



PV LABS LTD. PURCHASE ORDER TERMS AND CONDITIONS

REVISION HISTORY

Table with 5 columns: Rev, Change Description, Orig., Approved, Release Date. Row F: Flow down requirements, FAI, Ethics, Notice of changes, Human Resources, Conflict Minerals, N. Voorberg, K.Farrelly, 2026-04-13

When you receive a Purchase Order (PO), you should review it for accuracy. Most of the items appearing on the form are in defined blocks and are self-explanatory. Your attention is called to the following areas due to their importance:

A. Purchase Order Number: The Purchase Order Number must appear on all correspondence relating to this order, including any shipping documentation, such as the commercial/proforma invoice, packing list, bill of lading or other required documentation accompanying any shipment to the Buyer or its customer.

B. Due Date: This is the contractual date of delivery for items purchased under this order. If, for any reason, you cannot meet this date, you must notify PV Labs Ltd. (the "Buyer") immediately. Unless otherwise agreed by the Buyer in writing, Paragraph 5 (Delivery) of the Terms and Conditions shall apply. Payment for deliveries made prior to this date will not be made until the date specified on the Purchase Order, unless a formal written amendment authorizing early shipment is issued by the Buyer.

C. Purchase Order Acknowledgement: The Buyer may send the Purchase Order to the Supplier (the "Seller") by fax, mail, e-mail or other electronic means. The Seller must acknowledge receipt of the Purchase Order within 2 working days after receipt, by written confirmation.

This Purchase Order includes the following Terms and Conditions:

- 1. Entire Agreement. This purchase order, together with any data referenced in paragraph 27 (Data) of this purchase order, constitutes the entire agreement (the "Contract") between the Buyer and the Seller with respect to the purchase and sale of the goods and services (collectively the "Deliverables") described in this purchase order, and supersedes all prior agreements, negotiations, understandings and communications made by and between the Buyer and the Seller.
2. Acceptance of Contract / Terms and Conditions. This Contract constitutes the Buyer's offer to the Seller and shall become a binding contract upon the Seller's acceptance of the terms and conditions stated in this Contract.
3. Payment and Prices. Unless different payment terms are expressly stated on this Contract, payment terms shall be forty-five (45) days from the Buyer's receipt of the Seller's correctly presented invoice.
4. Contract Changes. The Buyer's authorized procurement representative(s) only shall have the right by written notice to change the terms of this Contract, the drawings, specifications or other descriptions, the time, method or place of delivery or the method of shipment or packaging, suspend delivery of the Deliverables or any other matters affecting this Contract.

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Deliverables or in the time required for performance, the Seller shall provide prompt notice to the Buyer of any such change and an equitable adjustment shall be negotiated promptly and this Contract shall be modified in writing accordingly. From time to time, the Buyer's program, operations, engineering, technical or other personnel may render assistance, give technical advice, discuss, or exchange information with the Seller's personnel concerning the Deliverables hereunder. Such actions shall not be deemed to be a change under this clause of the Contract and shall not be the basis for equitable adjustment. If the Seller believes the foregoing creates an actual or constructive change, the Seller shall notify the Buyer's authorized procurement representative and shall not accept such direction or perform said action(s) unless authorized by the Buyer's authorized procurement representative.

**5. Intellectual Property.**

- a. Background Intellectual Property. All information (regardless of form or format and including, without limitation, designs, processes, drawings, specifications, reports, data (including CAD/CAM data), trade secrets, software and know-how) and all inventions, whether patentable or not (hereinafter collectively "Intellectual Property"), created, developed, owned, controlled or made by the Buyer or the Seller or the Seller's suppliers prior to the effective date of this Contract or outside the scope of this Contract (collectively "Background Intellectual Property"), and all intellectual property rights in and to the foregoing, shall remain the property of the Buyer, the Seller or the Seller's suppliers, as the case may be.
- b. Foreground Intellectual Property. All Intellectual Property created, developed or made in connection with this Contract (collectively "Foreground Intellectual Property") by the Buyer or the Seller or the Seller's suppliers shall be owned exclusively by the Buyer. The Seller shall disclose to the Buyer any and all Foreground Intellectual Property created, developed or made by the Seller, and the Seller agrees to assign, and does hereby assign, to the Buyer, all rights, title and interest in and to such Foreground Intellectual Property, at no additional cost to the Buyer. All Foreground Intellectual Property shall be the exclusive proprietary and confidential information of the Buyer. The Seller shall execute, or have executed, all papers, documents and other instruments necessary to secure the foregoing rights for the Buyer.
- c. Licenses. No rights or licenses are granted to the Buyer or the Seller or any other person, either expressed or implied, to any Intellectual Property or any rights therein, other than the rights and licenses set forth in this Contract. The Buyer grants to the Seller a royalty free, non-exclusive, revocable license (with no right to grant sub-licenses) to use the Foreground Intellectual Property, but only for the limited purpose of supplying Deliverables to the Buyer under this Contract. The Seller grants to the Buyer a worldwide, royalty free, non-exclusive and irrevocable license (including the right to grant sub-licenses) to use and have used any Background Intellectual Property which is:
  - i. necessary for the Buyer to use the Foreground Intellectual Property, and
  - ii. to make, have made, use and sell the Deliverables, provided such license will only be exercised upon:
    - 1. termination of this Contract, in whole or in part, or
    - 2. the Seller's inability or refusal, for any reason, to supply the Deliverables under the terms of this Contract.
- d. Patent Rights. If this Contract is for the supply of experimental, developmental or research work, all inventions, discoveries, and improvements conceived and/or reduced to practice in the development of the subject matter of this Contract shall become the exclusive property of the Buyer.

