

## COVENT TECHNOLOGIES, INC. - GENERAL TERMS AND CONDITIONS OF SALE

**1. Entire Agreement.** These Covent Technologies, Inc. ("Seller") Terms and Conditions of Sale (the "Terms"), together with any additional written commercial or sales terms included in any Seller document relating to the sale of Seller's products to Buyer (the "Product[s]") (collectively, the "Sales Terms"), contain the entire and exclusive agreement between the parties regarding the sale of all Products. The Terms together with the Sales Terms (if any) are referred to herein as "the Contract" and "Seller's Contract". If there is a conflict between the Terms and the Sales Terms, the Sales Terms shall govern. All terms and conditions contained in any prior or subsequent oral or written communication or other document concerning the sale of Products to which the Contract relates, including, without limitation, terms and conditions contained in Buyer's Purchase Order or in any Buyer request for proposal, delivery receipt, acknowledgment, payment, or other sale document are hereby rejected and shall not be binding upon Seller and do not govern the Contract. The Contract may not be amended except in a writing signed by the President of Seller.

For purposes of this Agreement, "Seller" means Covent Technologies, Inc., and its wholly-owned subsidiaries, Andrew Tool & Machining Company and Superior Tool & Machining Company.

**2. Firm Purchase Orders and Price.** All Buyer purchase orders or other orders for Products in whatever form communicated to Seller ("Purchase Orders") are deemed firm immediately upon receipt and acceptance by Seller and may not be cancelled or modified by Buyer at any time thereafter except in a writing signed by the President or other authorized officer of Seller. Upon receipt of any Buyer Purchase Order, Seller shall have the option to accept, reject, or modify any terms, including, without limitation, price, volume, and delivery dates. Buyer will not have any recourse against Seller (and Seller will not be liable to Buyer) in the event Seller modifies or does not accept all or any part of the Purchase Order. Any delivery dates specified in any Purchase Order or Seller's Contract are estimates only. All prices are quoted and paid in United States dollars only. The price for Product shall be the price set forth in the Contract unless otherwise agreed by Seller in advance and in writing. Seller may adjust the price of any Product upon prior notice to Buyer and such adjustment is deemed to be a modification under Section 3.

**3. Acceptance of Purchase Orders.** Buyer is bound by Seller's Contract with respect to each Purchase Order upon the earliest to occur of the following: (a) Seller's written acceptance of a Purchase Order; (b) Seller's issuance of a Purchase Order Acknowledgment, email confirmation, or other commercially reasonable sales confirmation; (c) any action by Seller in furtherance of the manufacture or sale of any Product referenced in a Purchase Order, including, without limitation, Seller ordering or scheduling the delivery or manufacture of any materials, supplies, or components thereof; or (d) with respect to a Purchase Order modified by Seller: (i) one (1) business day after Seller's issuance of a modification to Buyer's Purchase Order, or (ii) any action by Buyer in furtherance of the purchase of the affected Product, including, without limitation, confirming the Purchase Order or providing delivery instructions. Buyer's acceptance of Seller's Contract is deemed irrevocable, and Seller and Buyer are bound by all terms of the Contract, including, without limitation, Seller's price.

If Seller agrees, in its discretion, to accept the cancellation of the Contract or portion of the Contract, or the return of any Product (except returns arising from for a valid breach of Limited Warranty claim), such

cancellation shall be on terms approved by Seller in advance and in writing, and Buyer shall compensate Seller for all costs and damages arising therefrom, including, but not limited to, costs of insurance and return transportation, out-of-pocket costs, lost profits, restocking fees, and any other fees and charges imposed by Seller or Seller's suppliers.

**4. Delivery.** All Products delivered within the United States and its territories are delivered TERMS FOB Seller's loading dock, Plymouth, Minnesota, or such other location specified by Seller in the Contract. As to international deliveries, all Products are delivered EXW (ExWorks) (INCOTERMS 2020) Seller's loading dock, Plymouth, Minnesota. Time is not of the essence. Buyer is liable for all costs of transportation and insurance of Products upon delivery, and title and risk of loss shall transfer irrevocably to Buyer upon delivery.

