1. Terms and Conditions

- 1. AGREEMENT AND ORDER OF PRECEDENCE. This agreement (Agreement) is made by and between Boeing EnCore Interiors LLC (Boeing EnCore), a wholly owned subsidiary of The Boeing Company (Boeing), and the customer placing the order (Customer). If a Customer Services General Terms Agreement (CSGTA) or Hardware Materials Services General Terms Agreement (HMSGTA) or other applicable written agreement exists between Customer and Boeing, the terms of the CSGTA, HMSGTA, or other applicable written agreement will apply in accordance with its terms to the parts that Customer orders from Boeing EnCore. If there is no CSGTA or HMSGTA, or other applicable written agreement between Customer and Boeing, then the terms and conditions provided to Customer or in Customer's possession and set forth herein will apply to the parts purchased from Boeing EnCore. In the absence of a CSGTA, HMSGTA, or other applicable agreement, this Agreement sets forth the entire agreement between Boeing and Customer with respect to the subject matter hereof and supersedes and replaces any other agreements, understandings, and communications between Boeing EnCore and Customer related thereto.
- 2. DEFINITIONS. "Parts" means goods sold under this Agreement.
- 3. PAYMENT. Payment will be made in United States dollars. Subject to approval of Customer's credit by Boeing EnCore, payment will be net 30 days after the date of the Boeing EnCore invoice. In the event payments are not made when due, Boeing EnCore reserves the right to assert whatever remedies it may have, including, but not limited to, requiring full payment in advance or altering the terms of payment.

Amounts due Boeing EnCore that are not paid within 45 days after the invoice date will be subject to a late payment charge. Such charge will be computed monthly using the prime rate in effect as published and defined in the Wall Street Journal on the 15th day of the month as adjusted month to month, plus 2%. If the 15th day of the month falls on either a Saturday, Sunday, or a United States federal holiday, Boeing EnCore will use the rate published on the next business day. Such rate will be applied on the basis of a 365-day year against the past-due amount, commencing on the 46th day after the invoice date and continuing until payment is received by Boeing EnCore.

- 4. TAXES. "Taxes" are defined as all taxes, fees, charges or duties and any interest, penalties, fines, or other additions to tax, including, but not limited to, sales, use, value-added, gross receipts, stamp, excise, transfer and similar taxes imposed by any domestic or foreign taxing authority arising out of or in connection with this Agreement or any order. Except for U.S. federal and U.S. state income taxes and California State income and business and occupation tax imposed on Boeing EnCore, Customer will be responsible for and pay all Taxes.
- 5. PACKING. Boeing EnCore will pack the Parts for domestic or export shipment, as specified by Customer.
- 6. DELIVERY. Delivery of Parts and other items will be Free Carrier (Incoterms 2023), Boeing EnCore's plant, Huntington Beach, California, and is made upon placing an item in the possession of the carrier.
- 8. CHANGES. From time to time, Boeing EnCore may make necessary corrections or changes in the design, part number and nomenclature of Parts. Unless otherwise agreed to in writing, Boeing EnCore may without Customer's consent substitute for spare parts ordered by Customer other spare parts and adjust prices accordingly, provided that interchangeability is not affected and the unit price is not increased by more than 10%. Boeing EnCore will promptly give Customer written notice when substitutions and price adjustments are made to Customer orders. Substitutions that affect interchangeability or price adjustments that exceed the price limitations set forth above may be made only with Customer's consent, which consent will conclusively be deemed to have been given unless Customer gives Boeing EnCore written notice of objection within 15 business days after receipt of Boeing EnCore's notice.
- 9. CANCELLATION. Customer may cancel an order for Parts at any time prior to delivery, provided that Boeing will be entitled to receive a cancellation charge in accordance with the following:
- a) If work accomplished has been limited to Boeing EnCore's Spares Department, no cancellation charge will be made.

