

# GS Operating, LLC dba Gexpro Services. ("Buyer")

## Terms & Conditions of Purchase

1. **COMPLETE CONTRACT:** This document contains the complete and exclusive statement of the terms of the agreement between Buyer and Seller. It supersedes all previous requests, quotations or agreements. If Seller accepts this Purchase Order ("Order") or provides any items, materials, products, deliverables or services (collectively, "goods") listed in the Order, Seller is deemed to have agreed to these conditions. Any attempted acknowledgment of this order containing additional to different terms is not binding unless specifically accepted by Buyer in writing. The terms of this Order may not be varied, supplemented or amended by any document, conduct, prior representation, course of dealing or usage of trade; unless made in writing and signed by authorized representatives of Seller and Buyer.
2. **PRICE:** Buyer shall pay Seller the price shown on this Order. The price is firm and not subject to escalation without Buyer's written consent. No extra charges of any kind (e.g. charges for boxing fuel surcharges or cartage) will be allowed. If there are any issues regarding additional costs, they must be submitted in writing to Buyer prior to shipment and Buyer must issue a written change order to Seller. If Buyer's shipping instructions are not followed, Buyer will deduct any excess costs from Seller. The purchase price for the goods excludes all state or local sales or use taxes that may apply to the purchase or use of the goods. Any applicable sales and use taxes related to the goods transferred and/or labor performed pursuant to this Order shall be the responsibility of Buyer. Seller shall collect such taxes from Buyer, unless Buyer claims an exemption from such taxes. Buyer shall issue Seller, upon request, an exemption certificate, if applicable. Seller certifies that all goods transferred to Buyer where Buyer claimed an exemption was purchased tax free from Seller's suppliers. In no event shall Buyer be responsible for any federal, state or local income taxes incurred by Seller or any of its employees.
3. **PAYMENT:** Buyer agrees to pay any valid invoice 2.5% average 30, average net 75 days from receipt via check at U.S. banks, electronic funds transfer at foreign banks, or upon other such terms approved by Buyer in writing.
4. **HOLD FOR RELEASE:** If this is a "hold for release" Order and/or "for drawings only", then Buyer shall not incur any liability to Seller for the goods unless and/or until Buyer instructs Seller in writing to proceed with product production and/or further performance.
5. **CHANGES:** Buyer, at any time, shall have the right to make changes to the Order including without limitation changes to the quantities, specifications, method of shipment, packing, and place of delivery or delivery schedule. Seller shall notify Buyer in writing within 10 days if any change affects price or delivery so that parties can negotiate an equitable adjustment. All changes must be acknowledged in writing and signed by an authorized representative of Buyer. If Seller considers that the conduct of any of Buyer's employees has constituted a change hereunder, Seller shall immediately notify Buyer's authorized representative in writing as to the nature of the change and its effect on Seller's performance including delivery schedule and the amount to be paid to Seller. Pending written direction from the Buyer, or after negotiation of any adjustments, Seller shall take no action to implement such change. Buyer shall have no liability hereunder for cost of obsolescence, scrap, rework of materials and parts which Seller has released for manufacture in advance of Seller's normal manufacturing process without Buyer's prior written consent. No departure shall be made from Buyer's specifications, and Seller shall notify Buyer in writing of any and all: (a) changes to the goods and/or services, their specifications, composition, and/or sources of supply; (b) process changes; (c) plant and/or equipment/tooling changes or moves; (d) transfer of any work hereunder to another site; and/or (e) sub supplier changes, and no such change shall occur until Buyer has had the opportunity to conduct such audits, surveys and/or testing necessary to determine the impact of such change on the goods and/or services and has approved such change in writing. Seller shall be responsible for obtaining, completing and submitting proper documentation regarding any and all changes via the Supplier Deviation Request (SDR) form, and including complying with any written change procedures issued by Buyer. Buyer reserves sole right to accept or reject such changes. Failure to do so could result in penalties and/or termination of the Order by Buyer for default.
6. **DELIVERY AND PERFORMANCE:** Seller shall provide deliverables and perform services according to Buyer's schedule. If Buyer requests that the Order be shipped "collect", Seller shall use the transportation carrier designated by Buyer. If Seller is unable to make delivery in accordance with the schedule, Seller shall immediately notify Buyer and provide a revised date. Seller is not liable for delays in performance or delivery due to a cause beyond its reasonable control. If Seller does not comply with Buyer's delivery schedule or fails to make progress as to endanger performance, Buyer may, at its option, either approve a revised delivery schedule or terminate this Order without liability to Buyer, in addition to pursuing any other rights. Buyer may return, at Seller's expense, goods delivered to Buyer early.
7. **WARRANTIES:** Seller warrants that the goods are new and covered by the manufacturer's warranty, which will be extended to the Buyer and/or the Buyer's customer. Seller also warrants that the goods and services sold will be free from defects in material, workmanship and title, and will conform to the requirements of this Order for a period of at least twelve (12) months from the date of shipment to the ultimate customer, or twelve (12) months after completion of services. ANY ATTEMPT BY SELLER TO LIMIT, DISCLAIM, OR RESTRICT ANY SUCH WARRANTIES OR ANY REMEDIES OF BUYER, BY ACKNOWLEDGMENT OR OTHERWISE, IN ACCEPTING OR PERFORMING THIS ORDER, SHALL BE NULL, VOID, AND INEFFECTIVE WITHOUT BUYER'S WRITTEN CONSENT. SELLER'S WARRANTIES SHALL RUN TO BUYER, ITS SUCCESSORS, ASSIGNS, CUSTOMERS AT ANY TIER, AND ULTIMATE USERS AND JOINT USERS.
8. **LIABILITY:** Seller agrees to defend and indemnify Buyer, at Seller's expense, against all claims made against Buyer, arising out of or relating to the goods or Seller's performance under this Order, including but not limited to, claims based on (1) breach of any of the provisions of this Order, (2) late performance (except excusable delays), (3) defective goods or performance, (4) failure of goods or services to conform to specifications, the National Electrical Code or government code requirements, or (5) infringement of any patent, trademark or copyright. Seller shall be liable for all costs incurred by Buyer, including legal fees, relating to the enforcement of any provision of this Order.
9. **WORK ON PREMISES:** Seller shall ensure that its personnel comply with Buyer's or Buyer's customer's environmental and safety requirements for any work performed on Buyer's or Buyer's customer premises. Seller shall indemnify Buyer and Buyer's customer from any claim which may result in any way from any act or omission by Seller or Seller's representatives while performing work on Buyer's or Buyer's customers' premises, except to the extent that such claim is due solely and directly by an act or omission of Buyer or Buyer's customer.
10. **ASSIGNMENT:** Any assignment of the Order by Seller without Buyer's prior written consent, which consent shall not be unreasonably withheld, shall be void.
11. **SET-OFF:** Buyer may at all times set off any amount that Seller, or any affiliate of Seller, owes to Buyer against any amount that Buyer, or any Buyer affiliate, owes to Seller.
12. **TERMINATION:** Buyer may terminate any part of the Order for its convenience at any time. If this occurs, Buyer shall negotiate reasonable termination charges with Seller. Buyer may also terminate the Order with no further liability to Seller, in addition to pursuing other remedies, if (1) Seller fails to perform any provision of this Order or fails to make progress as to endanger performance, and Seller does not cure such failure within ten (10) days after Buyer provides Seller with written notice, (2) Seller ceases to conduct operations in the normal course of business, (3) any proceeding under any bankruptcy or insolvency laws is brought by or