**5. Payment; Taxes; Expenses.** Payment for the full amount of each invoice is due and payable upon the earlier of (a) delivery of the Products, or (b) receipt of Seller's invoice for Products, regardless of whether such delivery or invoice includes all, or only some, of the Products included in any Purchase Order. Payment shall be made to Seller, addressed as indicated on Seller's invoice, in accordance with the Contract. In addition to Seller's price, Buyer shall pay Seller (a) all costs of transportation and insurance incurred by Seller, if requested by Buyer and advanced by Seller in Seller's discretion, and any other cost arising from the sale, and (b) all governmental taxes, charges or duties of every kind that Seller may be required to collect or pay upon sale, transfer or shipment of Product ("Tax"), except to the extent Buyer furnishes to Seller a properly completed exemption certificate applicable to such Tax.

**6. Buyer's Duty to Inspect.** Buyer shall inspect all Products immediately upon receipt at the destination designated in the shipping documents. Product receipt is confirmed or stated in tracking information provided by a common carrier or similar service and may not be disputed by Buyer. Buyer must inspect such Products and notify Seller in writing of any claims for all defects (including patent and latent defects), nonconformities, shortages, damages, or other errors within five (5) business days after receipt at the destination designated for such Products. Buyer's failure to perform the inspection or provide written notice of any claims within such five (5)-business day timeframe constitutes irrevocable and unqualified acceptance of such Products and a waiver of all claims relating to such Products, except claims arising under the Limited Warranty. Upon receipt of any claim within such timeframe, (a) as to claims for shortages, the Buyer and Seller shall investigate and determine whether the claim is valid, and if so, at Seller's option, Seller shall deliver the Product shortfall or adjust the price accordingly; and (b) with respect to all other claims, Seller shall have a reasonable period of time to inspect the Products to determine whether it is a valid claim within the scope of Seller's Limited Warranty hereunder, in which case the provisions of Sections 10-14 of these Terms shall govern. All other claims are the sole responsibility of Buyer.

**7. Late Payment; Breach; Termination.** In the event Buyer fails to pay any amount when due, Seller shall be permitted to charge interest on the overdue amount at the lesser of 1-1/2% per month or the maximum rate allowed by applicable law.

If (a) Buyer fails to pay any amount when due and the default continues for a period of ten (10) days thereafter, or (b) either party fails to perform any other material obligation under the Contract, and the

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breaching party fails to cure or take reasonable steps to cure the breach within ninety (90) days after receipt of the nonbreaching party's written notice of specific violations and opportunity to cure, the nonbreaching party may terminate the Contract and recover its damages, subject, in Buyer's case, to the provisions of Sections 10-14 of these Terms. However, Seller is permitted to terminate immediately upon Buyer's default under Section 7.(a).

In addition to the foregoing remedies, beginning the date of breach and continuing until the breach is cured (or the Contract terminated by Seller), Seller may exercise any or all of the following remedies:

- i. Delay any or all further shipments or other performance under the Contract,
- ii. Require cash or satisfactory security, require full or partial payment in advance, and adjust payment terms,
- iii. Charge Buyer for Seller's cost of procuring or manufacturing all finished goods, raw material or other inventory relating to the Products (including reasonable safety stock) in contemplation of orders placed by Buyer pursuant to the Contract,
- iv. Cancel all rebates and apply to the Buyer's unpaid balance all credits and payments due and owing to Buyer,
- v. Charge all damages incurred by Seller; and
- vi. If Buyer cures, then reschedule deliveries at Seller's convenience.

In addition to Seller's other remedies under the Contract, in the event of Buyer's breach or threatened breach of the Contract or of any legal duty owed to Seller (whether arising in contract, tort, or under any statute or other legal theory), Buyer shall pay Seller's attorney fees, costs, and disbursements, as and when incurred, regardless of whether a lawsuit is commenced. All remedies herein are cumulative and not exclusive of any other remedies available at law, by contract or in equity, subject, in Buyer's case, to the provisions of Sections 11-14 of these Terms.

