

PURCHASE ORDER TERMS AND CONDITIONS

1. Goods and Services. Contractor will provide goods or perform services in accordance with the terms and conditions of this Order (in each case a “**Good**” or “**Service**”).

2. Purpose. Company and Contractor have entered into this Order to enable Company to procure Goods or Services from Contractor.

3. Assumptions. The Parties acknowledge and agree to the following assumptions made in connection with this Order:

- (a) **Availability of Goods.** Contractor shall deliver the specified Goods in the quantity and quality required by Company.
- (b) **Compliance with specifications.** The Goods or Services delivered by Contractor must meet the specifications and standards required by Company. Any variations or deviations from these specifications must be mutually agreed to in writing between the Parties.
- (c) **Timely Delivery.** Timely delivery of the Goods and Services is crucial and any delays may impact the project schedule, requiring alternative sourcing by Company, in addition to any other remedy available under this Order or at law.
- (d) **Inspection and Acceptance.** Company may conduct an inspection upon delivery of the Goods or Services and at other times as set forth in this Order. Any reported discrepancies, damages, or quality issues shall be resolved by Contractor according to the terms of this Order.
- (e) **Contractor subcontractors.** If Contractor engages a subcontractor pursuant to the terms of this Order, such subcontractors shall meet contractual obligations similar to the terms of this Order.

4. Acceptance of Terms. Contractor agrees to be bound by and to comply with all terms and conditions set forth in this Order, including any amendments, supplements, specifications and other documents referred to herein. ANY ADDITIONAL TERMS OR CONDITIONS IN ANY DOCUMENTS SUBMITTED BY CONTRACTOR, WHETHER BEFORE OR AFTER THE ORDER EFFECTIVE DATE, ARE EXPRESSLY REJECTED AND SUPERSEDED BY THIS ORDER, AND ALL SUCH TERMS AND CONDITIONS ARE NULL AND VOID AB INITIO. Contractor accepts and shall be bound by the terms and conditions of this Order upon the earlier of (1) the date on which it executes and returns the acknowledgment copy or (2) when it commences performance. No other form of acceptance shall be binding on Company.

5. Change Orders. Company may at any time, in writing, direct or authorize Contractor to make changes or modifications within the general scope of this Order. If such changes or modifications require an increase or decrease in the amount due or in the time required for performance, such matters shall be agreed upon in writing prior to proceeding with the change. No payment shall be made by Company for any change or modification not so directed or authorized prior to proceeding with the change.

6. Rates. Unless otherwise stated on this Order, the Rates include all packaging, dunnage, containers, etc. to protect the Goods in transit.

(a) **General Requirements.**

(i) All Rates are firm and are not subject to increase for any reason, including changes in market conditions, increases in raw material, components, labor, or overhead costs, or because of labor disruptions, changes in program timing or length, or fluctuations in production volumes, for the entire term of the Order. All Rates shall remain fixed and firm irrespective of the actual quantity of Goods or Services requested by Company under the Order. Company shall not pay for any Rates which are not included or mentioned in this Order.

(ii) All Rates stated herein shall be in [United States dollars] and all payments under Order shall be done in such currency.

(iii) The Rates do not include business travel expense costs, which are to be reimbursed by Company on a pre-approved project-required basis.

(iv) The descriptions of Rates herein are only intended for identification of each price element under the Order; such descriptions are not intended as an exhaustive detailing of each activity or part referenced to.

(v) The Order is intended to apply for Services performed and delivered in the United States of America but may include periodic site visits to Mexico by Contractor. Any services that require the establishment of a permanent presence in Mexico by Contractor or the full-time presence of its personnel in Mexico (“Site Services”) will be developed and provided for under the Order entered between Company and Contractor. Company shall not require Contractor, for the performance of the Services hereunder, to deploy and of the Contractor’s personnel so as to be either physically present outside of the United States of America for 183 days or more in any twelve-months period or establish a permanent presence in Mexico and Contractor, for the performance of the Services hereunder, shall not deploy and of its personnel so as to be physically present outside of the United States of America for 183 days or more in any twelve month period or establish permanent presence in Mexico without first establishing the same in the Order.

(b) **All-Inclusive Rates.**

The Rates shall include, but not necessarily be limited to, the following:

(i) All costs associated with the management to supervise, plan, schedule, progress and control the execution of the Order.

(ii) All costs associated with the provision of all necessary permits and licenses to ensure the provision of the Goods and Services in accordance with Applicable Law, as well as to keep all of them up to date and valid along the duration of the Order.

(iii) All costs associated with Contractor’s and Subcontractor’s compliance with Applicable Law in respect to the performance of the Order.

(iv) Contractor’s overheads, commercial commissions/fees and profit; and any other costs arising from the performance of the Order that are not specifically excluded by reference thereto in the Order.

(v) All costs associated with the issuance, review/revision, handling, and delivery of all documentation required for the due and proper execution and full completion of the Order, including translations.

(vi) All costs and expenses relating to packing, crating, boxing, transporting, loading, and unloading, customs, Taxes, tariffs

and duties, insurance, and any other similar financial contributions or obligations relating to the production, manufacture, sale, and delivery of the Goods and the performance of Services.

(vii) All labor costs for provision of the Services and manufacture, transportation and delivery of Goods are fully burdened, such as: salaries, wages, allowances, bonuses, social charges, fringe benefits, weekend/holiday/sick leave and other subsistence, and other allowances (statutory or otherwise).

(viii) All costs associated with compliance with Company and Contractor safety requirements, including but not limited to adherence to Security and HSSE Rules provided in the Order.

(ix) All financial charges on capital employed.

