

1. General and Acceptance of Terms

- a. A purchase order ("PO") issued by Sharp to Supplier for the procurement of goods, materials, supplies, articles, equipment, structures, work, or services ("Items") is an offer by Sharp to Supplier for the purchase of such Items. Any reference in the PO to conditions of the Supplier's proposal, quotation, or offer shall be for reference only and effective only to the extent to which the PO and these Terms are not inconsistent with such reference.
- b. A PO will be solely governed by the express terms of the PO, these Terms, and any subsequent PO amendments. Any modifications proposed by Supplier are expressly rejected by Sharp and shall not become part of the transaction unless specifically agreed to in writing by Sharp.
- c. Supplier's (i) written acceptance of the PO or (ii) commencement of performance of that which forms the subject matter of the PO shall constitute acceptance by Supplier of all these Terms, unmodified and in their entirety. Once accepted, such PO together with these Terms and the most current confidentiality agreement executed between the parties, will be the complete and exclusive statement of the purchase agreement between Sharp and Supplier and supersedes all prior understandings, quotations, proposals, or other communications relating to the subject matter of the PO.
- d. Sharp may cancel a PO at any time, (without liability), before acceptance by Supplier.
- e. Sharp may, at any time by written notice to Supplier, change the quantity, design processing, method of packing, shipping, and the date or place of delivery of the Items. If any such change affects the Supplier's cost or timing, Sharp will adjust the purchase price and delivery schedule equitably.
- f. In the event of any inconsistency or conflict between these Terms and a PO the provision contained in the PO shall control and take precedence.

2. Scope of Performance / Modifying the Scope of Performance / Spare Parts

- a. The scope of the services to be performed by the Supplier ("Work") arises primarily from the specifications, scope of work ("SOW"), the PO, and these Terms.
- b. Supplier must carefully review the specifications, Work descriptions, and any other information, materials, parts, and other items made available to the Supplier

- concerning the PO ("Objects"). A supplier must determine the suitability of the Objects for the use intended by Sharp and Sharp's end customer. If, based upon this review, Supplier believes that it is necessary or advisable to make modifications or adjustments to the Objects or the Items, the Supplier must inform Sharp, in writing, without undue delay. Upon receipt of such notice, Sharp will, thereafter, inform the Supplier what modifications, if any, the Supplier must make. If the Supplier believes that such modifications may give rise to a change in the cost of the Items, or that the agreed delivery dates cannot be complied with, then the Supplier must inform Sharp of such without undue delay. The parties shall mutually agree to reasonable modifications of the PO necessitated by such modifications. If an agreement is not reached within a reasonable period, Sharp shall be entitled to equitably decide the modifications in its sole discretion.
- c. Supplier must ensure that it obtains knowledge of all important data and circumstances required for performing the PO. If the Supplier requires additional information from Sharp it must make such request, in writing.
 - d. In performing its Work, the Supplier must observe all rules, norms, laws, regulations, statutes, and other applicable legal requirements including, but not limited to regulations concerning environmental protection; hazardous substances and goods; safety; OSHA; accident prevention; technical-safety regulations as well as the applicable Sharp standards.
 - e. Supplier shall advise Sharp of any permit and reporting obligations required by the public authorities, if any, for the import and operation of the Items. Supplier shall comply with all export control regulations and, no later than at the time of delivery, notify Sharp in writing of any export-control marking of the Items or parts thereof. For each Item, or part thereof, affected by the export control, the relevant export-control list and the list position must be designated. Sharp may request modifications to the Items at any time. Supplier shall comply with any such request and make the modifications without undue delay. If Supplier believes the requested modifications would give rise to an increase in the cost of the Items, or that the agreed delivery dates cannot be met, then the Supplier must inform Sharp, in writing, without undue delay. Sharp and Supplier shall endeavor to agree to any reasonable change to the PO caused by the modifications. However, if a consensus is not reached within a reasonable period, Sharp

shall be entitled to adjust, in its sole discretion, as it considers fair.

- f. A PO may not be assigned, subcontracted, or delegated in whole or in part by Supplier without first obtaining Sharp's prior written consent, which consents Sharp may withhold at its absolute discretion. **In the event of such an assignment or any approved subcontract, the Supplier shall ensure the flow down of all these Terms in their entirety to the assignee and/or subcontractor.**
- g. Before the commencement of the fabrication of Items, all fabrication documents must be submitted by the Supplier to Sharp for approval. Approval of such documents by Sharp does not affect the Supplier's obligations or liability to Sharp or third parties under the PO or governing law.
- h. The Supplier warrants for a period of ten (10) years after delivery of the Items that it will be able to supply Sharp with additional Items, or parts thereof as spare parts.
- i. Supplier (and all its subcontractors) must maintain all records regarding each PO and items supplied by it to Sharp for the period defined in the applicable customer-specific specification. If no customer requirement is specified, the record retention period is (7) seven years.

