



Strato Inc.

Terms and Conditions of Purchase

1. Acceptance of Terms and Conditions of Purchase

1.1 Seller agrees to be bound by and to comply with: (a) all terms and provisions set forth herein; (b) all terms and provisions set forth in the purchase order to which these terms and conditions of purchase are attached or are referenced therein; and (c) any amendments, supplements, or updates that comply with the terms of the Amendment or Modifications Section 29 below. All of (a), (b) and (c) in this Section 1.1 and all specifications or other documents referred to therein are hereinafter collectively defined as the "Order" and the purchase order to which these terms and conditions apply is individually "the Face of the Order". Seller's acceptance of the Order shall occur upon the earlier of: (a) Seller's signing and returning the acknowledgment copy of the Face of the Order, or (b) Seller's commencement of manufacturing or shipment of goods or performance of services under the Order.

1.2 Any reference on the Face of the Order to any bid, proposal, or offer of sale is deemed to be limited to the description of the goods and shall not affect or modify these terms and conditions of purchase. In the event of a conflict in terms or conditions, the terms set forth in these Terms and Conditions of Purchase take precedence over any alternative terms in any other document connected with this transaction unless: (a) such alternative terms are part of a written supply agreement ("Supply Agreement") that has been agreed to by the parties and which Supply Agreement expressly indicates that its terms supersede and override terms in these Terms and Conditions of Purchase and/or (b) such alternative terms are set forth on the Face of the Order. Trade usage and course of dealing or performance shall not be employed to vary, explain or supplement these Terms and Conditions of Purchase.

2. Delivery

2.1 Time is of the essence of the Order. Delivery shall not be deemed complete until Strato, Inc, ("Buyer") or Buyer's agent has actually received and taken possession of goods, notwithstanding any agreement to pay freight or other related charges. Seller will promptly notify Buyer in writing if Seller anticipates difficulty in complying with a required delivery date and will use all commercially reasonable efforts to meet the required delivery date. Buyer may, at its discretion, deem goods delivered after the required delivery date or outside of the delivery schedule to be nonconforming and may either return such goods to Seller, at Seller's expense and risk, for full credit; agree to a revised delivery schedule; or cancel the Order or remainder thereof without liability, purchase the goods elsewhere, and charge Seller with any loss incurred through Seller's failure to meet the delivery schedule. Acceptance by Buyer of a later delivery of either the whole or part of the Order shall not constitute a waiver of Buyer's claim for any direct and/or indirect damages which the late delivery may have caused.

2.2 Seller shall suitably pack, mark and ship the goods in accordance with standards and norms for the types of materials being shipped and in accordance with the requirements of the carrier transporting the goods and shall assure delivery free of damage and deterioration. In addition, Seller shall comply with any packing, marking or shipping instructions provided by the Buyer. Buyer shall not be charged for packing, marking or shipping unless same is agreed to with the Seller and is separately itemized on the Face of the Order. Buyer's order number must appear on the container, the packing list, invoice and correspondence relating to the Order. Two copies of the packing list (which provides the quantity and description of the goods contained therein) shall be placed within the container.

2.3 Unless otherwise stated by Buyer on the Face of the Order, for US shipments: (a) Seller shall arrange for freight pursuant to Buyer's instructions; (b) Buyer shall pay for freight on a collect basis; and (c) title to and risk of loss for all goods shall remain with Seller until delivery of the goods to Buyer's facility or such other destination specified by Buyer. Unless otherwise stated by Buyer on the Face of the Order, for international shipments, delivery of goods shall be made FOB named port in accordance with Incoterms 2000.

2.4 Buyer's failure at any time to require strict performance by Seller of any of the provisions herein shall not waive or diminish Buyer's right thereafter to demand strict compliance therewith or with any other provisions. Waiver of any default shall not waive any other default.

3. Pricing

3.1 Unless otherwise stated by Buyer on the Face of the Order, all prices are: (a) firm and not subject to increase or additional charges during the period through fulfillment of the Order; (b) in U.S. dollars; and (c) inclusive of all duty, and taxes other than sales or use taxes Seller is required by law to collect from Buyer. Such sales or use taxes shall not be included in Seller's invoice if the Buyer indicates that the goods or services ordered are exempt from such taxes. Any sales, use or other taxes that Seller is required by law to collect from Buyer shall be separately stated on Seller's invoice.

3.2 Buyer's obligation to pay for items delivered by Seller is limited to the lower of items actually delivered or the quantity of items set forth in this Order. Buyer has no obligation to pay for, set aside, or return items delivered in excess of the quantity ordered herein. All such excess items, at Buyer's option, may be: (a) deemed sold by Seller to Buyer as part of this Order at no additional cost to Buyer beyond the cost of the items specified herein, or (b) returned to the Seller at Seller's expense. Unless agreed to by Buyer on the Face of the Order no additional costs are accepted. This includes, but is not limited to material surcharges.

3.3 Seller shall deliver duplicate invoices to Buyer immediately upon shipment of goods or completion of services. Unless otherwise provided elsewhere in the Order, payment will be: (a) net 120 days from the date of Seller's invoice; or (b) upon receipt of the goods or services, if later.

4. Inventory

Seller shall not anticipate delivery by purchasing materials or manufacturing goods in excess of what is reasonably required to meet Buyer's delivery schedule.

5. Inspection and Rights and Remedies Related Thereto

5.1 Buyer (or Buyer's agent, customer, including any governmental agency) shall have the right, but not the obligation, to inspect goods and services at times and places designated by Buyer before, during or after delivery or performance. If an inspection takes place at the premises of Seller or its suppliers, Seller shall provide, at Seller's expense, all reasonable facilities and assistance to such inspectors. Seller shall maintain a test and inspection system acceptable to Buyer.

