additional PO for the affected Goods at the price and terms stated in the PO.

#### 19. General Indemnification and Liquidated Damages

- 19.1. Supplier shall, at its expense, defend and indemnify CAD Group and its subsidiaries, affiliates, officers, directors, shareholders, employees, agents and customers ("Indemnitees") against any and all losses, costs, expenses, damages, claims, demands and/or liabilities, including reasonable attorney and professional fees and costs arising from:
  - Supplier's negligence, wilful misconduct, or breach of the PO; and/or
  - Any acts and/or omissions by Supplier and/or its agents'
 Supplier shall not settle any claim without CAD Group's prior written consent, which shall not be unreasonably withheld.
- 19.2. If the Supplier fails to deliver the Goods by the specified delivery date (excluding delays due to suspension or Force Majeure), the Supplier shall be liable to pay CAD Group the full amount of liquidated damages as determined by CAD Group for the delayed Goods, without limitation. Such liquidated damages shall be payable within fifteen (15) business days upon receipt of CAD Group's invoice.
- 19.3. The payment of liquidated damages shall not relieve the Supplier of its delivery obligations, nor shall it prejudice CAD Group's right to terminate this PO and/or to claim additional losses, costs, or damages if the actual loss exceeds the liquidated damages imposed.

#### 20. Intellectual Property Indemnification

- 20.1. Supplier shall, at its expense, defend and indemnify Indemnitee(s) from all losses, costs, expenses, damages, claims, demands and/or liabilities, including reasonable attorney and professional fees and costs, arising from actual or alleged:
  - (a) Infringement of any patent, copyright or trademark;
  - (b) Misappropriation of trade secrets; or
  - (c) Unauthorized disclose or use of proprietary third-party data or information.
 If Supplier fails to undertake such defence promptly, CAD Group may do so at Supplier's expense. Supplier shall not enter into any settlement that affects CAD Group's rights without CAD Group's prior written consent.
- 20.2. If any Goods or items are held to constitute an infringement, and its use is enjoined, Supplier shall, at its sole cost and option:
  - (a) procure for CAD Group the right to continue using the Goods; or
  - (b) replace or modify the Goods become non-infringing without degrading performance or functionally.
- 20.3. Where U.S. Government Procurement Regulations are incorporated into the PO and any conflicting provision of this Clause, such

regulations shall take precedence only to the extent it is legally required. The incorporation of such U.S. Government Regulations dealing with subcontractors' rights in Technical Data, subject inventions, copyrights, software and/or similar intellectual property are not intended to, and shall not reduce any broader rights already granted to CAD Group unless legally required.

## 21. Insurance

- 21.1. Supplier shall maintain the following insurance coverage, with insurers rated at least A-rated by AM Best (or equivalent):
  - Commercial General Liability (including product and completed operations liability): minimum USD5 million;
  - Automobile Liability: minimum USD5 million;
  - Workers' Compensation: as required by applicable law or regulation;
  - Employer's Liability: minimum USD1 million;
  - Aviation Product Liability (If Goods relate to aircraft or aerospace use): minimum USD 5 million, including grounding, contractual and war liabilities coverage);
  - "All Risk" Property Insurance: covering full replacement value, subject to the Clause 7 (Risk of loss).
- 21.2. Supplier shall provide valid certificates of insurance upon CAD Group request. Changes to the coverage must be notified to CAD Group in writing within five (5) business days of any change coming into effect.
- 21.3. To the extent permitted by law, Supplier shall ensure its insurers waive all rights of subrogation or recovery against CAD Group and its subsidiaries and/or affiliated companies, including officers, directors, shareholders, employees and/or agents. The required insurance limits do not reduce satisfy Supplier's indemnity obligation under the PO.
- 21.4. Supplier shall also comply with CAD Group's access control and premises safety policies and rules, and shall be responsible for any act or omission of its representatives, employees, agents and/or subcontractors while on the CAD Group's or its Customer's premises.

