

GENERAL TERMS FOR THE SUPPLY OF GOODS AND SERVICES TO SMILEY MONROE, INC.

1. INTERPRETATION

1.1 In these General Terms, the following definitions apply:

Affiliate means any person or entity controlled by, controlling, or under common control, or having a material financial relationship with a party;

Commencement Date has the meaning set out in Section 2.3;

Contract means the contract between Purchaser and the Supplier for the supply of Goods and/or Services in accordance with these General Terms and includes the Purchase Order, the General Terms, any delivery instructions provided by Purchaser, other documents provided by Purchaser related to the Goods and/or the Services, any agreements related to the Goods and/or the Services signed by Purchaser and Supplier, and all other documents specifically made part of a Purchase Order by Purchaser;

Control, Controlling, Controlled by means the beneficial ownership of more than 50% of the issued securities of a company or the legal power to direct or cause the direction of the general management of a company;

Deliverables means all documents, products and materials developed by the Supplier or its agents, contractors and employees as part of or in relation to the Services in any form or media;

Purchaser Materials has the meaning set out in Section 5.3;

Force Majeure Event means act of God, plague, epidemic, pandemic, outbreaks of infectious disease or any other public health crisis, war, riot, civil commotion, compliance with any law or governmental order (excluding any law implementing or resulting from the UK's ceasing to be a member of the European Union), fire, flood or storm;

General Terms means these terms and conditions as amended from time to time in accordance with Section 14.8;

Goods means the goods, or any part of them, described in the Purchase Order;

Goods Specification means any specification for the Goods, including any related plans and drawings and standards the Goods are to comply with, that is agreed in writing by Purchaser and the Supplier or brochure provided or prepared by the Supplier or other description of the Good(s) made available by the Supplier;

Purchase Order means Purchaser's purchase order for the supply of Goods and/or Services as described in more detail in Purchaser's purchase order or in Purchaser's written acceptance of the Supplier's quotation, as the case may be;

Purchaser means Smiley Monroe, Inc., a Delaware corporation, and any of its Affiliates;

Services means the services, including without limitation any Deliverables, to be provided by the Supplier under the Contract as set out in the Service Specification;

Service Specification means the description or specification for Services agreed in writing by Purchaser and the Supplier;

Supplier means the person, company or firm from whom Purchaser purchases the Goods and/or Services.

1.2 In these General Terms, the following rules apply: (a) a **person** includes a natural person, corporate or unincorporated body, whether or not having separate legal personality; (b) references to a party includes its successors or permitted assigns; (c) a reference to a statute or statutory provision is a reference to such statute or statutory provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted; (d) any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and (e) a reference to **writing** or **written** includes faxes and e-mails.

2. BASIS OF CONTRACT

2.1 Purchaser providing the Purchase Order to the Supplier in writing constitutes an offer by Purchaser to purchase Goods and/or Services from the Supplier in accordance with these General Terms, the Goods Specification, Service Specification, Purchase Order and any other

document expressly agreed by the Purchaser. In the event of a conflict between or among the terms of any of the documents identified in the preceding sentence, the terms of the document identified first in the preceding sentence vis-à-vis the other documents identified in such sentence shall control.

- 2.2** The Purchaser shall not be liable for any order, order amendment or instructions to proceed with orders unless and until authorized in writing on a Purchase Order and the Supplier shall hold the Purchaser harmless for any loss, costs or damage suffered by the Supplier for taking any action or omitting to take any action otherwise than in reliance on this Section 2.
- 2.3** Acceptance of any Purchase Order is expressly limited to the Terms and Conditions set forth herein. Any terms and conditions proposed by Supplier in Supplier's quotation, invitation, acceptance, acknowledgment, invoice, transmittal, or any other document that are different from, conflict with, or add to the Terms and Conditions herein shall be deemed to materially alter these Terms and Conditions and are hereby objected to and rejected by Purchaser, notwithstanding Purchaser's act of accepting or paying for any shipment, or similar act of Purchaser and/or notwithstanding any course of prior dealings or usage of the trade not incorporated herein. Acceptance of a Purchase Order, including acceptance of the Terms and Conditions, shall occur upon the happening of any of the following events: (i) the Supplier issuing written acceptance of the Purchase Order, (ii) any act by the Supplier consistent with fulfilling the Purchase Order, or (iii) Supplier's notification to Purchaser of its intent to deliver or ship the Goods to Buyer or to provide the Services to Buyer, at which point, and on which date, the Contract shall come into existence (**Commencement Date**).
- 2.4** All of these General Terms shall apply to the supply of both Goods and Services except where the application to one or the other is specified.
- 2.5** Following formation of the Contract, no modification, amendment or change to such Contract shall be undertaken except upon written consent of Purchaser. Purchaser may at any time by providing written notice to Supplier, make changes within the general scope of a Purchase Order, in the Goods Specification, the Service Specification, designs, drawings, packaging, methods of shipment, quantities, place of delivery or delivery schedules.
- 2.6** Any changes requested by Purchaser in accordance with Section 2.5 shall be addressed as follows: (a) if the change would reduce the Supplier's costs, the Contract price will reduce to fairly reflect that saving. If the change would increase the Supplier's costs, the Supplier must promptly provide the Purchaser with written notice of such cost increase, including reasons to justify any and all cost increases. Both parties will then use reasonable efforts to reach an agreement regarding any proposed revised terms, including, without limitation, any change in price, to the Contract. Under no circumstances will the Purchaser be liable to the Supplier with respect to any change, amendment, or modification of a Contract for more than a reasonable and proportionate share of any increased costs that the Supplier could not reasonably have been expected to avoid; and (b) if the change requested by Purchaser would for any reason be unachievable, the Supplier must promptly provide the Purchaser with written notice explaining why the proposed change is not achievable, following which both parties will use reasonable efforts to reach a mutually acceptable agreement with respect to such change. No change, modification, or amendment to the Contract will take effect unless Purchaser agrees in writing to such change, modification, or amendment.

3. SUPPLY OF GOODS

- 3.1** In addition to any other warranties of Supplier described herein and those arising by operation of law, Supplier expressly warrants that all Goods covered by a Purchase Order (i) shall strictly conform to the Goods Specification, drawings, plans, instructions, samples, or other descriptions furnished to or adopted by Supplier, (ii) shall be merchantable, of new and best material and fit and safe for the purposes for which the Goods are intended to be used, including any special requirements of Purchaser which have been disclosed to Supplier, (iii) shall be

delivered in new, unused and undamaged condition and shall be merchantable, free from all defects in design, workmanship and materials, (iv) any Goods that are, or contain, software will not contain any viruses, worms, time bombs or lockouts and, when correctly used and installed, operate in accordance with any provided documentation, (v) all weights, measures, sizes, legends and descriptions printed, stamped, attached or otherwise indicated with regard to the Goods are true and correct, and conform and comply with all applicable laws, rules, regulations, ordinances, codes and standards of federal, state and local governments, (vi) all of the Goods will be free of any lien, security interest, encumbrances or claim of any nature by any third person; and (vii) Supplier will convey clear, full, legal and beneficial title to the Goods to Purchaser as provided under this Contract. Any attempt by Supplier to limit, disclaim, or restrict in any way such warranties or remedies of Purchaser by acknowledgement or otherwise in accepting or performing a Purchase Order shall be void.