5.2 If Buyer determines that any goods provided or services performed under the Order are defective or fail to conform to the requirements of the Order (including Seller's warranties and covenants under these Terms and Conditions of Purchase), Buyer may reject or revoke acceptance of such goods or services and may: (i) terminate all or any part of the Order (as provided hereunder); (ii) repair such goods at Seller's expense; (iii) return such goods to Seller for repair or replacement by Seller (at Seller's risk of loss and expense of unpacking, examining, repacking, and reshipping); (iv) retain such goods or services at an adjusted price. These remedies are in addition to any other remedies provided hereunder, at law, or in equity; or (v) impose a chargeback of \$150 for each instance when Buyer determines that any goods provided or services performed under the Order are defective or fail to conform to the requirements of the Order, said chargeback amount being agreed to as reasonable and proper compensation to the Buyer for incurring the administrative time and cost of issuing a Defective Material Report, (DMR).

5.3 All items delivered hereunder are subject to final inspection and acceptance at Buyer's destination, notwithstanding any prior payment or inspection at source. Such inspection will be made within a reasonable time after delivery. Failure to reject or to revoke acceptance of any items shall not be deemed to alter the obligations of Seller or the rights of Buyer under the Warranties clause.

5.4 During performance on this Order, Seller's Quality Control, Inspection system and manufacturing processes are subject for review, verification, analysis, or audit by Buyer's personnel and/or Buyer's authorized representatives to assure conformance to specifications for this Order.

5.5 Any measurement devices used and relied on as a basis to reject or revoke acceptance, shall be calibrated with traceability to the National Institute of Standards and Technology with reports retained for review by buyer upon request.

5.6 Rejected items will be held at Seller's risk and expense, effective upon receipt by Seller of notice of rejection. No replacement of defective items shall be made by Seller unless agreed to by Buyer in writing. The Seller must pay transportation both ways on rejected or incorrect material as well as all expenses of unpacking, examining, repacking and reshipping of goods. When replacement is not to be made, appropriate credit shall be immediately forwarded to Buyer. Buyer may by contract or otherwise replace or correct such goods or services and charge Seller for costs and damages. Payment for any goods or services hereunder shall not be deemed an acceptance thereof.

6. Warranty

6.1 Seller warrants with respect to goods and services provided under the Order that: (a) Seller has clear title, free of all liens and encumbrances; (b) there are no claims of third parties of any nature whatsoever arising out of or related to the goods or services; (c) all goods (including, without limitation, hardware, software, firmware and systems consisting of goods working together) and services are new and in strict conformance with the Order and with the specifications, drawings, samples, designs or other descriptions furnished to or by Buyer, and shall be merchantable, of good quality and workmanship, free from defects

in material, design, and workmanship, and fit for Buyer's particular purpose; (d) all services shall be performed in a competent manner in accordance with the requirements of the Order and fulfill the particular purpose intended; (e) prices charged herein are as low as any net price now given by Seller to any other customer for similar goods or services, and if at any time on the later of 120 days from the date of the Order or until the Invoice for the Order has been paid by Buyer, lower prices are quoted anyone for similar goods or services, such lower net prices shall, from that time, be substituted for the prices contained herein; and (f) the sale or use of the goods or services covered by the Order shall not infringe or contribute to the infringement of any patents, trademarks, copyrights, or other proprietary rights.

6.2 If any of the goods and/or services are found to be defective or otherwise not in conformity with the warranties in this Section during the warranty period provided for in Section 6.4 below, then, Buyer, in addition to any other rights, remedies and choices it may have by law, contract or at equity, and in addition to seeking recovery of any and all damages and costs emanating therefrom, at its option and sole discretion and at Seller's expense, may: (a) require Seller to inspect, remove, reinstall, ship and repair or replace/re-perform nonconforming goods and/or services with goods and/or services that conform to all requirements of the Order; (b) take such actions as may be required to cure all defects and/or bring the goods and/or services into conformity with all requirements of the Order, in which event all related costs and expenses (including, but without limitation, material, labor and handling costs) and other reasonable charges shall be for Seller's account; and/or (c) reject and return all or any portion of such goods and/or services.

6.3 These warranties extend to Buyer and to customers and users of Buyer's products or services.

6.4 Unless agreed to the contrary by Buyer and Seller on the Face of the Order or by way of a valid amendment or modification that complies with the requirements of Section 29 below, the warranty period shall commence on the date of Buyer's acceptance of the goods or services and shall extend for a period of five years thereafter or for the longest term provided by applicable law, whichever period is longer. A new warranty period shall commence from the date of acceptance of any repaired or replaced good, or part thereof, or re-performed services.

6.5 If the goods and/or services do not comply with the representations and warranties of Seller, within ten (10) calendar days from Buyer's request, Seller will form a qualified team to perform a failure analysis and will provide such corrective action documents and reports in the form and with the detail requested by Buyer. Seller shall permit Buyer to participate in such process upon Buyer's written notice.

6.6 Seller's warranties shall survive inspection, acceptance, and payment and shall be in addition to any other warranties of Seller, whether express, statutory or implied.

6.7 Remedies for breach of these warranties are cumulative and shall include those provided under these terms and conditions and any available at law or in equity.

7. Termination

7.1 Buyer may terminate all or any part of its purchases under the Order, without liability to Seller, if Seller: (a) fails to deliver goods or perform services within the time and in the quantities and quality required by Buyer or to give adequate assurances as requested by Buyer and thereafter comply with such assurances; (b) breaches the Order terms and conditions (including Seller's warranties and covenants); (c) fails to make progress so as to endanger timely and proper performance of the Order, and such failure is not cured within ten (10) days (or any shorter period which is commercially reasonable under the

circumstances) after notice from Buyer; or (d) ceases to conduct its operations in the normal course of business, including inability to meet its obligations as they mature, or if any proceeding under the bankruptcy, insolvency or equivalent laws is brought by or against Seller or a receiver for Seller is appointed or applied for, or an assignment for the benefit of creditors is made by Seller. In addition to obtaining a refund or credit and any other remedies provided herein or available at law or in equity, Buyer may, upon such termination, repurchase substitute goods or services elsewhere, on such terms as Buyer deems appropriate, and charge Seller with any excess costs and losses incurred by Buyer, including consequential and incidental damages.