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against Seller, (4) a receiver is appointed or applied for, or (5) an assignment for the benefit of creditors is made by Seller.

- 13. INSURANCE:** Seller shall maintain during the term of this Order, at its own expense, Workers' Compensation insurance as required by law, employer's liability insurance, general liability insurance and automobile insurance in amounts acceptable to Buyer. Seller agrees to provide Buyer with one month's written notice of any change in, or cancellation of, the insurance. Upon request, Seller shall provide Buyer with a certificate of insurance evidencing that the required minimum coverage is in effect and that Buyer, its directors, officers, employees, agents and representatives are named as additional insureds, provide a waiver of subrogation clause in favor of the additional insureds, and provide that all coverage provided by the Seller shall be primary. Such insurance shall also cover the actions of a subcontractor that Seller may utilize under this purchase order. If the Seller is a Manufacturer of goods (or aviation segment goods), then Seller agrees to maintain product liability insurance (or aviation product liability insurance), in accordance with the requirements above, with insurers and minimum amounts acceptable to Buyer covering its interests as a Buyer of Seller's goods; it being understood that the maintenance of such product liability insurance coverage shall not be a satisfaction of Seller's liability hereunder or in any way modify Seller's indemnification of Buyer.
- 14. GOVERNMENTAL COMPLIANCE:** Seller shall comply with all laws and regulations applicable to the Order where the goods are delivered or services are performed, including without limitation:
- 14.1. Fair Labor Standards Act. Seller represents that the goods were produced in compliance with the Fair Labor Standards Act of 1938 as amended.
- 14.2. Use of Workers/Subcontractors. Where applicable, this contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity and/or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.
- 14.3. Environmental Safety. Seller represents and warrants that each chemical substance listed or contained in an item listed in the Order is on the list of chemical substances published by the Administrator of the Environmental Protection Administration under the Toxic Substances Control Act as amended. Seller also warrants that the goods comply with the Federal Hazardous Substances Act as amended.
- 14.4. Labor Force. Seller certifies that no goods supplied under this Order have been produced utilizing forced, indentured or convict labor or utilizing the labor of persons in violation of the minimum working age law in the country of manufacture. In the event Buyer determines that Seller's certification is untrue, Buyer shall have the right to immediately terminate this Order without further compensation to Seller.
- 14.5. Material Safety Data Sheets ("MSDS"). Seller shall provide MSDS sheets, as required by law with each shipment or on Seller's website.
- 14.6. Prohibition on Products Containing Any Conflict Mineral from Democratic Republic of the Congo or an Adjoining Country. Reference is made to Section 1502 (the "CM Provision") of the Dodd-Frank Wall Street Regulation and Consumer Protection Act and regulations (the "Regulations") implementing the CM Provision issued by the Securities and Exchange Commission addressing disclosures relating to any conflict mineral from the Democratic Republic of the Congo or any adjoining country. Seller represents, covenants, agrees and certifies for the benefit of Buyer and its customers that (a) the goods sold to Buyer pursuant to this Order do