- 3.2** Supplier warrants that all Goods or Services furnished hereunder will comply with all applicable federal, state and local laws, and with the regulations, guidelines, orders and standards thereunder, and any amendments thereto. Supplier also shall ensure that at all times it has and maintains all of the licenses, permissions, authorizations, consents, and permits that it needs to carry out its obligations under the Contract with respect to any of the Goods or Services to be supplied under the Contract. Supplier agrees to provide Purchaser all such compliance certificates, notices, and reports as may be either required or otherwise necessary and to appropriately label all Goods supplied under the Contract in the manner required by any such applicable legislation, regulations, guidelines, orders, or standards.
- 3.3** Purchaser or its designated third party representative or inspectors shall have the right to inspect and to test the Goods, the manufacturing process, any materials and components used in the manufacturing process, or work in progress at any time before delivery. The Supplier shall provide reasonable notice to the Purchaser of the testing of the Goods being carried out and shall permit the Purchaser or its designated third party representative or inspectors to attend such testing. If following such inspection or testing Purchaser or its designated third party representative or inspectors considers that the Goods do not conform or are unlikely to comply with the Supplier's undertakings under Section **Error! Reference source not found.** or the time specified for delivery in accordance with Section 4.2, Purchaser shall inform the Supplier and the Supplier shall immediately take such remedial action as is necessary, at Supplier's sole cost and expense, to ensure compliance, including, without limitation, expediting production and delivery. Notwithstanding any such inspection or testing, the Supplier shall remain fully responsible for the Goods and any such inspection or testing shall not reduce or otherwise affect the Supplier's obligations under the Contract, and Purchaser and its designated third party representative or inspectors shall have the right to conduct further inspections and tests after the Supplier has carried out its remedial actions.
- 3.4** If the Contract requires Supplier to provide to Purchaser any maintenance, training, spare parts, consumables or other goods, rights or services, in order for Purchaser to benefit fully from the Goods supplied under a Purchase Order (**Follow-on Supply**), then Supplier will provide such Follow-on Supply or procure them to be provided, for at least 36 months following delivery of the relevant Goods, at fair and reasonable prices which do not take advantage of the Purchaser's dependence on the Supplier for their supply.

4. DELIVERY OF GOODS

- 4.1** The Supplier shall: (a) properly pack and secure the Goods in accordance with any packaging requirements that Purchaser provides to the Supplier or, if none, in such manner as to enable the Goods to reach their destination in good condition and in accordance with the requirements of common carriers; (b) provide Purchaser with a delivery note for each delivery of the Goods that includes the date of the Purchase Order, the Purchase Order number (if any), the type and quantity of the Goods (including the code number of the Goods (where applicable)), special storage instructions (if any) and, if the Goods are being delivered by installments, the outstanding balance of Goods remaining to be delivered; and (c) if the Supplier requires

Purchaser to return any packaging material for the Goods to the Supplier, Supplier shall clearly state such requirement on the delivery note. Any such packaging material will be returned to the Supplier at Supplier's sole cost and expense.

- 4.2 The Supplier shall deliver the Goods, and any associated information requested by the Purchaser, including, without limitation, test results, manuals, parts lists, drawings, certificates and process specifications, in accordance with any instructions specified on the Purchase Order and: (a) on the date specified in the Purchase Order or, if no such date is specified, the date specified by Purchaser; (b) to such location as is specified in the Purchase Order or as instructed by Purchaser within a reasonable time prior to delivery (**Delivery Location**) of such Goods; and (c) unless otherwise specified by Purchaser, during Purchaser's normal hours of business.
- 4.3 Supplier shall provide all documents required for the shipment and export of the Goods from the place of production and import to Purchaser, including, but not limited to, express or seaway bills of lading, commercial invoices, certificates of origin, export licenses, material safety data sheets, (the "Shipping Documents") to Purchaser or its designee at the time the Goods are delivered by Supplier. Supplier also shall provide Purchaser with documents and information requested by Purchaser related to import and export classifications of the Goods under the applicable laws and regulations of the United States, the country from which the specific Goods are being exported, and the country to which the specific Goods are being imported, and such other related information reasonably requested by Purchaser. Supplier shall cooperate with Purchaser's reasonable requests for customs classifications and other documentation necessary under applicable laws of the United States and any other country to which the Goods are being imported.
- 4.4 The Supplier will promptly notify Purchaser in writing of any circumstance which may cause or lead to a delay in the delivery of Goods by the time and date specified in accordance with Section 4.2. Supplier acknowledges and agrees that this is a continuing obligation.
- 4.5 Unless otherwise agreed to in advance by the parties, delivery of the Goods shall be completed on the completion of unloading of the Goods at the Delivery Location.
- 4.6 The Supplier shall not deliver the Goods in installments or in advance without Purchaser's prior written consent. Where it is agreed that the Goods are to be delivered in installments or in advance, Supplier may not submit an invoice to Purchaser for such Goods until the later of the delivery of all installments of the Goods or the originally agreed delivery date.
- 4.7 Risk of loss in the Goods shall pass to Purchaser on completion of delivery of the Goods as described in this Section 4.
- 4.8 Without prejudice to any right of the Purchaser, including, without limitation, the Purchaser's right to reject Goods for non-conformance with Section 3.1, Section 3.2, and the Purchase Order, title in the Goods shall pass to Purchaser on the earlier of completion of delivery of such Goods or receipt by the Supplier of payment for the Goods.
- 4.9 The Supplier shall comply with all other requirements contained in the Purchase Order including, without limitation, document retention requirements and traceability requirements.
- 4.10 For two years after completion of delivery of the Goods, the Supplier shall retain all information relating to such Goods in order to provide verification of the safety and the quality of all Goods, including, without limitation, with respect to quality or safety information, how such Goods were produced or delivered and concerning all relevant activities of any of the Supplier's suppliers or sub-contractors, and to promptly provide the Purchaser with such information on request. The Supplier must also demonstrate compliance of the work carried out under the Contract with all

legal or regulatory requirements and with all contractually binding quality and performance standards.

- 4.11 The Purchaser may reject any Goods which are not fully in accordance with the terms of this Contract. Acceptance does not occur until the Purchaser has had a reasonable time to inspect or consider the relevant Goods following delivery and, in the case of a latent defect, a reasonable time after the defect becomes apparent.

5. SUPPLY OF SERVICES

- 5.1 The Supplier shall from the date set out in the Purchase Order and for the duration of the Contract provide the Services to Purchaser in accordance with the Purchase Order, Service Specification and terms of the Contract. Unless otherwise noted in the Purchase Order, all Services are to be performed during the opening hours of the Purchaser's premises at which performance is required to be carried out.

- 5.2 The Supplier shall meet any performance dates for the Services specified in the Purchase Order or notified to the Supplier by Purchaser. The Supplier warrants on an ongoing basis that it shall promptly notify Purchaser in writing of any circumstances which may cause or lead to a delay in the performance of the Services by the time and date specified in accordance with this Section 5.2.