**6. Indemnity.**

- a. Intellectual Property and Proprietary Rights: The Seller shall, at its expense, indemnify, defend and hold harmless the Buyer, its directors, officers, employees, affiliates, subsidiaries, customers and users, from any and all loss, damages or liability (including, without limitation, reasonable legal fees and costs) for or on account of, or resulting from, any claim of infringement of any existing or future copyrights, patents or trade-marks, misappropriation of any trade secrets, or violation of any other intellectual, proprietary or industrial rights, with respect to any of the Deliverables. The fact that the Buyer furnishes specifications to the Seller with respect to any of the Deliverables shall neither relieve the Seller from its obligations under this Contract nor limit the Seller's liability in connection with the Deliverables, nor constitute an undertaking by the Buyer to hold the Seller harmless against any such claim which arises out of compliance with the specifications.
- b. Personal Injury and Property Damage: The Seller agrees, at its expense, to indemnify, defend and hold harmless the Buyer, its directors, officers, employees, affiliates, subsidiaries, customers and users from any and all loss, claims and liability (including, without limitation, reasonable legal fees and costs) for death, injury or disability of any person or damage to or destruction of property (including, without limitation, the loss of use of any property or the presence of hazardous substances at any property) caused by or resulting from the acts or omissions of the Seller, its agents, suppliers or employees in connection with the performance of this Contract.

**7. Warranties.**

- In addition to all other express and implied warranties, the Seller expressly warrants that all Deliverables shall:
  - a. be free from all liens, charges, encumbrances or claims of any person;
  - b. be of merchantable quality, of good material and workmanship, and free from defects in design, materials and workmanship for a

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period that begins on the date of delivery and expires on the later of:

- i. the first (1<sup>st</sup>) anniversary of the date of acceptance, and
  - ii. the expiration of Seller's warranty period;
- c. be performed in a professional and workmanlike manner if the Deliverables include services;
  - d. be fit for the purposes for which goods of that type are ordinarily used as well as for any purposes the Seller has made known to the public or to the Buyer or that the Buyer has made known to the Seller;
  - e. conform to all specifications and descriptions incorporated into this Contract and any samples supplied by the Seller to the Buyer; and
  - f. be produced and performed in compliance with and conform in all respect to all applicable laws, regulations, standards, rules and orders of all applicable federal, provincial, state and local governmental authorities, whether domestic or foreign, including without limitation, those governing safety, health, labor, hazardous substances and sanitation.
  - g. If the Deliverables are defective in any way or fail to conform in all respect to the warranties of this Contract, the Buyer may, at its option, return at the Seller's expense, the defective or nonconforming Deliverables for credit, refund or set-off, or require the Seller to correct or replace, at no cost to the Buyer, any defective or nonconforming Deliverables, including without limitation, re-perform any Deliverables that are services. Return shipping to the Buyer of corrected or replacement Deliverables shall be at the Seller's expense. Deliverables required to be corrected or replaced (including without limitation, the re-performance of Deliverables that are services) shall be subject to the provisions of this Contract in the same manner and to the same extent as Deliverables originally delivered under this Contract. The Seller's warranties shall run to the Buyer, its affiliates, subsidiaries, customers or users of the Deliverables and shall not be deemed to be exclusive of any other remedy at law or in equity available to the Buyer, its affiliates, subsidiaries, customers or users of the Deliverables. The Buyer's inspection, approval, acceptance, use of or payment for all or any part of the Deliverables shall in no way affect its warranty rights. The Seller shall, at its expense, indemnify, defend and hold harmless the Buyer, its directors, officers, employees, affiliates, subsidiaries, customers and users, from any and all loss, damages or liability (including without limitation, reasonable legal fees and costs) arising out of or resulting from any defect in the Deliverables, or from any act or omission of the Seller, its agents or employees in connection with the Deliverables. This indemnification shall be in addition to the Seller's warranty obligations.

