

APPENDIX III

ASIA ALLOY MANUFACTURING SDN BHD STANDARD TERMS AND CONDITIONS:

- 1. Acceptance of Purchase Order** These terms and conditions apply to the supply by the party ("Supplier") named on the front of this purchase order ("PO") of goods and services ("Work") to **ASIA ALLOY MANUFACTURING SDN BHD("Buyer")**. If the Supplier does not accept these terms and conditions precisely as written, within two business days, the Supplier shall return the PO to the Buyer with an explanation. If there is no receipt of an acknowledgment, the buyer shall deem the supplier to accept the PO.
- 2. Changes** Supplier shall not make any substitutions or changes to the Work unless Buyer has issued an amendment per the "Entire Agreement" clause below. By written notice to the Supplier, the buyer may make changes within the general scope of the Work, which the Supplier shall immediately perform. Verbal instructions shall not be deemed a change. Suppose any requested change impacts the price or delivery schedule for the work. In that case, the Supplier shall notify the Buyer in writing within two (2) days after the Buyer's receipt of notice of the change, and an equitable amendment shall be agreed upon between both parties.
- 3. Acceptance of Deliverables** Final acceptance of the work shall occur after delivery to the destination and upon satisfactory completion of all required tests, inspections, and approvals. Payment, in whole or part, does not constitute or indicate acceptance of the Work. Buyer is entitled to reject the Work, **or** any part thereof, if the Work is not delivered on time and as specified, and Supplier shall deliver replacement Work within two (2) days. Time is of the essence in all matters relating to the PO.
- 4. Delivery, Title, Risk of Loss** Delivery shall be AAM Supplier's facility unless otherwise set forth on the face of the PO. Clear and unfettered title and risk of loss and damage to the Work, including the unrestricted, perpetual, worldwide right to use all intellectual property, shall pass to Buyer upon final acceptance. INCOTERMS 2000 shall apply. Suppliers shall be responsible for any additional costs incurred due to the Supplier's failure to follow the delivery schedule strictly. Buyer shall be entitled to offset such costs against payments otherwise due to Supplier. Suppose the Supplier fails to provide the Work under the delivery requirements on or attached to the PO after granting a seven (7) working days grace period. In that case, the Buyer may claim payment of three (3%) of the price of the item on the PO for each week the delivery date is delayed. Suppose the Work still needs to be delivered after four (4) weeks. In that case, the Buyer shall be entitled to terminate the relevant portion of the PO without obligation. Supplier shall immediately pay all liquidated damages that have accrued concerning the late delivery with no penalty **or** charges to Buyer. If Buyer elects any remedy outlined in this clause, it shall be Buyer's exclusive remedy for such late delivery.
- 5. Specification** The specifications applicable to the Work include all technical and business requirements, including the original manufacturer specifications, any Buyer specifications referenced in the PO, and any relevant specifications issued by a recognized standards organization. In case of conflict between the specifications, unless otherwise agreed by the Buyer, the Buyer's specifications shall take precedence.
- 6. Warranty** Supplier warrants that, for not less than twelve (12) months from the later of the date of final acceptance and the date of first operational use, the Work is and shall be: (i) new, (ii) free from defects in design, materials, and workmanship, (iii) in conformance with the specifications, and (iv) fit for their intended purpose. Supplier shall pay all direct and indirect costs required to remedy any defect in the Work. Defective Work shall be repaired or replaced by the Supplier within five (5) days of the Buyer's request. Supplier shall pay all shipping charges, if any, and shall provide a report detailing **the** repairs. Suppose the Work exhibits a latent defect of a pattern defect at any time during or after the expiry of the warranty period. In that case, Supplier shall, promptly and at its sole expense and without limiting any further liability, recall and repair or replace all such Work. If such latent or patent defect cannot be repaired or replaced,

then the Buyer shall be entitled to receive full repayment of the purchase price. Supplier warrants that the Work shall continue to be available for purchase by Buyer and shall be supported by Supplier for at least three years (3) after delivery to Buyer.

