



Supplier Terms and Conditions

These Supplier Terms and Conditions (“**T&Cs**”) apply to any Order(s) between Salient Motion, Inc., a Delaware corporation, and any of its subsidiaries or Affiliates including but not limited to Saginow Precision, Inc. *dba* Salient Motion (“**Salient**”), and the company identified on the Purchase Order(s) (“**Supplier**”) (with all capitalized terms used without definition having the meanings given to them in Section 1). Salient reserves the right to change these terms and conditions at any time without prior notice, and shall either publish the revised T&Cs on its online interface for suppliers or provide an updated version directly to Supplier pursuant to the notice provisions of any applicable contract.

ACCEPTANCE: Unless otherwise agreed to in writing, the following terms and conditions shall apply to Supplier’s acceptance of a Purchase Order (defined below) and Salient’s acceptance of items ordered. The acceptance of an Order (defined below) by Supplier shall be evidence of the Supplier’s approval, consent and agreement to the terms and conditions herein.

1. DEFINITIONS.

As used throughout, these T&Cs and any other contract, purchase agreement or purchase order referencing these T&Cs, the following definitions apply unless the context requires otherwise.

1.1. “**Affiliate**” of a Party means any entity other than a Party that directly or indirectly controls, is controlled by or under common control with such Party.

1.2. “**Background IP**” means Intellectual Property owned or controlled by a Party that (i) pre-exists the earlier of the effective date of the Order or any non-disclosure or confidentiality agreement between the Parties; or (ii) is conceived and/or reduced to practice by or on behalf of a Party independent of the Order and through no form of reverse engineering; and that (iii) in the case of Supplier, is disclosed to Salient in writing and agreed upon by Salient prior to the commencement of any work under a Purchase Order. Background IP shall be owned solely by the inventing Party. All Background IP shall remain the sole and exclusive property of that Party.

1.3. “**Components**” means all Goods and Services or any parts thereof to be supplied under the Purchase Order. As used herein, the definition of Components shall include services, as the context requires.

1.4. “**Delivery Date**” means the date of delivery for Goods as specified in an Order.

1.5. “**Goods**” means goods, manufactured products, supplies, software, drawings, data, manuals, other specified documentation, or items that are required to be delivered to Salient pursuant to, or in connection with, an Order.

1.6. “**Intellectual Property**” means intellectual property and the legal rights therein, including without limitation patents, patent rights and any applications for registration thereof, and any know how, concepts, ideas, discoveries, inventions (whether or not patentable), trade secrets, processes, developments, materials, improvements, works of authorship, copyrights, artwork, mask works, industrial property rights, trademarks (whether registered or not, including, where such rights are obtained or enhanced by registration, any registration of such rights and rights to apply for such registration) and any information embodying proprietary data such as technical data and computer software.

1.7. “**Lead Time**” means the time that Salient and Supplier have agreed is the total time needed for Supplier to meet a Delivery Date for Goods following receipt of a requirement for such Goods, as measured based on the date of receipt of the relevant Goods at Salient’s facility.

1.8. “**Order**” means Salient’s Purchase Order and any documents and schedules attached thereto, including without limitation Specifications, statements of work, drawings, and other documents sent by Salient to Supplier to initiate the order of Goods and which shall include change notices, supplements, amendments or modifications thereto.

1.9. “**Party**” or “**Parties**” shall mean Salient and/or Supplier, individually or collectively, as the context requires.

1.10. “**Purchase Order**” means the contract arising between Salient and Supplier for the supply of Components, Goods, and/or Services including these T&Cs, all instructions, documents, specifications and

drawings (if any) referenced therein. Where the context permits, the term Purchase Order shall include the applicable purchase agreement or other agreement that may reference these T&Cs. Purchase Order may also mean a paper or electronic document sent by Salient to Supplier, to initiate the ordering of Goods, including modifications thereto.

1.11. “**Salient’s Property**” means all property furnished by Salient to Supplier, and any tooling or equipment which Salient agrees in writing to purchase, to enable Supplier’s performance under an Order. Whenever Supplier charges Salient for the acquisition or development of tooling or other equipment, such material shall become Salient’s Property.

1.12. “**Services**” means design, engineering, installation, repair and maintenance, or other activities taken to benefit Salient even if performed prior to the effective date of an Agreement or the issuance of an Order and may include Supplier’s activities ancillary to manufacture or delivery of Goods.

1.13. “**Specifications**” means all requirements and performance standards with which the Goods must meet including but not limited to Supplier quality requirements, any specific quality requirements set forth in the Order, drawings, instructions and standards, descriptions and specifications contained in Supplier’s literature or proposal, or descriptions furnished or specified by Salient and as may be modified from time to time by Salient.

1.14. “**Statement of Work**” (SOW) means a document that provides a description of a given Component’s requirements. It may define the scope of work being provided, project deliverables, timelines, work location, and payment terms and conditions.

1.15. “**Supplier**” means the person, firm, or company to whom the Purchase Order is addressed on the face sheets of the Purchase Order.

1.16. “**Terms and Conditions**” or “**T&Cs**” means this document, whether modified or unmodified by the Parties.

2. ENTIRE AGREEMENT.

The Purchase Order and these T&Cs, when accepted by Supplier’s written acknowledgment or commencement of performance or indication thereof, represent the complete and exclusive agreement between Salient and Supplier for the Components, superseding all oral or written prior agreements and all other communications between Salient and Supplier

relating to the subject matter of the Purchase Order. No change in, modification of, or revision to the Purchase Order or these T&Cs shall be valid unless in writing and signed by an authorized representative of Salient’s purchasing department. In the event of any conflict between these T&Cs and any term or condition on the face sheets of the Purchase Order, the terms and conditions on the face sheets of the Purchase Order (approved by Salient) shall control.

