

## TC 7.4.2 GENERAL TERMS AND CONDITIONS OF PURCHASE

### 1. DEFINITIONS

"Buyer" means PARPRO Technologies, Inc. "Seller" means the entity from which Buyer is purchasing Goods and/or Services. "Goods" means the products, materials, equipment, and the like, purchased by Buyer. "Services" means services performed by Seller. "Offer" means any quotation, bid, or proposal for Goods and/or Services made by Seller to Buyer. "Order" means Buyer's purchase order, or similar instrument. All references to "terms and conditions" herein mean and include (a) these "General Terms and Conditions of Purchase", (b) Buyer's Special Terms and Conditions of Purchase, as applicable, and (c) any other terms and conditions mutually agreed upon by the Parties in writing, in accordance with Section 2 herein. Buyer and Seller are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

### 2. ACCEPTANCE OF ORDER

(a) The terms and conditions herein apply to all Orders issued by Buyer to Seller. Seller's acceptance of Buyer's Order, and any changes or amendments thereto, is strictly limited to Seller's assent to Buyer's terms and conditions. Unless otherwise agreed upon in writing by a duly authorized representative of Buyer, Buyer objects to, and is not bound by, any terms or conditions that differ from, add to, or modify the terms and conditions herein. Buyer's failure to object to any terms and conditions, or any other provisions contained in any communication from Seller does not waive any of the terms and conditions specified herein. Buyer and Seller shall be bound by Buyer's Order upon the earlier of Seller (i) executing and returning an Order acknowledgement to Buyer, (ii) commencing performance pursuant to Buyer's Order, or (iii) delivering to Buyer any of the Goods under Buyer's Order.

(b) None of the terms or conditions herein, or included in Buyer's Order, may be added to, modified, superseded, or altered except by a written instrument, signed by a duly authorized representative of Buyer, and delivered by Buyer to Seller. All Goods and/or Services specified in Buyer's Order, or received, accepted, and/or paid for by Buyer, shall be only upon the terms and conditions of Buyer's Order, notwithstanding any restriction, term, or condition of Seller in acknowledging Buyer's Order, or which may be contained in any form letter or other communication of Seller relating to Buyer's Order before, after, or concurrently with Seller's acknowledgment.

### 3. PRICES

Unless otherwise agreed upon in writing by a duly authorized representative of Buyer, all prices are firm and are stated in United States Dollars, and all invoices issued by Seller, and payments made by Buyer, shall be in U.S. Dollars. Seller shall not charge Buyer prices higher than those stated in Buyer's Order, unless authorized by a written change order or notice issued and signed by a duly authorized representative of Buyer.

### 4. INVOICES AND PAYMENT

(a) Unless otherwise provided in Buyer's Order, Seller shall not issue invoices and Buyer shall make no payment prior to physical delivery of Goods or completion of Services. Seller shall issue individual invoices showing Buyer's Order number, line item number(s), part number(s), description(s), and quantity invoiced. Shipping charges and all applicable taxes, or charges for which Buyer has agreed to pay and has not furnished an exemption certificate, shall be separately itemized on Seller's invoices. Unless such charges are itemized, Buyer may take the applicable discount on the full amount of each invoice.

(b) Buyer shall make payment to Seller in accordance with the payment terms delineated on the face Buyer's Order upon receipt of correct invoices for Goods and/or Services delivered to and accepted by Buyer. Any payment discount offered by Seller shall be computed from the later of (a) the date of delivery, or (b) the date a correct invoice is received by Buyer. For purposes of earning the discount, payment shall be deemed to have been made on the date Buyer's check is mailed, or the date funds are electronically transferred to Seller's account.

### 5. PACKAGING AND MARKING

If specified in Buyer's Order, Seller shall comply with any special packaging and marking requirements; otherwise, Seller shall package and mark all Goods in accordance with best commercial practices to adequately protect Goods against damage and deterioration during transit. No charges shall be allowed for packing or marking unless specifically authorized in Buyer's Order. Seller's packing list shall include, at a minimum, Buyer's Order number, line item number(s), part number(s), description(s), and quantity shipped.