**8. Force Majeure.** Seller shall not be liable for any delay or failure to make delivery of Product due to any cause beyond its reasonable control, including without limitation (a) fire, explosion, storm, flood, other acts of nature, strike, lockout, accident, act of war or terrorism, riot, civil commotion, embargo, pandemic or epidemic, thefts or loss of Products, equipment malfunction, transportation problems or delays, or plant stoppages, (b) any regulation, law, order or restriction of any governmental department, commission, board, bureau, agency, court, or other similar government entity ("Governmental Authority"), (c) the inability of Seller to timely obtain any required raw material, energy source, equipment, labor or transportation, at prices and on terms Seller deems practicable from Seller's usual sources of supply, or (d) any supply chain disruptions, including, without limitation, delays or disruptions at any of its suppliers caused by any of the foregoing events. Seller shall give Buyer prompt notice upon the occurrence of a force majeure event along with an estimate of the anticipated period of delay. Seller is not liable to Seller for failing to perform during the period of a force majeure event. As to Products that will be delayed by more than sixty (60) days after their scheduled delivery dates due to a force majeure event, Buyer may, upon prior written notice to Seller, cancel the delivery of Products that are delayed by such event and purchase substitute or replacement products from alternate sources at Buyer's sole cost, risk and expense; however, Buyer shall be obligated to take delivery of and purchase all Products that are not affected by

that specific delay. Buyer's obligation to make payment when due shall not be delayed or excused under any circumstances.

**9. Buyer's Compliance with SDS, Other Product Instructions, and Laws.** Seller may provide or make available to Buyer a Safety Data Sheet (SDS) for each Product and may supplement such information from time to time. The SDS and supplemental information may contain Product information, safety and health information, the disclosure of risks associated with the Products, and instructions regarding the use or handling of the Products. Buyer is solely responsible for reading and complying with all instructions included in the SDS and supplemental information, as well as all other instructions provided by Seller in any form, including compliance with all parameters, restrictions, and conditions regarding the use, installation, quality testing, maintenance, and replacement of the Products, and providing such information and related training to its employees, agents, contractors, customers and any third party that may use or handle the Products.

BUYER ASSUMES FULL LIABILITY AND RESPONSIBILITY FOR COMPLIANCE WITH THE SDS AND OTHER PRODUCT INFORMATION AND INSTRUCTIONS PROVIDED BY SELLER AND TO ENSURE NO MISUSE OF THE PRODUCTS IN ANY MANNER. BUYER SHALL COMPLY WITH ALL FEDERAL, STATE, AND LOCAL LAWS, STATUTES, AND ORDINANCES, AND THE REGULATIONS OF ANY GOVERNMENTAL AUTHORITY, RELATING TO OR GOVERNING THE PURCHASE, SALE, DISCLOSURE, LABELING, TRANSPORTATION, USE, AND DISPOSAL OF THE PRODUCTS, INCLUDING, WITHOUT LIMITATION, THE FOREIGN CORRUPT PRACTICES ACT, THE ANTI-MONEY LAUNDERING PROVISIONS OF THE USA PATRIOT ACT AND BANK SECRECY ACT, AND UNITED STATES EXPORT CONTROL AND ENVIRONMENTAL LAWS (COLLECTIVELY, "APPLICABLE LAWS").

**10. Seller's Limited Warranty.** SELLER WARRANTS TO BUYER THAT: (I) THE PRODUCT COMPLIES WITH SELLER'S CERTIFICATE OF CONFORMANCE FOR SUCH PRODUCT IN EFFECT ON THE DATE OF MANUFACTURE OF SUCH PRODUCT; AND (II) THE PRODUCT IS FREE AND CLEAR OF ALL LIENS, ENCUMBRANCES AND SECURITY INTERESTS AT THE TIME OF DELIVERY (COLLECTIVELY, [I.-II.], THE "LIMITED WARRANTY"). SELLER MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SATISFACTORY QUALITY, NONINFRINGEMENT, OR COMPLIANCE WITH ANY OF BUYER'S TERMS OR REQUIREMENTS, AND SELLER AND BUYER FURTHER DISCLAIM ALL WARRANTIES ARISING ON THE BASIS OF STATUTE, COURSE OF DEALING, OR USAGE OF TRADE. THE LIMITED WARRANTY IS NONTRANSFERABLE AND NON-ASSIGNABLE.

