

PURCHASE ORDER ("Order") TERMS AND CONDITIONS FOR AVCTechnologies USA, Inc. and its subsidiaries, affiliates, successors and assigns (collectively, "AVCT" or "Buyer").

**1. DEFINITIONS.**

"**Deliverables**" means goods and/or services delivered per these terms and conditions including but not limited to all professional services, installation, commissioning, maintenance and all data, drawings, prints, plans and documentation necessary for Buyer to manufacture, modify, enhance, translate, use, support, compile, configure, create derivative works based on and/or integrate the Deliverables in any form or manner. "**Seller**" means the supplier identified on this Order. "**Subsidiary**" means AVCT and any other entity that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with AVCT.

**2. ORDER ACCEPTANCE.** Subject to Section 20 below entitled "*Existing Purchase Agreement*" this Order is limited to the terms and conditions contained on the face of the Order and the terms and conditions contained herein. Any additional or different terms proposed by Seller in any quotation, acknowledgement, invoice or any other document are deemed to be material alterations and notice of objection to them is deemed to have been hereby given. Any such proposed terms shall be void and the terms and conditions contained herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties regarding the subject matter contained herein. Buyer may revoke, amend, or modify this offer at any time prior to the Seller's acceptance. Seller's acceptance of this Order shall be evidenced by a written acknowledgement, shipment of goods or the commencement of services to be performed.

**3. PRICE, PAYMENT AND TAXES.** All prices shall be as stated in this Order and are firm fixed-price. If no price is stated, the price shall be the lowest price currently quoted or charged by the Seller for the same or similar goods or services, but in no event higher than the price most recently quoted or charged to Buyer by the Seller for the same or similar goods or services. The prices are exclusive of applicable sales, use, value added or similar taxes for which the Buyer is obliged to pay the Seller. The Buyer shall not be liable for any taxes or governmental charges or fees with respect to this Order other than those which Seller is required by law to collect from Buyer for the purchased goods and/or services. Seller will provide a valid invoice to the Buyer separately stating all taxes and fees as required. In the event Seller fails to correctly invoice Buyer for the applicable sales, use, value added or similar taxes, Seller agrees to compensate Buyer for any fines, penalties, interest and loss of tax credits resulting from such failure. If required by law, Buyer will withhold taxes and pay such taxes to the applicable taxing authority, and Buyer will pay to Seller the balance of the price, after deducting such taxes. No charges additional to those set out on the face of this Order will be allowed unless agreed to and specifically recited and included in this Order. Buyer will not be obligated to accept any shipment less than or in excess of the quantity of Deliverables specified herein. A reasonable handling fee shall be solely borne by Seller for the handling of rejected shipments less than the quantity of Deliverables specified. Seller bears all risk of loss, return shipping charges and a reasonable handling fee for excess quantity rejected by Buyer.

**4. DELIVERY.** Time is of the essence for this Order. Buyer may cancel all or part of an Order not timely delivered, purchase elsewhere and hold Seller liable for all costs and damages incurred by Buyer. Goods shipped in advance of scheduled deliveries require prior written authorization from Buyer. Buyer will not be liable for goods shipped in excess of scheduled deliveries without prior written authorization.

**5. INSPECTION AND ACCEPTANCE.** All Deliverables sold are subject to inspection and acceptance by Buyer after delivery notwithstanding any payment. After receipt of the Deliverables, Buyer shall have a reasonable time within which to inspect prior to Buyer's acceptance thereof. Nonconforming Deliverables shall be returned freight collect, at Seller's sole cost including but not limited to a handling and packing expense.

**6. WARRANTY.** Seller warrants title to the Deliverables, that it is duly qualified to provide and all Deliverables: (i) conform with the specifications, drawings, samples or other descriptions on the face hereof; (ii) will perform as represented by Seller (even if such representations do not appear on the face hereof; (iii) will be new, merchantable and fit for the use intended by Buyer; (iv) will be free from any liens or encumbrances; (v) will be free from defects in material, workmanship, manufacture and design (where design is Seller's responsibility); and (vi) will be supplied in a professional and workmanlike manner conforming with the generally accepted practices. Seller's warranty shall be effective for a period-of-time as set forth on the face of this Order. If no such period is stated, the warranty shall be effective for a period of at least one (1) year from the date of acceptance by Buyer. This warranty will be extended to Buyer, its resellers, customers, assigns and successors in interest. Buyer may, at its sole option, return to Seller for full credit any Deliverables which do not meet the warranties specified herein or require correction or replacement of such Deliverables, at Seller's sole risk and expense. Packing and shipping shall be at Seller's sole cost.

**7. CHANGES.** Buyer may direct in writing changes to this Order including cancellation, at any time with or without cause, upon written notice to Seller. Equitable adjustments will be made in price or schedule where required. Claims for adjustment must be made in writing no later than ten (10) days from the date of Seller's receipt of Buyer's direction. Seller shall not be excused from proceeding with a change prior to negotiation of any adjustment.