### 6. DELIVERY, SHIPPING TERMS, TITLE, AND RISK OF LOSS

(a) Buyer's production schedules and warranties to its customers are dependent upon the Goods purchased under Buyer's Order being delivered by Seller to Buyer in accordance with the required delivery dates delineated in Buyer's Order. Accordingly, time is of the essence. Seller shall be responsible for all damages of any kind incurred or suffered by Buyer that are caused by any delay of Seller in making deliveries of acceptable Goods. Seller agrees to notify Buyer in writing immediately if at any time it appears that Seller may not be able to meet the Order's delivery schedule. Such notification shall include the reasons for the delay (actual or potential), the actions being taken to remedy the delay, and the anticipated revised delivery schedule. Such notice, and any assistance furnished by Buyer to overcome delays, shall not be regarded as waiving Buyer's remedies for default, including termination rights, if Seller fails to meet the Order delivery schedule.

(b) All shipments originating in the United States shall be delivered F.O.B. at the point of delivery delineated in Buyer's Order in accordance with the Uniform Commercial Code (UCC). All shipments originating outside of the United States shall be delivered at the point of delivery delineated in Buyer's Order in accordance with Incoterms 2010. Identification of the Goods shall occur at the moment Seller accepts Buyer's Order.

(c) Seller shall not be excused from performing its obligations hereunder if the Goods identified are destroyed. Delivery shall not be deemed complete until the Goods have been actually received by Buyer at the delivery location identified on Buyer's Order. Seller shall bear risk of loss or damage to Goods in accordance with the terms of Buyer's Order.

(d) Unauthorized advance shipments and shipments of excess quantities may be returned at Buyer's sole option and Seller's expense.

### 7. FORCE MAJEURE

Any delay or failure of either Party to perform its obligations under Buyer's Order shall be excused if such delay or failure is the result of an unforeseeable event or occurrence beyond the reasonable control of such Party, and without such Party's fault or negligence, including, but not limited to, acts of God, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes, and slowdowns), inability to obtain power, utilities, materials, labor, equipment, transportation, or court injunction. If such delay exceeds thirty (30) calendar days, Buyer shall be entitled to terminate the Order without further liability, except for Goods already delivered by Seller and accepted by Buyer prior to the date of such termination.

### 8. INSPECTION

Buyer reserves the right to inspect all Goods prior to shipment by Seller, and in furtherance thereof, Seller shall permit employees and/or representatives of Buyer and Buyer's customer to have access to Seller's facilities at all reasonable hours. Notwithstanding such inspection, all Goods shall be subject to final inspection and approval by Buyer upon receipt at destination. Buyer's inspection, or its lack of inspection, shall not affect any express or implied warranties. If Buyer's Order specifies that Goods shall be subject to inspection at Seller's facilities, Seller shall provide reasonable space and assistance for the safety and convenience of Buyer's employees and/or representatives and Buyer's customer's employees, and/or representatives. At the time of inspection, Seller shall make available to such representatives copies of all specifications, drawings, and other technical data applicable to the Goods ordered.

### 9. ACCEPTANCE

Payment for any Goods and Services under Buyer's Order shall not constitute acceptance thereof. Buyer reserves the right to reject and refuse acceptance of Goods that are not in accordance with the requirements, instructions, specifications, drawings, data, or warranties referenced in Buyer's Order. Goods not accepted shall be returned to Seller for full credit, repair, or replacement at Seller's sole risk and expense, including transportation charges. No replacement of rejected Goods shall be made unless authorized in writing by a duly authorized representative of Buyer. Acceptance of all or any part of the Goods shall not be deemed to be a waiver of Buyer's right to either cancel or return all or any portion of the Goods due to failure to conform to Buyer's Order, or by reason of defect, patent or latent, or other breach of warranty, or to make claim for damages, including manufacturing costs, damage to material or articles caused by improper boxing, crating, or packing, or other damages occasioned Buyer. Such rights shall be in addition to any other remedies provided by law.

### 10. SPECIFICATIONS

All articles ordered to Buyer's specifications shall comply with such specifications current as of the date of this Order unless otherwise specified by Buyer.

### 11. WARRANTIES

(a) All warranties of Seller, whether created expressly by law or in fact, are incorporated herein by reference, and shall include and are supplemented by the following express warranties. For a period of twelve (12) months from receipt or acceptance, or such other period as may be agreed by the Parties in writing, the Goods and/or Services shall (i) comply with any and all specifications, drawings, samples, or other descriptions referenced in and/or furnished with Buyer's Order, and (ii) be merchantable, of good material and workmanship, free from defects, and suitable for their intended purpose.

(b) Seller warrants that all Goods and Services (i) do not infringe upon or violate the legal or equitable rights of any person, corporation, or partnership arising out of any license or franchise, or out of any patent, trademark, or other proprietary right, now or hereafter in effect (except in the case of Goods for which Buyer furnishes detailed manufacturing drawings), and (ii) shall be free from any and all liens or other encumbrances.