**11. Buyer's Assumption of Liability.** Buyer assumes all risk and liability in connection with determining the suitability of the Products for Buyer's intended use and operating conditions. Buyer agrees to test, evaluate samples, and perform all other quality protocols necessary or advisable from time to time to ensure compliance with Buyer's specifications, quality standards, and other requirements. Prior to using or permitting the use of any Products, Buyer is solely responsible for determining the suitability of the Products for the Buyer's intended use under Buyer's operating conditions.

Buyer assumes all risk and liability in connection with the storage, handling, use, installation, repair, replacement, removal, and disposal of the Products. Buyer assumes all liability for and agrees to: (a) defend Seller from and against all claims Buyer has or may claim to have arising

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from or relating in any manner to the Products from and after delivery thereof, regardless of the cause (except claims for shortages and valid claims under the Limited Warranty), and (b) defend, indemnify, and hold Seller harmless from all third party claims arising from or relating in any manner to the Products or their use at any time, regardless of the cause.

SELLER DOES NOT REPRESENT OR WARRANT THE SUITABILITY OF PRODUCTS FOR BUYER'S INTENDED USE, APPLICATION, OR OPERATING CONDITIONS. SELLER DOES NOT REPRESENT OR WARRANT THE ACCURACY OR COMPLETENESS OF TECHNICAL ADVICE FURNISHED CONCERNING ANY USE OR APPLICATION OF ANY PRODUCT, ITS PERFORMANCE UNDER ANY OPERATING CONDITIONS, OR OF THE RESULTS TO BE OBTAINED.

**12. Intellectual Property.** Seller warrants that the process or processes of manufacture of the Product do not infringe any valid U.S. patents. Buyer warrants that the Products and designs of the Products do not infringe any valid U.S. patent.

**13. Limitation of Liability.** SELLER'S TOTAL LIABILITY AND BUYER'S EXCLUSIVE REMEDY FOR ANY CLAIM OR LIABILITY ASSOCIATED WITH THE CONTRACT, OR ANY PRODUCT OR SERVICE PROVIDED UNDER THE CONTRACT, WHETHER BASED IN TORT, CONTRACT, STRICT LIABILITY OR ANY OTHER LEGAL THEORY, INCLUDING CLAIMS FOR BREACH OF WARRANTY, IS EXPRESSLY LIMITED, AT SELLER'S OPTION, TO (A) REPLACEMENT OF NONCONFORMING OR DEFECTIVE PRODUCT OR (B) PAYMENT IN AN AMOUNT NOT TO EXCEED, IN THE AGGREGATE, THE PURCHASE PRICE OF THE DEFECTIVE PRODUCT FROM OR FOR WHICH ANY LOSS OR DAMAGES ARE CLAIMED OR, IN THE EVENT OF A SERVICE, THE PURCHASE PRICE OF THE SPECIFIC SERVICE GIVING RISE TO THE SPECIFIC CLAIM.

IN NO EVENT SHALL SELLER BE LIABLE FOR ANY OTHER DAMAGES, LOSSES OR EXPENSES, INCLUDING, WITHOUT LIMITATION, INDIRECT, INCIDENTAL, PUNITIVE, CONSEQUENTIAL, AGGRAVATED, EXEMPLARY OR SPECIAL DAMAGES OR DAMAGES, LOSSES OR EXPENSES ASSOCIATED WITH LOSS OF PROFITS, BUSINESS, CONTRACTS OR SAVINGS, LOSS OF GOODWILL, LOSS OF PRODUCTION, LOSS OF USE, BUSINESS INTERRUPTION AND ANY OTHER DAMAGES, LOSSES OR EXPENSES OF ANY KIND OR CHARACTER TO BUYER, ITS CUSTOMERS, OR OTHER PERSONS OR ENTITIES.