7.2 Buyer may terminate all or any part of the Order for convenience, in which case: (a) Seller shall, as directed by Buyer, cease work and deliver to Buyer all satisfactorily completed goods or materials and work in process; and (b) Buyer shall pay to Seller termination charges solely limited to the payment of: (i) the Order prices on a per unit basis for satisfactorily completed goods or materials delivered and accepted; and (ii) other than as provided for in (i), the costs of materials, goods and labor that are incurred prior to Seller's knowledge of such termination, provided that Seller takes reasonable steps to mitigate its damages. Seller expressly acknowledges that the termination charges provided for herein are reasonable.

7.3 To the extent not terminated by Buyer, Seller shall continue performance under the Order

7.4 Any termination under Section 7.1 adjudged to be wrongful shall be deemed to then be a termination for convenience under Section 7.2, but with Buyer having the right to avail itself of all of its remedies under these terms and conditions, at law or in equity.

8. Limitation of Liability

8.1 IN NO EVENT SHALL BUYER BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THE ORDER, INCLUDING ANY TERMINATION, REJECTION, OR REVOCATION OF ACCEPTANCE OF ALL OR ANY PART OF THE ORDER, ALL OF WHICH CATEGORIES OF DAMAGES SELLER ACKNOWLEDGES ARE KNOWINGLY AND EXPRESSLY WAIVED.

8.2 IN NO EVENT SHALL BUYER'S LIABILITY HEREUNDER EXCEED THE PURCHASE PRICE OF THE ORDER.

8.3 In the event this Order is for work to be performed, or goods to be delivered by Seller, on Buyer's premises or the premises of a customer of the Buyer, the Seller hereby assumes entire responsibility and liability for damages or injuries from or occurring in connection with the execution of the work provided for in this Order, and if any person shall make a claim for damage or injury, whether such claim be based upon the Buyer's alleged active or passive negligence or participation in the wrong or upon any alleged breach of statutory duty or obligation on the part of the Buyer, the Seller shall, to the fullest extent permitted by law, assume on behalf of the Buyer the defense of any action at law or inequity, and to pay on behalf of the Buyer, the amount of any judgment that may be entered against the Buyer in any such action.

9. Indemnity

9.1 To the fullest extent permitted by law, Seller shall defend, indemnify and hold harmless Buyer, its affiliates and their respective shareholders, members, directors, officers, employees, customers, agents,

authorized representatives, contractors, successors and assigns (collectively the “Buyer Indemnified Parties”) from and against any losses (including damage to property or economic loss), judgments, fines, awards, penalties, damages, costs, expenses, fees, (including attorney fees and other legal expenses) or liabilities (collectively “Liabilities”) arising or resulting from, any claim, demand, suit, action or proceeding, at law, in equity or otherwise (collectively “Proceedings”) related to or in connection with (a) any breach by Seller of its warranties, covenants or obligations hereunder; (b) any injury (including death), property damage, or economic loss; (c) any defective or nonconforming goods or services supplied by Seller under the Order (including any design or manufacturing defects); (d) any acts or omissions of Seller or its employees or subcontractors in providing goods to or performing work, including work at Buyer’s or a customer’s premises or using Buyer’s property, unless resulting from the sole negligence of Buyer Indemnified Parties; and (e) any infringement or contributory infringement of a patent, trademark, copyright, or other proprietary interest (“Infringement”) by reason of the manufacture, delivery, license, use, or sale of the goods supplied or services performed under the Order, regardless whether (a) through (d) arise in tort (including negligence or willful misconduct), contract, warranty, strict liability, or otherwise.

9.2 For any Infringement (as defined above), and without limiting any other remedies available to the Buyer Indemnified Parties, Seller shall, at Seller’s expense, obtain for Buyer a perpetual, royalty-free license with respect to such item, or shall replace or modify the item in a manner satisfactory to Buyer, so as to avoid the infringement without any degradation in performance. Seller’s obligations shall apply even if any of the Buyer Indemnified Parties furnishes any portion of the design or specifies materials or manufacturing processes used by Seller.

9.3 In connection with the defense, indemnity and hold harmless obligations established herein:

- a) The Buyer Indemnified Parties shall give notice to Seller in writing (which may include forwarding to Seller any summons and complaint or other process received by the Buyer Indemnified Parties) of the receipt or pendency of any Proceedings with respect to which Seller is obligated to indemnify, defend and/or hold harmless the Buyer Indemnified Parties from and against any Liabilities. Thereupon, Seller shall proceed to appear, to defend such Proceedings using legal counsel that is reasonably acceptable to the Buyer Indemnified Parties, and to indemnify and hold harmless the Buyer Indemnified Parties from and against the Liabilities arising therefrom or relating thereto; provided, however, that Buyer Indemnified Parties shall provide Seller with reasonable cooperation, information, and assistance in connection with any such Proceeding. Seller shall have control and authority with respect to the defense, settlement, or compromise thereof, provided that the Buyer Indemnified Parties receive a complete release, and any such settlement contains a provision whereby the Indemnified Parties do not admit liability or wrongdoing. Nothing contained herein shall prevent the Buyer Indemnified Parties, at their option, from retaining their own independent counsel at their own expense to either participate in the defense of such Proceeding on a monitoring, non-controlling basis, or to formally appear in any Proceeding on behalf of the Buyer Indemnified Parties.
- b) If Seller fails to assume the defense and settlement of any Proceeding in accordance with the foregoing or, having assumed the defense and settlement of such Proceeding, fails reasonably to contest such Proceeding in good faith, the Buyer Indemnified Parties, without waiving their right to indemnification, may assume the defense and settlement of such Proceeding. Under such circumstances, the Buyer Indemnified Parties may settle such Proceeding without Seller's written consent and Seller will be liable: (a) for the amount of the settlement unless the settlement agreed to by the Buyer Indemnified Parties is deemed by clear and convincing

evidence to be outrageously excessive under which circumstances the Seller's responsibility to pay the settlement amount shall be limited to the settlement amount that is deemed to be reasonable; and (b) for any and all costs and expenses incurred by the Buyer connection with the defense and of any Proceeding, including all expenses, costs and attorneys' fees.