3. FURTHER ACCEPTANCE; SPECIFICATIONS.

The Purchase Order and these T&Cs are Salient’s offer to Supplier. Any acceptance of the Purchase Order is expressly limited to acceptance of the terms of the Purchase Order and these T&Cs. Any additional or different terms, which may be contained in any documents furnished by Supplier, including those in any acknowledgment or invoice, are deemed material and Salient hereby objects to and rejects them. Any of the following Supplier acts shall constitute acceptance (i) acknowledgment of the Purchase Order; (ii) commencement of performance; (iii) informing Salient of commencement; or (iv) shipping of any Components in performance of the Purchase Order.

Supplier shall comply with all Specifications, including with respect to any services that are provided in conjunction with delivery of Goods.

4. DELIVERY AND DELAYS.

Time is of the essence in Supplier’s performance of a Purchase Order. Supplier shall deliver in accordance with the Lead Time set forth in the Purchase Order. Delivery terms shall be as set forth in these T&Cs or otherwise agreed to and provided on the face sheets. Title and risk of loss shall pass to Salient upon receipt of the Components to Salient’s facility address identified on the face sheet of the Purchase Order. If delivery terms are not provided on the face sheets of the Purchase Order, delivery shall be Delivered Duty Paid (DDP Incoterms (2010)) destination to Salient’s facility address identified on the face sheets of the Purchase Order.

Supplier shall comply with any specific shipping instructions issued by Salient, including assisting Salient with import documentation and complying with Salient’s routing guidelines.

Salient bases its schedules upon Supplier’s representation of its Lead Time and that Supplier will deliver the Components to Salient by the dates specified on the face sheets of the Purchase Order. Salient may delay delivery of its Purchase Order

without cost provided that Salient provides Supplier with written notice at least ten (10) days prior to the scheduled Delivery Date.

Salient's acceptance of delinquent deliveries shall not be deemed a waiver by Salient of its right to cancel the Purchase Order, or to refuse to accept further deliveries. As soon as Supplier determines that a Delivery Date cannot be met, Supplier shall immediately inform Salient in writing of the cause for such delay and Supplier's earliest possible delivery date so that Salient can determine whether to accept Supplier's proposed new schedule. Supplier agrees that in the event Components are delinquent to Salient's acknowledged Purchase Order, Supplier will grant Salient first priority for completed Components' allocation and shipment. Supplier will bear the cost of any and all expedited shipping deemed necessary by Salient due to Supplier's delay.

The above remedies afforded to Salient shall not be exclusive and Supplier shall indemnify and hold Salient harmless from and against any and all damages, losses, demands, costs and expenses arising from claims of third parties due to any breach or default set forth above.

5. PAYMENT; PRICING; SETOFF.

5.1. Payment. Unless otherwise stated on the Purchase Order, payment terms shall be net ninety (90) days from date of receipt of accurate invoice for Components, Goods, or Services performed or delivered under an Order and shall not be subject to any interest or economic price adjustment.

5.2. Waiver and Release on Final Payment. Salient shall not be responsible for, and Supplier shall not submit charges on invoices received more than 120 days after the shipment of Goods in the Order, unless otherwise indicated in a written agreement signed by both Parties.

5.3. Firm, Fixed Pricing. All pricing for any Components, Goods, and Services are firm, fixed pricing unless otherwise agreed to by Salient in writing and reflected in writing on the Purchase Order.

5.4. Early Payment Discounts. Salient reserves the option of taking early payment discounts, if any, provided by the Supplier. Payment periods and cash discount periods will be computed from either the Delivery Date and acceptance of the Purchase Order, or the date of receipt of correct and proper invoices prepared in accordance with the terms of the Order.

Unless otherwise specifically agreed to in writing, COD shipments will not be accepted.

5.5. Setoff. Supplier agrees that Salient shall have the right to set-off against amounts which may become payable by Salient to Supplier under any Purchase Order or otherwise, any amounts which Supplier may owe Salient, including claims for nonconforming items or warranty obligations

6. CHANGES.

No changes may be made to any Order, except that Salient's authorized procurement personnel (which does not include Salient's engineering and technical personnel) may unilaterally, by written notice to Supplier, make changes to an Order at any time prior to Supplier's shipment of the Goods in that Order including changes in whole or part to: (i) shipping, waste reduction or packing instructions; (ii) place of delivery; (iii) any designs, Specifications and drawings; (iv) the Statement of Work; (v) the method or manner of performance; (vi) Salient Items, facilities, equipment, or materials; (vii) flow down requirements from contracts between Salient and Salient's Customer; and/or (viii) quality requirements (collectively "**Change(s)**"). Supplier shall promptly accept and perform any Changes ordered by Salient.

Except as set forth herein, or as otherwise agreed in writing, if any Change under this Section causes an increase or decrease in the cost of or the time required for performance, an equitable adjustment shall be made in price or delivery schedule or both ("**Adjustment Claim**"), and Salient shall modify the Order accordingly. If the cost of property or material made obsolete or excess as a result of a Change is included in the Adjustment Claim, Salient may direct the disposition of such property or material.

For Supplier-initiated requests, Supplier must submit an Adjustment Claim in writing in the form of a complete change proposal, fully supported by factual information, to Salient's procurement representative no later than 15 days after Supplier's receipt of the Change. Supplier acknowledges and agrees that changes in delivery/performance schedule are normal and anticipated in the course of the Order. Supplier further agrees that the cost of such changes is included in the prices provided under the Order, and that any such change does not constitute a Change under this Section.