## 22. Protection of Information and Security

- 22.1. "Information" refers to any proprietary, technical, business and/or financial data, including but not limited to specifications, samples, drawings, data, documentation, computer software, materials, know-how, designs, inventions and/or processes that:
  - (a) is provided by or on behalf of CAD Group, whether directly or indirectly, in any form or medium (writing, oral, visual, electronic or otherwise), whether before or after the issuance of the PO (marked or treated as "proprietary");
  - (b) is developed or created by Supplier at CAD Group's expense; or
  - (c) is developed or created by Supplier as per CAD Group-furnished technical requirements; or
  - (d) is a derivative from (a) or (b) or (c) that such information is developed and created by Supplier under the PO.
- 22.2. All such Information remains the exclusive property of CAD Group and must only be used to perform the obligations under the PO. Supplier shall not disclose such information to any third party without CAD Group's prior written consent and must return or destroy the Information upon request or completion of the PO. If shared with approved sub-tier suppliers, Supplier must ensure they are bound at minimum by similar confidentiality terms and remain at minimum equally liable for any breach.
- 22.3. Without CAD Group's prior written consent, Supplier shall not use CAD Group's Information or CAD Group Property (as defined herein) to:
  - (a) design, develop, manufacture and/or sell to any third party any component, part and/or item that is similar to, identical to, interchangeable with, a substitute for any component or part, detail thereof, designed, manufactured and/or sold by CAD Group ("CAD Group Part");
  - (b) provide services and/or repair on any CAD Group Part; or
  - (c) apply for and/or obtain governmental approvals to manufacture and/or repair any CAD Group Part, including but not limited to Parts Manufacturing Approval ("PMA") from the Federal Aviation Administration ("FAA").

Upon CAD Group's written request, Supplier shall promptly provide documentation and evidence sufficient to demonstrate compliance with this Clause, including but not limited to all relevant government submission materials if Supplier has sought such approvals.
- 22.4. Supplier shall not sell, distribute and/or supply to any third party any products developed using CAD Group's Information unless it has obtained CAD Group's express prior written consent. This includes sales to third parties claiming authority under CAD Group.
- 22.5. Supplier shall comply strictly with CAD Group's security instructions applicable to external parties. Where the PO involves access to classified materials, Supplier shall adhere to all applicable security manuals and guidelines issued by relevant authorities for the protection of such information.
- 22.6. When accessing any premises of CAD Group, its customers, or related subcontractors in connection with the PO, Supplier shall strictly comply with the all applicable security rules, regulations and procedures in force at such sites.

## 23. Audit

- 23.1. CAD Group and/or its representatives shall have the right to access Supplier's premises during reasonable working hours to monitor, inspect and verify activities related to the performance of the PO. Any necessary corrective and/or preventive actions shall be taken by Supplier with the consent of CAD Group to ensure successful execution of the PO.
- 23.2. Supplier shall maintain sufficiently detailed and accurate records to demonstrate compliance with the terms of the PO. Supplier shall permit CAD Group's auditors reasonable access to these records. Supplier shall also ensure that its sub-tier suppliers grant the same level of access to their books and records and furnish other information as may be needed during the audit for the purpose of ensuring compliance.
- 23.3. CAD Group reserves the right to conduct such audits up to two (2) years after completion or termination of the PO. If an audit reveals any invoicing errors, the relevant invoice(s) shall be adjusted accordingly. Any overpayments shall be promptly reimbursed by Supplier or deducted from future payments. Supplier shall immediately rectify any deficiencies or non-conformities identified during such audit.

## 24. Assignment, Subcontracting and Organization Changes

- 24.1. Supplier shall not assign the PO, or any part of it, or subcontract any material portion of the work, without the prior written consent of CAD Group. Any unauthorized assignment or subcontracting shall be voidable at CAD Group's discretion. Approval of subcontracting shall not relieve Supplier of its obligations and Supplier remains fully responsible and liable for performance under the PO. CAD Group reserve the right to attend progress, technical and/or other meetings between Supplier and its subcontractors, subject to compliance with applicable security regulations. Supplier shall not appoint any foreign sub-tier contractor or service provider that is deemed unacceptable to the Government of Malaysia for political, security and/or commercial reasons.
- 24.2. CAD Group may assign the PO, in whole or in part, to any of its subsidiaries or affiliates, any purchaser or successor entity acquiring relevant assets, business operations or product line upon written notice to Supplier. No consent from Supplier shall be required.
- 24.3. Supplier shall promptly notify CAD Group in writing of any significant organizational changes, including but not limited to changes in name, ownership, control mergers or acquisitions.

## 25. Relationship of Parties/Independent Contractor

- 25.1. Nothing in the PO can be construed to establish any agency, employment, joint venture or partnership relationship between the Supplier and CAD Group. The Supplier is engaged by CAD Group as an independent contractor and shall be solely responsible for the direction, control and supervision of its personnel, facilities and operations.
- 25.2. Except as expressly authorized in writing and the PO itself constitutes a binding agreement between the Parties only to the extent of the rights and obligations expressly stated herein, neither Party shall have the authority to act on behalf of or bind the other Party to any obligation,

commitment or representation.

25.3. Supplier shall be solely responsible for:

- Hiring, supervising and compensating its employees;
- Compliance to all applicable laws and regulations by its employees; and
- Ensuring appropriate insurance coverage and statutory contributions of its employees.

