

## **PURCHASE ORDER TERMS AND CONDITIONS**

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**03.2015**

### **1. Offer and Acceptance**

These Purchase Order Terms and Conditions, together with the terms and documents referenced on the face of this document or on agreed attached or referenced documents, constitute a binding agreement between Buyer and Supplier, herein collectively referred to as this "Contract". The buyer named on the face of this document or on an attached document ("Buyer") offers to the seller to whom it is addressed ("Supplier") to purchase the identified products, items, materials, raw materials, chemical, goods and/or services (collectively "Products"). Supplier accepts this Contract by any reasonable indication of acceptance, including without limitation if Supplier: 1) fails to object to Buyer in writing within seven (7) calendar days of receipt of this Purchase Order, or (ii) begins work on or ships Products to Buyer. Acceptance is limited to the terms of this Contract and Buyer rejects any and all additions, exceptions, or changes to these terms, whether contained in any printed form of Supplier or elsewhere, unless accepted in writing signed by an authorized representative of Buyer. This Contract, together with the specific order terms on the face hereof, and on attached agreed or referenced documents, constitutes the complete and exclusive agreement between Buyer and Supplier as to the Products and it supersedes any prior contracts, proposals or offers.

### **2. Pricing, Changes, Payment.**

Pricing is firm and is not subject to change unless otherwise agreed in this Contract. Buyer may notify Supplier of changes to the drawings, specifications, quantity, delivery or other requirements, however the time for performance and price will not change unless Supplier notifies Buyer within 10-days of Buyer's notice of a change, with supporting documents, that a price change is necessary, in which case the parties will negotiate an equitable adjustment regarding the time for performance and/or price. Supplier shall not make any change in this Contract without the prior written approval of Buyer, including without limitation, the nature, type or quality of any services, raw materials or goods used by Supplier or its suppliers. Any general price reduction made by Supplier with respect to any Product ordered, subsequent to the placement of this Contract by Buyer, and prior to Buyer's receipt of the Product, will apply to this Contract. Supplier represents that the prices charged to Buyer are the best or lowest prices charged by Supplier to buyers of a class similar to Buyer purchasing comparable quantities and under similar circumstances. Payment terms, unless otherwise agreed by Buyer, are net forty-five (45) days proximate, paid every 2 weeks, from the date of receipt of Products and a correct invoice. All invoices and/or advance shipping notices must reference the order number, amendment or release

number, and as applicable Buyer's part number, Supplier's part number, quantity in units shipped and number of cartons or containers, Supplier's name and contact information, and bill of lading number, for payment to be made. Prices for Products include all applicable federal, state, provincial, and local taxes and import duties. Buyer retains the right of setoff.

### **3. Electronic Communication & Financials.**

Supplier will utilize electronic communication methods reasonably specified by Buyer, including requirements for vendor managed inventory, electronic funds transfer, purchase order transmission, electronic signature and/or communication. Upon Buyer's request Supplier will furnish to Buyer its current financial reports, income statements, balance sheets, cash flow statements and supporting data, for itself and any related company of Supplier involved in producing, supplying, or financing the Products.

### **4. Volume & Quantity.**

Any estimates, forecasts or projections of future quantity requirements for Products by Buyer are provided for informational purposes only and are subject to change. If quantities and delivery schedules are not specified in this Contract, they will be as reasonably determined by Buyer and stated in releases or schedules issued to Supplier periodically. If Supplier is under a vendor managed inventory system, Supplier will at all times maintain Buyer's supply at the agreed levels.

### **5. Shipping, Delivery & Acceptance.**

Supplier will ship Products using best commercial practices complying with Buyer's and all legal and regulatory requirements as to packaging, labeling, shipping notification and freight, warnings, patterns, samples, drawing functionality, installation, maintenance and other relevant instructions and operating environment requirements. The costs relating to handling, packaging, storage or transportation (including duties, taxes, fees, and the like) unless otherwise stated in this Contract are included in the price. Supplier will bear all risk of loss until Products are delivered. Time is of the essence as deliveries will be made in the quantities and on the dates specified by Buyer in this Contract or subsequent releases or instructions. Unless otherwise stated in this Contract, delivery terms will be FCA Buyer's dock (Incoterms 2010). Supplier will be responsible for any premium freight charges required to meet on-time delivery. Buyer will not be required to accept partial deliveries or Products that are delivered in advance of the delivery date or in incorrect quantities. Products received by Buyer are subject to inspection and acceptance, notwithstanding any payment, and Products rejected as non-conforming may be returned to Supplier