- b) If production planning has been completed, but no time or material charges have been made, the cancellation charge will be 10% of the Part price.
- c) If time or material charges have been made, the cancellation charge will be based on such charges, but will not exceed the price of the Parts ordered.
- d) If the Parts can be absorbed into Boeing EnCore's inventory without increasing that inventory beyond Boeing EnCore's normal maximum stock level, no cancellation charge will be made.
- 10. INSPECTION AND ACCEPTANCE. All Parts will be subject to inspection by Customer at destination. Use of Parts or failure of Customer to give notice of rejection within 10 weeks after receipt of the Parts, whichever first occurs, will constitute Customer's acceptance of Parts received. Any notice of rejection will specify the reasons for rejection and Boeing EnCore will correct, repair or replace any Part rightfully rejected. Upon receipt of Boeing Encore's written instructions, Customer will return rejected Parts to Boeing EnCore, at Huntington Beach, California, or other mutually agreeable destination. Return to Boeing of such Parts and return to Customer of corrected, repaired or replacement Parts will be at Boeing EnCore's expense.
- 11. EXCUSABLE DELAY. Boeing EnCore will not be liable for any delay in performance hereunder caused by: (i) acts of God (ii) war or armed hostilities (iii) government acts or priorities (iv) fires, floods, or earthquakes (v) strikes or labor troubles causing cessation, slowdown or interruption of work (vi) delivery to anyone pursuant to an Aircraft on Ground (AOG) or critical request affecting any aspect of Boeing EnCore's performance identified to an order (vii) inability, after due and timely diligence, to procure materials, systems, accessories, equipment, or parts or (viii) any other cause to the extent such cause is beyond Boeing EnCore's control and not occasioned by Boeing EnCore's fault or negligence. A delay resulting from any such cause is defined as an Excusable Delay and the date for completion of Boeing's performance will be equitably extended.
- 12. WARRANTIES, REMEDIES, AND LIMITATIONS.
- 12.1 WARRANTY OF PARTS MANUFACTURED TO BOEING ECORE'S DETAILED DESIGN.
- 12.1.1 Boeing EnCore warrants that each Part manufactured to Boeing EnCore's detailed design will at the time of delivery: (i) conform to the applicable drawing and specification (ii) be free from defects in material and workmanship and (iii) be free from defects in design in view of the state of the art at the time of design. These warranties will not apply to Parts not manufactured to Boeing EnCore's detailed design. The following conditions do not constitute a defect under this warranty: (i) conditions resulting from normal wear and tear (ii) conditions resulting from acts or omissions of Customer, (iii) conditions resulting from failure to properly service and maintain a Part (iv) Conditions resulting from improper aircraft maintenance and cleaning; (v). Conditions resulting from Customer Furnished Equipment; and (vi) scratches.
- 12.1.2 Customer's remedy and Boeing EnCore's obligation and liability, with respect to a defect, is limited to repair or replacement of a defective Part at Boeing EnCore's option. Such remedies are conditioned upon the following: (i) discovery of a defect by Customer on a part provided by Boeing EnCore within the following periods after delivery: (i) ten (10) years on structure (all bonded composite honeycomb panels that create the bonded structure are warrantied against delamnination, warpage over tiem, and other manufacturing defects excluding floor fittings), (ii) five (5) years on mechanical (drawers, doors, latches, drawer slides, hinges, and like moving parts, except for inserts that are Customer Furnished Equipment), (iii) three (3) years on electrical (wire harnesses, connectors, circuit breakers, and galley control panel) and all other situations, (ii) receipt by Boeing EnCore of written notice of a defect from Customer no later than ninety (90) days after expiration of the applicable warranty period (iii) unless a defective Part is corrected by Customer, prompt return of a defective Part at Customer's expense to Boeing EnCore's plant or another mutually agreeable location and (iv) sufficient information to substantiate Customer's claim. Customer's shipping expenses will be reimbursed by Boeing EnCore upon confirmation by Boeing EnCore of the covered defect. Return to Customer of a Part, repaired or replaced under warranty, will be at Boeing EnCore's expense.
- 12.1.3 Title to and risk of loss of any Part returned to Boeing EnCore pursuant to Section 10 or this Section 12 will at all times remain with Customer, except that, at the time Boeing EnCore ships a

replacement Part to Customer, title to and risk of loss for the defective, returned Part will pass to Boeing EnCore and title to and risk of loss for the replacement Part will pass to Customer. Notices to Boeing EnCore under this Section will be addressed to Boeing EnCore's Warranty Manager.