7. Invoicing. Each invoice must reference the Order number, Contractor's name, the invoice date, invoice number, the remit to address, the applicable payment terms, Company's name, and, if applicable, wire information. The invoice should properly identify and separately itemize (1) the charges and amounts for the Goods and Services; and (2) any state sales or use taxes payable by Contractor, as well as any freight, installation, technical service, or other charge which is exempt from such tax. If Contractor's invoice does not match the Rates, Company shall pay Contractor the lesser amount. Contractor will be notified of the reason for the adjustment and Contractor reserves the right to dispute the adjusted amount. Unless otherwise provided in a milestone payment schedule in this Order, Contractor must provide all invoices for Goods or Services no later than 120 days following completion of the provision of Goods or Services under this Order. Company shall pay any undisputed amounts set forth in an invoice meeting the requirements set out herein within thirty (30) days from Company's receipt of said invoice, subject to any retainage and holdbacks set out in the Order.

8. Quantities. Company is only obligated to purchase the quantity of Goods and/or Services specified in this Order. Unless otherwise agreed to in writing by Company, Contractor shall not make material commitments or production arrangements in excess of the quantities specified in this Order and/or in advance of the time necessary to meet Company's delivery schedule. Should Contractor enter into such commitments or engage in such production, any resulting exposure shall be for Contractor's account. Quantities received in excess of that shown in this Order may be returned by Company at Contractor's risk and expense, including but not limited to any cost incurred by Company related to storage and handling of such goods. Any excess quantities which Company accepts shall be at a price agreed between the parties.

9. Delivery. Time is expressly agreed to be of the essence of this Order and each and every term, condition and provision hereof. If Contractor delivers the Goods or completes the Services later than scheduled, Company may, charge Contractor (1) the reasonable costs incurred by Company in procuring similar Goods from a third party to the extent that such cost exceeds the full amount payable to Contractor under this Order (or, where such amount is yet to be determined, Company's reasonable estimate of such amount), or (2) if applicable, the delay liquidated damages set out in on the face of this Order. Company and Contractor agree that any liquidated damages payable under this Order do not constitute a penalty and that the Parties, having negotiated for such specific liquidated damages and having agreed that the amount of such liquidated damages is reasonable, are estopped from contesting the validity or enforceability of such liquidated damages. In the absence of agreed to liquidated damages on the face of this Order, Company shall be entitled to recover damages that it incurs as a result of Contractor's failure to perform as scheduled. Company's resort to liquidated damages for the delay period does not preclude Company's right to other remedies, damages and choices under this Order other than the

damages resulting from the delay period, including, but not limited to Company's right to terminate this Order for non-delivery. All delivery designations are INCOTERMS 2010. Company may specify contract of carriage in all cases. Failure of Contractor to comply with any such Company specification shall cause all resulting transportation charges to be for the account of Contractor and give rise to any other remedies available at law or equity.

10. Inspection. Notwithstanding prior payments or inspections at the source, all Goods or Services purchased are subject to inspection, test, and approval by Company. Contractor shall provide Company and its representatives with all information concerning the production of the Goods or performance of Services under this Order as Company reasonably requests. Company has the right to inspect Goods and Service to it on or after the delivery date. Company may inspect, or arrange for its representatives to inspect, all or a sample of the Goods or Services, and Company may, without limitation to its other rights under this Order but subject to Article 11 [*Warranties*] below, reject all or any portion of Goods or Services if it determines that such Goods or Services are nonconforming or defective. Any inspection or other action by a Company under this Article will not reduce or otherwise affect Contractor's obligations under this Order, and a Company has the right to conduct further inspections after a Contractor has carried out its remedial actions. Rejected Goods may be returned by the method of transportation selected by Contractor at Contractor's risk and expense. Acceptance of any Goods or Services shall not be deemed to alter or affect the obligations of Contractor or the rights of Company under any other term or condition of this Order.

11. Warranties. Contractor expressly warrants that (1) all Goods and Services furnished pursuant to this Order shall be provided in strict accordance with all specifications, drawings, designs or other requirements approved or adopted by Company, and be free from defects in design, materials and workmanship, and be fit for the uses and purposes intended by Company, (2) no Claim, lien, or action exists or is threatened against Contractor that would interfere with Company's use or sale of the Goods, (3) Company will receive good and valid title to the Goods and Goods, free and clear of all encumbrances and liens of any kind, (4) all Goods are new and do not contain used or reconditioned parts unless otherwise specified in this Order, and (5) Contractor shall perform the Services using personnel of required skill, experience, and qualifications and in a professional and workmanlike manner in accordance with best industry standards for similar services. Contractor shall pass through or assign to Company any third-party warranty which Contractor receives in connection with any third-party goods and materials purchased by Company for incorporation into the Goods or for on-sale to Company.

The foregoing warranties shall apply for a period of 24 months from the date of Contractor's delivery of all Goods to destination and performance of the all the Services. If any of the Goods and/or Services are found to be defective or otherwise not in conformity with the warranties in this Article 11 [*Warranties*] during the warranty period, then Company, at its options and sole discretion and at Contractor's expense may (1) require that Contractor repair or replace/ re-perform any nonconforming Goods and/or Services within a reasonable time; (2) take such actions as may be required to cure all defects and/or bring the Goods and/or Services into conformity with all requirements of this Order, in which case all related costs and expenses shall be for Contractor's account and Company may set-off such costs against any payment obligations it has to Contractor; or (3) reject and return all or any portion of such Goods and/or Services.

Contractor shall promptly reimburse Company for any and all damages and repair costs resulting from, or due to, any deficiencies in the Goods and/or Services supplied by Contractor. Any repaired or replaced Goods, or part thereof, or re-performed Services shall

carry warranties of the same terms as set forth above, with the warranty period being the greater of the original unexpired warranty or 24 months after repair or replacement.

12. Subcontractors. Contractor, at its own cost, agrees to use, and agrees that it shall require each of its subcontractors, if any, to use, only personnel who are qualified and properly trained and who possess every license, certificate or other approval required to enable such personnel to perform their work involving any part of Contractor's obligations under this Order. Contractor will always be responsible for the acts and omissions of such subcontractors, the costs of which are included in the price of Goods or Services provided in this Order. Contractor shall ensure that all individuals, whether employees, subcontractors, or agents, or anyone acting for or on behalf of Contractor under this Order are bound in writing by the confidentiality provisions of this Order. Company has the right to disapprove the use of one or more of Contractor's or subcontractor's employees performing the Services, and upon such notice of disapproval, Contractor shall immediately cease the use of such individual(s) in performing the Services.