not contain any conflict mineral from the Democratic Republic of the Congo or any adjoining country or, if any goods covered by this Order do contain a conflict mineral, such goods are DRC conflict free, (b) Seller shall be solely responsible and liable for assessing, ensuring and monitoring its supply chain and Seller's suppliers' and sub-suppliers' compliance with the preceding clause (a) and (c) Seller shall execute such written documentation, including certifications, as Buyer or its customers may reasonably request to confirm and certify the foregoing. Seller shall further indemnify and hold harmless Buyer and its customers from any breach of Seller's obligations under this Section or arising from any inaccurate or untruthful written documentation provided to Buyer or its customers. The terms "conflict mineral", "adjoining country" and "DRC conflict free" as used in this section shall have the meaning assigned such terms in the Regulations. This Section of the Order cannot be waived or modified except pursuant to a written instrument that expressly waives or modifies this Section and which is executed by a corporate officer of Buyer.

- 14.7. European Union General Data Protection Regulation ("GDPR"). If the SELLER collects, stores, or processes Personal Data of European Union residents as a consequence of this Contract (e.g. any information relating to an identified or identifiable natural person, who can be identified directly or indirectly, in particular by reference to an identifier such as a name, identification number, location data, online identifier or one or more factors specific to the physical, physiological, generic, mental, economic, cultural or social identity of that person and as further defined under the European Union's General Data Protection Regulations ("GDPR"), the SELLER agrees to comply and be bound by such laws of the European Union General Data Protection Regulation. If Seller receives Sensitive Personal Data (e.g. information that reveals racial or ethnic origin, political opinions, criminal record, religious or philosophical beliefs, or trade union membership, and the processing of generic data biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person's sex life or sexual orientation) or is a Controller (e.g. an entity which determines the purposes and means of the Processing of Personal Data), Seller shall immediately notify Gexpro Services prior to collecting, storing, and/or processing such data, and agrees to enter into a separate agreement with GS Operating, LLC dba Gexpro Services for the protection of that data as required by the GDPR.
- 14.8. National Defense Authorization Act (NDAA). Seller represents and warrants compliance with the National Defense Authorization Act (NDAA) Section 889(a)(1)(A) in effect August 13, 2019, as amended, and Section 889(a)(1)(B) in effect August 13, 2020, as amended. This Act prohibits the purchase and use of covered telecommunication and surveillance services and equipment from the listed companies for government contracts.
- 14.9. [Countering America's Adversaries Through Sanctions Act \(CAATSA\)](#). In accordance with Section 321(b) (22 U.S.C. § 9241a) of the CAATSA, Supplier represents and warrants that neither North Korean nationals nor North Korean citizens are used for labor in the manufacturing of its products, nor those at any sub-tier, that are intended for purchase by Buyer.
- 15. ENVIRONMENT, HEALTH, AND SAFETY COMPLIANCE:** Seller shall comply with all regulatory requirements as applicable to the Order where the goods are delivered or services are performed, including without limitation:
- 15.1. Material Suitability Seller covenants that each chemical substance constituting or contained in goods sold or otherwise transferred to Buyer is suitable for use and/or transport in any jurisdiction to or through which Buyer informs Seller the goods will likely be shipped or to or through which Seller otherwise has knowledge that shipment will likely occur and is listed on or in: (i) the list of chemical substances compiled and published by the Administrator of the U.S. Environmental Protection Agency pursuant to the U.S. Toxic Substances Control Act ("TSCA") (15U.S.C. § 2601), otherwise known as the TSCA Inventory, or exempted from such list under 40 CFR 720.30 38; (ii) the Federal Hazardous Substances Act (P.L. 92 516) as amended; (iii) the European Inventory of Existing Commercial Chemical Substances ("EINECS") as amended; (iv) the European List of

