

# GARMIN

## GENERAL TERMS AND CONDITIONS OF PURCHASE

### 1. INTEGRATION

The applicable purchase order issued by Garmin, the Supplier Code of Conduct ([FRM-0560](#)) (available at <https://www.garmin.com/en-US/suppliers/>), the Garmin Supplier Expectations ([FRM-0307](#)) (available at <https://www.garmin.com/en-US/suppliers/>) and these General Terms and Conditions of Purchase (collectively, the "Purchase Order") constitute the entire agreement between the vendor or seller named on the face thereof ("Supplier"), and the applicable Garmin entity issuing the Purchase Order ("Garmin") covering the goods and/or services described in the Purchase Order. Any terms or conditions contained in Supplier's quotations, acknowledgments, shipping documentation, invoices or any other documents that are different from or in addition to the terms and conditions hereof are hereby rejected. Neither receipt nor use of, nor payment for, any goods or services under the Purchase Order shall be deemed agreement by Garmin to any term in any prior quotation or offer of Supplier that is additional or different from the terms contained in the Purchase Order. Garmin shall have no obligation to place Purchase Orders with Supplier beyond the specific goods or services described in the Purchase Order, which decision shall be in Garmin's sole discretion.

### 2. ACCEPTANCE OF TERMS BY SUPPLIER

Supplier's acceptance must be limited to the terms and conditions stated in the Purchase Order, without any modification, addition or alteration. Supplier's commencement of work on such goods or services, or shipment of any of the goods, constitutes Supplier's acceptance of all of the terms and conditions hereof, whether or not Supplier has acknowledged the Purchase Order.

### 3. CHANGES

Garmin may, by revised purchase order or a written change order, make changes in any one or more of the following: (i) method of shipment or packaging; (ii) place or time of inspection or delivery; (iii) the quantity and/or type of goods or services ordered; and (iv) the work or goods/service delivery schedules. If Supplier considers that the conduct, statement or direction of any of Garmin's employees constitutes a change hereunder, Supplier shall notify Garmin in writing within 5 days and take no action on the perceived change pending written decision by Garmin. If any such change causes an increase or decrease in the cost of or time required for performance under any Purchase Order, an equitable adjustment shall be made in the price or delivery schedule or both, and the Purchase Order shall be modified accordingly. No claim by Supplier for adjustment hereunder shall be allowed unless made in writing for a specified amount within 20 days from the date notice of any such change is received by Supplier.

### 4. TERMINATION

(a) Garmin may, for its sole convenience and without necessity of proof of default by Supplier, upon written notice to Supplier, terminate the Purchase Order in full or any or all outstanding orders hereunder. Upon receipt of such notice, Supplier shall immediately stop all work on any orders already placed and shall immediately terminate orders and sub-contracts arising thereunder.

(1) In such event Garmin shall pay Supplier the price stated in the Purchase Order for goods or services already completed as of the date of cancellation according to the terms of the Purchase Order, and the goods or services shall be the property of Garmin, and Supplier shall safely hold the same subject to receipt of Garmin's shipping instructions.

(2) In the event that work on any goods or services was commenced but not completed as of the receipt of notice of termination by Supplier, Garmin shall reimburse Supplier for any unreturnable materials or actual direct costs attributed solely to Garmin. Supplier shall provide to Garmin an itemized bill of all costs. The cost of work in process will be calculated by totaling the raw material, labor, and other itemized and reasonable costs associated with the order termination. Supplier shall in good faith assure that any unused items included are a result of Garmin's induced parts obsolescence or overage. Such costs may include documented, reasonable claims from third party suppliers. In addition, Supplier shall take reasonable steps to divert the raw material inventory to other work orders to minimize a claim against Garmin. Garmin shall remit payment to Supplier within 30 days of receipt of Supplier's complete and documented accounting.

- (b) In addition to any other remedies provided herein, at law or in equity, Garmin may also, but is not required to, immediately terminate any individual order or the entire Purchase Order upon:
- (1) Supplier's default in any material term or condition hereof; or
  - (2) The appointment of a receiver for Supplier or an assignment of the bulk of Supplier's assets for the benefit of creditors; or
  - (3) The filing or initiation by Supplier, or by creditors of Supplier, of a petition for voluntary or involuntary bankruptcy or similar proceeding under any domestic or foreign bankruptcy or insolvency law, unless Supplier:
    - (i) notifies Garmin within 48 hours of filing of its intent to affirm the Purchase Order; and
    - (ii) provides Garmin with reasonable evidence of its ability to fulfill all its remaining obligations under the Purchase Order.

Otherwise, Garmin shall be entitled to petition any applicable court for an order lifting any automatic stay or similar restriction on debt collection and permitting Garmin to terminate the Purchase Order. If the jurisdiction in which Supplier is located considers the appointment of a receiver or an assignment for the benefit of creditors to require bankruptcy court oversight, then the provisions of clause(b)(3) above shall apply to such actions.

In such case, Supplier shall complete all orders in process if so requested by Garmin. Garmin shall make no further payment to Supplier for the work terminated until such time as Garmin has purchased substitute goods or services or otherwise taken required steps and has calculated its damages in full, including any attorney's fees or costs resulting from such default. If any additional funds are due to Supplier after all Garmin's damages and costs are deducted from sums earned by Supplier, Garmin shall remit them to Supplier. If Garmin's damages exceed any sums earned by Supplier but as yet unpaid, Supplier shall promptly remit payment to Garmin upon Garmin's written demand.

- (c) If Garmin fails to make payment to Supplier in accordance with the terms of the Purchase Order, and such failure persists after written notice from Supplier and Garmin has not cured its failure to pay within an additional 30 days, Supplier may terminate the Purchase Order after giving Garmin written notice of its election 10 days in advance of the termination's effective date.