3. Prices / Terms of Payment

- a. The purchase price shall be identified as a flat-rate fixed price unless an account settlement based on time (hourly rates) and materials have been expressly agreed in writing by Sharp. Unless other terms of payment have been agreed to, payment net will be made net 30 days from the later date of delivery/final acceptance of the Items by Sharp and the date of receipt of the Supplier's invoice.
- b. Invoices must include the following information: allocation to an account; unloading location; supplier number; PO number; part number; number of units; and unit price. The invoice must also contain all information entitling the input tax deduction (particularly the tax number or turnover- tax identification number), invoice number, and any other information that must be included in a Supplier's invoice under governing law. If the invoice fails to include the foregoing data, Sharp shall not be obligated to pay the stated turnover tax. If, because of an improper invoice, Sharp is not entitled to deduct input tax, then the Supplier must reimburse Sharp the turnover tax paid.
- c. Sharp may choose the form of payment. The

supplier will participate in Sharp's self-billing or electronic funds transfer procedure when requested to do so.

- d. Supplier agrees all accounts with Sharp will be administered on a net settlement basis and that Sharp may set off and recoup debits and credits against any of Supplier's accounts with reasonable notice to Supplier. The supplier is only entitled to set off claims against Sharp if the claim is undisputed or if it has been judicially determined as a final, conclusive, and non – appealable order of a court with competent jurisdiction.
- e. The Supplier may not assign its obligations or rights under a PO to any third party without the prior written approval of Sharp. Supplier may not increase prices for Items without at least thirty (30) days prior written notice to, and consent of, Sharp. All prices outlined in any PO accepted by Supplier will remain firm for the Items ordered and may not be increased for any reason whatsoever.
- f. Supplier shall not include as a portion of the price of the Items, or otherwise charge Sharp, any sales, use, excise, import, or other local or foreign taxes, duties, or assessments on the Items. If the Supplier is required by law to include any such taxes in the price, the Supplier will separately detail such on Supplier's invoices. Supplier and Sharp will provide each other with any necessary certificates or other documentation evidencing the inapplicability of, or exemption from, any sales, excise, use, or other taxes to which either Sharp or Supplier may be entitled. Supplier may not increase prices for Items without at least thirty (30) days prior written notice to, and consent of, Sharp. All prices outlined in any PO accepted by Supplier will remain firm for the Items ordered and may not be increased for any reason whatsoever.
- g. Supplier shall not include as a portion of the price of the Items, or otherwise charge Sharp, any sales, use, excise, import, or other local or foreign taxes, duties, or assessments on the Items. If the Supplier is required by law to include any such taxes in the price, the Supplier will separately detail such on Supplier's invoices. Supplier and Sharp will provide each other with any necessary certificates or other documentation evidencing the inapplicability of, or exemption from, any sales, excise, use, or other taxes to which either Sharp or Supplier may be entitled.

4. Terms of Delivery / Transfer of Title

- a. Supplier must notify Sharp of every shipment on the day of dispatch.
- b. All terms as to quantity, quality, specification,

and time of delivery are material elements of any PO and must be strictly complied with. Time is of the essence for each PO. Sharp shall have no liability to the Supplier for Items delivered either later than the time, or over the quantities, specified in the PO, which Items may be returned by Sharp at Supplier's cost. Sharp is not obligated to accept Items delivered before the agreed delivery date. Supplier bears the risk of loss, damage, or destruction of Items delivered before the delivery date.

- c. Supplier must follow all packing, shipping, and transportation instructions, rules, and regulations provided by Sharp. Items must be properly packed, by state-of-the-art packaging standards.

Suppliers must include a delivery note (in duplicate) with every delivery. The delivery note must contain a copy of the PO, a list of the Items enclosed, and the Supplier number.

- d. Title to the Items or parts thereof, shall pass to Sharp upon the commencement of fabrication or commencement of acquisition by the Supplier of all materials associated with the Items (including all engineering data and drawings). Supplier grants Sharp a security interest in all such items. The title passes to Sharp independent of the payment for the Items. Transfer of title in this paragraph will not constitute a final or intermediary acceptance of any of the Items.
- e. Sharp does not accept any kind of reservation of title (or security interest) by the Supplier concerning the Items. Sharp does not grant the Supplier any such security or ownership interest in the Items.

5. Intellectual Property

- a. Intellectual Property ("IP") means inventions, discoveries and improvements, know-how, technical data, drawings, specifications, process information, reports and documented information, and computer software. IP includes all worldwide common law and statutory rights to the foregoing, including but not limited to, patents, industrial designs, trade secrets, copyrights, and mask work registrations.
- b. "Background IP" means IP owned or developed by the Supplier before or outside the scope of a PO ("Background IP"). Supplier grants to Sharp an irrevocable, nonexclusive, sublicensable, perpetual, paid-up, royalty-free, worldwide license (i) to use, reproduce, distribute, modify, and prepare derivative works of Background IP and (ii) to use, make, have made, offer for sale, sell,

distribute and import products and services that incorporate or embody such Background IP, in each case solely as necessary for fully exploiting Sharp's rights in the services, products and other deliverables provided by Supplier to Sharp under a PO and Sharp's rights in Foreground IP.

