



STANDARD GENERAL TERMS AND CONDITIONS - PURCHASE OF MATERIAL AND SERVICES PROCEDURE

DOC. NO. 43-33001-0002

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Current Revision Level

ECO#	Rev.	Description of Change	Author of Change	Date
	G	Added Section 30 for Supplier Flow Down Requirements	RJS	9/14/21



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1. AGREEMENT

In consideration of the payments to be made and the obligations to be performed by BUYER, SUPPLIER shall furnish Material, Work and Documentation to BUYER and shall perform its other obligations as an independent contractor (not as an employee or agent of BUYER), all as set forth in the Purchase Order which incorporates this Agreement (herein "Agreement"). SUPPLIER agrees that BUYER may resell, assign and transfer to Customer any or all of its rights under this Agreement or the Purchase Order, including the right to receive SUPPLIER's Material, performance of any Work or other obligations, pursuant to this Agreement, without any obligation of notice thereof or consent thereto.

- 1.1. Agreement Over lap: In the event of a conflict of terms, conditions, and agreements between a contract, a purchase order, and these terms of conditions the Individual specific purchase order takes precedence, followed by the contract if one exists, followed by these terms and conditions. Other forms of written and oral communications should not be considered as binding direction or obligations.

2. DEFINITIONS

- 2.1. Buyer: SL Power Electronics Corp.
- 2.2. Change Order: Document issued by BUYER which, when accepted by SUPPLIER amends the Purchase Order – a P.O. revision.
- 2.3. SL Power Electronics Corp Buyer: The employee of BUYER who is authorized to act on behalf of BUYER for purposes of the Purchase Order.
- 2.4. Confidential Information: All information, documents, materials, business plans, concepts, designs, models, trade secrets or intellectual property of any kind furnished or made available by BUYER or Customer, as the case may be, to SUPPLIER in oral, electronic or written form or by inspection, and all analyses, compilations, studies, reports or other materials prepared by SUPPLIER containing or reflecting the foregoing. Confidential Information shall include the terms and conditions of the Purchase Order and the fact that BUYER has contracted with SUPPLIER for Material and/or Work.
- 2.5. Customer: Any customer of BUYER.
- 2.6. Delivery Date: The contractual date the Material, Work and Documentation is to be delivered to the FOB Point.



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- 2.7. Documentation: The drawings, specifications, test reports, certifications, manuals, instructions, and other data specified to be delivered by SUPPLIER.
- 2.8. FOB Point: As specified in the Purchase Order, either (i) the location for placement or delivery of goods on board a common carrier, or (ii) the destination.
- 2.9. Jobsite: The location where the Material is to be delivered or used, or where Work will otherwise be performed.
- 2.10. Material: All apparatus, materials, products, and supplies to be furnished by SUPPLIER and purchased by BUYER as specified in the Purchase Order.
- 2.11. Price Lock-In Date or Period: An agreed-upon date or period, prior to or during which SUPPLIER may not increase prices over the agreed upon prices.
- 2.12. Purchase Order: Document issued by BUYER to SUPPLIER, as may be amended by Change Orders, which authorizes the Work, specifies the commercial terms, and incorporates by reference these General Terms and Conditions, and, if applicable, Specifications and other referenced documents, all of which form the contract between the parties with the following priority in the event of conflicting provisions: Change Orders from latest to earliest, Purchase Order, Terms and Conditions, Specification, any other referenced document.
- 2.13. Specification: A document, specifically referenced in the Purchase Order, which states the supplemental and technical requirements for the Work.
- 2.14. SUPPLIER: The entity to which the Purchase Order is addressed and which is responsible for performing the Work.
- 2.15. Work: The Material, furnishing of the Material and its Documentation, any services or work to be performed by SUPPLIER, and all other obligations of SUPPLIER, as stated in the Purchase Order.
- 2.16. SLPE: SL Power Electronics Corporation



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3. PAYMENT

- 3.1. Invoices shall be paid within forty-five (45) days after the receipt of the following: (i) the Material, Work and the Documentation at the destination; and (ii) the invoice at:

SL Power Electronics
Attention: Accounts Payable
6050 King Drive, Bldg A
Ventura, California 93003

For any portion of the Material or the Documentation which does not conform to the requirements of the Purchase Order, a corresponding portion of the price may be withheld until such nonconformance is corrected.

- 3.2. All invoices shall separately identify sales or use taxes. All invoices shall clearly segregate on a line item by line item basis all authorized freight charges and other non-taxable items from those that are taxable under California sales and use tax law and regulations. Sales and use taxes are not charged or applicable to freight charges. BUYER will not pay any additional charges for inspection, packing, cartons, wrapping, delivery, drayage, service charges, or trucking, insurance or similar items, unless authorized by BUYER in writing on the Purchase Order.
- 3.3. The price shall be the price designated on the Purchase Order issued by the BUYER and accepted by the SUPPLIER.

4. CHANGES

- 4.1. BUYER may make change through P.O. revision in any of the provisions of the Purchase Order, Material, Work, Documentation, drawings, design, specifications, method of shipment and packing or place of delivery, by issuance of a written Change Order. If such changes affect the Delivery Date or price, SUPPLIER shall promptly notify the BUYER in writing, attention to the SL Power Electronics Buyer designated on the Purchase Order, and an equitable adjustment shall be negotiated in good faith and agreed to in writing and incorporated by a written Change Order.
- 4.2. Any claim by SUPPLIER for adjustment for changes must be submitted in writing to BUYER within 3 days from date of receipt of the notification of change, and no additional compensation shall be paid by BUYER to SUPPLIER unless approved in writing by BUYER.