**8. Confidentiality.**

- a. **Confidential Information:** The Seller shall not disclose to any third party or use any confidential information of the Buyer concerning this Contract, the Deliverables or other material intended for use in connection with this Contract without the prior written consent of the Buyer. Any knowledge or information which the Seller may disclose to the Buyer in connection with the purchase of any of the Deliverables shall not, unless the Buyer otherwise specifically agrees in writing, be deemed to be confidential information and shall be acquired free from any restriction as part of the consideration for this Contract. For purposes of this paragraph, any Personal Data supplied or provided by the Buyer shall be deemed to be confidential information of the Buyer and the Seller shall treat it in accordance with the provisions of this paragraph.
- b. **Publicity:** The Seller shall not issue press releases, endorsements or other public documents that reference this Contract, the Buyer or statements made by the Buyer without the prior written consent of the Buyer.

**9. Title.**

- a. **Tooling:** Title to and the right of immediate possession of all articles, tooling, equipment, software or materials (collectively "Tooling") furnished to the Seller or paid for by the Buyer directly or indirectly for use by the Seller in connection with this Contract shall be and remain with the Buyer. The Seller shall be:
  - i. responsible on a replacement cost basis for all loss or damage to such Tooling while in its possession and insure its risk in this respect with adequate all risk property insurance;
  - ii. clearly mark the same as belonging to the Buyer, keep it segregated in the Seller's facility and treat it confidentially as provided in this Contract;
  - iii. keep the same in good operating condition; and
  - iv. use the same exclusively in connection with the delivery of the Deliverables for this Contract and not for any other purpose.
- b. Upon completion of this Contract, all Tooling furnished to the Seller or paid for by the Buyer shall be returned to the Buyer or disposed of by the Seller at the Seller's expense as the Buyer directs in writing.
- c. **Deliverables:** All Deliverables shall be the sole and exclusive property of the Buyer and, where applicable, shall be considered "works made for hire" under applicable Copyright legislation, and all intellectual property, proprietary and industrial rights associated with the Deliverables shall be owned exclusively by the Buyer. By this Contract, the Seller assigns to the Buyer, for no additional consideration, all such rights to the Deliverables, including the right to any extensions and renewals of such rights. If requested by the Buyer, the Seller shall, without additional consideration, sign a separate written assignment of such rights to the Buyer or any other document necessary for the Buyer to establish, maintain or enforce such rights in the Deliverables.

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10. **Delays.** Whenever an actual or potential labour dispute or other event beyond the reasonable control and without the fault or negligence of Seller is delaying or threatens to delay the timely delivery of the Deliverables, Seller shall immediately give written notice of delay, including all relevant information regarding the delay, to Buyer. In addition, Seller shall take all reasonable steps to avoid or remove the cause of such delay and mitigate the harm of such delay to Buyer and will resume performance (if suspended) as soon as the cause of delay is removed. In the event that Seller's performance is delayed or is expected to be delayed by more than five (5) business days, Buyer may, upon written notice to Seller, terminate this purchase order for its convenience in accordance with paragraph 20 of this purchase order.
11. **Force Majeure.** Neither party shall be liable for any loss or damage hereunder due to unforeseen circumstances or causes beyond its reasonable control including, but without limitation, strikes, lockouts, riots, wars, acts of God, fires, floods, natural disasters, pandemics, inability to obtain labor, delays caused by suppliers, subcontractors or by other parties, material shortages, curtailment of or inability to obtain sufficient electrical or other energy supplies, licensing and/or exporting delays or compliance with governmental laws, regulations or orders. Prompt notice of any such delay beyond either party's control shall be given to the other party. Any such cause shall extend delivery dates to the extent of the delay so incurred.
12. **Stop Work Notice.** The Buyer may, at any time by written notice to the Seller, require the Seller to stop all or any part of this Contract for a period of up to 90 days upon delivery of a stop work notice to the Seller. Upon receipt of the stop work notice, the Seller shall immediately cease performance of the work and take all reasonable measures to mitigate further costs. At any time during the 90 day period, the Buyer may:
- a. provide written notice to Seller to resume performance of the work, or
  - b. cancel this Contract in accordance with paragraph 23 (Termination) below.
  - c. If the stop work period continues to the end of the 90 day period, the Buyer shall, at that time, either:
  - d. cancel the stop work notice, whereupon Seller shall immediately resume performance of the work, or
  - e. extend the stop work notice for a further 90 day period, or
  - f. cancel this Contract in accordance with paragraph 23 (Termination) below.
  - g. If, in any case, a stop work notice issued under this paragraph is cancelled and the Seller resumes performance of the work, the Buyer shall make an equitable adjustment in the delivery date, and this Contract shall be modified, in writing, accordingly.
13. **Termination.**
- a. **For Convenience:** At any time, the Buyer may terminate this Contract for convenience, in whole or in part, by written notice if the Buyer's authorized procurement representative determines that termination is in the best interest of the Buyer. A stop work order or any other form of written notice requiring the Seller to immediately cease performance under this Contract shall obligate the Seller to immediately stop work and take any actions necessary to mitigate the impact of such notice. If the Buyer does not give the Seller written notice to resume work within twenty (20) days after its initial stop work order, this Contract shall then be deemed terminated for the Buyer's convenience as of the twenty-first (21<sup>st</sup>) day after the initial stop work order. Any claim of the Seller shall not exceed reasonable demonstrated costs it has incurred in performance of this Contract prior to notice of termination and shall in no event exceed the total amount of this Contract. The Buyer shall remit to the Seller any payment due to the Seller for documentable and reasonable costs incurred before receipt of the Buyer's notice of termination in performance of this Contract.
  - b. **For Default:** The Buyer may, by written notice to the Seller, cancel this Contract for default if:
    - i. the Seller fails to deliver the Deliverables within the time specified in this Contract, or
    - ii. the Deliverables do not conform to this Contract or if the Seller fails to perform any of the other provisions of this Contract, or so fails to make progress as to endanger performance of this Contract in accordance with its terms, or
    - iii. the Seller's financial condition shall at any time become unsatisfactory to the Buyer.
  - c. Upon such cancellation, the Buyer shall not be liable to the Seller for any amount. The Seller will deliver to the Buyer any of the Deliverables for which the Buyer shall make written request prior to or upon cancellation, for which the Buyer will pay the Seller the fair value of any such Deliverables so requested and delivered. The Buyer may pursue any remedies available at law or in equity and the Seller shall be liable to the Buyer for any and all damages suffered by the Buyer by reason of the Seller's default.
14. **Remedies.** The rights and remedies of the Buyer in this Contract are cumulative and in addition to any other rights and remedies available at law or in equity.
15. **Assignment and Subcontracting.** Neither this Contract nor any duty or right under this Contract shall be assigned, subcontracted or otherwise delegated in any manner without the prior written consent of the Buyer. Any purported assignment, subcontract or delegation made contrary to this paragraph shall be void and of no force or effect. This Contract shall inure to the benefit of and