- c. Supplier shall enter into agreements with its personnel to enable the grant of rights to which Sharp is entitled under this Section 5.
- d. To the extent Supplier incorporates third-party IP into any contract deliverable, Supplier shall obtain for Sharp at least the license rights granted in paragraph b of this Section 5 in such third-party IP, at no additional cost to Sharp. All IP conceived, developed, or first reduced to practice by, for, or with Supplier, either alone or with others, in connection with the performance of a PO (collectively, "Foreground IP") shall be the exclusive property of Sharp. To the extent Foreground IP consists of works of authorship, such works shall be works made for hire with the copyrights vesting in Sharp. Supplier hereby transfers, conveys, and assigns all rights, titles, and interests in such Foreground IP free of charge to Sharp. Supplier hereby irrevocably transfers, conveys and assigns all rights, title, and interest in any other Foreground IP not considered a work made for hire free of charge to Sharp.
- e. Supplier shall promptly disclose in writing to Sharp all inventions, whether patentable or not, in sufficient technical detail. Supplier shall promptly execute all written instruments and assist as Sharp reasonably directs to file, acquire, prosecute, maintain, enforce, and assign Sharp's Foreground IP rights.

6. Dates / Delay / Losses Caused by Delay

- a. Milestone and delivery dates are binding. However, Sharp may, in its sole discretion, change delivery schedules or direct temporary suspension of scheduled shipments without any additional obligation to the Supplier.
- b. Supplier must notify Sharp writing when it believes that there will (or maybe) any delay of its performance under a PO or there may be problems with delivering in the agreed quality. However, providing such notice neither relieves the Supplier of its delivery obligations under a PO nor limits Sharp's remedies for delayed or improper delivery of the Items.
- c. Sharp may require shipment of Items by a more expeditious method of transportation if the Supplier fails to meet the shipping requirements of the PO and the Supplier shall bear the cost difference of such transportation

unless such failure is due to a Force Majeure Event.

- d. If the Supplier does not deliver the Items on time, Supplier acknowledges that Sharp will sustain damages that are or may be difficult to quantify. Accordingly, in such cases, the Supplier shall pay Sharp liquidated damages equal to the greater of 0.5% of the total value of the PO for each full week of delay, capped at 5% of the total value of the PO; or the amount equal to the liquidated damages calculation required in the Sharp customer prime contract. The payment of liquidated damages shall not affect any other claims that Sharp may be entitled to bring against the Supplier under applicable law. Liquidated damages paid by the Supplier will be credited against any other claim for damages that Sharp may have against the Supplier based on the Supplier's delay.

7. Information, Documents, Confidentiality

- a. The supplier undertakes to keep strictly confidential all Confidential Information obtained in connection with every PO and its contact with Sharp and to use such information solely for the PO. The foregoing obligation does not apply if the information is common knowledge; has been lawfully obtained by the Supplier from a third party; or has been acquired independently by the Supplier or a third party. "Confidential Information" includes, for example, processes; techniques; procedures; intellectual property (including patents, trademarks, copyrights, know-how, and trade secrets); project information; policies; agreements; technical data; the PO; amounts, prices, and other information on Sharp products, product developments; current and future Sharp research and development projects; operations and all corporate data of Sharp (including these Terms and any PO).
- b. Supplier must keep confidential all designs, writings, documents, models, films, blocks, die-cuts, plans, specifications, blueprints, equipment systems, drafts, samples, fabrication materials, models, data carriers, prototypes, illustrations, drawings, calculations, knowledge, and any other documents or materials made available to it by Sharp (collectively, including any copies or duplicates thereof, the "Documents"). Supplier shall not allow third parties (including sub-suppliers) access to Documents without Sharp's prior written consent. A supplier must refrain from using Documents for any purpose other than those agreed to by Sharp in writing. The obligations of this paragraph do

not apply to Documents: that the Supplier (i) already had rightful possession of at the time of receipt from Sharp; (ii) rightfully obtained from a third party who was under no duty of confidentiality; (iii) that are or become publicly known without breaching any duty of confidentiality; or (iv) for which Supplier has been granted written authorization to disclose.

- c. Sharp retains legal title to (and all other rights in) the Confidential information and Documents whether they are capable of being protected by law (e.g., by copyright, trademark, or patent). Duplicates or copies of Confidential Information and Documents may only be made with the prior written consent of Sharp and shall belong to Sharp.
- d. All the Documents and Confidential Information (including but not limited to copies, sketches, or notes) must be returned to Sharp without undue delay upon request by Sharp, but in any event later than the termination or completion of the PO. Sharp is entitled to request the return of the Documents and Confidential Information at any time. The Supplier must comply with any such request as it has absolutely no rights of retention of (or liens on) the Documents and Confidential Information.
- e. Anything produced by the Supplier either from the Documents, the Confidential Information, any item originating from (or commissioned by) Sharp, or from any information designated as confidential, may only be used by the Supplier for the purpose allowed in the PO. Supplier may not, without Sharp's prior written consent, offer or deliver such to any third party.
- f. All subcontracts, purchase orders, and other agreements that the Supplier enters with third parties under the performance of any PO with Sharp, must include appropriate language and terms that bind the third party to comply with all the obligations outlined in this Section VI.
- g. Supplier is not allowed to advertise its business relationship with Sharp without Sharp's prior written approval.
- h. Any unpatented knowledge or information concerning Supplier's goods, methods, or manufacturing processes which Supplier may disclose to Sharp incident to the manufacture and sale of Items covered by a PO shall be deemed to have been disclosed to Sharp as part of the consideration for the PO. Supplier agrees not to assert any claim against Sharp because of Sharp's use or alleged use of such knowledge or information.