**8. INTELLECTUAL PROPERTY INDEMNITY.** Seller warrants that the Deliverables and the manufacture, sale and use thereof do not and will not infringe any third-party patent, copyright, trademark, trade secret or other proprietary right collectively, "Intellectual Property"). Seller agrees to defend, indemnify and hold harmless Buyer, its employees, agents, distributors, dealers, affiliates, customers and users from all liabilities, obligations, costs and expenses (including reasonable attorneys' fees and costs), claims or demands for actual or alleged infringement of any Intellectual Property arising from the purchase, use or sale of Deliverables required by this Order. Seller acknowledges and agrees that any copyrightable Deliverable(s) made for Buyer shall be a "work made for hire" within the meaning as defined by the applicable law. Seller assigns to Buyer any and all inventions, discoveries, computer programs, software, data technologies, designs, innovations, and improvements, and the related property rights and applications therefore, made or conceived by the Seller or its agents or employees directly or indirectly in connection with the performance of this Order. The Seller hereby appoints any of Buyer's officers as its duly authorized attorney, and the Seller agrees to cooperate to the extent Buyer may reasonably request for the purposes of executing, filing, prosecuting and protecting the foregoing at no additional expense owed to Seller.

**9. INDEMNIFICATION.** Seller shall defend, indemnify and hold Buyer, its employees, agents, distributors, dealers, affiliates, customers and users and Buyer's affiliates harmless from and against all claims, liabilities, losses, expenses and damages as incurred, arising by reason

of any third-party claims or suits for: (i) any breach of these Terms and Conditions; (ii) personal injury or death, damage to tangible property out of or in connection with Seller's performance of this Order, (iii) any claim of Deliverables liability in any way relating to the work performed or Deliverables delivered under this Purchase Order; or (iv) the infringement of any Intellectual Property arising out of the sale or use of Deliverables delivered hereunder. Buyer shall promptly notify Seller of any such claim, and Seller shall control the defense of such claim (subject to Buyer's reasonable approval of counsel) and to cooperate with and provide assistance to Seller, at Seller's expense, in the defense of such claim. Buyer may employ counsel at its own expense to assist it with respect to any such claim; provided, however, that if such counsel is necessary because of a conflict of interest of either Seller or its counsel or because Seller does not assume control, Seller will bear the expense of such counsel.

**10. CANCELLATION FOR CONVENIENCE.**

The Buyer reserves the right, by notice to Seller, to cancel any Order in whole or in part at any time. Upon receipt of such notice, Seller shall immediately discontinue all work, cancel all existing orders for materials and terminate all sub-contracts insofar as they relate to this order and shall take all such other steps as may be required to mitigate its costs by reason of such cancellation.

**11. CANCELLATION FOR DEFAULT.** Buyer may cancel this Order immediately, in whole or in part, in the event Seller: (i) fails to make timely delivery, or (ii) breaches any other term or condition of this Order. Seller shall continue to supply any portion of this Order not canceled. In the event of such cancellation, at Buyer's request, Seller will transfer title to, and deliver to Buyer: (i) any completed Deliverables; (ii) any partially completed Deliverables and (iii) all unique materials and tooling. Prices for partially completed Deliverables and unique materials and tooling accepted shall be negotiated; however, in no event shall such prices exceed the Order price for said Deliverables. Upon the happening of any event or condition which may, in Buyer's good faith judgment, impair Seller's ability to perform hereunder, Buyer may demand, in writing, adequate assurance of Seller's ability to continue performance of this Order. If Seller does not provide written adequate assurance within ten (10) calendar days of receipt of Buyer's demand, Seller shall be deemed to have rejected continued performance hereunder and to have materially breached this Order. In such event, Buyer shall have no further liability hereunder. Notwithstanding the foregoing, Buyer shall be entitled to cancel, without liability any unfilled part of this Order in the event of proceedings, voluntary, or involuntary, in bankruptcy or insolvency, by or against the Seller or in the event of the appointment with or without the Seller's consent, of any trustee or receiver for any substantial portion of the Seller's assets or any assignee for the benefit of its creditors or in the event of the Seller's breach of any provision contained herein. In such event all deposits or prepayments shall be deemed to have been held in trust for Buyer's benefit and shall be returned to Buyer on request.

**12. CONFIDENTIAL INFORMATION.** All information furnished or disclosed to Seller by Buyer in connection with this Order which is identified as "Confidential" or "Proprietary", is disclosed in circumstances of confidence, or would be understood by the parties, exercising reasonable business judgment, to be confidential due to the nature of the information or circumstance of disclosure, shall remain the property of Buyer and shall not be disclosed to any third-party without Buyer's written consent. Seller shall not use any such information for any purpose other than to perform this Order. If requested, Seller shall execute Buyer's Non-Disclosure Agreement before receipt of any such confidential information. Seller will return, upon demand, all such confidential information to Buyer upon completion by Seller of its obligations hereunder. The obligations of this paragraph shall survive expiration or termination of this Order.