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be binding upon the parties, and their respective successors and permitted assigns.

- 16. **Flow down of Requirements.** The Seller shall ensure that all applicable requirements of this Contract are flowed down to and imposed upon all sub-tier suppliers, subcontractors, and service providers engaged in the performance of this Contract. Such flowdown shall include, without limitation, all technical specifications, drawings, statements of work, key characteristics, and configuration control requirements; quality management system requirements in accordance with ISO 9001, AS9100, or equivalent standards; requirements for inspection, testing, verification, validation, and First Article Inspection (FAI) in accordance with SAE AS9102 where applicable; requirements for traceability, record retention, and control of nonconforming product; and all applicable statutory, regulatory, and contractual requirements, including export control laws (including ITAR, EAR, and Canadian ECL), applicable FAR/DFARS provisions, and requirements related to counterfeit parts prevention, product safety, conflict minerals, modern slavery, and ethical business conduct. The Seller shall ensure that sub-tier suppliers notify the Seller of any changes affecting manufacturing location, processes, materials, design, sub-suppliers, or quality certifications, and the Seller shall remain responsible for communicating such changes to the Buyer as required under this Contract. The Seller shall ensure that the Buyer, its customers, and regulatory authorities are granted right of access to applicable facilities, processes, and records for the purposes of audit, inspection, and verification. The Seller shall remain fully responsible and liable for the performance, quality, and compliance of all sub-tier suppliers, and no subcontracting shall relieve the Seller of any obligations under this Contract. Upon request, the Seller shall provide evidence demonstrating that such requirements have been properly flowed down.
- 17. **Modifications.** No alteration, modification or amendment of any of the provisions of this purchase order shall be binding unless in writing and signed by the Buyer’s authorized procurement representative(s).
- 18. **Severability.** If any provision of this purchase order is held to be illegal, invalid or unenforceable by a court of competent jurisdiction, it shall be severable herefrom and all other provisions shall remain in full force and effect. The invalidity or unenforceability of any provision of this Contract in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction or of any other provision hereof or herein contained. Any invalid or unenforceable provision shall be deemed to be severable herefrom, and the remainder of the Contract will continue in full force and effect and enforced to the fullest extent permitted by law, independent of every other provision of this Contract.
- 19. **Compliance with Laws.** Each party shall comply with all applicable laws, including without limitation, government export regulations and controls, and privacy and data protection laws. Where this Contract is in support of a United States Government Prime Contract, any Federal Acquisition Regulations (FARs) and Defense Federal Acquisition Regulation Supplements (DFARS) or Naval Sea Systems Command (NAVSEA) flown down to PV Labs are hereby further flown down to the Seller. While all regulations are to be followed PV Labs would like to point out the following DFARS in particular:
  - i. 252.225.7007: Prohibition on Acquisition of Certain Items from Communist Chinese Military Companies.
  - ii. 252.225.7008: Restriction on Acquisition of Specialty Metals
  - iii. 252.225.7009: Restriction on Acquisition of Certain Articles Containing Specialty Metal
  - iv. 252.225-7052: Restriction on the Acquisition of Certain Magnets, Tantalum, and Tungsten
  - v. 252.246-7007: Contractor Counterfeit Electronic Part Detection and Avoidance System
  - vi. 252.246-7008: Sources of Electronic Parts
- 20. **Governing Law.** This Contract shall be governed by, and interpreted and enforced in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein, exclusive of the choice of law rules thereof. For greater certainty, the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Contract. The courts of the Province of Ontario shall have exclusive jurisdiction over any legal proceeding arising out of or relating to this Contract.
- 21. **Ethics** The Seller shall conduct business in accordance with the highest standards of ethics and integrity and shall maintain a written Code of Conduct. The Seller shall comply with all applicable laws and regulations, including but not limited to: Anti-bribery and anti-corruption laws (e.g., Canadian Corruption of Foreign Public Officials Act, FCPA, UK Bribery Act), Export control laws (ITAR, EAR, Canadian ECL), Competition and anti-trust laws. The Seller shall not: Offer or accept bribes, kickbacks, or improper payments, engage in fraud, misrepresentation, or falsification of records. The Seller shall ensure: Employees are trained on ethical conduct, mechanisms exist for reporting unethical behavior without retaliation. The Buyer reserves the right to audit compliance and terminate the Contract for violations
- 22. **Survival.** Any provision of this Contract which, by its nature, would reasonably be expected to be performed after the termination

