

SIGMADESIGN Terms and Conditions

TERMS AND CONDITIONS

1 TERMS

- 1.1 The purchase order, together with these terms and conditions, and any attachments, specifications, drawings, notes, instructions, and other information, whether physically attached or incorporated by reference (collectively, the "Purchase Order"), constitutes the entire agreement between the **SIGMADESIGN**, Inc. ("**SIGMADESIGN**") and the vendor (the "Vendor") identified in the Purchase Order. Vendor's acceptance or acknowledgement of this Purchase Order, its acceptance of any full or partial payment, or its commencement of performance constitutes Vendor's acceptance of these terms and conditions. The Purchase Order does not constitute a firm offer and may be revoked at any time prior to acceptance. Notwithstanding the foregoing, if a master agreement covering procurement of the Product or Service described in the Purchase Order exists between Vendor and **SIGMADESIGN**, the terms of such master agreement shall prevail over any inconsistent terms herein.

2 DELIVERY

- 2.1 Vendor shall adhere to the shipment or Delivery Date schedules specified in the Purchase Order. Vendor will immediately notify **SIGMADESIGN** in writing upon Vendor becoming aware that Vendor's timely performance under the Purchase Order will be delayed or is likely to be delayed for any reason and provide **SIGMADESIGN** a written plan to minimize the delay and propose a revised schedule for delivery. **SIGMADESIGN**'s acceptance of Vendor's notice will not constitute a waiver or release of any of Vendor's obligations under the Purchase Order. Vendor and **SIGMADESIGN**, will negotiate remedies such as shipping via air or other expedited routing.
- 2.2 If Vendor delivers Product or Service after the Delivery Date, **SIGMADESIGN** has the option to reject such Product or Service.
- 2.3 Vendor will include with each delivery of Products a Master packing list identifying the Purchase Order number(s), line item number(s), part number, size (if applicable) **SIGMADESIGN** part number(s) for each of the Products (if applicable), a description and the quantity of each of the Products, the date of shipment, and evidence of inspection (if applicable), box number (if applicable). The 'Purchase Order (and vendor packing slip)' issued by **SIGMADESIGN** may be used in place of a Master packing list by completing the Delivered Qty. on each line item, signing and dating the bottom of the form, and including it with each delivery. Vendor shall label multiple cartons sequentially. (e.g., box 1 of 2; box 2 of 2). The total number of shipping containers will be referenced on all shipping documents.
- 2.4 Vendor shall give written notice of shipment to **SIGMADESIGN** when the goods are delivered to a commercial carrier. Vendor shall provide **SIGMADESIGN** all shipping documents, including the commercial invoice, packing list, air waybill/bill of lading and any other documents necessary to release the goods to **SIGMADESIGN**. The purchase order number must appear

on all shipping documents, shipping labels, air waybill/bill of lading, invoices, correspondence and any other documents pertaining to the Order.

- 2.5 Vendor will include copies of documentation supporting prepaid freight charges (e.g., carrier invoices or UPS shipping log or manifest), if any, with its invoices. **SIGMADESIGN** will select the carrier and mode of transportation for all shipments where freight costs will be charged to **SIGMADESIGN**.
- 2.6 Vendor will preserve, pack, package and handle the Deliverables and Products so as to protect the Deliverables and Products from deterioration, loss or damage and in accordance with best commercial practices in the absence of any specifications **SIGMADESIGN** may provide. **SIGMADESIGN** may reject or charge Vendor for any loss or damage due to improper packing, packaging or handling.
- 2.7 Unless **SIGMADESIGN** expressly instructs otherwise, Vendor will deliver all Product or Services to **SIGMADESIGN**'s facility at the address set forth in the Purchase Order. Risk of loss for the Deliverables and Products does not pass to **SIGMADESIGN** until delivery and acceptance.

3 CERTIFICATE OF CONFORMANCE

- 3.1 Vendor shall include, when indicated, with each shipment a certificate that states that the parts and materials used in the manufacture of the goods furnished under this Purchase Order or contract were tested, inspected, and/or found to be in compliance with the applicable parts and material specifications. The certificate shall also include, but is not limited to, the following information:
 - 3.1.1 **SIGMADESIGN** Part number, including revision number or letter, of the item being furnished.
 - 3.1.2 Manufacturer's lot identification number of the item being furnished.
 - 3.1.3 Name of the Vendor.
 - 3.1.4 **SIGMADESIGN** purchase order number.
 - 3.1.5 Signature of applicable quality representative.