at Supplier's expense and shall not be replaced except upon order of Buyer. Payment shall not be construed as a waiver of Buyer's rights and if a Product is rejected after payment, Buyer shall be entitled to return the same for full refund or, in the case of services Buyer may reject the work and receive restitution or require Supplier to perform the work as necessary.

#### **6. Certification Statements and Customs.**

As to Products that are raw material, Supplier will provide a signed quantitative test report showing conformance to the specifications for each shipment. The certification will identify, when applicable, the material specification; manufacturer (and vendor if different); lot, batch, heat or serial identity; quantity of material covered; date of shipment and carrier; Buyer's purchase order and material code numbers; and statistical test results obtained. If the certification is accompanying the shipment, the shipping unit containing the document must be clearly marked as such so the certification is readily available to the receiving personnel. As further provided herein, Supplier will provide Buyer with a certificate of origin and/or a manufacturer's affidavit, and applicable customs documentation for any Products manufactured in whole or in part outside of the USA/Canada as well as any requested NAFTA documentation, as applicable.

#### **7. Quality, Service and Replacement Parts.**

Supplier will promote continuous quality improvement and like industry standard processes as may apply to goods or services similar in nature to the Products, in the manufacture, production and distribution of Products, and as otherwise reasonably identified to Supplier by Buyer in its quality manuals and instructions, and will permit Buyer to verify and inspect such processes from time to time. Suppliers of raw materials must be certified to ISO-9001 standards, and must notify Buyer if certification status changes.

#### **8. Ownership of Proprietary Materials.**

Except as specifically stated in this Contract, neither party transfers to the other party any patent, trade secret, trademark, copyright or other intellectual property right owned by such party ("Intellectual Property Right"). Supplier grants to Buyer a non-exclusive right and license of Supplier's Intellectual Property Rights to: (a) use, sell, and modify Products and incorporate Products into other products for use or sale; and (b) in the case where Supplier is unable to perform or breaches this Contract, to make Products or have Products made by an alternate source. All works of original authorship, ideas, inventions (whether patentable, patented or not), know-how, processes, compilations of information, and other intellectual property created by Supplier for which the development was directly or indirectly (by amortization) paid for by Buyer (collectively, "Proprietary Materials"), and all Intellectual Property Rights in such Proprietary Materials, are exclusively owned by Buyer. Supplier agrees that all such Proprietary Materials

created by Supplier for which the development was paid for by Buyer are "works made for hire" as that term is used in connection with the U.S. Copyright Act. Supplier will ensure that all employees and subcontractors to Supplier will have written contracts with Supplier consistent with these terms.

#### **9. Limited Trademark License.**

If specified by Buyer in writing if applicable, Buyer grants to Supplier a non-exclusive, non-transferable, limited license, with no right to sublicense, to reproduce and use those trademarks, service marks, logos, commercial symbols and other indicia of trade origin of Buyer (collectively "Buyer Marks") solely for the manufacture and sale of Products to Buyer. Supplier may not use Buyer Marks in any other manner. Supplier's reproduction and use of the Buyer Marks, and all goodwill established and/or symbolized thereby, will inure exclusively to the benefit of Buyer and this Contract does not confer any goodwill or other interests in the Buyer Marks upon Supplier. Supplier will not challenge or contest the validity of the Buyer Marks, any registration of the Buyer Marks with the U.S. Patent and Trademark Office or with any foreign government or the ownership of the Buyer Marks by Buyer or its affiliates. Supplier shall not represent that it has any ownership interest in the Buyer Marks or registrations therefore. Once Supplier no longer supplies Products to Buyer, or earlier upon Buyer's notice, Supplier will immediately discontinue all use of Buyer Marks. The terms of this Section 9 will survive termination of this Contract.

