

Supplier/Vendor Terms & Conditions

1. General Terms

1.1 These Supplier/Vendor Terms and Conditions (“Terms”), together with any written purchase order (“Orders”) provided by Appareo Systems, LLC (“Appareo”) to any provider of products or services (“Supplier”) constitute Appareo’s offer to purchase and are not an acceptance of any offer or terms which may have been submitted by Supplier. Supplier will be deemed to have accepted all provisions of this offer to purchase and shall be bound to supply the applicable products or services (“Good/s”) in accordance with these Terms upon the first of the following to occur: (a) Supplier’s signing and returning a copy of the Order to Appareo; (b) Supplier beginning to perform the work called for by the Order (including shipping of the Good/s to Appareo); or (c) Supplier’s acknowledgement of the Order by electronic means or otherwise.

1.2 Upon acceptance, these Terms, together with the applicable Order, shall constitute the entire agreement (the “Agreement”) between the parties (except for any additional warranties given by Supplier), superseding any and all previous or contemporaneous communications and negotiations. Either party may use its standard business forms to administer Orders but use of such forms is for the parties’ convenience only and does not alter the provisions of this Agreement. APPAREO WILL NOT BE BOUND BY, AND SPECIFICALLY OBJECTS TO, ANY PROVISION THAT IS DIFFERENT FROM OR IN ADDITION TO THE PROVISIONS OF THIS AGREEMENT (WHETHER PROFFERED BY SUPPLIER VERBALLY OR IN ANY QUOTATION, INVOICE, SHIPPING DOCUMENT, ACCEPTANCE, CONFIRMATION, CORRESPONDENCE, OR OTHERWISE), UNLESS SUCH PROVISION IS SPECIFICALLY AGREED TO IN A WRITING SIGNED BY APPAREO.

2. Delivery Terms

2.1 Unless otherwise detailed on the Order, delivery will be as follows: (i) for international shipments, Delivered at Place (DAP) final destination (Incoterms 2020), and (ii) for domestic shipments, Free on Board (FOB) place of destination (under U.C.C. shipping terms). Any change thereof requires a written authorization by Appareo. Supplier will properly package the Good/s to protect against damage during shipment. Shipments must contain packing lists giving description of material, quantity and Order number.

2.2 Time is of the essence in Supplier’s performance under any Order.

2.3 Should the Good/s be delivered in advance of the expected contractual delivery date by more than one week, Appareo shall have the right: (i) to return it at Supplier’s expense and risk; or (ii) to accept it by postponing the relevant payment to the date in which the invoice would have been paid should the contractual delivery date have been met.

2.4 Supplier shall notify Appareo immediately if at any time it appears that the required delivery date may not be met and shall specify the reasons therefor and the steps being taken to correct the problem and the new anticipated delivery schedule. Appareo may, at its option and without liability: (i) accept the new delivery schedule; (ii) terminate the Order and purchase substitute items or services elsewhere and charge Supplier with any loss incurred; and/or (iii) exercise any of its other remedies set forth herein or provided in law or equity. Supplier shall pay to Appareo liquidated damages equal to 2% of the value of the delayed Good/s for each

week of delay subsequent to the grace period of two weeks, up to 10% of the total value of the Order. It is agreed that Appareo shall have the right to withhold those sums it is entitled to claim as liquidated damages in order to set off such sums with payments due to the Supplier.

2.5 Over deliveries and under deliveries will not be accepted without written authorization by Appareo.

3. Inspection

3.1 All Good/s are subject to testing and approval by Appareo. Appareo may reject Good/s that do not strictly comply with the requirements of the Order, including all relevant specifications, drawings, requirements documentation and other supporting documentation provided by Appareo. Subject to Clause 16, rejected Good/s shall be returned to Supplier or made available for Supplier pickup during Appareo’s normal business hours and at Supplier’s risk. Appareo will be entitled to recover from Supplier (by credit, offset, invoice, or otherwise) a full refund of any purchase price paid for such Goods, plus all costs reasonably incurred by Appareo to return Goods to Supplier.