13. Independent Contractor.

13.1 Contractor's Relationship with Company. Contractor is an independent entity fully responsible for controlling and directing its respective employees and subcontractors. Contractor's agents, employees, or servants shall not bind, Company. This Order does not create any partnership, joint venture, or other similar arrangement between the parties thereto.

13.2 Individuals Performing Services; Benefits and the Patient Protection and Affordable Care Act of 2010, as amended (the "Affordable Care Act"). Regardless of the nature or duration of any assignment with Company, neither Contractor, subcontractor nor any individuals performing Services shall be eligible for or entitled to participate in any of Company's employee benefit plans, programs, policies or practices which may now or in the future be in effect, including, without limitation, any pension, retirement, or 401(k) plan; any profit sharing, stock option, bonus or incentive compensation plan; any life or health insurance plan; any vacation or holiday pay plan; or any separation payment plan. Contractor shall or shall require that the appropriate subcontractor is contractually obligated to, treat individuals performing Services as its employees for the purposes of satisfying the requirements of the Affordable Care Act, including but not limited to the requirements of Internal Revenue Code Section 4980H, the associated reporting requirements of Internal Revenue Code Section 6056, and the requirements of Sections 18A and 18B of the Fair Labor Standards Act. Furthermore, Contractor shall, or shall require that the appropriate subcontractor is contractually obligated to, offer minimum essential coverage that is both affordable and minimum value to all individuals performing Services under this Order who are full-time employees (and their dependents) in accordance with Internal Revenue Code section 4980H and the regulations issued thereunder, provided that the Contractor or applicable subcontractor is a "large employer" subject to section 4980H.

14. Ownership of Intellectual Property.

14.1 Proprietary Rights. Any proprietary rights in any idea, invention, work of authorship, drawing, design, formula, algorithm, utility, tool, pattern, compilation, program, device, method, technique, process, improvement, enhancement, modification, development, discovery, trade secret, patent, copyright or intellectual property, (hereinafter, collectively, "**Proprietary Right**"), whether or not patentable, or copyrightable, or entitled to legal protection as a trade secret or otherwise, that Contractor may conceive, make, develop, create, reduce to practice, or work on, in whole or in part, in the course of delivering Goods or performing Services shall be owned by Company and shall be delivered to

Company upon delivery of the Goods or completion of the Services. Contractor agrees that any such Proprietary Right that is copyrightable shall constitute a "work made for hire". Contractor hereby assigns and grants to Company, without royalty or any further consideration, Contractor's entire right, title and interest in and to any such Proprietary Rights, and in all material and information prepared, accumulated, or developed by Contractor under this Order or identified as such ("**Deliverables**"). Contractor agrees that Company shall own all Deliverables and the Proprietary Rights therein, and, to the extent necessary, Contractor shall execute all assignment or other document necessary to vest title to same in Company. Contractor shall deliver all Deliverables and Work Product, or any portion thereof, to Company upon completion, and in any event before the Order terminates or expires. Deliverables and Work Product are considered Confidential Information under this Order.

14.2 Contractor Material. Unless specifically intended to be transferred to Company as provided elsewhere in this Order, any Proprietary Right conceived, obtained, developed or reduced to practice by Contractor prior to the delivery of Goods or performance of Services ("**Contractor Material**") shall remain the property of Contractor, provided that if any such Contractor Material are used in and become integral with the Goods, Services or incorporated in any Deliverable or Work Product (as defined in Article 14.5), or are necessary for Company to have complete commercial enjoyment of the Goods, Services or Work Product, Contractor hereby grants to Company an irrevocable, assignable, nonexclusive royalty-free unrestricted license ("**License**") as may be required by Company for complete enjoyment of the Goods, Services and Work Product .

14.3 Third-Party Proprietary Rights. Contractor represents and warrants that it owns or otherwise has the right to provide all Goods, Services, Work Product, Deliverables, and Contractor Material to Company and to assign and license Proprietary Rights as provided herein. If the Goods, Services, Deliverables or Work Product includes the Proprietary Rights of third parties ("**Third-Party Goods**"), Contractor shall obtain, at no additional cost to Company, all necessary written license agreements (irrevocable and royalty-free) for Company's use of the Third-Party Goods as incorporated into the Goods, Services and Deliverables.

14.4 Enforcement. If requested by Company, Contractor agrees to take all actions necessary, at Company's sole cost and expense, to obtain, maintain or enforce patents, copyrights, trade secrets and other proprietary rights in connection with any Proprietary Right, and Contractor agrees that its obligations under this Article 14 [*Ownership of Intellectual Property*] shall survive termination or expiration of this Order.

14.5 Work Product. Any and all material and information prepared, accumulated or developed by Contractor, any subcontractor or their respective employees or representatives, or anyone acting on Contractor's behalf, including, without limitation, documents, drawings, designs, calculations, maps, plans, work plans, text, filings, estimates, manifests, certificates, books, specifications, sketches, notes, reports, summaries, analyses, data models and samples, calculations, operating and maintenance procedures and manuals and other tangible manifestations including information in electronic or optical storage, and preliminary or draft materials developed in connection therewith, that (a) are prepared or accumulated by or on behalf of a Contractor in the course of providing Goods or performing Services or (b) constitute a Deliverable, (hereinafter, collectively "**Work Product**") shall become the sole property of Company without any further consideration to be provided therefore:(a) if Work Product is incorporated into any Deliverable and (b) is necessary for full commercial enjoyment of such Deliverable. Contractor agrees that Company will own all Proprietary Rights in Work Product, and, to

the extent necessary, Contractor shall execute all assignments, Licenses, and other documents necessary to vest title to same in Company.