- c) It is mutually understood and agreed that the obligations set forth in this Indemnity Section and any other assumption of liabilities and indemnification by Seller provided for in this Agreement shall survive any termination of this Agreement.

10. Insurance.

Seller shall maintain insurance coverage as described below, at Seller's expense, covering all of the goods, services, actions or lack of action by Seller relating in any way to the Order:

- a) **Commercial General Liability insurance.** This insurance shall contain broad form contractual liability with a combined single limit of a minimum of ten million dollars (\$10,000,000.00) each occurrence and which must include coverage for, but not limited to, the following:

- Bodily Injury (including death) and Property Damage;
- Personal Injury and Advertising Injury;
- Fire legal liability; and
- Products and completed operations.

Said Commercial general liability policy shall also contain the following endorsements or language, which shall be indicated on the certificate of insurance:

- Waiver of subrogation acceptable to Buyer;
- Additional insured endorsement in favor of Buyer and acceptable to Buyer;
- Separation of insureds; and
- The policy shall be primary and non-contributing with respect to any insurance carried by Buyer

No other endorsements limiting coverage as respects to obligations under this Agreement or work being performed under this Agreement may be included on the policy.

- b) **Workers Compensation and Employers Liability insurance** including coverage for, but not limited to:

- Seller's statutory liability under the worker's compensation or equivalent laws of the state(s)/jurisdiction(s) in which any work relating to the Order is to be performed. If optional under State law, the insurance must cover all employees anyway.

- Employers' Liability with limits of at least one million dollars (\$1,000,000.00) each accident, one million dollars (\$1,000,000.00) by disease policy limit, and one million dollars (\$1,000,000.00) by disease each employee.

- This policy shall also contain a waiver of subrogation endorsement acceptable to Buyer.

- c) **Property Insurance** covering the full value of the goods/products to be provided by the Seller pursuant to the Order;
- d) **Errors and Omissions Insurance** covering Seller's conduct and its actions to be undertaken in connection with the Order.
- e) **Other Requirements:**
 - (i) Where allowable by law, all policies applying to coverage listed above shall contain no exclusion for punitive damages.
 - (ii) Prior to commencing the Work, Seller shall furnish to Buyer an acceptable certificate(s) of insurance evidencing the required coverage, endorsements, and amendments, including the additional insured designation(s).
 - (iii) The policy(ies) shall contain a provision that obligates the insurance company(ies) issuing such policy(ies) to notify Buyer in writing at least thirty (30) days prior to any cancellation, non-renewal, substitution or material alteration.
 - (iv) Any insurance policy shall be written by a reputable insurance company acceptable to BUYER or with a current Best's Guide Rating of A- and Class VII or better, and authorized to do business in the state(s) in which the service is to be provided.
 - (v) Seller represents that this Agreement has been thoroughly reviewed by Seller's insurance agent(s)/broker(s), who have been instructed by Seller to procure the insurance coverage required by this Agreement.
 - (vi) Not more frequently than once every three (3) years, Buyer may reasonably modify the required insurance coverage to reflect then-current risk management practices in the railroad industry and underwriting practices in the insurance industry.
 - (vii) Failure to provide evidence as required by this section shall entitle, but not require, Buyer to terminate this Agreement immediately. Acceptance of a certificate that does not comply with this section shall not operate as a waiver of Seller's obligations hereunder.
 - (viii) The fact that insurance is obtained by Seller shall not be deemed to release or diminish the liability of Seller including, without limitation, liability under the indemnity provisions of this Agreement. Damages recoverable by Buyer shall not be limited by the amount of the required insurance coverage.
 - (ix) For purposes of this section, Buyer shall mean Strato, Inc. and its subsidiaries, successors, assigns and affiliates.

11. Compliance with Laws

11.1 Seller represents, warrants, certifies and covenants that it will comply with all laws, in all pertinent jurisdictions, applicable to the goods, services and/or the activities contemplated or provided under the

Order, including, without limitation those relating to: (a) design, manufacture, transportation, sales, advertising, distribution, exportation, importation, labeling, packaging, certification, or approval of the goods or services; or (b) employment discrimination, hours and conditions of employment, occupational health and safety, wages, environmental matters, transportation or storage of hazardous materials, product safety, motor vehicle safety, corrupt or deceptive practices, boycotts, antitrust, consumer products, or government subcontracting.

11.2 Seller covenants that it will take appropriate actions necessary to protect health, safety and the environment, including, without limitation, in the workplace and during transport.

11.3 Seller represents, warrants, certifies and covenants that each chemical substance constituting or contained in goods sold or otherwise transferred to Buyer is pre-registered, if required, and registered, if required, under Regulation (EC) No 1907/2006 (“REACH”), is not restricted under Annex XVII of REACH and if subject to authorization under REACH, is authorized for Buyer’s use. Seller shall notify Buyer if it decides not to pre-register or register substances that will be subject to pre-registration or registration under REACH and are constituting or contained in goods supplied to Buyer at least 12 months before their pre-registration or registration deadline. Seller will monitor the publication by the European Chemicals Agency of the list of substances meeting the criteria for authorization under REACH (the “candidate list”) and immediately notify Buyer if any of the goods supplied to Buyer contain a substance officially proposed for listing on the candidate list.

