

Supplier Purchase Order Terms and Conditions

1. **Applicability.** These terms and conditions (the "**Terms**") and, together with the terms and conditions on the applicable purchase order (the "**Purchase Order**") shall apply to the goods specified in the purchase order (the "**Goods**") from the party to whom the Purchase Order is addressed (the "**Supplier**") and, together with any documents incorporated by reference herein or therein, shall constitute the sole and entire agreement of the parties with respect to the order (the "**Order**"), and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order. The Order expressly limits the Supplier's acceptance to the terms of the Order. These Terms prevail over any terms or conditions contained in any other documentation and expressly exclude any of the Supplier's general terms and conditions of sale or any other document issued by the Supplier in connection with the Order. These Terms apply to any repaired or replacement Goods provided by the Supplier hereunder. LUCID is not obligated to any minimum purchase or future purchase obligations under the Order unless expressly set out in the Purchase Order.
2. **Acceptance.** The order set out in the Purchase Order is not binding on LUCID until the Supplier accepts the Order in writing or starts to perform in accordance with the Order. LUCID may withdraw the Order at any time before the Supplier accepts it. The Supplier shall communicate with LUCID's purchasing department (purchasing@thinklucid.com) if the Supplier has any questions or issues regarding the technical requirements or general terms and conditions of the Purchase Order.
3. **Delivery Date.** The Supplier shall deliver the Goods in the quantities and on the date(s) specified in the Order or as otherwise agreed in writing by the parties (the "**Delivery Date**"). Timely delivery of the Goods is of the essence. If the Supplier fails to deliver the Goods in full on the Delivery Date, LUCID may: (a) require the Supplier to provide a written explanation and/or corrective action, and (b) failing such acceptable written explanation or corrective action, as determined by LUCID in its sole discretion, may terminate the Order immediately by providing written notice to the Supplier, in which case the Supplier shall indemnify LUCID against any losses, claims, damages, and reasonable costs and expenses directly attributable to the Supplier's failure to deliver the Goods on the Delivery Date. Further, failure of the Supplier to respond to corrective action requests may result in LUCID withholding future purchase orders, purchase order cancellation, and/or removal from LUCID's approved supplier listing.
4. **Delivery Location.** All Goods shall be delivered to the address specified in the Order (the "**Delivery Location**") during LUCID's normal business hours or as otherwise instructed by LUCID.
5. **Shipping Terms.** Delivery shall be made Delivered Duty Paid (DDP) Incoterms® 2020, unless otherwise agreed upon in advance by LUCID, in accordance with the terms on the face of the Order. The Supplier shall give written notice of shipment to LUCID when the Goods are delivered to a carrier for transportation. The Supplier shall provide LUCID with all shipping documents, including the commercial invoice, packing list, and any other documents necessary to release the Goods to LUCID within a reasonable period after the Supplier delivers the Goods to the transportation carrier. The Order number must appear on all shipping documents, shipping labels, invoices, correspondence, and any other documents pertaining to the Goods or the Order.
6. **Title and Risk of Loss.** Title and risk of loss pass to LUCID upon delivery of the Goods to the Delivery Location. The Supplier bears all risk of loss or damage to the Goods until delivery of the Goods to the Delivery Location.
7. **Packaging.** All Goods shall be packed for shipment according to LUCID's instructions, including but not limited to being packaged in a manner that ensures the risk associated with foreign objects transfer is mitigated and all materials and accessories used in packaging shall be clean, free of contamination, and free of "loose" filler material. If there are no specific packaging instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition and in accordance with applicable law and industry standards. The Supplier shall provide LUCID with shipment documentation showing the Contract Reference Number, the quantity of pieces in the shipment, the number of cartons or containers in the shipment, the Supplier's name, the bill of lading number, and the country of origin. The Supplier must provide LUCID prior written notice if it requires LUCID to return any packaging material. Any return of such packaging material shall be made at the Supplier's sole cost and expense.
8. **Amendments and Modifications.** No change to the Order is binding upon LUCID unless it is in writing, specifically states that it amends the Order, and is signed by an authorized LUCID representative.
9. **Conformance of Goods.** The Supplier shall notify LUCID of any nonconforming Goods and obtain approval from LUCID for disposition. If material was delivered to LUCID that does not conform with the requirements set out in the Purchase Order, for any reason, the Supplier shall immediately notify LUCID, but in any event within 48 hours of the discovery of such nonconformance. The Supplier shall have procedures in place to detect, contain, and prevent the use of counterfeit materials. LUCID recommends that the Supplier's quality system is compliant with the latest revision of ISO 9001, or comparable standards, and that verifiable evidence to this effect will be made available as requested by LUCID.
10. **Inspection and Rejection of Nonconforming Goods.** The LUCID has the right to inspect the Goods on or after the Delivery Date.