14.6 Non-Infringing. Contractor represents and warrants that the Goods, Services and Work Product shall not infringe or violate any trade secret, trademark, trade name, copyright, patent or any other intellectual property rights of any person. If a claim is made against Company or any of its affiliates that the Goods, Services or Work Product do infringe or violate any intellectual property rights of any person, Contractor shall, at its expense and at Company's option, (a) refund any amounts paid by Company under this Order, or (b) replace or modify the Goods, Services and Work Product as approved by Company.

15. Indemnity.

15.1 Contractor shall be solely liable for and Contractor shall indemnify, defend and hold Company, and its parent company, subsidiaries, affiliates, and its and their respective directors, officers, shareholders, employees, agents, representatives, successors and assigns (collectively, "**Indemnitees**") harmless from and against any and all claims, actions, suits, proceedings, losses, liabilities, penalties, damages, costs or expenses (including attorneys' fees and disbursements) of any kind whatsoever (collectively, "**Claims**") arising from, related to or in any way resulting directly or indirectly from the activities of Contractor or any subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts they may be liable in the performance of Services or the provision of Goods, including (1) personal injury to or death of any person, or damage to or destruction of property of any person, (2) actual or alleged violation, infringement or misappropriation of any Proprietary Rights, including any Deliverable or Work Product, or any improper use of Confidential Information or other proprietary rights attributable to Contractor, (3) Claims of any kind, whether based upon negligence, strict liability or otherwise, arising out of or connected in any manner to Contractor's or subcontractor's acts or omissions in breach of this Order, (4) Contractor's failure to comply with any term of this Order, (5) actual or alleged violation or non-compliance with applicable laws, or (6) the failure of Contractor to cause any liens to be fully discharged. **The indemnification obligation shall not apply to the extent that injuries, death, loss, damage or destruction is caused by the gross negligence or willful act of Company.**

15.2 Contractor shall, and shall require that all subcontractors are contractually obligated to, indemnify, defend and hold Indemnitees harmless from and against all Claims: (a) asserted by or on behalf of any individual performing work under this Order alleging that, in connection with such work, he or she is entitled to participate in any Indemnitee's employee benefit plans, programs, policies or practices which may now or in the future be in effect, including, without limitation, any pension, retirement, 401(k), profit sharing, stock option, bonus, incentive compensation, life insurance, health insurance, vacation, holiday, or separation payment plan; and (b) arising out of any assertion by the IRS that an individual performing work under this Order is a common law employee of the Company, its parent, subsidiaries or affiliates, including but not limited to any Claims for taxes owed under Internal Revenue Code Section 4980H.

15.3 Contractor assumes exclusive liability for and shall pay before delinquency, all federal, state, regional, municipal or local sales, use, excise and other taxes, charges or contributions imposed on, or with respect to, or measured by the equipment, materials, supplies or labor furnished hereunder, the wages, salaries or other remunerations paid to individuals employed in connection with the performance under this Order and any failure to comply with the Affordable Care Act with respect to individuals performing Services ("**Taxes**"). Contractor shall indemnify, defend and hold Company, and its Indemnitees, harmless from and against any claim, liability,

penalty, interest and expense arising by reason of Contractor's failure to pay such Taxes.

16. Environmental Terms [as applicable if hazardous materials may be involved.]

16.1 Materials. Contractor must provide and utilize materials and equipment, vehicles and containers that are in good condition and suitable for their intended use in the provision of Goods and Services for this Order. These materials and equipment must be maintained, inspected, and operated in compliance with applicable laws. Contractor is responsible for obtaining and keeping all necessary licenses, permits, registrations, certificates, and approvals required by applicable law and governmental authorities.

16.2 Release of Hazardous Material.

"**Hazardous Material**" means any chemical, substance, material, product, controlled substance, object, condition, solid, or hazardous waste, or any combination thereof, which is or may be hazardous to human health or safety or the environment due to its radioactivity, ignitability, reactivity, toxicity, or other harmful or potentially harmful properties or effects. Hazardous Material includes oil or petroleum and petroleum products, asbestos and any asbestos-containing materials, radon, polychlorinated biphenyls (PCBs), urea formaldehyde insulation, lead paints and coatings, and all of those chemicals, substances, materials, products, controlled substances, objects, conditions, and waste. Or any combinations thereof which are currently or become in the future listed, defined, or regulated in any manner by any federal, state, regional, municipal, or local applicable law.

In the event of any unauthorized release of a Hazardous Material, Contractor shall take all reasonable steps to stop and contain such release; report the release as required by applicable law; and clean up the release as required by Company and the applicable governmental authorities.

16.3 Notification. Upon the occurrence of any unauthorized release of Hazardous Material in connection with the provision of Goods and Services, Contractor shall immediately provide Company Representative with a written description of the release; report the release as required by applicable law; and clean up the release as required by Company and the applicable governmental authorities.

Contractor shall also immediately provide Company Representative written notice of: (a) any allegation from any governmental authority that Contractor is not complying with applicable law; and (b) any communication from any governmental authority that affects any permits or licenses necessary to provide the Goods and Services.

16.4 Reports. Within 36 hours of a release involving a Hazardous Material, Contractor shall submit to Company Representative a written report, in the Company-required format, with the name and address of Contractor and any subcontractors involved; Contractor's commercial and environmental liability insurance carrier; any injured or deceased person; and any damaged property. The report must also provide a detailed description of the release including the identification of the Hazardous Material, the date and time of the release, the volume released, and the nature of any environmental contamination; a detailed description of all reports made to any governmental authority; and a description of the actions taken to respond to the release.

16.5 No Transportation of Company's Hazardous Material. Contractor shall not: (i) transport any Hazardous Material that Company generated for purposes of treatment, storage, recycling, or disposal; or (ii) conduct any treatment, storage, recycling, or disposal of any Hazardous Material generated by

Company unless specifically authorized by Company in writing to perform such activities.