8. Provided Materials

- a. Any materials provided by Sharp to Supplier ("Materials") shall remain the property of Sharp. The Supplier may only use the Materials in conjunction with its performance under a PO and shall not use the Materials in the production of any goods or materials for any party other than Sharp.
- b. Supplier shall use the Materials at its own risk and shall bear all risk of loss or damage which occurs to the Materials while they are under Supplier's custody or control (despite Supplier's exercise of due care), normal wear and tear excepted. Supplier shall replace Provided Materials if damaged or destroyed.
- c. Materials must be: (i) inspected by the Supplier immediately upon receipt and any defects must be reported in writing to Sharp without undue delay; (ii) marked as being the property of Sharp; (iii) maintained and used safely and securely; (iv) kept separate from the property of Supplier or that of a third property; and (v) not moved to another location without the prior written consent of Sharp.
- d. To the fullest extent permitted by law, Supplier will indemnify and hold Sharp harmless from and against any claims, costs, or damage resulting from or in conjunction with the mounting, use, storage, or repair of the Materials.
- e. Supplier will adequately insure the Materials against loss or damage (all risk insurance) in an amount no less than their replacement value. Sharp shall be named the loss payee (solely concerning claims involving Materials) under all such policies.
- f. Sharp, our customer, and regulatory authorities are entitled to a right of access to applicable areas of the Supplier's facilities involved in the Purchase Order and applicable records. Sharp at any time during normal business hours may enter the business premises of the Supplier to (i) inspect the Materials; (ii) remove the Materials; or (iii) demand their return by Supplier.
- g. When Sharp makes such a demand for return, the Supplier must surrender the Materials without undue delay. The Supplier has no rights of retention of (or liens on) the Materials.
- h. Supplier shall return the Materials immediately upon completion, termination, or cancellation of a PO.

9. Quality Management

- a. Suppliers must maintain a quality control system based on the ISO9001 Quality Management System requirements that are acceptable to Sharp. Supplier shall allow Sharp to review procedures, practices, processes, and related documents to determine the acceptability of Supplier's quality control system. Supplier shall promptly notify Sharp on every occasion of any violation of, or deviation from, Supplier's quality control system and must advise Sharp of the quantity (and specific identity) of any Items delivered to Sharp that may be affected by any such violation. If requested by Sharp, the Supplier must adapt its quality control system to comply with Sharp's standards.
- b. Sharp is AS9100 certified and as such follows Clause 8.1.4 of the AS9100 standard, "The organization shall plan, implement, and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to the customer." The supplier is also required to comply with Clause 8.1.4 of AS9100D.
- c. Supplier must immediately notify Sharp of any non-conforming Items and shall follow Sharp's instructions regarding disposition of same.
- d. Supplier must notify, and obtain Sharp's approval for any changes in Items, processes, location of manufacturing facilities, or other issues that may affect the quality of the Items supplied by Supplier.
- e. Items shall be subject to inspection and acceptance or rejection by Sharp after delivery, notwithstanding prior payment; it is understood that payment by Sharp shall not constitute acceptance by Sharp. After delivery of the Items, Sharp will carry out an "identity and volume" inspection (to check whether the Items are the correct ones in the correct amount). Sharp will also inspect the delivery for manifest transport damage. If Sharp discovers a defect during such inspections Sharp will notify the Supplier. Sharp will notify the Supplier of defects that are not discovered during the such inspection within a reasonable time after such defect has been found during countless operations. Supplier waives any defense of laches or that the notification of the defect was otherwise untimely made.
- f. Sharp may charge the Supplier the expense of unpacking, examining, repacking, storing, and reshipping any Items found defective or not in conformity with any PO. Sharp shall have the right (in addition to recovery of

damages) to: (i) require Supplier to replace any defective or non-conforming Item; (ii) return such rejected Item to Supplier; or (iii) correct the Item. All payments made on such rejected Items shall be immediately refunded by Supplier to Sharp.

10. Warranty / Liability for Defects

- a. Supplier warrants that the Items: (i) conform to the specifications, drawings, samples, illustrations, and other requirements furnished or specified by Sharp; (ii) are free from defects in design, manufacture, and material; (iii) are new and otherwise of merchantable quality; (iv) will not, through their design, delivery, use, or operation, infringe upon the rights of third parties including any actual or claimed patent, copyright or trademark infringement; (v) are fit and sufficient for the purposes for which they are intended; (vi) are free from liens, encumbrances or any defect in the title of any kind; (vii) are of good material and workmanship; (viii) comply with all applicable federal, state and local rules, regulations, ordinances and industry, scientific and technological standards; and (ix) if services will: (1) be provided by appropriately qualified and trained personnel; (2) will be performed in a competent and workmanlike manner by sound practice and state of the art in the industry and with the highest degree of professional standards of skill, care, and diligence; and (3) conform with the statement of Work in the PO.
- b. Should an Item fail to comply with any of the foregoing warranties ("Defective Items"), in its sole discretion Sharp shall be entitled to demand that the Supplier either:
 - (i) repair the Defective Items at the Supplier's risk and expense, or (ii) replace the Defective Items with defect-free Items.
- c. If the Supplier does not comply with its obligation under paragraph b of this Section, or if for other special circumstances where immediate action must be taken, Sharp shall be entitled to repair or replace the Defective Items itself or have them repaired or replaced by a third party. In such cases, Supplier must reimburse Sharp all of the costs and fees incurred in conjunction with such repair or replacement (including but not limited to transport, handling, mounting/removal, material, and labor costs).
- d. Except for the warranties of title, infringement, and compliance with laws (subparagraphs (iv), (vi), and (viii) of paragraph an of this Section) which warranties shall last indefinitely, the warranty period for Items is the longer of 12