3.2 Appareo’s inspection, failure to inspect, or failure to discover any defect will not relieve Supplier of any obligation hereunder or impair Appareo’s rights or remedies at law or in equity.

4. Change Control

4.1 Supplier shall not have the authority to make changes to Appareo’s drawing, specifications or requirements, including substitution of parts subject to the conditions of Clause 4.2 and 4.3.

4.2 Major Changes to the design of items covered by the Order must have prior approval by Appareo. A ‘Major Change’ is defined as being one that has any effect on the interchangeability, weight, balance, structural strength, reliability, performance, operational characteristics or safety of the Goods.

4.3 Minor changes to the design may be made without approval of Appareo provided Appareo is given notice of the intended change prior to shipment of any Good/s under the Order. A ‘Minor Change’ shall be one that does not fall within the definition of Major Change as set out in Clause 4.2 above.

4.4 Supplier shall notify Appareo in writing of any changes made to the Good/s irrespective of the type of change and Supplier shall be liable for any costs incurred by Appareo as a consequence of making any change to the Good/s without notifying Appareo.

5. Prices and Payments

5.1 The prices set forth in the Order are fixed and firm and are not subject to increases or additional charges for any reason. Payments will be made in accordance with the provisions of the Order provided that: (i) a valid invoice has been issued; and (ii) the relevant Good/s have not been rejected pursuant to Clause 3.

5.2 Any breach notified by Appareo to the Supplier relevant to one or more of the outstanding Orders shall entitle Appareo to withhold payments until the Supplier has remedied such breach or default.

5.3 Appareo shall have the right at any time to set off any amount owed by Appareo to Supplier against any amount due and owing from Supplier to Appareo.

6. Warranty and Customer Support

6.1 Supplier warrants that the Goods will (i) strictly conform to the specifications, drawings, designs, and other requirements of the Order; (ii) be free from defects in design, material, workmanship, and title; (iii) be of good and suitable quality, that all materials and

other items incorporated in the Goods will be new (not refurbished or reconditioned) and fit for the particular purpose for which they are intended; (iv) be free of any rightful claim of any third party for infringement of any patent, trademark, trade dress, copyright, or other right; (v) be of comparable quality as all samples delivered to Appareo; and (vi) comply with all applicable laws, regulations, and other requirements of governmental authorities having jurisdiction. The warranties shall apply to Appareo, its successors, assigns, and the users of the Goods covered by the Order.

6.2 The period of warranty under Clauses 6.1(i)-(iii) and (v) shall be the period set forth on the face of the Order or in the specifications, or if no such period is so specified, 18 months from the delivery of the Goods.

6.3 If the Goods are found to be defective or otherwise do not conform with the warranties set forth herein, then Appareo, in addition to all other rights and remedies it may have at law, contract, or at equity, may, at its option and sole discretion and at Supplier's expense: (i) require Supplier to promptly repair or replace/re-perform such non-conforming Goods at Supplier's expense; and/or (ii) take such actions as may be required to cure all defects and/or bring the Goods into conformity with all requirements of the Order. Transportation of replacement Goods and return of non-conforming Goods will be at Supplier's expense. If repair or replacement of the Goods is not timely, in Appareo's reasonable opinion, Appareo may elect to return, repair, or replace the non-conforming Goods at Supplier's expense.

7. Indemnity

7.1 Supplier agrees to indemnify and hold harmless Appareo, its officers, directors, affiliates, subsidiaries, employees, agents, customers, and assigns from and against third party claims for damages, liabilities and costs (including, but not limited to, reasonable attorney fees) arising out of, related to, or resulting from: (i) any actual or alleged infringement of any patent or copyright, or misappropriation of trade secret from the design, manufacture, possession, ownership, use, sale, or transfer of the Goods, (ii) an actual or alleged breach of any of Supplier's representations, warranties, or other obligations under this Agreement; or (iii) any act or omission of Supplier or its employees, agents, affiliates, contractors, or subcontractors, except to the extent caused by the gross negligence or willful misconduct of Appareo as determined by a final, non-appealable order of a court having jurisdiction.

