



SCI TECHNOLOGY, INC. ("SCI") STANDARD TERMS AND CONDITIONS OF SALE

THESE TERMS AND CONDITIONS EXCLUSIVELY GOVERN ALL QUOTATIONS, OFFERS, AND PURCHASE ORDERS ACCEPTED BY SCI TECHNOLOGY, INC. ("SELLER"). SELLER'S ACCEPTANCE OF BUYER'S PURCHASE ORDER IS EXPRESSLY CONDITIONED ON BUYER'S ASSENT TO THESE TERMS. SELLER HEREBY OBJECTS TO AND REJECTS ANY ADDITIONAL, DIFFERENT, OR CONFLICTING TERMS CONTAINED IN BUYER'S PURCHASE ORDER, ORDER ACKNOWLEDGMENT, FORM, OR WEBSITE, AND NONE OF SUCH BUYER TERMS SHALL BECOME PART OF THE CONTRACT OR BIND SELLER, REGARDLESS OF SELLER'S COMMENCEMENT OF PERFORMANCE OR DELIVERY.

1. Definitions

As used in these Terms and Conditions, the following terms shall have the following meanings:

- **(a)** "Supplies," "Products," or "Equipment" shall mean all goods, commercial products, non-commercial items, custom defense hardware, modified items, assemblies, components, technical data, software, or services furnished or to be furnished by Seller under a Purchase Order.
- **(b)** The terms "Subcontract," "Contract," "Purchase Order," or "Agreement" are interchangeable herein and shall mean the final, binding contractual instrument executed between Buyer and Seller, incorporating these Terms and Conditions.
- **(c)** "Buyer" shall mean the legal entity issuing the Purchase Order; "Seller" shall mean SCI Technology, Inc.

2. Price

Prices quoted to Buyer are Firm-Fixed-Price ("FFP"). Seller reserves the right to change prices or terms after the validity expiration date of the quotation or proposal.

3. Terms of Payment and No Setoff

- **(a)** Subject to initial and ongoing credit approval by Seller in its sole discretion, Buyer shall pay Seller net thirty (30) days from invoice date. Payments received beyond thirty (30) days shall incur interest at the rate of 1.5% per month (18% per annum) or the maximum rate permitted by applicable law, whichever is lower, calculated daily from the due date until paid in full.
- **(b)** If Buyer fails to make timely payment, or if Seller in good faith deems itself insecure regarding Buyer's financial condition or creditworthiness, Seller may, without prejudice to any other legal remedies, immediately: (i) suspend all work and shipments; (ii) revoke credit terms and demand cash in advance ("CIA"), cash on delivery ("COD"), or letter of credit ("LC"); and/or (iii) terminate the Purchase Order.
- **(c)** Buyer shall pay all amounts due without deduction, abatement, withholding, or setoff of any kind, regardless of any claim, dispute, or alleged breach by Seller. Buyer shall reimburse Seller for all costs and expenses incurred in collecting past-due balances, including collection agency fees, court costs, and actual attorney's fees.



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4. Taxes and Duties

- **(a) Taxes and Exemptions:** All prices are exclusive of federal, state, and local excise, sales and use and similar taxes arising from or assessed in connection with the Purchase Order. Should Buyer be exempt from paying certain taxes described above then Buyer shall be responsible for providing Seller with a properly executed tax exemption certificate acceptable to the interested taxing authorities prior to shipment of supplies or services contemplated under the Purchase Order.
- **(b) Customs Duties and Import Charges:** Unless otherwise agreed in writing, contract prices are exclusive of foreign import taxes, value-added taxes, or newly enacted tariffs. Any new, modified, or increased foreign or domestic tariffs, import fees, or border taxes imposed by governmental authorities prior to delivery shall result in an equitable price adjustment to the Purchase Order.
- **(c) Duty-Free Entry (U.S. Government Orders):** For Purchase Orders placed under United States ("U.S.") Government Prime Contracts or Subcontracts where Suppliers qualify for duty-free entry pursuant to Defense Federal Acquisition Regulation Supplement ("DFARS") 252.225-7013 (*Duty-Free Entry*) or Federal Acquisition Regulation ("FAR") 52.229-6 (*Taxes—Foreign Fixed-Price Contracts*):
 1. Buyer shall, assist Seller in obtaining and issuing all necessary duty-free entry certificates, customs clearance documentation, and shipping authorizations from the U.S. Government Contracting Officer or U.S. Customs and Border Protection ("CBP").
 2. If duty-free entry is claimed or requested by Buyer but denied or rendered unavailable through no fault of Seller, or if Buyer fails to provide required duty-free execution documents in a timely manner, Buyer shall promptly reimburse Seller for all actual customs duties, tariffs, import fees, and administrative charges incurred.