(c) All obligations of Seller hereunder shall survive acceptance of and/or payment for the Goods. Seller shall indemnify and hold Buyer harmless from and against all liability, loss, consequential and incidental damages, and expenses resulting from the breach of any warranty, or resulting from any other act or omission by Seller, its agents, or employees, while in the performance hereof.

(d) If Buyer determines there is a defect in the Goods at any time during the warranty period, Seller shall, at its sole expense and without delay, repair or replace the defective Goods or refund to Buyer the price of the defective Goods. Any and all repaired or replaced Goods shall be covered by this warranty for a period equal to the original warranty period.

(e) In addition, if required by Buyer, Seller shall provide Buyer a report identifying the cause of failure any additional Goods that may be affected by the defect and/or the repair action to be taken.

### 12. COUNTERFEIT PARTS

Seller hereby represents and warrants that it shall only deliver new and authentic components, devices, pieces, materials, modules, assemblies, subassemblies, or the like (hereafter "Parts") that are manufactured by or

obtained from original equipment manufacturers (OEMs), original component manufacturers (OCMs), or authorized distributors. Seller shall make available to Buyer, upon request, OEM or OCM documentation that authenticates and provides traceability of the Parts to the applicable OEM or OCM. Purchase of Parts from independent or unauthorized sources is not permitted under Buyer's Order without the prior written approval of a duly authorized representative of Buyer. Seller shall maintain policies, procedures, processes, or other such measures to ensure that any Parts sold or delivered by Seller to Buyer are authentic and not counterfeit.

### **13. CHANGES**

(a) Buyer may at any time, by a written change order or similar instrument issued by a duly authorized representative of Buyer, make changes within the general scope of Buyer's Order including changes to (i) specifications, drawings, or designs, (ii) method of shipment or packaging, and (iii) place of delivery.

(b) If Buyer's change order causes an increase or decrease in the cost of performance or in the time required for performance, an equitable adjustment shall be made to the Order price and/or delivery schedule and Buyer's Order shall be modified in writing accordingly. Any claim for adjustment under this Section shall be deemed waived unless asserted in writing within twenty (20) days from the date of receipt by Seller of the change order, provided, however, that Buyer, if it decides that the facts justify such action, may receive and act upon such claim submitted at any time prior to final payment under Buyer's Order. Any such claim must set forth the amount of any increase or decrease in the cost of performance resulting from the change in the format and detail reasonably specified by Buyer. Failure to agree upon an equitable adjustment shall not relieve Seller from proceeding without any delay in performance of Buyer's Order as changed.

(c) Buyer's engineering and technical personnel may from time to time render assistance, give technical advice, or exchange information with Seller's personnel in relation to Buyer's Order. Such assistance, advice, and/or exchange of information shall not be construed as Buyer's consent or authority to effect any changes to Buyer's Order or the Goods and/or Services provided thereunder. Under no circumstances shall any resulting change in Goods and/or Services or provisions of Buyer's Order be binding upon Buyer unless incorporated as a change in accordance with paragraph (a), above.

(d) Where the cost of property made obsolete or excess as a result of a change order is included in Seller's claim for adjustment pursuant to this Section, Buyer shall have the right to prescribe the manner of disposition of such property.

(e) Seller shall provide Buyer not less than ninety (90) days prior written notice of any organizational, operational, or other changes that may affect the Seller's performance of Buyer's Order, including, but not limited to (a) the relocation of any of Seller's facilities involved in the manufacture of Goods under Buyer's Order, (b) any significant changes in Seller's processes or manufacturing operations affecting the Goods, (c) or any significant changes to Seller's workforce that impacts Buyer's Order, and (d) the refusal, suspension, withdrawal, or revocation of a relevant quality or manufacturing approvals or certifications.

### **14. TERMINATION FOR CONVENIENCE**

(a) Buyer may cancel or terminate performance or work under Buyer's Order, in whole or in part, for any reason, by written notice to Seller. Upon receipt of such notice, Seller shall (i) stop work on the date, and to the extent, specified in the notice, (ii) terminate all lower-tier purchase orders and subcontracts to the extent they relate to the terminated work, (iii) promptly advise Buyer of the quantities of materials and work-in-process on hand or purchased prior to termination, and the most favorable disposition that Seller can make thereof, (iv) comply with Buyer's instructions regarding transfer and disposition of title to the possession of such material and work-in-process, and (v) submit all its claims resulting from such termination within sixty (60) days of the notice of termination.