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- Notified Chemical Substances ("ELINCS") and lawful standards and regulations thereunder; or (v) any equivalent or similar lists in any other jurisdiction to or through which Buyer informs Seller the goods will likely be shipped or to or through which Seller otherwise has knowledge that shipment will likely occur.
- 15.2. Material Registration and Other Documentation. Seller Covenants that each chemical substance constituting or contained in goods sold or otherwise transferred to Buyer: (i) is properly documented and/or registered as required in the jurisdiction to or through which Buyer informs Seller the goods will likely be shipped or to or through which Seller otherwise has knowledge that shipment will likely occur, including but not limited to pre-registration and registration if required, under Regulation (EC) No. 1907/2006 ("REACH"); (ii) is not restricted under Annex XVII of REACH; and (iii) if subject to authorization under REACH, is authorized for Buyer's use. In each case, Seller will timely provide Buyer with supporting documentation, including without limitation, (A) pre-registration numbers for each substance; (B) the exact weight by weight percentage of any REACH Candidate List (defined below) substance constituting or contained in the goods; (C) all relevant information that Buyer needs to meet its obligations under REACH to communicate safe use to its customers; and (D) the documentation of the authorization for Buyer's use of an Annex XIV substance. Seller shall notify Buyer if it decides not to register substances that are subject to registration under REACH and constitute or contain goods supplied to Buyer at least twelve (12) months before their 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. Seller shall provide Buyer with the name of the substance as well as with sufficient information to allow Buyer to safely use the goods or fulfill its own obligations under REACH.
- 15.3. Restricted Materials. Seller Covenants that none of the goods sold or transferred to Buyer contains any: (i) 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"); (ii) chemical or hazardous material otherwise prohibited pursuant to Section 6 of TSCA; (iii) chemical or hazardous material otherwise restricted pursuant to EU Directive 2015/863/EU (31 March 2015) (the "RoHS3 Directive"); (iv) designated ozone depleting chemicals as restricted under 40CFR Part 82, 'Protection of Stratospheric Ozone', or the Montreal Protocol (including, without limitation, 1,1,1 trichloroethane, carbon tetrachloride, Halon 1211, 1301, and 2402, and chlorofluorocarbons ("CFCs") 11 13, 111 115, 211 217); (v) substance listed on the REACH Candidate List, subject to authorization and listed on Annex XIV of REACH, or restricted under Directive 76/769/EEC and when it shall be repealed, Annex XVII of REACH; or (vi) other chemical or hazardous material the use of which is restricted in any other 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 on the inclusion of such chemicals or hazardous materials in the goods sold or transferred to Buyer. Upon request from Buyer and subject to reasonable confidentiality provisions which enable Buyer to meet its compliance obligations, Seller will provide Buyer with the chemical composition, including proportions, of any substance, preparation, mixture, alloy or goods supplied under this Order and any other relevant information or data regarding the properties including without limitation test data and hazard information.
- 15.4. Take back of Electrical and Electronic Components, Including Batteries or Accumulators. Seller Covenants that, except as specifically listed on the face of this Order or in an applicable addendum, none of the goods supplied under this Order are electrical or electronic equipment or batteries or accumulators as defined by laws, codes or regulations of a 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, including but not limited to EU Directive 2012/19/EU (24 July 2012) (the "Recast WEEE Directive"), as amended and EU Directive 2006/66/EC (26 September 2006) (the "Batteries Directive") and/or any other legislation providing for the taking back of such electrical or electronic equipment or batteries or accumulators (collectively, "Take Back Legislation"). For any goods specifically listed on the face of this Order or in such addendum as electrical or electronic equipment or batteries or accumulators that are covered by any Take Back Legislation and purchased by Buyer hereunder, Seller agrees to: (i) assume responsibility for taking back such goods in the future upon the request of Buyer and treating or otherwise managing them in accordance with the requirements of the applicable Take Back Legislation; (ii) take back as of the date of this Order any used goods currently owned by Buyer of the same class of such goods purchased by Buyer hereunder up to the number of new units being purchased by Buyer or to arrange with a third party to do so in accordance with all applicable requirements; and (iii) appropriately mark and/or label the goods as required by any applicable Take Back Legislation. Seller will not charge Buyer any additional amounts, and no additional payments will be due from Buyer for Seller's agreement to undertake these responsibilities.
- 15.5. CE Marking. Seller Covenants that all goods conform with applicable Conformité Européenne ("CE") directives for goods intended for use in the EU, including those regarding electrical/electronic devices, machinery and pressure vessels/equipment. Seller will affix the CE mark on goods as required. Seller will provide all documentation required by the applicable CE directives, including, but not limited to, Declarations of Conformity, Declarations of Incorporation, technical files and any documentation regarding interpretations of limitations or exclusions.
- 15.6. Nanoscale Material. With respect to any goods sold or otherwise transferred to Buyer hereunder, Seller shall notify Buyer in writing of the presence of any engineered nanoscale material (defined for these purposes as any substance with at least one dimension of such substance known to be less than one hundred (100) nanometers in length). With respect to all such nanoscale material(s), Seller shall provide a description of its regulatory status and any safety data or other notifications that are appropriate in the EU, U.S. and any other jurisdictions to which Buyer informs Seller the goods will be shipped or to which the Seller otherwise has knowledge that shipment will likely occur.
16. **CONFIDENTIAL INFORMATION:** Seller shall keep confidential any technical, process, proprietary or economic information derived from drawings, 3D or other models, specifications and any other data and/or information furnished by Buyer in connection with this Order (the "Confidential Information") and shall not divulge, directly or indirectly, the Confidential Information for the benefit of any other party without Buyer's prior written consent. Confidential Information shall also include any notes, summaries, reports, analyses or other material derived by Seller in whole or in part from the Confidential Information in whatever form maintained (collectively, "Notes"). Except as required for the efficient performance of this Order, Seller shall not use or permit copies to be made of the Confidential Information without Buyer's prior written consent. If any such reproduction is made with prior written consent, notice referring to the foregoing requirements shall be provided thereon. The restrictions in this Section regarding the Confidential Information shall be inoperative as to particular portions of the Confidential Information disclosed by Buyer to Seller if such information: (i) is or becomes generally available to the public other than as a result of disclosure by Seller; (ii) was available on a non-confidential basis prior to its disclosure to Seller; (iii) is or becomes available to Seller on a non-confidential basis from a source other than Buyer when such source is not, to the best of Seller's knowledge, subject to a confidentiality obligation with Buyer, or (iv) was independently developed by Seller, without reference to the Confidential Information, and Seller can verify the development of such information by written