months after acceptance by Sharp or the timeframe required by the Sharp customer in its primary contract.

11. Liability/Indemnity and Insurance

- a. Unless caused solely by Sharp, Supplier must defend, indemnify and hold Sharp harmless from and against any liability, lawsuit, claim or action -regardless of the merits thereof (hereinafter a "Claim") and pay any loss, damage, judgment, cost or expense associated therewith including, without limitation, attorneys fees, (collectively "Damages") arising from any death or injury to any person, or damage to or destruction of property, or any other actual or alleged loss whatsoever, of whatever kind or nature, foreseeable or unforeseeable, suffered by any individual or entity, resulting or alleged to result in whole or in part from: (i) the supply of defective Items; (ii) the breach of any obligation or duty by Supplier; (iii) Supplier's failure to comply with the PO or these Terms; (iv) breach of warranty; (v) the acts or omissions of any employee, agent or subcontractor of Supplier or anyone acting under or pursuant to Supplier's direction and control; (vi) alleged infringement of any patent, copyright, trademark or intellectual rights of a third party; and (vii) any work that that was performed on the business premises of Sharp or one of Sharp's customers.
- b. If a PO requires performing the Work on the business premises of Sharp or one of its customers, the Supplier must take all necessary precautionary measures to prevent injury to persons or damage to property while performing such Work. The Supplier shall be liable for the acts of its employees, agents, representatives, and sub-contractors performing under any PO.
- c. Supplier shall purchase (and maintain in effect) appropriate insurance coverage in conformance with industry standards in terms of both subject matter and amount of coverage. At a minimum, the Supplier shall carry and maintain, and shall ensure that all its subcontractors carry and maintain: Commercial General Liability insurance with available limits of not less than Two Million Dollars (\$2,000,000) per occurrence for bodily injury and property damage combined. Such insurance shall contain coverage for all premises and operations, broad form property damage, contracted liability (including, without limitation, that specifically assumed under these Terms and any PO), and goods and completed- operations insurance with limits of not less than Two Million Dollars (\$2,000,000) per occurrence. The Supplier

and its subcontractors must maintain appropriate statutory workers' compensation insurance coverage in an amount of no less than One Million Dollars (\$1,000,000). Sharp and its officers, directors, consultants, agents, and employees, shall be named as additional insureds on all insurance policies (except for the policy concerning workers' compensation) and all such insurance shall be deemed to be primary coverage and shall contain no unusual or extraordinary exceptions. The existence of insurance (or settling claims thereunder) shall not limit or otherwise affect the Supplier's liability under any PO.

- d. All insurance will be considered non-contributory to the additional insureds. All insurance policies shall contain waivers of subrogation in favor of Sharp. Such insurance shall provide coverage regardless of the negligent acts or omissions or non-performance of Sharp, its officers, directors, consultants, agents, and employees.
- e. Supplier and its subcontractors shall cover or maintain insurance by the applicable statutory requirements relating to workers' compensation concerning any employee working on or about the premises of Sharp or a Sharp customer. If, for any reason, Sharp is required by any third party to pay any workers' compensation premiums concerning an employee of the Supplier or any subcontractor of the Supplier, Supplier shall reimburse Sharp for all such payments.
- f. If licensed vehicles will be used in connection with the PO, the Supplier shall carry and maintain, and shall ensure that any subcontractor thereof carries and maintains, Business Automobile Liability insurance covering all vehicles, whether owned, hired, rented, borrowed, or otherwise, with available limits of not less than One Million Dollars (\$1,000,000) per occurrence combined single limit for bodily injury and property damage.
- g. Upon Sharp's request, Supplier will provide Sharp a certificate of insurance confirming such insurance coverage with the requirements of this Section 11. All policies shall provide for thirty (30) days advance written notice to Sharp in the event of modification or cancellation of any coverage. If the Supplier or any subcontractor thereof fails to furnish certificates, endorsements, or other evidence of coverage, such shall not constitute a waiver by Sharp of the Supplier's or subcontractor's obligations hereunder. In such a case, Sharp has the right, but not the obligation, to purchase appropriate insurance on Supplier's (or its subcontractors') behalf and Supplier will reimburse Sharp all costs

incurred as a result thereof.