(b) Buyer shall have the right to check such claims at any reasonable time or times by inspecting and auditing the records, facilities, work-in-process, and materials of Seller relating to Buyer's Order. Buyer shall pay Seller the Order price for finished work accepted by Buyer and the substantiated cost to Seller of raw materials and work-in-process allocable to the terminated work, based on any audit Buyer may conduct under generally accepted accounting principles, less however (i) the reasonable value or cost (whichever is higher) of any items used or sold by Seller without Buyer's consent, (ii) the agreed value of any items used or sold by Seller with Buyer's consent, and (iii) the cost of any defective, damaged, or destroyed work or material.

(c) Buyer shall make no payment for finished work, work in process, or raw material fabricated or procured by Seller in excess of Buyer's Order. Notwithstanding the above, payments made under this Section shall not exceed the aggregate price specified in Buyer's Order, or any extension authorized by Buyer, and adjustments shall be made reducing the payments hereunder for costs of raw materials and work-in-process to reflect on a pro rata basis any indicated loss on the entire Order had it been completed. Payment made under this Section constitutes Buyer's only liability in the event Buyer's Order is terminated hereunder.

### **15. TERMINATION FOR DEFAULT**

(a) Buyer may, by written notice to Seller and subject to paragraphs (c) and (d) below, terminate Buyer's Order in whole or in part if Seller fails to (i) deliver the Goods or to perform the Services within the time specified in Buyer's Order, or any extension authorized by Buyer, (ii) make progress so as to endanger performance of Buyer's Order, or (iii) perform any of the other provisions of Buyer's Order.

(b) Buyer's right to terminate Buyer's Order under subparagraphs (a)(ii) and (a)(iii) above may be exercised if Seller does not cure such failure within ten (10) days (or more if authorized in writing by Buyer) after receipt of Buyer's notice specifying the failure.

(c) If Buyer terminates Buyer's Order in whole or in part, it may acquire, under the terms and in the manner Buyer considers appropriate, Goods or Services similar to those terminated, and Seller shall be liable to Buyer for any excess costs for those Goods or Services. However, Seller shall continue the work not terminated.

(d) Except for defaults of vendors or subcontractors at any tier, Seller shall not be liable for any excess costs if the failure to perform the Order arises as a result of Force Majeure, as defined herein.

(e) If the failure to perform is caused by the default of a vendor or subcontractor at any tier, and if the cause of the default is beyond the control of both Seller and its vendor(s) or subcontractor(s), and without the fault or negligence of either, Seller shall not be liable for any excess costs for failure to perform unless the purchased Goods or Services were obtainable from other sources in sufficient time for Seller to meet the Order's required delivery schedule.

(f) If Buyer's Order is terminated for default, Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer, any completed Goods, partially completed Goods, and materials, parts, tools, dies, fixtures, plans, drawing, information, and contract rights (collectively referred to as "Manufacturing Materials" in this Section) that Seller has specifically produced or acquired for the terminated portion of Buyer's Order. Upon direction of Buyer, Seller shall also protect and preserve property in its possession in which Buyer has an interest.

(g) Buyer shall pay the Order price for completed Goods delivered and accepted. Seller and Buyer shall agree on the amount of payment for the Manufacturing Materials delivered and accepted and for the protection and preservation of the property. Buyer may withhold from these amounts any sum that Buyer determines to be necessary to protect Buyer against loss because of outstanding liens or claims of former lien holders.

(h) If, after termination, it is determined that Seller was not in default, or that the default was excusable, the rights and obligations of the Parties shall be the same as if the termination had been issued for the convenience of Buyer.

(i) The rights and remedies of Buyer in this Section are in addition to any other rights and remedies provided by law, or under Buyer's Order.

### **16. CONFIDENTIALITY**

(a) Buyer may disclose to Seller certain Confidential Information, as defined herein, to facilitate Seller's performance of Buyer's Order. Seller hereby agrees that any Confidential Information disclosed by Buyer (i) shall be maintained in a secure location, (ii) shall not be copied without the prior written approval of Buyer, (iii) shall be used by Seller solely to facilitate performance of Buyer's Order, and (iv) shall only be disclosed to Seller's employees on a need-to-know basis.

