



Terms and Conditions of Purchase Order

1) Definitions:

- a. Buyer: GrovTec US, Inc.
- b. Seller: As defined on the purchase order, and amended per the terms below (Assignment and Subcontracting).
- c. Parties: collectively, buyer and seller, their employees, representatives, and assignees.
- d. Deliverables: any material, work, or services to be provided under the scope of the purchase order.
- e. Purchase Order: the purchase order document, purchase order terms and conditions, any and all appendices, diagrams, drawings, electronic files, and/or exhibits attached hereto or otherwise issued by Buyer.

2) Agreement:

- a. The Purchase Order shall constitute the entire agreement between the Buyer and Seller
- b. Seller's electronic or faxed acceptance, acknowledgement of this Purchase Order, commencement of work on the Deliverables of the Purchase Order, or shipment of such goods, whichever occurs first, shall be deemed an effective mode of acceptance of this Purchase Order. Such acknowledgement originating from Seller shall be deemed to represent and warrant full authority to bind Seller to these terms.
- c. Any proposal for additional or different terms or any attempt by Seller to vary in any degree any of the terms of Buyer's Purchase Order or the terms contained herein is hereby objected to and rejected, but such proposals shall not operate as a rejection of this offer unless such variances are in the terms of the description, quantity, price or delivery schedule of the Deliverables, but shall be deemed a material alteration thereof, and this offer shall be deemed accepted by Seller without said additional or different terms. If this Purchase Order shall be deemed an acceptance of a prior offer by Seller, such acceptance is limited to the express terms contained on the face of the Purchase Order and the terms contained herein. Periodic Buyer on-site visits will aid in evaluation and approval of prospective sellers..

3) Termination/Cancellation:

- a. For convenience of Buyer: Buyer reserves the right to terminate this order or any part hereof for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder. Seller shall be paid a reasonable termination charge consisting of a percentage of the order price reflecting the percentage of the work performed prior to the notice of termination, plus actual direct costs resulting from the termination. Seller shall not be paid for any work done after receipt of the notice of termination.
- b. For cause: Buyer may terminate the Purchase Order or any part thereof for cause in the event of any default by the Seller, or if the Seller fails to comply with any of the terms and conditions of this offer. Late deliveries, deliveries of products which are defective or which do not conform to this order, and failure to provide Buyer, upon request, reasonable assurances of future performance shall all be causes allowing Buyer to terminate this order for cause. In the event of termination for cause, Buyer shall not be liable to Seller for any amount, and Seller shall be liable to Buyer for any and all damages sustained by reason of the default which gave rise to the termination.

4) Conflicts of Interest:

- a. In the performance of the Purchase Order, it is Seller's responsibility to avoid any actual or apparent conflict between Seller's duties or obligations to other parties and such duties and obligations assumed under the Purchase Order, and disclosure of information which would, or would appear to, violate such duties and obligations to third parties.
- b. Seller agrees that, if subsequent to the issuance of the Purchase Order, Seller finds that a conflict or what may appear to be a conflict develops because of a relationship created or



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intended to be created between Seller and any third party, Seller shall immediately notify Buyer and Buyer shall have the right, at its sole discretion, to terminate the Purchase Order on notice. Upon exercise of such right of termination, Buyer's only obligation to Seller shall be to reimburse Seller for proper Deliverables satisfactorily completed as of date of termination.

5) Changes: Buyer or Seller shall have the right at any time prior to shipment of corresponding Goods or receipt of corresponding Services to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation. If any such changes cause an increase or decrease in the cost, or the time required for the performance, an equitable adjustment shall be made and this agreement shall be modified accordingly provided that the Seller makes and Buyer accepts a written claim for an adjustment prior to shipment of Goods or provision of Services. Seller shall not make any process, material, or design changes affecting the Goods, or outsource/transfer the work/order to another supplier, without the prior approval from Buyer. Seller agrees to accept any such changes subject to this paragraph. If the parties are unable to agree upon the amount of the adjustment, Buyer may, without any liability to Seller, terminate the Order as to all Goods and/or Services affected.