#### **10. Warranties.**

Supplier warrants that all Products will: 1) conform to the specifications, instructions, drawings, samples or descriptions; 2) comply with all applicable laws, regulations and other governmental requirements in force in countries where Products or products equipped with such Products are installed or sold; 3) be merchantable, fit for their intended purpose, be of good material and workmanship, and free from defects; and that the Products will not knowingly infringe any intellectual property rights of third parties. Supplier warrants the Products will meet or exceed the failure rate and/or reliability requirements set forth in applicable specifications. Claims for non-compliance will be established from Buyer's service records for the Product. In carrying out any services the Supplier will ensure that the best technical practices, skills, procedures, safety standards, care and judgment will be used. These warranties will remain in effect for the longer of: (a) the period provided by applicable law where the Products are used; or (b) the warranty period provided by Buyer to its customers. Supplier will repair or replace any defective or non-conforming Products during the applicable warranty period at Supplier's cost and expense (including, without limitation, for all parts, labor and transportation costs) immediately upon being notified of any such defect by Buyer, and/or reimburse Buyer for its costs of remedying the non-compliance, and

reimburse Buyer for all costs and charges related to or caused by or the nonconforming Products, including, but not limited to, costs, liquidated damages, governmental, statutory, regulatory, or contractual penalties, expenses and losses incurred by Buyer in: (i) inspecting, sorting, repairing or replacing such nonconforming goods; (ii) resulting from or in production interruptions, premium freight, additional insurance costs and premiums, overtime, downtime, containment and de-installation, (iii) conducting recall campaigns or other corrective service actions, maintenance or safety instructions, trainings and warnings, (iv) relative to claims for personal injury (including death) or property damage caused by such nonconforming Products; and (v) any environmental contamination and clean up cost. As to Products that are made for resale, Supplier agrees that Buyer may make similar warranties to its customers in reliance upon the foregoing. These warranties and remedies are nonexclusive and are in addition to the warranties and remedies provided by the Uniform Commercial Code and applicable laws which may not be disclaimed or limited. All warranties contained in this Contract shall run, and all remedies shall be available to, Buyer, its affiliates, and their customers and all such warranties shall survive any delivery, inspection, acceptance, or payment by Buyer.

#### **11. Indemnification.**

Supplier will indemnify, defend and hold harmless Buyer, its affiliates, partners, directors, officers, employees and agents, from and against any and all actions, claims, demands, judgments, losses, costs, liabilities, damages, any type of liability for environmental contamination and clean-up cost, additional insurance costs and premiums, other expenses and/or fees (including reasonable attorneys' fees) of whatever kind ("Claims") that are incurred by or asserted against Buyer related to or arising from any actual or alleged: (a) infringement of any patent, trademark, copyright, trade secret, industrial design right, or other proprietary right, by reason of the manufacture, use or sale of the Products, except to the extent the infringement results directly from a design furnished by Buyer; (b) defect in any Products; (c) noncompliance by Supplier of its representations, warranties, or obligations under this Contract; or (d) negligence or fault of Supplier in connection with the design or manufacture of Products or wrong or incomplete installation, shipping, use, maintenance, environmental health or safety instructions, including any reasonably required post-sale warnings. Supplier will not make any admissions on behalf of Buyer or enter into a settlement without Buyer's prior written consent. The indemnification obligations of Supplier under this Section are not exclusive and shall not impair or exclude Buyer's rights or remedies under law, and such rights and remedies of Buyer are cumulative.

#### **12. Insurance Requirement.**

In addition to specific insurance requirements which may be set out in this Contract, throughout the term of this Contract and the warranty period of any Products,

Supplier shall have and maintain at its expense: (a) general and public liability insurance with coverage limits reasonably acceptable to Buyer and naming Buyer as an additional insured; (b) all risk property perils insurance covering the full replacement value of Bailed Property (as defined below) while in Supplier's care, custody, or control and naming Buyer as loss payee; and (c) worker's compensation insurance as required by applicable law. Insurance coverage amounts shall in no case be less than as standard in the industry, and shall be with carriers with at least an A.M. Best rating of "A" excellent, and a financial size rating of at least Class V. Supplier will furnish to Buyer certificates of insurance setting forth the amount of coverage, policy number and date(s) of expiration. Supplier shall provide at least sixty (60) days' prior written notice to Buyer of cancellation or material alteration of insurance.