(b) Seller shall not disclose Buyer's Confidential Information to any third-parties, including, but not limited to, Seller's agents, consultants, vendors, suppliers, or subcontractors, without the prior written approval of Buyer. In the event Buyer provides Seller with written approval to disclose Confidential Information to a third-party, Seller shall ensure such third-party is bound by terms and conditions consistent with this Section prior to receiving such information.

(c) If it becomes necessary for Seller to disclose Buyer's Confidential Information to a third-party as a result of a requirement of law or regulation, such Confidential Information may be disclosed only to the extent required by law or regulation and, if so permitted, no earlier than five (5) business days after Seller provides Buyer with written notification of the requirement for such disclosure.

(d) The obligations of confidentiality and restrictions on the use and disclosure of Confidential Information specified in this Agreement do not apply to any information that (i) is lawfully and rightfully already in the possession of Seller without obligation of confidentiality at the time of receipt from Buyer, (ii) is independently developed by Seller without use or reference to the Confidential Information as evidenced by tangible evidence, (iii) appears in any printed publication or patent, or is in the public domain, except as a result of a breach of this Agreement by Seller, or (iv) is lawfully and rightfully received, free of restrictions, by Seller from a third-party not known by Seller to be under any nondisclosure or confidentiality obligation or to have misappropriated or otherwise unlawfully obtained such information.

(e) All Confidential Information and any other technical information provided by Buyer to Seller shall at all times be and remain the property of Buyer and shall only be used by Seller in connection with Seller's performance of Buyer's Order. Unless agreed otherwise, Seller shall return all copies of Confidential Information provided by Buyer upon completion of Buyer's Order or at any time upon Buyer's request.

(f) "Confidential Information", as used herein, includes, but is not limited to, specifications, drawings, designs, technical data, data sheets, schematics, diagrams, configurations, business, financial, statistical, and commercial information, formulae, analyses, trade secrets, ideas, methods, processes, know-how, software, and computer programs.

### **17. PATENT INDEMNITY**

Seller agrees, upon receipt of notification, to promptly assume full responsibility for the defense of any suit or proceeding which may be brought against Buyer, or any of its subsidiaries, constituent companies, agents, customers, subcontractors, or suppliers for alleged infringement of any United States or foreign patent, copyright, or trademark, as well as for the alleged unfair competition resulting from similarity in design, trademark, or appearance of Goods, by reason of the use or sale of any Goods or processes furnished under Buyer's Order, except for Goods manufactured or processes developed entirely to Buyer's specifications. Seller further agrees to indemnify Buyer against any and all losses and damages, including court costs and attorney's fees, resulting from the bringing of such suit or proceeding, including any settlement or decree of judgment entered therein. Buyer may be represented by and actively participate through its own counsel in any such suit or proceeding, if it so desires. Seller's obligation hereunder shall survive acceptance of the Goods or processes and payment by Buyer.

### **18. PROPRIETARY RIGHTS**

(a) Unless otherwise agreed in writing, all tangible and intangible property, including, but not limited to, information or data of any description, drawings, computer software, know-how, documents, trademarks, or copyrights ("Buyer's Intellectual Property") provided by Buyer to Seller, or paid for by Buyer under Buyer's Order, shall be and remain Buyer's personal property. Buyer hereby grants a license to Seller to use any such Buyer's Intellectual Property solely for the purposes of performing Buyer's Order. This license is non-assignable, and may be terminated with or without cause by Buyer at any time.

(b) Seller agrees to assign to Buyer any invention, improvement, discovery, ideas, works of authorship, or data, whether or not patentable, conceived or reduced to practice in the performance Buyer's Order by any person employed by or working under the direction of Seller, and Buyer shall own exclusively all rights thereto, including all patent rights, copyrights, moral rights, rights in proprietary information, trademark rights, and other intellectual property rights. All such intellectual property that is protectable by copyright (a) shall be considered work(s) made for hire for Buyer, or (b) Seller shall grant Buyer "first owner" status related to the work(s) under local copyright law where the work(s) was created, or (c) if the Governing Law, as defined herein, does not allow Buyer to gain ownership of such intellectual property, Seller agrees to grant to Buyer an exclusive, perpetual, royalty-free, transferable license for such intellectual property.

(c) Buyer recognizes and agrees that, unless otherwise agreed in writing between the Parties, the above rights and ownership of such rights shall not extend to or encompass any intellectual property owned, developed, or conceived by Seller prior to, or not in connection with, Buyer's Order.

