

PURCHASE ORDER TERMS AND CONDITIONS

DEFINITIONS: "Terms" are these global Belt Concepts of America, Inc. Purchase Order Terms and Conditions. "Order" shall mean the purchase order referencing these Terms, including the terms and conditions on the face of this purchase order, together with the Terms. "Products" shall include, without limitation, the work, materials, components, parts, or goods specified for supply on the face of the Order. "Services" shall include the services, support, labor, work or other operations specified on the face of the Order or in documents referenced in or attached to the Order (documents referenced in or attached to the Order shall be used solely for the description of the Services). "Buyer" shall mean the Belt Concepts of America, Inc.. "Seller" shall be defined as the entity on the face of this Order supplying Products and/or Services and shall include Indemnifying Parties as defined in Section 19.

1. **ACCEPTANCE:** These Terms are incorporated into the Order and shall govern the purchase of Products and Services by Buyer from Seller. The Order shall be deemed accepted by Seller's commencement of work, performance of Services, engineering, design, production, manufacture or shipment of Products, or other indication of agreement, whichever occurs first, shall constitute acceptance of this Order and all of its terms and conditions (the "Acceptance Date"). This Order is limited to and expressly conditioned upon Seller's acceptance of these terms exclusively. This Order constitutes the entire agreement between Buyer and Seller and it specifically supersedes all prior or contemporaneous agreements, arrangements, representations and communications whether oral or written regarding its subject matter, including, without limitation, quotations, proposals, or bids. Buyer hereby objects to any terms proposed by Seller in Seller's quotation, acceptance or acknowledgment of Buyer's offer which add to, vary from, or conflict with the terms of this Order and Seller agrees that such terms are null and void. Reference in the Order to any Seller prepared document does not imply acceptance of any terms and conditions therein, which, if in addition to or inconsistent with the terms and conditions contained herein, are rejected by Buyer and shall not be part of the agreement between the parties. Any such proposed terms shall not operate as a rejection of this offer but are deemed a proposal for a material alteration, and this offer shall be deemed accepted by the Seller without said additional, different or conflicting terms. If this Order is deemed under applicable law to be an acceptance of a prior offer by Seller, such acceptance is limited to and expressly conditioned on Seller's assent to the terms contained within this Order.

2. **PRICE AND TAXES:** The price of the Products shipped or Services performed against this Order shall be as indicated on the face of this Order, which is expressed in US dollars if not otherwise indicated (the "Price"). The Price is firm and may not be increased for any reason, including without limitation, any raw materials issues or force majeure events. The Price is based on the cost of raw materials in effect at the time of this Order. Seller may reduce the Price if the cost of raw materials decreases in after the issuance of this Order. Seller is responsible for and shall pay all taxes now or hereafter imposed upon the manufacture, sale, transportation, storage, or use of the Products and Services. The Price is inclusive of all of Seller's costs (including, without limitation, labeling, packaging, taxes, tariffs and duties of any type, insurance, freight (unless otherwise stated on the face of this Order), and handling). Seller agrees that its prices do not and its invoices shall not include any tax with respect to which exemption is available or indicated for Buyer in this Order or otherwise, or as to which Buyer has furnished Seller with an applicable exemption certificate. If the Price is omitted from the Order, the Price shall be the lowest prevailing market price and in no event shall the Price exceed the prices

paid for similar Products shipped or Services performed against preceding Orders between Seller and Buyer. Seller hereby guarantees that the Price is Seller's lowest price to any customer for the same or similar Products and/or Services and is competitive with other sellers' prices for similar products and services (the "Price Guarantee"). Buyer may terminate this Order in whole or in part without liability if Seller breaches its Price Guarantee and shall have no obligation to pay any amount in excess of the Price Guarantee. Seller will keep appropriate records to demonstrate compliance with this Section 2 to Buyer. Seller agrees to disclose the product-related cost structures and any cost influencing issues, in order to improve both Buyer's and Seller's competitiveness and to ensure mutual advantages. Seller must disclose to Buyer in writing all rebates, credits, or other monetary and non-monetary compensation that it has received or agreed to receive from or has paid or agreed to pay to any third-party that relates to the Products or Services covered by this Order and must do so within fourteen (14) days of all such agreements or payments.

3. **DELIVERY: TIME IS OF THE ESSENCE ON THIS ORDER.** All Products shall be packed and shipped, and all Services performed, in accordance with instructions or specifications contained in this Order or provided by Buyer. In the absence of any such instructions, Seller shall comply with best commercial practices to ensure arrival at destination without damage and at the lowest transportation cost to the specified ship to address. Delivery shall be made in quantities and at times specified herein or otherwise specified by Buyer. Seller acknowledges that the quantity of Products are determined by the needs of Buyer or Buyer's Customers and those needs may change from time to time. Seller agrees its relationship with Buyer is non-exclusive and that there is no quantity of Products or Services committed to by Buyer. Buyer shall not be required to make payment for Products delivered to Buyer in advance of schedule or which are in excess of the quantities specified in this Order and, at its option, may return such Products to Seller at Seller's risk and expense. Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the Price for Products or Services covered by this Order. For orders of Products where quantities and/or delivery schedules are not specified, Seller shall deliver Products in such quantities and at such times as Buyer may direct in subsequent releases. If in order to comply with Buyer's required delivery date it becomes necessary for Seller to expedite any delivery under this Order, Seller shall pay any increased costs of expediting. If Seller fails to timely perform or deliver, Seller shall reimburse Buyer, at Buyer's option, for a) all losses, costs and expenses or Damages (as defined in Section 10 below) incurred by Buyer as a result of late delivery or performance, or b) liquidated damages in the amount of 1% of the Price of the delayed delivery or performance for each calendar day of delay, computed from the due date without grace period, up to an aggregated payment for this Order of 20% of the Price of the delayed delivery or performance. In addition, Buyer shall be entitled to assert all other rights and remedies set forth in this Order, to terminate, without liability, this Order as to Products not yet shipped or Services not yet rendered by written notice effective upon delivery of the notice by Buyer, and to procure substitute Products or Services elsewhere and recover from Seller all costs, losses, and Damages Buyer incurs in connection with doing so.

4. **INSPECTION:** Seller's facilities, equipment, materials, records, and the Products and Services purchased and to be purchased under this Order are subject to Buyer's audit, inspection, and acceptance. Seller and all subcontractors of Seller agree that Buyer may inspect any Products or Services during any stage of their manufacture, construction, preparation, delivery or completion. Buyer and Buyer's customers (including automobile manufacturers also referred to as Original Equipment Manufacturers ("OEM") and other suppliers to the OEM (collectively "Buyer's Customers")) have the right to enter onto Seller's or Seller's subcontractors' premises at reasonable times to



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inspect the facility, supplies, materials and any of the Buyer's property

covered by this Order. Seller agrees to provide any and all reasonable or pertinent supporting documentation required by Buyer or Buyer's Customers in the course of such inspection. The method of inspection may be by selective, random or 100% sampling, at the sole discretion of Buyer. At Buyer's request, Seller and Seller's subcontractors shall submit production and quality test reports and related data. All costs associated with this Section 4 are the responsibility of Seller. Buyer's inspection of the Products or Services, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished Products. Payment for the Products shipped and Services performed shall not constitute acceptance. Products and Services shall only be deemed accepted when they have actually been counted, inspected, and tested by Buyer and found to be in conformance with this Order. Nothing in this Order shall relieve Seller from the obligation of testing, inspection and quality control. Seller and all subcontractors of Seller also agree to provide Buyer access to all pertinent information, including but not limited to, books, records, payroll data, receipts, correspondence and other documents and materials in the possession or under the control of Seller, or otherwise relating to any of Seller's obligations under this Order or any payments requested by Seller pursuant to this Order. Buyer will have the right at any reasonable time to send its authorized representatives to examine all such information. Seller shall maintain all pertinent information relating to this Order for: (a) the period of time required by or relating to the relevant or applicable requirements of Buyer's Customers or (b) four (4) years after completion of Services or delivery of Products pursuant to this Order, whichever period is longer.

