

A-1 INDUSTRIES

GENERAL TERMS AND CONDITIONS FOR PROCUREMENT AGREEMENTS

(Version: September 2024)

1. Scope and Purpose

1.1. Scope

These General Terms and Conditions for Procurement (hereinafter, these "GTCs") constitute a legally binding agreement by and between A-1 Industries (hereinafter, "A-1") and the supplier named in and who has executed these GTCs in the signature block at the end of this document (hereinafter, the "Supplier"). These GTCs establish the general terms and conditions applicable to all future quotations, purchase orders, and agreements for the procurement of goods or services between the parties unless otherwise expressly agreed in writing.

1.2. Purpose

To streamline its procurement process, A-1 seeks to pre-approve suppliers to facilitate quicker and more efficient procurement of goods and services. Supplier agrees that the execution of these GTCs is a condition to becoming a pre-approved supplier for A-1. Supplier shall not provide any goods or services to A-1 unless and until these GTCs are fully executed.

1.3. Exceptions

Any exceptions to these GTCs must be clearly set forth in writing within the relevant quotation, agreement, purchase order, or other contractual document and must be mutually agreed upon in writing by both parties. Such exceptions will apply only to the specific order and shall not be deemed applicable to any other future orders unless expressly stated.

2. Quotations

When requested by A-1, the Supplier shall submit its quotation in accordance with A-1's request for quotation (RFQ). Each quotation provided by the Supplier shall incorporate these GTCs unless explicitly stated otherwise. A-1 reserves the right to accept or reject any quotation from the Supplier without compensation for any rejected proposal.

3. Contractual Documentation

3.1. Contract/Orders

Accepted quotations from the Supplier will be formalized into a specific executed agreement, purchase order, or other contractual document, which will reference these GTCs (referred to as a "Contract/Order").

3.2. Inconsistencies

In the event of any inconsistency between these GTCs and the terms of any Contract/Order, the terms of the Contract/Order shall take precedence, but only for that specific agreement. However, any such exceptions or reductions to the Supplier's obligations must be explicitly stated in the Contract/Order and proven by the Supplier.

3.3 The Supplier acknowledges and agrees to be bound by the GTCs, as set forth herein. In the event of any conflict between the terms of this agreement and any terms stated in the Supplier's quote or other documentation, the GTC's shall prevail and override any conflicting provisions in the Supplier's quote.

4. Purchase, Delivery, and Acceptance.

4.1. Quality: These GTCs apply to various goods and services, including but not limited to parts, materials, equipment, and services required for the design, manufacture, repair, and maintenance of A-1's operations. All goods and services provided shall:

- Be of the highest quality and free from defects in material and workmanship unless otherwise agreed upon in the Contract/Order;
- Comply with all applicable laws, regulations,

and industry standards;
- Be fit for their intended use as specified in the Contract/Order.

A-1 reserves the right to request an inspection of the Supplier's facilities and review processes related to the material or services. If any processes are deemed unacceptable by A-1, these GTCs and any associated agreements may be terminated.

4.2. Delivery of Procurement

Supplier shall deliver the goods and services to the location specified in the Contract/Order by the agreed-upon delivery date(s). If the Supplier anticipates a delay, it must within 5 days provide written notice to A-1 and take all reasonable actions to mitigate such delay. Notifying A-1 of a delay does not release the Supplier from liability for the delay. Supplier is responsible for the risk of loss until the goods are delivered, or the services are rendered, and in A-1's possession.

Goods must be properly packaged to prevent damage during transit, and hazardous materials must comply with all applicable packaging laws and standards. If necessary, the Supplier shall provide A-1 with detailed packaging instructions for the return or further shipping of the goods.

4.3. Acceptance and Rejection

A-1 may accept or reject the goods or services within ten (10) business days after delivery or completion. Failure to reject the Procurement within this period, or if the goods are used or the services accepted, constitutes acceptance. If the Procurement does not comply with the Contract/Order or these GTCs, A-1 may reject it, and the Supplier must promptly correct or replace it. Supplier will not be entitled to any payment for rejected goods or services. Title to goods shall pass to A-1 upon acceptance.

4.4. Timely Performance Required

Time is of the essence in every Contract/Order. The supplier must deliver the

goods or services on the specified delivery date(s) as outlined in the Contract/Order.

5. Prices and Payment

5.1. Prices All-Inclusive

The price of the Procurement is all-inclusive unless specified otherwise in the Contract/Order. Supplier will bear all costs, including those related to insurance, licenses, authorizations, or permits. No additional charges or expenses will be incurred by A-1 unless expressly authorized in writing.

5.2. Price Increases

Price increases can only be authorized by an agreed-upon change order to the Contract/Order.

5.3. Invoices

The supplier must include the Contract/Order number on its invoices, along with any supporting documentation required to verify that the goods and services have been delivered or rendered in accordance with the terms. Any taxes or supplementary amounts authorized by A-1 must be separately stated.

5.4. Payments

Invoices for accepted goods or services will be paid net 30 unless otherwise agreed. Payments will be made in U.S. Dollars and will be processed either by check or wire transfer as specified in the Contract/Order.