16.6 Hazardous Waste Manifest. Company shall, when required by applicable law, provide Contractor with a complete and executed Hazardous Waste Manifest or other shipping documentation for Hazardous Material generated by Company to be transported for treatment, storage, recycling, or disposal. Contractor's transportation, recycling, treatment, storage, or disposal of any such Hazardous Material shall be documented by Contractor utilizing the Hazardous Waste Manifest tracking system or other records as required by applicable law, copies of which shall be provided to Company within ten days of shipment.

16.7 Contractor's Duty to Provide MSDS. Contractor must provide the following information to Company for each material supplied under the Order:

- (a) a completed Material Safety Data Sheet (MSDS) for each material which contains a Hazardous Material; and
- (b) a written statement for each material that is a Mixture or Trade Name Product which contains a Toxic Chemical subject to the reporting requirements of the Emergency Planning and Community and Right-to-Know Act – Section 313 and 40 CFR Section 372 et seq. including:
 - i. (the name and associated CAS (Chemical Abstract Services Registry) number of the Toxic Chemical;
 - ii. the specific concentration at which each such Toxic Chemical is present in each such Mixture or Trade Name Product; and
 - iii. (the weight of each such Toxic Chemical in each such Mixture or Trade Name Product.

17. Insurance.

17.1 General Requirements. On or before this Order Effective Date, and thereafter during its term, Contractor shall maintain and provide Company with current certificates of insurance including applicable endorsements, and renewal certificates of insurance or binders thereafter, executed by a duly authorized representative of each insurer, or by the insurance agent or broker authorized to do so, as evidence of all insurance policies required under this Article 17 [Insurance]. Contractor shall cooperate with the third party vendor hired by Company to obtain certificates of insurance and to monitor compliance with these insurance requirements on Company's behalf. Contractor shall not commence Services until Contractor has obtained all insurance required by this Article and has provided acceptable certificates of insurance evidencing the same. Insurance policies may not be cancelled or materially revised without at least thirty (30) calendar days prior written notice being given to Company and ten (10) days prior written notice in case of cancellation for non-payment of premium Insurance shall be maintained without lapse in coverage until at least 5 years after expiry of this Order. Company and its successors and assigns shall be named as an additional insured by endorsement or blanket endorsement in all policies required in this Article 17 [Insurance] (except for Workers' Compensation and Professional Liability insurance policies). The Commercial general liability insurance policy shall include a severability of interest or cross-liability clause. The required policies, and any of Contractor's policies providing coverage in excess of the required policies, shall provide that the coverage is primary for all purposes and Contractor shall not seek any contribution from any insurance or self-insurance maintained by Company. All required policies of insurance shall be written by companies having an A.M. Best rating of "A-VIP" or better, or equivalent. Contractor shall be solely responsible for any deductible or self-insured retention on insurance required hereunder this Order.

Each policy of insurance maintained by Contractor, except Professional Liability, shall contain a waiver of subrogation in favor of Company. This Article 17 [Insurance] constitutes the minimum insurance and requirements relating to Company, Contractor, Goods, and Services under this Order and shall not in any way limit the amount or scope of liability of Contractor under this Order. Coverage must be at least as broad as the Insurance Services Office Commercial General Liability Coverage, with no sub-limits or wildfire, explosion, collapse, or underground exclusions.

17.2 Commercial General Liability Insurance. Contractor shall carry and maintain an occurrence form commercial general liability policy or policies, insuring against liability arising from bodily injury, death property damage, personal and advertising injury, independent contractors liability, premises/operations, products and completed operations, and broad form/blanket contractual liability covering all operations of Contractor in relation to the provision of Goods and Services under this Order. Such coverage shall be in an amount of not less than \$1,000,000.00 per occurrence. If the policy maintains a policy aggregate, such aggregate shall not be less than twice the per occurrence limit. Defense costs must be provided as an additional benefit and may not be included within the limits of liability.

17.3 Commercial Automobile Liability Insurance. Contractor shall maintain an automobile liability policy or policies insuring against liability for damages because of bodily injury, death, or damage to property, (including loss of use thereof), and occurring in any way related to the use by or on behalf of Contractor in pursuit of the provision of Goods or Services under this Order, including loading or unloading of any of Contractor's automobiles (including owned, non-owned, leased, rented and/or hired vehicles). Such coverage shall be in an amount of not less than \$1,000,000.00 combined single limit. Contractor's automobile liability insurance coverage shall contain appropriate no-fault insurance provisions or other endorsements in accordance with applicable laws. If Services involve hauling hazardous materials, coverage shall include MCS 90 endorsement.

17.4 Workers Compensation & Employers' Liability Insurance. In accordance with the laws of the State(s) in which the Goods and Services will be provided, Contractor shall maintain in force workers' compensation insurance for all of its employees. If applicable, Contractor shall obtain U.S. Longshoremen's and Harbor Workers compensation insurance, separately, or as an endorsement to Workers' Compensation Insurance. Contractor shall also maintain employer's liability coverage in an amount of not less than \$1,000,000.00 per accident and per employee for disease.

17.5 Reports. Contractor shall immediately report to Company, and promptly thereafter confirm in writing, the occurrence of any injury, loss or damage incurred by Contractor or its consultants, subcontractors, sub-subcontractors, suppliers, agents or Contractor's receipt of notice or knowledge of any claim by a third party of any occurrence that might give rise to such a claim. Upon completion of the Services, Contractor shall submit to Company a written summary of all circumstances and occurrences giving rise to such claim.

17.6 Extended Reporting Period Coverage. Notwithstanding any other provision of this Order, Contractor shall purchase and maintain extended reporting period coverage providing that claims first made and reported to the insurance company within three years after the expiry of this Order or cancellation of the insurance policy (and without the new policy having the same retroactive date as the Order Effective Date) will be deemed to have been made during the policy period. Policy or policies must also explicitly include all subcontractors.