Notwithstanding any pending Adjustment Claims, Supplier shall diligently proceed with the performance of the Order, as directed by Salient.

Notwithstanding the foregoing, if any Change is the result of a requirement by Salient's Customer, Supplier is entitled to an equitable adjustment only to the extent that Salient receives such an adjustment from Salient's Customer.

Supplier must notify Salient of any changes to Order under the following conditions: Change in product and or process; change in suppliers; change in manufacturing facility location.

7. FLOW DOWN OF REQUIREMENTS.

Supplier must flow down all applicable Salient requirements to its suppliers and sub-contractors. Supplier is responsible for the compliance of its suppliers and sub-contractors with all requirements.

8. INSPECTION OF GOODS.

8.1. Inspection. Supplier shall only tender Goods to Salient that have passed inspection in accordance with the applicable inspection system and that otherwise conform to all requirements of an Order. Salient may provide written notice of receipt of the Goods to Supplier. Transfer of title to Salient shall not constitute acceptance.

8.2. Non-conforming Goods. During the Inspection Period, Salient may reject any Goods that do not conform to the Specifications and shall have no obligation to pay for such non-conforming Goods. Supplier shall assume title and risk of loss of all non-conforming Goods and shall promptly reimburse Salient for all costs incurred by Salient as a result of the inspection and rejection of non-conforming Goods. Salient shall not be liable for any profit Supplier would have made on any non-conforming Goods nor for incidental damages. Supplier may submit a timely deviation waiver to Salient to see if it can accept a non-conforming part and provide corrective action to ensure error does not happen again.

8.3. Limit of Liability. For any Goods that must be repaired or replaced pursuant to this Section 8, Supplier shall be limited to a total liability cost no more than five times (5X) the monetary value of a given affected Purchase Order, unless otherwise agreed to in writing by the Parties.

9. WARRANTY.

9.1. Warranty. Supplier warrants to Salient and its customers that all Components and Goods furnished pursuant to this Order will be free from defects in

material and workmanship and will be in conformity with the requirements of the Order, including drawings and specifications, if any, and reasonably fit for the purpose disclosed in this Order or in such drawings and specifications. Supplier further warrants that (i) such Goods or services will be merchantable and fit for the purpose for which they are sold; (ii) where design is Supplier's responsibility, such Goods will be free from defects in design; and (iii) that Supplier has good, unencumbered title to the products and has conveyed such good, unencumbered title to Salient. The foregoing warranties are in addition to all other warranties, whether express or implied, and will survive delivery, inspection, acceptance or payment by Salient. All warranties shall run to Salient and its customers. Salient's approval of Supplier's design or material shall not be construed to relieve Supplier of the warranties set forth herein. Without limitation of any rights which Salient may have at law by reason of any breach of warranty, goods which are not as warranted may at any time within three (3) years after delivery be returned at Supplier's expense. Salient at its option may require Supplier to replace such goods at no increase in price. Supplier must pay all repacking, transportation and handling charges both ways or refund the purchase price and any charges in connection therewith. Supplier must also pay for any costs incurred by Salient or its customers for having to repair and replace any goods in breach of warranty related to removal and installation.

9.2. Counterfeit Parts. Supplier represents and warrants that none of the supplies or materials used or incorporated into any Goods are suspect or counterfeit parts. Suspect or counterfeit parts are (a) parts that may be of new manufacture but are misleadingly labeled to provide the impression they are of a different class or quality or from a different source than is the case, and/or (b) refurbished parts, complete with false labeling, that are represented as new parts ("**Counterfeit Parts**"). Supplier shall be liable for all costs incurred by Salient to remove and replace Counterfeit Parts.

9.3. Survival. All other warranties, express or implied, shall survive delivery, inspection, test, acceptance, payment and use.

9.4. Remedy. During the Warranty Period, Salient shall notify Supplier in a commercially reasonable time of a breach of warranty ("**Notice**") in reasonable detail. Upon receipt of Notice, Supplier shall replace such defective Goods at no cost to Salient within ten (10) business days. In addition to any rights or remedies Salient may have under the Purchase Order or at law, Supplier shall reimburse Salient for all actual direct

costs incurred by Salient as a result of such breach of warranty. Any replacement Goods are warranted for the same period as the original Goods.

10. AUTHENTICITY.

Supplier certifies that all Goods delivered under the Order are genuine products authorized by the Supplier and/or manufacturer and are entitled to the full manufacturer's warranty and service, including any related software.

11. SUBCONTRACTING.

Without the prior written consent of Salient, Supplier shall not subcontract for procurement of all, or any number of the Components covered by the Purchase Order in completed or substantially completed form. Supplier will be responsible for the performance of its subcontractors and suppliers and any breach or default of any provision of the Purchase Order by any of them shall be deemed a breach or default by Supplier.

12. INDEMNIFICATION AND INSURANCE.

12.1. Indemnity. Supplier shall indemnify, defend, and hold harmless Salient and its affiliates, shareholders, officers and employees from and against any and all claims, demands, actions, losses, damages, liabilities, costs, and expenses, including but not limited to attorneys' fees, relating to, arising out of or in connection with (i) Supplier, its employees, agents, subcontractors, and/or lower tier subcontractors performance of its obligations hereunder; (ii) any act or omission of Supplier, its employees, agents, subcontractors, and/or lower tier subcontractors in the performance of its obligations hereunder; or (iii) any Components supplied by Supplier under the Purchase Order. In the event Supplier, its employees, agents, subcontractors, and/or lower tier subcontractors enter premises occupied by or under the control of Salient or third parties in the performance of the Purchase Order, Supplier shall indemnify, hold harmless and defend Salient and its affiliates, shareholders, officers and employees from any loss, cost, damage, expense or liability by reason of property damage or personal injury, including Supplier's employees, of any nature or kind whatsoever arising out of, as a result of, or in connection with such performance occasioned in whole or in part by the actions or omissions of Supplier, its employees, agents, subcontractors, and/or lower tier subcontractors