#### **13. Confidentiality.**

If Supplier has access to Buyer's confidential information, including, without limitation inventions, developments, know how, specifications, business plans, results of testing, systems, financial information, product information, methods of operation, customer information, supplier information and compilations of data ("Confidential Information"), Supplier will use Buyer's Confidential Information only for the purposes contemplated under this Contract and shall not disclose it to third parties or otherwise use it to its own advantage or Buyer's detriment. Confidential Information will not include information which: (a) is or becomes publicly available without breach of this Agreement by Supplier; (b) was known to Supplier prior to its receipt from Buyer as evidenced in writing; or (c) is developed by Supplier independently of its access to Confidential Information. Supplier is permitted to disclose Buyer's Confidential Information to its employees and authorized subcontractors on a need to know basis only, provided that such employees and authorized subcontractors have written confidentiality obligations to Supplier no less stringent than the confidentiality obligations under this Section. Upon termination of this Contract, Supplier shall return Buyer's Confidential Information and shall not use Buyer's Confidential Information for its own, or any third party's benefit. Supplier's confidentiality obligations shall survive termination of this Contract for so long as Buyer's Confidential Information remains confidential. In order to assure that Buyer is able to obtain the full benefit of the restrictions set forth in this Section, Buyer shall be entitled to injunctive relief, including, but not limited to, emergency, preliminary, temporary and permanent injunctions, from any court of competent jurisdiction as may be necessary to enjoin any violation of the foregoing covenants, without the necessity of proving immediate irreparable harm or an inadequate remedy at law. If the parties have already entered into a Confidentiality or Non-Disclosure Agreement ("NDA"), the terms and conditions of the NDA shall apply and control for confidentiality obligations between the parties in lieu of this section.



**14. Termination for Cause; Termination for Convenience.**

Either party may upon written notice to the other party terminate all or any part of this Contract without further liability on the part of the party who provides such notice, if the other party: (a) is in Default of this Contract, however, if the Default can be cured then only if such Default is not cured within fifteen (15) days of receipt of written notice of the Default from the non-defaulting party; or (b) has committed a material breach of this Contract. Either party shall be in "Default" under this Contract if it fails to perform any obligation under the Contract, breaches any representation or warranty under this Contract, or fails to provide adequate assurance of performance under the Contract within a reasonable time after written and justifiable demand by the other party. Also, Buyer may terminate this Contract at any time for its convenience, and upon notice Supplier shall not make new commitments for any additional raw materials, inventory or services related to the Products under this Contract without the prior written approval of Buyer. As to a termination of convenience Buyer will pay Supplier for raw materials unique to the Products, work-in-process and finished goods in inventory for the Products authorized under a release or schedule from Buyer that are useable and in a merchantable condition ("Inventory") remaining in Supplier's possession on the termination date, after receipt of payment for such Inventory from Buyer's customer and delivery of such Inventory to Buyer. The purchase price for the Inventory, which shall be Supplier's sole and exclusive recovery from Buyer on account of termination for convenience, will be (a) the contract price for all Products that have been completed in accordance with this Contract as of the termination date not previously paid for, plus (b) the actual documented costs of work-in-process and raw materials incurred by Supplier in furnishing the Products to the extent such costs are reasonable in amount and which can be apportioned under generally accepted accounting principles to the terminated portion of this Contract, less (c) the reasonable value or cost (whichever is higher) of any goods or materials used or sold by Supplier with Buyer's written consent. If Buyer's customer is unreasonably delayed in making payment for Inventory, Buyer shall negotiate a good faith settlement with Supplier. In no event will Buyer be required to pay for Inventory that Supplier fabricates or procures in amounts that exceed amounts authorized in Buyer's delivery release or schedules, nor will Buyer be required to pay for any goods or materials that are in Supplier's standard stock or that are readily marketable. Payments made under a termination for convenience will not exceed the aggregate price for finished goods that would be produced by Supplier under a delivery release or schedule outstanding on the date of termination. Within sixty (60) days after the effective date of a termination for convenience, Supplier will submit a detailed termination claim to Buyer, with sufficient supporting data to permit an audit by Buyer, and will thereafter promptly furnish any supplemental and supporting information Buyer

reasonably requests. Upon any termination of this Contract, Supplier shall: (a) take actions reasonably necessary to protect property in Supplier's possession in which Buyer has an interest until disposal instruction from Buyer has been received; and (b) return Buyer's Confidential Information to Buyer.

