Capol LLC General Terms and Conditions of Purchase

1. Definitions

1.1 "**Terms**" means these General Terms and Conditions of Purchase.

1.2 "**Buyer**" means the buyer/purchaser identified on the face of the purchase order document, communication, or electronic submission attaching or referencing these Terms.

1.3 "**Supplier**" means the entity or individual to which/whom the purchase order document or communication is addressed.

1.4 "**Order**" means the purchase order document, communication, or electronic submission issued by Buyer to Supplier which attaches or references these Terms.

1.5 "**Products**" mean, collectively, the products, items, materials, substances, chemicals, goods, and/or services identified in the Order (each, a "**Product**").

1.6 "**Contract**" refers to these Terms, together with the terms set forth in the Order, including those set forth in documents attached to or referenced in the Order or these Terms.

2. Offer and Acceptance; Scope and Applicability; Volume and Quantity

2.1 Buyer offers to purchase the Products from Supplier, subject to the terms and conditions of the Contract. Supplier accepts Buyer's offer and the Contract by any reasonable indication of acceptance, including, without limitation, if Supplier: **(a)** does not object to Buyer in writing within three (3) calendar days of receipt of the purchase order, or **(b)** commences work on or ships Products to Buyer. Buyer expressly rejects any terms and conditions which depart from or add to these Terms, unless accepted in a writing signed by an authorized representative of Buyer. Individual arrangements made in specific cases with Supplier (including side agreements, supplemental arrangements, and amendments) shall take precedence over these Terms only if Buyer indicates so in a writing signed by an authorized representative of Buyer.

2.2 The Contract constitutes a binding agreement between Buyer and Supplier and serves as the complete and exclusive agreement between Buyer and Supplier as to the Products, superseding any prior proposals, offers, or contracts. These Terms shall continue to apply exclusively even if, in specific cases, Buyer does not overtly object to the purported inclusion of terms and conditions of Supplier, or Buyer accepts delivery from Supplier. These Terms shall also apply to future transactions between Buyer and Supplier even if they are not specifically agreed to again. Buyer's Orders must be in written or text form to be valid.

2.3 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.

3. Prices, Changes, Invoicing, and Payment

3.1 Pricing is firm and not subject to change unless otherwise agreed in this Contract; however, any general price reduction made by Supplier with respect to any Product ordered by Buyer, subsequent to the placement of Buyer's order, and prior to Buyer's receipt of the Product, shall apply. If no prices are stated on Buyer's order, the Supplier's price list published at the time the order was placed shall apply with the deductions as referred to in this section. Supplier represents and warrants 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. Prices for Products include all applicable federal, state, provincial, and local taxes and import duties, and no charges will apply against Buyer for transportation, packaging, packing, returnable containers, documentation, and/or media. Prices include "FCA" delivery as well as packaging (Incoterms 2020), unless expressly agreed otherwise in a signed writing. If Supplier has undertaken the assembly, installation and/or commissioning of a product and nothing else is agreed in writing, Supplier shall bear all the necessary incidental costs such as, *e.g.*, travel expenses and provision of the tools. No compensation will be paid for visits or the preparation of bids, projects etc. Buyer retains the right of setoff.

3.2 Buyer may notify Supplier of changes to the drawings, specifications, quantity, delivery, or other requirements, however, the time for performance and price shall not change unless Supplier notifies Buyer within seven (7) calendar days, with supporting documents, that a price change is necessary. In such a 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 Buyer's prior written approval via a signed writing, including without limitation, any changes to the nature, type, or quality of any services, location of work, raw materials, or goods used by Supplier or its suppliers.