6) Confidentiality:

- a. The Purchase Order and all associated documents and data shall be considered confidential by Seller, and shall not be disclosed to any other person(s), or used for any purpose(s) other than performing the Deliverables, unless Seller obtains written permission from Buyer to do so
- b. Intellectual Property:
 - i. Any copyrightable works, ideas, discoveries, inventions, patents, products, or other information (collectively "intellectual property") developed in whole or in part by or on behalf of Seller in connection with or relating to the Deliverables shall be the exclusive property of Buyer. Upon request, Seller shall sign all documents and otherwise cooperate with Buyer as necessary to assign, confirm and perfect the exclusive ownership of all intellectual property rights in the Deliverables to Buyer.
 - ii. Seller agrees to promptly assume full responsibility for defense of any suit or proceeding which may be brought against Buyer or its agents, customers, or other vendors for alleged patent infringement, as well as for any alleged unfair competition resulting from similarity in design, trademark or appearance of goods or services furnished hereunder and not specifically designed by Buyer, and Seller further agrees to indemnify Buyer, its agents and customers against any and all expenses, losses, royalties, profits and damages including court costs and attorney's fees resulting from any such suit or proceeding, including any settlement. Buyer may be represented by and actively participate through its own counsel in any such suit proceeding if it so desires, and the costs of such representation shall be paid by Seller.
- c. Advertising: Seller shall not advertise or publish the fact that Buyer has contracted to purchase goods or services from Seller, nor any data or documents associated with any Purchase Order or otherwise shared by Buyer with Seller (even if not associated with a specific Purchase Order), without express written permission by Buyer—nor shall Seller use Buyer's name, logo or mark, nor the name of any of Buyer's employees or representatives in advertising or promotional literature, electronic or otherwise, or in any publication whatsoever, without prior written approval.

7) Quality and Warranty:

- a. Seller expressly warrants that Deliverables furnished under this Purchase Order shall conform to all specifications and appropriate standards, will be new, and will be free from defects in material or workmanship.
- b. Specifications listed on the purchase order shall be the latest revision level in effect on the date the purchase order, unless otherwise specified by the purchase order. Seller is



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responsible to ensure they are working to the latest specification listed on the purchase order. If Seller is aware of a more current revision inform Buyer.

- c. Attributes or variable inspection or test data demonstrating conformance to requirements as defined on the purchase order. Inspection and/or test data shall be completed per specification or drawing listed on the purchase order.
 - d. Seller shall maintain records and reports of inspection, measurements etc. and have available for review upon request from Buyer for a minimum of 10 years for non-medical applications unless otherwise specified, and indefinitely for medical applications.
 - e. Seller shall establish and maintain a system of adequate calibration of production, inspection and test equipment. Records of calibration shall be made available to Buyer upon request.
 - f. The Seller shall ensure that Foreign Object Debris and Foreign Object Damage (FOD) are eliminated from all part surfaces, cavities, and channels both accessible and in accessible, prior to shipment.
 - g. Seller is required to flow down to sub-tier supplier the applicable requirements in the purchasing documents, including key characteristics.
 - h. Seller warrants that all such Deliverables will conform to any statements made on the containers or labels or advertisements for such goods, or services, and that any goods will be adequately contained, packaged, marked and labeled, unless otherwise specifically instructed by Buyer. Seller warrants that Deliverables furnished will conform in all respects to samples. Inspection, test, acceptance or use of the goods or services furnished hereunder shall not affect the Seller's obligation under this warranty, and such warranties shall survive inspection, test, acceptance and use.
 - i. Seller's warranty shall run to Buyer, its successors, assigns, and customers, and users of products sold by Buyer. Seller agrees to replace or correct defects of any goods or services not conforming to the foregoing warranty promptly, without expense to the Buyer, when notified of such nonconformity by Buyer, provided Buyer elects to provide Seller with the opportunity to do so. In the event of failure of Seller to correct defects in or replace nonconforming goods or services promptly, Buyer, after reasonable notice to Seller, may make such corrections or replace such goods and services and charge Seller for the cost incurred by Buyer in doing so.
 - j. Seller shall defend, indemnify and hold harmless Buyer against all damages, claims or liabilities and expenses (including attorney's fees) arising out of or resulting in any way from any defect in the Deliverables, any breach of the terms and conditions of the Purchase Order, or from any act or omission of Seller, its agents, employees, representatives, assignees, or subcontractors. This indemnification shall be in addition to the warranty obligations of Seller.
 - k. Buyer, Buyer's Customer, and/or Regulatory Agencies have the right to inspect and access at Seller's plant or at Seller's vendors' or subcontractors' plant, the Goods and controlled Quality Records associated with the manufacturing processes. The inspection and access may be made at any time and for any reasonable reason related to the Order. Seller will inform its vendors and subcontractors of Buyer, Buyer's customers, and/or regulatory agencies' right to inspect and access and, if necessary, use all reasonable effort to secure such right for Buyer, its customer, and/or regulatory agencies.
 - l. Buyer reserves the right of final approval of all Goods and Services.
- 8) Price Warranty:** Unless otherwise specified in the Purchase Order, the price for the Deliverables indicated on the Purchase Order includes all taxes, duties, fees, and surcharges applicable and cannot be changed without the prior written agreement of the Buyer.
- 9) Insurance:** In the event that Seller's obligations hereunder require or contemplate performance of services by Seller's employees, or persons under contract to Seller, to be done on Buyer's property, or property of Buyer's customers, the Seller agrees that all such work shall be done as an independent contractor and