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- 4.3. Cost reductions changes are encouraged however the SUPPLIER shall not make any changes in the design, specification, drawings or composition of any Materials, Work or Documentation ordered hereunder without the prior written approval of BUYER.
- 4.4. SLPE requires product change notification of fabricated parts & industry standard components, where manufactures specifications are changed. All product change notifications (PCN) must be approved by SLPE before proceeding. Change Authorization can be sent via email documentcontrol@slpower.com or mailed to.

5. PACKAGING AND LABELING

- 5.1. All Materials shall be properly packed, marked and shipped in accordance with the requirements of the common carrier transporting such Materials and the applicable Purchase Order and in a manner which will permit the securing of the lowest transportation rates. SUPPLIER shall route shipments in accordance with BUYER's Purchase Order instructions. SUPPLIER shall reimburse BUYER for all expenses incurred by BUYER as a result of improper shipping, packing, marking or routing.
- 5.2. All items or their containers shall be piece marked with the Purchase Order number, brief description, or Purchase Order item number, material code and release number. Items disassembled for shipment shall be match-marked. Procured items shall be protected from impact and weather damage.
- 5.3. SUPPLIER shall mark each package in accordance with the current revision of BUYER's engineering drawing for the Material or Work, as applicable
- 5.4. Each packing slip, bill of lading and invoice shall bear the applicable Purchase Order number and the location to which the Materials are to be shipped.
- 5.5. A numbered master packing slip shall accompany each shipment. If less than a full container load is being shipped, the master packing slip shall be included in one of the packages that shall be marked "Packing Slip Inside" on the exterior of the package. In the case of shipment of a full container, the master packing slip shall be enclosed in an unsealed envelope and secured near the door on the inside of the container, freight car, or truck container.
- 5.6. The original bill of lading shall be mailed to the name and address set forth in paragraph 3.1 above.



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- 5.7. The supplier is responsible for furnishing proper documentation re: “country of origin” certification in conformance with USMCA and other applicable federal, state and local laws, rules and regulations.
- 5.8. All “country of origin” marking, including product silkscreens, labels, stamps, packaging art, etc. must indicate the actual country of origin. This requirement supersedes country of origin references made on all engineering documentation supplied.
- 5.9 SLPE requires that all wooden packaging material (WPM) complies to the International Plant Protection Convention (IPPC) requirement for certified wood packaging used for export. All wooden packaging material including ship born dunnage, pallet crating, load boards etc. must meet the International Standards for Phytosanitary Measures No. 15 (ISPM No. 15).

6. DELIVERY

- 6.1. Time is of the essence. SUPPLIER shall deliver the Material, Work and Documentation to the FOB Point by the Delivery Date. Such on-time delivery is essential to maintain the operating schedule of BUYER's facilities and Customer requirements. If deliveries are not made at or before the Delivery Date, BUYER reserves the right to cancel a Purchase Order, or portion thereof, or to purchase elsewhere and hold SUPPLIER accountable for any losses or damages suffered or incurred by BUYER. SUPPLIER agrees to notify BUYER in writing immediately of any cause which may delay deliveries as specified beyond the date required by BUYER. If SUPPLIER has purchased specific raw materials for use in BUYER's Purchase Orders that SUPPLIER has not used and that are only usable for BUYER's Purchase Order and that are fully usable, BUYER may negotiate in good faith to purchase same at a price that does not exceed the invoice price to SUPPLIER. Such a negotiation would be at BUYER'S sole and absolute discretion and normally would occur only if the material is needed by the BUYER on a going forward basis.

Supplier will be responsible for paying air freight expense if ship date is missed and late delivery will cause a schedule impact for Buyer. If Buyer regularly pays for ocean freight, supplier will be responsible for paying difference for air.



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- 6.2. SUPPLIER shall promptly notify BUYER's procurement agent responsible for the Purchase Order of any condition affecting the Delivery Date. Deliveries may be expedited by BUYER. Whenever SUPPLIER has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Agreement or a Purchase Order, SUPPLIER shall immediately give written notice thereof including all information with respect thereto, to BUYER.
- 6.3. BUYER may, at its sole option, accept or return deliveries which vary from the specified Delivery Date or quantities, except for authorized partial shipments, with written authorization in advance of delivery occurring.
- 6.4. Blanket Purchase Orders will be followed by specific individual release documents authorizing shipments, for specific quantities to be delivered on specific delivery dates. Unless specific delivery dates are provided in a Purchase Order, SUPPLIER shall not ship the Materials to BUYER until it receives individual release documentation authorizing shipment for such specific quantities on specific delivery dates. BUYER shall have no responsibility for Materials for which individual release documents have not been provided.

7. UNCONTROLLABLE FORCES

- 7.1. SUPPLIER shall not be liable for delay in the Delivery Date or inability to perform the Work due to any cause beyond its reasonable control, such as strike, flood, fire, lightning, epidemic, quarantine restriction, war, sabotage, act of a public enemy, earthquake, or critical material unavailability; provided that SUPPLIER promptly notifies BUYER in writing of the nature, cause, date of commencement, and expected impact of the event and has exercised due diligence in proceeding to meet the Delivery Date.
- 7.2. BUYER shall not be liable for delay in the receipt or inability to perform receiving due to any cause beyond its reasonable control, such as strike, flood, fire, lightning, epidemic, quarantine restriction, war, sabotage, act of a public enemy, earthquake, or critical material unavailability; provided that BUYER promptly notifies SUPPLIER in writing of the nature, cause, date of commencement, and expected impact of the event and has exercised due diligence in proceeding to meet the Delivery Date.



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- 7.3. BUYER shall extend the Delivery Date for an equitable period due to such causes without any change in the Purchase Order price; provided, however, for Delivery Dates extended in excess of thirty (30) days, BUYER has the unilateral right to terminate the contract upon notice of the delay.