3.3 Each Order will be invoiced separately. Each invoice shall be issued in the currency specified in the Order and otherwise in U.S. Dollars. All invoices and/or advance shipping notices must clearly reference Supplier's name and contact information, the Order number, the Order issue date, Buyer's supplier reference number, Buyer's Product reference number, and as applicable, the customs tariff reference number, the source country, the preference indicator, the quantity of units shipped, the number of cartons or containers, and the bill of lading number. Invoices missing any of this information (as applicable) shall not be paid. If invoices are not sufficiently identifiable (particularly where the required information is incomplete or missing), the time period for compliance with any associated payment deadlines shall only commence once Supplier fully cures the defects of the invoice. If certificates, documentation, materials tests, test reports, etc., which form an integral part of the Order, are not enclosed with the invoice or delivery, the time period for compliance with the date of payment shall commence once these documents are received in full. Even in the case of delivery in installments, Supplier must send each invoice to Buyer separately upon the dispatch of the consignment. If the invoice arrives before receipt of the goods to be delivered, or if the delivered goods contain defects/non-conformities, the period for compliance with the date of payment shall only begin with the arrival of the (defect-free) goods. Payment shall not be due on any invoice until the defects/non-conformities have been cured completely.

3.4 Payments may be made by bank transfer and, unless otherwise agreed, following acceptance of the delivery and receipt of Supplier's verifiable invoice (receipt shall be determined from Buyer's incoming mail stamp) as well as transfer of all documentation belonging to the items delivered. Payment by Buyer does not constitute the recognition of the contractually agreed deliveries or services.

4. Shipping, Delivery, and Acceptance of Products

4.1 Supplier will ship Products using best commercial practices and in compliance with Buyer's and all legal and regulatory requirements concerning packaging, labeling, shipping notification and freight, warnings, patterns, samples, functionality, installation, maintenance and other relevant instructions and operating environment requirements. Supplier shall comply with all applicable laws and regulations relating to handling of the Products including but not limited to all relevant laws, statutes, ordinances, regulations, labeling requirements, certifications, permits, codes, and standards established by the U.S. Food and Drug Administration, the U.S. Department of Transportation, the U.S. Environmental Protection Agency, the Occupational Safety and Health Administration, and uniform regulations set forth by the National Institute of Standards and Technology of the U.S. Department of Commerce. 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.

4.2 Time is of the essence with respect to all of Supplier's delivery obligations. Supplier shall deliver the Products strictly in the quantities and on the dates and at the times specified in the Order or otherwise agreed in writing. Supplier shall immediately notify Buyer in writing of any actual or anticipated delay, including the reasons for and anticipated duration of the delay. Such notice does not relieve Supplier of its delivery obligations or limit Buyer's rights or remedies. Deliveries will be accepted only during Buyer's designated receiving hours unless otherwise agreed in writing. Supplier shall be responsible for any premium freight charges or other additional costs incurred to meet the applicable delivery requirements.

4.3 Partial deliveries and early deliveries are only permitted with Buyer's express written consent. Buyer retains the right to reject partial deliveries or Products delivered in advance of the delivery date or in incorrect quantities.

4.4 Unless otherwise stated in this Contract, delivery shall be made by Supplier, with Products properly packaged and transported, FCA to the place/address specified by Buyer (Incoterms 2020). The risk of loss or damage to the Products shall transfer to Buyer upon delivery to the agreed place of performance and final acceptance by Buyer. Upon this transfer, Buyer acquires title to the Products without any reservation of rights by Supplier. Products received by Buyer are subject to inspection and acceptance, notwithstanding any payment. Products rejected as non-conforming as discovered in the ordinary course of Buyer's business may be returned to Supplier at Supplier's sole expense and shall not be replaced except upon the express written direction of Buyer. Buyer shall have no obligation to pay for any rejected Products. Payment shall not be construed as a waiver of Buyer's rights. If a Product is rejected after payment, Buyer shall be entitled to return the same (at Supplier's sole expense) for a full refund. In the case of services, Buyer may reject any non-conforming services and, at Buyer's election, exercise one or more of the following remedies: (i) withhold or reduce any amounts otherwise payable for the non-conforming services or obtain a refund of any amounts already paid; (ii) require Supplier to reperform or correct the non-conforming services at Supplier's sole expense; or (iii) obtain substitute services and charge Supplier for any resulting additional costs.