LUCID, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are nonconforming or defective. If LUCID rejects any portion of the Goods, LUCID has the right, effective upon written notice to the Supplier, to: (a) rescind the Order in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require replacement of the rejected Goods. If LUCID requires replacement of the Goods, the Supplier shall, at its expense, promptly replace the nonconforming Goods and pay for all related, including, but not limited to, transportation charges for the return of the defective goods and the delivery of replacement Goods. If the Supplier fails to timely deliver replacement Goods, LUCID may replace them with goods from a third party and charge the Supplier the cost thereof and terminate the Order for cause. Any inspection or other action by LUCID under this Section shall not reduce or otherwise affect the Supplier's obligations under the Order, and LUCID shall have the right to conduct further inspections after the Supplier has carried out its remedial actions. In addition, LUCID may require certificates of conformity to be provided by the Supplier with each delivery, as specified in the technical requirements provided with the Purchase Order.

11. Supplier Changes. The Supplier shall notify LUCID of changes in product, processes, suppliers, or manufacturing facility location prior to making such changes and obtain LUCID approval. A minimum of 12 months' notification is required prior to the implementation of any changes; unless and to the extent that such change is required by law or due to a force majeure event or an environmental, health & safety reason (in which case the Supplier shall provide notice as soon as reasonably practicable). If 12 months' notification is not feasible, the Supplier shall provide a minimum of 2 months bridge inventory to cover the qualification period.
12. Conditions and Warranties. The Supplier warrants to LUCID that all Goods will: (a) be free from any defects in workmanship, material and design; (b) conform to applicable specifications specified by LUCID; (c) be fit for their intended purpose and operate as intended; (d) be merchantable; (e) be free and clear of all liens, security interests or other encumbrances; and (f) not infringe or misappropriate any third party's patent or other intellectual property rights. These warranties survive any delivery, inspection, acceptance or payment of or for the Goods by LUCID. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of LUCID's discovery of the non-compliance of the Goods with the foregoing warranties. If LUCID gives the Supplier notice of non-compliance with this Section, the Supplier shall, at its own cost and expense, promptly replace or repair the defective or nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to the Supplier and the delivery of repaired or replacement Goods to LUCID.
13. Qualified Personnel. The Supplier shall ensure that all persons performing work on Goods, including the materials incorporated into the Goods, are qualified and deemed competent, as applicable, by the Supplier. LUCID reserves the right to specify required competencies for key process personnel as deemed necessary.
14. Environmental Compliance. Suppliers shall ensure that the products provided to LUCID comply with the applicable environmental compliance regulations, including, but not limited to, EU Regulation 1907/2006 (REACH), EU Directive 2011/65/EU (RoHS Directive), and the US 15 U.S.C. §2601 Toxic Substances Control Act (TSCA PBT).
15. LUCID Policies. Suppliers shall ensure that persons employed or engaged by the Supplier are aware that they are contributing to a LUCID product and that they must conform with the applicable specifications and all LUCID's policies that may be in place from time to time, including but not limited to, product safety and ethical behavior.
16. General Indemnification. The Supplier shall defend, indemnify and hold harmless LUCID and LUCID's subsidiaries, affiliates, successors or assigns and its respective directors, officers, shareholders, and employees] and LUCID's customers (collectively, "Indemnitees") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable legal and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "Losses") relating to, arising out of or occurring in connection with the products purchased from the Supplier or the Supplier's negligence, wilful misconduct or breach of the Terms. The Supplier shall not enter into any settlement without LUCID's or Indemnitee's prior written consent.
17. Intellectual Property Indemnification. The Supplier shall, at its expense, defend, indemnify and hold harmless LUCID and any Indemnatee against any and all Losses arising out of or in connection with any claim that LUCID's or Indemnitee's use or possession of the Goods infringes or misappropriates the patent, copyright, trade secret or other intellectual property rights of any third party. In no event shall the Supplier enter into any settlement without LUCID's or Indemnitee's prior written consent.
18. Compliance with Law. The Supplier is in compliance with and shall comply with all applicable laws, regulations, and ordinances. The Supplier has and shall maintain in effect all the licences, permissions, authorizations, consents, and permits that it needs to carry out its obligations under the Order. The Supplier shall comply with all export and import laws of all countries involved in the sale of Goods under the Order. The Supplier assumes all responsibility for shipments of Goods requiring any government import clearance. LUCID may terminate the Order if any government authority imposes antidumping duties, countervailing duties

or any retaliatory duties or any other penalties on the Goods.