8. TITLE AND RISK OF LOSS

- 8.1. Title and risk of loss or damage to the Material shall pass from SUPPLIER to BUYER at the FOB Point. Title shall be free and clear of any and all liens and encumbrances whatsoever.
- 8.2. SUPPLIER shall have risk of loss for any Material removed from BUYER's or Customer's facility for warranty repair.
- 8.3. When "FOB Point of Shipment," if the Material is received at destination in a damaged condition, SUPPLIER shall supply evidence that the Material was properly packaged, and secured to withstand normal transportation conditions. If a claim for such damage is denied by the carrier on the basis that such damage was attributable to SUPPLIER, SUPPLIER shall repair or replace such damaged Material, FOB Destination.
- 8.4 All Material, Work and Documentation to be delivered hereunder shall be free and clear of any and all liens and encumbrances whatsoever.

9. DISPUTES

Any unresolved disputes shall be referred to a Vice President of the BUYER, and an officer of SUPPLIER for resolution. Pending resolution, SUPPLIER shall continue to perform the Work as directed by BUYER, and BUYER shall continue to make payments except for the undisputed items and amounts. A written Hold Notice may be issued to Supplier to avoid any misunderstanding as to the purchase orders in question.



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10. NEW MATERIAL

- 10.1. All Material shall be new. Surplus, used or refurbished Material shall be permitted ONLY if so specified in the written Purchase Order.
- 10.2. If surplus or refurbished Material is not specified in the Purchase Order, SUPPLIER warrants that the Material furnished under the Purchase Order: a) is manufactured by the SUPPLIER or another company specified in the item description; b) is manufactured of new, never used components; c) is not in any way refurbished; and d) was not acquired by SUPPLIER through the surplus market.
- 10.3. Notwithstanding any other provision of the Purchase Order, SUPPLIER shall indemnify and hold harmless BUYER and Customer for any damages resulting from SUPPLIER's noncompliance with this "NEW MATERIAL" Section.

11. ACCEPTANCE

- 11.1. All Material, Work and Documentation furnished conform to the written specification provided by BUYER, and will be subject to inspection, testing and approval by BUYER after delivery. In addition to all other rights and remedies available at law or in equity, BUYER reserves the right to reject and return at the sole expense of the SUPPLIER such portion of any shipment which may be defective or fails to comply with specifications, drawings, tests or other written requirements of BUYER, without invalidating the remainder of the Purchase Order.
- 11.2. BUYER shall perform tests and inspections on the Material, Work and Documentation within a reasonable time after receipt thereof to determine compliance with the Purchase Order. SUPPLIER within 24 hours of notification shall issue SLPE a return material authorization number (RMA #), at its sole expense, promptly correct or replace any non-conforming Material, Work or Documentation FOB Destination or, at BUYER's request, shall issue credit for the value of such non-conforming Material, Work or Documentation.
- 11.3. BUYER shall be allowed access to SUPPLIER's and subcontractor's facilities to inspect, observe tests, expedite manufacture, and obtain data for the Material, Work and Documentation. If any inspection or testing is made on SUPPLIER's premises, SUPPLIER shall furnish without additional charge all reasonable facilities and assistance for the safety and convenience of the persons conducting such inspection or test.



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From time to time, source inspection at the supplier's facility may be necessary. Supplier must make available space, supporting documentation and other resources (to be determined on a case by case basis) to help BUYER ensure that quality, packaging, documentation, etc. requirements have been met before a shipment can be made to BUYER. SUPPLIER will be notified in advance by BUYER with specific P.O.'s and/or P/N's identified. BUYER will not interfere with normal operations of SUPPLIER for their other business.

- 11.4. If any Materials, Work or Documentation are defective in material or workmanship, or otherwise not in conformity with the requirements of the Purchase Order, BUYER shall have the right to reject such Materials, Work or Documentation or to retain and correct the Materials, Work or Documentation at SUPPLIER's expense, or require the correction by SUPPLIER.
- 11.5. Rejected Materials will be returned to SUPPLIER at SUPPLIER's risk for credit and SUPPLIER shall pay BUYER for all packing, handling, sorting, transportation expenses incurred in connection with the rejected Materials.
- 11.6. SUPPLIER's system of quality control shall conform to the applicable specifications and regulations, international standards and ISO 9000 quality standard, and all other tests and standards set forth in the Work or Documentation.
- 11.7. Records of all testing and inspection work by SUPPLIER shall be kept complete and available to BUYER, for such period as specified in this Purchase Order or six (6) years, whichever is greater.

12. WARRANTY

- 12.1. SUPPLIER warrants that the Material and Work shall be free from defects in workmanship and materials, and free from defects in design if the design was made by SUPPLIER, and shall conform to the requirements of the Purchase Order and to the specifications, drawings, and samples [furnished by BUYER], and will be fit for the particular purpose(s) intended, will be of merchantable quality and of good material and workmanship, and free from defect, claim, encumbrance or lien. The warranty period shall be for one (1) year and shall commence to run upon the earlier of (i) acceptance; (ii) successful installation and utilization of the Material; or (iii) the expiration of one-hundred-eighty (180) days after receipt of the Material by BUYER; unless notification of nonconformance has been issued by BUYER. If such notification has been issued, the warranty period shall start upon acceptance or utilization.