12.2. Insurance. Without in any way limiting the foregoing undertakings in Section 12.1, Supplier and its subcontractors and/or lower tier subcontractors

shall maintain, at each of their own expense, commercial general liability, product liability, and, where applicable to the items supplied, aviation products & completed operations liability and other insurance adequate to cover (i) any products liability, public liability, property damage and vehicle liability or any damage incurred in connection with the scope of any and all Purchase Orders; or (ii) Supplier's performance of any work on or about Salient's premises, and shall maintain proper Worker's Compensation insurance covering all employees performing any Purchase Order. Supplier shall name Salient as an additional insured on its commercial general liability and product liability policies, shall furnish certificates of insurance from its insurance carriers evidencing compliance with the foregoing obligations upon request, and shall provide Salient no less than thirty (30) days' prior written notice of cancellation or material modification of any such policy.

12.3. Procedure. Upon receipt by an Indemnified Person of a Claim, the Indemnified Person shall give written notice thereof to Supplier, although failure to do so shall not affect the right to indemnification except to the extent of actual prejudice. Supplier may not settle any Claim on behalf of the Indemnified Person without first obtaining the Indemnified Person's written authorization if such settlement includes a criminal penalty against the Indemnified Person, an injunctive order or other limitation on the Indemnified Person's conduct or business or a statement that the Indemnified Person was liable or otherwise responsible for the Claim. The Indemnified Person may employ its own counsel at its own expense and, at Supplier's reasonable request and expense, shall cooperate and assist Supplier with respect to the negotiation, defense or settlement of any Claim. In the event of a settlement of a Claim, each Party agrees not to disclose the terms of the settlement without first obtaining the other Party's written consent. If any injunction or restraining order is issued, Supplier will, at its expense, obtain for an Indemnified Person either the right to continue using and/or selling the Goods or replace or modify the Goods to make them non-infringing.

12.4. Salient's Rights. Supplier shall notify Salient within five (5) business days after learning of any actual or threatened Claims, suits, actions or legal proceedings that may in any way affect Salient's interests under the Purchase Order.

13. INTELLECTUAL PROPERTY RIGHTS.

All designs, prototypes, samples, models, patterns, improvements, devices, products, technical

information, bills of materials and drawings (whether or not patentable) (collectively, “**Work Products**”) arising or in connection with a Purchase Order (including performance of and preparation of, created and developed either (i) jointly by both Supplier and Salient; (ii) by Supplier or the employees of Supplier; or (iii) by Salient or the employees of Salient, and all patents, copyrights, trade secret rights and other Intellectual Property rights related thereto, will be the exclusive property of Salient. Upon Salient’s request, Supplier shall make such Work Products available to Salient within ten (10) days of Salient’s request. Supplier agrees that any works of authorship created by Supplier or any employees or any others used by Supplier in connection with the Purchase Order shall be considered “Works Made for Hire” as contemplated in 17 U.S.C. §101. Supplier hereby gives, transfers, and assigns to Salient all right, title, and interest now or hereafter arising in and to the Work Products and the “Works Made for Hire”. Supplier agrees to execute and deliver free of charge such additional documents as Salient deems necessary or desirable, at any time during or after the term of the Purchase Order or other agreement, to perfect or evidence Salient’s ownership of the Work Products and the “Works Made for Hire” or to enable Salient to secure rights of copyright or letters patent in Salient’s name for the Work Products in any country throughout the world, provided that preparation of such additional documents shall be at the expense of Salient.

Supplier ownership of Work Products that are “Works Made for Hire” shall not include ownership of any Background IP of Supplier, which have been properly declared in writing to and agreed upon by Salient prior to the commencement of any work under a Purchase Order.

14. PATENTS AND PATENT INDEMNITY.

Except when the work hereunder or supplies are manufactured to detailed designs, originated and furnished by Salient or by a process or method the use of which is specifically directed by Salient, Supplier guarantees that the goods produced hereunder and the sale, importation or use of them will not infringe any patents and Supplier shall indemnify and save Salient and its customers harmless from, any expense, loss, cost, damage or liability which may be incurred on account of infringement or alleged infringement of patent rights with respect to such Components and defend, at its own expense, any action or claim in which such infringement is alleged, provided Supplier is notified of such actions or claims against Salient. In the event of an injunction or restraining order, Supplier shall, at its own expense, either procure for Salient the

right to continue to sell, import and use the Component, or replace or modify the Component so that it becomes non-infringing.

15. DUPLICATION AND USE OF SALIENT’S DATA.

For this Section, “**Salient’s Data**” means all technical data (including, without limitation, manufacturing, process, test or repair data, know-how, designs, and data describing physical, functional, or performance characteristics), computer software, and all other information and data that (i) has been supplied to Supplier (or any other person) by or on behalf of Salient, whether transmitted in writing, orally, or otherwise; (ii) Supplier has designed, developed, or created at Salient’s expense; and (iii) all derivatives of (i) and (ii) that Supplier has designed, developed, or created. Supplier may use Salient’s Data only in the performance of work for Salient. Except for articles or designs incorporated in the Components delivered hereunder which originated with Supplier and which may be completely severed from such Components, Supplier shall not, either during the performance of the Purchase Order or thereafter (i) reproduce or manufacture any Components called for hereunder or any part thereof for any third parties utilizing Salient’s Data except in the performance of Purchase Orders for Salient or (ii) disclose any Salient’s Data without first obtaining Salient’s written consent unless pursuant to a separate mutually agreed-upon confidentiality agreement between the Parties and any other more restrictive confidentiality obligations agreed to in writing by the Parties. Upon Salient’s request, Supplier shall return all Salient’s Data and any copies thereof to Salient. If with Salient’s written consent, Salient’s Data is furnished to Supplier’s suppliers or subcontractors for use in the performance of the Purchase Order, Supplier shall (i) insert the substance of this provision in its orders with its suppliers and subcontractors and (ii) remain responsible hereunder for any breach by such supplier or subcontractor.