5. Delivery, Title, and Risk of Loss

- **(a) Delivery Term:** Unless otherwise expressly agreed in writing signed by an authorized representative of Seller, delivery of all Supplies shall be made Free Carrier ("FCA") SCI Technology, Inc., 13000 Memorial Parkway, SW, Huntsville, Alabama 35803, USA (Incoterms 2020). Title and risk of loss or damage to Supplies transfer unconditionally to Buyer at Seller's dock immediately upon Seller loading the Supplies onto Buyer's designated carrier or vehicle.
- **(b) Delivery Dates:** All delivery and performance dates provided by Seller are estimates only and do not constitute firm deadlines or time-of-the-essence obligations. Seller shall not be liable for any delays, damages, penalties, or liquidated damages resulting from late delivery. Buyer's sole remedy for delivery delay is an equitable schedule extension.

6. Buyer-Furnished Property and Government-Furnished Property

- **(a) Title and Risk of Loss:** Title to equipment, tooling, test sets, components, software, or material furnished by Buyer ("Buyer-Furnished Property" or "BFP") or the U.S. Government ("Government-Furnished Property" or "GFP") remains with Buyer or the U.S. Government. Risk of loss or damage to BFP or GFP passes to Seller upon physical receipt at Seller's facility and transfers back to Buyer or the U.S. Government upon shipment from Seller.



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- **(b) Buyer Warranty & Indemnity for Property:** Buyer represents and warrants that all BFP or GFP/GFM provided to Seller is defect-free, fully operational, compliant with specifications, and delivered according to schedule. Seller shall have no liability for delivery delays, non-performance, or defective Supplies resulting from defective, missing, late, or unsuitable BFP or GFP. Buyer shall fully reimburse Seller for all scrap, re-inspection, re-work, and administrative costs incurred due to non-conforming BFP or GFP, and shall grant an equitable adjustment in price and delivery schedule.
- **(c) Property Administration:** GFP/GFM shall be administered under FAR 52.245-1 to the extent mandated by government contract. Buyer shall pay all administrative, storage, handling, packaging, and freight costs associated with returning or disposing of BFP or GFP.

7. Force Majeure

Seller shall not be liable for any failure, delay, or non-performance caused by circumstances beyond its reasonable control, including but not limited to: government actions, sovereign acts, or regulatory changes; Defense Priorities and Allocations System ("DPAS") ratings or federal allocations; judicial actions; war, military operations, acts of terrorism, sabotage, or civil unrest; strikes, lockouts, or labor disputes; fires, floods, severe weather, natural disasters, or acts of God; industrial shortages of raw materials, energy, microchips, or components; transport delays or carrier failures; cyber security incidents or system failures; failure or delay in obtaining export licenses; or epidemics, pandemics, or public health emergencies. Upon the occurrence of a Force Majeure event, Seller's performance obligations shall be suspended, delivery schedules extended automatically for a period equal to the delay, and Seller may prorate deliveries among its customers in its sole discretion.

8. Seller Remedies and Acceleration

If Buyer defaults on any payment, breaches any term of this Agreement, becomes insolvent, enters bankruptcy, or undergoes a material adverse change in financial condition, Seller may, in addition to all other remedies at law or in equity:

- **(a)** Declare all unpaid invoice balances immediately due and payable;
- **(b)** Cancel or suspend any unexecuted portion of this or any other Purchase Order with Buyer;
- **(c)** Reclaim and repossess any Supplies for which payment has not been received in full; and
- **(d)** Recover from Buyer all actual damages, administrative expenses, legal fees, and lost profits.

9. Inspection and Acceptance

Acceptance of the Supplies shall occur no later than fifteen (15) days after shipment, and shall be based solely on whether the Supplies pass a mutually agreeable Acceptance Test Procedure or Inspection designed to demonstrate compliance with the Specifications. Supplies cannot be rejected based on criteria that were unknown to Seller or based on test procedures that Seller does not conduct. Supplies shall be deemed accepted if not rejected within this fifteen-day period.

10. Order Non-Cancellability and Changes

- **(a) Firm Orders:** All Purchase Orders accepted by Seller are firm, binding, Non-Cancellable, and Non-Returnable ("NCNR"). Except as expressly provided under Section 26 (Termination



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for Convenience by Buyer) or Section 25 (Termination for Default), Buyer has no right to cancel, reduce, postpone, or modify any Purchase Order without Seller's prior written consent.