7. **Price and Taxes** Unless expressly stated otherwise in the PO, prices for the Work are firm and fixed and include all costs of packing and preparation for shipment but exclude all sales, use, excise, value-added, business transfer taxes, customs, import, and export duties and any applicable fees. The Supplier shall expressly state all such excluded amounts that apply to the transaction, and The Supplier warrants that the price charged for the work is higher than that charged to other purchasers. The buyer shall pay according to its standard commercial practices.
8. **Indemnity** Supplier agrees to indemnify and save harmless Buyer, its employees, agents, and servants from and against any and all claims, proceedings, losses, damages, costs and expenses, including attorney's fees, that Buyer may sustain, incur, suffer or be put to at any time either before, during or after the performance of the Work, where the same or any of them is based upon, arise out of or occur, directly or indirectly, by reason of any act, omission, or breach of the PO terms and conditions, by Supplier or any of Supplier's agents, employees, or subcontractors involved with the Work, including without limitation, any property damage and personal injury of whatsoever nature or kind (including death) arising out of the sale or use of the Work by Buyer or by any third parties, and Supplier agrees to indemnify Buyer against any and all claims for royalties, license fees, infringement of patents or trademarks, or any other protected right, which may be against Buyer in respect of the goods, or the manufacture, sale, possession, or use thereof. Without limiting the preceding undertakings, the Supplier shall maintain public liability and property damage insurance in reasonable limits covering the above obligations and shall maintain appropriate Worker's Compensation insurance covering all employees performing under this PO.
9. **Confidentiality** Supplier agrees to maintain in strict confidence all information disclosed by Buyer, including all technical and business data, drawings, software, and know-how. Supplier shall only use such information to deliver the Work. Information or knowledge disclosed to Buyer shall (i) not be subject to confidentiality obligations unless expressly agreed by Buyer, and (ii) shall be free from restrictions as to use. This confidentiality obligation shall survive the termination of the PO and shall continue for seven (7) years after that. Supplier shall only disclose Buyer's name or this PO with Buyer's prior written consent.
10. **Quality** Supplier shall maintain a quality system that meets or exceeds Buyer's quality requirement by Buyer's supplier quality requirement refer to APPENDIX IV (A/B/C/D/E/F/G) SUPPLIER QUALITY REQUIREMENTS (RAW MATERIALS / SEMI FINISH PARTS / SECONDARY PROCESS / AIRCRAFT GENERAL SUPPLIES/JIGS AND FIXTURES / CONSUMABLES / CHEMICAL ANALYSIS SERVICES).
11. **Sub-tier Suppliers.** The supplier must pass on to sub-tier suppliers any applicable requirements specified in the PO, including key characteristics where required and updates/changes.
12. **First Article Inspection** When the Buyer deems it necessary, the first item produced for delivery under the PO is subject to first article acceptance by the Buyer before further production. If the first item fails to meet the drawing, specification, and PO requirements, then within five (5) days, the Supplier shall submit a new first item for review and approval by the Buyer. Acceptance of the First Article shall not constitute acceptance of subsequent portions of the Work.
13. **Invoices and Payments** Unless otherwise directed by Buyer, invoices shall be mailed to the address shown on the front of the PO to the attention of "Finance." The PO number shall appear on all packages, packing slips, invoices, correspondence, customs documentation, bills of lading, and other associated documentation. Unless otherwise shown in the PO, payment terms are net 60 days from the date of receipt and approval of the invoice. Separate invoices shall be

provided for each PO, and all invoices shall detail the PO number and itemize quantity, product or work, price, applicable taxes, and any other applicable charges.

14. **The Shipping Supplier shall pack and ship the Work only as specified in the PO** and in strict conformance with prudent practice and rules and regulations applicable to such shipments. The supplier shall provide complete shipping documentation by INCOTERMS.
15. **The Insurance Requirement:** The supplier shall provide acceptable documentation to the Buyer evidencing that the Supplier carries adequate insurance, as outlined in the PO documents. Upon request, the Supplier shall obtain and maintain, at its own expense, adequate risk insurance covering the Work and the premises in which the Work is being performed.
16. **Packaging and Customs:** The supplier shall securely pack the Work according to best commercial practices for domestic and international shipment and any required warehouse storage. Packing shall be sufficient to ensure the safe arrival of the Work despite such hazards as rough handling and exposure to humidity. Supplier shall firmly attach a copy of the detailed packing list, referencing Buyer's PO number, to the outside of the shipping container. Supplier shall, if non-Malaysian, include as part of the shipping documents a copy of the commercial invoice for the Work certified by Malaysian customs regulations and any export documents/permits required by the foreign authorities, including, where applicable, a NAFTA certificate and a certificate of origin.
17. **Reports and Meetings:** The Supplier shall provide the Buyer with the report and shall attend meetings as reasonably required by the Buyer.
18. **Access and Inspection:** The buyer, its representatives, customer, and regulatory authorities, if any, have the right to inspect the Work and applicable records before shipment. Accordingly, at all reasonable hours, the Supplier shall provide access to the Supplier's facilities and its suppliers' facilities, if any. Inspection by Buyer shall not affect acceptance or warranty.
19. **Rescheduling/Termination** Buyer may terminate, suspend, or reschedule the PO, in whole or part, upon written notice to Supplier. Buyer may terminate if Supplier defaults and fails to cure default within 15 days of notice. Buyer may terminate without cause. If Buyer terminates the PO without cause, Buyer shall not be liable to Supplier for any termination costs above those agreed to in writing by Buyer before the date when the notice of termination was issued, and Buyer shall not be liable for any termination costs whatsoever if the Work is a standard product marketed by Supplier. The Supplier shall have no claim for damages, compensation, loss of profit, allowance, or otherwise by reason, directly or indirectly, arising from any action taken or notice given by the Buyer. Suppose termination results from the Supplier's breach of any term or condition set out in the PO, including but not limited to delayed delivery. In that case, the Supplier shall not be entitled to any damages or reimbursement of any costs incurred, including, but not limited to, loss of profit, allowances, and compensation, and the Buyer shall have all remedies available at law or equity, and in addition, Buyer shall be entitled to procure the Work elsewhere and charge Supplier for additional costs incurred as a result. On termination by the Buyer, all Buyer's obligations shall be extinguished. If the supplier fails for any reason to perform by the terms of this PO and the Buyer is unable to fulfill its commitments to its customers, then the Supplier will indemnify the Buyer as described in clause eight herein and will pay the Buyer the difference between the price of the Work under this PO and the price at which the buyer contracted to sell such Work to its customers, plus **15%** of the price of the Work under the agreements **or** purchase orders between the Buyer and its customers in respect of the Buyer's management and overhead costs
20. **License** If the Work includes a license to any intellectual property rights, then, except as expressly agreed in writing, such permit shall be unrestricted. It shall grant to Buyer and its customer or customers perpetual, fully-paid, irrevocable, transferable, worldwide rights to use, sell, modify, support, sublicense, and commercially exploit in any manner whatsoever the