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- 12.2. SUPPLIER represents and warrants that the goods covered by this Purchase Order have been manufactured in accordance with all applicable federal, state, and local laws, rules, ordinances and regulations, including, but not limited to all requirements of the Fair Labor Standards Act of 1938, as amended, laws concerning minimum wage, overtime, child labor, the Occupational and Health Act of 1970, the Immigration and Naturalization Act, workers' compensation laws, and all other applicable laws. In addition, SUPPLIER represents and warrants that all goods and packing shall bear all markings and labels required by applicable federal, state, and local laws, rules and regulations.
- 12.3. During the warranty period, SUPPLIER shall, at its sole expense and promptly after notification by BUYER, correct or replace defective Material, Work and Documentation and damage to any other part of the Material or Work resulting from such defective Material or Work, at SUPPLIER's sole cost and expense.
- 12.4. SUPPLIER shall be responsible for and shall pay the cost for correcting and any disassembly, removal, shipment, installation and re-assembly costs incurred because of warranty repairs. The warranty period for such corrected or replaced Material and/or Work shall be of an equal duration as the original warranty period and shall start upon acceptance of such corrected or replaced Material and/or Work.
- 12.5. SUPPLIER warrants that the Documentation shall be accurate and as specified in the Purchase Order. SUPPLIER shall correct any non-conforming Documentation as directed by BUYER within one (1) year after its receipt.
- 12.6. SUPPLIER warrants that replacement parts for the Material shall be interchangeable in fit and function with the original Material. The provisions of this Section "WARRANTY" shall apply to such replacement parts except that the warranty period shall be for one (1) year from date of installation or eighteen (18) months from the date of BUYER's receipt of the replacement parts, whichever occurs first.
- 12.7. For purposes of this Warranty Section, BUYER and Customer shall store, operate, and maintain the Material in accordance with industry practice or specified procedures.
- 12.8. SUPPLIER consents to, and agrees that BUYER shall resell, assign and transfer to Customer the right to receive SUPPLIER's performance of any services or other obligations pursuant to this Agreement or any Purchase Order and the right to receive and enforce any benefits rendered by SUPPLIER under this Agreement or any Purchase Order, including without limitation, all warranties, indemnities and insurance coverages.



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13. REPLACEMENT PARTS

SUPPLIER agrees to sell to BUYER replacement parts for the Material under the same General Terms and Conditions as set forth in the Purchase Order.

14. RECORDS (accounting or material production records)

SUPPLIER shall maintain, for a period of three (3) years from acceptance of any Material or Work pursuant to Section 11, complete accounting records (and supporting documentation) of all invoiced costs with respect to such Material in accordance with SUPPLIER's normal accounting practices. BUYER shall have the right of free access, at any reasonable time during normal business hours, to examine, audit, and copy all of SUPPLIER's original records, including all records relating to the origin and composition of component materials used to manufacture the Material and Work sold to BUYER.

15. STATUTES AND CODES

The Material and Work shall be manufactured and furnished by SUPPLIER in accordance with, and shall conform to all applicable federal, state and local, laws, rules, statutes, acts, ordinances, regulations, codes, and standards.

16. MATERIAL SAFETY DATA SHEETS

16.1. Prior to approving Purchase Orders for Materials which are subject to an MSDS sheet, BUYER shall request MSDS from SLPE's HR-EHS Manager, who will obtain them from company's online MSDS system. The HR-EHS Manager will advise BUYER when all necessary safeguards, as defined in the MSDS, are met so the Purchase Order may be approved.

16.2. Whenever the formulation or evaluation of a Material is changed, the HR-EHS Manager will receive an MSDS revision from the company's online MSDS system. The HR-EHS Manager will advise BUYER when all necessary safeguards, as defined in the revised MSDS, are met so new Purchase Orders may be approved.

16.3. Prior to accepting/receiving any sample Materials, the HR-EHS Manager must obtain the MSDS from the company's online MSDS system. The HR-EHS Manager will ensure that all necessary safeguards, as defined in the MSDS, are met so the sample Material may be accepted/received.



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- 16.4. The MSDSs shall comply with the Federal (29 CFR 1910.1200) and California (CCR 5194) OSHA Hazard Communication Standards.
- 16.5. ***EACH MSDS SHALL BE TRANSMITTED WITH A COVER SHEET ATTACHED TO THE MSDS CONTAINING ALL OF THE FOLLOWING INFORMATION.***
- To: MSDS vendor identified in the Purchase Order
 - From: SUPPLIER's name, address and phone number
 - Re: MSDS for BUYER
 - Material code, if applicable (located in the Purchase Order)
 - Manufacturer's name, address and phone number
 - Product Trade Name
 - Product Description
 - Part Number
 - Container size
 - Location used at or shipped to

The cover sheet shall be completely filled out.

17. CONTAINER LABELING REQUIREMENTS

- 17.1. Prior to shipment, SUPPLIER shall label all containers of hazardous materials, as defined by the State of California's and the Federal Government's OSHA programs. Such labels shall include, as a minimum:
- The specific chemical identity of the substance. If the product is a mixture, list the components present in concentrations of 1 % or more, or 0.1 % or more if a carcinogen;
 - The name, telephone number, contact and address of the manufacturer, importer or other distributor;



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- Warning statements of the substance's flammability, corrosivity, toxicity, reactivity, primary routes of bodily entry and target organs affected;
 - Emergency and first aid procedures;
 - The potential for fire and/or explosion; and
 - Any generally known precautions for safe use and handling of the substance.
- 17.2. These labels shall be clearly legible and capable of withstanding normal shipping and handling while maintaining legibility of ALL information printed thereon.
- 17.3. Any container received without said label, or with illegible information thereon, is subject to rejection and, at the sole discretion of BUYER, may be returned to the SUPPLIER, at SUPPLIER's expense.

18. INSURANCE AND INDEMNITY

- 18.1. SUPPLIER shall maintain for the Material, Work, and Documentation at all times, and for a period four years following the delivery of Material or Work under a Purchase Order, at its own expense, valid and collectible insurance as required below. This insurance shall not affect SUPPLIER's liability under the provisions of Section 18.4, "INDEMNITY" and shall include a provision that it shall not be terminated nor expire except on thirty (30) days' prior written notice to BUYER's Finance Manager.
- 18.2. SUPPLIER shall furnish BUYER with certificates of insurance on forms acceptable to BUYER as evidence that policies do in fact provide the required coverages and limits of insurance listed below and are in full force and effect. Such insurance shall be maintained with a carrier with an A.M. Best Company rating of A VII or better.
- 18.3. Any other insurance carried by BUYER which may be applicable shall be deemed to be excess insurance and SUPPLIER's insurance shall be deemed primary for all purposes despite any conflicting provision in SUPPLIER's policies to the contrary.
- (i) Workers' Compensation Insurance with statutory limits, as required by the state in which the Work is performed, and Employer's Liability Insurance with limits of not less than \$1,000,000. Carriers furnishing such insurance shall be required to



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waive all rights of subrogation against BUYER and Customer, and their respective officers, agents, employees, and contractors.