**14. Limitation of Action.** BUYER'S FAILURE TO COMMENCE ANY CAUSE OF ACTION WHETHER RELATED TO ANY PRODUCT, SERVICE, OR OTHERWISE ARISING UNDER THE CONTRACT WITHIN THE FOLLOWING TIMEFRAMES SHALL FOREVER BAR ALL RIGHTS OF BUYER TO COMMENCE ANY CAUSE OF ACTION WITH RESPECT THERETO, NOTWITHSTANDING ANY APPLICABLE STATUTE OF LIMITATIONS: (A) CLAIMS FOR SHORTAGE, WITHIN THE TIMEFRAME SPECIFIED IN SECTION 6.; (B) CLAIMS FOR BREACH OF LIMITED WARRANTY AND ALL OTHER CLAIMS, WHETHER ARISING IN CONTRACT, TORT, OR UNDER ANY OTHER STATUTE OR OTHER LEGAL THEORY, SIX (6) MONTHS AFTER DELIVERY OF THE PRODUCTS GIVING RISE TO THE ALLEGED CLAIM (BUT ONLY IF BUYER GAVE SELLER NOTICE OF THE CLAIM WITHIN THE TIMEFRAME SPECIFIED IN SECTION 6.), OR SIX (6) MONTHS AFTER PROVISION OF THE SPECIFIC SERVICE GIVING RISE TO SUCH CLAIM.

**15. Credit.** Credit terms are subject to Seller's approval and may be changed at any time and from time to time by Seller in its sole discretion. If at any time the financial responsibility or credit risk of

Buyer shall be unsatisfactory to Seller in Seller's discretion, Seller may require cash or satisfactory security, require full or partial payment in advance, adjust payment terms, and delay or cease further delivery of Products and Seller's other performance under the Contract. Seller's election to exercise any of its foregoing options: (a) shall not affect the obligation of Buyer to take delivery of and pay for Product delivered under any Seller's Contract as provided therein; (b) shall not give rise to any claim by Buyer against Seller for nonperformance, breach, or on any other grounds whatsoever; and (c) shall be without prejudice to all other remedies that Seller has or may claim to have against Buyer thereunder.

**16. Assignment; Survival.** Buyer shall not assign all or any portion of the Contract without Seller's prior written consent, which consent may be granted or withheld in Seller's discretion. The Contract shall bind and inure to the benefit of the successors and permitted assigns of the respective parties. The relationship between Buyer and Seller is solely that of independent contractors and not any other form of business combination. Any provisions, the performance or effectiveness of which naturally survive the termination of the Contract, or that are required to ensure the exercise or performance of the Contract (including any obligation accrued as of the termination date), shall survive the expiration or termination of the Contract, regardless of the reason.

**17. Notices.** Any notices, documentation, approvals and other communications required or permitted under the Contract ("notices") will be given to the appropriate party at the address listed on their official company website.

**18. Governing Law; Miscellaneous.** The Contract shall be governed by the laws of the State of Minnesota excluding its conflict of laws principles. Buyer and Seller consent to the exclusive personal jurisdiction and venue in the federal and state courts of Hennepin County, Minnesota, for all disputes arising out of or relating to the Contract and waive the defense of *forum non conveniens* to such venue. The United Nations Convention on Contracts for the International Sale of Goods and the United Nations Convention on the Limitation Period in the International Sale of Goods, as amended, do not apply to the Contract.

The Contract and any amendment may each be signed in any number of counterparts, all of which constitute one and the same instrument, and either party may sign the Contract and any amendment by signing and delivering one or more counterparts. Buyer and Seller agree that for the purpose of signing the Contract and any amendment, electronic signatures or a signatory's initials (including, without limitation, via DocuSign) shall be deemed to have the same full and binding effect as a handwritten signature.

Failure of either party to exercise any right it has under the Contract on one occasion shall not operate or be construed as a waiver by such party of its right to exercise the same right on another occasion or any other rights it has. Nothing in the Contract shall be construed as creating any direct or beneficial right in or on behalf of any third party. The invalidity of any provision or clause of the Contract shall not affect the validity or enforceability of any other provision or clause thereof. (General Terms and Conditions of Sale, effective January 1, 2024)

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