25.4. Supplier acknowledges that CAD Group shall not be liable for any indirect, incidental or consequential losses suffered by Supplier, including but not limited to loss of profit, use, production or contracts, arising from or in connection with the PO.

## 26. Compliance with Laws, Integrity and Ethical Business Conduct

26.1. Supplier will comply with all applicable national, state and local laws, regulations and ordinances in performing the PO, including obtaining all required registrations, licenses and/or permits.

26.2. Contraves is committed to ethical and legal business practices, in accordance with all applicable Malaysian and international laws on anti-corruption, anti-bribery, anti-money laundering, free market competition, and/or all regulations prohibiting any illegal activity. By supplying to Contraves, Supplier warrants that it shall comply with all applicable laws and its associated Amendments, including but not limited to the following:

- Children and Young Persons (Employment Act)
- Personal Data Protection Act
- Malaysian Anti-Corruption Commission Act
- Competition Act
- Competition Commission Act
- Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act

For additional information and guidance, kindly refer to the sections Cybersecurity, Privacy Policy, and Compliance and Business Ethics of the Contraves website [www.contraves.com.my](http://www.contraves.com.my) on the following:

- Cybersecurity Compliance Statement
- Privacy Policy Statement

Compliance and Business Ethics Statement which includes our Code of Conduct and Business Ethics, Anti-Bribery and Corruption and Anti-Money Laundering Policy and Whistleblowing Policy.

26.3. If Supplier breaches the aforementioned obligations, CAD Group may, without prejudice to its other remedies, rescind *ab initio* (where possible) or terminate the PO, without prejudice to any further claims it may have. If the breach is capable of remedy, CAD Group shall first grant a reasonable period for remedy; if such breach is not remedied to CAD Group's satisfaction within that period, termination may proceed.

26.4. Where the PO specifies "For U.S. Customer", Supplier warrants compliance with all applicable U.S. Department of Transportation regulations on hazardous materials, and all other pertinent federal, state or local statutes, laws, rules or regulations. Supplier shall indemnify CAD Group from any loss, damage, fine, penalty and/or expense arising from Supplier's failure to comply. Where required, Supplier shall also implement Supply Chain Security Program required by the importing country, including but not limited to the U.S. Customs Trade Partnership Against Terrorism ("C-TPAT") or the Canadian Partners in Protection ("PIP") Programs.

## 27. Compliance with Safety, Health and Environment Laws

27.1. Supplier shall comply with all applicable Occupational Safety, Health and Environment ("SHE") laws and regulations and shall maintain a documented SHE policy to encourage and ensure a safe working environment for all employees and interested parties.

27.2. All equipment supplied shall include appropriate safety features/elements to protect human health and environmental safety.

27.3. All suppliers performing work for CAD Group shall comply with CAD Group's SHE requirements, participate in safety assessments such as Hazard Identification, Risk Assessment and Determining Control ("HIRADC") where necessary and ensure their subcontractors and interested parties do likewise.

27.4. Upon CAD Group's request, Supplier shall provide complete chemical composition information (substances, preparations, mixtures, alloys or Goods) for any Goods under the PO to ensure compliance with Regulation ("EC") No 1907/2006 ("REACH") and/or similar laws or regulations. This includes safety information, registration or pre-registration status, and inclusion of any CAD Group "Identified Use" in REACH registrations unless rejected in writing for valid human health or environmental reasons. In such case CAD Group shall have the right to terminate the PO without incurring any costs and/or damages.

27.5. Unless otherwise approved in writing, Goods shall not contain substances restricted under the European Parliament Directive 2015/863/EU ("RoHS Directive") hazardous or ozone-depleting substances prohibited by applicable laws, or any other restricted substances identified by CAD Group.

27.6. Supplier shall be responsible for compliance with recycling requirements under European Parliament Directive 2012/19/EU (WEEE Directive) or similar laws or regulations identified by CAD Group.

27.7. Supplier shall comply with all applicable laws and regulations relating to the sourcing of minerals, including the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act and the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. If the Goods or any components supplied to CAD Group contain Tantalum, Tin, Tungsten or Gold ("3TG"), Supplier shall source such minerals only from ethically and socially responsible sources that do not benefit or finance armed groups in the Democratic Republic of the Congo ("DRC") or any other sanctioned country. Supplier shall conduct due diligence on the origin and chain of custody of such minerals, maintain records and provide CAD Group with completed Conflict Minerals Reporting Templates ("CMRT") or equivalent documentation upon request. Non-compliance with this requirement may result in suspension, cancellation of the PO, and/or removal from CAD Group's approved supplier list.