5.5. Offsets

A-1 reserves the right to offset any amounts owed to it by the Supplier against any amounts due under any Contract/Order.

6. Compliance with Laws

Supplier agrees to comply with all applicable federal, state, and local laws and regulations in connection with its performance under any Contract/Order, including but not limited to laws related to employee safety, environmental protection, data protection, and fair labor practices. Supplier shall bear the responsibility and costs for ensuring compliance.

7. Representations and Warranties

7.1. Good Standing

Supplier represents that it is a duly organized, validly existing entity in good standing under the laws of its jurisdiction and has the authority to enter into and perform its obligations under these GTCs and any Contract/Order with A-1.

7.2. No Conflicts

Supplier represents that the performance of its obligations will not conflict with any law, judgment, or agreement to which it is a party. The supplier also affirms that none of its officers or directors have been involved in any legal proceedings related to corruption, fraud, or money laundering.

7.3. No Undue Influence

Supplier represents that it has not, and will not, engage in any corrupt practices or offer improper inducements to influence A-1's decision-making processes.

8. Warranty

8.1 If within one (1) year after the full delivery, acceptance, and payment for any Purchases, A-1 determines that the goods or services are defective or do not comply with the Contract/Order, Supplier shall replace or correct such Procurement at its own cost and without further delay.

8.2 Nothing in this agreement shall be construed to limit, modify, or otherwise affect the terms, conditions, or duration of any manufacturer's warranty provided with the Procurement. The manufacturer's warranty, if applicable, remains in full force and effect and is separate from any warranties or guarantees provided by the Supplier. The terms of the manufacturer's warranty, including any exclusions or limitations, govern the product's coverage for defects or malfunctions, and are not altered or superseded by the terms of this agreement.

9. Delays

9.1. Force Majeure

Force Majeure events that prevent the Supplier from delivering goods or services may extend the delivery date, provided that the Supplier notifies A-1 in writing within five (5) days of the event.

9.2. Extension for Excusable Delays

Suppliers must take all reasonable steps to mitigate the impact of any delay, and A-1 reserves the right to reject claims for additional time or compensation unless promptly communicated and agreed upon.

10. Intellectual and Industrial Property Rights

The supplier represents that it owns or holds the necessary intellectual property rights required for the sale and use of the materials by A-1. Supplier agrees to indemnify A-1 from any claims of intellectual property infringement related to the purchases.

11. Confidentiality

All confidential business and technical information provided by A-1 shall remain its exclusive property. Supplier agrees not to disclose such information to third parties without A-1's prior written consent.

12. Compliance with A-1's Code of Conduct

Supplier agrees to comply with A-1's core values of *Own it, Passionate, Honesty, and Respect* and conduct its business in an ethical manner that aligns with these values.

13. Insurance

Supplier shall maintain appropriate insurance, including general liability, auto insurance, workers' compensation, and any additional insurance required by law. Certificates of insurance must be provided to A-1 upon request.

14. Liability

Supplier shall indemnify and hold A-1 harmless from any claims, damages, or losses resulting from or arising out of the goods or services provided or Supplier's performance

under these GTCs, except where A-1's negligence is the sole cause.

15. Termination for Convenience

A-1 reserves the right to terminate any Contract/Order for convenience, at which time the Supplier will be compensated only for delivered and accepted goods or services. The supplier is not entitled to any further compensation.

16. Default and Remedies

16.1. Default

Supplier is in default if it fails to perform its obligations under these GTCs, breaches any representation or warranty, or becomes insolvent. A-1 may terminate the Contract/Order in case of Supplier default.

16.2. Liquidated Damages for Late Delivery

If the Supplier fails to meet delivery deadlines, liquidated damages shall be 1% of the price of the delayed goods or services per day, up to a maximum of 10% of the total price. A-1 may deduct such amounts from payments due.

17. Assignment and Subcontracting

Supplier may not assign or subcontract its obligations under these GTCs or any Contract/Order without A-1's prior written consent.

18. Taxes

The supplier is responsible for all taxes, duties, and tariffs related to the sale and delivery of any purchases unless otherwise specified.

19. Right to Audit

A-1 reserves the right to audit the Supplier's records to verify compliance with these GTCs and any associated Contract/Order.

20. Notices

All notices must be in writing and delivered via certified mail, overnight courier,

or email to the addresses specified in the Contract/Order.

21. Miscellaneous

- **Waiver**: Failure to enforce any provision does not constitute a waiver.

- **Entire Agreement**: These GTCs and associated Contract/Orders represent the entire agreement between the parties.

- **Severability**: If any provision is deemed invalid, the remaining provisions will remain in effect.

- **Amendments**: Any amendments must be in writing and signed by both parties.

22. Choice of Law and Resolution of Disputes

These GTCs are governed by the laws of Florida, and all disputes will be resolved in the courts of Florida, St. Lucie County. Each party waives any right to assert forum non conveniens.

A-1 Industries:

By: _____ Nicolas Lopez

Date: 9/1/2024