18. Assignment. Company may assign in whole or in part its rights and obligations under this Order at any time without the consent of Contractor. Contractor shall not assign or subcontract any of its rights or obligations under this Order without the prior written consent of Company. In no event shall Company's written consent be construed as discharging or releasing Contractor from the performance of its obligations specified in this Order. Contractor shall remain jointly and severally liable with any subcontractor of its rights or obligations

19. Compliance with Laws. Contractor acknowledges its receipt and confirm its understanding of the Sempra Supplier Code of Business Conduct, which is accessible at <https://www.sempra.com/investors/governance/code-of-conduct> (as updated and amended from time to time, "**Supplier Code of Conduct**"). Contractor represents and warrants that it will fully comply with the Supplier Code of Conduct, including the anti-corruption and anti-bribery requirements contained therein.

20. Information Security Requirements.

Contractor shall maximize the security of its people, processes, and technologies, and the people, processes, and technologies of each Seller, throughout the term of this Order, in accordance with the requirements set forth herein and all applicable laws (collectively, the "**IS Requirements**"). Company reserves the right to validate the effectiveness of the IS Requirements, and Contractor shall provide evidence of itself and other third-party independent validation.

20.1 Incident Response and Breach Notification. Contractor shall report any breach or any other security incident, whether internal or external, that compromises or has the potential to compromise the Product(s) to the Sempra Energy Security Operations Center (CFC@sempraglobal.com and +1(866) 734-3457 in the US or (800) 626-6126 in México) within 24 hours of its knowledge of the breach or incident. Thereafter, Contractor shall provide periodic status updates describing actions being taken to mitigate damage or otherwise respond. The first such update should occur no more than 72 hours after Contractor's initial notification to the Sempra Energy Security Operations Center.

20.2 Encryption. Where Company determines that encryption is acceptable to prevent unauthorized disclosure of Company information, Contractor's Product(s) must contain cryptographic controls that satisfy the requirements of FIPS 197 such that Company's sensitive data and information is rendered inaccessible by an unauthorized user. Where Contractor's Product uses encryption keys, the Product must not store hard-coded encryption keys within the source code. Encryption keys must be stored and secured separately from the Product while in transit and while at rest and will be revocable for re-implementation and maintenance.

20.3 Data Security. In the event of a suspected or actual breach or compromise involving Contractor's infrastructure, whether or not in connection with a Product, Company may, in its sole discretion, block or restrict any and all methods and sources of Contractor's access, including communication, connectivity, and integrations (collectively, "**Right to Block**"). Notwithstanding any other Company requirement or obligation in this Order, if Company exercises its Right to Block, Company will have no liability to Contractor arising out of or otherwise connected in any manner thereto. Required Contractor access will only be restored after Contractor has effectively proven, via an independent and competent third party, that the Product and related systems no longer pose a potential or actual threat to Company.

20.4 Destruction. Contractor agrees that when the data retention period has been exceeded, the data is no longer required, or at the request of the Company, Contractor will destroy the data in a

manner that will render it completely unusable and unrecoverable, and will provide Company with a certificate of destruction, upon Company's request.

20.5 Conflicts. Nothing contained herein shall be construed to limit any of Contractor's other obligations regarding nondisclosure or information protection described in this Order.

21. Termination and Suspension.

21.1 Termination for Default. Termination for Default. Upon written notice to Contractor, Company may terminate all or any part of this Order upon the occurrence of any of the following events: (1) Contractor becomes bankrupt or insolvent, (2) Contractor assigns this Order, or sublets any part thereof, without the written authorization of Company, or (3) Contractor fails to perform or violates any of the provisions of this Order. Upon such termination, Company shall have the right to continue and complete the work or any part thereof, by contract or otherwise and Contractor shall be liable to Company for any and all loss, damage, penalties and excess cost incurred by Company caused by Contractor's failure to execute the requirements of this Order. The remedies herein shall be inclusive and additional to any other remedies in law or equity, and no action by Company shall constitute a waiver of any such right or remedy.

21.2 Termination for Convenience. Company may terminate all or any part of this Order at any time for its sole convenience by written notice to Contractor. Termination shall be effective upon actual receipt by Contractor or its representative of the notice, or 48 hours after deposit of the notice in the U.S. mail, whichever occurs first, upon which, Contractor shall immediately cease performance under this Order. Upon termination pursuant to this Article, Company shall pay Contractor for undisputed invoices raised and work performed, prior to termination. Contractor shall promptly return all materials, if any, supplied by Company, comply with the obligations set out in Article 24 [*Confidentiality*].

21.3. Suspension. Company may suspend all or any part of this Order at any time for its sole convenience by giving not less than 10 days advance prior written notice to Contractor. Upon receiving notice of suspension, Contractor shall promptly suspend work to the extent specified, properly caring for and protecting all work in progress and materials, supplies and equipment Contractor has on hand for performance. Upon Company's request, Contractor shall promptly deliver to Company copies of outstanding purchase orders and subcontracts for materials, equipment and/or services for the work and take such action relative to such purchase orders and subcontracts as Company may direct. Company may at any time withdraw the suspension as to all or part of the suspended work by written notice specifying the effective date and scope of withdrawal. Contractor shall resume diligent performance on the specified effective date of withdrawal. Claims for increase or decrease in the cost of or the time required for the performance of any work caused by suspension shall only be pursued pursuant to, and consistent with Article 5 [*Change Orders*].

22. Audit. Company may appoint an employee or a third-party representative to audit any cost, payment, settlement, or other supporting documentation relating to the Goods and Services. The audit will be conducted during normal business hours, following accepted auditing standards. Contractor agrees to fully cooperate with any such audit(s). Contractor must include a similar audit requirement in its agreements with its subcontractors. Contractor shall refund to Company the amount of any exception found in the audit within ten (10) days of receipt of written notice of the exception. If Contractor fails to make such payment, Contractor shall pay interest on any unpaid portion, at a rate of ten percent (10%) per annum, accruing from the date of written notification of

exception(s) to the date Contractor reimburses Company. This right to audit shall extend for a period of three (3) years following the date of final payment under this Order and Contractor shall retain, and shall ensure that each subcontractor retains, all necessary records/documentation for this audit period.