**15. Limitation on Buyer's Liability.**

BUYER WILL NOT BE LIABLE FOR ANY SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOSS OF REVENUE, OR COST OF CAPITAL. Buyer's liability on any claim of any kind for loss or damage arising out of or in connection with resulting from this Contract from the performance or breach thereof shall in no case exceed the price allocable to the Products which gives rise to the claim.

**16. Force Majeure.**

Neither party shall be liable to the other party for delay in a scheduled delivery or a failure in performance caused by acts beyond such party's reasonable control without fault or negligence of such party, such as, without limitation, fire, windstorm, act of God, flood, war, embargo, acts of terrorism or public enemy, riot, or the intervention of any government authority ("Force Majeure"), provided such party presents a claim and notice in writing to the other party as soon as possible of such party becoming aware that an event of Force Majeure may delay or interrupt performance hereunder. If Supplier is unable to perform for any reason, Buyer may purchase Products from other sources and reduce its purchases from Supplier accordingly without liability to Supplier.

**17. Inspection and Audit.**

Supplier agrees to deliver to Buyer samples of the Products upon request for testing. Buyer shall have the right to inspect and audit Supplier's books, records, operations and facilities related to this Contract, including Supplier's quality system, to insure Supplier's compliance with the terms of this Contract and Buyer and Buyer's customer standards. Supplier shall maintain all records necessary to support amounts charged to Buyer under this Contract. Supplier shall provide Buyer with reasonable access to its facilities and otherwise cooperate and facilitate any such inspections and/or audits by Buyer.

**18. Independent Contractors.**

Buyer and Supplier are independent contractors, and nothing in this Contract makes either party the agent or legal representative of the other party for any purpose. Neither party has authority to assume or to create any obligation on behalf of the other party. Supplier assumes full responsibility and exclusive liability for the payment of all contributions, unemployment obligations, payroll taxes, federal, state, provincial, local and foreign, if applicable, as to all employees engaged in the

performance of Supplier's work under this Contract.

#### **19. Governing Law, Jurisdiction and Venue.**

This Contract shall be governed by and construed in accordance with the laws of the State of North Carolina without reference to the choice of law principles thereof. The Convention on Contracts for the International Sale of Goods is expressly excluded. Subject to the provisions of Dispute Resolution below, each party irrevocably submits to the jurisdiction of the Courts of the State of North Carolina and the United States District Court for the Middle District of North Carolina and hereby waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding.

#### **20. Dispute Resolution.**

Except for disputes relating to or arising out of, in whole or in part, any breach of confidentiality hereunder or for the misuse or infringement of Buyer's Intellectual Property Rights, in the event of a dispute or disagreement between Supplier and Buyer arising out of or relating to this Contract ("Dispute"), such Dispute, upon the written request of Supplier or Buyer, shall be referred to the chief financial officers of each party or their respective designees. The chief financial officers or their respective designees shall promptly meet in good faith to resolve the Dispute and if they do not agree upon a resolution within thirty (30) calendar days after the reference of the Dispute to them, then such Dispute, upon written notice from one party to the other of its intent to arbitrate (an "Arbitration Notice"), shall be submitted to and settled exclusively by final and binding arbitration in lieu of any judicial proceeding; provided, however, that nothing contained in this Section shall preclude any party from seeking or obtaining from a court of competent jurisdiction (a) injunctive relief, or (b) equitable or other judicial relief to specifically enforce the provisions of this Contract or to preserve the status quo prior to the event(s) leading to the Dispute. Arbitration shall be conducted by the American Arbitration Association in North Carolina before a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association existing at the date of submission of the Dispute to arbitration. Any arbitration award shall be binding and enforceable against Supplier and Buyer and judgment may be entered thereon in any court of competent jurisdiction. For purposes of clarification, any Dispute relating to or arising out of, in whole or in part, any breach of Supplier's obligations of confidentiality hereunder or for the misuse or infringement of Buyer's Intellectual Property Rights shall not be subject to binding arbitration under this Contract.