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that the persons doing such work shall not be considered employees of the Buyer. Seller shall maintain all necessary insurance coverages, including public liability and Workman's Compensation insurance. Seller shall indemnify and save harmless and defend Buyer from any and all claims or liabilities arising out of the work covered by this paragraph.

- 10) Inspection/Testing:** Seller is to notify Buyer of nonconforming material as soon as possible. Notification shall include Buyer item part numbers, shipped (or to be shipped) quantity and date(s) and nonconformance details. Buyer reserves the right to inspect such goods at either the Seller's facility or at Buyer's facility before accepting the goods. If the parts can't be reworked to original conformance requirements and require repair, Buyer approval must be obtained prior to repair. Payment for the Deliverables hereunder shall not constitute acceptance thereof. Buyer shall have the right to inspect, within a reasonable period after completion or delivery, provided such delivery meets Purchase Order requirements, such Deliverables and to reject any or all of said goods or services that are in Buyer's judgment defective or nonconforming. Deliverables rejected and/or supplied in excess of quantities called for in the Purchase Order may be returned to Seller at its expense and, in addition to Buyer's other rights, Buyer may charge Seller all expenses of unpacking, examining, repacking, and reshipping such goods. If any Goods or Services are defective or otherwise not in conformity with the requirements of an Order, Buyer may at its election:
- a. Return the Non-Complying goods for repair or replacement at the Seller's expense
 - b. Repair the non-complying product and charge back to the Seller all reasonable repair costs incurred by Buyer or
 - c. Have the Seller re-perform the Service, as a minimum, to the level of compliance.
 - i. If Buyer selects an alternative described in Section b. or c, Seller shall return the repaired Non-Complying Goods or replacement no later than three (3) working days after receipt of the Non-Complying Goods from Buyer. Seller shall re-perform the Services within three (3) working days after notice from Buyer that Services are defective or not in conformity with the requirements of the Order.

In the event Buyer receives goods or services whose defects or nonconformity is not apparent on examination, Buyer reserves the right to require replacement, as well as payment of damages. Nothing contained in the Purchase Order shall relieve in any way the Seller from the obligation of testing, inspection and quality control. Buyer shall have the right, at reasonable times, to inspect Seller's premises and all Conflict Minerals (as defined below) traceability documentation related to Buyer's supply chain.

- 11) Acceptance:** While generally it is a condition precedent to payment for Deliverables by Buyer to Seller, that Buyer accept those Deliverables (in whole or in part) as set forth herein, for the purposes of the Purchase Order, payment for Deliverables shall not itself constitute acceptance thereof in the absence of written or emailed notification except "acceptance" means the point at which Buyer accepts or is deemed to accept the Deliverables in accordance to the terms of the Purchase Order, which includes:
- a. In the absence of written notification of non-conformance or non-acceptance within a reasonable period of time.
 - b. Upon notification of acceptance in writing or via email from Buyer.
- 12) Conflict Minerals:** Seller warrants that, to its knowledge after reasonable inquiry, no tantalum, tin, tungsten, and/or gold ("Conflict Minerals"), contained in any good subject to the Purchase Order, originated from Angola, Burundi, Central African Republic, Democratic Republic of the Congo, Rwanda, South Sudan, Uganda, United Republic of Tanzania, The Republic of the Congo or Zambia, unless the Conflict Minerals were processed by a facility listed as compliant pursuant to the EICC_GeSI Conflict-Free Smelter Program, Seller agrees to abide by the terms and conditions in Buyer's Conflict Minerals Policy, and to define, implement and communicate to its sub-suppliers its own policy outlining its commitment to responsible sourcing, legal compliance and measures for implementation. Seller agrees to cooperate and work with its sub-suppliers to ensure traceability of Conflict Minerals at least to smelter or refiner level, to maintain and



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record all Conflict Minerals traceability documentation for ten years, and to provide such documentation to Buyer upon request.