- **(b) Buyer-Requested Changes:** Buyer-requested changes shall not take effect unless agreed in writing by Seller. Seller is under no obligation to perform changed work until the parties execute a formal amendment adjusting price, delivery, and technical parameters.
- **(c) Cancellation Fee:** If Seller consents in writing to an order cancellation or modification, Buyer shall pay Seller a cancellation fee equal to: (i) 100% of the contract price for all completed Supplies; (ii) actual costs incurred for work-in-process and non-cancellable commitments; (iii) applicable overhead and General and Administrative ("G&A") rates; plus (iv) a 10% administrative profit fee.
- **(d) Seller Engineering Changes:** Seller reserves the right to make minor design, process, or component changes with Buyer approval, which will not be unreasonably withheld, provided such changes do not materially alter form, fit, or functional specifications.

11. Stop Work Orders

- **(a)** Buyer may, at any time, by written order to Seller, require Seller to stop all, or any part, of the work called for by this Purchase Order for a period of up to ninety (90) days.
- **(b)** Upon receipt of a Stop Work Order, Seller shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered. Upon cancellation of the Stop Work Order or expiration of the stop work period, Seller shall resume work.
- **(c)** An equitable adjustment shall be made in the delivery schedule, Purchase Order price, or both, and the Purchase Order modified accordingly in writing, to reflect any cost or schedule impact incurred by Seller as a result of the Stop Work Order.

12. U.S. Export License and Transfer Approvals

- **(a) Compliance with Laws:** Buyer shall strictly comply with all U.S. export control laws and regulations, including the International Traffic in Arms Regulations ("ITAR" - 22 CFR 120-130) and Export Administration Regulations ("EAR" - 15 CFR 730-774).
- **(b) License Restrictions:** Buyer shall not export, re-export, transfer, or disclose any technical data, software, or hardware received from Seller to any foreign country, foreign national, or foreign entity without first obtaining required U.S. Government export authorization.
- **(c) Absolute Buyer Indemnity:** To the fullest extent applicable by law, Buyer shall defend, indemnify, and hold harmless Seller, its officers, directors, and employees from and against any and all claims, fines, penalties, damages, liabilities, costs, and attorney's fees arising out of or related to Buyer's failure to comply with U.S. export control laws or unauthorized transfer of technical data.

13. Cybersecurity, Controlled Unclassified Information ("CUI"), and Data Protection



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- **(a)** Both parties shall maintain appropriate security safeguards. Where applicable, defense orders shall comply with DFARS 252.204-7012, NIST SP 800-171, and CMMC frameworks.
- **(b) Buyer Duty to Notify:** Buyer shall not transmit Covered Defense Information ("CDI") or Controlled Unclassified Information ("CUI") to Seller without prior written notice and Seller's explicit written agreement to accept such data. To the fullest extent by applicable law, Buyer shall indemnify Seller for any costs or regulatory liabilities incurred as a result of unannounced or improperly marked CUI/CDI transmissions.

14. Counterfeit Electronic Parts Avoidance and Quality Management

- **(a)** Seller maintains a quality management system compliant with Aerospace Standard ("AS") 9100 standards and comprehensive counterfeit electronic part avoidance protocols compliant with DFARS 252.246-7007 (*Contractor Counterfeit Electronic Part Detection and Avoidance System*) and DFARS 252.246-7008 (*Sources of Electronic Parts*).
- **(b)** All Supplies furnished by Seller shall consist of genuine, new components obtained directly from original component manufacturers or authorized franchised distributors.

15. Supply Chain Security and Prohibited Foreign Technology

Both parties shall comply with all applicable U.S. DoD and federal supply chain security statutory and regulatory requirements in effect as of the date of Purchase Order issuance or performance, including Section 889 of the National Defense Authorization Act ("NDAA") for Fiscal Year 2019 (promulgated under Federal Acquisition Regulation ("FAR") 52.204-25) and FAR 52.204-30 (Federal Acquisition Supply Chain Security Act ("FASCSA") Orders—Prohibition).

16. Specialty Metals and Domestic Sourcing

To the extent this Purchase Order is placed under a U.S. Government prime contract or subcontract subject to domestic sourcing restrictions, Seller shall comply with DFARS 252.225-7009 (Restriction on Acquisition of Certain Articles Containing Specialty Metals) and applicable domestic preference statutory and regulatory requirements in effect as of the date of Purchase Order issuance or performance, subject to statutory commercial item and COTS exemptions.