4.5 Acceptance of late delivery does not imply a waiver of any claims by Buyer for damages.

4.6 Supplier shall include a certificate listing the agreed characteristics of Products delivered with the delivery along with the delivery note. Full initial sample documentation must be enclosed with initial deliveries, especially those intended as samples.

5. Ownership of Materials, Tools and Bailed Property, Documentation, and Intellectual Property

5.1 Buyer retains title to all goods and materials provided to Supplier (*e.g.*, parts, components, semi-finished goods). This title also extends to the full value of the Products arising from processing, mixing, or combining our goods whereby these processes are carried out for us so that we are considered to be the manufacturers. In those cases where our Products are processed, mixed, or combined with goods belonging to third parties with existing proprietary rights, we shall acquire joint ownership pro rata to the objective value of these goods.

5.2 All tools, equipment, materials, tooling, jigs, gauges, fixtures, molds, returnable containers, supplies, intellectual property, proprietary materials, and any other items furnished by Buyer to Supplier, either directly or indirectly, for Supplier's performance of its obligations under this Contract, or for which Supplier has been paid or reimbursed (including amortization), whether referred to as "**Buyer Tools**" or "**Bailed Property**" (collectively, "**Buyer Property**"), shall remain the sole property of Buyer or its designated owner. This includes all related repairs, improvements, appurtenances, accessions, accessories, documents, standards or specifications, trade secrets, proprietary information, and any associated Intellectual Property Rights in the Proprietary Materials. Supplier shall bear the risk of loss of, and damage to, Buyer Property and shall ensure that Buyer Property is properly safeguarded, housed, maintained, repaired, and replaced at Supplier's expense in good working condition, capable of meeting all applicable specifications. Buyer Property shall be used by Supplier exclusively for the performance of this Contract and shall not be used for any other purpose without Buyer's prior written consent. Supplier shall: (a) mark Buyer Property conspicuously as the property of Buyer or its designated owner; (b) not commingle Buyer Property with Supplier's or any third party's property; (c) not move Buyer Property from Supplier's premises without Buyer's prior written approval; (d) not modify or dispose of Buyer Property without Buyer's written consent. Supplier will indemnify and defend Buyer against claims or liens adverse to Buyer's or its customer's ownership of Buyer Property. Buyer will have the right to enter Supplier's premises to inspect Buyer Property and Supplier's records regarding Buyer Property. Upon the expiration or termination of this Contract, or upon Buyer's request, Supplier shall immediately surrender all Buyer Property to Buyer in excellent working condition, both technically and visually, reasonable wear and tear excepted, without reservation of rights. Supplier waives any lien rights on Buyer Property and agrees to cooperate fully with Buyer in recovering or transferring Buyer Property. Supplier grants to Buyer a limited and irrevocable power of attorney, coupled with an interest, to execute and record on Supplier's behalf any notice or financing statements with respect to Buyer Property that Buyer determines are reasonably necessary to reflect Buyer's interest in Buyer Property. If Supplier fails to comply with the return of Buyer Property, Buyer may enter Supplier's premises to reclaim possession of Buyer Property with reasonable notice, and Supplier expressly waives any right to additional notice or process. In the event Buyer elects to take possession of Buyer Property, Supplier shall, at its cost, deliver the Buyer Property to the location designated by Buyer. In the event Supplier fails to comply with the foregoing, Supplier shall pay all costs incurred by Buyer in connection with the recovery of Buyer Property through legal process, including, but not limited to, actual attorneys' fees, costs of any bond, sheriff fees, and other court officers' fees. This includes costs associated with replevin or other legal actions necessary to recover Buyer Property.

5.3 All documentation (*e.g.*, drawings, images, test specifications), samples and models, tools, and other items which Buyer makes available to Supplier shall at all times remain Buyer's sole property and shall, at Buyer's sole discretion, either be surrendered at Buyer's request at any time but no later than upon the termination/expiration of the business relationship (including any copies, transcripts, extracts, and replicas), or destroyed at Supplier's expense. Supplier has no right of retention. Models, templates, and similar items produced by Supplier, or by a third party and used by Supplier, shall, where they are invoiced to Buyer, be Buyer's property and shall be surrendered to Buyer with delivery unless otherwise agreed in writing.