4 PRICE AND PAYMENT

- 4.1 Unless otherwise specified in the Purchase Order, the price for the Product or Service does not include taxes and other charges such as shipping and delivery charges, duties, customs, tariffs, and other applicable fees. Vendor shall separately itemize all applicable taxes, fees, and other charges on each invoice.
- 4.2 **SIGMADESIGN** will pay Vendor the price in accordance with the payment terms set forth in the Purchase Order.
- 4.3 Payment shall be deemed made on the date **SIGMADESIGN**'s check is mailed or payment is otherwise tendered. **SIGMADESIGN** may take any offered or negotiated discount on the full amount of the invoice.
- 4.4 Vendor shall promptly repay **SIGMADESIGN** any amounts paid in excess of amounts due to Vendor without demand from **SIGMADESIGN**.

5 INSPECTION AND ACCEPTANCE

- 5.1 **SIGMADESIGN** may reject any or all of the Product or Service which does not conform to the applicable requirements of the Product. At **SIGMADESIGN**'s option, **SIGMADESIGN** may:
- 5.1.1 Return the nonconforming Product to Vendor for a full refund or credit without paying a restocking charge or return freight charges;
 - 5.1.2 Require Vendor to replace the non-conforming Product or Service;
 - 5.1.3 Repair the non-conforming Product or Service so that it meets the requirements.
 - 5.1.4 **SIGMADESIGN** may accept the non-conforming Product or Service conditioned on Vendor providing a refund or credit in an amount **SIGMADESIGN** reasonably determines to represent the diminished value of the non-conforming Product or Service.
- 5.2 Final inspection and acceptance by **SIGMADESIGN** shall be at destination unless otherwise specified in the Purchase Order. Such inspection shall be in accordance with the stated requirements of these terms and conditions. If rejection of a shipment would result from **SIGMADESIGN**'s normal inspection level under such procedures, **SIGMADESIGN** may, at its option, conduct an above-normal level of inspection, up to 100% inspection, and may charge Vendor the reasonable costs thereof. If a lot is rejected, **SIGMADESIGN** may screen the lot at Vendor's expense.

6 CHANGES

- 6.1 "Change" means a change **SIGMADESIGN** directs or causes within the general scope of the Purchase Order, the applicable SOW or both.
- 6.2 **SIGMADESIGN**, by written order ("Change Order"), may make Changes in accordance with this Section. No Change Order will be binding on **SIGMADESIGN** unless issued by an authorized representative of **SIGMADESIGN**'s purchasing department.
- 6.3 If Vendor asserts that **SIGMADESIGN** has directed or caused a Change to the cost of or schedule for performance for which **SIGMADESIGN** has not issued a Change Order, Vendor will promptly notify **SIGMADESIGN** in writing of the Change, providing
- 6.3.1 a description of the action or inaction asserted to have caused the Change;
 - 6.3.2 an estimate of the equitable adjustment that would be required for Vendor to perform the Changed Product or Service; and
 - 6.3.3 a date no less than 30 days from the date of notice by which **SIGMADESIGN** must respond to Vendor's notice so that Vendor may proceed with the Product or Service unchanged. **SIGMADESIGN** will evaluate Vendor's notice of Change in good faith, and if **SIGMADESIGN** agrees that it has made a constructive change, **SIGMADESIGN** will negotiate an adjustment to price or schedule or both in good faith and issue a Change Order to Vendor.

7 REPRESENTATIONS AND WARRANTIES

7.1 Vendor represents and warrants that:

- 7.1.1 Vendor has the full power to enter into the Purchase Order and to perform its obligations under the Purchase Order;
- 7.1.2 Vendor has the right and unrestricted ability to assign the Product or Service to **SIGMADESIGN** including, without limitation, the right to assign any Product or Service performed by Vendor Personnel and Subcontractors;
- 7.1.3 the Product or Service, and **SIGMADESIGN**'s use of the Product or Service, do not and will not infringe upon any Third Party Intellectual Property Rights or any other proprietary rights, whether contractual, statutory or common law;
- 7.1.4 Vendor will not disclose to **SIGMADESIGN**, bring onto **SIGMADESIGN**'s premises, or induce **SIGMADESIGN** to use any confidential or proprietary information that belongs to anyone other than **SIGMADESIGN** or Vendor which is not covered by a non-disclosure agreement between **SIGMADESIGN** and Vendor;
- 7.1.5 Software supplied by Vendor does not contain any Harmful Code;
- 7.1.6 The Product or Service does not contain any third-party software, including software that may be considered free software or open source software that:
 - 7.1.6.1 May require any software to be published, accessed or otherwise made available without the consent of **SIGMADESIGN**, or
 - 7.1.6.2 May require distribution, copying, or modification of any software free of charge.
- 7.1.7 Vendor's Product or Service conforms to **SIGMADESIGN**'s specifications, Vendor's quotation or proposal, and Vendor's brochures or catalogs, and if none of the foregoing is applicable, then such Product or Service is suitable for the intended use. Vendor's Product and Service shall be free from defects in materials and workmanship, and specifically:
 - 7.1.7.1 Vendor has established and maintains a quality management system suitable to perform the Service and deliver the Products. Vendor shall permit **SIGMADESIGN** to review and audit procedures, practices, processes and related documents to determine applicability.
 - 7.1.7.2 Vendor will promptly notify **SIGMADESIGN** in writing of any discrepancy in Vendor's Product or Service, process, or quality system.
 - 7.1.7.3 If applicable, Vendor maintains an effective export and import compliance program in accordance with all applicable Trade Control Laws as defined in Section 13, 13 Liability.
 - 7.1.7.4 Vendor is not now or at any point during the performance of the Purchase Order listed in any Denied Parties List or otherwise is denied, suspended from or revoked from export privileges by any governmental entity.
 - 7.1.7.5 Vendor has trained all employees involved with this Purchase Order or SOW to the Vendor's quality systems, Trade Control Laws and familiarized the employees involved with these Terms and Conditions.