11.4 Seller represents, warrants, certifies and covenants that none of the goods sold or transferred to Buyer contain: (a) any of the following chemicals: arsenic, asbestos, benzene, beryllium, carbon tetrachloride, cyanide, lead or lead compounds, cadmium, or cadmium compounds, hexavalent chromium, mercury or mercury compounds, trichloroethylene, tetrachloroethylene, methyl chloroform, polychlorinated biphenyls (PCBs), polybrominated biphenyls (PBBs), polybrominated diphenyl ethers (PBDEs); (b) any chemical or hazardous material otherwise prohibited pursuant to Section 6 of the Toxic Substances Control Act (TSCA) (15 U.S.C. 2601 et seq); (c) any chemical or hazardous material otherwise restricted pursuant to EU Directive 2002/95/EC (10 February 2022) (the “ROHS Directive”); (d) any substance listed on the candidate list of REACH or restricted under Annex XVII of REACH; or (e) any other chemical or hazardous material the use of which is restricted in any jurisdiction to or through which Buyer informs Seller the goods are likely to be shipped or to or through which Seller otherwise has knowledge that shipment will likely occur, unless with regard to all of the foregoing, Buyer expressly agrees in writing and Seller identifies an applicable exception from any relevant legal restriction in the inclusion of such chemical or hazardous materials in the goods sold or transferred to Buyer.

11.5 Seller represents, warrants, certifies and covenants that except as specifically listed on the Order or in an applicable addendum, none of the goods supplied under the Order are electrical or electronic equipment under EU Directive 2002/96/EC (10 February 2022) (the “WEEE Directive”), as amended, or any other electrical or electronic equipment take-back requirement of a jurisdiction in which Buyer informs Seller the goods are likely to be sold or in which Seller otherwise has knowledge that a sale will likely occur.

11.6 Seller covenants that it will ensure any suppliers it uses under the Order will be in conformance with this Section 11.

11.7 Seller shall provide all relevant information to allow Buyer to safely use the goods or fulfill its own obligations under applicable requirements, including, without limitation: (a) chemical compositions, including proportions, of any substance, preparation, mixture, alloy or goods supplied under the Order, and any other relevant information regarding the properties including, without limitation, test data and

hazard information; (b) safety data sheets in the language and required format of the location to which the goods will be shipped; (c) mandated labeling information, required pursuant to applicable requirements; and (d) such information and documents required under United States – Mexico – Canada Agreement (USMCA), Importer Security Filing (10+2) Program, the Occupation Safety and Health Act (OSHA) regulations codified at 29 CFR 1910.1200, REACH or EU Directive 67/548/EEC, as amended, if applicable, and U.S. Department of Transportation regulations governing the packaging marking, shipping and documentation of hazardous materials, including materials specified pursuant to 49 CFR, the International Maritime Organization (IMO) and the International Air Transport Association (IATA). Seller further agrees at Buyer's request to provide certificates relating to any applicable legal requirement or to update any and all of the certifications, representations and warranties under the Order in form and substance satisfactory to Buyer. Buyer shall have the right to audit all pertinent records of Seller, and to make reasonable inspections of Seller facilities, to verify compliance with this Section 11.

11.8 Seller represents, warrants, certifies, and covenants that it will uphold the following labor practices concerning forced labor and child labor. Sellers must not use forced labor, including but not limited to, any form of involuntary prison labor, human trafficking, forced, bonded, indentured, or slave labor (collectively "Forced Labor"), and shall not use child labor by employment of children of less than a legally specified age or by utilizing children to do work that is mentally, physically, socially or morally dangerous and harmful to children and/or work that deprives or improperly interferes with the child's opportunity to attend school ("Child Labor"). Seller will comply with all laws, in all pertinent jurisdictions, relating to Forced Labor and to Child Labor. Seller shall ensure and must be able to certify that materials in their products have not been manufactured using, or otherwise obtained from, companies that use Forced Labor or Child Labor or that participate in human trafficking and on request shall certify as to the steps that Seller is taking to ensure that modern slavery and labor exploitation by way of Forced Labor, Child Labor, or otherwise, are not taking place in their business or in their supply chain.

12. Changes

12.1 Buyer may, at any time, make changes in the Order, including changes in the quantity, delivery time or place, shipping or packing method, or any drawings, specifications or designs. If such a change causes a material increase or decrease in the cost of, or the time required for, performance of the Order, Seller shall notify Buyer in writing immediately. Any claim by Seller for an adjustment in time for performance or price must be asserted in writing within ten (10) days from date of notification of a change. No change shall be binding on Buyer unless agreed, in writing, by an officer of Buyer.

12.2 Seller will not make any change in the design, processing, packing, marking, shipping or date or place of delivery of the goods supplied under the Order unless done pursuant to Buyer's instructions or with Buyer's written approval.

13. Disputes

13.1 Any dispute arising under this Order which is not resolved by agreement shall initially be decided by Buyer. Such initial decision shall be reduced to writing, and a copy thereof mailed or otherwise furnished to Seller. Within thirty days (30) after date of receipt of Buyer's initial decision, Seller may notify Buyer in writing of Seller's disagreement with the decision. In the absence of such notice, such initial decision shall be final. In the event Seller notifies Buyer of its disagreement with Buyer's initial decision and on

condition that Seller complies with Section 13.2 below, Seller may appeal Buyer's initial decision by pursuing within one year after Seller's thirty (30) day notice of disagreement with Buyer's initial decision, any right or remedy it may have against Buyer at law or in equity in any court of competent jurisdiction.