12. Termination of Contract

- a. In addition to any statutory rights of termination Sharp has the right to terminate a PO (or any part thereof) at any time. Upon receipt of such termination notice, Supplier will immediately stop work on the date, and to the extent, specified in such notice, and cancel all orders and subcontracts that relate to the canceled.
- b. In the event of termination under paragraph a of this Section 12, Sharp will pay the Supplier for all finished Items accepted by Sharp as well as for the verified, documented costs to the Supplier of work in process and material allocated to the canceled PO that is not more than any prior authorization by Sharp. This provision shall not apply to items that are otherwise saleable, standard items. Title and right of possession to all delivered Items will vest in Sharp immediately upon Sharp's tender of such payment.
- c. Within thirty (30) days from the effective date of termination, the Supplier shall submit a comprehensive termination claim to Sharp together with sufficient supporting data to permit Sharp to evaluate and audit such claim. Supplier shall furnish such supplemental information as Sharp may request. Payment under this Section 12 shall constitute Sharp's only liability to the Supplier for termination of a PO.
- d. Paragraphs a through c of this Section 12 shall not apply to any termination by Sharp based upon Supplier's default, breach of contract or in the event Supplier: becomes insolvent, makes a transfer for the benefit of creditors, or if bankruptcy or any other insolvency proceedings are instituted by or against Supplier. In such cases, Sharp shall have the right to immediately terminate the PO with no further obligation to the Supplier.

13. Force Majeure

Neither party shall be liable for failure to perform in connection with a PO because of an event beyond its reasonable control and without its fault or negligence such as natural catastrophes, floods, earthquakes, cyclones, tornadoes, hurricanes, phenomena of an extreme nature such as fires, unrest, wars, sabotage, and terrorist attacks (each a "Force Majeure Event"). The party claiming a Force Majeure Event must inform the other party in writing without undue delay after the occurrence of the Force Majeure Event which notice shall include the nature and the extent of the event, its effects, as well as its expected duration. Performance under a PO shall be considered excused only for the duration of the Force Majeure Event. If the Supplier is

unable to provide reasonable assurance that a delay caused by a Force Majeure Event will not exceed thirty (30) days, or if it does exceed thirty (30) days, then Sharp is entitled to terminate the affected PO and purchase the Items from another supplier.

14. Compliance

- a. Sharp and Supplier declare their commitment to a corrupt-free business community, undertake to refrain from corrupt conduct and criminal practices, and take all necessary precautionary measures to prevent the following listed serious transgressions:
- (i) Criminal acts in business transactions, money laundering, fraud, criminal breach of trust, forging of documents, forging of technical sketches/notes, forging of evidentiary-relevant data, causing the recording of false declarations/facts, perjury, concealment of documents, and collusive bidding in conjunction with tender invitations;
 - (ii) The offering, promising, or granting of advantages to national or foreign public officials, office holders, or persons under a special obligation to the public service who decisively participate in the granting or execution of contracts;
 - (iii) The offering, promising, granting/promoting, obtaining of promises (for oneself), and accepting of advantages to/from business partners in exchange for unfair preferential treatment business transactions;
 - (iv) The disclosure or procurement (for oneself) of trade and business secrets, and the unauthorized exploitation of (technical) patterns/models; and
 - (v) Violations of competition and antitrust law
- b. Supplier warrants that the manufacture and design of the Items comply with standard rules, orders, and regulations promulgated or prescribed under the Occupational Safety and Health Act of 1970 ("OSHA") 29 USC 651, et. al. and 29 CFR 1910, et. al. All hazardous materials as defined in OSHA's Hazard Communication Rule (29 CFR 1910, 1200) must be labeled and provided with material safety data sheets as required by the above regulation.
- c. Supplier shall observe all laws, ordinances, rules, and regulations of any government unit or agency affecting the Items furnished and/or the Work and labor covered by any PO. Before commencing any Work, the Supplier and its subcontractors and vendors must review any

applicable Hazard Communication Compliance Manual at the work site (location) and must provide the appropriate documents (Material Safety Data Sheets, etc.) for all hazardous materials as defined by current OSHA Hazard Communication Rule (29 CFR 1910,1200) to be used, consumed, or installed as part of this PO.

- d. Supplier shall keep the premises of Sharp and its customer free from accumulations of material or rubbish and, upon completion of the Work, will promptly remove the same from Sharp's and its customer premises, together with Supplier's machinery, tools, and equipment.
- e. Supplier, its contractors, subcontractors, material, and all parties acting under it, agree that no construction claims or liens shall be filed or maintained by it, them, or any of them, for any Work performed or materials provided by any PO, and Supplier, for itself, its successors and other actions through or under it, waives and relinquishes the right to have, file, or maintain any construction claims or liens against the Work, services, materials, or premises of Sharp. The supplier will provide Sharp with the standard forms of waiver of lien signed by the Supplier and all contractors, subcontractors, and material men who have furnished labor and materials under any PO.
- f. Supplier will comply with all applicable local and national laws and regulations about its performance of its obligations under a PO. In particular and without limitation, the Supplier shall not act in any fashion or take any action that will render Sharp liable for a violation of the US Foreign Corrupt Practices Act of 1977 ("FCPA"), 15 USC 78 dd-1, 78 dd-2, as amended, which prohibits the offering, giving or promising to offer or give, directly or indirectly, money or anything of value to any official of a government, political party or instrumentality to assist it or Sharp in obtaining or retaining business or in carrying out the Services. The supplier's failure to comply with the FCPA shall constitute a material breach of the PO.
- g. The information which the parties may wish to disclose under a PO may be subject to the provisions of the Export Administration Act of 1979 (50 USC 2401- 2420) and the Export Administration Regulations promulgated thereunder (15 CFR 768-799), and the Arms Export Control Act (22 USC 2778) and the International Traffic in Arms Regulations (22 CFR 120-130). The parties acknowledge that these statutes and regulations impose