5.4 Except as specifically stated in the 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. The Supplier further agrees that these works are also considered works made for hire under the U.S. Copyright Act, with all rights and ownership in such works vesting in the Buyer. The Supplier will ensure that all employees and subcontractors involved in the creation of such works have written agreements with the Supplier that assign any and all copyright interests in such works to the Supplier, and that these agreements reflect the terms of this section, ensuring the transfer of ownership to the Buyer. Additionally, the Supplier agrees to waive any and all moral rights (including the right of attribution and the right of integrity) in such works, to the extent permitted by law, and will ensure that all employees and subcontractors also waive such moral rights.

6. Limited Trademark License

6.1 If specified by Buyer in writing where 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 the 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 shall 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 relating thereto. Once Supplier no longer supplies Products to Buyer, or earlier upon Buyer's notice, Supplier will immediately discontinue all use of Buyer Marks. The obligations of Supplier under this Section will survive termination of this Contract.

7. Confidentiality

7.1 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 (for the purpose of manufacturing and delivering Products to Buyer or performing services for Buyer) and shall not disclose it to third parties or otherwise use it to its own advantage or to Buyer's detriment. 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. Supplier's use of Buyer's Confidential Information for purposes other than those specifically described here shall render Supplier liable to Buyer for damages. Neither Buyer's disclosure of Confidential Information, nor any transmission of documents, samples, or models shall give rise to any right of Supplier to any ownership rights whatsoever.

7.2 Confidential Information will not include information which: **(a)** is or becomes publicly available without breach of this Contract 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. If Supplier or any of its representatives is required by applicable law, regulation, subpoena, court order, or governmental authority to disclose any Confidential Information, Supplier shall, to the extent legally permitted, promptly notify Buyer in writing before making the disclosure and reasonably cooperate, at Buyer's expense, in seeking a protective order or other appropriate remedy. Supplier shall disclose only the portion of the Confidential Information legally required to be disclosed and shall use reasonable efforts to obtain confidential treatment for the disclosed information.

7.3 Upon Buyer's written request or upon termination of this Contract, Supplier shall promptly return to Buyer or destroy all of Buyer's Confidential Information, as practically applicable, and shall not use Buyer's Confidential Information for its own, or any third party's benefit. At Buyer's request, Supplier shall provide a written certification, signed by an authorized representative of Supplier, confirming its compliance with the foregoing obligations. Notwithstanding the foregoing, Supplier may retain Confidential Information to the extent contained in routine, automated backup or archival systems, provided that such Confidential Information is not readily accessible in the ordinary course of business, is not restored or used except as required for disaster recovery or system restoration purposes, and remains subject to the confidentiality, use, and nondisclosure obligations of the Contract until deleted in accordance with Supplier's ordinary-course retention and deletion practices. If any retained Confidential Information is restored, Supplier shall promptly delete or destroy it after the applicable restoration purpose has been completed. Supplier's confidentiality obligations shall survive termination of this Contract for so long as Buyer's Confidential Information remains confidential. To ensure 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.

8. Warranties

8.1 Supplier warrants that all Products will: **(a)** conform to the specifications, instructions, drawings, samples or descriptions in all respects; **(b)** 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; **(c)** be merchantable, fit for their intended purpose, be of good material and workmanship, and free from defects; and **(d)** 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. Buyer's records relating to the Products shall be conclusive evidence of non-compliance. In carrying out any services, Supplier will ensure the best technical practices, skills, procedures, safety standards, care, and judgment will be used. These warranties will remain in effect for the longer of: **(i)** the period provided by applicable law where the Products are used; or **(ii)** 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 sole 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 **(1)** in inspecting, sorting, repairing, or replacing such nonconforming goods; **(2)** resulting from or in production interruptions, premium freight, additional insurance costs and premiums, overtime, downtime, containment, and de-installation, **(3)** conducting recall campaigns or other corrective service actions, maintenance or safety instructions, trainings, and warnings, **(4)** relative to claims for personal injury (including death) or property damage caused by such nonconforming Products, and **(5)** any environmental contamination and cleanup cost. As to Products made for resale, Supplier agrees Buyer may make similar warranties to its customers in reliance upon the foregoing and Supplier agrees to be bound to Buyer in the same manner in which Buyer is bound to its customers. 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. Buyer's rights pursuant to this section are not exclusive and are cumulative to Buyer's other rights under this Contract.