17. Proprietary Information and Non-Disclosure

- **(a) Proprietary Information Defined:** All non-public technical, financial, manufacturing, design, software, trade secret, or commercial information disclosed by Seller ("Disclosing Party") to Buyer ("Receiving Party") constitutes Seller's Proprietary Information.
- **(b) Non-Disclosure & Restrictions:** Buyer shall hold Seller's Proprietary Information in strict confidence, shall not disclose it to any third party, and shall use it exclusively to evaluate or perform the specific Purchase Order. Buyer shall not reverse engineer, decompile, disassemble, or copy any Supplies, software, or technical data.
- **(c) Ownership of Information:** Information provided or exchanged between the parties shall remain the property of the disclosing party.
- **(d) Compliance with Standalone Non-Disclosure Agreements:** Each party shall comply with the terms of any Non-Disclosure Agreement ("NDA") executed between the parties. In the event of any conflict, direct inconsistency, or ambiguity between the terms of an executed



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NDA and these Terms and Conditions, the provision that affords the greater degree of protection, broader scope of non-disclosure, longer confidentiality duration, or stricter limitations on the use of technical data and Intellectual Property ("IP") shall govern and control.

- **(e) Buyer Feedback Ownership:** Any feedback, modifications, recommendations, or custom suggestions provided by Buyer regarding Seller's Supplies or IP shall become the sole and exclusive property of Seller without compensation.

18. Public Release Information

Buyer shall not issue any press release, public announcement, commercial display, or advertisement referencing Seller, this Purchase Order, or the subject matter hereof without Seller's prior written consent

19. Limitation of Liability

- **(a) WAIVER OF CONSEQUENTIAL DAMAGES:** IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES, INCLUDING LOSS OF PROFITS, LOSS OF REVENUE, LOSS OF DATA, LOSS OF USE, COST OF CAPITAL, DOWNTIME COSTS, OR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE PERFORMANCE OR BREACH HEREOF, REGARDLESS OF THE THEORY OF LIABILITY (CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, OR INDEMNITY) AND EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
- **(b) AGGREGATE LIABILITY CAP:** IN NO EVENT SHALL SELLER'S TOTAL AGGREGATE LIABILITY FOR ALL CLAIMS OF ANY KIND ARISING OUT OF OR RELATED TO THIS PURCHASE ORDER EXCEED THE TOTAL PURCHASE PRICE ACTUALLY RECEIVED BY SELLER FOR THE SPECIFIC UNIT OR PRODUCT GIVING RISE TO THE LIABILITY.
- **(c) EXCLUSIVE REMEDY:** BUYER EXPRESSLY AGREES THAT THE REMEDIES PROVIDED IN SECTION 20 (WARRANTY) ARE BUYER'S SOLE AND EXCLUSIVE REMEDIES.

20. Exclusive Limited Warranty

- **(a) Workmanship Warranty:** Seller warrants solely to Buyer that Supplies manufactured by Seller shall be free from defects in Seller's workmanship for a period of **one (1) year from date of shipment**. Seller's sole obligation, and Buyer's sole and exclusive remedy, for breach of warranty shall be for Seller, at its sole option, to repair the defective item, furnish a replacement, or issue a credit equal to the purchase price paid.
- **(b) Exclusions & Disclaimers:** Third-party components carry only original manufacturer pass-through warranties. Seller's warranty is VOID if Supplies have been: (i) subjected to misuse, neglect, improper storage, accident, or damage; (ii) modified, altered, or repaired by anyone other than Seller; (iii) manufactured to Buyer's designs or specifications; or (iv) subjected to defective Buyer-provided test equipment or software.
- **(c) EXCLUSION OF ALL OTHER WARRANTIES: THE SOLE REMEDY UNDER THIS WARRANTY SHALL BE THE REPAIR, REPLACEMENT OR CREDIT FOR DEFECTIVE**



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PARTS AS STATED ABOVE. THIS WARRANTY IS IN LIEU OF ANY OTHER WARRANTIES EITHER EXPRESS OR IMPLIED, INCLUDING MERCHANTABILITY, NON-INFRINGEMENT, COMPLIANCE WITH RESTRICTION OF HAZARDOUS SUBSTANCES ("RoHS") AND WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT ("WEEE") (AND SIMILAR LEGISLATION IN OTHER COUNTRIES), AND FITNESS FOR A PARTICULAR PURPOSE.

21. Intellectual Property and Software Rights

- **(a) Background Intellectual Property:** Seller retains all right, title, and interest in and to all patents, trade secrets, copyrights, mask works, designs, software, firmware, specifications, processes, technical data, and other Intellectual Property ("IP") owned by or licensed to Seller prior to the date of this Purchase Order or developed independently outside the scope of this Agreement ("Background IP"). Neither the sale of Supplies nor the performance of services hereunder shall be construed as granting Buyer any license, title, or right in or to Seller's Background IP, except as expressly set forth herein.
- **(b) License:** Subject to full payment by Buyer, Seller grants to Buyer a non-exclusive, non-transferable, royalty-free license to use Seller's proprietary software and technical data embedded in or provided with the Supplies solely for the operation, maintenance, and internal use of the Supplies delivered under this Agreement.
- **(c) Foreground IP:** Unless expressly agreed otherwise in a separate written research and development contract signed by an authorized officer of Seller, all IP, inventions, developments, improvements, and trade secrets conceived, created, or reduced to practice by Seller in the performance of this Purchase Order shall remain the sole and exclusive property of Seller.