- (ii) Commercial General Liability Insurance, written on an "occurrence" basis, including products liability, owner's and contractor's protective, products/completed operations, broad form property damage liability, and contractual liability, but excluding automobile liability. Such insurance shall bear limits of not less than \$1,000,000 per occurrence, exclusive of defense costs, as respects products and completed operations, and limits of not less than \$2,000,000 annual aggregate, exclusive of defense costs, as respects all other coverages. Such insurance shall: (a) acknowledge BUYER as additional insureds; (b) be primary for all purposes; (c) contain standard cross-liability or severability of interest provisions; and (d) waive all rights of subrogation against BUYER.

If SUPPLIER elects, with the concurrence of BUYER, to use a "claims made" form of Commercial General Liability Insurance, then the following additional requirements shall apply: (a) the retroactive date of the policy shall be prior to the commencement of the Work; and (b) coverage for the Work shall be maintained in effect for a period of not less than four (4) years after completion of the Work or delivery of the Material to BUYER, or a supplemental extended reporting period of not less than four (4) years after completion of the Work or delivery of the Material shall be included. These requirements shall ensure that such insurance shall enable BUYER to recover for claims reported at any time commencing with the delivery of Material or Work and continuing to a date not less than four (4) years following same.

- (iii) Automobile Bodily Injury and Property Damage Liability Insurance on an "occurrence" form with a combined single limit per occurrence of not less than \$1,000,000. Such insurance shall acknowledge both BUYER and Customer as additional insureds and be primary for all purposes.

If any of the required insurance coverages contain aggregate limits applying to other operations of SUPPLIER outside this contract, and such limits are diminished by any incident, occurrence, claim, settlement, or judgment against such insurance, SUPPLIER shall take immediate steps to restore such aggregate limits or shall provide other insurance protection for such aggregate limits.

If SUPPLIER fails to comply with any of the provisions of this Section, "INSURANCE," SUPPLIER shall, at its own cost, defend, indemnify, and hold harmless BUYER



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and Customer, jointly and severally, and their respective officers, agents, employees, assigns, and successors in interest, from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs including attorney's fees and expenses, or any of them, resulting from the death or injury to any person or damage to any property to the extent that BUYER and Customer would have been protected had SUPPLIER complied with all of the provisions of this Section "INSURANCE."

- 18.4. Indemnity: SUPPLIER shall, at its own cost, defend, indemnify and hold harmless BUYER and Customer, jointly and severally, and their respective officers, agents, employees, assigns, and successors in interest ("Indemnitees"), from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs, including attorney's fees and expenses, or any of them, resulting from: (a) any claim arising from or relating to this Agreement or SUPPLIER's performance under this Agreement; (b) any Material, Work or Documentation provided under this Agreement; (c) breach of any warranty contained in Section 12 or 23 of this Agreement; or (d) the death or injury to any person or damage to any property, caused by SUPPLIER, and arising out of the performance or nonperformance of its obligations under this Agreement or any Purchase Order.
- 18.5. Any tools, supplies, equipment, or other items loaned by an Indemnitee to SUPPLIER shall be loaned solely as a convenience to SUPPLIER. SUPPLIER agrees that such items are being loaned "as is" and BUYER makes no representations as to the condition, suitability for use, freedom from defect or otherwise, of such items. SUPPLIER shall, at its own cost, defend, indemnify and hold harmless BUYER from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs, including attorney's fees and expenses, or any of them, resulting from the death or injury to any person or damage to any property, arising out of any actual or alleged use, delivery, or transportation of any and all loaned tools, supplies, equipment or other items having defects or claimed to be defective.
- 18.6 The indemnities set forth in this Section 18, "INDEMNITY" shall not be limited by the insurance requirements set forth in this Section.



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19. SEXUAL HARASSMENT

- 19.1. BUYER and Customer support a diverse work force and prohibit unlawful employment discrimination and harassment of every kind, including sexual harassment, in accordance with state and federal laws.
- 19.2. SUPPLIER United States suppliers shall require its employees, subcontractors and agents to comply with all applicable federal, state and local statutes, acts, regulations, codes and standards prohibiting conduct that might reasonably be construed as violating state or federal equal opportunity laws, including conduct such as making sexually suggestive jokes or remarks, touching, assaulting, making gestures of a sexual or suggestive nature, and impeding or blocking any BUYER or Customer employee's, subcontractor's or agent's movement, in any interaction or activity with BUYER. Non-U.S. Suppliers shall follow all applicable federal, state and local statutes, acts, regulations, codes and standards as levied in their home country and will be sensitive to United States laws and customs.

20. FCPA COMPLIANCE

- 20.1. SELLER warrants and represents to BUYER that neither SELLER nor any of its officers, directors, employees, agents or other representatives has performed or will perform any of the following acts in connection with this Agreement, any sale made or to be made hereunder, any compensation paid or to be paid hereunder, or any other transactions involving the business interests of the Company: pay, offer or promise to pay, or authorize the payment of, any money, or give or promise to give, or authorize the giving of, any services or anything else of value, either directly or through a third party, to any official or employee of any governmental authority or instrumentality, or of a public international organization, or of any agency or subdivision thereof, or to any political party or official thereof or to any candidate for political office for the purpose of (i) influencing any act or decision of that person in his official capacity, including a decision to fail to perform his official functions with such governmental agency or instrumentality or such public international organization or such political party, (ii) inducing such person to use his influence with such governmental agency or instrumentality or such public international organization or such political party to affect or influence any act or decision thereof or (iii) securing any improper advantage.
- 20.2. If SELLER breaches any of the covenants set forth in clause (a), above, (i) this Agreement shall become void; (ii) BUYER shall have a right of action against SELLER for the amount of any monetary payment or thing of value made or given by SELLER in breach of any of such covenants; (iii) all obligations by BUYER to pay any Fee or other



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compensation to SELLER shall cease immediately; and (iv) the Company may at its sole discretion, rescind this Agreement and SELLER shall immediately return to the BUYER any Fee paid to SELLER arising from any transaction in violation of clause (a), above.