7.2 If an alleged claim of infringement or misappropriation is made, Supplier shall procure for Appareo, and Appareo's customers, the rights to continue using the Goods, modify them in a manner acceptable to Appareo to remove the claim, or with the written approval of Appareo, replace the Goods with a non-infringing one or remove the Goods and refund the purchase price.

7.3 Supplier's obligations under this Clause 7 will survive Appareo's acceptance of and payment for the Goods.

8. Work on Site

8.1 Supplier accepts that if any work in pursuance of the Order is carried out by or on behalf of Supplier at Appareo's premises, it shall be subject to Appareo's safety policies that the Supplier is obliged to request before carrying out the said activities.

8.2 If any work in pursuance of the Order is to be carried out by or on behalf of Supplier at Appareo's premises, prior to commencement of such work, Supplier shall furnish to Appareo

certificates of insurance indicating that Supplier and its subcontractors have commercial general liability, business auto liability, employers' liability and workers' compensation insurance in such amounts and with such carriers as Appareo deems reasonable. Insurance required herein shall not be cancelled or materially altered without prior notification to Appareo.

9. Assignment and Subcontracting

9.1 No Order or any obligations thereunder may be assigned by Supplier to any third party without the prior written consent of Appareo.

9.2 Any subcontracts shall be exclusively placed to duly authorize and approved sub-tier vendors, however Supplier shall not be relieved from its obligations and responsibilities arising out of the fulfillment of the Order.

10. Confidentiality and Proprietary Rights

10.1 "Confidential Information" means: (i) oral information (whether or not reduced to writing and marked with a restrictive legend), information that is marked or identified as "Confidential", "Restricted", "Proprietary", or with a similar designation, or if not so designated, that Supplier should reasonably expect to be confidential due to its nature; (ii) technical, process, proprietary, or economic information derived from drawings or 3D or other models owned or provided by Appareo; (iii) the terms and existence of this Agreement; and (iv) other tangible or intangible property furnished by Appareo in connection with the Order, including any drawings, specifications, data, goods and/or information.

10.2 Supplier and its employees, representatives, and subcontractors will: (i) keep confidential all Confidential Information and protect the Confidential Information against unauthorized use or disclosure using at least those measures that it takes to protect its own Confidential Information of a similar nature, but in no case, less than reasonable care; and (ii) use such information only for the purposes of performing its obligations under the Order.

10.3 Any and all Confidential Information or other Intellectual Property furnished by Appareo to Supplier under any Order is and shall remain the sole property of Appareo. "Intellectual Property" means all: (i) compositions, works of authorship, computer programs, products, devices, techniques, know-how, algorithms, methods, processes, inventions, discoveries, and improvements, whether or not patentable or copyrightable and whether or not reduced to practice; (ii) compositions, works of authorship, and documented information in whatever form such as information embodied in drawings, test data, specifications, process documents, technical reports; and (iii) domestic and foreign legal and statutory rights to the foregoing, including but not limited to, patents, trademarks, trade secrets, copyrights, mask work registrations, and the like, whether registered or unregistered and including applications for the grant of any such rights and any and all forms of protection having equivalent or similar effect anywhere in the world and any rights under licenses in relation to such rights.