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documentation. Upon completion or termination of this Order, Seller shall promptly return to Buyer all Confidential Information, including any copies thereof, and shall destroy (with such destruction certified in writing by Seller) all Notes and any copies thereof. Any knowledge or information, which Seller shall have disclosed or may hereafter disclose to Buyer, and which in any way relates to the goods or services purchased under this Order (except to the extent deemed to be Buyer's Property), shall not, unless otherwise specifically agreed to in writing by Buyer, be deemed to be confidential or proprietary, and shall be acquired by Buyer free from any restrictions (other than a claim for infringement), as part of the consideration for this Order and, notwithstanding any copyright or other notice thereon, Buyer shall have the right to use, copy, modify and disclose the same as it sees fit. Seller shall not make any announcement, take or release any photographs (except for its internal operation purposes for the manufacture and assembly of the goods), or release any information concerning this Order or any part thereof or with respect to its business relationship with Buyer, to any third party, member of the public, press, business entity, or any official body except as required by applicable law, rule, injunction or administrative order without Buyer's prior written consent.

17. **WAIVER:** A waiver or renunciation can discharge no claim or right arising out of a breach of this Order in whole or in part, unless supported by consideration and made in writing signed by the aggrieved party. Either party's failure to enforce any provisions hereof shall not be construed a waiver of a party's right thereafter to enforce each and every such provision.
18. **SUPPLIER SECURITY:** Seller shall have and comply with a company security and crisis management policy. Upon Buyer's request, Seller shall provide Buyer a copy thereof and certification (in a form acceptable to Buyer) of Seller's compliance with this Article. Seller shall revise and maintain the policy proactively, and as may be requested by Buyer, in anticipation of security and crisis risks relevant to the Seller's business. Seller's policy, at a minimum, shall identify, and require the taking, by Seller's management and employees, of the measures necessary to do the following:
  - (a) provide for the physical security of the people working on Seller's premises and others working for or on behalf of Seller;
  - (b) provide for the physical security of Seller's facilities and physical assets related to the performance of work, including, in particular, the protection of Seller's mission critical equipment and assets;
  - (c) protect from the loss of, misappropriation of, corruption of, and/or other damage to software related to the performance of work;
  - (d) protect from the loss of, misappropriation of, corruption of, and/or other damage to Buyer's and Seller's drawings, technical data, and other proprietary information related to the performance of work;
  - (e) provide for the prompt recovery -- including through preparation, adoption, and maintenance of a disaster recovery plan -- of facilities, physical assets, software, drawings, technical data, other intellectual property, and the Seller's business operations in the event of a security breach, incident, crisis or other disruption of Seller's ability to use the necessary facilities, physical assets, software, drawings, technical data, or other intellectual property or to continue operations;
  - (f) for any deliveries of Goods originating outside of the United States for delivery to the United States, review by Seller of the requirements of the Customs-Trade Partnership Against Terrorism ("C-TPAT") for Air Carriers, Rail Carriers, Sea Carriers and Highway Carriers comply with the security procedures outlined by the United States Customs Service at [http://www.customs.gov/xp/cgov/import/commercial\\_enforcement/ct\\_pat/](http://www.customs.gov/xp/cgov/import/commercial_enforcement/ct_pat/), as modified from time to time;
  - (g) identify an individual contact (name, title, location and email/telephone/fax numbers) responsible for Seller's facility, personnel, and shipment security measures.