Supplier agrees to keep any confidential or proprietary information of Salient disclosed in connection with any Order, including Salient’s Data, pricing and business information, strictly confidential and as further outlined in any non-disclosure agreement executed between the Parties (“**NDA**”) and shall only use such information solely to perform its obligations under any Purchase Order.

16. SALIENT’S PROPERTY.

Salient shall retain all right, title and interest in and to Salient’s Property, and Supplier agrees to maintain a complete inventory thereof. If Salient’s Property is

damaged or lost while in Supplier's possession, Supplier will immediately replace or repair it at Supplier's sole expense. Upon request, Supplier shall promptly return Salient's Property to Salient at Supplier's sole expense.

17. OBSOLESCENCE MANAGEMENT.

Supplier will proactively monitor all items and material used in the manufacture of the Components for impending obsolescence issues due to Components that have or will be taken out of production or the use of which has been announced as being or to be restricted or forbidden by a regulatory agency. Supplier agrees to provide Salient with immediate notice of any potential obsolescence issue known to the Supplier with such notice to include the reason for obsolescence, estimated date the item/Component will no longer be available, any proposed alternatives, and a last time buy opportunity at then current pricing for such item/Component. Such notice shall be provided to Salient at least twelve (12) months prior to the anticipated obsolescence date. In addition, Supplier shall provide Salient with a replacement item/Component which has design parameters and specification documentation that is fully consistent with the obsolete item/Components' then-current design parameters and requirements documents within twelve (12) months prior to ending Supplier's production of the Component.

18. STATUS AS INDEPENDENT CONTRACTOR.

Supplier is an independent contractor and while performing work on or off Salient's premises, neither it nor any of its agents or employees shall be considered agents or employees of Salient.

19. LABOR DISPUTE.

Whenever any actual or potential labor dispute delays or threatens to delay the timely performance of the Purchase Order, Supplier shall immediately give written notice thereof to Salient. Supplier shall insert the substance of this provision in its orders with its suppliers.

20. FORCE MAJEURE.

Neither Party will be liable for any failure or delay in performing an obligation under this Agreement that is due to any of the following causes, to the extent beyond its reasonable control: acts of God, accident, riots, war, terrorist act, epidemic, pandemic, quarantine, civil commotion, natural catastrophes, governmental acts or omissions, national strikes, fire,

explosion, and generalized lack of availability of raw materials or energy.

For the avoidance of doubt, Force Majeure shall not include (a) financial distress nor the inability of either Party to make a profit or avoid a financial loss, (b) changes in market prices or conditions, or (c) a Party's financial inability to perform its obligations hereunder.

Notwithstanding the foregoing, in the event of a force majeure event, each Party agrees to make a good faith effort to perform its obligations hereunder, including exercising work-around plans or obtaining services from other sources. If the force majeure continues for more than ten (10) calendar days, then Salient may, without penalty, terminate all or part of the Purchase Order or modify payment, delivery or other terms upon written notice to Supplier.

21. TERMINATION.

21.1. Termination for Convenience. In addition to all other rights and remedies, Salient shall have the right to terminate an Order, in whole or in part, without cause, upon notice in writing (including without limitation by email) to Supplier.

Salient shall have no liability for termination of an Order provided that Salient gives written notice (including without limitation by email) to Supplier (i) at least ten (10) business days prior to the scheduled shipment date of Standard Goods or (ii) at least thirty (30) days prior to the scheduled shipment date of Custom Goods. For the purpose of this Section, "**Standard Goods**" shall include all Goods which Supplier regularly maintains in inventory, and "**Custom Goods**" shall include all other Goods.

In the event Salient gives proper written notice, Supplier shall immediately cease work, terminate any subcontracts, and deliver to Salient all completed and partially completed Goods or raw material and work-in-process, or otherwise dispose of such Goods, work in process and raw material in accordance with Salient's instructions. Supplier shall promptly comply with Salient's instructions respecting each of the foregoing without awaiting payments of any amounts from Salient. Salient's liability to Supplier shall be limited to: (i) the price provided in the Order for all Goods which have been completed prior to termination and which are accepted by Salient, if produced in no greater amounts than to satisfy the delivery schedule on the face of an Order; plus (ii) to the extent commercially reasonable and accepted by Salient, actual expenditures on the uncompleted portion of this Order

including cancellation charges paid by the Supplier on account of commitments made under this Order; provided that Supplier has (immediately upon notice of termination) taken all reasonable steps to mitigate cost resulting from termination. If Salient terminates only a part of an Order, Supplier shall continue all work not terminated.

Notwithstanding the foregoing, Supplier's liability shall not exceed the total price provided for herein for finished Goods delivered under this Order. Supplier shall submit to Salient within ten (10) days of notification of the termination any and all unavoidable material costs resulting from Salient's termination. No cost submitted beyond that date shall be compensable to Supplier.