12.3 EXCLUSION OF LIABILITIES.

- 12.3.1 DISCLAIMER AND RELEASE. THE WARRANTIES, OBLIGATIONS AND LIABILITIES OF BOEING AND THE REMEDIES OF CUSTOMER SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND CUSTOMER HEREBY WAIVES, RELEASES AND RENOUNCES ALL OTHER WARRANTIES, OBLIGATIONS AND LIABILITIES OF BOEING, AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF CUSTOMER AGAINST BOEING, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY NONCONFORMANCE OR DEFECT IN ANY PARTS, AIRCRAFT SOFTWARE, LEASED PARTS OR OTHER THINGS PROVIDED UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO: (A) ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS (B) ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE (C) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY IN TORT, WHETHER OR NOT ARISING FROM THE NEGLIGENCE OF BOEING AND (D) ANY OBLIGATION, LIABILITY, RIGHT, CLAIM OR REMEDY FOR LOSS OF OR DAMAGE TO ANY AIRCRAFT OR PART.
- 12.3.2 EXCLUSION OF CONSEQUENTIAL AND OTHER DAMAGES. BOEING WILL HAVE NO OBLIGATION OR LIABILITY, WHETHER ARISING IN CONTRACT (INCLUDING WARRANTY), TORT (WHETHER OR NOT ARISING FROM THE NEGLIGENCE OF BOEING) OR OTHERWISE, FOR LOSS OF USE, REVENUE OR PROFIT OR FOR ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES WITH RESPECT TO ANY NONCONFORMANCE OR DEFECT IN ANY PARTS, AIRCRAFT SOFTWARE, LEASED PARTS OR OTHER THINGS PROVIDED UNDER THIS AGREEMENT.
- 12.3.3 PRODUCTS SUBJECT TO AN AIRWORTHINESS DIRECTIVE. PURSUANT TO FEDERAL AVIATION REGULATION, 14 CFR PART 39, THE OWNER OR OPERATOR OF AN AIRCRAFT IS RESPONSIBLE FOR MAINTAINING THAT AIRCRAFT IN AN AIRWORTHY CONDITION, INCLUDING COMPLIANCE WITH AIRWORTHINESS DIRECTIVES (ADS). CUSTOMER ACKNOWLEDGES AND AGREES BOEING HAS NO DUTY AND UNDERTAKES NO RESPONSIBILITY REGARDING AIRWORTHINESS FOR ANY PART PURCHASED THROUGH THE BOEING PARTS PAGE. CUSTOMER ACKNOWLEDGES AND AGREES THAT ANY ASSISTANCE OR REPRESENTATION BOEING CHOOSE TO PROVIDE, WITH RESPECT TO AD COMPLIANCE SHALL BE AS AN ACCOMMODATION ONLY, AND SHALL NOT IMPOSE ON BOEING ANY LIABILITY OR RESPONSIBILITY FOR AD COMPLIANCE. CUSTOMER DISCLAIMS ANY RELIANCE OR ANY ASSISTANCE OR REPRESENTATION BOEING MAY CHOOSE TO PROVIDE OR NOT PROVIDE, WITH RESPECT TO ADS. CUSTOMER FURTHER ACKNOWLEDGES AND AGREES IT HAS SOLE AND EXCLUSIVE RESPONSIBILITY FOR ENSURING THAT THE PARTS IT PURCHASES COMPLIES WITH ALL AD'S PRIOR TO USE ON AN AIRCRAFT.
- 12.4 For the purpose of Section 12.3, "BOEING" is defined as The Boeing Company, its divisions, subsidiaries and affiliates, the assignees of each, and their respective directors, officers, employees and agents.
- 13. Indemnities Against Patent and Copyright Infringement.
- 13.1 Indemnity Against Patent Infringement. Boeing EnCore will defend and indemnify Customer with respect to all claims, suits, and liabilities arising out of any actual or alleged patent infringement through Customer's use or resale of any Part manufactured to Boeing EnCore's detailed design purchased by Customer from Boeing EnCore pursuant to this Agreement.
- 13.3 Exceptions, Limitations, and Conditions.
- 13.3.1 Boeing EnCore's obligation to indemnify Customer for patent infringement will extend only to infringements in countries which, at the time of the infringement, were party to and fully bound by either:(i)