7.1.7.6 Vendor will not make any changes in Product, process, process definition, change of vendors or change of manufacturing facility location without notifying **SIGMADESIGN** and obtaining written permission, such permission will not be unreasonably withheld.

7.2 TO THE EXTENT ALLOWED BY APPLICABLE LAW, NO OTHER WARRANTIES ARE MADE, EITHER EXPRESSED OR IMPLIED.

8 ASSIGNMENT AND SUBCONTRACTING

8.1 Vendor may not assign any of its rights or delegate any of its obligations under the Purchase Order without **SIGMADESIGN**'s prior written consent, which **SIGMADESIGN** will not unreasonably withhold. **SIGMADESIGN** may, at its option, void any attempted assignment or delegation undertaken without **SIGMADESIGN**'s prior written consent.

8.2 If **SIGMADESIGN** consents to the use of a Subcontractor, Vendor will:

8.2.1 guarantee and will remain liable for the performance of all subcontracted obligations;

8.2.2 indemnify **SIGMADESIGN** for all damages and costs of any kind, subject to the limitations in Section 12 (12 Indemnification), incurred by **SIGMADESIGN** or any third party and caused by the acts and omissions of Vendor's Subcontractors; and

8.2.3 make all payments to its Subcontractors. If Vendor fails to timely pay a Subcontractor for Product or Service performed, **SIGMADESIGN** will have the right, but not the obligation, to pay the Subcontractor and offset any amount due to Vendor by any amount paid to the Subcontractor. Vendor will defend, indemnify and hold **SIGMADESIGN** harmless for all damages and costs of any kind, without limitation, incurred by **SIGMADESIGN** and caused by Vendor's failure to pay a Subcontractor.

9 TERM AND TERMINATION

9.1 The Purchase Order will remain in effect with respect to any SOW already issued prior to expiration of the term of the Purchase Order until such SOW is either terminated or the Product or Service is completed and accepted.

9.2 **SIGMADESIGN** may terminate this Purchase Order, any SOW, or both at any time, for no reason or for any reason, upon 15 days written notice to Vendor. Upon receipt of notice of such termination, Vendor will inform **SIGMADESIGN** of the extent to which it has completed performance as of the date of the notice, and Vendor will collect and deliver to **SIGMADESIGN** whatever Product or Service then exists. **SIGMADESIGN** will pay Vendor for all Products or Service performed and accepted through the effective date of the termination, provided that **SIGMADESIGN** will not be obligated to pay any more than the payment that would have become due had Vendor completed and **SIGMADESIGN** had accepted the Product or Service. In the event of termination, Vendor shall immediately stop all work and shall immediately cause any and all of Vendor's vendors and Subcontractors to stop work. Vendor shall not be paid for any work or costs that could reasonably be avoided. In no event shall **SIGMADESIGN** be obligated to pay for lost profits, anticipated profits, and unabsorbed indirect costs or unabsorbed overhead. **SIGMADESIGN** will have no further payment obligation in connection with any termination.

9.3 Either party may terminate this Purchase Order, any SOW or both, immediately by delivering written notice to the other party for any material breach not cured within 30 days of receipt of notice of the breach. **SIGMADESIGN** shall have no further payment obligation to Vendor under

any terminated Purchase Order or SOW if **SIGMADESIGN** terminates the Purchase Order or SOW.