5. QUALITY; OEM WARRANTY SHARE; STANDARDS; PARTS IDENTIFICATION: Seller expressly represents, warrants and guarantees to Buyer, its successors, assigns and Buyer's Customers that all Products and Services: (i) comply with all drawings, data, descriptions, designs, samples, engineering instructions, testing requirements, technical information, and specifications of Buyer and Buyer's Customers (collectively the "Specifications"); (ii) comply with Buyer's and Buyer's Customers' test, conformity, quality and performance standards; meet applicable industry quality and performance standards; (iii) comply with all applicable legal and regulatory requirements; and (iv) comply with these Terms including without limitation, terms concerning infringement, price, competitiveness, warranty reduction, allocation, share, charge-backs and/or recalls, and all field service requirements of Buyer and Buyer's Customers. Seller and all subcontractors of Seller shall adhere to all quality, testing, development, and production approval programs and processes of Buyer and Buyer's Customers on an ongoing basis, with the objective of delivering zero defects for all Products. Seller acknowledges that Buyer supplies parts to Buyer's Customers and that Buyer may be required to participate in the warranty share programs ("WSP") of each OEM that is Buyer's Customer. Seller agrees that, by producing and supplying the Products associated with this Order, Seller will participate in any applicable WSP and will indemnify and hold Buyer harmless for any costs or losses allocated to Buyer pursuant to a WSP which are attributable, in whole or in part, to the Products supplied by Seller pursuant to this Order. Seller's WSP indemnification obligations set forth in this paragraph shall apply regardless of any contradictory or competing term or condition contained in any communication by Seller to Buyer, or elsewhere in these Terms, or any purported disclaimer by the Seller of its participation in any WSP, which is hereby expressly rejected. Upon Buyer's OEM Customer's having allocated to Buyer costs that are attributable or allocable, in whole or in part under the terms and definitions of the WSP, to a Product supplied by Seller, Seller agrees that Buyer is entitled to immediately deduct such attributed or allocated cost and amount from any payment due or to become due to Seller from Buyer. In the event Buyer has no payment obligation or balance owed to Seller against which to deduct such cost, Buyer shall invoice Seller for the cost assessed against Buyer pursuant to the terms of any WSP, which invoice shall be paid in full by Seller within ten (10) days after Buyer has supplied to the Seller documentation confirming the costs allocated to Buyer pursuant to Buyer's Customer's WSP. Seller shall

indemnify Buyer for all costs and expenses incurred by Buyer that are reasonably or equitably related to, attributable to, or allocable, in whole or in part pursuant to a WSP, to a part or tool supplied by Seller to Buyer pursuant to this Order. In the event that the costs allocated by Buyer's OEM Customer to Buyer pursuant to the terms of an applicable WSP are not specifically allocated to each component or part within a system, Buyer shall have the right to allocate to Seller, in good faith and based on available information, an equitable and reasonable share of that WSP cost allocation attributed to the Buyer based on the incorporation of Seller's Product into the component or system against which the OEM WSP allocation is made.

Any failure to fully comply with any of these provisions shall constitute a material breach of Seller's obligations under this Order. Notwithstanding the foregoing, it is Seller's obligation to ensure that appropriate testing, inspection, conformity and quality control is performed on the Products and Services and nothing in this Order shall relieve Seller of that obligation. All completed Products shall be packaged and labeled in accordance with Buyer's requirements. All Products shall permanently bear Buyer's part number and name or code name, including any applicable bar coding identification, Seller's part number, and Seller's date of manufacture, unless otherwise agreed by Buyer in writing. Seller will supply samples in accordance with the applicable quality standards as set forth above as requested by Buyer. In addition to the foregoing, Seller shall meet all supplier quality management and regulatory requirements of or applicable to Buyer and Buyer's Customers as revised from time to time, and, without limiting the foregoing, shall comply with the requirements of any accredited professional society that Seller is registered with, such as an accredited ISO 9000 Registrar. Seller must comply with the provisions and meet all standards imposed by ISO/TS 16949:2002, unless Buyer informs Seller in writing that it need not do so and instructs Seller to comply with a different standard, in which case such alternate standard shall be applicable in addition to all other applicable standards and requirements. Seller shall, if requested by Buyer, furnish a certificate indicating compliance with all applicable standards.

6. CHANGES: Seller may not make changes to Products or Services or to the manufacturing, testing, or quality processes, the bill of materials, materials, design, tools, sources of raw materials, or to locations used to manufacture, assemble, or package the Products without Buyer's prior written approval. Any unauthorized change of any type whatsoever shall constitute a material breach of Seller's obligations under this Order. Buyer may, through its purchasing department or other authorized representative, request changes to Products or Services at any time for its convenience upon written notice to Seller (written notice may include a written agreement signed by Buyer, a change order issued by Buyer's purchasing department, or an email from an authorized representative of Buyer. Seller will implement the changes and this Order will be deemed amended to incorporate the changes; provided, however, if the requested changes will increase or decrease the cost of performance or the time required to perform, Seller will advise Buyer in writing within twenty (20) days of Buyer's change request, and the parties will negotiate an equitable adjustment in the Price to accommodate such increased costs. Any Services performed by Seller in addition to or different from those stated on the Order without Buyer's prior written notice, as indicated above, shall be at Seller's own risk and without reimbursement of Seller's costs from Buyer. Although Seller may request a price increase for increased costs, Seller is not entitled to and will not request an increase in its profit based on changes. Seller may not refuse delivery of Products or Services while the parties discuss pricing alterations based on changes. Seller must implement the changes and continue performance during the pendency of any dispute. All changes and any agreed changes to the Price or schedule will be implemented pursuant to the terms and conditions of this Order.

7. CONDITIONS TO AND TIMING OF PAYMENT: Unless otherwise instructed by Buyer in writing, Seller will invoice Buyer upon Buyer's

receipt of the Products and/or completion of Seller's performance of Services, whichever occurs later. Buyer objects to any terms or conditions referred to or attached to Seller's invoices. Seller agrees that such terms and conditions shall be of no force or effect, and Buyer's payment of the invoice shall be made only in accordance with the terms of this Order and shall not be deemed an acceptance of any such terms and conditions. Upon request from Buyer, Seller will invoice and accept payment in other currencies at prevailing currency exchange rates. Unless a different period is indicated by Buyer on the face of this Order, payment is due net ninety (90) calendar days from the date of Buyer's receipt of Products or completion of Seller's performance of Services or from the dates Buyer receives an invoice, whichever occurs later. If there is a dispute that is not resolved within that period, payment will be due ten (10) calendar days after the dispute is resolved and a corrected invoice is received. Buyer or any of its affiliates wherever located ("BUYER") shall have the right to apply any amounts owed by Seller or any of its affiliates wherever located ("SELLER"), to Buyer under this Order or any other order, contract, agreement or obligation involving BUYER or SELLER, to set off or reduce any amounts payable by BUYER to SELLER under this Order or any other order, contract, agreement or obligation. Notwithstanding the foregoing, Buyer's obligation to make payments to Seller for Products and Services purchased pursuant to this Order are conditioned upon Buyer's receipt of payment with respect to such Products from any applicable Buyer's Customer. To the extent that Seller does not invoice Buyer with respect to any Products which are purchased pursuant to this Order within one (1) year of Seller's delivery of such Products, Buyer shall have no obligation to pay Seller for such Products. Any claims of Seller with respect to payment by Buyer for Products or Services under this Order must be submitted to Buyer in writing within one (1) year of the date on which the Products are received by Seller or the Services are completed or be deemed waived and Seller shall be estopped from pursuing all such claims. Any legal action against Buyer for payment must be commenced within one (1) year of the date on which payment was due or be forever barred.

