

SHAW INDUSTRIES GROUP, INC.

STANDARD TERMS AND CONDITIONS OF PURCHASE

Effective on all Orders placed on or after February 23, 2023.

These Standard Terms and Conditions of Purchase ("Terms") are the only terms which govern the purchase of products, goods, materials, or other items ("Products") and any and all services ("Services") by Shaw Industries Group, Inc., for the benefit of itself and/or its subsidiaries ("Buyer") as set forth on any purchase order issued, in a written agreement, or other order placed by Buyer ("Order") from the supplier named on the applicable Order ("Supplier" and, together with Buyer, each a "Party" and collectively, the "Parties"). Supplier acknowledges and agrees that nothing herein obligates Buyer to purchase any Products or Services. All Orders created or issued by Buyer are unconditionally subject to the Terms. Notwithstanding anything herein to the contrary, if the Parties have executed a separate written agreement, governing the provision of Products and Services set forth in the Order, the terms of that agreement shall prevail over the Terms only to the extent they are inconsistent with these Terms.

BY ISSUING AN ORDER, BUYER OFFERS TO PURCHASE FROM SUPPLIER THE PRODUCTS AND/OR SERVICES SET FORTH ON AN ORDER ONLY UPON THESE TERMS SET FORTH BELOW, CONDITIONED ON SUPPLIER'S UNCONDITIONAL ACCEPTANCE OF THESE TERMS, AND EXPRESSLY LIMITS SUPPLIER'S ACCEPTANCE TO THESE TERMS. BY CLICKING THE "I ACCEPT" ICON BELOW, SIGNING THE ORDER, PROVIDING PRODUCTS, OR PERFORMING SERVICES PURSUANT TO THE ORDER, SUPPLIER THEREBY AGREES TO THE AGREEMENT AND ACKNOWLEDGES THAT THE PERSON EXECUTING HAS THE NECESSARY AUTHORITY TO DO SO ON SUPPLIER'S BEHALF. IF SUPPLIER DOES NOT AGREE WITH THESE TERMS, IT SHOULD NOT EXECUTE THE ORDER, NOR CLICK THE "I ACCEPT" ICON, SIGN ANY ASSOCIATED AGREEMENT, NOR PERFORM ANY PART OF THE PROPOSED TRANSACTION OR THIS AGREEMENT.

1. **Order.** The Order, these Terms, and any Specifications (collectively, this "Agreement") comprise the entire agreement between the Parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. "Specifications" mean (a) the specifications set forth on the Order, (b) Supplier's specifications and documentation that Buyer expressly agrees forms part of the

Product or Services specifications, and (c) any specifications provided by Buyer to Supplier. The Agreement prevails over any of Supplier's general terms and conditions of sale regardless of whether or when Seller has submitted its sales confirmation or such terms, and any additional or different terms in Supplier's nonconforming acceptance, acknowledgment, invoice, or other document will have no effect.

2. **Relationship of Parties.** Supplier and Buyer are independent contractors. Supplier acknowledges that it has no authority to bind or contract in the name or for the account of Buyer, to create any liability against Buyer, or to exert any direction or control over Buyer's personnel. Supplier is solely responsible for all taxes and insurance with respect to its personnel.

3. **Products; Services.** Supplier shall deliver all Products and Services stated on the Order to

Buyer at the site and by the date and time specified by Buyer and in conformance with the Agreement. If no delivery date is specified, Supplier shall deliver in full within a reasonable time of receipt of the Order. Timely delivery is of the essence. The Order number must appear on all shipping documents, shipping labels, bills of lading, air waybills, invoices, and any other documents pertaining to the Order. Unless negotiated otherwise, Supplier shall contract with a carrier for shipment of the Products and obtain and promptly deliver to Buyer any documents necessary to obtain possession of the Products. Products may be shipped to Buyer in whole or in part and will be shipped F.O.B. Buyer's designated facility ("Delivery Point"). Supplier shall bear all risk of loss, damage, theft and other risks until Buyer's receipt and acceptance of the Product. Except as otherwise expressly set forth in the Agreement, Supplier shall bear all expenses for delivery of the Products, including (without limitation) shipping, loading, unloading, storage, freight, duties, fees, tariffs, analogous import or export taxes, and insurance. In the event that Buyer is paying some or all delivery expense, Product shipped shall be shipped via bonded carriers and properly prepared for shipment so as to secure the lowest transportation rates and to meet carriers' requirements and all applicable laws and ordinance.