Buyer reserves the right to inspect Seller's policy and to conduct on-site audits of Seller's facility and practices to determine whether

Seller's policy and Seller's implementation of the policy are reasonably sufficient to protect Buyer's interests. If Buyer reasonably determines that Seller's policy and/or policy 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 the policy changes and take the implementation actions reasonably requested by Buyer. Seller's failure to take such actions shall give Buyer the right to terminate this purchase order immediately without further compensation to Seller. Seller agrees that it will make reasonable efforts to become a member of C-TPAT in a timely manner, if it is eligible to do so. At Buyer's request, Seller shall inform Buyer of Seller's C-TPAT membership status and its anticipated schedule for participation in C-TPAT. When Seller does not exercise control of manufacturing or transportation of goods destined for delivery to Buyer or its customers in the United States, Seller agrees to communicate C-TPAT security recommendations to its suppliers and transportation providers and to condition its relationship to those entities on their implementation of such recommendations, unless Seller is using such supplier and transportation provider at Buyer's request.

19. **FREIGHT POLICY AND TITLE PASSAGE:** Seller shall comply with the terms of the Buyer's Freight Policy, as amended. All delivery designations are INCOTERMS 2010. Unless otherwise stated on the face of this Order, all goods provided under this Order shall be delivered FOB Buyer designated location. Buyer may specify contract of carriage in all cases. Failure of Seller to comply with any such Buyer specification shall cause all resulting transportation charges to be for the account of Seller and give rise to any other remedies available at law or equity. Unless otherwise stated on the face of this Order, title to goods shipped to all locations shall pass at: (i) port of origin for international shipments; (ii) Seller's dock for goods shipped directly to a non-Buyer's facility; (iii) Buyer's dock for goods shipped to Buyer's facility.
20. **PROCUREMENT CLAUSES:** Seller shall comply with the terms of the Buyer's Procurement Clauses, as defined in SIF210, as amended. These clauses are designed to communicate standard and custom requirements. Standard clauses shall apply universally to all Orders without reference. Custom clauses shall be referenced on contracts and/or purchase orders, as applicable.
21. **QUALITY ASSURANCE:** Seller shall comply with all quality assurance requirements as applicable to the Order where the goods are delivered or services are performed, including without limitation:
  - 21.1. In the event that a quality defect or non-conformance attributable to the Seller is detected, Seller shall be responsible for all costs including, but not limited to, transactional defect fees; replacement, rework, and/or material cost; laboratory testing, sorting, or inspection fees; and any transportation costs (including premium air freight) necessary to meet Buyer's required date on the purchase order. End customer liquidated damages and/or transactional defect fees associated with the defect or non-conformance shall be shared to the extent each party is responsible. Buyer's failure to inspect, accept, reject or detect defects by inspection shall neither relieve Seller from responsibility for such goods or services that are not in accordance with the Order requirements nor impose liabilities on Buyer. If no solution acceptable to Buyer is provided by Seller within seven (7) calendar days, Buyer reserves its rights to return the non-conforming product at Seller's expense, debiting seller's payables for the costs of the goods and/or freight, when applicable. If Seller detects a quality defect or other non-conforming process, product, or service at Seller's location, Seller shall notify Buyer via Quality Alert or equivalent process and obtain approved disposition from Buyer prior to release for shipment.
  - 21.2. Acceptance of Seller's Quality System by Buyer shall not alter the obligations and liability of Seller under this Order. If Seller's Quality System fails to comply with the terms of this Order, Buyer may require additional quality assurance measures at Seller's expense. Such measures may include, but are not limited to, Buyer requiring Seller to install a Buyer-approved third-party quality auditor(s)/inspector(s) at Seller's facility(ies) to address the deficiencies in Seller's Quality System