22. Commercial Product Status and Technical Data Rights

Supplies delivered under government end-use qualify as Commercial Products/Services under FAR 2.101. Technical data and computer software delivered carry strictly Limited Rights and Restricted Rights pursuant to FAR 12.211/12.212 and DFARS 252.227-7015. In no event shall Buyer or the U.S. Government receive Unlimited Rights in Seller's Background IP.

23. Disputes and Choice of Law

- **(a)** The Parties shall attempt to resolve any disputes arising out of or in connection with this Agreement through good faith negotiations.
- **(b)** In the event the Parties cannot resolve a dispute through negotiation, the Parties agree that the state courts located in Madison County, Alabama and the federal courts located in the Northern District of Alabama (Huntsville Division) shall have exclusive jurisdiction and venue to adjudicate any and all disputes arising out of or in connection with this Agreement. The Parties consent to the exercise by such courts of personal jurisdiction over them and each Party waives any objection it might otherwise have to venue, personal jurisdiction, inconvenience of forum, or any similar or related doctrine.
- **(c)** This Agreement shall be construed and governed in accordance with the substantive laws of the State of Alabama (excluding its conflicts of laws principles). Provided, however, that any dispute arising out of or related to a U.S. Government prime contract or subcontract shall



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be governed by the federal common law of government contracts as articulated and applied by federal judicial bodies, boards of contract appeals, and federal administrative agencies.

- **(d)** The provisions of the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. The prevailing Party shall be entitled to recover its costs and reasonable attorney's fees from the non-prevailing Party in any action brought to enforce this Agreement.

24. Patent, Copyright, and Trademark Indemnity

Buyer agrees to notify Seller promptly in writing of any notice, suit or other action against Seller based upon a claim that the supplies delivered by Seller under this Purchase Order, infringe a U.S. patent, copyright, or trade secret of a third party. Seller will defend at its expense any such action, except as excluded below, and shall have full control of such defense, including all appeals and negotiations, and will pay all settlement costs or damages awarded against Buyer, but Seller shall not be liable to Buyer for any indirect, consequential or incidental damages, including but not limited to, loss of profits.

In the event of such notice, suit or action, Seller may at its option and at its expense procure for Buyer the right to continue using the equipment or modify the equipment to render such non-infringing, or accept return of the equipment and replace such with substantially equivalent non-infringing equipment, or accept return of the equipment and refund or credit to Buyer the amount of the original purchase price, less a reasonable charge for depreciation and damage.

The preceding agreements by Seller in this section shall not apply:

1. to any equipment or portion thereof manufactured to specifications furnished by or on behalf of Buyer;
2. to any infringement arising out of the use of the equipment in combination with other equipment not furnished by Seller;
3. to use in a manner not normally intended;
4. to any patent, copyright, or trade secret in which Buyer, or subsidiary or affiliate thereof, has a direct or indirect interest;
5. if Buyer did not provide Seller with prompt notice, authority, information and assistance necessary to defend the action;
6. if any supply to be furnished under this Purchase Order is to be delivered to the U.S. Government, unless Buyer's contract with the Government for the product obligates Buyer to provide indemnification to the Government for intellectual property rights infringement, but in that event, only to the same extent as Buyer's obligation. The foregoing states the entire liability of Seller for patent, copyright, trademark and trade secret infringements by the equipment delivered by Seller under this Purchase Order.

25. Termination for Default

- **(a)(1)** The Buyer may, subject to paragraphs (b) and (c) of this clause, by written notice of default to the Seller, terminate this Purchase Order in whole or in part if the Seller fails to --
 - **(i)** Deliver the supplies or to perform the services within the time specified in this Purchase Order or any extension;
 - **(ii)** Make progress, so as to endanger performance of this Purchase Order (but see subparagraph (a)(2) of this clause); or