Supplier shall (a) not ship Products or begin performing Services in advance of the time necessary to meet Buyer's delivery schedule, except as expressly consented to in writing by Buyer; and (b) promptly notify Buyer of any delay or anticipated delay in delivery of Product or performance of Services. Should Supplier, for any reason, not comply with Buyer's delivery or performance schedule, Buyer may, at its sole discretion, either a) approve a revised delivery schedule or b) terminate the Agreement, in whole or part, without liability. The failure by Supplier to meet specified delivery or performance dates shall constitute a material breach entitling Buyer to pursue all remedies available to it at law or in equity. Supplier shall indemnify Buyer against any losses, claims, damages, and reasonable costs and expenses directly attributable to Supplier's failure to meet specified delivery or performance dates. Product received by Buyer in excess of the quantities specified on the Order may be returned by Buyer at Supplier's expense.

4. **Insurance.** Supplier shall maintain Commercial General Liability Insurance, including Product Liability, Completed Operations, Umbrella, and Commercial Automobile Liability (arising out of the use of vehicles) insurance having at a minimum limit of no less than \$1,000,000 per occurrence with Buyer named as an additional insured. Supplier shall maintain Worker's Compensation Insurance providing statutory coverage and employer's liability covering Supplier's employees and having a minimum limit of at least \$1,000,000, dependent upon state requirements. Additional insurance limits will apply based on the services performed by the Supplier. The Supplier will be notified of required limits prior to services provided. Upon Buyer's request, Supplier shall provide Buyer with a certificate of insurance evidencing such coverages.

5. **Acceptance; Disruption.** Buyer has the right to inspect the Products and results from Services on or after delivery. Buyer shall have (a) in the case of all Product deliveries, ninety (90) days from the date of physical receipt of a Product at the Delivery Point to inspect such Products prior to Buyer's acceptance, or to the extent a Product is comprised of equipment, from the date such equipment is placed into operation, and (b) in the case of Services, ninety (90) days from the later of completion of all work associated with performing the Service and delivering the results, or if non-tangible results were produced, notifying Buyer of such completion. Buyer reserves the right to revoke any previous acceptance upon discovery of

nonconforming or defective Products or Services. Acceptance of any part of the Products or Services shall not bind Buyer to accept any future delivery of Products or Services, nor deprive Buyer of the right to return Products or Services already accepted. Neither failure by Buyer or its designee to inspect and accept or reject Products or Services nor failure to detect defects or nonconformity by inspection, will relieve Supplier from responsibility for such Products or Services as are not in accordance with the Order or impose liabilities on Buyer for such Products or Services. With respect to any defective or rejected items of Product or results from Services, or part thereof, Buyer, at its option and without waiver, may, in addition to other remedies provided by law, (a) rescind the Agreement, in whole or part; (b) accept the Products or Services at a reasonably reduced price; (c) reject such Products or Service results, at Supplier's expense and risk, for full refund or for replacement Products or Service results; or (d) if Supplier fails to timely deliver conforming replacement Products or Service results, remedy the defective Products or Services and receive prompt reimbursement from Supplier for all Buyer's costs and expenses incurred in pursuing such remedy. Buyer shall have the right of further inspection after Supplier takes remedial action. No replacement or substitution of Product or Service shall be made unless authorized by Buyer. **THE ACCEPTANCE BY BUYER OF THE PRODUCT, SERVICES, OR OTHER DELIVERABLES FURNISHED HEREUNDER SHALL NOT CONSTITUTE ACCEPTANCE OF SUPPLIER'S TERMS AND CONDITIONS.** Any

Force Majeure Event, as defined herein, shall relieve Buyer from inspecting and/or accepting Product or Services hereunder until such time as operations can be restored. Buyer's payment of any invoice shall not constitute acceptance by Buyer of the Product or results from Services furnished hereunder.