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of this Contract shall survive and be enforceable after such termination.

- 23. **Relationship.** The Seller and the Buyer are independent contractors. Nothing in this Contract shall be deemed to create a partnership, joint venture, franchise, employment, agency or any other relationship between the parties, save as expressly set forth herein. Neither party shall have the power or authority to bind or obligate the other party.
- 24. **Waiver.** Any failure or delay by either party in exercising any right or remedy will not constitute a waiver. To be effective, any waiver must be in writing and signed by the authorized representative of the party against whom the waiver is sought to be enforced.
- 25. **Limitation of Liability.** In no event shall the Buyer be liable for any incidental, indirect, special and consequential or punitive damages, even if the Buyer knew or should have known of the possibility of such damages.
- 26. **Supplementary Provisions to Government Contracts.** For Deliverables involving or subject to a government contract, the applicable provisions are contained in the **attached supplement** and made a part of this purchase order.
- 27. **Data.** The Seller acknowledges that it has in its possession all applicable specifications, drawings and documents (including, without limitation, statements of work) necessary to perform its obligations under this purchase order at the price and schedule stated on this purchase order or its attachments. All such data shall be deemed to be a part of this purchase order.
- 28. **Delivery.** The price of all Deliverables shall be FCA (INCOTERMS 2020), unless specified otherwise in this Contract. Time shall be of the essence for purposes of this Contract. Delivery or performance of the Deliverables must be completed within the time limits specified in this Contract. Delivery shall be deemed to be complete only when the Deliverables have been actually received at the location specified in this Contract. If delivery or performance is not completed on a timely basis, the Buyer may refuse all or any of the Deliverables and cancel all or any part of this Contract.
- 29. **Packing and Shipment.** Deliveries shall be made as specified in this Contract without charge for packaging or storage unless otherwise agreed in writing by the Buyer. Deliverables shall be suitably packed to properly protect the goods, to secure the lowest transportation costs and be in accordance with the carriers' requirements. The Seller's shipping documentation (packing list, invoice, airway bill, bill of lading, etc.) must contain the following information at a minimum:
  - a. date of shipment for the items covered in this Contract;
  - b. quantity shipped for each shipment;
  - c. if applicable, quantity-to-date and cumulative quantity of items shipped under this Contract;
  - d. the initials of the responsible person who prepares and confirms the shipment on behalf of the Seller;
  - e. purchase order number and line item number for this particular shipment;
  - f. any markings required by applicable export control regulations, including exceptions, exemptions, destination control statements, a commercial invoice with clearly defined description, HS Codes, and values and export license numbers where applicable.
  - g. The Seller shall use the carrier(s) selected by the Buyer if the Buyer so requests. The Buyer's count or weight shall be conclusive. The Seller shall not ship in advance of schedule or make partial shipment unless otherwise agreed in writing by the Buyer. Risk of loss or damage shall remain with the Seller until delivery of the Deliverables at the location specified on this Contract and acceptance by the Seller in accordance with paragraph 5 (Delivery) of this Contract.
- 30. **Buyer's Acceptance of Deliverables.** The Buyer shall have the right to inspect and test the Deliverables and reject any nonconforming Deliverables. The Deliverables shall be deemed to be accepted unless the Buyer notifies the Seller in writing that the Deliverables do not conform to all specifications and warranties in this Contract after the completion of the Seller's inspection and testing. Payment for Deliverables shall not constitute acceptance. In addition to any other remedies under law, the Buyer shall have the right to reject and refuse acceptance, require prompt correction or cure, or accept any nonconforming Deliverables with an equitable adjustment in price. The Buyer may return nonconforming Deliverables to the Seller at the Seller's risk and expense, including transportation and handling costs. The right to test and inspect, whether exercised or not, shall not affect the Buyer's right to revoke acceptance or pursue other remedies if nonconformities are later discovered even in the nonconformity could have been discovered upon testing or inspection. Acceptance shall not relieve the Seller from its responsibility under any warranty. The risk of loss or damage shall remain with the Seller until acceptance. Acceptance by the Buyer includes receipt of any supplier certification or other paperwork required by this Contract.