- 9.4 Any obligations or duties which, by their nature, extend beyond the expiration or termination of the Purchase Order shall survive the expiration or termination of the Purchase Order.

10 CONFIDENTIAL INFORMATION AND PUBLICITY

- 10.1 If **SIGMADESIGN** and Vendor have entered into a Non-Disclosure Agreement (“NDA”) or Mutual Confidentiality Agreement (“MCA”) which covers disclosure of confidential information under the Purchase Order, and if the term of the NDA/MCA expires before the expiration or termination of the Purchase Order, then the term of the NDA/MCA shall be automatically extended to match the term of the Purchase Order.
- 10.2 The parties shall treat the terms, conditions, and existence of the Purchase Order as Confidential Information as defined in the NDA/MCA.
- 10.3 Vendor shall obtain **SIGMADESIGN**'s written consent prior to any publication, presentation, public announcement, press release, or other disclosure concerning its relationship as a vendor to **SIGMADESIGN**.

11 INFORMATION SECURITY

- 11.1 “Customer Data” means all data and information: (i) provided to Supplier by or on behalf of the Purchaser or its Affiliates; (ii) obtained, developed, or produced by Supplier in connection with this Agreement and/or any Order under this Agreement; or (iii) to which Supplier has access in connection with the provision of the Services.
- 11.2 Supplier agrees to maintain reasonable and appropriate physical, technical, and administrative safeguards that meet industry standards and applicable statutory, regulatory, and standards bodies / industry recognized requirements, such as NIST 800-53, ISO 27001, or ISO/SAE 21434, to ensure the security of the Supplier and Purchaser computer networks and the confidentiality of information contained on any such network and to protect it from unwarranted, accidental or unauthorized access, use, disclosure, modification or destruction (“Unauthorized Access”).
- 11.3 In the case of Unauthorized Access to Customer Data, the Supplier will: (i) immediately upon discovery, notify Purchaser of any unauthorized access to Customer Data (“Breach of Security”); (ii) promptly furnish to Purchaser full details of such Breach of Security and assist Purchaser in investigating the Breach of Security; (iii) cooperate with Purchaser in any litigation and investigation against third parties deemed necessary by Purchaser to protect its proprietary or other rights; (iv) use reasonable precautions to prevent a recurrence of a Breach of Security; and (v) take all reasonable and appropriate action to mitigate any potential harm related to a Breach of Security, including any reasonable steps requested by Purchaser.

12 INDEMNIFICATION

- 12.1 For Section 10 (10 Confidential Information and Publicity), a “Claim” is any claim, demand, loss, damage, liability, cost or expense (including professional fees and costs as incurred) for which one party (the “Indemnifying Party”) may be obligated to defend, indemnify and hold the other party (the “Indemnified Party”) harmless. The Indemnified Party shall include all subsidiaries, directors, officers, employees, and agents.

- 12.2 Vendor shall defend, indemnify, and hold **SIGMADESIGN** harmless from and against any and all Claims as incurred, arising out of or in connection with any act or omission of Vendor (including its Subcontractors) in the delivery of the Product or performance of the Service; any breach of any representation, warranty or covenant hereunder; or any infringement of a third party's Intellectual Property Rights or any other rights.
- 12.3 Each party will indemnify and hold the other party harmless from and against any and all Claims, as incurred, arising out of any negligent or willful acts or omissions of the Indemnifying Party which results in personal injury (including death) or damage to tangible property (not including lost or damaged data).
- 12.4 The Indemnified Party will provide the Indemnifying Party with prompt written notice of the Claim and permit the Indemnifying Party to control the defense, settlement, adjustment, or compromise of any Claim. The Indemnified Party may employ counsel at its own expense to assist it with respect to any Claim. The Indemnified Party will have no authority to settle any Claim on the Indemnified Party's behalf.
- 12.5 If a third party enjoins or interferes with **SIGMADESIGN**'s use of any Product or Service, then in addition to Vendor's obligations under Section 10.2, Vendor will use its best efforts to:
- 12.5.1 obtain any licenses necessary to permit **SIGMADESIGN** to continue to use the Product or Service;
 - 12.5.2 replace or modify the Product or Service as necessary to permit **SIGMADESIGN** to continue to use of the Product or Service; or
 - 12.5.3 Promptly refund to **SIGMADESIGN** the amount paid for any Product or Service for which a third party enjoins or interferes with **SIGMADESIGN**'s use of the Product or Service.