21. NON-DISCLOSURE

21.1. Non-Disclosure by SUPPLIER:

- a. SUPPLIER agrees that it will hold BUYER's Confidential Information in confidence and that it will not disclose any Confidential Information to any person without the prior written consent of BUYER, except as set forth in paragraph 20.1d. Confidential Information may be disclosed only to those employees of SUPPLIER who need to know such Confidential Information for the purpose of performing the Work or making the Material, and who are informed of the confidential nature of such Confidential Information and are directed not to disclose or use the Confidential Information in violation of this Section **21.1**.
- b. SUPPLIER agrees that SUPPLIER and its employees will not use any of the Confidential Information for any purpose other than performing the Work or making the Material
- c. SUPPLIER will be responsible for any breach of this Section **21.1** by its employees or agents. SUPPLIER shall, at its own expense, take all steps, including the initiation and prosecution of actions at law or in equity, necessary to prevent or halt the unauthorized use or disclosure of any of the Confidential Information by any of its employees or agents or by any other person who obtained the Confidential Information from SUPPLIER in violation of this Section **21.1**.
- d. The obligations herein not to disclose or use Confidential Information shall not apply to any Confidential Information which (a) is or becomes generally available to the public, other than as a result of disclosure by SUPPLIER, (b) was known to SUPPLIER prior to disclosure by BUYER, as evidenced by written records, provided that the source of such information was not bound by an obligation of non-disclosure to BUYER, or (c) was independently developed by SUPPLIER, as evidenced by written records.
- e. At any time upon request of BUYER, all Confidential Information in tangible form, including all copies or parts thereof, shall be returned to BUYER or destroyed, except that SUPPLIER may retain one copy of any Material prepared by SUPPLIER containing or reflecting Confidential Information if necessary for compliance with its internal record-keeping or quality assurance requirements only. If destroyed, such destruction shall be certified in writing by SUPPLIER.



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- f. In the event that SUPPLIER is required by law or regulatory authority or otherwise becomes legally compelled (by oral questions, interrogatories, requests or information or documents, subpoena, criminal or civil investigative demand or similar process) to disclose any Confidential Information, SUPPLIER will provide BUYER with prompt and sufficient written notice so that BUYER may seek (with SUPPLIER's cooperation, if requested by BUYER) a protective order or other appropriate remedy. In the event that such protective order or other remedy is not obtained, or that BUYER or Customer waives compliance with the provisions of this Section **21.1**, SUPPLIER will furnish only that portion of the Confidential Information which is legally required and will exercise its best efforts to obtain reliable assurance that confidential treatment will be accorded the Confidential Information, and that a Court-ordered protective order is obtained to protect against disclosure beyond the minimum legally necessary disclosure.
- g. SUPPLIER recognizes and acknowledges the irreparable damage which would result to BUYER, if this Section **21.1** were breached. Without prejudice to the rights and remedies otherwise available, BUYER or Customer, as the case may be, shall be entitled to equitable relief, including an injunction and specific performance if SUPPLIER breaches or threatens to breach any of the provisions of this Section **21.1**, without proof of actual damages. SUPPLIER waives any requirement of a bond in connection with such remedy.
- 21.2. SUPPLIER shall not without first obtaining the written consent of BUYER in any manner advertise or publish the fact that SUPPLIER has furnished or contracted to furnish BUYER with the Materials, Work, or Documentation herein mentioned, or disclose any of the details or confidential information connected with this Agreement or Purchase Order to any third party, except as specified in this Agreement or as may be required to perform the Purchase Order.
- 21.3. The drawings, specifications, data, designs, inventions and other technical information supplied by BUYER shall remain BUYER's sole property, and shall be held in confidence by SUPPLIER. Such information shall not be reproduced, used or disclosed to others by SUPPLIER, and shall be returned to BUYER upon completion of this Purchase Order or upon demand. SUPPLIER shall not supply any articles to others utilizing any drawings, data, designs, inventions, specifications or other technical information supplied by BUYER hereunder.



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22. BUYER OWNED PROPERTY

All property used by SUPPLIER, but owned, furnished, charged to or paid for by BUYER, including but not limited to any capital equipment loaned by BUYER to SUPPLIER such as materials, tools, dies, jigs, patterns, fixtures, equipment and any replacement thereof, shall be and remain the property of BUYER, subject to removal and inspection by BUYER at any time, without notice, without cost or expense to BUYER. All such property shall be marked and identified as BUYER's property, used only for this Purchase Order, and adequately insured by SUPPLIER to protect BUYER's interest therein. SUPPLIER shall assume all liability for and maintain repairs of such personal property, and return the same to BUYER in good condition, reasonable wear and tear excepted. Any personal property of BUYER used in the performance of this Agreement or a Purchase Order shall be returned by SUPPLIER to BUYER in as good a condition as when received, except for reasonable wear and tear.