8.2 Supplier understands and agrees that Buyer checks the delivered goods against the accompanying documentation only for the purpose of identifying them and to verify the quantity as well as to look for any outwardly visible damage caused during transportation, and Supplier expressly waives any defense against a breach of warranty claim premised on Buyer's right to inspect Products delivered.

9. Indemnification

9.1 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 cleanup cost, additional insurance costs and premiums, other expenses and/or fees (including actual 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)** any defect in the Products; **(c)** noncompliance by Supplier of its representations, warranties, legal or compliance requirements, or any other obligations under this Contract; or **(d)** negligence or fault of Supplier in connection with the design or manufacture of Products or wrong or in-complete installation, shipping, use, maintenance, environmental health or safety instructions, including any reasonably required post-sale warnings and instructions. 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.

10. Insurance

10.1 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 Buyer Property (as defined above) 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.

10.2 Supplier shall maintain product liability insurance and product recall insurance, each with limits of not less than $5,000,000 (Five Million U.S. Dollars) per occurrence. Supplier's liability under the Contract shall not be limited by the required insurance coverage or the amount of insurance available.

11. Quality

11.1 Supplier shall 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 from time to time in quality manuals and/or instructions.

11.2 Throughout its entire business relationship with Buyer, Supplier shall **(a)** maintain and operate a quality management system that, at a minimum, complies with ISO 9001 and any other specific quality standard as applicable to the Products procured (e.g., ISO 22000 for food safety, ISO 22716 for cosmetics, etc.), ensuring the consistent delivery of Products meeting Buyer's quality expectations and requirements; **(b)** continuously monitor its compliance with such quality management system; **(c)** conduct periodic audits to measure its compliance with such quality management system; and **(d)** promptly report any deviations / non-compliance with such quality management system to Buyer in writing and promptly implement all necessary measures to correct and mitigate such deviation or non-compliance.

11.3 Buyer shall have the right to inspect, audit, and verify Supplier's processes from time to time upon prior notice. Supplier shall grant Buyer access to certification and audit reports, as well as to test procedures carried out by Supplier, including all test-related records and documentations concerning the delivery.

12. Electronic Communications and Financials

12.1 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.

13. Termination for Cause; Termination for Convenience

13.1 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 date Buyer issues its termination notice, 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 **(i)** 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 **(ii)** 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 **(iii)** the reasonable value or cost (whichever is higher) of any goods or materials that Buyer elects not to purchase and authorizes Supplier in writing to retain, use, return, sell, or otherwise dispose of. 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: **(1)** take actions necessary to protect property in Supplier's possession in which Buyer has an interest until disposal instruction from Buyer has been received; and **(2)** return or destroy Buyer's Confidential Information in accordance with the confidentiality section above.

14. Transition Support

14.1 Upon expiration or termination, Supplier shall continue performance for a transition period reasonably requested by Buyer, on the same terms, and provide information, tooling, inventory, technical assistance, and a reasonable reserve of Products necessary to avoid interruption and transition supply to Buyer or an alternate supplier. Supplier shall not condition transition support on resolution of a dispute.

15. Limitation on Buyer's Liability

15.1 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 this Contract shall in no case exceed the price allocable to the Products which give rise to the claim.