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- **(iii)** Perform any of the other provisions of this Purchase Order (but see subparagraph (a)(2) of this clause).
- **(2)** The Buyer's right to terminate this Purchase Order under subdivisions (a)(1)(ii) and (1)(iii) of this clause, may be exercised if the Seller does not cure such failure within 10 days (or more if authorized in writing by the Buyer) after receipt of the notice from the Buyer specifying the failure.
- **(b)** The Seller shall not be liable for any excess costs if the failure to perform the Purchase Order arises from causes beyond the control and without the fault or negligence of the Seller. Examples of such causes include acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather, and failure or delay in delivery by Seller's suppliers or subcontractors.
- **(c)** If this Purchase Order is terminated for default under paragraph (a), the Buyer may require the Seller to transfer title and deliver to the Buyer, in the manner and to the extent directed by Buyer: (1) completed Supplies, and (2) partially completed Supplies, raw materials, and parts specifically produced or acquired for the terminated portion of this Purchase Order. Provided, however, that nothing herein shall grant Buyer title to, or possession of, Seller's standard commercial tooling, dies, jigs, fixtures, equipment, or pre-existing proprietary IP. Payment for completed Supplies delivered to and accepted by Buyer shall be at the Contract price. Payment for manufacturing materials delivered to and accepted by Buyer shall be in an amount agreed upon by the Parties.
- **(d)** Upon direction of the Buyer, the Seller shall also protect and preserve property in its possession in which the Buyer has an interest.
- **(e)** If, after termination, it is determined that the Seller was not in default, or that the default was excusable, the rights and obligations of the parties shall be governed by the Termination for Convenience by Buyer clause of this Agreement, and Seller's recovery shall be limited to the remedies provided therein.
- **(f)** The rights and remedies of the Buyer in this clause are in addition to any other rights and remedies provided by law or under this Purchase Order.

26. Termination for Convenience by Buyer

- **(a)** Buyer may, by written notice to Seller, terminate this Purchase Order, in whole or in part, when it is in Buyer's interest to do so.
- **(b)** Upon receipt of such notice, Seller shall immediately stop work on the date and to the extent specified in the notice, terminate or modify subcontracts and purchase orders as appropriate to mitigate costs, and take all reasonable steps to protect and preserve property in its possession in which Buyer has an interest.
- **(c)** In the event of a termination for convenience by Buyer, Seller shall be entitled to submit a termination settlement proposal and recover from Buyer:
 1. **Completed Work:** The Contract price for all Supplies delivered or services performed and accepted by Buyer prior to the effective date of termination;
 2. **Incurred Costs & Committed Material:** All allowable actual costs incurred by Seller in the performance of the work terminated, including work-in-process and non-cancellable commitments for materials or vendor subcontracts;
 3. **Indirect Costs:** Applicable indirect costs, including General and Administrative ("G&A") overhead rates;



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4. **Settlement Expenses:** Reasonable settlement expenses, including legal, accounting, clerical, storage, handling, and administrative costs necessary for the preparation of settlement claims and termination of subcontracts; and
 5. **Reasonable Profit:** A reasonable profit on the work performed prior to termination, calculated as a percentage of actual costs incurred; provided, however, that if it appears Seller would have sustained a loss on the entire Purchase Order had it been completed, no profit shall be allowed and an appropriate adjustment shall be made reducing the settlement amount.
- **(d)** In no event shall the total amount payable to Seller under this clause exceed the total Purchase Order price, reduced by the amount of payments previously made and the Purchase Order price of work not terminated.
 - **(e)** Seller shall submit its final termination settlement proposal to Buyer within six (6) months from the effective date of termination (or within one (1) year if issued under a U.S. Government Prime Contract or Subcontract).

27. Termination by Seller

Seller may terminate this Purchase Order if Buyer defaults in a material respect in the payment of money to Seller under this Purchase Order and fails to cure such default within ten (10) days after receiving written notice of its decision immediately to terminate this Purchase Order. If Seller terminates this Purchase Order based on Buyer's breach, then the Seller shall be entitled to damages, including lost profits the Seller would have realized, had the Seller been permitted to perform in accordance with the Purchase Order.

28. Assignment

Buyer shall not assign, transfer, or delegate this Purchase Order or any rights/obligations hereunder without Seller's prior written consent. Seller may assign this Purchase Order, or subcontract performance, in its sole discretion.

29. Orders Issued Under Government Prime or Subcontracts

Mandatory FAR/DFARS clauses set forth in Addendum A shall apply solely to the extent required by federal law for government end-use. In the event of any conflict between Buyer flow-downs and these Terms, these Terms shall control. All non-mandatory or custom Buyer flow-downs are expressly rejected.

30. Compliance with Laws, Ethics, Whistleblower Protections, and Anti-Corruption

Both parties shall comply with all applicable international, federal, state, and local laws, regulations, and executive orders. Without limiting the generality of the foregoing, each party represents and warrants that it will comply with the U.S. Foreign Corrupt Practices Act ("FCPA"), the U.S. Anti-Kickback Act, FAR 52.203-13 (*Contractor Code of Business Ethics and Conduct*), 10 U.S.C. 4701 and FAR 52.203-17 (*Whistleblower Protections*), trade sanction regulations administered by the Office of Foreign Assets Control ("OFAC"), and applicable anti-trafficking laws.