13.2 Pending the final resolution of the dispute by court decision or agreement between the parties, Seller shall diligently proceed with the performance of this order in accordance with the decision of Buyer pursuant to paragraph 13.1 above, except to the extent that the decision is that Seller is not to proceed with the performance of all or a particular part of this Order.

14. Buyer's Property & Information

14.1 All tools, dies, molds, templates, equipment, specifications, data, drawings, designs, software or materials furnished by Buyer to Seller or paid for by Buyer, including replacements and materials attached thereto, shall remain and be marked as the personal property of Buyer. Such items shall be separately stored and insured by Seller, and Seller assumes all risk of loss and liability arising out of or related to the items, until such items are returned to Buyer. These items shall be used by Seller only for filling Buyer's order and are subject to immediate removal and/or disposal, at Buyer's written request, with each item to be delivered (at Seller's expense) in its original condition, reasonable wear and tear excepted.

14.2 Seller shall provide to Buyer, without restriction on use or disclosure, all information and documents that Seller has or shall develop or acquire related to the work Seller is performing under the Order. Such information and documents shall be deemed to be "works for hire" and be the property of Buyer, with Buyer having a right of use for any purpose, without liability to Seller. All information and documents Buyer may have disclosed or shall disclose to Seller in connection with the goods to be delivered or services provided under the Order shall be deemed confidential and proprietary and shall not be disclosed or used by Seller without the written consent of an officer of Buyer.

15. Government Contracts

If the product or services to be delivered or performed under the Order are for the purpose of enabling Buyer to perform a government contract or subcontract, the Order incorporates by reference any clauses required to be included by such government contract or subcontract or by any applicable law, ordinance, rule or regulation, so that the Order will be in compliance with any applicable governmental law, ordinance, code, rule, regulation or other requirement, including but not limited to those relative to affirmative action, non-discrimination, and equal employment opportunity including the equal employment opportunity clause in Section 202 of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967, Revised Order No. 4 of December 4, 1971, Section 402 of the Vietnam Era Veteran's Readjustment Assistance Act of 1974, as amended, Section 211 of Public Law 95-507, as amended, and Section 503 of the Rehabilitation Act of 1973, as amended.

16. Business Continuity Plan

Seller will have and comply with a business continuity plan for restoring its critical business functions. Buyer reserves the right to request information in connection with such plan, conduct on-site audits of

Seller's facility and practices to determine whether such plan and Seller's implementation of such plan are reasonably sufficient to protect Buyer's interest. If Buyer reasonably determines that Seller's business continuity plan and/or such plan implementation is/are insufficient to protect Buyer's property and interests, Buyer may give Seller notice of such determination. Upon receiving such notice, Seller shall have forty-five (45) days thereafter to make such plan changes and take the implementation actions reasonably requested by Buyer. All costs associated with development and implementation of Seller's business continuity plan and Buyer's recommendations thereto shall be borne by Seller.

17. Confidential Information

17.1 For the purposes of the Agreement, "Confidential Information" shall mean any and all information and materials of Buyer which may come into Seller's possession or into the possession of any of Seller's employees, agents or sub-contractors, that Buyer could reasonably consider to be confidential or proprietary, including but not limited to (a) any and all trade secrets, confidential or proprietary information of, or relating, directly or indirectly, to Buyer, in whatever form maintained (written, documentary, computerized, oral or otherwise), including but not limited to the material, methodologies, data, computations, technical information, trade secrets, trademarks, software, computer code, source code, object code, methods of operation, know-how, ideas, plans, drawings, designs, blueprints, reports, analyses, business and marketing plans and information, sales information, development plans, client lists, financial information and projections, and contracts; and (b) all notes, memoranda, summaries, and other similar materials, in whatever form maintained, whether documentary, computerized, oral or otherwise, prepared by or for the benefit of Buyer that, directly or indirectly, contain or otherwise reflect, in whole or in part, any of the Confidential Information described above; and (c) any and all information relating to Buyer's business and affairs, any and all information relating to the identity, business and affairs of Buyer's customers, potential customers, employees or authorized agents.

17.2 Seller agrees not to disclose Confidential Information to any third party and will use such information only as is necessary to perform its obligations under the Order. Seller agrees to limit its internal distribution of Confidential Information to its employees who have a need to know, and to take steps to ensure that the dissemination is so limited, including the execution by Seller's employees of nondisclosure agreements with provisions no less restrictive to those set forth herein. In no event will Seller use less than the degree of care and means that it uses to protect its own information of like kind, but in any event not less than reasonable care, to prevent the unauthorized use or disclosure of the Confidential Information. Seller further agrees not to use the Confidential Information except in the course of performing under the Agreement and will not use the Confidential Information for the benefit of anyone other than Buyer. Upon Buyer's request, Seller will promptly deliver to Buyer all such Confidential Information, including all copies and duplication thereof, and will remove and delete all such confidential information from the Seller's electronic files and databases.

18. U.S. Export Controls

18.1 The Order and all items furnished by Buyer to Seller in connection herewith shall at all times be subject to the export control laws and regulations of the U.S. including, but not limited to, 10 CFR Part 810 and U.S. Export Administration Regulations.

18.2 Seller agrees and gives assurance that no items, equipment, materials, services, technical data, technology, software or other technical information or assistance furnished by Buyer, or any good or product resulting therefrom, shall be exported or re-exported by Seller or its authorized transferees, if any, directly or indirectly, except to the consignee(s), if any, specified on the Order, and unless same is exported in accordance with applicable U.S. export laws and regulations. The aforesaid obligations shall survive any satisfaction, expiration, termination or discharge of any other contract obligations.