6. **Sustainable Sourcing Policy.** Supplier shall comply with Buyer's Sustainable Sourcing Policy which can be found at <https://shawinc.com/shaw-suppliers/> which may be updated from time to time at Buyer's sole discretion without notice to Supplier. Supplier's failure to comply with the terms of the Sustainable Sourcing Policy constitutes a material breach of this Agreement, and Buyer may terminate the Agreement for cause in accordance with Section 21.

6A. (a) Supplier shall cause each of its subcontractors, sub-tier suppliers and any other natural or legal person providing staffing, goods, components (and all raw materials procured to manufacture such components) or services required by this Agreement to engage and cooperate with Supplier and/or Shaw in any required audit/due diligence or other investigation to ensure compliance with the terms of this Agreement, the Shaw Outsourced Supplier Guide and all applicable laws.

(b) Supplier shall require each and every subcontractor, sub-supplier and each and every subcontractor and sub-supplier shall require each and every sub-sub-supplier providing all components (and raw materials procured to manufacture such components), to be bound by contractual terms that are at least as protective as those imposed by this Agreement and the Shaw Outsourced Supplier Guide, and to assume toward Supplier and sub-supplier, as the case may be, all of the obligations and responsibilities Supplier assumes toward Shaw. Supplier shall keep records of such agreements to demonstrate compliance with its obligations under this Agreement and shall deliver such records to Shaw as reasonably requested from time to time.

(c) Without prejudice to any other provision of this Agreement and/or the Shaw Outsourced Supplier Guide, Supplier shall document the full supply chain of the Products it supplies to Shaw pursuant to this Agreement including details of all subcontractors, sub-tier suppliers and any other natural or legal person providing staffing, goods, components (and all raw materials procured to manufacture such components) or services required by this Agreement in detail as Shaw deems

sufficient in its sole discretion ("Supply Chain Mapping Record"). Supplier shall afford Shaw and its authorized representatives full and free access to the Supply Chain Mapping Record upon request and any other documentation required to ensure Supplier's compliance with the terms of this Agreement, the Shaw Outsourced Supplier Guide and applicable laws.

OPTION 1

(a) Scope and purpose of audit. Supplier shall allow Shaw, and any Shaw authorized representatives or other advisers to Shaw to access any of the Supplier's premises, personnel, facilities, systems, and records (including, without limitation the Supply Chain Mapping Record) and those of any Supplier affiliates, subsidiaries, sub-contractors, and sub-suppliers as may be reasonably required in order to, without limitation:

- (i) verify that the Products are being manufactured in full compliance with the terms of this Agreement, the Shaw Outsourced Supplier Guide, and applicable laws; and
- (ii) verify that all obligations of the Supplier and/or any of Supplier's affiliates, subsidiaries, subcontractors, and sub-suppliers are being performed in accordance with the terms of this Agreement, the Shaw Outsourced Supplier Guide and applicable laws.

(b) Notice of audit. Shaw, or its authorized representatives or other advisers shall provide at least five Business Days' notice of its intention to conduct an audit unless such audit is conducted in respect of a suspected fraud, in which event no notice is required.

(c) Minimizing disruption. Shaw shall use commercially reasonable efforts required to ensure that the conduct of each audit does not unreasonably disrupt Supplier and/or any of Supplier's affiliates, subsidiaries, subcontractors, and sub-suppliers or delay the provision of the Products by the Supplier and that, where possible, individual audits are co-ordinated with each other to minimize any disruption.

(d) Co-operation, access and assistance. Supplier shall:

- (i) co-operate, provide all access and assistance as Shaw and its authorized representatives require in relation to each audit; and
- (ii) allow Shaw and/or any of its authorized representatives to meet with Supplier's personnel and ensure that Supplier's personnel provide all explanations reasonably necessary to perform the audit effectively.

(e) Costs of the audit.¹ The Parties shall bear their own costs and expenses incurred in respect of compliance with their obligations under this Section unless the audit identifies a material default by Supplier, in which case Supplier shall reimburse Shaw for all its [reasonable] costs incurred in the course of the audit.