8. **WARRANTY:** Seller expressly represents, warrants and guarantees to Buyer, its successors, assigns and Buyer's Customers, and the users of Buyer's or Buyer's Customers products, that all Products and Services delivered by Seller will (a) conform to the Specifications, standards and other requirements in Section 5; (b) be new, (c) be of good material and workmanship and of the highest quality; (d) be merchantable, safe and fit for Buyer's and Buyer's Customers' intended use; (e) be free from defects, latent or patent; (f) be adequately contained, packaged, marked and labeled; and (g) be performed or manufactured in compliance with all applicable laws, regulations or orders, and all agency, association, and industry standards, including, without limitation all laws, regulations, and orders pertaining to discrimination in force in countries where the Products are to be sold. All Services performed by Seller shall conform in all material respects with Buyer's descriptions, statements or scopes of work and be performed in a first-class, professional manner, with reasonable skill and care acting in the best interests of Buyer and in accordance with the highest industry standards applicable to such Services. If Services include software provided to Buyer, such software will not include any Open Source Software code. Seller further represents, warrants and covenants to Buyer that prior to the performance of Services, Seller will ensure that (i) Services shall only be performed using suitably qualified personnel, (ii) such personnel shall be legally permitted to work in the United States, and (iii) to the extent permitted by law, Seller at its own cost, will have a third party vendor complete a seven (7) year criminal background investigation in the current county of residence for all felony convictions and misdemeanor convictions for crimes of dishonesty or violence (both State and Federal crimes) for the individuals Seller assigns to provide Services under this Agreement, and (iv) Seller at its own cost, will contract with a third party vendor to conduct a 10-panel urine drug screen. Based on the results of said drug screen, no individual whose drug screen reveals a substance within these parameters will be assigned by Seller to provide Services under

this Order. Seller warrants that all materials used in the manufacture of the Products will be new. No materials may be substituted in lieu of those specified without Buyer's prior written consent. Seller further represents, warrants, and guarantees that the Products and Services do not infringe any intellectual property rights and that Seller shall deliver title to the Products that is free and clear of any liens, encumbrances and any actual or claimed infringement of Intellectual Property Rights, as defined in Section 14. These warranties shall be in addition to all other warranties, express, implied or statutory. These warranties shall survive inspection, test, delivery, acceptance, use, resale, payment by Buyer, and the termination, expiration, or cancellation of this Order. The warranties in this Order may not be limited or disclaimed by Seller. Buyer's approval of Seller's design, material, process, drawing, Services, specifications or the like shall not be construed to relieve Seller of the warranties set forth herein, nor shall a waiver by Buyer of any drawing or specification request for one or more items constitute a waiver of any such requirements for any other items to be delivered hereunder unless so stated by Buyer in writing. As to Services, the warranties in this Order do not expire. As to Products, the warranties in this Order apply until the expiration of all warranties, including without limitation, any special or extended warranties, provided by Buyer's Customers or their agents to any end user incorporating the Product. Seller agrees to waive the expiration of the warranty period as to failures or defects discovered after such warranty period which, in Buyer's or Buyer's Customer's sole discretion, are deemed significant, or a defect is discovered which, in Buyer's or Buyer's Customer's sole discretion, constitutes a threat of damage to property or to the health and safety of any person.

9. **NON-CONFORMING PRODUCTS:** Notwithstanding payment or prior inspection and in addition to all other remedies it may have, Buyer, at its option and at Seller's sole risk and expense, may reject and return or retain and correct, Products that fail to conform to any warranty, specification, standard, or other requirement of this Order, even if the non-conformity does not become apparent until the manufacturing or processing stage and whether or not such non-conforming Products constitute raw materials being manufactured or processed by Buyer or Buyer's Customers or Products manufactured or processed by Seller from prototypes provided by Buyer or Buyer's Customers. If requested by Buyer, Seller promptly will evaluate the Products to determine the root cause of the non-conformance and provide Buyer with an analysis of the non-conforming Products and Seller's plan to correct the non-conformance in the Products at issue and those shipped in the future. Seller will reimburse Buyer for all expenses resulting from investigation into, rejection of, or correction of any non-conformance, including, without limitation all expenses related to scrap, internal time, materials, overhead and labor. At the request of Buyer, Seller will provide a quality and warranty analysis with respect to any non-conforming Products to identify the cause of such quality or warranty problems and to propose a method of correcting such problems. To the extent Buyer rejects Products as non-conforming, the quantities under this Order will automatically be reduced unless Buyer otherwise notifies Seller, and Seller will not replace quantities so reduced without a new release or schedule from Buyer. Non-conforming Products will be held by Buyer for disposition in accordance with Seller's instructions at Seller's risk and expense. Seller's failure to provide written instructions within ten (10) days, or such shorter period as may be commercially reasonable under the circumstances, after notice of non-conformity shall entitle Buyer, at Buyer's option, to charge Seller for storage and handling or to dispose of the Products, in either case without liability to Seller. Title to Products designated for return by Buyer will immediately revert to Seller upon notice to Seller of Buyer's intent to return the Products. Payment for non-conforming Products shall not constitute an acceptance thereof, limit or impair Buyer's right to revoke acceptance or assert any legal or equitable remedy, or relieve Seller of responsibility for non-conforming Products, defects, quality or warranty issues.

10. **REMEDIES:** In addition to other remedies provided herein and those available at law or in equity, if Seller defaults on or breaches its obligations under any provision of this Order or delivers Products or Services that are late, defective, non-conforming, or fail to comply with the warranties in this Order, whether or not apparent upon receipt, Seller shall promptly and at its sole expense, and at Buyer's option: (i) re-perform, repair, or replace the affected Products or Services, or provide a refund for the affected Products or Services; (ii) expedite late deliveries and performance; (iii) pay for all related costs, including, without limitation, inspection, sorting inventories to isolate affected Products, reworking, retesting, storage, shipping, repackaging, removal, re-installation, expediting, and replacing the affected Products; (iv) pay to Buyer all costs of investigating, recovering, recalling, repairing or replacing products, components, assemblies or systems that incorporate or are otherwise potentially impacted by the affected Products; and (v) pay all other costs, charges, fines, penalties, or damages incurred by Buyer or Buyer's Customers related to the affected Products or Services. Seller agrees to immediately re-perform, at Seller's cost and expense, any Services that fail to meet Buyer's requirements or are not in compliance with the warranties in this Order. Seller shall be liable for all direct, indirect, incidental, special, punitive and consequential damages incurred by Buyer or Buyer's Customers arising from any breach of any provision of this Order, including, without limitation, all costs, charges, liabilities, losses and expenses ("Damages"). Damages shall include, by way of example and without limitation, the cost to procure replacement Products or Services, all costs of repair, inspection, storage, shipping, reinstallation, expediting, product recalls, field services action, services campaign, special warranty or warranty extension, stop of production line, plant closures, lost profits, damage to goodwill and reputation, customer concessions or penalties, and any injury to person or property, and all of Buyer's attorneys' fees and costs. In addition, Buyer may cancel this and any other Order for the affected Product or Service or for other potentially affected products or services, without liability of any kind, including but not limited to liability for raw materials, work-in-process, or finished Products Seller may have on-hand for the Order. Seller further agrees that Buyer's rights and remedies, including, without limitation, the total amount and types of Damages Buyer may recover, and the time in which Buyer or Buyer's Customer must assert a claim or file a lawsuit, shall not be reduced or limited in any way.

11. **BAILED PROPERTY AND TOOLING:** All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment, ancillary products, items owned by Buyer and other similar items furnished or

supplied by Buyer ("Tools") to Seller for use in manufacturing the Products or performing the Services, or for which Seller is reimbursed by Buyer, shall be and remain the property of Buyer or Buyer's Customer. Seller shall maintain and replace all Tools for the life of the related Products or Services, including replacement Products or Services. Seller shall bear the risk of loss of and damage to Buyer's property. Seller will (a) properly house and maintain the Tools on Seller's premises; (b) not use the Tools for any purpose other than for performance under this Order; (c) prominently mark the Tools as property of Buyer; (d) refrain from commingling the Tools with the property of Seller or with that of a third party; (e) adequately insure the Tools against loss or damage, including but not limited to maintaining full fire and extended coverage insurance for replacement value and naming Buyer as an additional insured; (f) ensure that the Tools do not become subject to any liens or other claims; and (g) not modify or move the Tools to another location whether owned by Seller or a third party, without the prior written consent of Buyer. Buyer has the right to enter the premises of Seller or any supplier or subcontractor of Seller at reasonable times to inspect the Tools and Seller's records pertaining thereto. Seller, at its own expense, will keep the Tools in good condition and repair, including repair necessitated by wear and tear and other usage by Seller. Seller expressly waives any lien which Seller might otherwise have on any of Buyer's property for work done thereon or otherwise, including but not limited to molders or builder liens and the like. Buyer may remove its Tools at any time and Seller will cooperate with Buyer's removal of the Tools from Seller's premises. At Buyer's request, Seller, at its expense, will prepare Buyer's Tools for shipment and will deliver it to Buyer in the same condition as originally received by Seller, reasonable wear and tear excepted. If Seller does not release and deliver any of Buyer's Tools in accordance with this Section, Buyer shall be entitled to obtain an immediate writ of possession, enter Seller's premises and take possession of the Tools. Upon completion or termination of this Order, Seller will store Buyer's Property at its expense until disposition directions are received from Buyer. Buyer does not guarantee the accuracy, availability, or suitability of the Tools. Seller assumes sole responsibility for inspecting, testing and approving all Tools or other materials supplied by Buyer prior to any use by Seller. Seller assumes and shall bear all risk of death or injury to persons or damage to property arising from use of the Tools or other materials supplied by Buyer and hereby agrees to indemnify Buyer against the same. BUYER HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY OR REPRESENTATION WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, CONDITION, MERCHANTABILITY, DESIGN OR OPERATION OF THE TOOLS OR THEIR FITNESS FOR ANY PARTICULAR PURPOSE AND HEREBY AFFIRMATIVELY DISCLAIMS ALL SUCH WARRANTIES. Buyer will not be liable to Seller for any loss, damage, injury or expense of any kind or nature caused, directly or indirectly, by the Tools.