restrictions on import, export, and transfer (whether verbal, written, or electronic communications) to third countries (or their foreign nationals) of certain categories of data and that licenses from the US Department of State and or US Department of Commerce may be required before such data can be disclosed hereunder, and that such licenses may impose further restrictions on use and further disclosure of such data.

- h. In accepting a PO, the Supplier shall be deemed to represent that the Items to be furnished hereunder were or will be produced within the requirements of the Fair Labor Standards Act of 1938, 29 USC 201, et al., as amended. If requested by Sharp, Supplier shall insert a certificate on all invoices submitted in connection with the PO stating that the Items covered by the invoice were produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended, including Section 12(a) thereof.
- i. The Supplier agrees in conjunction with the PO and PO to adhere to Title VII of the Civil Rights Act of 1964, 42 USC 2000e, et. al. which makes it unlawful for an employer to hire or discharge any individual, or otherwise to discriminate against any individual concerning his/her compensation, terms, conditions, or privileges of employment, because of an individual's race, color, religion, sex or national origin. This covers hiring, firing, promotions, and all workplace conduct.
- j. The Supplier agrees to comply with (and shall ensure that its subcontractors comply with) all flow-down government contract provisions applicable to the PO and shall abide by all applicable US procurement laws under Federal Acquisition Regulation (FAR), 48 CFR 1, et seq., and all Executive Orders. The Supplier shall also comply with any Department of Defense priority rating applicable to the PO.
- k. In the event of a breach by the Supplier of an obligation set out in this Section 14, Sharp shall be entitled to immediately terminate the PO without notice.

15. General Provisions

- a. The PO, its execution, validity, interpretation, and termination, shall be interpreted and enforced by the laws of the State of Michigan. Sharp and Supplier waive application of the provisions of the United Nations Convention on Contracts for the International Sale of Goods ("CSIG") and any conflict of laws rules or provisions which would require the application of any other law, are expressly

excluded. Supplier agrees that Macomb County, Michigan is the place of exclusive jurisdiction for any dispute arising under or regarding any PO.

- b. The invalidity or unenforceability of any provision of these Terms or a PO under any present or future law, rule, or regulation will not affect any other provision of these Terms or the PO. In such a case, the invalid or unenforceable provision will be modified to an extent that not only allows compliance with such law, rule, or regulation but also comes closest to Sharp's intention when the PO was issued.
- c. Any waiver of strict compliance with any of these Terms or a PO must be in writing and signed by the party waiving such compliance. Any such waiver does not affect the right to insist on such compliance at a later point in time and will not operate as a waiver of any future right to bring an action based on a later breach of the same or another provision.
- d. All services performed by Supplier are performed as independent contractors. Sharp and Suppliers are neither partners nor joint venturers. In no event shall the Supplier or its agents, representatives, or employees be deemed to be agents, representatives, or employees of Sharp. Supplier's employees shall be paid exclusively by Supplier for all services performed. Neither Supplier nor its agents, representatives, or employees shall be entitled to participate in or receive the benefits of, any pension, retirement, medical insurance, or other employee benefit plan of Sharp. Supplier shall be responsible for payment of all obligations to federal, state, and local governments including, but not limited to, income or earnings taxes, social security contributions, unemployment compensation contributions, withholdings, and any other similar obligations arising out of its activities under the PO.
- e. POs will be binding upon and inure to the benefit of Sharp and Supplier and their respective successors and permitted assigns. Sharp and Supplier do not intend to confer any third-party benefits on any person, firm, company, or entity other than Sharp and Supplier because of the issuance of a PO.
- f. The rights, remedies, and warranties outlined in these Terms are not exclusive and are in addition to all other rights, remedies, and warranties provided by law.

Aerospace Purchasing Requirements

Sharp Tooling Solutions is an AS9100 Aerospace Certified Supplier and is required to ensure that our purchasing process complies with all applicable purchasing requirements. These Aerospace Purchasing Requirements are supplied to your company as an addendum to the Purchase Order issued to your company for services and/or products.