#### **19. BUYER-OWNED MATERIALS AND PROPERTY**

All materials, tools, designs, dies, fixtures, materials, and other property owned or paid for, or agreed to be paid for, by Buyer ("Buyer-Owned Materials"), whether directly noted on the face of Buyer's Order or included by Seller in the prices of Goods, shall be and remain the property of Buyer. All Buyer-Owned Materials (a) shall be used only for performance of Buyer's Order, (b) shall at all times be properly protected and maintained by Seller, (c) shall be covered, at Seller's expense, by adequate liability, damage, and fire insurance for the replacement cost, (d) shall not be commingled with the property of Seller or others, (e) shall not be moved from Seller's premises without prior written authorization of Buyer, and (f) shall, upon Buyer's request, be immediately returned to Buyer in good condition, reasonable wear and tear excepted. Seller shall assume all risk of loss or damage to Buyer-Owned Materials while such are in the custody of Seller.

#### **20. INDEMNIFICATION**

Each Party (the "Indemnifying Party") agrees to indemnify, defend, and hold harmless the other Party, its officers, directors, and employees (the "Indemnified Parties") from and against any and all liabilities, losses, expenses, liens, claims, demands, and causes of action ("Claims") for death, personal injury, or property damage arising out of any negligent act or omission of the Indemnifying Parties in the performance of Buyer's Order, except to the extent such losses are contributed to by (a) the negligence or willful misconduct of the Indemnified Party, or (b) the negligence or willful misconduct of any third-parties. Buyer's indemnification of Seller does not apply unless Seller (a) notifies Buyer in writing of any such Claim as soon as reasonably practicable, and (b) allows Buyer to control, and reasonably cooperates with Buyer, in the defense of any such Claim and related settlement negotiations.

#### **21. LIMITATION OF LIABILITY**

Notwithstanding any other provision herein, under no circumstances shall either Party be liable for any consequential, special, incidental, indirect, multiple, administrative, or punitive damages, or any damage of an indirect or consequential nature arising out of or related to its performance under Buyer's Order, including, without limitation, loss of use, loss of revenues, loss of anticipated profits, and cost of capital, whether based upon breach of Buyer's Order, warranty, negligence, or any other type of Claim, and whether grounded in tort, contract, civil law, or other theories of liability, including strict liability, even if advised in advance of the possibility of such damages. Buyer's total liability arising from or related to Buyer's Order, including, but not limited to, its liability for indemnity, defense, and hold harmless obligations under Buyer's Order, is limited to no more than the amount paid by Buyer to Seller under Buyer's Order, and Seller agrees to indemnify Buyer for any excess amounts. To the extent that this limitation of liability conflicts with any other Section or provision herein, such provision shall be regarded as amended to whatever extent required to make such provision consistent with this Section.

#### **22. ORDER OF PRECEDENCE**

The following order of precedence shall apply in the event of an inconsistency within Buyer's Order and its related documents, as applicable:

- (a) Buyer's Special Terms and Conditions of Purchase
- (b) Buyer's General Terms and Conditions of Purchase
- (c) Specification
- (d) Statement of Work or Scope of Services

#### **23. EXPORT COMPLIANCE**

(a) Shipment of Goods, provision of Services, and delivery and use of technical information under Buyer's Order is subject to all decrees, statutes, laws, rules, and regulations which govern export, re-export, or otherwise pertain to export controls of the United States, including, but not limited to, the United States Department of Commerce Export Administration Regulations (EAR), and the United States Department of State International Traffic in Arms Regulations (ITAR). Seller hereby agrees to indemnify Buyer for all liabilities, penalties, losses, damages, costs, or expenses that may be imposed on or incurred by Buyer in connection with any violations of such laws and regulations by Seller.

(b) Information furnished to Seller under Buyer's Order may contain technical data, as defined in ITAR Section 120.10. Seller is advised and hereby acknowledges that such technical data, relating to export controlled items appearing on the U.S. Munitions List (USML) at ITAR Section 121, may not be exported, disclosed, or transferred, as defined in ITAR Section 120.17, to any foreign person (whether in the United States or abroad), as defined in ITAR Section 120.16, without first complying with all relevant requirements of ITAR Sections 120-130 (22 CFR 120-130), including the requirement for obtaining any written export authorization from the United States Department of State, Directorate of Defense Trade Controls (DTC), or otherwise make and document the determination that an ITAR licensing exemption applies, as the case may be. A downloadable copy of the ITAR is accessible at the DTC web site at [www.pmdtc.state.gov](http://www.pmdtc.state.gov).