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- 31. Inspection.** The Deliverables may be inspected and/or tested by the Buyer at any time, place and stage of production or distribution, and if at the Seller's premises, the Seller shall, without additional charge, provide all reasonable facilities and assistance required for safe and convenient inspection and testing. The foregoing shall not relieve the Seller of its obligation to permit the Buyer full and adequate inspection and testing away from the Seller's premises. The Buyer may base rejection of any or all Deliverables.
- a) FAI** When required the Seller shall perform First Article Inspection (FAI) in accordance with SAE AS9102 (latest revision) unless otherwise specified by the Buyer. No production shipments shall be made prior to Buyer approval of FAI where required. The Seller shall retain FAI records for a minimum of ten (10) years unless otherwise specified.
- 32. Quality Control.** The Seller agrees to provide and maintain a quality control system to an industry recognized Quality Standard and to provide access the Seller's facilities at all reasonable times by the Buyer's authorized customer representatives and Regulatory Authorities. The Seller shall ensure its employees are aware of their contribution to product/service compliance and product safety. Records of all quality control inspection work by the Seller shall be kept complete and available to the Buyer and its Customers.
- 33. Retender.** The Seller shall not tender finished goods to the Buyer that have been returned from another customer without prior written approval from the Buyer's authorized procurement representative. Any approval request shall include a full explanation of the Seller's verification process for those re-tendered goods.
- 34. Program Management.** The Seller agrees to direct full management support and attention toward this Contract to ensure timely delivery of production articles at a reasonable cost and the fulfillment of all requirements of this Contract. The Seller further agrees to maintain total program visibility at all times and to promptly initiate management level action for the correction of any and all problems relating to this Contract. The Seller will manage and control this Contract with its Basic Executive and Functional Line Organizations. Said line organizations will be staffed by competent and qualified personnel with clearly defined and understood responsibilities, authority and lines of communication. Configuration Control Management will be the responsibility of the Buyer. The Seller's Quality Control Department will be responsible for monitoring the Seller's Configuration Control from engineering release to end items. Change Control Management, as between the Buyer and the Seller, and Internal Change Control in Seller's plant, shall be the responsibility of the Seller.
- 35. Set-off.** The Buyer shall be entitled at all times to set off any amount owing at any time from the Seller to the Buyer (or any of the Buyer's affiliates and subsidiaries) against any amount payable at any time by the Buyer (or any of its affiliates and subsidiaries) to the Seller.
- 36. Insurance.** The Seller shall obtain, at the Seller's expense, and keep in effect during the term of this Contract, commercial general liability insurance (including personal injury and contractual liability) with a liability limit of not less than two million Canadian dollars (CAD \$2,000,000) each occurrence and four million Canadian dollars (CAD \$4,000,000) aggregate. If this contract involves the render of services, the Seller shall also obtain and keep in effect:
- workers' compensation insurance with statutory limits,
  - employer's liability insurance with a liability limit of at least one million Canadian dollars (CAD \$1,000,000) and
  - automobile liability insurance (including owned, non-owned and hired vehicles) with a liability limit of at least one million Canadian dollars (CAD \$1,000,000).
  - If the Seller is providing professional services to the Buyer, the Seller shall maintain Professional Liability/Errors and Omissions insurance with a liability limit of at least one million Canadian dollars (CAD \$1,000,000). All insurance policies shall be placed with reputable insurance companies reasonably acceptable to the Buyer and shall name the Buyer, its directors, officers, employees and agents as additional insured covering activities performed under this Contract. All such policies shall provide that coverage may not be materially changed, cancelled or non-renewed without thirty (30) days prior written notice to the Buyer. The insurance requirements set forth in this Contract are not intended and shall not be construed to modify, limit or reduce the indemnifications made in this Contract by the Seller to the Buyer or to limit the Seller's liability under this Contract to the limits of the policies required to be maintained by the Seller under this Contract or in any other manner. The Seller shall furnish the Buyer with certificates of insurance for the coverages required under this Contract prior to performance under this Contract. Such insurance shall be primary to, not contributory with, and not in excess of, coverage which the Buyer may carry. The Seller's insurance shall contain a severability of interest provision. The insurance afforded by these policies applies separately to each insured against whom claim is made or suit is brought, in the same manner as such insured would be covered if the policy insured only such party. The inclusion

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of such additional insured shall not crease the policy limits.