- 5.3 In providing the Services, the Supplier shall: (a) cooperate with Purchaser in all matters relating to the Services, and comply with all instructions of Purchaser; (b) perform the Services with the best care, skill and diligence in accordance with best practice in the Supplier's industry, profession or trade; (c) use personnel who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that the Supplier's obligations are fulfilled in accordance with the Contract; (d) ensure that the Services and the Deliverables will conform with all descriptions and specifications set out in the Service Specification, and that the Deliverables shall be fit for any purpose expressly or impliedly made known to the Supplier by Purchaser; (e) unless otherwise stated, provide all employee instructions, manuals, explanations or clarifications necessary to enable the Purchaser to enjoy the full benefit of the Services; (f) provide all equipment, tools, materials, and vehicles and such other items as are required to provide the Services; (g) use the best quality goods, materials, standards and techniques, and ensure that the Deliverables, and all goods and materials supplied and used in the Services or transferred to Purchaser in connection with the Services, will be free from defects in workmanship, installation and design; (h) obtain and at all times maintain all necessary licenses, permissions and consents, and comply with all applicable laws and regulations; (i) observe all health and safety rules and regulations and any other health, security and access requirements, instructions, recommendations given or that apply at any of Purchaser's premises; (j) hold all materials, equipment and tools, drawings, molds, parts, specifications and data supplied by Purchaser to the Supplier (**Purchaser Materials**) in safe custody at its own risk, insure Purchaser Materials for their entire value against fire, damage and theft and provide proof of insurance to Purchaser on request, maintain Purchaser Materials in good condition until returned to Purchaser, and not dispose, disclose, copy or use Purchaser Materials other than for the performance of the Contract or in accordance with Purchaser's written instructions or authorization; (k) return Purchaser Materials to Purchaser immediately on demand; (l) on request, promptly provide Purchaser with a complete record of consumption, condition and use of Purchaser Materials; and (m) not do or omit to do anything which may cause Purchaser to lose any license, authority, consent or permission upon which it relies for the purposes of conducting its business, and the Supplier acknowledges that Purchaser may rely or act on the Services.

- 5.4 Purchaser shall: (a) where applicable, provide the Supplier with reasonable access at reasonable times to Purchaser's premises for the purpose of, and to the extent necessary for, providing the Services; and (b) provide such information as the Supplier may reasonably

request for the provision of the Services and Purchaser considers reasonably necessary for the purpose of providing the Services.

- 5.5 Supplier must provide Purchaser with as much notice as practicably possible, and, in any event, not less than 3 months, before making any change to the manner of delivery of the Services (and similar services). For the avoidance of doubt, no change to Services already ordered under a Purchaser Order shall be permitted without the prior written consent of Purchaser.
- 5.6 If the Contract requires Supplier to provide to Purchaser any supplies of maintenance, training, spare parts, consumables or other goods, rights or services, in order to benefit fully from the Services supplied under a Purchase Order (**Follow-on Services**) then the Supplier will provide such Follow-on Services or procure them to be provided, for at least 36 months following completion of performance of the relevant Services, at fair and reasonable prices which take no advantage of the Purchaser's dependence on the Supplier for their supply.
- 5.7 For two years after completion of performance of the Services, the Supplier shall retain all information relating to the Services in order to provide verification of safety and quality of performance of all Services, including, without limitation, with respect to quality or safety information, how such Services were performed and as to all relevant activities of any of the Supplier's suppliers or sub-contractors, and promptly provide the Purchaser with such information on request. The Supplier must also demonstrate compliance of the work carried out under the Contract with all legal or regulatory requirements and with all contractually binding quality and performance standards.
- 5.8 The Purchaser may reject any Services which are not performed or provided fully in accordance with the terms of this Contract. Acceptance does not occur until the Purchaser has had a reasonable time to inspect or consider the product of the relevant Services following performance and, in the case of a latent defect, a reasonable time after the defect becomes apparent.

6. PURCHASER'S REMEDIES

- 6.1 If the Supplier fails, or if Purchaser, in its sole discretion, considers that the Supplier is likely to fail, to deliver the Goods, or any installment thereof, and/or to perform the Services by any applicable milestone, delivery or performance date, Purchaser shall, without limiting its other rights or remedies, have one or more of the following rights: (a) to extend the applicable date; (b) to require the Supplier, at its sole cost and expense, to take all steps necessary to meet the original delivery or performance date or any extended date specified by Purchaser in writing or mitigating any failure to meet such date including, without limitation, expediting delivery methods and allocating additional resources; (c) to recover, by way of indemnity, from the Supplier any additional costs, losses, damages or expenses payable by Purchaser which are in any way attributable to the Supplier's failure or likely failure to meet any date, including, without limitation, any liquidated or other damages payable by Purchaser to its customer(s), and for Purchaser's allocation of additional resources and costs, including, without limitation, accelerated delivery costs, to meet any deadline agreed by Purchaser with its customers (or, if necessary, reduce delays as much as possible); (d) where Purchaser has paid in advance for Services that have not been provided by the Supplier and/or Goods which have not been delivered by the Supplier, to have such sums refunded in full by the Supplier; (e) to recover from the Supplier any costs incurred by Purchaser in obtaining substitute goods and/or services from a third party; (f) for every week's delay after the agreed delivery or performance date, deduct 1% of the price or charge of the relevant Good or Service which has not been delivered or performed; (g) to refuse to accept any subsequent performance of the Services and/or delivery of the Goods which the Supplier attempts to make; and (h) to suspend and/or terminate the Contract and/or any Purchase Order, in full or in part, without incurring any liability to Supplier with immediate effect by giving written notice to the Supplier.

- 6.2** If the Supplier has delivered Goods that do not comply with any of the warranties and undertakings set out in Section **Error! Reference source not found.** or has failed to deliver any installment of Goods as agreed between the parties, then, without limiting its other rights or remedies, Purchaser shall have one or more of the following rights, whether or not it has accepted the Goods: (a) to require the Supplier to repair or promptly replace, at Supplier's sole cost and expense, the rejected Goods, or to provide a full refund of the price of the rejected Goods (if paid); (b) to claim damages for any additional costs, loss or expenses payable by Purchaser arising from the Supplier's failure to supply Goods in accordance with Section **Error! Reference source not found.**, including, without limitation, any liquidated or other damages payable by Purchaser to its customer(s); (c) to recover from the Supplier any costs payable by Purchaser in obtaining substitute goods from a third party; (d) to refuse to accept any subsequent delivery of the Goods which the Supplier attempts to make; (e) to reject the Goods, in whole or in part, whether or not title has passed and to return them to the Supplier at the Supplier's own risk and expense; and (f) to suspend and/or terminate the Contract and/or any Purchase Order, in full or in part, without incurring further liability to Supplier with immediate effect by giving written notice to the Supplier.
- 6.3** These General Terms shall extend to any substituted or remedial services and/or repaired or replacement goods supplied by the Supplier.
- 6.4** The Supplier shall indemnify and hold the Purchaser harmless against all costs, losses, expenses and damages caused to or suffered by any person or property arising from any failure of the Supplier or its employees, agents, or sub-contractors to comply with Section 5.3(i).
- 6.5** Purchaser's rights under the Contract are cumulative, may be exercised as often as it considers appropriate, and are in addition to any other rights and remedies available to it at law or equity. Purchaser's failure to enforce any right provided under the Contract or to which it is entitled at law or in equity will not constitute a waiver of that right or any other rights to which it is entitled. Moreover, no waiver given on one occasion shall constitute a waiver on any other occasion or of any other right.
- 6.6** Without limitation of any provision of the Contract, if any Services, Goods or components of Goods were supplied to the Supplier with any warranty or indemnity in the Supplier's favor, the Supplier shall hold such warranty or indemnity in trust and for the benefit of the Purchaser.