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31. Survivability

The following provisions shall survive the completion, expiration, or termination (whether for convenience or default) of this Purchase Order: Section 12 (U.S. Export License and Transfer Approvals), Section 17 (Proprietary Information and Non-Disclosure), Section 18 (Public Release Information), Section 19 (Limitation of Liability), Section 20 (Exclusive Limited Warranty—specifically exclusions and disclaimers), Section 21 (Intellectual Property and Software Rights), Section 23 (Disputes and Choice of Law), Section 33 (Artificial Intelligence ("AI") and Machine Learning Restrictions), and any rights, obligations, or remedies under Section 25 (Termination for Default), Section 26 (Termination for Convenience by Buyer), or Section 27 (Termination by Seller) regarding post-termination payments, property disposition, and settlement calculations.

32. Restocking

Restocking may be accepted with specific written approval of Seller. Special products shall be subject to all expenditures made and committed for this order with a reasonable allowance for prorated expenses and profit. All authorized returns will be subject to a restocking charge of 20%.

33. Artificial Intelligence ("AI") and Machine Learning Restrictions

- **(a) Absolute Ingestion Restriction:** Buyer shall not input, upload, or process any of Seller's Proprietary Information, technical data, designs, CUI, CDI, or ITAR/EAR data into any public, open-source, or third-party AI, Large Language Model ("LLM"), or automated tool.
- **(b) AI Exploitation Prohibition:** Buyer shall not use AI or automated scraping tools to extract, reverse engineer, or crawl Seller's software, algorithms, or Background IP.
- **(c) Ownership of AI Developments:** All AI tools, algorithms, model adjustments, or improvements developed or generated by Seller remain Seller's sole and exclusive IP.
- **(d) Buyer AI Disclaimer:** Seller disclaims all liability and warranties for any performance failures or defects resulting from Buyer-mandated AI design tools or software.

34. Waiver

No waiver by Seller of any breach or provision shall constitute a waiver of any other or subsequent breach.

35. Severability

If any provision is held invalid or unenforceable, all remaining provisions shall continue in full force and effect.



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ADDENDUM A
Mandatory U.S. Government Prime & Subcontract Flow-Down Clauses
(Commercial, Non-Commercial, and Defense Acquisitions)

1. Applicability & Incorporation by Reference: The Federal Acquisition Regulation ("FAR") and Defense Federal Acquisition Regulation Supplement ("DFARS") clauses listed herein are incorporated by reference with the same force and effect as if set forth in full text, solely to the extent applicable based on contract value, scope of work, end-use, or statutory/regulatory criteria in effect as of the date of Purchase Order issuance.

2. Inapplicability & Carve-Outs: The clauses set forth in this Addendum A shall not apply to this Purchase Order, and Seller shall have no compliance obligations hereunder, if:

- (a) The Purchase Order is a purely commercial transaction not issued under or in support of a U.S. Government prime contract or subcontract;
- (b) The Purchase Order dollar value does not meet or exceed the mandatory statutory or regulatory threshold specified for a given clause;
- (c) The Supplies, Products, or Services qualify for statutory, regulatory, or Commercial Off-The-Shelf ("COTS") exemptions;
- (d) The clause is a DoD/DFARS requirement and the Purchase Order is placed under a non-defense civil agency contract; or
- (e) The underlying U.S. Government prime contract or higher-tier subcontract does not mandate the flow-down of such clause to Seller.

3. Seller Reservation of Rights: This list is subject to change and may be modified, updated, or supplemented by Seller as needed to reflect changes in federal acquisition regulations, statutory updates, or specific prime contract flow-down requirements in effect at the time of order issuance.

4. Substitution of Terms: Where necessary to make the context of these clauses applicable to this Purchase Order:

- (a) "Government," "Contracting Officer," and "Agency" shall mean Buyer;
- (b) "Contractor" or "Prime Contractor" shall mean Seller (or Buyer, as applicable to the supply chain tier); and
- (c) "Subcontractor" shall mean Seller (where Seller is performing as a subcontractor to Buyer) or Seller's lower-tier subcontractors, as the context requires.



**SCI TECHNOLOGY, INC. ("SCI")
STANDARD TERMS AND CONDITIONS OF SALE**

I. Mandatory FAR Flow-Down Clauses

Clause Number	Clause Title	Applicability / Threshold Criteria
FAR 52.203-13	Contractor Code of Business Ethics and Conduct	Applicable if contract exceeds \$6,000,000 and performance period exceeds 120 days.
FAR 52.203-17	Contractor Employee Whistleblower Rights	Applicable to all subcontracts exceeding the simplified acquisition threshold.
FAR 52.203-19	Prohibition on Requiring Certain Internal Confidentiality Agreements or Statements	Applicable to all subcontracts.
FAR 52.204-21	Basic Safeguarding of Covered Contractor Information Systems	Applicable to subcontracts where hardware/software processes covered info (excludes COTS).
FAR 52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab Covered Entities	Applicable to all subcontracts.
FAR 52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment	Applicable to all subcontracts (NDAA Section 889 compliance).
FAR 52.204-27	Prohibition on a ByteDance Covered Application	Applicable to all subcontracts involving access to executive agency IT (TikTok prohibition).
FAR 52.204-30	Federal Acquisition Supply Chain Security Act (FASCSA) Orders—Prohibition	Applicable to all subcontracts for covered items or services subject to FASCSA orders.
FAR 52.219-8	Utilization of Small Business Concerns	Applicable if Purchase Order offers further subcontracting opportunities.