10.4 If any Goods supplied under an Order are made according to Intellectual Property furnished by Appareo to Supplier, Supplier acknowledges and agrees that any and all products, designs, derivative works, information and other results of Supplier producing and providing such Goods (collectively, the "Work Product"), shall be considered "works made for hire" pursuant to

17 U.S.C. § 201 (the Copyright Act) and as such is a work specially commissioned for use by Appareo. All worldwide rights, title, and interest in and to any and all Work Product, including, without limitation, each and every discovery, invention or improvement that may be conceived or developed as a result of or in connection with Supplier producing and providing the Work Product, shall be the sole property of Appareo. Supplier hereby agrees to assign, and does hereby assign, to Appareo all worldwide rights, title, and interest in and to all such Work Product, including any intellectual property contained therein. Supplier shall if requested by Appareo execute all documents and perform all other acts necessary, in the discretion of Appareo, to evidence Appareo's ownership of the Work Product and the above-mentioned proprietary rights therein.

11. Access, Inspection and Audit Rights; Records

11.1 Appareo and all persons authorized by it shall have the right to access Supplier's facilities to inspect the progress of work under the Contract and the financial and quality records of Supplier as may be reasonably necessary to verify the accuracy and quality of transactions between Appareo and Supplier. Such access shall be granted at any time during performance of the Order and at any other time provided Appareo supplies at least seven (7) days' prior notice to Supplier. Access shall be granted during ordinary business hours and will be conducted in a manner that is not disruptive to Supplier's operations.

11.2 Supplier will retain all records pertaining to the Goods provided under this Agreement for a period not less than ten (10) years after final delivery or for the period prescribed by applicable law, whichever is longer. If Supplier is not the original fabricator, processor, or assembly source of the Goods, Supplier will obtain and maintain subcontractor documentation on file for the same retention period. Supplier will contact Appareo prior to destruction of any records.

12. Termination for default or for convenience

12.1 Appareo, without liability, may by written notice of default, terminate the whole or any part of the applicable Order if Supplier:

- (i) fails to deliver the Supply within the agreed delivery date;
- (ii) fails to make progress which, in Appareo's reasonable judgment, endangers performance of the Order in accordance with its terms;
- (iii) fails to comply with any of the terms of the Order; or
- (iv) ceases its activities and/or becomes insolvent, bankrupt, enters into liquidation or voluntary arrangement with its creditors or suffers a receiver of its assets to be appointed.

Termination under items (i)-(iii) shall become effective if Supplier does not cure such failure within ten (10) days of receiving notice of default. Termination under item (iv) shall become effective on the date of notice.

12.2 In the event the Order being terminated, Appareo may procure at Supplier's expense and upon terms it deems appropriate, goods or services similar to those so terminated. Supplier shall continue performance of the Order to the extent not terminated and shall be liable to Appareo for any excess costs for such similar goods or services.

12.3 Furthermore, Appareo shall have the right to terminate the Order in whole or part, at any time, by written notice to Supplier. Upon receipt of such notice, all terminated work shall be immediately discontinued and Appareo shall pay to Supplier such sum as is fair and reasonable in respect of any direct loss sustained

by Supplier by reason solely of such termination. Supplier agrees to accept such sum in full and final satisfaction of all claims arising out of such termination and it shall use its best endeavors to minimize the direct loss arising from such termination. In no case the amount payable by Appareo for the terminated work shall exceed the price that would have been paid if the work had been completed. Appareo reserves the right to recover any completed part of the Order and any relevant documentation created in performance of the Order.

13. Disputes

Any controversy or claim arising out of or relating to this Agreement or the breach thereof may be settled at Appareo's sole discretion either by submitting the claim to: (i) a court of competent jurisdiction or (ii) binding arbitration. Pending resolution or settlement of any dispute arising under this Agreement, Supplier shall proceed diligently as directed by Appareo with the performance of this Agreement.

14. Applicable Law

This Agreement shall be interpreted and governed in accordance with the Laws of North Dakota. The parties expressly disclaim the applicability of the United Nations Convention on Agreements for the International Sale of Goods. Any dispute arising out of or in connection with the Order shall be submitted to the exclusive jurisdiction of the State of North Dakota. Supplier hereby irrevocably and unconditionally waives any objection to the laying of venue and agrees not to claim that any proceeding brought in any such court has been brought in an inconvenient forum.