12. **CONFIDENTIALITY AND PROPRIETARY INFORMATION:** "Confidential Information" means confidential or proprietary data, facts, figures and records or other information disclosed by Buyer to Seller in connection with this Order in oral or in written, graphic, machine recognizable, electronic, sample, or any other visually perceptible form. By way of example and without limitation, Confidential Information shall include pricing and technical data, Specifications or other product specifications, technology or software, marketing, sales, or operating information or documentation, performance cost, intellectual property, know-how, and trade secrets, computer programming techniques, and all record bearing media containing or disclosing such information and techniques, prototypes, models, samples, parts, drawings, schematics, designs, data, samples, testing or development processes and results, quality and manufacturing procedures and requirements, Buyer's Customer information, computer software and related documentation, and the existence of this Order, and its terms and conditions. Seller shall (i) maintain the confidentiality of Buyer's Confidential Information and not disclose it to any third party; (ii) restrict disclosure of Confidential Information only to its employees, contract employees and third party

contractors who have a "need to know" in order for the party to perform its obligations and exercise its rights under this Order, and who are bound to maintain the confidentiality of the Confidential Information by terms of nondisclosure no less restrictive than those contained herein; (iii) handle Confidential Information with the highest degree of care; (iv) use, copy, or duplicate Confidential Information only as necessary for the purpose of performing its obligations under this Order; and (v) promptly notify Buyer upon discovery of any unauthorized use or disclosure of the Confidential Information and take all necessary steps to regain possession of the Confidential Information and prevent further unauthorized actions. Seller shall not analyze, modify, reverse engineer, de-compile, disassemble or otherwise attempt to derive or use any Buyer prototype, model, sample, software, part or product embodying Confidential Information or the Confidential Information. Confidential Information is and at all times shall remain the property of Buyer. No use of any Confidential Information is permitted except as expressly provided herein, and no grant under any proprietary rights is hereby given or intended, including any license implied or otherwise. Upon receipt of Buyer's written request, Seller will return to Buyer all Confidential Information disclosed by Buyer, along with all copies and portions thereof. Seller will not export or re-export, directly or indirectly, any of Buyer's Confidential Information or Products to any country for which any applicable government, at the time of export or re-export, requires an export license or other governmental approval, without first obtaining the license or approval. Seller's obligation to keep confidential and restrict the use of Buyer's Confidential Information will survive five (5) years from the termination or expiration of this Order. Unless otherwise specifically agreed to in advance and in writing by Buyer's authorized representatives, no information, technology, software, products, parts, data or records, whether commercial, financial or technical in nature, disclosed in any form or manner or at any time by Seller to Buyer shall be deemed secret or confidential, and Seller shall have no rights or remedies against Buyer with respect thereto.

13. OWNERSHIP OF INFORMATION AND WORK PRODUCT: Buyer owns all Specifications and all Confidential Information provided by Buyer to Seller under this Order, including all modifications or enhancements made by Seller to such Specifications. Seller agrees that any feedback, suggestions or comments provided by Seller to Buyer with respect to Buyer Products, Services, Specifications, or Confidential Information provided originally by Buyer ("Feedback") will be given entirely voluntarily and grants to Buyer the right to use, have used, disclose, reproduce, license, distribute, or exploit the Feedback for any purpose, entirely without obligation, payment or restriction on use or disclosure of any kind. Additionally, Seller agrees that all materials in whatever form prepared or produced by Seller under this Order ("Work Product") shall be considered a "work made for hire" under the copyright laws of the United States and are assigned to and shall become the sole property of Buyer. In the event any portion of any work of authorship created by the Seller in performing the services under this Order does not qualify as "work made for hire", Seller hereby assigns or, if Seller has failed to previously secure ownership of all copyrights in such portion, will obtain title and assign all copyrights to such work to Buyer. At Buyer's request and expense, Seller shall execute all papers and provide reasonable assistance to Buyer necessary to vest ownership in Buyer of all such Work Product, Feedback, and modifications or enhancements to Specifications and to enable Buyer to obtain Intellectual Property Rights in any such Work Product, and modifications or enhancements to Specifications. "Intellectual Property Rights" means all: (a) copyrights, trademarks, maskworks, and patents; (b) rights relating to innovations, know-how, trade secrets and Confidential Information; (c) moral rights, author's rights, and rights of publicity; and (d) other industrial, proprietary and intellectual property related rights anywhere in the world, that exist or hereafter come into existence, and all renewals and extensions of the foregoing, regardless of whether or not such rights have been registered with the appropriate authorities in such jurisdictions in accordance with the relevant legislation. Seller will not sell, transfer or otherwise

dispose of or encumber any product that incorporates any trademark, patentable invention, copyright work, industrial design or other matter that is the subject of any Intellectual Property Right of Buyer to any party other than Buyer except where specifically authorized by Buyer in writing. Seller's obligations as stated in this Section will survive the termination of this Order.

14. BUYER'S TRADEMARKS: Where this Order specifies Products shall bear Buyer's trade name, trademark or other of Buyer's identification ("Identification"), and Seller produces any Products bearing Buyer's Identification in excess of the quantity indicated on the face hereof and Buyer does not accept such excess, Seller may not use or resell Products without the written consent of Buyer. Seller agrees the use by Seller or the sale or disposition to third-parties of any such excess Products bearing Buyer's Identification will result in an infringement of Buyer's property rights and Seller agrees to pay Buyer Damages figured at three times the Price of any such Products used, sold or disposed of in violation of this Order. Seller agrees any returned or rejected Products bearing Buyer's Identification will be destroyed or alternatively said Identification will be so completely obliterated as to be unrecognizable as Buyer's Identification, in Buyer's sole judgment and discretion, before Seller makes any disposition of the rejected Products other than total destruction. Seller further agrees not to advertise or hold out to others that any such rejected Products are rejected Products of Buyer or are second line goods or any such similar terminology that would reflect such Products or goods were connected in any manner with Buyer.

15. RISK OF LOSS: Seller retains all responsibility for risk of loss or other damage to Products until delivered to and accepted by Buyer. Unless otherwise stated on the face of this Order, the delivery term for all deliveries under this Order is "DDP delivery address stated in this Order (Incoterms 2020)". If no delivery term or delivery address is stated in this Order, the delivery term is "DDP (Incoterms 2010)" and Seller shall contact Buyer to determine the delivery address. Seller is responsible for any and all loss or damage caused by Seller.