**13. INVENTIONS AND PROPRIETARY RIGHTS.** Seller shall promptly disclose to Buyer all ideas, inventions, discoveries and improvements made, conceived, compiled or reduced to practice by Seller, solely or jointly with others, related to the performance of, or arising out of, or are paid for by Buyer in connection with this Agreement ("New Developments"). Seller agrees to assign to Buyer all rights, title and interest to all such New Developments. Seller understands and agrees that all New Developments which are subject to copyright protection as defined by the applicable law and that such works constitute and contain valuable propriety assets and trade secrets of Buyer. Seller agrees to execute, at Buyer's request, all documents as may be necessary to grant, transfer and assign all such title and ownership thereof to Buyer. Seller shall obtain written assurances from its employees and contractors of their agreement to these terms.

**14. ASSIGNMENT AND SUBCONTRACTING.** Buyer may assign this order at any time without the consent of Seller. Seller may not delegate, any duties, nor assign any rights or claims under this Order without the prior written consent of Buyer.

**15. COMPLIANCE WITH LAWS.** Seller shall comply with all applicable federal, state, and local country laws, ordinances, codes, rules and regulations in the performance of this Order, including, without limitation, any safety, health and labor laws, and obtain all permits or licenses, required for the manufacture, sale, shipment or installation of the Deliverables ordered.

**16. GOVERNING LAW.** For Deliverables provided to Buyer in the United States, this Order will be governed and construed under the laws of the State of Delaware. The parties consent to exclusive jurisdiction and venue in a court in the State of Delaware. For all other Deliverables provided to Buyer, the laws, jurisdiction and venue of Buyer's physical location in the country where ordered will govern.

**17. RIGHTS AND REMEDIES.** All rights and remedies of Buyer specifically set forth in this Order are in addition to any other rights and remedies provided at law or in equity. If one or more provisions in this Order are invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

**18. SET-OFF.** All claims for money due from Buyer are subject to set-off by Buyer by reason of any counterclaim arising out of any transaction with Seller.

**19. BUYER'S PROPERTY.** All property and material is furnished "AS IS" without warranty to Seller by Buyer and shall be used only in the performance of this Order and shall remain the property of Buyer. Such property and material shall be held at Seller's sole risk and shall be kept insured by Seller at Seller's expense in an amount equal to the replacement cost with loss payable to Buyer. Upon Buyer's request, such property and material shall be returned to Buyer in good condition.

**20. EXISTING PURCHASE AGREEMENT ("Agreement").** In the event that the parties have an existing separate and applicable purchase Agreement, such Agreement shall take precedence over these Order terms.

**21. FORCE MAJEURE.** Neither Party is liable for delays due to causes beyond their reasonable control and without the fault or negligence of the party whose performance is affected, including, but not limited to, acts of God, the government, fires, floods, pandemics, freight embargoes or unusually severe weather. In the event any such cause affects Seller's performance for a period of 10 or more days, Buyer shall have the right to terminate this Order in whole or in part for its convenience pursuant to Section 10.

**22. LIMIT OF LIABILITY.** BUYER'S ENTIRE LIABILITY TO SELLER FOR ANY CLAIMS, DEMANDS, CAUSES OF ACTION, ARISING IN TORT, CONTRACT, OR OTHERWISE, INCLUDING WITH RESPECT TO ANY STATUTORY CLAIM, IS LIMITED SOLELY TO THE PRICE ACTUALLY PAID BY BUYER UNDER THESE TERMS. NOTWITHSTANDING THE FOREGOING

LIMITATION, BUYER SHALL NOT BE LIABLE TO SELLER FOR SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING UNDER THESE TERMS, OR OTHERWISE, WITH RESPECT TO THE SALE, PURCHASE, OR USE OF THE DELIVERABLES, INCLUDING ANY LOST REVENUE OR PROFITS, BUSINESS INTERRUPTION, REGARDLESS OF THE THEORY UPON WHICH ANY CLAIM MAY BE BASED, INCLUDING, WITHOUT LIMITATION, TORT, BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, PRODUCT LIABILITY OR ANY STATUTORY CAUSE OF ACTION.

23. **CERTIFICATES OF ORIGIN.** Upon Buyer's request, Seller agrees to provide a Certificate of Origin (CO) to document the country of origin for any imported Deliverables.

24. **BUSINESS ETHICS.** Seller acknowledges that it has read Buyer's Supplier Code of Conduct found at <https://www.kandy.io/company/company-policies/supplier-code-of-conduct> and agrees to abide by its terms including, but not limited to, its Anti-Bribery provision. Seller further acknowledges that (1) Buyer may update the Supplier Code of Conduct from time to time and (2) Buyer has the right to require Seller to confirm its compliance with Buyer's Supplier Code of Conduct on an annual basis, solely at Buyer's discretion.

25. **SURVIVAL.** All provisions of this Order which, by their terms, require performance after the termination or expiration of this Order or have application to events that may occur after the termination or expiration of this Order, will survive the termination or expiration of this Order.