37. **Hazardous Materials.** Prior to shipment or transfer of any hazardous materials, the Seller shall provide the Buyer with a complete and up-to-date Material Safety Data Sheet and shall properly mark such hazardous materials with a label satisfying the requirements of the applicable legislation. Any shipment or transfer by the Seller of any hazardous materials shall be made in accordance with the requirements of the applicable legislation.

38. **Counterfeit Work**

- a. For the purpose of this clause, the following definitions apply:  
 "Work" consists of those parts delivered under this Contract that are the lowest level of separately identifiable items (eg. articles, components, goods and assemblies).  
 "Counterfeit Work" means Work that is or contains unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used Work represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.  
 "Suspect Counterfeit Work" means Work for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the Work part is authentic.
- b. The Seller shall not deliver Counterfeit Work or Suspect Counterfeit Work to the Buyer under this Contract.
- c. The Seller shall only purchase products to be delivered or incorporated as Work to the Buyer directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. The Seller may use another source only if:
  - i. the foregoing sources are unavailable,
  - ii. the Seller's inspection and other counterfeit risk mitigation processes will be employed to ensure the authenticity of the Work, and
  - iii. the Seller obtains the advance written approval of the Buyer.
- d. The Seller shall maintain counterfeit risk mitigation processes in accordance with industry recognized standards and with any other specific requirements identified in this Contract.
- e. The Seller shall immediately notify the Buyer with the pertinent facts if the Seller becomes aware that it has delivered Counterfeit Work or Suspect Counterfeit Work. When requested by the Buyer, the Seller shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM. The Seller, at its expense, shall provide reasonable cooperation to the Buyer in conducting any investigation regarding the delivery of Counterfeit Work or Suspect Counterfeit Work under this Contract.
- f. The Deliverables supplied under this Contract require full traceability including code generation, software tools, parts, materials, equipment or raw materials.
- g. The Seller shall disclose if it is not authorized for the EEE parts it is supplying.
- h. The Seller will meet the regulatory requirements of the following US DFARS regulations: 252.246-7007 & 252.246-7008.
- i. This clause applies in addition to and is not altered, changed, or superseded by any quality provision, specification, statement of work, regulatory flowdown, or other provision included in this Contract addressing the authenticity of Work.
- j. In the event that Work delivered under this Contract constitutes or includes Counterfeit Work, the Seller shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Contract. Notwithstanding any other provision in this Contract, the Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation the Buyer's costs of removing Counterfeit Work, of installing replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies the Buyer may have at law, equity or under other provisions of this Contract.
- k. The Seller shall include paragraphs (a) through (g) and this paragraph (i) of this clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to the Buyer.

39. **Parts Obsolescence** "Obsolete part" means a part that is no longer in production by the original manufacturer or an aftermarket manufacturer that has been provided express written authorization from the current design activity or original manufacturer. The Seller shall take appropriate actions to mitigate parts obsolescence in order to maximize the availability and use of authentic, originally designed and qualified parts throughout the product's life cycle. The Buyer may wish to place additional orders for items purchased hereunder. The Seller shall provide the Buyer with a "Last Time Buy Notice" at least twelve (12) months prior to any action to discontinue any item purchased under this Contract. The Seller shall notify the Buyer if parts they have supplied contain materials at risk of future obsolescence or supply risk due to

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current or proposed regulations and/or standards, either domestic or foreign.

40. **Supplier Notification of Changes**The Seller shall notify PV Labs in writing, in advance where practicable and in no case later than five (5) business days after occurrence, of any changes that may affect the Deliverables, including but not limited to:

- A. Change in manufacturing location or place of performance
- B. Change in ownership, legal entity, or key management
- C. Change in manufacturing processes, equipment, tooling, or test methods
- D. Change in sub-tier suppliers or sources of supply
- E. Change in materials, formulations, or design characteristics
- F. Change in quality management system certification status (including ISO 9001, AS9100, or equivalent)
- G. Change in facility address or site registration
- H. Change in special processes or approvals
- I. Any event affecting product conformity, airworthiness, reliability, or safety

The Seller shall not implement any such change affecting form, fit, function, reliability, or regulatory compliance without prior written approval from the Buyer where required.