7. CHARGES & PAYMENT

- 7.1** The price for the Goods: (a) shall be the price set out in the Purchase Order or the price otherwise agreed between the parties; (b) shall be inclusive of the costs of packaging, insurance and carriage of the Goods, and all federal, state, provincial or local taxes, including any sales, use, excise, value added, or similar taxes, duties and fees imposed by any foreign or domestic governmental authority applicable to the sale of the Goods, unless otherwise agreed in writing by Purchaser; and (c) except as may be otherwise provided on the face of the Purchase Order. Prices may not be increased and Supplier may not include any additional or extra charges and may not vary or modify any of the charges unless authorized and agreed to in writing by Purchaser.
- 7.2** The charges for the Services shall be set out in the Purchase Order and shall be the full and exclusive compensation to be paid to Supplier with respect the Services. Including, but not limited to, all federal, state, provincial or local taxes, including any sales, use, excise, value added, or similar taxes, duties and fees imposed by any foreign or domestic governmental authority applicable to the provision of the Services. Unless otherwise agreed in writing by Purchaser, the charges shall include every cost and expense of the Supplier directly or indirectly incurred in connection with the performance of the Services.
- 7.3** Unless specified otherwise in the Purchase Order: (a) with respect to Goods, the Supplier shall invoice Purchaser on, or at any time within six months after, completion of delivery; and (b) with

respect to Services, the Supplier shall invoice Purchaser on, or at any time within six months after, completion of the Services. Each invoice shall include such supporting information required by Purchaser to verify the accuracy of the invoice, including but not limited to the relevant Purchase Order number.

- 7.4** Purchaser shall pay the undisputed amounts for any Goods or Services provided by Supplier as set forth in an invoice in the currency noted on the Purchase Order and in accordance with the payment terms specified in the Purchase Order. If the Purchase Order does not specify the payment terms, Purchaser shall pay the undisputed amounts for any Goods or Services provided by Supplier by no later than 60 days of the end of the calendar month in which a valid invoice is received, to a bank account nominated in writing by the Supplier.
- 7.5** Where Supplier is required by law to collect any taxes for which Purchaser has not furnished evidence of an exemption to Supplier, Supplier shall separately state on its invoice any such taxes lawfully applicable to the Goods or Services and payable by Purchaser. Supplier shall not collect any such taxes if Purchaser has provided evidence of an exemption. Supplier shall comply with all requirements imposed on Supplier by any applicable taxing statutes and shall indemnify Purchaser against any amounts assessed against Purchaser arising from Supplier's failure to so comply. Supplier shall provide Purchaser with all documents Purchaser may require to claim a credit, rebate, refund or other relief from such taxes.
- 7.6** Purchaser will withhold from payments to Supplier all amounts Purchaser is required by applicable law to withhold. Purchaser shall pay the amount withheld to the relevant governmental authority in accordance with applicable law and, upon Supplier's request, provide Supplier with a copy of any receipt for payment issued by the governmental authority.
- 7.7** All amounts payable by Purchaser under the Contract shall be subject to any discount granted or offered to any other customer of the Supplier for prompt payment, bulk purchase or anything similar.
- 7.8** The Supplier shall maintain complete and accurate records of the time spent and materials used by the Supplier in providing any Services, and the Supplier shall allow Purchaser to inspect such records at all reasonable times on request.
- 7.9** Purchaser may at any time, without limiting any of its other rights or remedies, set off any liability of the Supplier to Purchaser against any liability of Purchaser to the Supplier, whether either liability is present or future, liquidated or unliquidated, and whether or not either liability arises under the Contract.
- 7.10** The Supplier shall not suspend subsequent performance of the Services and/or delivery of the Goods in the event of disputed or late payment of any amounts payable by Purchaser under the Contract.
- 7.11** The Supplier represents and warrants to Purchaser that the price for the Goods and the charges for the Services offered to Purchaser under the Contract are no less favorable than the prices and charges offered to any other third party purchasing similar quantities. In the event the Supplier offers more favorable prices or charges to any other third party, the Supplier will promptly notify Purchaser of such event and offer such more favorable prices or charges to Purchaser commencing upon the date such more favorable prices or charges were offered to the other third party.

8. INTELLECTUAL PROPERTY & CONFIDENTIALITY

- 8.1** Supplier warrants that the Goods and the purchase, manufacture, incorporation into Purchaser's products, use, marketing, sale, modification, repair and/or reconstruction thereof, before and after incorporation into Purchaser's products during manufacture, do not and will

not infringe any patent, trademark, copyright, trade secret, industrial design right or other intellectual property right of any third party in any jurisdiction.

- 8.2** With respect to the Goods and any goods that are transferred to Purchaser as part of the Services under the Contract, including without limitation the Deliverables or any part of them, the Supplier warrants that it has full clear and unencumbered title to all such items, and that as of the date of delivery of such items to Purchaser, it will have full and unrestricted rights to sell and to transfer all such items to Purchaser.
- 8.3** The Supplier, as legal and beneficial owner and free from all third-party rights, hereby grants a non-exclusive, royalty-free, perpetual, assignable and sub-licensable, worldwide and irrevocable license to Purchaser to use, modify, develop and copy all intellectual property rights in any of the products of the Services, including for the avoidance of doubt the Deliverables, for the purpose of receiving and using the Services and the Deliverables.
- 8.4** The Supplier shall obtain waivers of all moral rights in the products of the Services, including for the avoidance of doubt the Deliverables, to which any individual is now or may be at any future time entitled.
- 8.5** The Supplier shall, promptly at Purchaser's request, do, or procure to be done, all such further acts and things and the execution of all such other documents as Purchaser may from time to time require for the purpose of securing for Purchaser the full benefit of the Contract, including all right, title and interest in and to the intellectual property rights licensed to Purchaser in accordance with Section 8.3.
- 8.6** All Purchaser Materials are the exclusive property of Purchaser and the Supplier must indemnify the Purchaser against any loss caused to the Purchaser and provide to the Purchaser any monetary benefit the Supplier acquires, through or in connection with its unauthorized use, damage or loss of Purchaser Materials.
- 8.7** If the purchase, manufacture, incorporation into Purchaser's products, use, marketing, sale, modification, repair and/or reconstruction of any of the Goods or Services, including any Deliverables, or any part thereof, is alleged to constitute infringement or is enjoined or, in Purchaser's sole judgment, is likely to be enjoined, Supplier shall, at its own expense and without limiting its other obligations or the rights of Purchaser under the Purchase Order, obtain for Purchaser and its customers the right to continue the purchase, manufacture, incorporation into Purchaser's products, use, marketing, sale, modification, repair and/or reconstruction of the Goods or Services, including any Deliverables. If Supplier cannot obtain such rights then Supplier shall, at the option of Purchaser, either modify the Goods or the Services, including any Deliverables, so they become non-infringing while continuing to conform to all warranties and other requirements of the Purchase Order, or remove the Goods or Services, including any Deliverables, and refund the purchase price and all transportation, installation and other costs thereof. Supplier shall be liable for all direct, incidental, consequential and other damages, losses, costs, charges and expenses incurred by Purchaser resulting from the foregoing.
- 8.8** A party (**receiving party**) shall keep in strict confidence all technical or commercial know-how, trade secrets, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the receiving party by the other party (**disclosing party**), its employees, agents or subcontractors, and any other confidential information concerning the disclosing party's business, its products and services which the receiving party may obtain. The receiving party shall only disclose such confidential information to those of its employees, agents and subcontractors who need to know it for the purpose of discharging the receiving party's obligations under the Contract, and shall ensure that such employees, agents and subcontractors comply with the obligations set out in this Section as though they were a party to the Contract. The receiving party may also disclose such of the disclosing party's confidential information as is required to be disclosed by law, any governmental or regulatory authority or by a court of competent jurisdiction.