(c) If performance under Buyer's Order requires Seller to export, as defined in ITAR Section 120.17, temporarily import into the United States, as defined in ITAR Section 120.18, or re-export or retransfer, as defined in ITAR Section 120.19, defense articles, as defined in ITAR Section 120.6, or to export defense services, as defined in ITAR Section 120.9, relating to items appearing on the USML in ITAR Section 121, to a foreign person (whether in the United States or abroad), as defined in ITAR Section 120.16, Seller is advised and hereby acknowledges that such defense articles may not be exported, temporarily imported, re-exported, or retransferred, and such defense services may not be exported to a foreign person in the United States or abroad, without complying with all relevant requirements of ITAR Sections 120-130, including the requirements to obtain any written export, temporary import, or re-export or retransfer authorization from the DTC, or otherwise make and document the determination that an ITAR licensing exemption applies, as the case may be.

(d) Seller is further advised that if it engages in the United States in the business of either manufacturing or exporting defense articles as defined in ITAR Section 120.6 or defense services as defined in ITAR Section 120.9, then Seller is required by ITAR Section 122 to register with the DTC using forms accessible at the DTC website at [www.pmdtc.state.gov](http://www.pmdtc.state.gov). Manufacturers of defense articles who do not engage in exporting of same must nevertheless register with the DTC. Registration does not by itself confer export rights or privileges, but is generally a precondition to the issuance of any license or other approval by the DTC.

(e) Information furnished to Seller under Buyer's Order, if not regulated by the ITAR, may contain technical data, as defined in the United States Department of Commerce, Bureau of Industry and Security (BIS), Export Administration Regulations (EAR) Part 772 (15 CFR 772) relating to export controlled items appearing on the Commerce Control List (CCL) at EAR Part 774 (15 CFR 774). Seller is advised and acknowledges that such technical data may not be exported out of the United States, or to a foreign person in the United States, as defined in EAR Part 772, without complying with all relevant requirements of EAR Parts 730-774 (15 CFR 730-774), including the requirement to obtain any written export authorization from BIS, or to otherwise make and document the determination that a license exception applies, as the case may be. A downloadable copy of the EAR is accessible at the BIS website at [www.bis.doc.gov](http://www.bis.doc.gov).

(f) If performance under Buyer's Order requires Seller to export or re-export, as defined in EAR Part 772, commodities, technology, or software as defined in EAR Part 772, that do not relate to items appearing on the USML, but do relate to items appearing on the CCL, Seller is advised and hereby acknowledges that such commodities, technology, or software may not be exported out of the United States, re-exported from one foreign country to another foreign country, or to a foreign person outside of the United States without complying with all relevant requirements of EAR Parts 730-774, including the requirement to obtain any written export authorization from BIS, or to otherwise make and document the determination that a license exception applies, as the case may be.

(g) Seller agrees to provide Buyer with applicable Export Control Classification Number(s) (ECCN) for any Goods to be exported by Seller.

(h) Seller agrees to not provide Buyer with materials that are under EAR or ITAR regulations unless specifically required by Buyer's purchasing information. Seller agrees to inform Buyer when the material's status has changed to EAR or ITAR regulated.

#### **24. GOVERNING LAW AND VENUE**

The performance of the Parties, and any judicial or arbitration proceedings, shall be construed and governed in accordance with the laws of the State of California, United States of America, excepting its laws and rules relating to conflict of law. Neither (a) the United Nations Convention on Contracts for the International Sale of Goods, (b) the 1974 Convention on the Limitation Period in Contracts for the International Sale of Goods (hereinafter referred to as the "1974 Convention"), nor (c) the Protocol Amending the 1974 Convention held at Vienna, Austria, on April 11, 1980, apply in any manner to the interpretation or enforcement of, Buyer's Order.

#### **25. FEDERAL AND LOCAL LAW COMPLIANCE**

Supplier agrees to adhere to Federal and local laws and regulations and the Electronics Industry Citizenship Coalition (EICC) code of conduct pertaining to labor practices, antitrust, environmental sustainability and other initiatives enacted by its voting members that affect the electronics industry. In particular, supplier has proactive and reactive procedures to ensure compliance with Disclosures on Conflict Materials in or Near the Democratic Republic of the Congo as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act.