(f) Remediation. If an audit identifies that the Supplier is failing to comply with any of its obligations under this Agreement, the Shaw Outsourced Supplier Guide and/or applicable laws, then, without prejudice to the other rights and remedies of Shaw, Shaw's remedies shall include, without limitation:

- (i) Requiring Supplier to terminate or suspend an agreement or affiliation with a specific factory (and promptly identify a replacement satisfactory to Shaw in its sole discretion), terminate or suspend a subcontract, sub-supplier or remove an employee and/or other Supplier representative(s) (and promptly identify a replacement satisfactory to Shaw in its sole discretion).
- [(ii) Suspending payments, whether under this Agreement or other agreements, until Shaw determines, in Shaw's reasonable discretion, that Supplier has taken appropriate remedial action

¹ Alternatively, audit costs can be shifted to Supplier.

following [the expiration of the cure period indicated in this Section [or / notice from Shaw requiring remedial action within a set period of time.]

(iii) Obtaining damages, including all direct and consequential damages caused by the breach; and

(iv) Terminating or suspending this Agreement in accordance with the terms of Section [4]] of this Agreement.

OPTION 2

Supplier shall perform periodic evaluations of its facilities and operations, and the facilities and operations of its subcontractors and sub-tier suppliers that provide goods or services to Shaw to ensure compliance with this Agreement, the Shaw Outsourced Supplier Guide and all applicable Laws. Supplier will permit Shaw, or a third party designated by Shaw, in coordination with Supplier to periodically evaluate Supplier's facilities and operations, and those of its subcontractors and sub-tier suppliers providing goods or services to Shaw, for Shaw's benefit, or for use in Shaw's products, to assess Supplier's compliance with the applicable principles and requirements of this Agreement, the Shaw Outsourced Supplier Guide and all applicable Laws. Supplier shall not have manufacturing operations in, recruit labor directly or indirectly from, or source materials, products, or services directly or indirectly from, regions where Shaw and/or third parties cannot access and conduct a comprehensive, independent evaluation of Supplier's compliance with this Agreement, the Shaw Outsourced Supplier Guide and all applicable Laws.

7. **Confidential Information.** Supplier agrees to receive and hold Confidential Information of Buyer in trust and in strictest confidence and shall not use, reproduce, distribute, disclose, or otherwise disseminate any Confidential Information except as necessary to perform its obligations hereunder. Disclosures of the Confidential Information may be made only to Supplier's employees and agents who have a specific need to know such Confidential Information and are subject to confidentiality restrictions at least as restrictive as those contained herein. "Confidential Information" means all non-public, confidential or proprietary information of Buyer, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed to Supplier through any method or medium, whether or not marked, designated or otherwise identified as "confidential" in connection with this Agreement. Upon Buyer's request, Supplier shall promptly return or destroy all documents and other materials containing Confidential Information. Supplier agrees that the unauthorized use or disclosure of any Confidential Information in violation of this Agreement will cause severe and irreparable damage to Buyer, and Buyer shall be entitled to injunctive relief for any violation of this Section. The obligations and restrictions of this Section shall survive the expiration or earlier termination of the Agreement.

8. **Use of Buyer Intellectual Property.** Buyer's name, logos, and other intellectual property are the exclusive property of Buyer. Supplier shall use any artwork, logos, trademarks, or other intellectual property provided by Buyer ("Buyer Property") solely for the approved purpose of performing Supplier's obligations under the Agreement in accordance with the terms contained in this Agreement. Supplier may not change or alter any Buyer Property in any way absent Buyer's express, prior written approval. Supplier shall not claim copyright, trademark, or other intellectual property rights in or seek to register any design or mark that uses any Buyer Property. No publicity releases, news releases, advertisements, marketing materials, or other public statements relating to this Agreement or using any Buyer Property shall be issued or made by Supplier without the express, prior written approval of Buyer. Buyer may withhold such written approval in Buyer's sole discretion.