23. No Publicity. Neither Contractor nor its subcontractors shall engage in advertising, promotion, or publicity related to this Order or make public use of Company's Identification, without the prior written consent of Company Representative. "Identification" means any corporate name, trade name, trademark, service mark, insignia, symbol, logo, or any other product, service, or organization designation, or any specification or drawing, or representation owned by Company.

24. Confidentiality. "Confidential Information" means information concerning the ownership, business, operations, engineering, intellectual property, technology, assets, products, services, data, and liabilities of the disclosing party and its affiliates (including, but not limited to, its and their models, analyses, estimates, interpretations, contractual information, ideas, and strategic information), whether disclosed in writing, orally, visually, in the form of samples, or otherwise, and the existence or status of any ongoing negotiations between the Parties.

The receiving party shall keep confidential the Confidential Information and shall only disclose disclosing party's Confidential Information to its representatives with a bona fide need to know such Confidential Information, but only if the representatives are advised of the confidential nature of such Confidential Information and are bound by confidentiality obligations not less restrictive than those contained in this Order. The receiving party shall be responsible for any disclosure by its representatives in violation of this Order.

25. Validity. If any provision of this Order, or the application thereof to any person, place, or circumstance, is held by a court of competent jurisdiction to be invalid, unenforceable, or void, the remainder of this Order and such provisions as apply to other persons, places, and circumstances will remain in full force and effect and the affected provision will be deemed amended to the minimum extent to be valid and enforceable and in keeping with the parties' original intent.

26. Force Majeure. Contractor must notify Company in writing immediately of any unforeseen circumstances beyond Contractor's reasonable control that cause, or are expected to cause, a delay in completing the provision of Goods or Services, such as wars, riots, natural disasters which directly impact the provision of Goods or Services, labor strikes or work stoppages (other than those directed specifically at Contractor), or government-enforced quarantines (each, a "Force Majeure Event"). The notice must include the reason for the delay and the anticipated length of the delay. Contractor will not be eligible for additional compensation due to any Force Majeure Event. If a Force Majeure Event continues 30 days or more, Company may, in addition to any remedies available under this Order, at law, or in equity, and in its sole discretion, immediately terminate this Order, with no additional liability on Company.

27. Anti-Conduit Rules.

In providing Goods and Services, Company and Contractor may receive or have access to Non-Public Transmission Information. Company and Contractor shall comply fully with the rules, orders, and regulations of the Federal Energy Regulatory Commission relating to the treatment of Non-Public Transmission Information ("FERC Requirements"). Company and Contractor acknowledge receiving a summary of the FERC Requirements before entering into this Order, which is provided in Schedule 1 to this Order. The FERC Requirements explicitly prohibit contractors and consultants

from disclosing Non-Public Transmission Information to Marketing Function Employees (as defined in Schedule 1).

28. Adherence to Security and HSSE Rules If all or any part of the Goods or Services are provided at a Worksite, Contractor shall cooperate with Company's health, safety, and security personnel and strictly observe all safety regulations that govern the jurisdiction of the Worksite, the access routes, entrance gates and doors, parking, and temporary storage areas designated by Company and strictly observe all of Company's health, safety, and security policies, procedures, rules, and regulations. Contractor shall register with Company's vendor management company, ISNetwork ("ISN"), and shall obtain and maintain during the Order term a "Compliant" status from ISN.

Company has developed and adopted a manual describing the rules, safe work practices, and procedures that each Contractor must follow and comply with when providing Goods and Services on behalf of Company or on Company's property. Contractor who will be providing Goods and Services onsite at any Company maritime facility must be Transportation Worker Identification Credential (TWIC) certified before commencing the provision of such Goods and Services; and Contractor shall provide such certifications to Company before such Contractor's entry to such facility.

29. Governing Law. Without giving effect to any conflict of law principles that would result in the application of the laws of another jurisdiction, the formation, interpretation and performance of this Order shall be governed by the internal laws of the State of Texas, including, except to the extent that the terms and conditions of this Order are clearly inconsistent therewith, any applicable provisions of Texas' Uniform Commercial Code. To the extent that this Order entails delivery or performance of services, such services shall be deemed "goods" within the meaning of the Uniform Commercial Code, except when to so deem such services as "goods" would result in an absurdity.

30. Disputes. In the event of any litigation to enforce or interpret any terms or conditions of this Order, the parties agree that such action will be brought in the state or federal courts of Harris County, Texas, and the parties hereby submit to the exclusive jurisdiction of said courts. In any litigation to enforce or interpret any of the terms or conditions of this Order, the prevailing party shall be entitled to recover from the unsuccessful party all costs, expenses (including expert testimony), and reasonable attorneys' fees (including in-house and outside counsel) incurred therein by the prevailing party.

31. Survival. The obligations imposed on Contractor pursuant to each Article of this Order (a) that have accrued prior to the date of such expiration or termination, (b) which, by their nature, should survive termination or expiration, or (c) which are stated in this Order to survive such expiration or termination, and any such rights, powers, remedies, obligations, duties, and liabilities will continue to be enforceable notwithstanding such expiration or termination. Further, the following provisions will survive for three (3) days after the later of delivery of Goods, completion of Services or Termination of this Order: Warranty; Indemnity; Disputes; Confidentiality; Ownership of Intellectual Property; Governing Law; Compliance with Laws; and this Survival provision.

32. Remedies. The rights and remedies provided to Company in this Order are cumulative and in addition to any other rights and remedies available to Company at law or in equity.