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- or other measures that may be specified in Buyer's Quality Requirements or otherwise agreed upon by the parties in writing.
- 21.3. Seller warrants that all goods delivered are new and authentic, and otherwise free of recycled scrap, suspect, or counterfeit material. Seller further warrants that labels and/or trademarks or logos, certifications, affirmations, information, or any other documentation provided to Buyer is authentic. Seller shall save, defend, and hold Buyer harmless against any and all losses and damages and Buyer reserves the right to withhold payment for any deliveries of non-conforming, suspect, or counterfeit goods or related information or documentation, as defined above.
- 21.4. Suppliers and sub-tier Suppliers shall be aware and vigilant for Malpractice and Fraud and Falsification (F&F), as it affects contract compliance. All parties associated with product and services destined for ultimate delivery to the Purchaser must be aware that Malpractice and F&F are grave and serious matters. Any party aware of or having reason to suspect malpractice is obligated to report to local supervision or management, purchaser's buyer, or in the case of orders associated with defense contracts, to call the defense department Hotline at phone (800)424-9098 or email at hotline@dodig.osd.mil.
- 21.5. Seller shall have a written procedure for the documentation and retention of quality and product records for products supplied to Buyer. The record retention period shall be a minimum of three (3) years for products destined for Commercial and Industrial segments, and indefinite for products destined for Aerospace and Defense segments, unless otherwise specified by Buyer. Seller shall request permission to disposition the records, at the end of the retention period, and explain the method to be used. Records shall include, but are not limited to, product quality or inspection and test plans and results, material specifications, qualification documentation and certificates of conformance. Specific component record requirements may be specified in Buyer purchase orders, contracts or specifications. It is the responsibility of the Seller to determine the appropriate storage means to meet the retention requirement and allow for timely retrieval of records.
- 21.6. Seller shall maintain its own documented program that ensures personnel awareness of the contribution of Seller's processes, products, and/or services on delivered quality, product safety, and the importance of ethical conduct at Seller and throughout Seller's Supply Chain.
22. **BUYER'S PROPERTY:** All tangible and intangible property, including but not limited to tools, tool drawings, materials, sample parts, processes, procedures, process parameters, drawings, computer software, documents, information or data of every description furnished to Seller by Buyer, or by Buyer's affiliates, subsidiaries or contractors, or paid for in whole or in part by Buyer, and any replacement thereof, or any materials affixed or attached thereto, shall be and remain the personal property of Buyer, and, unless otherwise agreed to in writing by Buyer shall be used by Seller solely to render services or provide goods to Buyer. Such property, and whenever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by Seller as being the property of Buyer or Buyer's designee, and shall be safely stored separate and apart from Seller's property. Seller shall not substitute any property for Buyer's property and shall not use such property except in filling Buyer's purchase orders. Such property while in Seller's custody or control shall be held at Seller's risk and shall be insured by Seller for replacement cost with loss payable to Buyer. Such property shall be subject to prompt removal or return at Buyer's written request, in which event Seller shall prepare such property for shipment and shall deliver it as directed by Buyer in the same condition as originally received by Seller, reasonable wear and tear excepted, all at Seller's expense. Buyer shall have the right to audit all pertinent books and records of Seller, and to make reasonable inspections of Seller's facilities to verify compliance with this Article.
23. **RIGHT OF ACCESS AND AUDIT:** Buyer and Buyer's representatives, customers, or regulatory authorities shall have the right of access to & audit of the facility and all applicable records, on a non-interference basis, to any area of Seller's or Seller's supply chain sub-tier premises where any part of the work is being performed. Seller shall flow this requirement down to its sub sub-tier supply chain suppliers. Seller shall, without additional costs to Buyer, provide all reasonable in-plant accommodations, facilities, and assistance for the safety and convenience of the Buyer and the Buyer's representatives in the performance of their duties.
24. **SURVIVAL OF PROVISIONS:** In order that the parties hereto may fully exercise their rights and perform their obligations under this Order, any provisions of this Order that are required to ensure such exercise or performance shall survive the termination of this Order.
25. **LAW AND JURISDICTION:** This agreement will be governed by, and construed and enforced in accordance with, the internal laws of the state of Texas, USA without regard to the conflict of laws principals thereof. The parties agree to exclude this agreement from the application of the United Nations convention on contracts for the international sale of goods.
26. **IMPORT TERMS AND CONDITIONS OF PURCHASE:** if exporting to the United States, the following terms and conditions shall also apply:
- 26.1. Import Commercial Invoice Contents Requirements: A commercial invoice covering the merchandise being imported is required by U.S. customs. The invoice shall be in English containing adequate information to determine the proper duties. The customs regulations spell out the invoice requirements which include the following information:
- (a) **GS Operating, LLC dba Gexpro Services** ("Gexpro Services" or "Buyer") name and location placing the order indicated clearly as "Importer of Record" ("IOR") - importer number as follows:  
Gexpro Services – 84-373783700  
unless the Inco terms negotiated indicate that another party is considered as IOR.
  - (b) Name and address of the Seller.
  - (c) Name and address of Buyer (or consignee if shipped at no charge or on consignment)
  - (d) Date of sale.
  - (e) Port of entry for which merchandise is destined.
  - (f) Terms and conditions of sale, payment and any discounts.
  - (g) Gexpro Services Part Number
  - (h) A detailed description of the merchandise including the name by which item is known, the grade or quality, and the marks, numbers under which sold by the Seller or manufacturer. Include the harmonized tariff number for U.S. customs.
  - (i) Quantities (pieces, weight and/or measure). Purchase price of each item in the currency of purchase (Or fair market value of each item, if shipped at no charge or on consignment).
  - (j) Itemization by name or type and the amount of charges not included in the invoice price, packing, inland freight, commissions, ETC.
  - (k) All rebates, drawbacks and bounties, if applicable.
  - (l) Country of origin of the goods.
  - (m) Marks and numbers of the shipping packages. Packing details to what merchandise is contained in each individual package (A separate packing list is acceptable.)
  - (n) Name of responsible employee of the exporter, who has knowledge of the transaction or can readily obtain such information with the telephone/fax number.
  - (o) All goods or services furnished for the production of the merchandise (e.g., assists such as dies, molds, tools, engineering work) not included in the invoice price.
- 26.2. Description: Commercial invoices with general descriptions such as "electrical machinery" are not acceptable. A detailed description is one, which enables an import specialist to properly classify imported merchandise. Accordingly, the commercial invoice must indicate any information, which has a direct bearing on the proper classification and value of the imported item.
- 26.3. Country of Origin Marking Requirements: Every article of foreign origin (or