16. Force Majeure

16.1 Neither party shall be liable to the other party for a 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 upon such party becoming aware that an event of Force Majeure may delay or interrupt performance hereunder, with such notice including specific details concerning the event and anticipated duration. In the event of constrained capacity, whether excused or not, Supplier will use reasonable efforts to utilize capacity planned for Buyer to meet Buyer's requirements, and Supplier will otherwise provide Buyer first priority of available capacity allocation, and in no event will Buyer's available allocation be lower than the proportion of Buyer's pre-allocation Orders as a percentage of Supplier's business for the Products. Acceptance by Buyer of such percentage of its Orders will not be a waiver of any rights or remedies which Buyer may have as a result of Supplier's failure to ship all ordered Products. If Supplier is fully or partially unable to perform for any reason, Buyer may cancel or terminate any part of its Order or the Contract and purchase Products from other sources and reduce its purchases from Supplier accordingly without liability to Supplier. In the event Supplier declares Force Majeure, Supplier shall remain responsible for any obligations which have accrued but not yet been performed as of the date of the Force Majeure event.

17. Inspection and Audit

17.1 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 ensure Supplier's compliance with the terms of the Contract and Buyer's or Buyer's customers' 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. Netting, Setoff, and Recoupment

18.1 All amounts due from Buyer or Buyer's affiliates to Supplier or Supplier's affiliates shall be net of any indebtedness or other obligations of Supplier or Supplier's affiliates to Buyer or Buyer's affiliates. Buyer or any of Buyer's affiliates may, without notice to Supplier or any of Supplier's affiliates, set-off against or recoup from any amounts due or to become due from Supplier or Supplier's affiliates to Buyer or Buyer's affiliates, however and whenever arising. In the event Buyer or any of Buyer's affiliates reasonably feels itself at risk as to any amount owed by Supplier or Supplier's affiliates, Buyer or Buyer's affiliates may withhold and recoup a corresponding amount due Supplier or Supplier's affiliates to protect against such risk. In addition to any rights otherwise provided or allowed by law or the Contract, Buyer or any of Buyer's affiliates may retain or defer payment of all or any portion of the amount due from Buyer or Buyer's affiliates (even if such amount is not disputed, contingent, or unliquidated, and is otherwise due) to the extent of any obligation of Supplier or Supplier's affiliates to Buyer or Buyer's affiliates, even if such obligation is disputed, contingent, or unliquidated, until such obligation is resolved. Without limiting the generality of the foregoing, and by way of example only, in the event Supplier or any of Supplier's affiliates is subject to insolvency, bankruptcy, receivership, liquidation, or other similar proceedings, Buyer or any of Buyer's affiliates may defer payments due to Supplier or any of Supplier's affiliates, via an administrative hold or otherwise, against potential damages arising from rejection or otherwise. Supplier unconditionally guaranties payment when due of all existing and future obligations of any of its affiliates to Buyer or any of Buyer's affiliates, provided however, that the amount guaranteed by Supplier shall not exceed the amount owed by Buyer to Supplier under the Contract from time to time and at any given time.

19. Independent Contractors

19.1 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.

20. Advertising

20.1 During and after the term of the Contract, Supplier will not advertise or otherwise disclose its relationship with Buyer or Buyer's Customers without prior written consent from an authorized representative of Buyer, except as may be required to perform the Contract or as required by law.

21. Remedies

21.1 The rights and remedies reserved to Buyer in the Contract shall be cumulative and in addition to all other or further remedies provided at law or in equity. Without limiting the generality of the foregoing, Supplier agrees money damages would not be a sufficient remedy for any actual, anticipatory, or threatened breach of the Contract by Supplier with respect to its delivery of Products to Buyer and that, in addition to all other rights and remedies that Buyer may have, Buyer shall be entitled to specific performance and temporary, preliminary, and permanent injunctive or other equitable relief as a remedy for any such breach, without proof of actual damages and without bond or other security being required.

22. Continued Performance During Dispute

22.1 During the period that any matter governed by the Contract is in dispute and during all phases of any dispute resolution process, Supplier shall continue to perform its obligations under the Contract to ensure Buyer's and Buyer's Customer's production or operations are not interrupted.