9. **Prices & Payment.** Each Agreement must be filled at prices no higher than those appearing on the Order, or, if no prices appear, then at prices no higher than those last agreed to by Buyer. No increase in the price set forth on an Order is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of Buyer. Any general price decrease announced by Supplier in a classification of Product or Services purchased by Buyer shall apply to any Product received by or Services performed for Buyer on or after the effective date of such decrease. Supplier represents that the prices specified in the Purchase Agreement do not exceed the lowest current selling price for the same or substantially similar Products or Services whether to any government entity or to any other buyer. Supplier shall invoice Buyer for amounts owed under an applicable Order within sixty (60) days of the delivery date of the Products and Services set forth in the applicable Order. Undisputed invoice amounts shall be due and payable within ninety (90) days of receipt of a valid invoice, unless otherwise expressly set forth on the Order. Conflicting terms and conditions contained in Supplier's invoices or like documents are void. In the event of a payment dispute, Buyer shall deliver a written statement to Supplier prior to the date payment is due on the disputed invoice listing all disputed items and providing a reasonably detailed description of each disputed item. The Parties shall seek to resolve all such disputes expeditiously and in good faith. Supplier shall continue performing its obligations under this Agreement notwithstanding any such dispute. Payment of an invoice is not evidence or admission that the Products or Services meet the requirements of the Order.
10. **Taxes.** Supplier assumes exclusive liability for any and all taxes, fees, duties, withholdings or like charges, whether domestic or foreign now imposed or hereafter becoming effective (the "Taxes"), including, without limitation, federal, provincial, state and local taxes, value-added taxes, goods and services taxes, stamp, documentary, excise or property taxes, duties and other governmental charges. Unless otherwise specified in the Order, the price set forth on an Order includes all Taxes. Any Taxes to be paid by Buyer shall be agreed to by Buyer and separately stated on Supplier's invoice. For the avoidance of doubt, Supplier's withholding and reporting obligations under this Agreement also include obligations arising under the Foreign Account Tax Compliance Act (FATCA) (Internal Revenue Code sections 1471 through 1474), regulations and other related guidance, as well as obligations arising, if any, under intergovernmental agreements entered between the United States and any another country, implementing related principles.
11. **Title; Work Product.** Title to the Product and risk of loss shall pass to Buyer after Buyer receives at the Delivery Point and accepts the Product; except that if Buyer rightfully rejects the Product, receives a nonconforming tender, or revokes its acceptance, the risk of loss and title shall be deemed to have remained with Supplier. All intellectual property rights in any Buyer owned information, material, or item that is incorporated into or with a Product or result of Services shall be the sole and exclusive property of Buyer, and to the extent a Product or Service is originally created, invented, customized or conceived by Supplier for Buyer ("Work Product"), such shall, to the extent permitted by law, be considered "works made for hire." Buyer shall own all rights, including all proprietary and intellectual property rights, title and interest in any and all Work Product. Supplier hereby assigns to Buyer all of Supplier's right, title, and interest in and to all of the Work Product and all copies of any of the foregoing, including, without limitation, all copyright, patent, intellectual property, and other proprietary rights thereto throughout the world (and all renewals and extensions).

Buyer shall at all times have title to the Specifications developed by Buyer or developed by

Supplier for Buyer, and Supplier shall use such Specifications only in connection with this Agreement. Supplier shall, upon Buyer's request or upon completion of this Agreement, promptly return all such Specifications and any copies thereof to Buyer.

12. **Representations & Warranties.** Supplier represents and warrants to Buyer that: (a) it has the authority to perform its obligations hereunder; (b) it has good and marketable title to the Products, and that the Products shall be sold and delivered to Buyer free from any and all security interests, liens and encumbrances; (c) it is in compliance with all applicable laws, regulations and orders; (d) on the date of delivery to Buyer and for a period of at least one (1) year thereafter, the Product, results of Services, all materials, parts and equipment shall be of merchantable quality, will be free from defects in materials or workmanship, will be suitable for the purpose for which sold to Buyer, and will perform in accordance with applicable Specifications; (e) all Services will be performed in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services and shall devote adequate resources to meet its obligations under this Agreement; and (f) the Products and the results from Services will not infringe or invade any third party's intellectual property, privacy or other property right ("Third Party Right(s)"). Supplier represents and warrants that if onsite at any Buyer facility, Supplier and its Representatives, as defined herein, shall comply with any and all building or safety rules and regulations that may be issued or promulgated by Buyer and shall execute all reasonably requested forms, including without limitation Buyer's release and indemnity form, required for facility entrance.