21.2. Termination for Default. In addition to the rights conferred in Section 20. (Force Majeure), Salient may terminate an Order for default, without any liability to Supplier, if Supplier fails to make any delivery in accordance with the schedule set forth in an Order for failure to comply with any of the other requirements, these terms and conditions, the requirements of an Order, or for failure to make progress under an Order so as to endanger performance of an Order. In the event of termination for Supplier's default, Salient may procure elsewhere Goods which are similar to those terminated, and on such terms as Salient may deem appropriate, and Supplier shall be liable for excess re-procurement costs. Further, Supplier shall be liable to Salient for any other remedies prescribed by law or equity. At no cost to Salient, Supplier will provide any and all tools, designs, drawings, or partially completed work necessary for Salient to complete the work which Supplier has been deemed unable to complete.

21.3. Automatic Termination. The Purchase Order shall terminate automatically upon either Party's suspension of business, insolvency, appointment of a receiver for Supplier's property or business, or any assignment, reorganization or arrangement by Supplier for the benefit of its creditors.

22. STOP WORK.

At any time by written notice and at no cost, Salient may require Supplier to stop all or any part of the work under a Purchase Order for up to 90 calendar days, and for any further period as mutually agreed.

23. ASSIGNMENT.

None of the work to be performed under an Order shall be assigned nor shall Supplier subcontract for

completed or substantially completed Goods called for by an Order without Salient's prior written consent.

24. WAIVER.

Failure of Salient to insist upon performance of any terms of the Purchase Order or any terms and conditions or to exercise any right hereunder shall not be construed as a waiver or relinquishment of the future performance of any such term or condition or the future exercise of such right.

25. SPARE PARTS, LRUs.

Supplier shall not sell any spare parts or LRUs of Salient's Components or Goods that have been custom made/developed for Salient or those bearing a Salient part number to any third parties without Salient's written permission.

26. COMPLIANCE WITH LAWS.

26.1. General. Supplier shall comply with all applicable laws pertaining or related to: (i) the manufacture or provisioning of Components, (ii) the shipping of Components and (iii) the configuration or content of Components for the use intended by Salient. Supplier shall notify Salient in writing immediately if Supplier is suspended, debarred, or proposed for suspension or debarment from doing business with the U.S. Government. Supplier further represents that neither Supplier nor any of its directors, officers, or principals is listed on any OFAC, EU, or UN sanctions list, that it does not use forced labor, child labor, or human trafficking in its supply chain.

26.2. Anti-Corruption and Anti-Bribery. In addition, Supplier shall comply with all applicable country laws relating to anti-corruption or antibribery, including but not limited to (i) the requirements of the Foreign Corrupt Practices Act, as amended (15 U.S.C. §§78dd-1, et. seq.) (the "**FCPA**"), regardless of whether Supplier is within the jurisdiction of the United States; (ii) the United Kingdom's Bribery Act 2010; and (iii) legislation implementing the Organization for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or other anti-corruption/anti-bribery convention. Supplier shall neither directly nor indirectly, pay, offer, give, or promise to pay or give, any portion of monies or anything of value received from Salient to a non-U.S. public official or any person in violation of the FCPA and/or in violation of any applicable country laws relating to anti-corruption or anti-bribery.

26.3 Conflict Minerals. Supplier shall disclose to Salient any “conflict minerals” (as defined in Section 1502 of the Dodd–Frank Wall Street Reform and Consumer Protection Act and the SEC rules implementing the requirements of Section 1502 (collectively, the “**Conflict Minerals Rules**”)) that are contained in the Components prior to delivering such Components to Salient. If any of the Components contain conflict minerals, Supplier shall, at Salient’s request, cooperate in good faith and provide sufficient information to enable Salient to conduct a “reasonable country of origin inquiry” regarding these conflict minerals in a manner that satisfies Salient’s obligations under the Conflict Minerals Rules and, in the event that the conflict minerals contained therein come from the “Covered Countries” (as defined in the Conflict Minerals Rules), Supplier shall cooperate in good faith and provide sufficient information to enable Salient to conduct the due diligence investigation required under the Conflict Minerals Rules and to provide the necessary information in a conflict minerals report required under the Conflict Minerals Rules. In addition to these specific inquiries, Supplier shall cooperate in good faith and provide all information that is reasonably requested by Salient in connection with its compliance with the Conflict Mineral Rules. As a material condition of this Agreement, Supplier agrees that it shall only source conflict minerals contained in Components from “DRC conflict free” sources (as defined in the Conflict Minerals Rules). Notwithstanding anything in this Agreement to the contrary, unless Salient is satisfied, in its sole discretion, that conflict minerals contained in the Components are DRC conflict free, Salient shall have the right to reject such Components and seek alternative sources and cover damages for such Components.

26.4 Export Compliance. Supplier shall comply with export control and sanctions laws, regulations, and orders applicable at the time of the export, re- export, transfer, disclosure or provision of Goods or related software or technology including, without limitation, the (i) Export Administration Regulations; (ii) International Traffic in Arms Regulations; and (iii) Foreign Assets Control Regulations and associated Executive Orders (“**Export/Import Laws**”). If Supplier is in the business of manufacturing, exporting or brokering USML items, Supplier represents that it maintains registration with the Directorate of Defense Trade Controls as required by applicable laws.

Supplier shall obtain all export or import authorizations, permits and licenses at its expense, which are required under the Export/Import Laws to execute its obligations

under the Purchase Order. Supplier shall at its own expense to support Salient in obtaining any necessary licenses or authorizations required to perform its obligations under the Purchase Order. Support shall include providing reasonably necessary documentation, including import, end-user and retransfer certificates.