15. Tooling

15.1 All tools, gauges, dies, jigs, fixtures, and patterns furnished by Appareo, including the designs, drawings and prints of any such items ("Tooling") shall be the property of Appareo or Appareo's customer, as applicable. Supplier acknowledges and agrees that: (i) Tooling is owned by Appareo or Appareo's customer, as applicable, free and clear of all lines and encumbrances, security interests and claims of Supplier and Supplier's creditors; and (ii) Supplier releases any interest it may have or claim to having in the Tooling. Supplier agrees to execute all such documents necessary for Appareo or Appareo's customer, as applicable, to maintain and perfect a security interest in the Tooling.

15.2 Supplier bears the risk of loss for the Tooling and its use and will, at its expense, keep the Tooling insured against all risks for not less than its full insurable value.

15.3 Supplier will ensure that its sub-tier suppliers who utilize or store any Tooling will acknowledge and agree to the obligations of this Clause 15.

16. Counterfeit Product

16.1 Supplier shall not deliver Counterfeit Product or Goods reasonably suspect to be Counterfeit Products to Appareo under any Order. "Counterfeit Product" means an item that is itself or contains (i) an unlawful or unauthorized reproduction, substitution, or alteration that has been mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer, a source with the express written authority of the original manufacturer, or an authorized aftermarket manufacturer, or (ii) a spurious designation that is identical with, or substantially indistinguishable from, a third party designation without authorization. Unlawful or unauthorized substitution includes used parts represented as new, or the false identification

of grade, serial number, lot number, date code, or performance characteristics. Supplier shall detect and avoid providing Counterfeit Products to Appareo.

16.2 In the event that Goods delivered under an Order are Counterfeit Products or reasonably suspect to be Counterfeit Products, (i) Supplier shall, at its expense, promptly notify Appareo and replace such Goods with genuine items conforming to the requirements of the applicable Order, (ii) without any liability to Supplier, Appareo may destroy, dispose of, and/or remove the Goods in its sole discretion, and (iii) without any liability to Supplier, Appareo may report such Goods to the government or other regulatory body. Without limiting Clause 7, Supplier shall be liable for all costs and expenses relating to the detection, avoidance, destruction, disposal, removal, and replacement of Counterfeit Products, together with any and all legal costs and expenses related to or arising therefrom.

16.3 Supplier will flow down the substance of this Clause 16 to its subcontractors or suppliers in the performance of the Order.

17. Publicity

Supplier shall not without the prior written approval of Appareo: (i) publicize this Order; (ii) use the name, photographs, logos, trademarks, or any other identifying information of Appareo or its customer if specified within the Order; or (iii) provide a link to any domain name or internet address registered to Appareo, or its specified customer.

18. Export Compliance

18.1 Articles, technical data, and software provided under the Order may be subject to the export control laws of the United States of America ("U.S."), Canada and other applicable jurisdictions. The parties acknowledge that:

(i) the U.S. Arms Export Control Act of 1976 (22 USC 2751-2779), the International Traffic in Arms Regulation (22 CFR 120 - 130), the provisions of the Export Administration Act of 1979 (50 USC 2401-2420) and the Export Administration Regulations (15 CFR 730-744) and their successor and supplemental laws and regulations (collectively hereinafter "Export Laws and Regulations") impose restrictions on the import, export, re-export, or transfer of certain categories of articles, technical data, and software to third countries and non-U.S. persons or companies; and (ii) authorization from the U.S. Department of State and the U.S. Department of Commerce may be required before such transactions may take place; and

(iii) such export authorizations may impose further restrictions on the use of such articles, technical data, and software.

Neither party shall export, transfer, re-export, or re-transfer any articles, technical data, and software to any U.S. sanctioned countries, denied/debarred or designated parties even where the articles have been integrated into Supplier's product.