The warranties set forth in this Section 12 survive any delivery, inspection, acceptance, or payment; are cumulative; and are in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of the Products or Services with the foregoing warranties. If Buyer gives Supplier notice of noncompliance pursuant to this Section, Supplier shall, at its own cost and expense, promptly (a) replace or repair the defective or nonconforming Products and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming Products to Supplier and the delivery of repaired or replacement Products to Buyer, and, if applicable, (b) repair or re-perform the applicable Services.

13. **Indemnity; Liability Limitation.** Supplier agrees to indemnify, defend and hold harmless Buyer, its affiliates and subsidiaries, and their respective officers, directors, employees and agents from and against any and all liability, claims, suits, actions, losses, costs or expenses, including reasonable attorneys' fees, relating to or arising out of (a) any claim or demand for any Taxes, penalties and interest paid by Buyer, and any actions related thereto taken by Buyer; (b) any alleged infringement or misappropriation of any Third Party Right with respect to any Product or Services; (c) Supplier's acts, omissions, or breach of the Agreement; (d) any claim or demand of an environmental nature arising from or relating to Supplier's provision, or failure to provide, Products or Services, including but not limited to Supplier's obligations described in Section 15 below, whether brought by a regulatory authority or third party; or (e) any claim or demand which Buyer's customers or any other person, whether or not in privity to Supplier, may make against Buyer based upon or arising from the purchase, sale, or use of Product or from any patent or hidden defects in the quality of Product or the dangerous condition thereof, regardless of the legal theory asserted or if brought pursuant to a class action statute. **TO THE MAXIMUM EXTENT ALLOWED UNDER APPLICABLE LAW, BUYER'S AGGREGATE LIABILITY ARISING FROM OR RELATING TO THIS AGREEMENT OR THE PRODUCTS OR SERVICES IS LIMITED TO THE AMOUNT PAID**

BY BUYER FOR THE APPLICABLE PRODUCT OR SERVICES. TO THE MAXIMUM EXTENT ALLOWABLE UNDER APPLICABLE LAW, BUYER SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION LOST REVENUES, LOSS OF USE OF THE PRODUCTS, LOSS OF DATA, OR THE COST OF ANY SUBSTITUTE PRODUCTS OR RELATED EQUIPMENT, EVEN IF BUYER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

14. **Compliance with Law.** Supplier, its subsidiaries and affiliates, and their respective employees, officers, agents, representatives, and subcontractors (collectively "Representatives") shall at all times maintain the highest ethical standards and avoid conflicts of interest in the performance of Supplier's obligations. Supplier and its Representatives at all times will comply with all laws, regulations, and ordinances applicable in the United States of America and any other country, jurisdiction or place where the Product is located during its manufacture or delivery to Buyer or where Services are performed, including without limitation data security and privacy laws. Supplier shall, at its own expense, maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Agreement. Supplier shall comply with all export and import laws of all countries involved in the sale of the Products under this Agreement or any resale of the Products by Supplier. Supplier assumes all responsibility for shipments of Products requiring any government import clearance. Buyer may terminate this Agreement if any governmental authority imposes antidumping or countervailing duties or any other penalties on Products. Supplier shall indemnify and hold Buyer harmless from all fines, penalties, expenses, damages, or other losses sustained by Buyer relating to or as a result of Supplier's breach of Sections 14, 15, 16, or 17.
15. **Environmental Compliance.** Supplier, its Representatives, and its suppliers and vendors at all times will comply with all environmental and consumer protection laws, regulations, and ordinances applicable in the United States of America and any other country, jurisdiction or place where the Product, its raw materials, or its components are manufactured, delivered to Buyer, or intended for sale, including, but not limited to, California Air Resources Board regulations; the State of California's Safe Drinking Water and Toxic Enforcement Act, commonly known as Proposition 65; and all applicable United States Environmental Protection Agency regulations. **Supplier shall not provide any Product which contains chemicals at levels that require a warning pursuant to the State of California's Safe Drinking Water and Toxic Enforcement Act, with the exception of the wood dust warning required by Title 27 California Code of Regulations, Article 6, Sections 25607.10 and 25607.11.** If any Product, its raw materials, or its components contain any chemicals or substances subject to regulation under the State of California's Safe Drinking Water and Toxic Enforcement Act, commonly known as Proposition 65, regardless of whether such chemicals or substances are present in the finished Product, Supplier must immediately notify Buyer of its presence and provide all relevant information regarding the chemical composition, concentration, and presence in the finished Product.
16. **Business Ethics.** Supplier represents, warrants, and covenants to Buyer that in carrying out its responsibilities, neither Supplier, nor any of its Representatives, equity holders, partners, officers, directors, employees or agents, shall, directly or indirectly, offer, pay, promise to pay, or authorize the payment of any money, or offer, give, promise to give, or authorize the giving of anything of value to (a) any official or employee of any government,