Supplier shall, upon request, notify Salient of the export classification (e.g., the Export Control Classification Numbers, Harmonized Tariff Schedule code or U.S. Munitions List category and subcategory) for such goods, software, technology, technical data or services as well as the export classification of any components or parts thereof if they are different from the export classification of the goods, software, technology, technical data or services at issue. Supplier acknowledges that this representation means that an official capable of binding the Party providing such goods, software, technology, technical data or services knows or has otherwise determined the proper export classification.

26.5. No Gratuities. Supplier warrants that neither it nor any of its employees, agents or representatives has offered or given any gratuities to Salient’s employees, agents or representatives or any gratuity or political contribution to any Government officials or political party with a view toward securing the Purchase Order or securing favorable treatment.

26.6. Government Contracts. If an Order is related to a contract or subcontract with the U.S. government, then the following applies: “The Equal Employment Opportunity clauses in Section 202 of Executive Order 11246, Section 503 of the Rehabilitation Act of 1973, and Section 4212 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended, 29 CFR Part 471, Appendix A to Subpart A (EO13496), and the implementing rules and regulations of the Office of Federal Contract Compliance Programs (41 CFR, Chapter 60) are incorporated herein. This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities, and to treat qualified individuals without discrimination on the basis of their physical or mental disability.”

If an Order supports a “Prime Contract” with the U.S. government, Supplier shall comply with all Federal

Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation Supplement (DFARS) provisions required by law or regulation (including if applicable to the Order, certification of current cost or pricing data), or necessary for Salient to comply with the requirements of its Prime Contract and United States Government procurement regulations. Orders may be used to fulfill requirements under U.S. Government Prime Contracts. Therefore, the terms of any Order hereunder, including pricing, are subject to change based on the applicable U.S. Government rules and regulations, including, but not limited to, audit and verification of the "commercial item" status, cost or price analysis, and disclosure of certified and uncertified cost or pricing data. In addition, the U.S. Government's rejection of any of the terms of an Order for purposes of fulfilling requirements under U.S. government Prime Contracts shall entitle Salient either to: (i) terminate all or part of an Order without any liability to Salient, or (ii) revise the terms of an Order as needed.

27. ENVIRONMENT, HEALTH AND SAFETY REQUIREMENTS.

Supplier warrants that, except as agreed in writing by Salient, none of the chemical substances constituting or contained in the Components sold or otherwise transferred to Salient under the Purchase Order are (i) "Hazardous Substances" as defined in the United States Comprehensive Environmental Response, Compensation And Liability Act, (ii) substances included in Annex XIV of the European Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorization, and Restriction of Chemicals ("**REACH**") or (iii) on the "Candidate List" in a concentration greater than 0.1% by weight as defined by the European Chemicals Agency, all as modified from time to time.

Supplier acknowledges and agrees that the "Hazardous Substances" and substances on the "Candidate List" or Annex XIV of REACH as well as associated requirements are evolving and Supplier undertakes to (i) regularly monitor relevant data sources, (ii) use its best efforts to meet future requirements.

Supplier shall not deliver Components to Salient that contain any substances banned or requiring authorization under applicable laws, rules or regulations nor Components infringing a (pre-) registration requirement or a restriction under REACH.

Supplier shall comply with all applicable requirements of REACH and fully cooperate with Salient to enable

the latter to fulfill all obligations under REACH, the European Regulation No 1272/2008 on classification, labeling and packaging of substances and mixtures ("**CLP**") and any related national legislation and requirements of relevant competent authorities.

Supplier shall not provide Components, tooling or any equipment containing or relying on a (i) Controlled Substance or (ii) "Ozone-Depleting Substance" except where Supplier has obtained an express advance written approval and authorization from Salient. As used herein, "Controlled Substance" means any substance designated by European Regulation (EC) No 1005/2009 Annex I and "Ozone-Depleting Substance" means any substance designated in the U.S. Code 40 CFR Part 82 as Class I or Class II.

Supplier will assist Salient in documenting or otherwise supporting Salient in showing compliance in all applicable laws, rules or regulations including the California Transparency Law.

Supplier agrees to indemnify and hold Salient harmless from any Losses arising from any failure of the Components from complying with the above requirements or applicable laws, rules and regulations.

The packaging, labeling, and shipping of all Components containing or comprising hazardous substances must conform to all applicable laws and regulations, including the CLP. In addition to the application of proper shipping labels on the outside container, each container of hazardous substances, mixtures and/or articles shall be marked with the appropriate label in accordance with all applicable laws, rules and regulations relating to hazardous substances, mixtures and/or articles. Supplier shall supply Salient with any and all required safety data sheets as well as all data and information required to allow fulfillment of classification, labeling, packaging and information responsibilities under applicable laws and regulation when requested by Salient.

Supplier shall implement an environmental management system and meeting the requirements of International Standards Organization 14001 with respect to its performance under the Purchase Order. Supplier shall also implement a health and safety management system with respect to its performance under the Purchase Order.

28. QUALITY ASSURANCE AND INSPECTION

Supplier and all components delivered hereunder shall comply with all drawings, specifications, and quality documents of Salient, regulatory requirements and

industry best practices. All components ordered may be subject to (i) First Article Inspection, Salient source inspection, or in process inspection during the period of manufacture prior to shipment and (ii) final inspection, testing and acceptance at destination notwithstanding any prior payment or inspection and acceptance. First Article Inspections shall be paid for by Supplier and carried out in compliance with applicable law and/or quality standard.

Supplier shall provide and maintain a quality control system acceptable to Salient and in compliance with those quality control standards (if any) specified on the face sheets of an Order. Supplier's quality control system shall be subject to confirmation and acceptance by Salient and other applicable regulatory agencies. Supplier represents and warrants that it and any and all subcontractors that it uses in completion of its work pursuant to any Orders meets the quality management system requirements set forth in AS9100 and shall be AS9100 certified unless otherwise approved in writing by Salient.