23. Governing Law, Jurisdiction, and Venue

23.1 This Contract shall be governed by and construed in accordance with the laws of the State of Michigan, United States, 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 Michigan and the United States District Court for the Eastern District of Michigan 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.

24. Dispute Resolution

24.1 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 senior business executives designated by each party. Such executives 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 Michigan, United States, 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.

25. Assignment, Subcontracting

25.1 Supplier shall not delegate, subcontract, or transfer the Contract or any material duty without Buyer's prior written consent. Neither party may assign this Contract 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 Contract, 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 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 the terms and conditions of the Contract. Supplier shall remain fully responsible for the performance of its subcontractors and for their acts and omissions. Supplier shall notify Buyer in writing of any Change of Control within seven (7) days after Supplier is legally permitted to provide such notice. For purposes of this Section, "**Change of Control**" includes any merger, consolidation, reorganization, sale or transfer of a controlling ownership interest in Supplier, or sale or transfer of all or substantially all of Supplier's assets or of the business or assets used to perform this 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.

26. Waiver, Entire Agreement, Severability

26.1 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 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.

27. Certification Statements and Customs

27.1 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 USMCA documentation, as applicable.

28. Compliance

28.1 Supplier shall, at its expense, comply with all applicable federal, state, local, and foreign laws, statutes, ordinances, rules, regulations, orders, and governmental requirements, including applicable import and export control requirements, relating to Supplier's performance under the Contract or the Products (collectively, "**Applicable Laws**"). Supplier shall obtain and maintain all permits, certificates, licenses, insurance, approvals, and inspections required to perform its obligations under the Contract. At Buyer's request, Supplier shall provide written certification and reasonable supporting documentation of its compliance with Applicable Laws. Supplier shall provide Buyer with current safety data sheets for the Products and all other information and documentation reasonably required for Buyer to comply with Applicable Laws. Supplier shall indemnify and hold harmless Buyer, its affiliates, and their respective directors, officers, employees, and agents from and against all claims, liabilities, losses, damages, penalties, costs, and expenses, including reasonable attorneys' and other professional fees, arising out of or relating to Supplier's failure to comply with Applicable Laws. If the Contract supports a program involving the supply of goods or services to the U.S. government (including the federal government departments, agencies, and instrumentalities), Supplier shall comply with all applicable Federal Acquisition Regulation and agency supplement provisions identified by Buyer for flow-down to Supplier and shall maintain the capabilities and records necessary to demonstrate such compliance. Supplier shall also comply with: (i) the attached Compliance with Laws Addendum; (ii) Buyer's Supplier Manual; and (iii) Buyer's Code of Conduct for Suppliers, in each case as provided or otherwise made available to Supplier by Buyer (collectively, the "**Compliance Materials**"). The Compliance Materials are incorporated by reference into the Contract. Buyer may update the Compliance Materials from time to time by providing Supplier with reasonable notice; provided that no update will retroactively apply or materially alter the commercial terms of an outstanding Order.

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a brand of FREUDENBERG

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 United States-Mexico-Canada Agreement ("**USMCA**"), 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 USMCA 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 **(a)** receive these benefits, credits, and rights, **(b)** fulfill any customs obligations, origin marking or labeling requirements, and certification or local content reporting requirements, **(c)** claim preferential duty treatment under applicable trade preference regimes, and **(d)** 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: **(a)** 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 **(b)** 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 **(1)** fails to comply with this paragraph, or **(2)** 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.

German Supply Chain Act: Supplier undertakes to comply with all laws applicable to it, as well as other codes of which it is notified by Buyer in accordance with the German Act on Corporate Due Diligence in Supply Chains (the "**German Supply Chain Act**"). This includes, in particular, taking appropriate measures to prevent or mitigate risks to human rights or the environment, or end the violation of duties thereto, including without limitation, prohibitions on child or enslaved labor, employment, and wage discrimination, and bans on the manufacture, handling, use, or export of certain products and compounds, including, without limitation, mercury and hazardous wastes. Supplier shall establish, or hereby affirms it already has established, due diligence procedures sufficient to safeguard human rights and the protection of the environment in Supplier's global supply chain, and shall defend and indemnify Buyer, and any party to whom Buyer owes defense or indemnification obligations, from and against any claims arising from Supplier's violation of the German Supply Chain Act, or any third party for whom Supplier is or becomes responsible.