#### **26. DISPUTES AND ARBITRATION**

The Parties shall attempt to resolve any dispute, controversy, or claim arising under or relating to Buyer's Order, or to a material breach, including its interpretation, performance, or termination. If the Parties are unable to resolve such dispute, either Party may refer the dispute to arbitration. The arbitration shall be conducted in English, and in accordance with the Commercial Rules of the American Arbitration Association, which shall administer the arbitration and act as appointing authority. The arbitration, including the rendering of the decision and/or award, shall take place in Orange County, California, United States of America, and shall be the exclusive forum for resolving the dispute, controversy, or claim. The arbitrator shall make the final determination as to any discovery disputes between the Parties. Examination of witnesses by the Parties and by the arbitrator shall be permitted. A written transcript of the hearing shall be made and furnished to the Parties. The cost of this transcript shall be borne equally by the Parties. The award or decision of the arbitrator shall state the reasons upon which the award or decision is based, and shall be final and binding upon the Parties. The prevailing Party shall be entitled to compensation for the expense of the arbitration, including, but not limited to, the award of attorneys' fees, at the discretion of the arbitrator. Both Parties waive their right to any appeal under any system of law. The award shall be enforceable before any court of competent jurisdiction upon the application to such court by either Party. The arbitrator



# PARPRO Technologies, Inc.

## General Terms and Conditions of Purchase

Revision: C  
Date 07/08/2024  
Page 4 of 4

shall have no authority to award any of the types of damages excluded by hereunder, and shall be so instructed by the Parties.

### **27. RELATIONSHIP OF THE PARTIES**

Each Party is an independent contractor. Neither Party shall have authority to bind the other except to the extent authorized herein. This Agreement is not intended by the Parties to constitute or create a joint venture, partnership, or formal business organization of any kind. The Parties shall act as independent contractors at all times, and neither Party shall act as the agent for the other, and the employees of one shall not be deemed to be employees of the other.

### **28. MODIFICATIONS TO ORDER**

Buyer's Order may only be modified by written instrument, signed by duly authorized representatives of the Parties.

### **29. NOTICES**

All notices given by the Parties shall be made in writing, and delivered personally or sent by prepaid mail, facsimile, cable, or email, addressed to the intended recipient at its address, or at its electronic address. Regardless of the method of transmittal, the sending Party is responsible for obtaining a return receipt for the notice.

### **30. ASSIGNMENT**

Neither Party may assign, delegate, sublicense, or transfer, whether by operation of law or otherwise, their obligations or rights hereunder without the other Party's written consent, and any assignment, delegation, sublicense, or transfer (a) without such written consent is void and of no effect, and (b) if consent is given, shall be binding upon, and inure to the benefit of the successors and assigns of the Parties. Notwithstanding any provision of these terms and conditions, Buyer may, without Seller's consent, assign Buyer's Order to a parent, subsidiary, or affiliate company of Buyer. In addition, without securing such prior consent, Buyer shall have the right to assign Buyer's Order to any successor, by way of merger or consolidation, or the acquisition of substantially all of the entire business and assets of Buyer relating to the subject matter of Buyer's Order, provided that such successor shall expressly assume all of Buyer's obligations and liabilities under Buyer's Order.

### **31. REMEDIES**

The remedies herein reserved shall be cumulative and in addition to any other or further remedies provided by law or equity. The failure of Buyer to insist upon, in any one or more instances, the performance of any of the terms, covenants, or conditions of Buyer's Order, or to exercise any right hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such item, covenant, or condition or the future exercise of such right, and the obligation of Seller, with respect to such future performance, shall continue in full force and effect. None of the Sections, terms, conditions, or provisions herein shall be waived by any act or knowledge on the part of Buyer, except by written instrument signed by a duly authorized representative of Buyer. The waiver by Buyer of any term, condition, provision, or right hereunder, or the failure to enforce at any time any of the terms and conditions herein, or any rights with respect thereto, is not a continuing waiver or a waiver of any other rights, or of any material breach or failure of performance of Seller. The remedies herein reserved or created for Buyer shall be cumulative, and additional to any other or further remedies provided at law or in equity. Buyer may remedy any breach of the terms or conditions hereof without waiving the breach remedied, or without waiving any other prior or subsequent breach. Seller shall pay all Buyer's costs and expenses, including attorney's fees, incurred by Buyer in exercising any of its rights or remedies hereunder, or enforcing any of the terms or conditions hereof.

### **32. SEVERABILITY**

If any term, condition, or provision herein is invalid, ineffective, or unenforceable under present or future laws, then the remainder of the terms, conditions, and provisions shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.

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