8.9 Sections 8.5 and 8.8 shall survive termination of the Contract.

9. DATA PROTECTION

9.1 Both parties will comply with Purchaser's Data Privacy and Security policy, a copy of which is incorporated herein and attached hereto as Exhibit _.

10. INDEMNITY & INSURANCE

10.1 The Supplier shall indemnify, defend and hold harmless Purchaser and its directors, officers, employees, agents, customers, Affiliates, users, successors, and assigns (**Indemnified Parties**) from and against any and all actual and alleged claims, liabilities, demands, actions, causes of action, suits, judgments, settlement, litigation and other costs, fees, charges, expenses, loss of reputation, penalties, direct, incidental, consequential and other damages, attorneys' fees and all other losses, liabilities and obligations whatsoever (**Losses**) arising out of our relating to: (a) any claim made against Purchaser for actual or alleged infringement of a third party's intellectual property rights arising out of, or in connection with, the manufacture, supply or use of the Goods, or receipt, use or supply of the Services, to the extent that the claim is attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors; (b) any breach of the Supplier's obligations under the Contract; (c) any claim made against Purchaser by a third party for death, personal injury or damage to property arising out of, or in connection with, defects in Goods, to the extent that the defects in the Goods are attributable to the acts or omissions of the Supplier, its employees, agents or subcontractors; (d) any recall campaign or field service action in which Purchaser, any customer of Purchaser or any third party participates to the extent it is related to any of the Goods or is the fault of Supplier; (e) any actual or alleged breach of warranty or other failure of any Goods or Services, including any Deliverables, to conform with the requirements of the Purchase Order, Goods Specification, or Service Specification; (f) any manufacturing, design or other defect, failure to warn, improper handling, improper operating or installation instructions with respect to any of the Goods, (g) the performance by Supplier or any of Supplier's employees, agents or subcontractors of any Services, whether on the property of Purchaser, Seller or any third party and (h) any claim made against Purchaser by a third party arising out of or in connection with the supply of the Goods or the Services, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by the Supplier, its employees, agents or subcontractors.

10.2 Section 10.1 shall survive termination of the Contract.

10.3 During the term of the Contract and for a period of 12 months thereafter, the Supplier, at its sole cost and expense, shall maintain in force, with an insurer with a minimum A.M. Best Rating of A, Financial Size Category of X, or a minimum Standard & Poors rating of A-, comprehensive general liability policies, including, without limitation, where the Contract concerns the supply of Goods, products liability and completed operations and, where requested by Purchaser, professional indemnity insurance, in each case to cover the liabilities that may arise under or in connection with the Contract. Such policies of insurance (i) shall have endorsements or coverage with a combined single limits of not less than US\$2,000,000, (ii) shall name Purchaser as an additional insured thereunder, (iii) shall provide that they cannot be cancelled without 30 days prior written notice to Purchaser by certified mail, return receipt, the "other insurance" clause, if any, will be deleted from such policies, and (iv) that the insurance under such policies shall be primary and any other insurance in force shall be neither primary nor contributory. Supplier shall provide Purchaser with a certificate of insurance that the appropriate insurance required under this Section 10.3 is in effect and with the receipt demonstrating that the current year's premium with respect to each insurance policy has been paid. Nothing herein shall limit or prohibit Purchaser from obtaining insurance for its own account, at its own expense, and any proceeds payable thereunder shall be payable as provided in the underlying policy.

11. TERMINATION & ITS EFFECT

- 11.1** Without limiting its other rights or remedies, Purchaser may, at any time and without liability, suspend and/or terminate the Contract with immediate effect if: (a) it provides the Supplier with 30 days' written notice; (b) any contract(s) between Purchaser and its customer(s) upon which the Contract depends in whole or part is terminated or discharged, in which circumstances Purchaser will provide the Supplier with as much notice as reasonably possible; or (c) there is a change of Control of the Supplier.
- 11.2** In any of the circumstances identified in these General Terms in which a party may terminate the Contract, where both Goods and Services are to be supplied, that party may terminate the Contract with respect to just the supply of the Goods or with respect to just the supply of the Services, and the Contract shall continue in force with respect to the remaining supply of Goods or Services, as applicable.
- 11.3** Without limiting its other rights or remedies, Purchaser may terminate the Contract with immediate effect by giving written notice to the Supplier if: (a) the Supplier commits a material breach of the terms of the Contract and, if such a breach is remediable, fails to remedy that breach within 14 days of receipt of written notice to do so; or (b) if Seller becomes insolvent, suspends any of its operations, or dissolves or if any petition is filed or proceeding commenced by or against Seller under any state or Federal law relating to bankruptcy, reorganization, receivership or assignment or arrangement for the benefit of creditors or it is nationalized or if any of its material assets are expropriated or seized by any governmental agency or authority; or (c) the Supplier suspends or ceases, or threatens to suspend, or cease, to carry on all or a substantial part of its business.
- 11.4** Termination of the Contract for any reason shall not affect any of the parties' rights and remedies that have accrued as at termination, and terms or provisions which expressly or by implication survive termination of the Contract shall continue in full force and effect.
- 11.5** Upon termination of the Contract for any reason, in addition to any other rights or remedies available to Purchaser, Supplier shall immediately deliver to Purchaser all Deliverables whether or not then complete and return all Purchaser Materials. Until the Deliverables and/or Purchaser Materials have been returned or delivered, the Supplier shall be solely responsible for their safe keeping and will not use them for any purpose not connected with the Contract.

12. FORCE MAJEURE

- 12.1** Neither party shall be in breach of the Contract nor liable for delay in performing, or failure to perform, any of its obligations under it if such a delay or failure result from a Force Majeure Event, provided that in all cases the Supplier shall use all reasonable endeavors to mitigate the effect of a Force Majeure Event on the performance of its obligations.
- 12.2** If a Force Majeure Event prevents, hinders or delays the Supplier's performance of its obligations for a continuous period of more than 7 days, Purchaser may terminate the Contract immediately by giving written notice to the Supplier.