The Seller shall maintain a documented change control process in accordance with ISO 9001 / AS9100 requirements, and shall ensure all applicable changes are risk assessed and validated prior to implementation.

41. **“REACH” Regulation Compliance - The Supplier shall perform the Contract in compliance with the provisions of the Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals (EC Regulation n. 1907/2006, “REACH Regulation”) and its subsequent amendments and additions.**

a. In accordance with Art. 33 of the REACH Regulation, the Supplier undertakes to issue to the Purchaser a declaration for the safe use of the articles (as defined in REACH Regulation) contained within the Goods provided under the Contract. This declaration to contain, as a minimum, the name, weight and concentration (% by weight) of any substance of very high concern (“SVHC”) listed in the register of the European Chemical Agency (“ECHA”) “Candidate List”, and the location of the SVHC within the Goods supplied, when in a concentration above 0.1% weight by weight (w/w) in whichever Goods composing the article, including but not limited to the subassemblies and spare, repaired or reworked parts (“SVHC Declaration”).

In particular, the Supplier shall certify: i) that the Goods being supplied comply with the restrictions contained in Annex XVII of the REACH Regulation; and ii) that the Supplier has the authorization to use any substances present in the Goods and in the list in Annex XIV of the REACH Regulation.

The Supplier shall also provide the SVHC Declaration in the event the Goods supplied do not contain substances identified as SVHCs in the “Candidate List” of the REACH Regulation. Nevertheless, in the event no SVHC Declaration is provided, the Goods shall be deemed as SVHCs free.

The SVHC Declaration shall be provided by the Supplier based on the Purchaser template and shall be duly signed by an authorized representative of the Supplier. The SVHC Declaration shall reference the Purchaser part number and shall be sent to the following e-mail address prior to the first delivery of the Goods, or a first-time delivery post the introduction of this Condition: [procurement@pv-labs.com](mailto:procurement@pv-labs.com). The SVHC Declaration is only required once to enable entry into the Purchaser database, however, in the event of any changes in the manufacture of the Goods results in a change to the SVHC content of the Goods, the Supplier shall resubmit an amended SVHC Declaration.

In the event Free Issue material is supplied by the Purchaser to the Supplier, the Purchaser shall provide all information and documents required by the REACH Regulation regarding the parts, semi-finished products and chemical materials delivered to the Supplier to enable inclusion in the SVHC Declaration by the Supplier, whereas the Supplier shall provide the such information concerning the materials employed for all processing carried out in performing the Contract (for example, galvanic, painting, gluing, components and spares, etc.).

**The Supplier guarantees compliance with the REACH Regulation by explicitly transferring this requirement to any sub-tier suppliers, ensuring that all relevant information is available to enable the Supplier to complete the SVHC Declaration form.**

42. **RoHS: Solder and Component Finishes -** The Supplier shall fully comply with specified component finishes and manufacturing solder. In addition, the Supplier shall maintain a clear definition and configuration control of the component finishes and solder within the Goods delivered to the Purchaser per Directive 2011/65/EU.

Components with lead-free finishes may be used in Goods designed by the Supplier provided they are compatible with the Purchaser’s storage, manufacturing and reliability requirements. Unless explicitly specified otherwise by the Purchaser, for Goods designed by the Supplier the use of components with tin based, plated finishes containing less than three percent (3%) lead shall be declared to the Purchaser in order for tin-whisker risk to be assessed.

The Supplier must obtain approval in writing for any potential non-compliance with the Purchaser’s drawing requirements and prior to making any changes to component finishes or manufacturing solder within Goods delivered to the Purchaser.

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Liability for Goods that do not comply with component finishes or manufacturing solder specified in the Purchaser's drawing requirements shall rest with the Supplier unless otherwise agreed in writing with the Purchaser.

**43. Modern Slavery and Human Rights**

The Seller represents and warrants that neither it nor its supply chain engages in or supports forced labour, human trafficking, child labour, involuntary prison labour. The seller shall comply with all applicable laws including Canada's fighting against forced labour and child labour in supply chains act. The seller shall maintain policies and due diligence processes to prevent modern slavery, flow down these requirements to sub-tier suppliers and provide evidence upon request. PV Labs reserves the right to audit compliance and terminate this contract for violation.

**44. Conflict Minerals**

The Seller shall comply with all applicable conflict minerals regulations, including US Dodd-Frank Act Section 1502 and OECD Due Diligence Guidance. The Seller shall ensure that tantalum, tin, tungsten, and gold (3TG) are sourced from conflict-free smelters. They shall maintain supply chain traceability and provide a CMRT (Conflict Minerals Reporting Template) upon request. The Seller shall immediately notify PV Labs of any risks or non-compliance identified in its supply chain.

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