23. COMPUTING SYSTEM ACCESS AND SECURITY REVIEW OBLIGATIONS

- 23.1. Security Review. SUPPLIER represents and warrants to BUYER that it and its subcontractors and agents each has taken all commercially reasonable steps necessary, including without limitation the implementation of security industry best practices, to maintain the confidentiality, integrity and availability of its own computing systems.
- 23.2. Customer or its authorized representative shall have the right at any time to examine SUPPLIER's records and reports relating to their respective security policies, practices and procedures, including without limitation any internal, external or regulatory audit reports or reviews relating to the security of SUPPLIER's or its subcontractors' or agents' computing systems, and their compliance therewith.

24. INFRINGEMENT

- 24.1. As used in the following subparagraphs, the term "Claim" shall mean the assertion of a right, or of a violation of a right, in writing such as by demand letter, complaint, charge, or the like, whether or not a legal action or proceeding has been filed, initiated or instituted.



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- 24.2. SUPPLIER represents and warrants that the Materials, Work and Documentation shall be: (a) free of any Claim of trade secret, trademark, trade name, copyright, or patent infringement or other violations of any intellectual property rights of any person, except as to designs specified in writing by BUYER; and (b) that the Materials, Work and Documentation, and their sale or use, alone or in combination according to SUPPLIER's specifications, will not infringe any United States or foreign patents, trademarks, copyrights or trade secrets.
- 24.3. SUPPLIER shall defend, indemnify and hold harmless, BUYER and Customer, and their respective officers, agents, employees, successors and assigns from and against any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any Claim that use of the Material, Work or Documentation infringes upon any trade secret, trademark, trade name, copyright, patent, or other intellectual property rights except as to designs or procedures specified in writing by BUYER.
- 24.4. In the event any such Claim is made against BUYER or Customer, SUPPLIER shall, at its expense and at BUYER's or Customer's option, (i) refund any amounts paid by BUYER under the Purchase Order, (ii) procure for BUYER and Customer the right to use the Work and Documentation, or (iii) replace or modify the Material, Work and Documentation as approved by BUYER so as to obviate any such claim of infringement. If, in connection with any such Claim, a temporary restraining order or preliminary injunction be granted, SUPPLIER shall put up a satisfactory bond to permit BUYER's and Customer's continued use of the Work, Material and Documentation. The remedies provided in this Section 24.4 shall not limit the indemnification obligations in Section 25.3 and 18.4.
- 24.5. BUYER and Customer shall cooperate reasonably with SUPPLIER, at SUPPLIER's sole cost and expense, in any defense of such Claims, actions and proceedings.

25. TERMINATION

- 25.1. BUYER may terminate the Purchase Order, or any portion thereof, at any time by the issuance of a Change Order, which shall not require SUPPLIER's acceptance.
- 25.2. BUYER shall pay SUPPLIER the termination charges, if any, set forth in the Purchase Order pro-rated to the effective date of termination.



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- 25.3. If termination charges are not set forth in the Purchase Order, BUYER shall negotiate an equitable payment for the portion of the Material and Work accepted by BUYER. BUYER shall take possession of and title to any Material or Work produced or purchased if its cost is included in the termination charges. This Section "TERMINATION" shall be SUPPLIER's sole remedy for such termination.
- 25.4. Whenever SUPPLIER (a) refuses or fails to make deliveries of the Materials, Work and/or Documentation by the Delivery Date specified or in any Purchase Order or shipping release documentation; or (b) otherwise defaults in the performance of this Agreement or the Purchase Order, BUYER may by delivery of written notice of termination to SUPPLIER, terminate this Agreement or any Purchase Order, effective fifteen (15) days after mailing of such notice, unless SUPPLIER shall within such period cure such default.

26. ASSIGNMENT

Neither this Agreement, the Purchase Order, nor any interest thereunder shall be assigned without the prior written consent of BUYER.

27. NOTICES

Any legal notice pertaining to the Purchase Order shall be in writing identified by Purchase Order number and sent registered or certified mail, postage prepaid, to BUYER or to SUPPLIER, as appropriate, at their respective addresses appearing in the Purchase Order.

28. ENTIRE AGREEMENT.

- 28.1. This Agreement, the Purchase Order and the BUYER's written specifications (if any) and contract (if any) contain the entire agreement and understanding between the parties and merges and supersedes all prior representations and discussions pertaining to the Agreement or the Purchase Order, including SUPPLIER's proposals (except as specifically referenced).
- 28.2. Any term(s), condition(s), change(s), exception(s) and/or provision(s) of SUPPLIER's sales documentation which is, in any way, inconsistent with or in addition to the terms and conditions of this Agreement or the Purchase Order are hereby rejected and shall not be applicable herein or binding upon BUYER, and in no event shall any such inconsistent term and/or condition of SUPPLIER's sales documentation whether by



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acknowledgment or otherwise, become a part of this Agreement. If SUPPLIER objects to one or more of the terms herein, such objection must be in writing and received by and accepted by BUYER prior to the commencement of performance by SUPPLIER. Acceptance and/or relocation of any goods or any part thereof delivered by SUPPLIER hereunder shall not be deemed acceptance of the terms and conditions of SUPPLIER's sales documentation. BUYER's failure to object to terms contained in any communication from SUPPLIER shall not be a waiver of any of the terms of this Agreement. The acknowledgment and acceptance of an order is subject to written management approval by BUYER and must include the product description and the terms and conditions of sale. Any deviation from this acceptance or acknowledgment must be approved in writing by the management of BUYER

- 28.3. No addition to or modification of any provision of this Agreement or any Purchase Order shall be binding upon BUYER unless made in writing and signed by a duly authorized representative of BUYER. No course of dealing or usage of trade or course of performance shall be referenced to explain or supplement any terms expressed in this contract.
- 28.4. If the terms of this Agreement conflict with the terms of a specific Purchase Order, the terms of the Purchase Order shall control.