18.3 Upon receipt of Buyer's Order, Seller shall provide to Buyer, the country of origin and the appropriate export classification codes including, if applicable, the Export Control Classification Number (ECCN) and the Harmonized Tariff Codes of each and every one of the goods supplied hereunder in sufficient detail to satisfy applicable trade preferential or customs agreements, if any. Seller represents and warrants that the country of origin of all goods shall be as set forth in Seller's quote unless Seller obtains Buyer's prior written consent.

19. Electronic Commerce

19.1 Seller agrees to participate in all of Buyer's current and future electronic commerce applications and initiatives upon Buyer's request.

19.2 In the event Seller is a "user" pursuant to any of Buyer's third-party electronic commerce application software licenses, Seller shall limit its use of such application(s) to its/their intended purpose and in accordance with the terms of such license(s).

20. Set-Off

20.1 Buyer shall be entitled to set off any amount owing at any time from Seller to Buyer or its affiliates against any amount payable at any time to Seller by Buyer or its affiliates under the Order.

20.2 If Buyer determines that Seller's performance under the Order is likely to be impaired, Buyer may establish a reserve on Seller's account to satisfy Seller's actual or anticipated obligations to Buyer arising from the Order, by withholding payment of Seller's invoice. Seller agrees that any credit balance will be paid in cash to Buyer upon written request.

21. Force Majeure

21.1 Any non-performance or delay in performance of any obligation of Seller or Buyer under the Order will be excused to the extent such failure or non-performance is a result of any cause preventing performance of an obligation under the Order which is beyond the reasonable control of the Seller or Buyer, and which, by the exercise of due diligence, could not be overcome, including, without limitation, fire, flood, embargo, explosion, acts of a governmental authority, and acts of God ("Force Majeure"). In no event shall Seller's ability to sell goods or services at a better price or Seller's economic hardship in buying raw materials necessary to manufacture products at a commercially reasonable price constitute Force Majeure.

21.2 If Buyer or Seller is affected by Force Majeure, it will (a) promptly provide written notice to the other party, explaining the full particulars and the expected duration of the Force Majeure and (b) use

commercially reasonable best efforts to remedy the interruption or delay if it is reasonably capable of being remedied. In a Force Majeure extends for more than ten (10) days, at the Buyer's discretion, the Order may be terminated upon written notice by the party not declaring Force Majeure without any liability on its part.

22. Audit Rights

The Seller shall maintain accurate records, documents and other evidence in accordance with sound accounting procedures and practices, of all expenditures made and all costs, liabilities, and obligations incurred during the performance of this Order. The Seller shall preserve and make available their records for a period of five (5) years from the date of final payment under this Order. The seller shall permit any Strato agent and/or authorized government agency including the United States Department of Transportation, the US Comptroller General, the State's Department of Transportation, the State's Comptroller, the appropriate Transit Authority, and their authorized representatives, to inspect all work, materials, payrolls, records of personnel, invoices of materials and other relevant equipment, data and records and to audit the books, records and accounts of Seller pertaining to this Order.

23. Relationship of the Parties

23.1 Seller will not be deemed the agent or legal representative of Buyer for any purpose whatsoever and Seller will act as an independent contractor with regard to Buyer in its performance under the Order. Nothing herein will authorize Seller to create any obligation or responsibility whatsoever, express or implied, on behalf of Buyer or to bind Buyer in any manner, or to make any representation, commitment or warranty on behalf of Buyer.

23.2 Seller shall not solicit or employ, or contract for services with any person who is an officer or employee of Buyer that is involved in any way, directly or indirectly to the product(s), component(s), or materials subject to the Order for a period running six (6) months following the separation of such person from Buyer.

24. Waivers; Remedies

No failure by Buyer to exercise any power given it under the Order, or to insist upon strict compliance by Seller of any obligation under the Order, and no custom or practice at variance with the terms of the Order will constitute a waiver of Buyer's right to demand exact compliance with the terms of the Order. A waiver of any default under the Order or of any term or condition of the Order shall not be deemed to be a continuing waiver or a waiver of any other default or any other term or condition, but shall apply solely to the instance to which such waiver is directed. The rights and remedies reserved to Buyer are cumulative and in addition to any other or further rights and remedies available at law or in equity.

25. Conflict Minerals

Seller represents and warrants that it has conducted the requisite reasonable country of origin inquiry in compliance with the Securities & Exchange Commission's ("SEC") conflict minerals (gold, tantalum, in,

tungsten, and their derivatives) rule and determined that either (a) no conflict minerals necessary to the functionality or production of Seller's goods originated in any "covered country" or (b) such minerals came from "recycled or scrap sources", as those quoted terms are defined by the SEC and as they may be amended from time to time. In the event Seller's reasonable country of origin inquiry relies on representations from processing facilities and/or Seller's immediate suppliers, Seller shall supply Buyer with certified copies of those representations and any additional information and/or verification with respect to Seller's reasonable country of origin inquiry, which Buyer may provide to any entity, upon such entity's request, in which Seller's goods is used or otherwise required. Seller further agrees to take any and all measures as are necessary to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and its implementing regulations, as they may be amended from time to time.

26. Severability

If any of the provisions of the Order shall be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Order, but rather the entire Order shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of each party shall be construed and enforced accordingly.

27. Governing Law; Venue

Seller and Buyer hereby agree that any legal proceeding with respect to the Agreement shall be brought only in a state or federal court of the United States of America, State of New Jersey or in such other court in a state of the United States of America in which Buyer, in Buyer's discretion, elects to institute action and where jurisdiction over Seller is proper. Both Seller and Buyer submit to and accept generally and unconditionally the personal jurisdiction of those courts and agree that the laws of such Court where the action is brought consistent with this Section 27 shall govern any action without regard to that state's conflict of laws principles. The parties agree that the 1980 UN Convention on Contracts for the International Sale of Products will not apply.