#### **21. Assignment, Waiver, Entire Agreement, Severability.**

Neither party may assign this Agreement in whole or part without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that Buyer may in its sole discretion and without Supplier's consent assign this

Agreement, in whole or in part or with respect to any of its rights and obligations hereunder, to any affiliate or successor company or entity resulting from a sale of assets, shares or other ownership interest, merger, operation of law, reorganization or consolidation. Subject to the foregoing, all of the terms, conditions, covenants, and agreements contained herein shall inure to the benefit of, and be binding upon, any such affiliate or successor and any permitted assignees of the respective parties hereto. Consent by either party to such assignment in one instance shall not constitute consent by the party to any other assignment. If Buyer consents to Supplier subcontracting of any of its duties under this Contract, Supplier will ensure that the subcontractor agrees to be bound by all of the terms and conditions of the Contract. Buyer may terminate this Contract upon written notice to Supplier, without any further liability to Supplier, if there is a change of control of Supplier.

#### **22. General.**

The failure of either party to enforce any right or remedy provided hereunder or by law on a particular occasion will not be deemed a waiver of that right or remedy on a subsequent occasion or a waiver of any other right or remedy. This Contract, plus any applicable master agreement between the parties and documents referenced herein, if any, constitutes the entire agreement between the parties with respect to its subject matter, superseding all prior oral or written representations, understandings or agreements between the parties this Contract. Neither this Contract nor any of its provisions may not be modified, amended or waived, whether orally, through the parties' course of performance, course of dealing or course of conduct, or manifested in any other way, unless in writing and signed by authorized representatives of both parties. Any provision found invalid or unenforceable will not affect the validity or enforceability of any other provision and the invalid provision may be judicially modified to the extent enforceable.

#### **23. Compliance.**

Supplier will at its expense comply with all federal, state, provincial, local and foreign laws, orders, rules, regulations and ordinances, including import and export laws and regulations, that may be applicable to Supplier's performance of its obligations under this Contract; and shall identify and procure required permits, certificates, licenses, insurance, approvals and inspections in performance of this Contract. At Buyer's request Supplier will certify in writing its compliance with Laws. Supplier will indemnify and hold Buyer harmless from and against any liability, claims, demands or expenses (including, without limitation, legal or other professional or expert fees) arising from or relating to Supplier's noncompliance of any laws and regulations. Any provision which is required to be a part of this Supplier shall provide Buyer with material safety data sheets for Products and all other information required to comply with applicable laws. For programs involving the

supply of goods or services to the US Government, Supplier shall accept the flow-down of applicable Federal Acquisition Regulations and shall maintain the capability to meet all of the requirements of such regulations including, without limitation, requirements as to cost and pricing data, truth in negotiation and procurement integrity. Additional or more specific legal compliance and/or social responsibility provisions may be added to this Contract in: (a) an attached COMPLIANCE WITH LAWS ADDENDUM; (b) Buyer's Supplier Manual furnished to Supplier by Buyer; (c) a purchase order; or (d) published on Buyer's website.