In addition to the specifications, drawings, process requirements, inspection instructions, and/or other relevant technical data that is contained within, or specified on the Purchase Order, your company is being notified of, and required to, comply with the following additional requirements:

1. Limitation on Use of Disclosure: Supplier shall never disclose any confidential information to any person or entity outside without express written permission from Sharp Tooling Solutions, Inc.;
2. Sharp Tooling Solutions is ITAR registered. ITAR regulations require any product detail(s) including data, drawings, images, etc. provided to the supplier shall not be disclosed to foreign persons.
3. Supplier shall obtain a current copy of FAR 52.204-23-Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (Jul 2018) (a) understand what the clause mandates and (b) will comply with its requirements.
4. Sharp Tooling Solutions complies with the U.S. Government's Defense Priorities and Allocations System (DPAS), 15 CFR 700. It is a requirement that subcontractors via the required subcontractor DPAS flow down at all tiers of the supply chain to ensure compliance with 15 CFR 700. This is a Prime Contract requirement levied by our USG customer in accordance with the Federal Acquisition Regulation (FAR) Guidelines.
5. Calibration service providers must provide evidence that all calibrations are performed with standards traceable to NIST.
6. The implementation of a quality management system;
7. The use of customer-designated or approved suppliers, including process sources (e.g., special processes);
8. Notification to Sharp Tooling Solutions when nonconforming processes, products, or services occur and obtain approval for disposition;
9. Notification to Sharp Tooling Solutions of changes to your processes, products, or services, including changes in your suppliers or location of manufacture, that may affect Sharp's ability to meet the customer's requirements, and to proactively obtain approval from Sharp Tooling Solutions regarding your intent to modify;
10. The flow down to your sub-tier suppliers of any applicable specifications or requirements, including Sharp Tooling Solution requirements;
11. Retain applicable records including retention and disposition requirements associated with these records for a minimum of ten (10) years or as specified within the Purchase Order;
12. The right of access by Sharp Tooling Solutions, Sharp's customers, and/or regulatory authorities;
13. Acceptance of the notice, as specified on the Purchase Order, of any verification or validation activities that Sharp Tooling Solutions, or its customer, may intend to perform at your premises;

14. Where Boeing data, drawings, or specifications are provided, the supplier shall be aware of, and comply with, the requirements specified within the latest revisions of Boeing DPD D6-5991, D6-56202, and D32028-1 standards, ITAR, MLA, TAA, and EAR Requirements.

15. Awareness and controls to prevent the use or supply of, counterfeit parts to fulfill the Purchase Order requirements:
 - a. For purposes of this Section, "Work" consists of those parts delivered under the Purchase Order that are the lowest level of separately identifiable items (e.g., articles, raw materials, components, goods, and assemblies).
 - b. "Counterfeit Work" means Work that is or contains unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer.
 - c. Unlawful or unauthorized substitution includes used Work represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics. "Suspect Counterfeit Work" means Work for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the Work is authentic.
 - d. Supplier shall not deliver Counterfeit Work or Suspect Counterfeit Work to Buyer under the Purchase Order.
 - e. Supplier shall only purchase products to be delivered or incorporated as Work to Buyer directly from the original component manufacturer ("OCM")/original equipment manufacturer ("OEM"), or through an OCM/OEM authorized distributor chain. Supplier may use another source only if: (i) the preceding sources are unavailable, (ii) Supplier's inspection and other counterfeit risk mitigation processes will be employed to ensure the authenticity of the Work, and (iii) Supplier obtains the advance written approval of Buyer.
 - f. Supplier shall maintain counterfeit risk mitigation processes following industry-recognized standards and with any other specific requirements identified in the Purchase Order.
 - g. Supplier shall immediately notify Buyer with the pertinent facts if the Supplier becomes aware or suspects that it has delivered Counterfeit Work or Suspect Counterfeit Work. When requested by the Buyer, the Supplier shall provide documentation that authenticates traceability and enables tracking of the affected items through the supply chain back to the applicable OCM/OEM.
 - h. This clause applies in addition to and is not altered, changed, or superseded by any quality provision, specification, statement of work, or other provision included in the Purchase Order addressing the authenticity of Work. To the extent such provisions conflict with this clause, this clause prevails.
 - i. If Work delivered under the Purchase Order constitutes or includes Counterfeit Work, Supplier shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of the Purchase Order. Notwithstanding any other provision in the Purchase Order, Supplier shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation Buyer's costs

of removing Counterfeit Work, of installing replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. If Work delivered under the Purchase Order constitutes or includes Suspect Counterfeit Work, Supplier shall, at its expense, promptly prove that such Suspect Counterfeit Work is authentic. If the Supplier cannot prove such authenticity to the Buyer's sole satisfaction, the provisions of this paragraph regarding Counterfeit Work shall apply. The remedies contained in this paragraph are in addition to any remedies Buyer may have at law, equity, or under other provisions of the Purchase Order.

- j. At the request of Buyer, Supplier shall provide a certification that the Work provided to Buyer does not contain any Counterfeit Work or Suspect Counterfeit Work. Certification may also require submitting an original certificate of conformance, original test reports, or other data traceable to approved labs or other entities to ensure an item is as claimed. Buyer may request clear identification of the name and location of supply chain intermediaries from the OCM/OEM to the direct source of the Work for Supplier; and where available, the batch identification of the OCM/OEM for the Work, such as date codes, lot codes, or serial numbers.
- k. Supplier shall be responsible for communicating the above counterfeit controls to sub-tier suppliers to deliver items that will be included in or furnished as Work to Buyer.

As an approved supplier to Sharp Tooling Solutions, we request that you do your best efforts to ensure that your personnel is aware of their contribution and impact on providing safe, defect-free services and/or products while ethically providing your services for Sharp Tooling Solutions and the end customer's expectations.