33. Complete Order. This Order, which includes any supplemental documents attached hereto, constitutes the entire agreement between Company and Contractor with respect to the subject matter hereof and supersedes all other agreements, understandings, representations, warranties, and communications, oral or written, between the Parties with respect to the subject matter hereof. No

modification of any of the provisions shall be binding on the Company unless expressly agreed to in writing by Company. This Order may be executed in multiple counterparts and by the Parties thereto in separate counterparts, each of which, when so executed, will be deemed an original, and all of which, taken together, will

constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Order by electronic means or digital signatures, will be effective as delivery of a manually executed counterpart of this Order.

SCHEDULE 1

SUMMARY OF FERC STANDARDS OF CONDUCT ORDER 717

What are the FERC Standards of Conduct?

The Standards of Conduct are rules enforced by the Federal Energy Regulatory Commission (FERC) that govern the relationship between Sempra’s electric and natural gas transmission companies (“**Transmission Providers**”) and its affiliated companies or divisions that are engaged in the sale of electricity (and related products) or natural gas (“**Marketing Affiliates**”). These rules address how business must be conducted among and between Sempra Energy companies. Because Sempra Energy and its subsidiaries are involved in both energy marketing and Transmission related functions, these rules apply to Sempra’s business, and Sempra must comply with them.

Sempra Energy Transmission Providers and Marketing Affiliates

The FERC-regulated Transmission Providers of Sempra Energy and its affiliated companies that engage in marketing functions are as follows:

| Transmission Provider | Marketing Affiliate |
|----------------------------------|-----------------------------------|
| Cameron Interstate Pipeline, LLC | Sempra Gas & Power Marketing, LLC |
| LA Storage, LLC | |
| San Diego Gas & Electric Co. | |

Basic Principles

The Standards of Conduct reflect the following basic principles that govern the relationships between regulated natural gas and electric Transmission Providers and their affiliated companies:

- The Transmission Provider must treat all of its customers, affiliated and non-affiliated, on a non-discriminatory basis, and must not make or grant any undue preference or advantage to any customer or subject any customer to any undue prejudice or disadvantage.
- The Transmission Provider’s Transmission Function Employees must function independently from the Marketing Function Employees of either the Transmission Provider or its affiliates.
- Employees, contractors, consultants, and agents are prohibited from disclosing, or using a conduit to disclose, a Transmission Provider’s Non-public Transmission Information to Marketing Function Employees of either the Transmission Provider or its affiliates.
- The Transmission Provider must provide equal access to Non-public Transmission Information to all its Transmission customers, affiliated and non-affiliated.

Definitions

“**Marketing Function Employee**” means any employee, agent, consultant, or contractor of Sempra Energy or any of its subsidiary or affiliated companies who (a) is actively and personally engaged in the sale of natural gas in interstate commerce, and (b) is employed by, or otherwise acting on behalf of, any Sempra Energy subsidiary or affiliated company that enters into, or otherwise conducts, one or more transactions with a Transmission Provider.

“**Non-public Transmission Information**” means information relating to the planning, directing, organizing, or carrying out of electric or gas Transmission service or operations that has not been made publicly available by posting on the Transmission Provider’s electronic bulletin board.

“**Transmission**” means electric transmission, network or point-to-point service, ancillary services or other methods of electric transmission, or the interconnection with jurisdictional transmission facilities, and natural gas transportation, storage, exchange, backhaul, or displacement service.

“**Transmission Function Employee**” means an employee, contractor, consultant, or agent of a Transmission Provider who actively and personally engages on a day-to-day basis in Transmission functions (for example, planning, directing, identifying or scheduling natural gas on behalf of a Transmission Provider).

Applicability to Contractors, Consultants, and Agents

The Standards of Conduct apply to contractors, consultants, and agents of both a Transmission Provider and an affiliate of a Transmission Provider.

While providing services to a Transmission Provider or an affiliate of a Transmission Provider, contractors, consultants, or agents may be provided Non-Public Transmission Information. The contractor, consultant, or agent is prohibited from disclosing the Non-public Transmission Information to any Marketing Function Employees.

A contractor, consultant, or agent may also be involved in assisting a Transmission Provider or an affiliated company in performing specific activities governed by the Standards of Conduct. In performing these activities, the contractor, consultant, or agent must comply with the following:

- Where tariff provisions of a Transmission Provider do not permit discretion, they must be strictly enforced.

- Where tariff provisions do permit discretion, that discretion must be applied in a fair and impartial manner that treats all Transmission customers in a not unduly discriminatory manner.
- A Transmission Provider must not give undue preference to any person in matters relating to the sale or purchase of transmission service.
- A Transmission Provider must process all similar requests for Transmission service in the same manner and within the same period.
- Transmission Function Employees must function independently of Marketing Function Employees. Transmission Function Employees must not conduct marketing functions. Marketing-Function Employees must not conduct, or otherwise participate in, Transmission functions. Marketing Function Employees also must not have access to a system control center or similar facilities used for Transmission operations that differs in any way from the access available to other Transmission customers.

Violations of the Standards of Conduct can lead to significant penalties, including:

- Penalties of up to one million dollars per day per occurrence
- Disgorgement of profits
- Compulsory compliance programs, and
- Restrictions on the way a company can do business

Responsibilities

As a contractor, consultant, or agent of Sempra Energy or its subsidiaries, contractors, consultants, or agents must remember to:

- Maintain separation between Transmission Function Employees and Marketing Function Employees.
- Never act, or ask someone else to act, as a conduit to improperly disclose Non-public Transmission Function information.
- Treat all Transmission customers on a non-discriminatory basis.
- Avoid showing preferential treatment to Marketing Affiliates or Marketing Function Employees.
- Immediately report any instances of disclosure of Non-public Transmission Information.

Contacts

Any known or suspected infraction of the Standards of Conduct must be reported immediately to an appropriate Company resource. The Sempra Legal & Compliance department is an available resource to contractors, consultants, and agents and is available to answer questions.

Please contact either Jerrod Harrison at jharrison@SempraGlobal.com or (619) 696-2987, or Arminda Malanche at amalanche@sempraglobal.com or (619) 696-2542 with questions on any of the above. Alternatively, questions can be emailed to Compliance@SempraGlobal.com.