**COMPLIANCE WITH LAWS ADDENDUM:**

Export/Import: Supplier agrees to comply with all applicable export and import laws and regulations and any requirements of Buyer with respect to the import, export, re-export, or transfer of Products. Products or technical data provided or received under this Contract may be subject to the provisions of the U.S. Export Administration Act, 50 USC 2401- 2420, including the Export Administration Regulations, 15 CFR 730-774 ("EAR"); the U.S. Arms Export Control Act, 22 USC 2751- 2780, including the International Traffic in Arms Regulations, 22 CFR 120-130 ("ITAR"); the Regulations of the Office of Foreign Assets Control of the U.S. Treasury Department, 31 CFR 500-599; the Regulations of the Bureau of Alcohol, Tobacco, and Firearms, 27 CFR 447-555 ("ATF"); the Homeland Security Act of 2002, including the U.S. Customs and Border Protection Regulations, 19 CFR 1-199 ("CBP"); as well as any applicable export or import requirements of other jurisdictions regardless of whether such products or technical data are of U.S. or non-U.S. origin. Supplier shall obtain or produce any necessary export or import authorizations to support deliveries under this Contract. Supplier will provide to Buyer the export commodity classification or original design intent information (for Supplier's design authority items), Harmonized Tariff Schedule ("HTS") numbers, and country of origin information for the Products. Supplier shall support all import document requirements as necessary. Supplier will assist Buyer's efforts to participate in Trade Programs such as the North American Free Trade Agreement (NAFTA), including producing Certificates of Origin and Manufacturer's Affidavits. Supplier will meet the country of origin marking requirements for all Products. Supplier shall comply with all Customs Trade Partnership Against Terrorism (C-TPAT) requirements if applicable and reasonably required by Buyer. Supplier will comply with all CBP pre-file import requirements according to the mode of transportation (Importer Security Filing 10+2 program for ocean, e-manifest for truck, etc.). Supplier agrees to immediately notify Buyer in the event of any change to the export or import classification or country of origin information. Supplier agrees to provide Buyer with advance written notice of any change in the Supplier's manufacturing location. Supplier agrees that it will not export, transfer, re-export, or re-transfer any drawings, data, designs, inventions,

computer software or other technical information provided by Buyer, including any of Buyer's information that has been integrated into Supplier's technical information, without Buyer's prior written consent. Supplier agrees that it will not export, transfer, re-export, or re-transfer Products to any U.S. recognized foreign government sanctioned countries, denied, or designated parties without obtaining appropriate export authorization where necessary. These restrictions apply to Supplier, its employees, and any third party including, but not limited to Supplier's suppliers and subcontractors. Supplier shall immediately notify the Buyer's procurement representative if Supplier is, or becomes, listed in any U.S. or non-U.S. government denied parties lists or if Supplier's export privileges are otherwise denied, suspended, or revoked in whole or in part by any U.S. or non-U.S. government entity or agency. If Supplier based in the U.S. and is engaged in the business of either exporting, manufacturing or brokering defense articles or furnishing defense services, as defined in the ITAR, Supplier agrees to maintain a current registration with the Directorate of Defense Trade Controls, as required by the ITAR, and to maintain an effective export/import compliance program in accordance with the ITAR. Supplier shall provide Buyer with the contact information of the individual(s) responsible for such compliance program. Supplier shall allow Buyer to validate or audit all representations made under this clause. Buyer shall not be liable for increased costs or customs duties, or any penalties or damages incurred by Supplier as a result of deficient or erroneous documentation supplied by Supplier for purposes of establishing the status of Products, as defined in the North American Free Trade Agreement ("NAFTA") and other trade preference programs, including implementing laws and regulations.

**Customs Credits.**

Transferable credits or benefits associated with Products purchased, including trade credits, export credits, or rights to the refund of duties, taxes, or fees, belong to Buyer unless otherwise prohibited by applicable law. Supplier will provide Buyer with all information and records relating to the Products necessary for Buyer to (1) receive these benefits, credits, and rights, (2) fulfill any customs obligations, origin marking or labeling requirements, and certification or local content reporting requirements, (3) claim preferential duty treatment under applicable trade preference regimes, and (4) participate in any duty deferral or free trade zone programs of the country of import. Supplier will obtain all export licenses and authorizations and pay all export taxes, duties, and fees unless otherwise stated in the Contract, in which case Supplier will provide all information and records necessary to enable Buyer to obtain those export licenses or authorizations.

**Safety/Security:**

Supplier will ensure compliance with all applicable health and safety laws and regulations and promote the health, safety and well-being of its personnel. Regarding Laws



of the country(s) of destination or that relate to the handling and transportation of dangerous goods or hazardous materials, data protection and privacy, and Supplier will provide all required information related to the proper and safe handling of the Products as may be required by law. Supplier will provide Buyer with material safety data sheets pertaining to the Products.

**Anti-Corruption:**

Supplier will not offer to give or give anything of value, directly or indirectly, to any Buyer employees or representative, directly or indirectly, or for the purpose of obtaining or retaining orders for Products. Supplier will comply with all applicable anti-corruption laws, including, without limitation, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, and that neither it nor any of its subcontractors, vendors, agents or other associated third parties will engage in any form of commercial bribery, nor directly or indirectly provide or offer to provide, anything of value to or for the benefit of, any official or employee of a governmental authority or of any government-owned, government-controlled or government-affiliated entity to obtain or retain any contract, business opportunity or other business benefit, or to influence any act or decision of that person in his/her official capacity.