**GS Operating, LLC dba Gexpro Services. ("Buyer")**

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its container) entering the U.S. must be legibly marked with the English name of the country of origin. The purpose of marking is to inform the purchase in the U.S. of the country where the article was made. The marking must be: (a) in a conspicuous place (b) legible (c) permanent. The requirements, 1135 "R", pertain to imported commercial materials. The complete purchase order number must be on each shipping label. Payment of duty is the responsibility of Buyer. Seller is not responsible for payment of duty and will not invoice purchaser for the amount of the duty.

- 26.4. Customs Brokerage Instructions: Small Package – Seller should utilize Buyer-specified carrier and choose the Broker Select option. For LCL and FCL shipments, Seller must make booking through Gexpro Services' Appointed Freight Forwarder, Allport Cargo Services ("ACS"), unless otherwise instructed by the buyer.
- 26.5. All Other: 721 Logistics or, any third party designated in writing by Buyer, will act as the broker of choice for imports into the United States. ACS, or their appointed agent, will act as the Freight Forwarder. ACS operates a central point for all documents to be sent to for pre-processing prior to arrival at the Port of Entry (POE). It is the responsibility of the Seller/carrier to provide these documents in a clean and legible format to ACS prior to the arrival of the goods. The ACS team responsible for Buyer's shipments will arrange for the 721 Logistics offices at the POE to file the release.
- 26.6. International Air/Ocean Shipments Documentation: Documents should be sent to and received by the ACS Team assigned to the buyers account in compliance with the following time frames:
  - (a) Ocean Shipments: Documents must be tendered to the ACS origin office at the time of booking. All booking request must be made online at InforNexus.com.
  - (b) Heavy Weight Air Shipments: Documents must be tendered to the appointed carrier at the time of booking. It is the carrier's responsibility to turn over the documents to 721 Logistics offices at the POE to file the release.
- 26.7. Buyer's Custom Broker Contact Information:
  - Primary Contact: Tipon Tan
  - Phone: 626.941.4899
  - Email: [tipon.tan@us.allportcargoservices.com](mailto:tipon.tan@us.allportcargoservices.com)
- 26.8. Requirements for Regulated Wood Packaging Materials: Seller agrees and acknowledges that packaging made from regulated wood packaging materials (WPM), specifically: (i) the "Guidelines For Regulating Wood Packaging Materials In International Trade " (ISPM15), an international standard for phytosanitary measures adopted by the International Plant Protection Convention (IPPC), sanctioned under the World Trade Organization (WTO); and (ii) the U.S. department of Agriculture's Animal Plant Health Inspection Service (APHIS) final rule of WPM import requirements (69 fr 55719; 7 cfr 319.40-1 to 10). As a result of these regulations, all wood packaging material must be treated appropriately and marked under an official program developed under an official program developed and overseen by the [North American Plant Protection Organization \(NAPPO\)](#) in the country of export.
- 26.9. Additional Terms and Conditions (to be added to the commercial invoice): Title of goods passes at Buyer's dock. The information contained in this document is the property of Buyer and is disclosed in confidence. It shall be returned upon request and shall not be used, except to render services to Buyer, disclosed to others, or reproduced without the express written consent of Buyer. If consent is given for any reproduction, this notice shall be provided thereon. The foregoing is subject to any rights that the U.S. government may have in such information. Use of the information in this document to manufacture products or to provide services other than for Buyer will be subject to negotiation of suitable terms and compensation to Buyer. Rent-free use of government owned facilities is not authorized in the performance of this order unless stated elsewhere in the body of the order. This purchase order is written in U.S. dollars. Foreign invoices against this purchase order will be converted to U.S. funds using the fixed conversion rate at the time of the transaction.

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From time to time, at Buyer's request, Seller shall provide certificates to Buyer relating to any applicable legal requirements, in each case in form and substance satisfactory to Buyer. Without limiting the generality of the foregoing, Seller shall provide certificates of origin relating to products within the meaning of the rules of origin of the USMCA preferential duty rules of origin, which will include a statement as to whether the goods in question were produced in the United States, Mexico or Canada, or if the country of origin or manufacturer is not USMCA eligible, then a statement as to the country of origin or manufacture.

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From time to time, at Buyer's request, Seller shall provide any additional information required to clear material through US Customs. Without limiting the generality of the foregoing, Seller shall provide full address of manufacturer and legal name of exporting company.