28. Subcontracting by Seller.

If any portion of the Order is to be subcontracted by Seller, Seller shall identify to Buyer the work proposed to be subcontracted, the identity of the proposed subcontractor(s) and shall obtain the Buyer's written approval before any subcontractor is engaged or utilized by the Seller regarding any work that is part of the Order. If permission is granted by Buyer for Seller to utilize any subcontractor(s), then any such subcontractors shall provide and maintain insurance coverages as set forth in Section 10 above, naming Buyer as an additional insured, and Seller shall require that its subcontractors shall confirm in writing that said subcontractor(s) shall be obligated to defend and indemnify Buyer to the same extent and under the same terms and conditions as Seller is required to release, defend and indemnify Buyer under Section 9 above. Notwithstanding the insurance and indemnification provisions set forth in this Section 28, Seller shall remain responsible to Buyer, and to third parties, for the conduct and the actions of Seller's subcontractors to the fullest extent recognized by the law.

29. Information Security/Cyber Security.

(a) Seller represents and warrants that its collection, access, use, storage, disposal, and disclosure of Personal Information does and will comply with all applicable federal and state, local and foreign privacy and data protection laws, as well as all other applicable regulations and directives. For purposes of this Section 29 “Personal Information” means information that: (i) identifies or can be used to identify an individual (including, without limitation, names, signatures, addresses, telephone numbers, e-mail addresses and other unique identifiers); or (ii) can be used to authenticate an individual (including, without limitation, employee identification numbers, government-issued identification numbers, passwords or PINs, financial account numbers, credit report information, biometric or health data, answers to security questions and other personal identifiers).

(b) Seller represents that it will at all times maintain all necessary and appropriate Cyber Security procedures and safeguards all necessary and appropriate procedures and to protect against Cyber Threats. For purposes of this Section 29, Cyber Security shall mean the practice of protecting critical systems and sensitive information from digital attacks, including but not limited to protecting computer systems from interception, alteration, obstruction, or destruction of computational resources, or other disruption to the system. For purposes of this Section 29, Cyber Threats shall mean any circumstance or event with the potential to adversely impact organizational operations (including mission, functions, image, or reputation), organizational assets, or individuals through an information system via unauthorized access, destruction, disclosure, modification of information, and/or denial of service, including but not limited to malware, phishing, ransomware, other denial of service and password attacks.

(c) Without limiting Seller’s obligations under subsection (a) above, Seller shall implement administrative, physical and technical safeguards to protect Personal Information and to protect against Cyber Threats/to maintain Cyber Security that are no less rigorous than accepted industry practices and shall ensure that all such safeguards, including (i) the manner in which Personal Information is collected, accessed, used, stored, processed, disposed of and disclosed, comply with applicable data protection and privacy laws, as well as the terms and conditions of this Section; and (ii) utilizing outside experts for Cyber Security measures, keeping hardware and software up to date and continuous investing in security upgrades

(d) Seller shall notify Buyer of a Security Breach as soon as practicable, but no later than twenty-four (24) hours after Seller becomes aware of it. For purposes of this section a “Security Breach” shall include, but not be limited to: (i) any act or omission that compromises either the security, confidentiality or integrity of Personal Information or the physical, technical, administrative or organizational safeguards put in place by Seller that relate to the protection of the security, confidentiality or integrity of Personal Information;; (ii) receipt of a complaint in relation to the privacy practices of Seller or a breach, or alleged breach, of this Section relating to information security and such privacy practices; or (iii) any event that indicates that there is an imminent or ongoing Cyber Threat or breach of Cyber Security protections.

(e) Seller shall defend, indemnify and hold harmless Buyer, its affiliates, and their officers, directors, employees, agents, successors and permitted assigns, (each, a “Buyer Indemnitee”) from and

against all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees, the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers, arising out of or resulting from any third party claim against any Buyer Indemnitee arising out of or resulting from Seller's failure to comply with any of its obligations under this Information Security/Cyber Security Section 29, which shall include, but shall not be limited to indemnification for Seller negligence that results in a Security Breach or for any notification and remediation costs incurred by Buyer resulting from, or associated with, Seller's breach of its obligations under this section.

30. Chargebacks.

Buyer shall impose, and Seller agrees to accept and pay a chargeback of \$150 for each instance when Seller has failed to meet agreed standards of service, said chargeback amount being agreed to as reasonable and proper compensation to the Buyer for incurring the administrative time and cost of issuing an individual chargeback. Examples of Seller having failed to meet agreed standards of service that may result in a chargeback, include, but are not limited to:

- (a) any instance when Buyer determines that any goods provided or services performed under the Order are defective or fail to conform to the requirements of the Order;
- (b) any shortages in amounts in an Order or any incorrectly filled Order (e.g., wrong product, wrong size, wrong color); or
- (c) goods are shipped too early or too late causing the need for rescheduled deliveries, additional inventory holding costs or other harm to Buyer.

31. Amendment or Modifications.

Any amendment or modification to the Order must be in writing and signed by both the Seller and the Buyer to be valid and enforceable.

32. Notices

All notices to be given under the Order or this Agreement shall be in writing and shall be deemed to have been duly given upon delivery:

- (a) if to Buyer by personal delivery, U.S. Mail Return Receipt Requested and Regular Mail, or by recognized commercial overnight carrier (e.g., Federal Express or United Parcel Service) to Strato, Inc., Attn: Kevin Flanagan, 100 New England Avenue, Piscataway, New Jersey 08854
- (b) if to Seller by personal delivery, U.S. Mail Return Receipt Requested and Regular Mail, or by recognized commercial overnight carrier (e.g., Federal Express or United Parcel Service) to the address listed for Seller on the Face of the Order.

Either Seller or Buyer may change the address at which they are to receive notice by way of notice to the other in a manner that complies with this Notices Section 32.