13. NO LIENS

- 13.1** The Goods shall be provided free and clear of any and all liens, security interests, pledges or encumbrances (collectively **Liens**) of any nature whatsoever. If any such Liens are filed or maintained against Purchaser or Purchaser Material, Supplier shall immediately discharge such Liens in a manner satisfactory to Purchaser.

14. GENERAL

- 14.1** Supplier represents and warrants that it is in compliance and will maintain compliance with any obligations that it may have under the California Transparency in Supply Chain Act, including, without limitation that it does not, and will not, engage in slavery or in human trafficking of any kind, including, but not limited to, the recruitment, harboring, transportation, solicitation, provision, or acquisition of persons for labor or services through the use of force, fraud, or coercion.
- 14.2** Purchaser may at any time assign, transfer, mortgage, charge, subcontract or deal in any other manner with all or any of its rights or obligations under the Contract. The Supplier may not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with all or any of its rights or obligations under the Contract without the prior written consent of Purchaser.
- 14.3** Unless otherwise provided herein, all notices, demands, consents, approvals, and other communications (individually, a "Notice" and collectively, "Notices") which may be or are required to be given by any party under this Contract shall be properly given only if made in writing and shall be deemed to have been given (i) upon delivery as evidenced by a receipt indicating acceptance or refusal of delivery, when sent by internationally recognized express delivery service (such as Federal Express, DHL, UPS Next Day Air or Airborne Express) or courier, with all delivery charges paid by the sender, or by U.S. registered or certified mail, postage prepaid, return receipt requested, at the addresses set forth in the Contract or as modified in accordance with this Section 14.3, or (ii) upon delivery as evidenced by confirmed facsimile, electronic mail confirmed by a read-receipt; provided, however, that the sender also provides a copy delivered contemporaneously with the original Notice delivered in accordance with Section 14.3(i). Each party may change its address for purposes of providing Notice by providing the other party with written Notice of such change of address.
- 14.4** If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this Section shall not affect the validity and enforceability of the rest of the Contract.
- 14.5** A waiver of any right or remedy under the Contract or law is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
- 14.6** Nothing in the Contract is intended to, or shall be deemed to, establish any partnership or joint venture between the parties, nor constitute either party the agent of the other for any purpose. Neither party shall have authority to act as agent for, or to bind, the other party in any way.
- 14.7** The Contract is for the sole benefit of the parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these General Terms and/or the Contract.
- 14.8** Without Purchaser's written consent, the Contract may not be modified or amended and no additional or different terms proposed by Supplier in its acknowledgement or otherwise will be effective to modify this Contract and Supplier will be deemed to have accepted any Purchase Order without such modifications.
- 14.9** In performing its obligations under the Contract, the Supplier shall, and shall procure from each of its Affiliates or other participants in its supply chain involved in the supply of Goods that each

shall, comply with all applicable laws, statutes, regulations and codes as amended from time to time.

- 14.10** Where requested by the Purchaser, Supplier shall provide reasonable information, documentation and other evidence demonstrating compliance by Supplier and its subcontractors including, without limitation, with applicable anti-bribery, anti-corruption, anti-fraud, anti-child labor, anti-slavery and whistleblowing laws and regulations.
- 14.11** The Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with the law of the Commonwealth of Kentucky, and each party irrevocably agrees that the federal and state courts located in Kentucky shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Contract or its subject matter or formation (including non-contractual disputes or claims).

DATA PRIVACY AND SECURITY

1. DEFINITIONS

"Data Breach" means the (i) acquisition, access, or use of Purchaser Data by an unauthorized third party; (ii) use or disclosure of Purchaser Data occurring directly or indirectly from the violation of the terms of this Exhibit or the Contract by Supplier or any of its employees, agents, subcontractors, or affiliates; or (iii) the acquisition, access, use, or disclosure of Purchaser Data in violation of applicable law.

"Data Protection Laws" means all federal, national, state, provincial, local or foreign laws or rules, regulations, ordinances, orders, guidelines, directives, or requirements issued by any government authority or instrumentality, and self-regulatory requirements, in each case, currently in effect, as they become effective, and as amended, that relate to the collection, use, transfer, disclosure or other processing of Personal Data and apply to Purchaser or Supplier, which may include, without limitation, security breach notification laws (such as Col. Rev. Stat. § 6-1-716); laws imposing minimum security requirements (such as Cal. Civ. Code § 1798.81.5, 201 Mass. Code Reg. 17.00, and Tex. TC Bus. & C. 521.052); laws requiring the secure disposal of records containing certain Personal Information (i.e., N.Y. Gen. Bus. Law § 399-H); European Union Directives governing general data protection (Directive 1995/46/EC) and the General Data Protection Regulation (EU) (Regulation 2016/679) ("GDPR") as well as any applicable laws implementing or amending the same, electronic commerce (Directive 2002/58/EC), and data retention (Directive 2006/24/EC); the California Consumer Privacy Act (Cal. Civ. Code §§ 1798.100 – 1798.199), and the Canadian Personal Information Protection and Electronic Documents Act ("PIPEDA") and relevant provincial laws.

"Personal Data" means any Purchaser Data that, alone or in combination with other data, identifies, relates to, or is reasonably capable of being associated with any individual person. Personal Data includes, but is not limited to, name, address, date of birth, Social Security number, email address, credit card information, mother's maiden name and other information used to authenticate identity, biometric records, medical information, educational information, financial information, employment information, and any other information defined as "personal information" or "personally identifiable information" or "personal data" and/or similar categories of information protected by applicable Data Protection Laws.

"Purchaser Data" means any data provided by, or at the direction of, Purchaser or its affiliates or any customer, consumer, dealer or employee to Supplier or its subcontractors in relation to the Contract and any data created by the Supplier, either directly or indirectly for Purchaser or its affiliates, under the Contract. Purchaser Data includes Personal Data.

"Security Incident" means any actual or reasonably suspected: (i) loss or theft of Personal Data; (ii) unauthorized use, disclosure, destruction, alteration or acquisition of or access to, Personal Information that reasonably may compromise the privacy or confidentiality of Personal Data; or (iii) unauthorized access to or use of, inability to access, or malicious infection of, Purchaser or Supplier Systems that reasonably may compromise the privacy or confidentiality of Personal Data. Security Incident shall also include a violation or imminent threat of violation of information security policies, acceptable use policies, standard security practices, or any incident which requires a breach notification requirement under any Data Protection Laws.