27.8. Climate Change

By supplying to Contraves, Supplier hereby acknowledges and agrees to comply with all applicable and relevant international and national climate change regulations, including but not limited to carbon trading schemes, emission reductions targets and environmental protection laws. Supplier further agrees to implement all necessary measures to ensure that the product is designed, constructed, and supplied in accordance with best industry practices to ensure sustainability and energy efficiency. Failure to comply with relevant regulations may result in remedial actions by CAD Group, including but not limited to suspension or cancellation of Purchase Order(s), termination of contract(s) and/or any other action(s) deemed necessary to ensure regulatory compliance.

## 28. Unauthorized Parts

28.1. For the purposes of the PO:

- "Suspect Part" is a part where inspection, testing or other information indicates it may be a Fraudulent Part.
- "Fraudulent Part" is a part knowingly misrepresented as meeting required specifications.
- "Counterfeit Part" is a part misrepresented as genuine but confirmed to be a copy, imitation or substitute that was:

- (i) produced without legal right; and/or
- (ii) intended to mislead, deceive or defraud.

Suspect Part, Fraudulent Part and/or Counterfeit Part are collectively referred to as "Unauthorized Parts."

- 28.2. If either Party discovers that any Goods contains and/or are an Unauthorized Part(s) ("Contaminated Product"), the discovering Party shall immediately notify the other in writing. CAD Group may impound such Contaminated Product. Supplier, at its sole cost and expense, shall promptly replace the Contaminated Product with conforming Goods that meets CAD Group's specifications and applicable regulatory requirements.
- 28.3. Supplier shall indemnify CAD Group against all liabilities, costs and/or expenses relating to the removal, replacement and/or reinstallation of Contaminated Product(s), including without limitation to CAD Group's external and internal costs of testing, rework, inspection costs and any consequential damages arising from Unauthorized Parts.
- 28.4. Upon request, Supplier shall provide complete documentation acceptable to CAD Group that authenticates traceability of the applicable manufacturers utilized by Supplier to obtain all parts to fulfill its obligations under the PO.

## 29. Governing Law, Settlement of Disputes and Language

- 29.1. The construction, interpretation and performance of the PO and all transactions hereunder shall be governed by the laws of Malaysia. Any disputes, controversies, or claims arising out of or in connection with the PO, including any questions regarding its existence, validity, or termination, shall first be resolved through good faith negotiation between the Parties within thirty (30) business days from the date either Party gives written notice of such dispute. If the dispute remains unresolved within thirty (30) business days, the CAD Group reserves the right to initiate further legal action in the courts of Malaysia
- 29.2. All documentation, communications and notices under or pursuant to the PO shall be in English.

## 30. Remedies

All CAD Group remedies set forth in the PO are in addition to, and will in no way limit, any other rights and remedies that may be available to CAD Group at law or in equity. CAD Group may enforce one or more of such remedies successively or concurrently.

## 31. Notices

All notices, requests, consents, claims, demands, waivers and other communications under this PO ("Notices") shall be in writing and delivered by hand, registered mail, reputable courier service, or by email to the address(es) specified in this PO or as otherwise notified in writing.

- (a) Notices shall be deemed received as follows:
- (i) Hand delivery or courier: on the date the Notice is actually delivered to the recipient;
  - (ii) Registered or certified mail: on the third (3rd) business day after the date of posting;
  - (iii) Email: on the date the email is successfully transmitted to the recipient's designated email address, provided no bounce-back or error message is received.
- (b) Either Party may by written notice to the other Party, amend its address, contact person, or email address for the purpose of this Clause.

## 32. Publicity

Any news release, public announcement, advertisement, publicity and/or any other disclosure concerning the PO to any third party except as may be necessary to comply with the obligations stated in the PO requires prior written approval of CAD Group, except as required by law.

## 33. Headings and Captions

Headings and captions are for convenience of reference only and do not alter the interpretation of any provision of the PO.

## 34. Severability

If any provision of the PO is held to be illegal, invalid or unenforceable by a court of competent jurisdiction, that provision will be severed from the PO; the remaining provisions will remain in full force and effect, and a similar legal, valid and enforceable provision will be substituted in lieu of the severed provision.

## 35. Survival

All provisions of the PO which by their nature should apply beyond their terms will remain in force after any termination or expiration of the PO including, but not limited to, those addressing the following subjects: Import/Customs Compliance, Price, Invoicing and Payment, Warranty, Cessation of Supplier Production, General Indemnification and Liquidated Damages, Intellectual Property Indemnification, Insurance, Protection of Information and Security, Audit, Governing Law, Settlement of Disputes and Language, Publicity and Survival.

PO REVISION	CREATED ON	PREPARED BY	APPROVED BY
Rev. 02	18.12.2025	Phoebe Sim	Sylvia Sinniah