19. Termination. LUCID may terminate the Order, in whole or in part, at any time with or without cause for undelivered Goods on five days' prior written notice to the Supplier. In addition to any remedies that may be provided under these Terms, LUCID may terminate the Order with immediate effect upon written notice to the Supplier, either before or after the acceptance of the Goods, if the Supplier has not performed or complied with any of these Terms, in whole or in part. If the Supplier becomes insolvent, is generally unable to pay, or fails to pay, its debts as they become due, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization, arrangement or assignment for the benefit of creditors, then the LUCID may terminate the Order upon written notice to the Supplier. If LUCID terminates the Order for any reason, the Supplier's sole and exclusive remedy is payment for the Goods received and accepted by LUCID prior to the termination.
20. Limitation of Liability. Nothing in the Order shall exclude or limit: (a) the Supplier's liability under Section 15, Section 16, Section 17, and Section 23 hereof, or (b) the Supplier's liability for fraud, personal injury or death caused by its negligence or wilful misconduct.
21. Waiver. No waiver by LUCID of any of the provisions of the Order shall be effective unless explicitly set forth in writing and signed by LUCID. No failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from the Order shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
22. Confidential Information. All non-public, confidential or proprietary information of the LUCID, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by LUCID to the Supplier, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with the Order is confidential, solely for the use of performing the Order and may not be disclosed or copied unless authorized by LUCID in writing. Upon LUCID's request, the Supplier shall promptly return all documents and other materials received from LUCID. LUCID shall be entitled to injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) known to the Supplier at the time of disclosure; or (c) rightfully obtained by the Supplier on a non-confidential basis from a third party.
23. Records. The Suppliers shall maintain detailed records of the Goods for a period of at least 10 years after the Delivery Date.
24. Inspection Rights. The Supplier consents to LUCID, its customers, and applicable regulatory authorities to do an on-site process and/or product audit at the Supplier's facilities at such times, from time to time, as determined by LUCID, acting reasonably. The Supplier shall cooperate and grant right of access to the applicable areas of all facilities to complete such audits, at any level of the supply chain, involved in the order and to all applicable records.
25. Assignment. The Supplier shall not assign, transfer, delegate or subcontract any of its rights or obligations under the Order without the prior written consent of LUCID.
26. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in the Order shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity shall be construed from the Order.
27. No Third-Party Beneficiaries. The Order 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 these Terms.
28. Governing Law. All matters arising out of or relating to the Order shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein, without giving effect to any choice or conflict of law provision or rule (whether of the Province of British Columbia or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the Province of British Columbia. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods does not apply to the Order.
29. Choice of Forum. Any legal suit, action, litigation or proceeding of any kind whatsoever in any way arising out of, from or relating to the Order, including all exhibits, schedules, attachments, and appendices attached to the Order, and all contemplated transactions, shall be instituted in the courts of the Province of British Columbia, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, litigation or proceeding.
30. Cumulative Remedies. The rights and remedies under the Order are cumulative and are in addition to and not in substitution for

any other rights and remedies available at law or in equity or otherwise.

31. Survival. Provisions of the Order which by their nature should apply beyond their terms will remain in force after any termination or expiration of the Order.
32. Armed Conflict Disclosure. Suppliers shall disclose if they use gold, tin, tantalum, and tungsten in products and manufacturing and what efforts have been undertaken to ensure those metals do not contribute to armed conflict in the Democratic Republic of Congo and surrounding areas (per Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act). Suppliers are expected to have a policy in place that includes DRC conflict-free sourcing and implemented due diligence measures.
33. Payment Terms. The Supplier shall issue an invoice to LUCID on or any time after the completion of delivery of the Goods and only in accordance with the Terms. Unless different payment terms are stated in the Purchase Order, payment terms shall be net 30 days from the invoice date. LUCID may withhold payment pending receipt of evidence or material as prescribed in the Purchase Order. Payment shall be made in United States dollars (USD), unless otherwise specified. In the event of a payment dispute, LUCID shall deliver a written statement to the Supplier no later than ten days 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. Amounts not so disputed are deemed accepted and must be paid, notwithstanding disputes on other items, within the period set forth in this Section. The parties shall seek to resolve all such disputes expeditiously and in good faith.
34. Set-Off. Without prejudice to any other right or remedy it may have, LUCID reserves the right to set off at any time any amount owing to it by the Supplier against any amount payable by LUCID to the Supplier.