or any department, agency or instrumentality thereof, (b) any political party or official thereof, or to any candidate for political office, or (c) any official or employee of any public international organization, in each case for the purpose of influencing any action or decision of such official, employee, party or candidate or inducing such an aforementioned governmental person to do or omit to do any act in violation of the lawful duty of such governmental person, or securing any improper advantage for Buyer or otherwise promoting the business interests of Buyer in any respect. For clarity, Supplier shall not act in any manner or take any action in the provision of the Products or Services under this engagement, which violates any anti-bribery law including, but not limited to, the US Foreign Corrupt Practices Act or the United Kingdom Bribery Act. Supplier's or its Representative's breach of this provision shall entitle Buyer to terminate this Agreement immediately without liability by written notice to Supplier.

17. **Data Security**. Supplier agrees to comply with all applicable laws regarding data security, privacy, or that otherwise require the notification of individuals in the event of unauthorized release of personally identifiable information or other event requiring notification. In the event of a breach of any of Supplier's security obligations, or other event requiring notification under applicable law, Supplier agrees to: a) promptly notify Buyer by telephone and e-mail of such an event within twenty-four (24) hours of discovery; b) inform all such individuals in accordance with applicable law; and c) indemnify, hold harmless and defend Buyer, its subsidiaries and affiliates, and their respective trustees, officers, agents, and employees from and against any claims, damages, costs, expenses, or other harm related to such breach event.
18. **Audit**. Supplier shall maintain complete and accurate records relating to the provision of the Products and Services under this Agreement, including records of the time spent and materials used by Supplier in providing the Products and Services in such form as Buyer shall approve. During the term of this Agreement and for a period of three (3) years thereafter, upon Buyer's written request, Supplier shall allow Buyer to inspect and make copies of such records and interview Supplier personnel in connection with the provision of the Products and Services.
19. **Entire Agreement; Modifications**. This Agreement constitutes the entire agreement between Buyer and Supplier with respect to the subject matter thereof, and supersedes all prior oral or written agreements. This Agreement shall govern Buyer's purchase of the Products and/or Services, unless otherwise expressly agreed to by the parties. This Agreement may not be amended or modified, except by a further written agreement signed by the Parties hereto.
20. **Change Orders**. Buyer reserves the right to make reasonable changes to an Order by issuing written instructions to Supplier (each a "Change Order"), including, but not limited to, changes as to packaging, testing, Specifications, designs and delivery schedules. Supplier shall within five (5) days of receipt of a Change Order submit to Buyer a firm cost proposal for the Change Order. If Buyer accepts such cost proposal, Supplier shall proceed with the changed Services and/or Product delivery subject to the cost proposal and the terms and conditions of this Agreement. Supplier acknowledges that a Change Order may or may not entitle Supplier to an adjustment in the Supplier's compensation or the performance deadlines under this Agreement.