2. OWNERSHIP AND USE OF PURCHASER DATA

In connection with the Contract, Supplier has received, may receive, or may have access to Purchaser Data, including but not limited to Personal Data, which information may be subject to the protections of Data Protection Laws. Purchaser Data is and shall remain, as between the Parties, the property of Purchaser. Supplier shall not possess or assert any lien or other right against or to the Purchaser Data. Supplier agrees not to permit any of its personnel and any subcontractor personnel to access, use, or disclose or to allow access to, or use of, or disclosure of any Purchaser Data except in furtherance of its obligations under the Contract. No Purchaser Data, or any part thereof, shall be sold, assigned, leased, or otherwise disposed of to third parties by Supplier or commercially exploited by or on behalf of Supplier. Purchaser Data shall not be utilized by Supplier for any purpose other than for providing Services to

Purchaser, and, for purposes of the California Consumer Privacy Act, Supplier shall be a “service provider” of Purchaser. Supplier agrees to promptly correct any errors or inaccuracies in the Purchaser Data and to implement and maintain adequate and.

3. SAFEGUARDING PURCHASER DATA

(A) Supplier Safeguards - General

(1) Supplier shall establish and maintain reasonable and appropriate physical, technical, and administrative safeguards against the unauthorized disclosure, destruction, loss, copying, access, or alteration of Purchaser Data in the possession or control of Supplier that are no less rigorous than those maintained by Purchaser. Such safeguards shall also include commercially reasonable safeguards to restore any losses of any Purchaser Data resulting from Supplier’s performance under the Contract

(2) Supplier shall also ensure that each obligation of Supplier under this Exhibit shall also be an obligation of any approved subcontractor or other person or entity that is given access to Purchaser Data pursuant to the Contract. Any disclosure of Purchaser Data to such subcontractor shall be (a) pursuant to a written agreement between Supplier and such subcontractor containing substantially the same restrictions and conditions as are set forth in this Exhibit; and (b) limited to the minimum amount of information and/or access necessary to enable Supplier to provide the Services to Purchaser. Supplier shall deliver to Purchaser a copy of any such agreement with a subcontractor promptly upon execution thereof. Supplier shall be fully responsible for the violation of any terms of this Exhibit by any person or entity given access, directly or indirectly, to Purchaser Data by Supplier.

(B) Supplier Obligations

Without limiting the generality of Section 3(A) above:

(1) Supplier shall not permit any of its personnel or any subcontractor personnel to access, or allow access to, any Purchaser Data that they are not permitted to access under the Contract or this Exhibit.

(2) Supplier shall maintain a written Information Security Program and evolve its processes, procedures, and technology as necessary to remain current with industry standard information security practices.

(3) At no cost to Purchaser, Supplier shall comply with all laws and regulations, including Data Protection Laws, governing information, data, Purchaser Data, Personal Data, data storage and disposal, security, and privacy.

(4) With respect to those systems that are provided or maintained by Supplier, the Information Security Program and the physical, technical, and administrative safeguards adopted by Supplier shall include, at a minimum, the installation of software that (a) prior to gaining access to the systems holding Purchaser Data requires all users to enter a unique user identification and password, (b) controls and tracks changes in user access rights and the addition and deletion of users, and (c) controls and tracks user access to and changes or modifications to areas and features of such systems.

(5) If Supplier provides its services directly or indirectly to a third party that is now or in the future becomes competitive with Purchaser’s business, then Supplier shall develop a process, subject to Purchaser’s reasonable written approval, to restrict access to Purchaser Data so that Supplier’s employees providing services to such competitive business do not have access to Purchaser Data or other Purchaser Confidential Information.

(6) Supplier shall exercise reasonable diligence to detect an actual or suspected Security Incident or Data Breach, and provide training and procedures through which its employees, agents, and representatives are instructed to detect and report to Supplier any Security Incident or Data Breach.

(7) Notwithstanding anything herein or in the Contract to the contrary, Personal Data shall continue to be subject to the terms of this Exhibit and the Contract for so long as such Personal Data are maintained by or on behalf of Supplier.

(C) European Data

(1) To the extent Purchaser Data includes any “personal data” as defined by the GDPR, Supplier shall have a valid data transfer mechanism in effect and:

(a) process the personal data only on documented instructions from Purchaser; provided, however, Supplier may process personal data as required by European Union or member state laws to which Supplier is subject if Supplier informs Purchaser of that legal requirement before processing (unless that law prohibits such information on important grounds of public interest);

(b) ensure that persons authorized to process the personal data have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality;

(c) take all measures required pursuant to Article 32 of the GDPR;

(d) not engage another processor without the prior specific consent of Purchaser;

(e) taking into account the nature of the processing, assist Purchaser by appropriate technical and organizational measures, insofar as is possible, for the fulfilment of Purchaser's obligation to respond to requests for exercising the data subject's rights under Chapter III of the GDPR;

(f) assist Purchaser in ensuring compliance with the obligations pursuant to Articles 32, 33, 34, 35, and 36 of the GDPR, taking into account the nature of processing and the information available to Supplier;

(g) make available to Purchaser all information necessary to demonstrate compliance with Article 28 of the GDPR and allow for and contribute to audits, including inspections, conducted by Purchaser or another auditor mandated by Purchaser; and

(h) enter into such agreements, including Standard Contractual Clauses, and/or take such other actions as determined by Purchaser, in its reasonable discretion, to provide appropriate safeguards for any transfers of personal data.

(2) The parties acknowledge and agree that the subject-matter and duration of the processing, the nature and purpose of the processing, the type of personal data and categories of data subjects are as follow:

(a) Subject Matter of the Processing: Supplier's provision of the Services under the Contract.

(b) Duration of the Processing: The term of the Contract plus the period from the expiry of the term until deletion of all Purchaser Data by Supplier.

(c) The Nature and Purpose of the Processing: Supplier will process personal data for the purpose of providing the Services. Processing activities may include: collection, retrieval, organization, storage, alteration, enhancement, aggregation, de-identification, use, and disclosure.

(d) The Types of Personal Data and Categories of Data Subjects: The types of Data Subjects include Purchaser's employees and customers, and the types of personal data include names, titles, positions, employers, contact information (company, email, phone, physical business address), and professional life data.

4. DATA BREACH

(1) If a Data Breach or Security Incident occurs or Supplier reasonably believes a Data Breach or Security Incident may have occurred, Supplier shall within 48 hours of discovery report such incident or possible incident to Purchaser, describe in detail the affected Purchaser Data and use best efforts to return to Purchaser any copied or removed Purchaser Data. In such event, Supplier shall also promptly provide Purchaser with a written plan to ensure that such unauthorized access does not recur.

(2) In the event of a Data Breach, then Supplier shall immediately take such actions as Purchaser shall request in good faith to remediate such Data Breach, to preclude further Data Breaches, and to address publicity regarding such Data Breach, and in any case such actions as are required of Supplier or Purchaser or its affiliates by applicable laws, including Data Protection Laws. Supplier shall be responsible for all costs, fines, claims, or losses incurred by Purchaser as a result of a Security Incident, Data Breach, or other use or disclosure of Purchaser Data in violation of this Exhibit or any applicable law.

(3) Supplier shall provide Purchaser the identification of each individual whose Personal Data has been or is reasonably believed to have been affected by a Data Breach within three (3) business days from the time such Data Breach is discovered or as soon as such information is reasonably available to Supplier. Supplier shall provide Purchaser with any other available information Purchaser requires or reasonably requests in connection with the Data Breach or possible Data Breach.