13) ITAR Requirements: Some Deliverables will be regulated under International Traffic in Arms Regulation (ITAR). For these, all documents pertaining to the Deliverables are controlled under the U.S. ITAR and must:

- a. not be sent or transmitted by any means outside the U.S. or
- b. furnished or made available only to U.S. Persons (as defined therein) inside or outside of the U.S., except in accordance with the ITAR and any approvals or exemptions issued by the U.S. Department of State. Non-U.S. suppliers who provide goods for sale under this Purchase Order, shall comply with and provide certification of compliance with the appropriate requirements.

14) Assignment and Subcontracting:

- a. No part of this order may be assigned or subcontracted without the prior written approval of Buyer.
- b. If approved, all assignees or subcontractors will be considered part of Seller, and Seller will assume all responsibilities under these terms and conditions precisely as if Seller were performing the portions of the Deliverables directly.

15) Counterfeit Parts Contract requirements for Independent Distributors

- a. Seller shall establish and implement activities necessary to assure the authenticity of purchased product according to AS5553.
- b. Supply Chain Traceability – Seller will provide a Certificate of Conformance and Traceability (CoCT) for each shipment, showing full traceability for the parts being purchased back to the manufacturer. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the product for the seller and shall include the manufacturer's batch identification for the items. The Seller further warrants that this document is accurate. If a CoCT is not available, the seller will provide appropriate testing to authenticate the parts shipped and include this testing report along with a Certificate of Conformance.
- c. Product Impoundment and Financial Responsibility – If counterfeit parts are furnished under this purchase agreement, such items shall be impounded. The Seller shall promptly replace such items with items acceptable to Buyer and the seller may be liable for all costs relating to impoundment, removal, and replacement. Buyer may turn such items over to US Government authorities for investigation and reserve the right to withhold payment for the items pending the results of the investigation.
- d. Federal Penalties Associated with Fraud – Any knowing and willful act to falsify, conceal or alter a material fact, or any false, fraudulent or fictitious statement or representation in connection with the performance of work may be punishable in accordance with applicable Federal statutes.
- e. Seller shall include all provisions of this Counterfeit clause to all lower tier contracts. Any inability or unwillingness of a lower tier supplier to comply with this provision should be documented in writing and submitted to Buyer.

16) Setoff: All claims for money due or to become due from Buyer shall be subject to deduction or set off by the Buyer by reason of any counterclaim arising out of this or any other transaction with Seller.



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- 17) Shipment:** Seller shall substantially pack, mark and ship all Deliverables in a manner to secure the lowest, reasonable transportation cost and in accordance with the shipping instructions contained in the Purchase Order and the requirements of common carriers. Seller shall be liable for any difference in shipping charges arising from its failure to follow the shipping instructions contained herein or properly describe the shipment. The parties agree to assist each other in the prosecution of claims against carriers.
- 18) Force Majeure:** Buyer may delay delivery or acceptance occasioned by causes beyond its control. Seller shall hold such goods at the direction of the Buyer and shall deliver them when the cause affecting the delay has been removed. Buyer shall be responsible only for Seller's direct additional costs in holding the goods or delaying performance of this agreement at Buyer's request. Causes beyond Buyer's control shall include governmental action or failure of the government to act where such action is required, strike, or other labor trouble, fire, or unusually severe weather.
- 19) Waiver:** Buyer's failure to insist on performance of any of the terms or conditions of the Purchase Order or to exercise any right or privilege or Buyer's waiver of any breach hereunder shall not thereafter waive any other terms, conditions, privileges of the same or similar type.
- 20) Severability:** If any term or provision of the Purchase Order shall ever be held to be invalid, illegal or unenforceable by a court or judicial officer, the provision shall remain in effect to the extent allowed by law, and in each such event the remainder of the Purchase Order or the application of such term or provision to any other person or any other circumstance shall not be thereby affected and each term and provision shall remain valid and enforceable to the fullest extent permitted by law.
- 21) Choice of Law:** The Purchase Order and any contract formed hereunder, shall be governed by and construed under the internal laws of the State of Oregon without regard to its rules of conflict of laws. Each of the Parties hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of Oregon located in Multnomah County for any litigation arising out of or relating to the terms and conditions herein, and agrees not to commence any litigation relating thereto except in such courts, waives any objection to the laying of venue of any such litigation in the Oregon Courts and agrees not to plead of claim in any Oregon Court that such litigation brought therein has been brought in an inconvenient forum.