18.2 The restrictions of Clause 18.1 apply to Supplier, its employees, and any third party including, but not limited to Supplier's suppliers and subcontractors. All relevant manufacturing location(s) of Goods subject to the Order during Supplier's performance shall be compliant with all applicable U.S. and other germane export and/or import laws and regulations including all U.S. Customs' Trade Partnership Against Terrorism (C-TPAT) supply chain security requirements.

19. Conflict Minerals and Labor Compliance

Supplier acknowledges that Appareo's customers may be subject to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") and the implementing rule promulgated by the U.S. Securities and Exchange Commission ("SEC") which require reporting related to tin, tantalum, tungsten and gold (the "Conflict Minerals") contained in products sold by Appareo. Supplier shall promptly provide such written certifications concerning Conflict Minerals contained in products, components, parts and materials supplied to Appareo by Supplier as Appareo may request from time to time. Supplier acknowledges that Appareo and Appareo's customers will rely on the accuracy and completeness of each such certification for purposes of filing reports with the SEC. Supplier represents and warrants that it will conduct, and will require its suppliers to conduct, a reasonable inquiry to determine (i) whether the products, components, parts or materials supplied to Appareo contain Conflict Minerals and (ii) whether the source of any such Conflict Minerals not derived from recycled or scrap materials may be the Democratic Republic of the Congo or an adjoining country and if so to perform due diligence to identify the facilities used to process such Conflict Minerals and make efforts to identify the location of each mine or location of origin of such Conflict Minerals with the greatest possible specificity. Supplier represents, warrants and certifies that its products, parts, components and materials are not, and will not be, produced with child, indentured, forced or prison labor.

20. Force Majeure

20.1 Subject to Clause 20.2 neither party shall be in default by reason of any failure in performance of this Order, in accordance with its terms, if such failure arises out of causes beyond the reasonable control and without the fault or negligence of the invoking party. Such failures will include, but not be restricted to, acts of God, acts of the Government, fire, floods, pandemics, quarantines, strikes, lock outs, freight embargoes and unusually severe weather.

20.2 Supplier shall give a written notice to Appareo within three (3) days after Supplier becomes aware of any circumstances or event which may reasonably be anticipated to cause or constitute a force majeure under this Clause. Such notice shall contain a detailed description of the delay, of the affected portion of the Order, and the work-around plan, alternative sources and any other means that the Supplier shall, at his own cost, use to mitigate or prevent such further delays.

20.3 If the completion of the work covered by the Order is delayed by reason of force majeure for more than one (1) month beyond the last day of the month when completion was scheduled, Appareo may upon notice to Supplier either terminate any or all Orders with the Supplier.

21. Waiver

Any failure by Appareo to enforce any provision of the Order shall not be construed as a waiver by Appareo or affect the validity of such provisions. If any provision of this Order is found to be invalid, illegal or unenforceable for any reason, such provision shall not affect the other provisions of the Order which shall continue in full force and effect.

22. Other Rights and Obligations

The rights and remedies of Appareo and the obligations of the Supplier expressed herein are additional to, and are not in



substitution for or derogation in, any other rights or remedies available to Appareo or any other obligations of the Supplier under law or custom.



Supplier/Vendor Terms & Conditions

Supplier Acceptance:

The undersigned has the authority and right to accept these Terms & Conditions on behalf of the referenced Supplier. Any prior communications including any terms and conditions supplied to Appareo by Supplier shall not be applicable, excepting any clauses required by law, and for such clauses, only to the extent necessary for Appareo and/or the Supplier to comply with such laws. The undersigned hereby accepts these Terms & Conditions and binds the Supplier to them for the duration of any open Orders as of the date of signature and any Orders placed by Appareo with the Supplier in the future.

Agreed and Accepted:

By: _____

Date: _____

Name: _____

Title: _____

Organization: _____