(4) If Purchaser, in its sole discretion, determines that the Data Breach is of Personal Data which triggers the notification requirements established by Data Protection Laws, then upon the request of Purchaser, Supplier shall, upon Purchaser's request, provide any notification to affected individuals, government entities, and the media. Supplier shall coordinate with Purchaser, including by obtaining prior approval of Purchaser regarding any such communication.

(5) To the extent that Purchaser requests for Supplier to provide notifications, as soon as possible, but not later than twenty (20) calendar days after notifying Purchaser of the Data Breach unless reasonably requested by Purchaser sooner, Supplier shall provide Purchaser with a draft form of notification to be sent to each individual impacted by the Data Breach for prior review and approval by Purchaser. If Purchaser disapproves of the form or content of the draft notice, Purchaser and Supplier shall work together to prepare a form notice agreeable to both parties. Within seven (7) days of receipt of Purchaser's approval of the form of notice, Supplier shall send such approved notice by first class mail and provide an appropriate telephone number (toll-free, where appropriate) to handle follow-up inquiries. Unless the applicable Data Protection Law(s) require otherwise, the individual notice must consist of:

- a brief description of the incident, including the date of the Data Breach and the date it was discovered; a description of the types of Personal Data involved in the Data Breach (such as name, Social Security Number, birth date, home address, account number or credit card number);
- the steps individuals should take to protect themselves from potential harm;
- a brief description of what Supplier is doing to investigate the Data Breach, to mitigate harm to individuals, and to protect against further incidents;
- a brief description of the remediation steps, if any, available to individuals through Supplier;
- a telephone number, including, if appropriate, a toll-free number for individuals to call for additional information; and
- Any other information as required by applicable law.

5. REMEDIATION REQUIREMENT

In the event of a Data Breach of Personal Data and where Purchaser reasonably requests, Supplier shall do the following:

(1) Engage a nationally-regarded credit and identity monitoring company, after consultation with Purchaser regarding the identity of said company, and pay for the full cost of its services

as set forth in Section 5(2). This monitoring company must have a call center or other hotline to assist individuals with understanding of credit information and on line sign up for services.

(2) Provide, at a minimum, two years of full identity monitoring and credit restoration services through the monitoring company for each individual who is impacted by the Data Breach.

6. LIABILITY CAP/LIMITATION OF LIABILITY

No limitation on liability or liability cap contained in the Contract shall apply to the obligations under this Exhibit or the breach thereof by a party.

7. AUDIT

In addition to any other rights contained in this Exhibit or the Contract, Purchaser or its designees have the right to audit Supplier's or its agents' or subcontractors' use and disclosure of Purchaser Data to assure compliance with the terms of this Exhibit or the Contract and applicable laws. Supplier agrees to fully cooperate with Purchaser or its designees in connection with such audits and will provide Purchaser or its designees access to such properties, records, and personnel as Purchaser or its designees may reasonably require for such purpose. Nothing in this Section (9) shall be deemed to require Supplier to divulge any trade secrets or proprietary information of Supplier or any third party (e.g., Supplier's sub-Suppliers, or other customers of Supplier) except to the extent necessary to satisfy the purpose of the audit contemplated by this Section. In no event will Supplier be obligated to divulge any trade secrets or proprietary information to any of its direct competitors or the affiliate of such competitor. Purchaser agrees that with respect to any Supplier confidential information received in connection with such audit, Purchaser, its employees, and its outside consultants and auditors will be subject to the same confidentiality obligations as set forth in this Exhibit, to the extent applicable.

8. INDEMNITY

In addition to any other indemnification obligation contained in this Exhibit, Supplier shall indemnify, defend, and hold Purchaser, its officers, directors, employees, parent, subsidiaries and affiliates, harmless from and against any and all claims, demands, losses, liabilities, costs and expenses, including attorneys' fees and in-house counsel fees, resulting from or relating to a Data Breach or other use or disclosure of Purchaser Data that is not permitted by this Exhibit or a breach of this Exhibit by Supplier, its employees, agents, subcontractors, or representatives. Supplier shall defend any claim at its expense and shall pay all settlements approved by Purchaser and any judgments which shall be finally awarded, provided that, Purchaser allows Supplier to control the defense of such claim (subject to the right of Purchaser to hire counsel at its own expense to assist in the defense of the claim) and cooperates reasonably in such defense. The provisions of this Section 10 will survive the expiration or termination of this Exhibit and the Contract.

9. CONFLICT

In the event of a conflict between the terms of this Exhibit and the terms of the Contract, the terms of this Exhibit shall take precedence; provided, however, that where the conflicting provision of the Contract provides stricter protection for Purchaser Data, that stricter provision shall apply. In the event of an inconsistency between the provisions of this Exhibit and mandatory provisions of applicable law, applicable law shall control. Where provisions of this Exhibit are different from those mandated under applicable law, but are nonetheless permitted by such laws as interpreted by relevant courts or agencies, the provisions of this Exhibit shall control.

10. WAIVER

A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of, any right or remedy as to subsequent events. Acceptance of Services that are inconsistent with the

obligations and requirements hereunder will not constitute a waiver by Purchaser of any of right or obligation under this Exhibit.

11. SEVERABILITY

If any one or more of the provisions of this Exhibit should be ruled wholly or partly invalid or unenforceable by a court or other government body of competent jurisdiction, then (i) the validity and enforceability of all provisions of this Exhibit not ruled to be invalid or unenforceable will be unaffected; (ii) the effect of the ruling will be limited to the jurisdiction of the court or other government body making the ruling; (iii) the provision(s) held wholly or partly invalid or unenforceable would be deemed amended, and the court or other government body is authorized to reform the provision(s), to the minimum extent necessary to render them valid and enforceable in conformity with the parties' intent as manifested herein; and (iv) if the ruling, and/or the controlling principle of law or equity leading to the ruling, subsequently is overruled, modified, or amended by legislative, judicial or administrative action, then the provision(s) in question as originally set forth in this Exhibit will be deemed valid and enforceable to the maximum extent permitted by the new controlling principle of law or equity.

12. AMENDMENTS

This Exhibit may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed by authorized representatives of both Parties; provided, however, that upon the enactment of any law or regulation affecting the use or disclosure of Purchaser Data, or on the publication of any decision of a court of competent jurisdiction relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, Purchaser may, by written notice to Supplier, propose to amend this Exhibit in such a manner as Purchaser reasonably determines necessary to comply therewith, and such proposed amendment shall become operative unless Supplier rejects such amendment by written notice to Purchaser within thirty (30) days thereafter, in which case, unless the parties agree on an amendment within thirty days after Supplier's notice, either Party may terminate this Exhibit and the Contract by written notice to the other.

13. RETURN/DESTROY

Upon termination of the Contract or upon Purchaser's written instructions at any time, Supplier shall, as directed by Purchaser, either (i) return to Purchaser all or certain subsets of Purchaser Data in Supplier's possession; or (ii) permanently delete all or certain subsets of Purchaser Data in Supplier's possession. In the event Supplier determines that return or destruction is not feasible or if Supplier is required by applicable law to retain any such Purchaser Data, Supplier shall notify Purchaser thereof and limit any further processing to those purposes that make the return or destruction infeasible.