Article 27 of the Chicago Convention on International Civil Aviation of December 7, 1944, or (ii) the International Convention for the Protection of Industrial Property (Paris Convention).

- 13.3.3 The indemnities provided under this Section 13 will not apply to any Part manufactured to Boeing EnCore's detailed design used other than for its intended purpose.
- 13.3.4 Customer must deliver written notice to Boeing EnCore: (i) within 10 days after Customer first receives notice of any suit or other formal action against Customer and (ii) within 20 days after Customer first receives any other allegation or written claim of infringement covered by this Section 13.
- 13.3.5 At any time, Boeing EnCore will have the right at its option and expense to: (i) negotiate with any party claiming infringement, (ii) assume or control the defense of any infringement allegation, claim, suit or formal action, (iii) intervene in any infringement suit or formal action, and/or (iv) attempt to resolve any claim of infringement by replacing an allegedly infringing Part manufactured to Boeing EnCore's detailed design with a non-infringing equivalent.
- 13.3.6 Customer will promptly furnish to Boeing EnCore all information, records, and assistance within Customer's possession or control which Boeing EnCore considers relevant or material to any alleged infringement covered by this Section 13.
- 13.3.7 Except as required by a final judgment entered against Customer by a court of competent jurisdiction from which no appeals can be or have been filed, Customer will obtain Boeing EnCore's written approval prior to paying, committing to pay, assuming any obligation, or making any concession relative to any infringement covered by these indemnities.
- 13.3.8 BOEING WILL HAVE NO OBLIGATION OR LIABILITY UNDER THIS SECTION 13 FOR LOSS OF USE, REVENUE, OR PROFIT, OR FOR ANY OTHER INCIDENTAL OR CONSEQUENTIAL DAMAGES. THE OBLIGATIONS OF BOEING AND REMEDIES OF CUSTOMER IN THIS SECTION 13 ARE EXCLUSIVE AND IN SUBSTITUTION FOR, AND CUSTOMER HEREBY WAIVES, RELEASES, AND RENOUNCES, ALL OTHER INDEMNITIES, OBLIGATIONS, AND LIABILITIES OF BOEING AND ALL OTHER RIGHTS, CLAIMS AND REMEDIES OF CUSTOMER AGAINST BOEING, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE, WITH RESPECT TO ANY ACTUAL OR ALLEGED PATENT, COPYRIGHT OR OTHER INTELLECTUAL PROPERTY INFRINGEMENT BY ANY PARTS MANUFACTURED TO BOEING'S DETAILED DESIGN, AIRCRAFT SOFTWARE OR ANY OTHER THINGS PROVIDED UNDER THIS AGREEMENT.
- 13.3.9 For the purpose of Section 13.3.8, "BOEING" is defined as The Boeing Company, its divisions, subsidiaries and affiliates, the assignees of each, and their respective directors, officers, employees and agents.
- 14. MODIFICATION. No modification of this Agreement will be binding on Boeing EnCore unless agreed to in writing signed by an authorized representative of Boeing EnCore.
- 15. GOVERNING LAW. This Agreement and all Orders will be interpreted under and governed by the laws of the State of Washington, U.S.A., except that Washington's choice of law rules will not be invoked for the purpose of applying the law of another jurisdiction. The United Nations convention on contracts for the international sale of goods will not apply to this Agreement.