16. INSURANCE: Seller shall (i) maintain statutory Worker's Compensation, Employer's Liability, Broad Form Commercial General Liability, and Business Automobile Liability Insurance on behalf of Seller and its subcontractors, and Contractual Liability Insurance for liability under this Order, in each instance of at least \$1,000,000 (U.S.) combined single limit; (ii) maintain Umbrella / Excess Liability Insurance of \$5,000,000 (U.S.) per occurrence; (iii) name Buyer as an additional insured and, under the Commercial General Liability policy, include a cross-liability endorsement; (iv) provide a waiver of subrogation in favor of Buyer under the Workers Compensation and Employers' Liability policies; (v) cause its insurance to be designated as primary and non-contributory and provide for thirty (30) days' minimum prior notice of amendment or cancellation to Buyer; (vi) procure all required insurance from companies listed in the most current "Best Insurance Guide" as possessing a minimum financial strength rating of "B++"; and (vii) require its suppliers and subcontractors to maintain, at a minimum, the same coverage and limits required of Seller. Seller shall provide evidence that it has procured the required insurance if Buyer asks for such evidence. Buyer's failure to ask for such evidence or Seller's failure to provide it shall in no way limit or waive Seller's obligations to procure insurance. Nothing contained in these insurance requirements will be deemed to limit or expand the scope, application and/or limits of the coverage afforded, which coverage will apply to each insured to the full extent provided by the terms and conditions of the policies. Nothing contained within this provision will affect and/or alter the application of any other provision contained with this Order. Seller may satisfy the insurance requirements hereunder through a combination of umbrella or excess liability insurance or self-insured retentions. Deductibles or self-insured retentions must be reasonable and not exceed \$500,000. The deductible and/or self-insured retention of the policies will not limit or apply to the Seller's liability to Buyer and will be the sole responsibility of the Seller. Buyer shall have no obligation to procure or

otherwise maintain any insurance covering Seller or the Products and its decision to do so shall not limit or eliminate Seller's obligation to provide insurance or other obligations under this Order. By requiring insurance herein, Buyer does not represent that coverage and limits will necessarily be adequate to protect Seller and such coverage and limits shall not be deemed as a limitation of Seller's liability under this Order.

17. **FORCE MAJEURE:** Any delay or failure of either party to perform its obligations hereunder shall be excused if and to the extent that it is caused by an event or occurrence beyond the reasonable control of the party and without its fault or negligence ("Force Majeure"), such as, by way of example and not by way of limitation, acts of God, pandemics, epidemics, act of terrorism, acts of any governmental authority (whether valid or invalid), fires, floods, wind storms, explosions, riots, natural disasters, wars, sabotage, or court injunction or order provided that written notice of such delay (including the anticipated duration of the delay) shall be given by the affected party immediately and in any event within 5 days after the start of such Force Majeure event. During the period of such delay or failure to perform by Seller, Buyer, at its option, may purchase Products or Services from other sources and reduce its obligations under this Order by such quantities, without liability to Seller or Buyer, or may have Seller provide the Products from other sources in quantities and at times requested by Buyer and at the Price set forth in this Order. If requested by the Buyer, Seller shall, within ten (10) days of such request, provide adequate assurances that the delay shall not exceed thirty (30) days. If the delay lasts more than thirty (30) days or the Seller does not provide adequate assurance that the delay will cease within thirty (30) days, Buyer may immediately cancel the Order without liability. Force Majeure shall not be grounds for seeking any price increases.

18. **INDEMNIFICATION:** Seller hereby agrees to indemnify, hold harmless and fully defend Buyer and all of its past, present, and future affiliates, customers, officers, directors, employees, contractors, and agents ("Indemnified Parties") from and against any and all claims, causes of action, costs, charges, damages, expenses, penalties, suits, losses, liens or liabilities of any type (including reasonable attorney fees, expert fees and litigation expenses) however incurred and regardless of the theory of liability or recovery, including, without limitation, tort, negligence, contract, warranty, and strict liability ("Claims") arising out of, resulting from or related to (i) any death, injury, or property damage caused, in whole or in part, by the acts or omissions of the Seller, its officers, directors, employees, contractors, subcontractors, or agents ("Indemnifying Parties") arising from or connected in any way with the provision of Products or the performance of Services under this Order, (ii) the breach of any obligation, representation or warranty under this Order by the Indemnifying Parties, including without limitation the delivery of Products and Services that are delayed, defective, non-conforming, subject to recall or other similar field service requirements, shipped in quantities less than those released by Buyer, or that otherwise fail to comply with this Order, and (iii) any actual or claimed infringement or misappropriation of any Intellectual Property Rights under any circumstances, whether related to the manufacture, sale, or use of the Products or Services (a) alone, (b) in combination by reason of their content, design or structure, or (c) in combination in accordance with Seller's recommendations; (iv) the Indemnifying Parties' actual or claimed non-compliance with or violation of any applicable local, provincial, state or federal law, rule or regulation, including, by way of example and without limitation, those laws relating to the occupational health and safety of its employees, contractors or other third parties, (v) any claim by an employee, contractor or other third party of the Indemnifying Parties for wages, benefits or other compensation, (vi) the Indemnifying Parties' failure to properly withhold and/or pay any taxes or government charges, fees, tariffs or levies, including without limitation, amounts for its employees and contractors or amounts related to the performance of the Services; and (vii) any negligent or intentional act or omission of the Indemnifying Parties. Seller will reimburse the Indemnified Parties for all losses, costs, and expenses incurred as a result of such Claims, including court costs

and attorneys fees. In addition, in the event of a Claim of infringement of Intellectual Property Rights, if the use of any portion of the Products provided hereunder is enjoined as a result of any suit, then Seller, at no expense to Buyer or Buyer's Customers and at Buyer's sole option, will either procure the right for Buyer or Buyer's Customers to continue using the Products or replace or modify the Products so that they become non-infringing and are of equivalent or superior functionality as determined by Buyer in its sole discretion. If Buyer, in its sole discretion, does not consider either of the foregoing alternatives to be acceptable, Buyer may return all or any part of the Products for a full refund of the total amounts paid for the affected Products and assert all other remedies available to Buyer under this Order or under controlling law. Seller will not enter into any settlement order that affects any Indemnified Parties without Buyer's prior written consent. Buyer may actively participate in any suit or proceeding, through its own counsel at Seller's expense. Seller's indemnification obligations will survive the termination, cancellation, or expiration of this Order. Buyer shall not have an obligation to indemnify Seller under any circumstances. To the extent that this Order calls for work to be performed upon property owned or controlled by Buyer, it is agreed that Seller will keep the premises and work free and clear of all liens, and furnish Buyer proper affidavits, releases and/or waivers certifying thereto. Seller further agrees all such work will remain at Seller's risk prior to written acceptance by Buyer and Seller will replace at its own expense all work damaged or destroyed by fire, force or violence of the elements or any other cause whatsoever.

19. **BUYER'S TERMINATION FOR CAUSE:** Buyer has the right to cancel or terminate all or any part of this Order without liability if Seller (a) repudiates or breaches any of the terms, conditions or warranties in this Order, including without limitation, Seller's warranties, (b) fails to remain competitive with respect to quality, price, standards, or technology required under this Order, (c) fails or threatens not to perform Services or deliver Products as required under this Order, or (d) takes or fails to take action that, in Buyer's sole discretion, creates a reasonable possibility Seller will not fulfill its obligations under this Order or any other order, contract, agreement or obligation, and does not correct such failure or breach within ten (10) days (or such shorter period of time as is commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying such failure or breach. In the event of any such cancellation, Buyer without prejudice to any other rights available to it for breach of contract, shall have the right (a) to refuse delivery of Products or performance of Services, (b) to return to Seller Products already received, to recover from Seller all payments made therefore including freight, storage, handling and other expenses and to be relieved from liability for any future payments to Seller, (c) to recover any advanced payments to Seller for undelivered or returned Products or work to be performed, and (d) to purchase Products or Services elsewhere and charge Seller with any resultant losses. No returned Products shall be replaced without Buyer's written replacement order. Any cancellation under this Order shall not excuse the Seller from performing un-cancelled work or Services. In such event, in addition to termination, Buyer shall be entitled to seek any or all remedies provided in this Order and those provided at law or in equity. Buyer shall also have the right to seek and Seller agrees that Buyer is entitled to receive specific performance by Seller of its obligations under this Order. If Buyer terminates or cancels this Order for cause and it is later determined that the cancellation for cause was not warranted, the termination or cancellation will be deemed one for convenience pursuant to the terms of this Order. Unless Seller's failure to make timely delivery of Products and/or Services is excused in accordance with the provisions of Section 18, Seller's failure to make timely delivery, or Seller's breach of any of the other terms and conditions of this Order shall constitute sufficient cause for Buyer, at its option and in its sole discretion, to terminate this Order either in whole or in part and to charge Seller for any Damages Buyer or Buyer's Customers may sustain as a result of Seller's default.