13 LIABILITY

- 13.1 Notwithstanding anything else in the purchase order or otherwise, **SIGMADESIGN** will not be liable to vendor with respect to the subject matter of the purchase order under any contract, negligence, strict liability or other legal or equitable theory for any amounts in excess of the amount **SIGMADESIGN** paid to vendor in the six months preceding the event or circumstance giving rise to such liability.
- 13.2 In no event will **SIGMADESIGN** be liable to vendor for any incidental, indirect, special, consequential damages or loss of profits arising out of, or in connection with, the purchase order, whether or not **SIGMADESIGN** was advised of the possibility of such damage.
- 13.3 The limitations will apply notwithstanding any failure of essential purpose of any limited remedy provided herein. Nothing in the purchase order limits either party's liability for bodily injury of a person, death, or physical damage to property or any liability which cannot be excluded under applicable law.

14 INSURANCE

- 14.1 Vendor will secure and maintain insurance, and will ensure Vendor's Subcontractors secure and maintain insurance coverage, providing coverage for liabilities to third parties for bodily injury (personal injury) and damage to property in amounts sufficient to protect **SIGMADESIGN** in the event of such injury or damage, and will be in compliance with any and all laws, regulations or orders addressing the liabilities of an employer to its employees for injuries and disease suffered in connection with employment. Vendor further will maintain such additional types and limits of insurance as is customary for a company of similar size and similar operations to Vendor in the jurisdiction or jurisdictions in which Vendor's operations take place.

15 COMPLIANCE WITH LAWS

- 15.1 Vendor represents and warrants that it will comply with all applicable local, state, national and foreign laws, regulations, decrees, orders, and policies pertaining to its performance of its obligations under this Purchase Order ("Laws"). In particular and without limitation, Export Administration Regulations ("EAR") of the U.S. Department of Commerce, the U.S. Department of State International Traffic in Arms Regulations ("ITAR"). Vendor's failure to comply with this provision shall constitute a material breach of this Purchase Order.
- 15.2 Vendor shall promptly notify **SIGMADESIGN** of any actual or alleged violations of any applicable Laws; any suits, actions, proceedings, notices, citations, inquiries, or other communications from any government entity or third party regarding the Purchase Order and a violation or potential violation of any applicable Laws, or any event, action or occurrence that could reasonably impact Vendor's Representations and Warranties.

16 RIGHT TO VISITS, INSPECTION, TESTING, AND AUDITS

- 16.1 **SIGMADESIGN** shall have the right to visit vendor's facilities, to perform inspections, tests, and audit procedures, practices, processes, and documents related to quality assurance and quality control. **SIGMADESIGN** will provide reasonable notice and perform such inspections and testing during normal business hours. There shall be no additional charge to **SIGMADESIGN** in exercising this right.

17 RECORD RETENTION

- 17.1 Product Traceability. If required in the Purchase Order, Vendor shall maintain all records and traceability of all materials applicable to the Purchase Order in a systematic manner for a period of three (3) years (or as otherwise required and agreed upon).

18 GOVERNING LAW

- 18.1 The Purchase Order will be construed in accordance with, and all disputes will be governed by, the laws of the State of Washington, without regard to its conflict of laws rules.

19 GENERAL

- 19.1 All notices and communications with respect to this Agreement shall be in writing by mail, e-mail, or other means as agreed to by the parties, and sent to the addresses stated on the front of the Purchase Order.
- 19.2 A party's election not to insist on strict performance of any requirement of the Purchase Order or these Terms and Conditions will not operate or be construed to waive any future omission or breach, or any other provision of the Purchase Order or these Terms and Conditions except as expressly and affirmatively disclaimed in the Purchase Order, the rights and remedies set forth herein are cumulative and in addition to any other rights or remedies that **SIGMADESIGN** or Vendor may have at law or in equity.
- 19.3 If any provision of the Terms and Conditions is or becomes void or unenforceable by law, the remainder shall be valid and enforceable.
- 19.4 Vendor agrees that **SIGMADESIGN** approvals of Vendor's technical and quality specifications, drawings, plans, procedures, reports, and other submissions shall not relieve Vendor from its obligations to perform all requirements of these Terms and Conditions.
- 19.5 Vendor and **SIGMADESIGN** are independent entities. No partnership of any kind between any parties is intended by, or constituted through, this agreement or the Purchaser Order.
- 19.6 Force majeure: Neither party shall be liable to the other due to any delay or failure to perform its obligations under the Contract if and to the extent that such delay or failure is caused by circumstances beyond the reasonable control of that party which, by their nature, could not have been foreseen by such a party or was unavoidable if foreseeable.
- 19.7 In the performance of the Purchase Order, Vendor agrees to comply with all applicable local, state, and federal laws, executive orders, and regulations. Further, Vendor agrees to comply with all flow down provisions required by the terms of any applicable government contract specifically identified by **SIGMADESIGN**.