21. **Term; Cancellation.** The term of each Agreement is one year from the date Buyer issues the applicable Order ("Term"), after which the Agreement will renew for successive one-year terms unless terminated as set forth below. In addition to any remedies that may be provided under an Agreement, Buyer may cancel or terminate an Agreement in whole or in part at any time by giving oral or written notice of such to Supplier. If oral notice is given, it shall be followed by written confirmation if requested by Supplier. Cancellation or termination by Buyer shall not constitute a waiver or release of any other rights and remedies of Buyer in contract or provided by law or at equity. In the event of any proceedings brought by or against Supplier, whether or not voluntary, in bankruptcy or insolvency, or in the event of an appointment of a receiver or of an assignee for the benefit of creditors, Buyer shall be entitled to cancel any unfilled portion of an Agreement. If Buyer terminates an Agreement for any reason, Supplier's sole and exclusive remedy is payment for the Products and Services received and accepted by Buyer prior to the termination. All provisions of this Agreement that by their nature give rise to continuing obligations of the Parties shall survive the expiration or earlier termination of this Agreement.
22. **Force Majeure.** Neither Party shall be liable to the other for any delay or failure in performing its obligations under this Agreement to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, without such Party's fault or negligence, and which by its nature could not have been foreseen by such Party or, if it could have been foreseen, was unavoidable ("Force Majeure Event"). Force Majeure Events include, but are not limited to, acts of God, government restrictions, floods, fire, hurricanes, earthquakes, explosion, epidemic, war, invasion, hostilities, terrorist acts, riots, strike, embargoes, or industrial disturbances. Supplier's economic hardship or changes in market conditions do not constitute Force Majeure Events. Supplier shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized, and resume performance under this Agreement as soon as possible. If a Force Majeure Event prevents Supplier from carrying out its obligations under this Agreement for a continuous period of more than ten (10) business days, Buyer may terminate this Agreement, in whole or part, immediately by giving notice to Supplier.
23. **Non-Exclusive Rights.** This Agreement does not grant to Supplier any exclusive privileges or rights to provide to Buyer goods, products, materials, or services of any type that Buyer may require, nor does this Agreement require the purchase of such goods, products, materials, or services by Buyer. Buyer may contract with other companies or individuals for the procurement of comparable goods, products, materials, or services or may cause such goods, products, materials, or services to be performed by Buyer's own personnel.
24. **Governing Law; Severability; Notices.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Georgia, without reference to any conflicts of law principles. The Parties hereby submit themselves to the exclusive jurisdiction of the federal and state courts located in Whitfield County, Georgia for any disputes arising hereunder. The Uniform Computer Information Transactions Act and the U.N. Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. If any term, provision or condition of an Agreement is held invalid or unenforceable, the same shall not invalidate or otherwise affect any other provision thereof. Any reproduction of an Agreement by any reliable means shall be deemed an original. Notices provided from Supplier to Buyer shall be in writing; notices provided from Buyer to Supplier may be given verbally or in writing.

25. **Equal Opportunity.** Supplier and its Representatives shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. Supplier and its Representatives agrees to comply with all the provisions set forth in 29 CFR Part 471, Appendix A to Subpart A (Executive Order 13496).
26. **Time is of the Essence; Set-Off.** The Parties agree that time is of the essence in the delivery of Product and performance of Services hereunder. Without prejudice to any other right or remedy Buyer may have, all claims for monies due or to become due from Buyer shall be subject to deduction by Buyer for any setoff or counterclaim arising out of any of Buyer's agreements with Supplier.
27. **Assignability; Waiver.** Without Buyer's written consent, Supplier shall not assign this Agreement, or any rights or obligations herein and any attempt to assign, or assignment of, this Agreement, in whole or in part, by operation of law or otherwise, without such consent shall be null and void. No waiver of any term, right, remedy, or condition of this Agreement shall be valid unless it is set forth in a writing duly executed by both Parties. No delay or failure by Buyer to exercise or enforce at any time any right, remedy, or provision of this Agreement will be considered a waiver thereof or of Buyer's right thereafter to exercise or enforce each and every right, remedy, and provision of this Agreement. No waiver of any right by Buyer shall be deemed a waiver of such right on other occasions.
28. **Change of Control.** In the event of a change in control of Supplier, where all or substantially all of the assets, including, but not limited to, a significant portion of voting stock, of Supplier are acquired by any entity, or Supplier is merged with or into another entity to form a new entity (a "Change of Control"), Supplier must notify Buyer in writing at least sixty (60) days before the date the Change of Control takes effect. At any time within twelve (12) months after the Change of Control occurs, Buyer may terminate this Agreement, in whole or in part, with thirty (30) days written notice without liability. Supplier guarantees continued performance during the twelve (12) months after the Change of Control occurs.
29. **Miscellaneous.** The rights and remedies under this Agreement are cumulative and are in addition to any other rights and remedies available at law or in equity or otherwise. The headings of the Sections of this Agreement are inserted for convenience or reference only and are not intended to be part of, or to affect, the meaning or interpretation of this Agreement. This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.