SELLER'S TERMINATION FOR CAUSE: After the Acceptance Date, Seller may terminate this Order only for cause based on Buyer's material

breach of an obligation under this Order and only after providing Buyer with forty-five (45) days advance written notice and a reasonable opportunity to cure any such breach. Buyer shall have no less than forty-five (45) days to cure a material breach after receipt of the foregoing notice. Seller shall not have any right to set off or withhold shipment pending any dispute under this Order.

20. **BUYER'S TERMINATION FOR INSOLVENCY:** Buyer may immediately terminate this Order without liability to Seller in the event of the happening of any of the following or any other comparable event: (a) insolvency of the Seller; (b) filing of a voluntary petition in bankruptcy by Seller; (c) filing involuntary petition in bankruptcy against Seller; (d) appointment of a receiver or trustee for Seller or (e) execution of an assignment for the benefit of creditors by Seller, provided that such petition, appointment, or assignment is not vacated or nullified within thirty (30) days of such event. Seller shall immediately notify Borrower in writing of the occurrence of any of the foregoing events.

21. **BUYER'S TERMINATION FOR CONVENIENCE:** Buyer may terminate all or any part of this Order immediately at any time for its convenience by delivering written notice to Seller ("Termination for Convenience"). Upon Termination for Convenience, Buyer shall have no liability whatsoever to Seller except as expressly set forth in this Section. Upon Termination for Convenience, Buyer shall pay to Seller the following amounts without duplication: (a) the agreed Price or actual cost of Products or Services which have been completed pursuant to firm releases in accordance with this Order prior to Buyer's notice of Termination for Convenience and not previously paid for, and (b) the actual, documented costs of work-in-process and raw materials incurred by Seller consistent with Buyer's releases prior to Buyer's notice of Termination for Convenience in a good faith and commercially reasonable effort to provide the Products or Services subject to this Order to the extent such costs are reasonable in amount and are allocable or apportionable under generally accepted accounting principles to the terminated portion of this Order, less, however, the reasonable value or cost (whichever is higher) of any Products or materials used or sold by Seller with Buyer's written consent, and the costs of any damaged or destroyed Products or material. Buyer will make no payment for finished Products, work-in-process, or raw materials fabricated or procured by Seller in amounts in excess of those authorized in Buyer's firm delivery releases nor for any undelivered Products which are in Seller's standard stock or which are readily marketable. Payments made under this Paragraph shall not exceed the aggregate purchase price payable by Buyer for finished Products which would be produced by Seller under those buyer delivery or release schedules outstanding at the date of the notice of Buyer's Termination of Convenience. Buyer shall not be liable for and shall not be required to make payments to Seller, directly on account of claims by Seller's subcontractors, for loss of anticipated profit, unobserved overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, or general and administrative burden charges from termination of this Order. Within sixty (60) days from the effective date of termination, Seller shall submit a comprehensive termination claim to Buyer with sufficient supporting data to permit Buyer's payment hereunder, and shall thereafter promptly furnish such supplemental and supporting information as Buyer shall request. Buyer, or its agents, shall have the right to audit and examine all books, records, facilities, work, material, inventories, and other items relating to any claim of Seller.

22. **STOP WORK ORDERS:** Buyer may at any time by written order, stop all or any part of the work under this Order for a period of ninety (90) days. At any time, during such period, Buyer may with respect to all or any part of the work covered by the stop work order, either cancel the stop work order or terminate the work in accordance with this Order. To the extent the stop work order is canceled or expires, Seller shall resume work. If a stop work order has a material effect on cost of

delivery, an equitable adjustment shall be made in the Price (excluding profit) or the delivery schedule or both, provided however, that no adjustment in Price or delivery shall be made under this provision (i) if the work would have been otherwise interrupted or delayed or (ii) for which an adjustment is available or excluded under any other provision of this Order. No claim for adjustment shall be allowed unless submitted to Buyer in writing (setting forth the proposed adjustment amount) within twenty (20) days after the work is terminated or the stop work order expires or is canceled, whichever first occurs.

23. **AUDITS:** Seller shall maintain complete books and records concerning amounts charged to, Services performed for and Products delivered to Buyer. Seller grants Buyer access to its applicable books and records, facilities and premises, solely for the purpose of auditing Supplier's compliance with the terms of this Order. Seller agrees it will cooperate with Buyer to facilitate an audit, including, without limitation, by segregating and promptly producing such records as Buyer may reasonably request, and otherwise making books, records and other materials accessible to Buyer for a period of not less than one year after final payment to Seller. Any such audit or inspection conducted by Buyer or its agents or representatives will not constitute acceptance of any Services, relieve Seller of any liability under this Order or prejudice any rights or remedies available to Buyer under this Agreement at or at law. Audits shall be made upon reasonable notice to Seller and shall be conducted as not to interfere unreasonably with Seller's normal business activities. Any audit conducted pursuant to this Section 25 shall be at the expense of Seller.

24. **NOTICE OF LABOR DISPUTES:** Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Order, Seller must immediately give notice thereof, including all relevant information with respect thereto to Buyer. Without limiting the foregoing, Seller agrees to provide Buyer with at least one hundred twenty (120) days' advance written notice of any labor or union contract termination date(s) and reports as to the status of Seller's discussions concerning a new labor or union contract so that Buyer and Seller can agree on an adequate supply of items hereunder in the event of a labor strike or disruption so as to avoid such disruption from effecting Buyer's business activities. Seller agrees to insert the substance of this clause, including this sentence, in any purchase order or subcontract entered into by Seller in relation to this Order.

25. **INDEPENDENT CONTRACTOR:** Seller agrees it is an independent contractor in the performance of its obligations under this Order, and Buyer is to have no control over the methods and means Seller uses to fulfill its obligations under this Order. Nothing herein will be deemed to create an employee-employer or agent-principal relationship between Seller and Buyer, its parent, subsidiaries or affiliates. Seller hereby acknowledges that Seller is not authorized to act as Buyer's agent or legal representative or to otherwise act in the name of or on behalf of Buyer, its parent, subsidiaries or affiliates. Seller, its employees, and its subcontractors shall not be considered employees of Buyer. Seller acknowledges that it is not entitled to participate in or under any employee benefit plan of Buyer or any other employment rights or benefits available to or enjoyed by active employees of Buyer. In the event that any Seller employees, subcontractors or agents providing Products or performing work or Services are found to be unacceptable to Buyer, Buyer may notify Seller of such fact and, if notified, Seller shall immediately remove said personnel from the performance of work and, if requested by Buyer, provide a qualified replacement.

26. **SUBCONTRACTING:** Seller will not subcontract any portion of the work related to this Order without Buyer's written consent, which may be withheld for any reason at Seller's sole discretion. Seller will ensure that all subcontractors are bound by all the terms and conditions of this Order. Seller retains direct liability and responsibility for all activities subcontracted hereunder and will indemnify Buyer against any and all

liability caused by the acts or omissions of Seller's subcontractors.

27. **SURVIVAL:** All representations, warranties, indemnities and other obligations set forth herein that explicitly survive, or by their nature or context are intended to survive, termination, expiration, or cancellation of this Order shall survive, including, without limitation, the rights and obligations set forth in Sections 1-5, 8-17, 19, 25, 27, 31, 32, 35, 36, 38, 39, 40-46.

28. **ASSIGNMENT:** Seller may not assign or delegate any of its rights, duties or obligations under this Order at any time without the prior written consent of Buyer. In addition, Seller may not sell all or substantially all of its assets with respect to any division or facility of Seller which is manufacturing or otherwise producing or providing the Products or Services subject to this Order without the prior written consent of the Buyer. Any such attempted assignment without Buyer's prior written consent shall be null and void and Buyer shall have the right to cancel Buyer's obligations hereunder. In the event of an assignment by Seller, Seller's successor in interest shall be bound by and obligated to comply fully with all of the terms and conditions of this Order. Buyer may, in its sole discretion, assign or delegate any of its rights or obligations under this Order at any time.