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Clause Number	Clause Title	Applicability / Threshold Criteria
FAR 52.222-21	Prohibition of Segregated Facilities	Applicable to all non-exempt subcontracts.
FAR 52.222-26	Equal Opportunity	Applicable to all non-exempt subcontracts exceeding \$10,000.
FAR 52.222-35	Equal Opportunity for Veterans	Applicable to subcontracts of \$150,000 or more.
FAR 52.222-36	Equal Opportunity for Workers with Disabilities	Applicable to subcontracts exceeding \$15,000.
FAR 52.222-37	Employment Reports on Veterans	Applicable if FAR 52.222-35 applies (\$150,000 or more).
FAR 52.222-40	Notification of Employee Rights Under the National Labor Relations Act	Applicable if subcontract exceeds \$10,000 and is performed in the United States.
FAR 52.222-50	Combating Trafficking in Persons	Applicable to all subcontracts.
FAR 52.229-6	Taxes—Foreign Fixed-Price Contracts	Applicable to fixed-price subcontracts performed outside the U.S.
FAR 52.232-40	Providing Accelerated Payments to Small Business Subcontractors	Applicable when Buyer receives accelerated payments from the U.S. Government.
FAR 52.245-1	Government Property	Applicable when Government-Furnished Property (GFP/GFM) is provided or acquired.



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Clause Number	Clause Title	Applicability / Threshold Criteria
FAR 52.247- 64	Preference for Privately Owned U.S.- Flag Commercial Vessels	Applicable to subcontracts involving ocean transport of supplies.
FAR 52.249-2	Termination for Convenience of the Government (Fixed-Price)	Applicable to fixed-price subcontracts issued under or in support of U.S. Government prime contracts.

II. Mandatory DoD / DFARS Flow-Down Clauses

Clause Number	Clause Title	Applicability / Threshold Criteria
DFARS 252.204- 7012	Safeguarding Covered Defense Information and Cyber Incident Reporting	Applicable to defense subcontracts involving CDI or cyber support services.
DFARS 252.204- 7015	Notice of Authorized Disclosure of Information for Litigation Support	Applicable to all DoD subcontracts.
DFARS 252.204- 7018	Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services	Applicable to all DoD subcontracts.
DFARS 252.204- 7020	NIST SP 800-171 DoD Assessment Requirements	Applicable when DFARS 252.204- 7012 applies.
DFARS 252.223- 7008	Prohibition of Hexavalent Chromium	Applicable to all DoD subcontracts for supplies, maintenance, or construction.



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Clause Number	Clause Title	Applicability / Threshold Criteria
DFARS 252.225- 7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals	Applicable when specialty metals are incorporated into defense items delivered.
DFARS 252.225- 7013	Duty-Free Entry	Applicable when supplies qualify for duty-free entry into the U.S.
DFARS 252.225- 7048	Export-Controlled Items	Applicable to all subcontracts involving export-controlled technical data or supplies.
DFARS 252.227- 7015	Technical Data–Commercial Products and Commercial Services	Applicable when technical data for commercial items is delivered under DoD orders.
DFARS 252.227- 7037	Validation of Restrictive Markings on Technical Data	Applicable to all DoD subcontracts requiring technical data delivery.
DFARS 252.244- 7000	Subcontracts for Commercial Products or Commercial Services	Applicable to commercial item subcontracts under DoD prime contracts.
DFARS 252.245- 7005	Management and Reporting of Government Property	Applicable when Government property is provided or acquired under the order.
DFARS 252.246- 7007	Contractor Counterfeit Electronic Part Detection and Avoidance System	Applicable to DoD subcontracts for electronic parts or assemblies containing electronic parts.
DFARS 252.246- 7008	Sources of Electronic Parts	Applicable when procuring electronic parts or assemblies containing electronic parts.
DFARS 252.247- 7023	Transportation of Supplies by Sea	Applicable to subcontracts involving maritime transport of defense supplies.



SCI TECHNOLOGY, INC. ("SCI") STANDARD TERMS AND CONDITIONS OF SALE