Salient maintains the right of access by their organization, their customer, and regulatory authorities to all Supplier's facilities involved in an Order and to all applicable records and may require Supplier to flow down to its sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required.

Supplier shall seek Salient's advance written consent of any plan to change to (i) Component manufacturing process; (ii) the tooling being used in the manufacture of Components; (iii) third party suppliers or outside processes; or (iv) the location of Component manufacturing to another Supplier facility (collectively referred to as "**New Processes**"), at least sixty (60) days prior to the proposed date to implement any such New Process. For clarity Supplier may not sell or otherwise provide to Salient any Components manufactured using Supplier's New Processes until Supplier first obtains written approval and instructions from Salient affected by such New Processes.

Supplier shall provide certificates of conformance with Components supplied, plus any other reasonable documentation requested by Salient. Supplier shall retain all underlying documentation that forms the basis of such certificates for a period of eleven (11) years from the date of issuance of each certificate. Original manufacturer's certificates of compliance are required for all components and all raw materials used in the manufacturing of Components. Salient reserves the right to return Components at Supplier's expense if Supplier has not provided required documentation

within fifteen (15) days of delivery. If Supplier is found to have substituted or supplied incorrect Components or raw material, all costs or expenses incurred by Salient associated with repair, replacement, recall or removal of such Components shall be paid by Supplier.

29. SEVERABILITY.

If any of the T&Cs of purchase herein or the Purchase Order are at any time held to be invalid or unenforceable, such term or condition shall be construed as severable and shall not in any way render invalid or unenforceable the remainder of the T&Cs which shall remain in full force and effect and, in lieu of the invalid or unenforceable provision, there will be added as part of these T&Cs of purchase or the Purchase Order one or more provisions as similar in terms as may be valid and enforceable under applicable law.

30. SURVIVAL.

All rights, duties and obligations which by their nature should apply beyond the term of the Purchase Order will remain in force after Supplier's completion of the Purchase Order or any termination of performance of the Purchase Order.

31. WAIVER OF LIENS.

Supplier hereby waives and relinquishes all liens or claims, statutory or otherwise, which Supplier now has or may hereinafter have as a result of labor performed and materials furnished by Supplier to Salient in performance of the Purchase Order.

32. PUBLICITY.

Supplier shall not use the name of Salient or any of its derivations in any advertising or publicity, nor make any news release, public announcement, denial, or confirmation of the Purchase Order or any part or any phase thereof or any relationship between Salient and Supplier without the prior written approval of Salient. Supplier shall not make use of Salient's name or logo without Salient's prior written consent.

33. ARBITRATION.

Supplier agrees that it will pursue all disputes it wishes to bring against Salient (the "**Disputes**") exclusively in binding arbitration, to take place in Los Angeles, California and in accordance with California law. The arbitration proceedings will be conducted by a single arbitrator from the American Arbitration Association ("**AAA**"). Salient will choose an arbitrator from a panel

presented by the AAA. Each Party will be responsible for its own expenses incurred in connection with pursuing the arbitration, including its attorneys' and advisors' fees and related costs. Supplier will reimburse Salient for these fees and costs if it does not prevail in the arbitration. Supplier acknowledges that Supplier gives up the right to litigate the Disputes in court or to submit them to a jury.

Except where prohibited by law, Supplier agrees to (i) submit only its own, individual claims and not seek to represent the interests of any other person in arbitration or otherwise, and (ii) waive the right to assert any claims or counterclaims against Salient as a representative or member in any class or representative action, whether in arbitration or otherwise. Supplier agrees that the arbitrator will have the power to award any remedies available under applicable law, including the prevailing Party's reasonable attorneys' fees and costs, in the event that any legal action or arbitration is commenced of any kind or character. The arbitrator's decision shall be final and binding on the Parties and may be entered in any court having competent jurisdiction.

34. CONFLICTS.

If there are any inconsistencies or conflicts between the Order and these T&Cs, and if applicable the NDA, precedence will be given in the following order: (i) the terms and conditions in the Order including any applicable Statement of Work; (ii) these T&Cs; and (iii) the NDA.

35. GENERAL.

All notices and other communications under a Purchase Order will be given in writing and deemed to have been given when delivered, emailed, or mailed by registered or certified U.S. mail, return receipt requested and postage prepaid, or by private overnight mail courier service.

A Purchase Order shall be governed by and interpreted under the laws of the state of California, without regard to conflicts of law principles.

A Purchase Order may be executed in counterparts.

The Purchase Order constitutes the entire understanding and agreement between the Parties regarding its subject matter and supersedes all prior understandings, agreements, communications and representations, whether written or oral, regarding such subject matter. None of the terms or provisions of a Purchase Order shall be modified or waived, and a Purchase Order may not be amended or terminated, except by a written instrument signed by the Party against which any modification, waiver, amendment, or termination is to be enforced.

If any of the provisions of the Purchase Order are invalid under any applicable law or regulation, such provisions or portions thereof are deemed to be omitted without affecting the remaining terms and conditions hereof. No failure or delay by a Party in exercising any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise preclude any other or further exercise of that or any other right, power, or privilege. successor or Affiliate without prior consent.

All obligations and duties hereunder, which by their nature or by their express terms extend beyond the expiration or termination of the Purchase Order, including without limitation warranties, indemnifications, confidentiality, and intellectual property (including rights to and protection of proprietary information and intellectual property) shall survive the expiration or termination of the Purchase Order.

Each Party represents that it has the full right and authority to enter into the Purchase Order.