29. **COMPLIANCE WITH LAWS:** Seller warrants that Seller and any Services performed or Products delivered by Seller or its suppliers and subcontractors under this Order, will comply with all applicable federal, state, foreign and local laws, orders, ordinances, standards, rules and regulations, administrative and executive orders, and pertinent government procurement regulations, including, but not limited to, applicable rules and regulations of the U.S. Occupational Safety and Health Administration (OSHA), all applicable jurisdictions' rules and regulation concerning freedom of association, wages and working hours, safety and health, anti-discrimination and humane treatment of workers, and the European Union's End of Life Directive, Directive 2000/53/EC, together with any and all policies, procedures, rules and guidelines of Buyer and its customers. Seller shall, at its expense, obtain and maintain all permits and licenses as necessary, and Seller shall give notices and comply with all orders of any public authority bearing on Seller's performance under this Order. Seller shall have an affirmative duty to immediately correct any non-compliance and fully defend and indemnify Buyer against any liability caused by any non-compliance with this provision. Seller agrees that Section 2-207 of the Uniform Commercial Code shall not apply to this Order or to any invoice or acceptance form of Seller relating to this Order. It is Buyer's and Seller's intent that this Order shall exclusively control the relationship of the parties. Seller acknowledges and agrees that Seller will meet with the local Buyer Environmental Safety & Health Manager/Coordinator and execute upon request any safety guidelines or environmental requirements applicable to Seller prior to or in conjunction with its performance of services on-site. Such documents may include any local, state and federal DOT, EPA and OSHA regulations.

30. **STRATEGIC SUPPLIER CONTRACT:** If Seller or any of its affiliates worldwide have signed a Strategic Supplier Contract ("SSC"), the parties expressly agree to deviate from the terms of the SSC under this Order (a/k/a an "Individual Agreement" under the SSC) such that the following provision shall apply in express deviation to Article 2(2) and/or Article 13.5.1 of the SSC: this Order shall take precedent over the SSC to the extent the Terms are additional to the SSC.

31. **ETHICAL CONDUCT, ANTICORRUPTION AND UNFAIR BUSINESS PRACTICES:** Seller agrees to deliver the Products and perform the Services hereunder with the highest ethical standards, in compliance with Buyer's and Buyer's Customers' policies, rules, codes of conduct and other standards applicable to Seller.

Seller's own Code of Conduct. Seller agrees it will not do business with any entity or person where Buyer or Seller believes that payoffs or similar improper or unethical practices are involved. Seller shall not have a relationship with another entity or person, or engage in any activity that results or may result in a conflict of interest, or

embarrassment to Buyer, or harm to Buyer's reputation. Seller will: (i) maintain transparency and accuracy in corporate record keeping; (ii) act lawfully and with integrity in handling competitive data, proprietary information and other intellectual property; and (iii) comply with legal requirements regarding fair competition and antitrust, and accurate and truthful marketing. Seller agrees it will not engage in corrupt practices, including public or private bribery or kickbacks.

32. **ANTIDISCRIMINATION AND HUMANE TREATMENT OF WORKERS:** Seller will employ workers on the basis of their ability to do the job and not on the basis of their personal characteristics or beliefs. Seller will assure that Products (including parts) will not be produced, manufactured, mined, or assembled with the use of forced, prison, or indentured labor, including debt bondage, or with the use of illegal child labor in violation of International Labor Conventions for minimum age (ILO-C138) and child labor (ILO-C182). If Seller recruits contract workers, Seller will pay agency recruitment commissions, will not require workers to remain in employment for any period of time against their will, and will not impose any early termination penalties on workers. If Seller provides housing or eating facilities, Seller will assure the facilities are operated and maintained in a safe, sanitary and dignified manner. Seller will operate safe, healthy and fair working environments, including managing operations so levels of overtime do not create inhumane working conditions. Seller will pay workers at least the minimum legal wage, or where no wage laws exist, the local industry standard. Seller will assure that workers are free to join, or refrain from joining, associations of their own choosing, unless otherwise prohibited by law. Seller will not routinely require workers to work in excess of six (6) consecutive days without a rest day.

33. **MATERIAL SAFETY DATA SHEETS/ENVIRONMENTAL PROTECTION:** Seller shall comply with all OSHA's hazard communication standards, all hazardous material labeling requirements, "Right to Know Laws" and any Seller and Buyer contractor safety program. Seller shall provide and update Safety Data Sheets (SDSs) for hazardous substances/materials used, furnished, delivered or brought on site to any Buyer facility by Seller. Seller shall comply with all local, provincial, state and federal laws and regulations concerning protection of human health, welfare or the environment and shall prevent the unlawful release of hazardous substances/materials into the environment. Seller shall investigate and remediate at Seller's costs any release or threat of release of any hazardous substances/materials into the environment, whether on or off site, and arising out of or related to any use, furnishing or delivery of hazardous substances/materials by any materials or products by Seller. Consistent with OSHA's hazard communication standard, 29 CFR §1910.1200, Seller will electronically provide SDS for all chemicals sold to Buyer under this Order prior to or at the time of shipment of chemicals. For all chemicals supplied or imported into the United States, Seller will certify that the chemicals are listed on the Toxic Substances Control Act, 15 USCS §2601, et. seq., chemical inventory as not prohibited or restricted, or are subject to an exemption as specified in the SDS. Seller will implement a functioning environmental management system in accordance with ISO 14001 or equivalent. Third-party registration is recommended but not required. Seller certifies that Products and their parts do not contain and are not manufactured with a process that uses any Class I ozone-depleting substances (as identified in 40 CRF Part 82 Appendix A to Subpart A, or as subsequently identified by the U.S. Environmental Protection Agency as Class I ozone-depleting substances).

34. **IMPORT/EXPORT AND CUSTOMS:** Credits or benefits resulting or

arising from this Order, including trade credits, export credits, drawback, or remission of duties, taxes or fees, belong to Buyer. Seller will provide all information necessary (including written documentation and electronic transaction records) to permit Buyer to receive these benefits or credits and to fulfill any customs-related obligations, origin marking or labeling requirements and local content origin requirements. Seller is responsible for and will obtain all export licenses or authorizations necessary for the export of the Product or other items associated with this Order unless otherwise indicated in this Order, in which event Seller will provide all information as may be necessary to enable Buyer to obtain such licenses or authorizations. Seller will make all arrangements that are necessary for the Products to qualify for any duty deferral, free trade agreement, or other preferential tariff treatment of the country of import, including, when required by the preferential tariff treatment, a fully executed certificate of origin. Seller agrees to maintain records verifying the Products eligibility for preferential treatment referred to above for two years from the date of shipment of any Order. Seller agrees to provide such records timely upon request by Buyer. Seller must comply with all import and customs laws, regulations and administrative determinations of the importing country. Seller represents and warrants that the price(s) of the Product does not violate the antidumping laws of the United States. In the event the United States commences an antidumping, or countervailing duty, investigation with respect to the Products, or otherwise would apply to the Products, the Buyer may cancel, without penalty, its obligations under this Order and, at its option, return all Products delivered under this Order to Seller, at Seller's expense, for full refund of the purchase price, and Seller shall reimburse the Buyer for all costs incurred in connection therewith, including without limitation, round trip transportation, U.S. customs duties and clearance fees. Seller agrees to reimburse the Buyer for any special dumping or countervailing duties which the Buyer is required to pay on the Products. Seller must comply with the security criteria of any supply chain security government program of the importing country. Sellers providing Products to and/or Services to support delivery to the U.S. must comply with the security criteria of the U.S. Customs and Border Protection's ("CBP") Customs-Trade Partnership against Terrorism (C-TPAT) Program (available on <http://www.cbp.gov>) and ensure that the Seller's information necessary to complete CBP's Importer Security Filing is accurate and transmitted to the party designated by Buyer in sufficient time to allow compliance with CBP's requirements. If Seller is the exporter of record, Seller must obtain all export authorizations from the United States government or other governments that may be required to lawfully make such shipments. Seller agrees to hold harmless and indemnify Buyer, its directors, officers and employees against all losses, claims, penalties, liquidated damages, judgments, liabilities and expenses which any of them may pay or incur arising out of this Order, including but not limited to all representations made by the Seller with respect to documentation or other Customs or Governmental requirements with regard to entry requirements, classification, valuation, preferential treatment, duty drawback or trade terms (INCOTERMS). Seller shall comply with all applicable export control laws and shall not, directly or indirectly export, re-export, resell, ship, or divert any Product, Service, information, materials, technical data, technology or software furnished by Seller or Buyer hereunder to any person, entity, project, use, or country in violation of the laws or licensing requirements of the United States or any other appropriate national authority. Seller shall indemnify and hold Buyer harmless for any and all Damages arising from Seller's failure, intentional or unintentional, to comply with this Section 36. Except to the extent and in a manner specifically agreed by Buyer in advance in a signed writing executed by an authorized representative of Buyer, Seller shall in no event (a) provide to Buyer any products, information, materials, software, data, or technology subject to restrictions on exportation or disclosure pursuant to U.S. export control laws, including but not limited to the Export Administration Regulations, the International Traffic in Arms Regulations, or U.S. trade sanctions), or (b) require Buyer to provide or take any action with respect to such export controlled materials.