29. MISCELLANEOUS PROVISIONS

- 29.1. No waiver of any provision of this Agreement or any Purchase Order shall be effective unless it is in writing, signed by the party against whom it is asserted, and any such written waiver shall only be applicable to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.
- 29.2. Captions and article headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement nor the intent of any provision hereof.
- 29.3. Any dispute arising under this Agreement or any Purchase Order, or the breach thereof, shall be governed by the law of the State of California. Any controversy or claim arising out of or relating to this Agreement or Purchase Order, or the breach of this Agreement or Purchase Order shall be submitted for binding arbitration to a retired judge appointed by the American Arbitration Association, in accordance with the Commercial Arbitration



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Rules of the American Arbitration Association and judgment on the award granted by the arbitrators may be entered in any court having jurisdiction.

- 29.4. Except as expressly provided to the contrary, this Agreement and Purchase Order shall inure to the benefit of and shall be binding upon the parties' successors.
- 29.5. The language used in this Agreement shall be deemed to be language chosen by both parties to express their mutual intent, and no rule of strict construction against either party shall apply to any term or provision of this Agreement.
- 29.6. If any term, provision, condition, or covenant of this Agreement, or its application to any party or circumstance shall be held, by a court or arbitrator of competent jurisdiction, to any extent, to be invalid or unenforceable, the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- 29.7. Each and every covenant and agreement herein shall be separate and independent from any other and the breach of any covenant or agreement shall in no way or manner discharge or relieve the performance of any other covenant or agreement.
- 29.8. This Agreement, including all matters of construction, validity and performance, shall be governed by and construed in accordance with the laws of the State of California, as applied to contracts made, executed, and to be fully performed in such state by citizens of such state, without regard for its conflict clause doctrine. The parties agree that the exclusive jurisdiction and venue for any arbitration, action or proceeding brought between the parties under this Agreement, shall be the County of Ventura, State of California, and each of the parties hereby agree and submit themselves to the exclusive jurisdiction and venue in Los Angeles, California for such purpose.
- 29.9. Each party represents and warrants that time is of the essence in this Agreement.
- 29.10. This Agreement may be executed in counterparts, each of which shall be deemed an original, and taken together shall constitute one and the same agreement.
- 29.11. Each party hereto agrees to perform any further actions to execute and deliver any documents which may be reasonably necessary to carry out the privileges here out.
- 29.12. Each corporate entity executing this Agreement represents and warrants that all necessary corporate action has been taken, including the due adoption of a resolution by its board of directors, sufficient to enable such corporation to enter into this Agreement, to be bound



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thereby, and to perform fully as required hereunder. Each person executing this Agreement on behalf of a party represents and warrants that he has been duly authorized to enter into this Agreement on behalf of said party

30. Flow-Down Requirements

The following items are being “Flowed Down” from SL power Customers and Certification Agencies to all SL Power Suppliers:

- All SL Power suppliers, including all items supplied for parts, materials and outsourced services, even on a temporary basis, must conform to all specification requirements and manage risks proportionate to any items supplied to SL Power.
- If there are any special requirements for processes, products or services, methods, equipment or release requirements for products being received, including from SL Power’s end customers. SL Power shall communicate those requirements including identification of any relevant technical data including specifications, drawings, process requirements and work instructions.
- Suppliers are responsible for determining and maintaining resource competence including qualification requirements of those resources.
- All interactions between organizations are first from SL Power Purchasing then SL Power Quality if there are any issues to the corresponding contacts at the external provider’s locations..
- SL Power may monitor and control external provider’s performance and follow up as appropriate if there are any issues of concern.
- SL Power may, as appropriate, specify verification or validation activities of the external providers.
- SL Power shall communicate any design and development controls if appropriate.
- SL Power shall communicate any special requirements, critical items or key characteristics if appropriate.
- SL Power shall communicate any test, inspection and verification activities, including production verification, if appropriate.
- SL Power shall communicate the use of statistical techniques needed for product acceptance and any related instructions for acceptance if appropriate.
- All external providers are required to implement a quality management system (QMS).
- All external providers may use their own designated or approved external providers and process sources (special processes) as appropriate and if not directed otherwise by SL power.
- All external providers are to notify SL Power if there are any nonconforming processes, products or services and receive approval for their disposition.
- All external providers are responsible for the prevention of use of counterfeit parts.



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- SL Power may require test specimens for design approval, inspection/verification, investigation or auditing.
- All external providers shall retain documented information including retention periods and disposition requirements.
- SL Power, our end customers and regulatory authorities reserve the right of access to the applicable areas of the external provider's facilities and documented information with reasonable notice.
- All external providers are to ensure that their internal resources and suppliers are aware of their contribution to the product or service conformity, their contribution to product safety and the importance of ethical behavior.

31. Terms and Conditions of Purchase

Anti-Bribery. Supplier shall comply fully at all times with applicable national and international antibribery rules, including, without limitation, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act 2010, and any other applicable EU, OECD and Council of Europe anti-bribery rules. Supplier will not offer, make, promise to make, or authorize the making of any gift or payment of money or anything of value either directly or indirectly for purposes of (a) influencing any act or decision of any government official or political party (or candidate thereof) (collectively, "Officials"); (b) inducing an Official to do or omit to do any act in violation of the lawful duty of that Official; or (c) inducing an Official to use influence with a non-U.S. government or instrumentality to facilitate Supplier's performance of its obligations under this Agreement and Order.



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Revision Level History

ECN#	Rev.	Description of Change	Author of Change	Date
40907	A	Initial Release	JBP	12/8/04
43626	B	Added Notes 2.16,4.4 & 5.9, Changed Note11.2	JBP	7/17/07
48950	C	Added Note 20. , Re-numbered notes numbers below that,Changed ISO 9000:2001 to ISO 9000:2008 on Note 11.6	JBP	8/28/13
51508	D	Changed Note 11.6	JBP	3/23/17
51684	E	Added Note 30	JBP	6/22/17
55443	F	Added Notes 16.1, 16.2 & 16.3	JBP	1/14/19