intellectual property. Supplier warrants that it has all rights needed to grant the license conveyed in the PO. Supplier shall disclose all intellectual property rights embedded within, delivered with, or used in the Work.

21. **Force Majeure** Buyer, at its option, may cancel or suspend the PO, in whole or in part, without any obligation whatsoever, where such cancellation or suspension is caused by a force majeure event including but not limited to acts of God, public enemy, acts of or government, strikes or labor disputes, fires, floods, freight embargoes, unusually severe weather or any other contingencies beyond the reasonable control of the parties.
22. **Acceptance Tests** Provisional acceptance shall occur upon demonstration that the Work complies with the requirements of the PO in a stand-alone or non-operational environment or as otherwise outlined in the PO documents. Final acceptance shall occur, after provisional acceptance, upon demonstration and certification by Buyer that the Work entirely complies with the PO requirements; any deficiencies in the Work identified before final acceptance but not documented in the final acceptance certificate shall be remedied to Buyer's satisfaction before the commencement of the warranty period.
23. **Independent Contractor:** The parties are and shall remain independent contractors. The PO is not intended to create any partnership, agent/principal, master/servant, or employer/employee relationship.
24. **Notices:** Any notice by one party to the other shall be in writing directed to the address and person, if any, identified in the PO and shall refer to the PO by its number. Parties may change their address for notices by notice to the other party.
25. **Compliance with Laws:** Supplier shall comply with all applicable federal, provincial, state, and local laws, regulations, and ordinances, foreign and domestic, which apply to the Work or the PO.
26. **Assignment:** Supplier shall not assign or transfer all or any part of the PO or interest therein without Buyer's prior express written consent, which may be arbitrarily withheld.
27. **Applicable Law:** The laws applicable in Malaysia shall govern the parties' obligations under the PO. The parties expressly disclaim and exclude the application of the United Nations Convention on Contracts for the International Sale of Goods. All disputes arising out of or in connection with this Agreement or respect of any defined legal relationship associated in addition to that or derived from that place shall be referred to and finally resolved by arbitration under the Rules of the Malaysian International Commercial Arbitration Centre. The appointing authority shall be the Malaysian International Commercial Arbitration Centre. The Malaysian International Commercial Arbitration Centre shall administer the case using its "Procedures for Cases under the Malaysian Rules." The arbitration will take place in Puchong, Selangor, Malaysia. The arbitration will be conducted in English.
28. **Waiver.** A waiver by Buyer of any right, remedy, or breach of a term or condition of the PO shall not be construed as a waiver of any other right, remedy, or breach of the same or another term or condition in the PO. It shall be of force and effect only when given by the Buyer in writing and signed by an authorized agent. Any such waiver so granted shall not at any time constitute or be construed as a continuing waiver of the provision thereby waived. The failure of the Buyer to enforce at any time of the provisions of this PO or to give any notice herein provided or to require at any time performance by the Supplier of any of the provisions hereof shall in no way be construed to be a waiver of such provisions nor in any way to affect the validity of this PO or any part thereof of the right of the Buyer.
29. **Entire Agreement** The PO, together with all exhibits, specifications, or other documents attached **or** referenced herein, constitute the entire agreement between the parties concerning

the Work and supersede any prior oral or written agreement, commitments, understandings, or communications relating to the Work. The PO shall not be amended or modified except by written amendment signed by both parties. Except where expressly excluded or in direct conflict, all terms and conditions of any applicable higher tier prime contract, including standard government terms and conditions where appropriate, shall also apply to the PO with all rights of the prime contractor transferred to and exercisable by the Buyer.

30. **Counterparts and Faxes:** The PO may be executed in any number of counterparts as if the parties had signed the same document. Such counterparts may be transmitted by facsimile transmission and, if so executed and communicated, shall, for all purposes, be as effective as if the parties had both executed the original PO.
31. **Interpretation:** The PO shall be interpreted with all changes to number and gender as the context requires. The parties hereto confirm that they wish this contract and all related documents hereto to be in English.