**Embargo:**

No Products will be supplied to: Cuba, North Korea, Iran, Sudan, Syria or any other country to which the U.S. has embargoed goods. In compliance with the U.S. Department of the Treasury, Office of Foreign Assets Controls (OFAC) laws and rules, Buyer shall not supply, directly or indirectly, Products to any of the countries set out above or to a national or resident of those countries, or to anyone on the U.S. Treasury Department's List of Specially Designated Nationals or the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, Nonproliferation Sanctions or General Orders.

**Labor Practices:**

Supplier represents that neither it nor any of its subcontractors, vendors, agents or other associated third parties will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of Products under this Contract. Supplier will comply with laws applicable to working hours.

**Conflict Minerals:**

Supplier warrants to: (i) implement internal measures to monitor and update legal requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") to avoid any conflict minerals in your products which have been sourced from prohibited mines in the Democratic Republic of the Congo or surrounding areas as defined by the U.S. Secretary of State; and (ii) inform Buyer without delay whether any conflict minerals have been found in your products or any of your raw materials or components. On a timely basis Supplier will respond

following a reasonable due diligence inquiry to any requests made by, or on behalf of, Buyer for information on the source and chain of custody of any Conflict Minerals (as defined below) necessary to the functionality or production of the Products. Supplier must provide all requested conflict minerals information to the requesting party. If Supplier is a smelter, Supplier also agrees to comply with the Conflict-Free Smelter Program protocols developed by Conflict-Free Sourcing Initiative (CFSI). As used above, the term "Conflict Minerals" means columbite-tantalite, cassiterite, wolframite and gold ores – which are refined into tantalum, tin, tungsten and gold, respectively, or other minerals or compounds that may be designated in the future by the U.S. Secretary of State. Supplier understands and acknowledges that any information provided pursuant to this Contract section may be provided by Buyer to its customers and may be used by Buyer's customers to comply with their reporting obligations under the Act, including filing a Form SD and Conflict Minerals Report with the U.S. Securities and Exchange Commission, and Supplier will (i) ensure that the information provided in this regard is current, accurate and complete, to the best of its knowledge and belief, as of the date of submission, (ii) update such information in a timely manner if the status of any Product supplied by Supplier to Buyer changes during Supplier's performance of the Contract, and (iii) retain all necessary documentation to support the information provided in response to Buyer's request. If Supplier (i) fails to comply with this paragraph, or (ii) fails to reasonably demonstrate that all materials processed and/or supplied to Buyer originated from "DRC conflict-free" sources (as that term is defined in the Act), then Buyer may terminate the Contract. Supplier may be required to include substantially the same requirements set forth above in contracts with its sub-suppliers providing any material or sub-component incorporated into Products supplied to Buyer.

**REACH:**

Buyer is a manufacturer of products and a downstream user in means of the EC-regulation No. 1907/2006 ("REACH") and Supplier warrants to comply with any and all obligations REACH imposes on Supplier, or which are – with regard to REACH – necessary to sell, process or trade the goods sold by Buyer within the EC, including without

**limitation:**

(a) necessary pre-registration, registration or authorization of chemical substances or preparations, (b) implementation of internal organizational measures to document REACH compliance, (c) coverage of any use(s) of chemicals or preparations in the goods (as well as in any packaging materials) specified by Buyer or any of Buyer's customers towards the supplier within (a) and (b), (d) information without delay whether a substance or preparation which has been pre-registered will not be finally registered or authorized within the respective transition period and (e) no sale of any good containing

prohibited Substances of Very High Concern (SVHC) ((a) to (e) together "REACH Warranties"). Supplier acknowledges that any breach of a REACH Warranty is in terms of the applicable laws assumed to result in a "defect" of the respective substance, preparation or other good and Supplier will hold Buyer harmless against, and will defend and indemnify Buyer against and will support at suppliers expense any respective proceedings regarding any and all claims, liabilities, expenses and damages caused by the Supplier as a result of breaching the aforesaid Warranties.