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 REACH Warranties. Specifically, Supplier shall appropriately mark and label Products which are subject to the flammable or dangerous goods rules or regulations. Where no proper notification is given, Supplier shall be liable to Buyer for any and all resulting losses, costs, liabilities, damages, any type of liability for environmental contamination and cleanup cost, additional insurance costs and premiums, other expenses and/or fees (including actual attorneys' fees) of whatever kind (and the same shall apply to such losses on claims made against Buyer by third parties as a result of such losses.

Health, Safety & Environment: Supplier warrants that it has and maintains an HSE management system analogous to ISO 14001, OHSAS 18001, and ISO 50001. It continuously undertakes to improve its environmental performance as well as workplace safety. The target for occupational safety is "Zero accidents." Furthermore, through appropriate risk and crisis management, Supplier shall contribute to the avoidance of any missed deliveries caused by disruptions in the production process (fire, strike etc.).

CA Proposition 65: Supplier will notify Buyer in writing before proceeding to accept the Contract if any of the chemicals listed on the following website (or any successor Proposition 65 list) are utilized for the Products supplied to Buyer under the Contract: http://oehha.ca.gov/proposition-65/proposition-65-list. If any of those chemicals are utilized for the Products supplied to Buyer under the Contract, Supplier warrants to comply with the California law commonly known as "**Proposition 65**" and that all materials used in the manufacture of the subject Products comply with California Proposition 65.

RoHS: Supplier warrants and agrees that the Products supplied to Buyer under the Contract are compliant with the European Union Directives on the Restriction of Hazardous Substances (RoHS-1 No. 2002/95/EC and RoHS -2 No. 2011/65/EU) and country and regional equivalents ("**RoHS**"). Supplier will notify Buyer in writing before proceeding to accept the Contract if any of the following materials are utilized for the Products supplied to Buyer (regardless of whether RoHS component exemptions are claimed by Supplier): Mercury & Mercury Compounds, Lead & Lead Compounds, Cadmium & Cadmium Compounds; Hexavalent Chromium & its compounds; Polybrominated Byphenyls (PBB); Polybrominated Diphenylethers (PBDE); Hexabromocyclododecane (HBCDD); or any other chemical or hazardous material otherwise restricted pursuant to RoHS. Supplier agrees to promptly furnish all necessary information and records evidencing the Products' compliance with RoHS upon request by Buyer. Additionally, Supplier shall promptly provide material declarations upon request with respect to the Products provided to Buyer hereunder.

Nanomaterials: Supplier warrants that the Products supplied to Buyer under the Contract do not contain, and are not manufactured with, nanomaterials. Nanomaterials are materials with at least one dimension of 1-100nm, or materials intentionally designed to exhibit physio-chemical properties different from those of the non-nanoform of the same material. Supplier will notify Buyer in writing before proceeding to accept the Contract if any Product supplied to Buyer under the Contract contains or is manufactured with nanomaterials.

California Transparency Supply Chain Act. Supplier warrants that neither Supplier nor any of their subcontractors, vendors, agents or other associated third parties 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 to Buyer. Supplier will notify Buyer in writing before proceeding to accept the Contract if any Product supplied to Buyer under the Contract does not comply with the foregoing warranty. Supplier agrees to remain in compliance with such warranty and with Buyer's Statement on Slavery and Human Trafficking pursuant to the California Transparency Supply Chain Act.

Certification: At Buyer's request, Supplier will certify its compliance, in a reasonable amount of time and in a format acceptable to Buyer, with the foregoing provisions of this Addendum.