37. EEO COMPLIANCE REPORTS / DIVERSITY / UTILIZATION OF SMALL BUSINESSES: If applicable, Seller represents that it has developed and has on file at each establishment, affirmative action programs required by the rules and regulations of the Secretary of Labor (41 CFR 60-1 and 60-2); or Seller has not previously had contracts subject to the written affirmative action programs requirement of the rules and regulations of the U.S. Secretary of Labor. If Seller is located in the United States or is supplying Products to Buyer locations based in the United States, Seller will track and report its supply chain's spend with minority-owned, women-owned and disabled veteran-owned business enterprises located in the United States. A minority business is a business establishment which meets one or more of the following conditions: (i) a small business, as defined in Title 15, Section 632 of the United States Code and related regulations; (ii) a small business owned and controlled by socially disadvantaged individuals (at least 51 percent of the business is owned and controlled by one or more socially and economically disadvantaged individuals and the management and daily business operations are controlled by one or more such individuals); and (iii) a business that is at least 51 percent owned by a woman or women who also control and operate the business. Buyer and Seller will agree on a minimum target for Seller's minority supply chain spend, based on either a dollar value or a percentage of Seller's total gross revenues. Seller will submit quarterly progress reports in a format designated by Buyer, by the twenty-fifth day of the month following the end of each calendar quarter, to report minority supply chain spend.

38. NO IMPLIED WAIVER: The failure of Buyer at any time to require performance of any provision of this Order shall in no way affect the right to require such performance any time thereafter, nor shall Buyer's waiver of a breach of any provision of this Order constitute a waiver of any succeeding breach of the same or any other provision.

39. MODIFICATION: This Order may only be modified by Buyer via Order amendment, revision, or release signed by an authorized representative of Buyer. Notwithstanding the foregoing, the parties agree that, in the interest of time, certain matters of a practical business nature, such as material and product releases, changes in delivery dates, shipment instructions, variances in orders and the like may be sent by Buyer to Seller via electronic data interchange, telex or telephonic communication, without the need to resend the Order in whole or in part. The parties agree that such communications and any deliveries there under constitute part of this Order.

40. CUMULATIVE AND ADDITIONAL RIGHTS AND REMEDIES: Buyer's rights and remedies as set forth herein are in addition to, and not in lieu of, all rights and remedies provided in law or equity for Seller's failure to meet its obligations under this Order.

41. DISPUTES; GOVERNING LAW; LIMITATIONS PERIOD: This Order shall be considered as a contract made and to be performed in the State of North Carolina and the United States of America. The parties agree that this Order, all transactions and conduct related to this Order, and all disputes and causes of action between the parties related thereto (in contract, warranty, tort, strict liability, by statute, regulation or otherwise) shall be governed exclusively by and construed in accordance with the laws of the State of North Carolina and the United States of America, without regard to its conflicts of laws provisions, and any conflict of law provisions that would require application of another choice of law. The parties specifically disclaim application of the United Nations Convention on Contracts for the International Sale of Goods. Subject to the other provisions of this paragraph, prior to the enforcement of any remedies under this Order, the parties must attempt to resolve their disputes through good faith negotiations and, if those negotiations fail, through a formal mediation moderated by a neutral third party. Any such mediation will be held in North Carolina and the parties will share the cost of the mediation equally. The mediation shall occur within 45 days of the delivery of written notice requesting mediation. If the dispute is not resolved after mediation, then, at Buyer's sole option and discretion exercised by written notice to Seller

delivered to Seller any time within 45 days after the mediation concludes, or within 30 days following the service of process in a legal action, Buyer may commence binding self-administered arbitration including, without limitation, any claims or disputes related to this Order or any Product or Services, whether based on contract, tort, fraud, misrepresentation, or any other legal theory. The arbitration shall take place in Nash County, North Carolina consistent with the then-current CPR Rules for Non-Administered Arbitration. Three neutral arbitrators will conduct the self-administered arbitration, one selected by Buyer, one selected by Seller, and the third selected by the two arbitrators so selected. The arbitrators shall be selected 45 days of commencing arbitration. There shall be appropriately limited discovery and the arbitrators will have the authority to award temporary and permanent injunctive relief, but may not award punitive or exemplary damages to either party, unless such damages arise out of or are related to Buyer's indemnification claims. The written decision and award of the arbitrators, which shall include written findings of fact and conclusions of law, shall be issued no more than 30 days after arbitration concludes, and the award of the arbitrators will be enforceable, final and binding and may be entered in any court having jurisdiction. Buyer and Seller will each pay their own attorneys' and consultants' fees associated with the arbitration, and any other costs and expenses of the arbitration shall be allocated consistent with the applicable CPR Rules for Non-Administered Arbitration. The right to arbitrate under this Section 41 extends to any director, officer, employee, agent, or affiliate making or defending any claim which would otherwise be arbitrable. Notwithstanding the foregoing, Buyer may, at its sole discretion and option, proceed directly to litigation. In the event of litigation, the parties agree that the sole and exclusive venue for all disputes, claims, or causes of action, whether legal or equitable, shall be in the state or federal courts within the geographic bounds of the state courts of North Carolina or the U.S. District Court for the Eastern District of North Carolina, and Seller irrevocably consents to the jurisdiction of such courts and waives any and all rights to a jury trial. The arbitration provisions of this Section 41 shall be governed by the United States Federal Arbitration Act. Seller agrees to fulfill its delivery and other obligations under this Order without interruption during the pendency of any dispute or legal action. Seller must formally initiate any legal action or claim against Buyer for an alleged breach of any obligation related to or arising out of this Order within one (1) year of the date of the alleged breach or be forever barred from pursuing such action or claim.

42. **LIMITATION OF LIABILITY:** UNDER NO CIRCUMSTANCES SHALL BUYER, ITS AFFILIATES OR SUBSIDIARIES BE LIABLE FOR LOST PROFITS, LOSS OF USE, COST OF CAPITAL, OVERHEAD, LOST OPPORTUNITY COSTS, OR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES. BUYER'S TOTAL LIABILITY UNDER THIS ORDER SHALL NOT EXCEED THE PRICE ALLOCABLE TO THE SPECIFIC PRODUCTS OR SERVICES GIVING RISE TO THE CLAIM.

43. **PAYMENT OF ATTORNEYS' FEES:** To the extent that either Buyer or Seller shall prevail in any lawsuit or similar legal proceeding against the other party to this Order, such prevailing party's attorneys' fees and expenses shall be paid by the non-prevailing party hereto.

44. **SEVERABILITY:** If any term of this Order is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term shall be deemed reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule, and the remaining provisions of this Order shall remain in full force and effect. If one or more provisions of this Order is held to be unenforceable under applicable law, the unenforceable portion will not affect any other provision of this Order and this Order will be construed as if the unenforceable provision was not present, and the parties will negotiate in good faith to replace the unenforceable provision with an enforceable provision with effect nearest to that of the provision being replaced.

45. **NOTICE:** Any notice, approval or consent required or permitted hereunder shall be in writing and will be deemed to have been duly given if mailed by registered or certified mail, postage prepaid, or delivered by overnight courier service with tracking capabilities to the respective addresses of the parties set forth in this Order (or such other addresses a party may designate by ten (10) days prior written notice). Seller must always send a copy of any notice, approval or consent required or permitted to Buyer, care of the following address: Doug Deans, 605 N. Pine St, Spring Hope, NC 27882

46. **NON-SOLICITATION:** For a period of one (1) year after the Acceptance Date, Seller shall not actively recruit, induce, or solicit for hire or employment, whether directly or indirectly, any Buyer personnel associated with this Order. If any applicable law affords greater rights or protections to Buyer than those specified in this Order, Buyer shall be entitled to avail itself of any such greater rights or protections.