## 5. TAXES

Unless otherwise provided in the Purchase Order, prices shown on the Purchase Order are deemed to include all taxes not expressly imposed by law on the buyer of the goods or services ordered under the Purchase Order. Supplier shall separately state on all invoices the applicable sales taxes imposed by federal, state, provincial, territorial or local governments, unless an exemption is available.

## 6. PAYMENT TERMS AND PRICE

- (a) A commercial invoice must accompany all international shipments. This invoice must match the billing invoice submitted to Garmin Accounts Payable. If the shipment includes free items (no-charge) such as extra parts, promotional items or other articles not included in the cost of the goods and services, the no charge item shall be listed as a separate line item on the commercial invoice. The commercial value (what the company would have paid or the reasonable value one would expect to pay for an identical item) must appear on the invoice. It is acceptable to place "Value for Customs Purposes only - Free of Charge" on the invoice for identification purposes, but the normal sales price must be listed.
- (b) Payment terms are net 60 days from the date of delivery of goods and/or the performance of services, unless other payment terms, including cash discounts, are agreed upon and stated in the Purchase Order.
- (c) Supplier invoices must include the following information:
- (1) Purchase Order or blanket Purchase Order number
  - (2) Release numbers on blanket Purchase Orders
  - (3) Garmin's part number, when applicable
  - (4) Quantity and price

Payment of invoices is subject to the information provided. The invoice must match the information on the Purchase Order. A packing list is also required to match the Purchase Order when invoicing Garmin. Discrepancies between the invoice, Purchase Order, and/or packing list will result in delayed payment.

- (d) Time allowed by Supplier for payment of invoices or for accepting a cash discount shall commence on the later of (i) the date invoices are received by Garmin, or (ii) the date the goods or services covered by the Purchase Order are received by Garmin. Garmin shall not be responsible for delay in receipt of Supplier's invoices.
- (e) Items not priced in the Purchase Order will be supplied to Garmin at the lowest price last charged by Supplier for equal quantity, and shall not exceed current prices quoted or charged to any other customer of Supplier for similar items and quantity. Supplier shall refund to Garmin any amounts in excess of such price.
- (f) Garmin, at its sole discretion, may withhold all or part of any payment to Supplier to such extent as may be necessary to protect Garmin from loss due to, but not limited to, the following causes:
  - (1) Defective work not corrected;
  - (2) Injury to personnel or damage to property of Garmin or third parties caused by act, omission or negligence of Supplier or its agents or employees;
  - (3) The breach of any provisions of the Purchase Order by Supplier; or
  - (4) Failure of Supplier to execute the work in a timely fashion to meet the completion date.
- (g) Payment shall not constitute acceptance of any non-conforming goods or services.

## **7. SHIPPING, FREIGHT TERMS AND RISK OF LOSS / TITLE**

- (a) Notwithstanding any provision hereof to the contrary, title to and risk of loss of the goods shall remain with Supplier until the goods are delivered at the F.O.B. point specified in the Purchase Order, or if no such point is specified, after the goods have been inspected by Garmin's quality assurance staff.
- (b) Charges for packing, hauling, storage or transportation are included in the price unless otherwise specified in the Purchase Order.
- (c) Shipping documents must show the Purchase Order number. The terms and routing of shipment shall be as provided in the Purchase Order. Garmin may revise shipping instructions as to any goods not then shipped.
- (d) Unless excluded by law, Title 19 of the United States Code (U.S.C.) Section 1304 requires every article of foreign origin imported into the United States to be clearly marked with the name of the country of origin of the article at the time of importation. Goods must be marked as legibly and permanently, in a conspicuous place, as the nature of the goods will permit. This marking should indicate to an ultimate purchaser the country of origin in English, and the purchaser should be able to find the marking easily and read it without strain.
- (e) In order to facilitate the import of purchased goods into a country from a foreign Supplier, specific documents are required by all customs authorities worldwide. Supplier is therefore required to provide the following documents:
  - (1) Commercial invoice
  - (2) Packing list
  - (3) Air waybill or ocean bill of lading
  - (4) Other documentation as deemed necessary

## **8. TIME / SCHEDULE / DELAYS**

- (a) TIME IS OF THE ESSENCE IN DELIVERING GOODS OR SERVICES UNDER AN ORDER. Supplier shall deliver all goods by the delivery date(s) set forth in the Purchase Order. All shipments of goods and performance of services must be provided to Garmin in accordance with the time specified in the Purchase Order. In the event of any delayed shipments or performance, all additional expenses to which Garmin may be subjected shall be borne by Supplier. If Garmin believes that a delay or anticipated delay in Supplier's deliveries or performance may impair Garmin's ability to meet its production schedules or may otherwise interfere with its operations, Garmin may, at its sole option, cancel any outstanding deliveries hereunder wholly or in part and terminate the Purchase Order. Such remedy shall not be deemed to be the exclusive remedy for Supplier's delay or non-performance, but shall be in addition to all other remedies available to Garmin as provided for herein, at law or in equity.
- (b) No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached its obligations under the Purchase Order, for any failure or delay in fulfilling or performing any obligation under the Purchase Order (including any obligations to make payments), when and to the extent such failure or delay is

caused by or results from acts beyond the impacted party's control, including, without limitation, the following force majeure events ("Force Majeure Event(s)": (i) acts of God; (ii) flood, fire, earthquake, epidemic, pandemic, or explosion; (iii) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (iv) government order, mandate, law, or actions; (v) embargoes or blockades in effect on or after the date of the Purchase Order; (vi) national or regional emergency (including public health emergency); and (vii) strikes, labor stoppages or slowdowns or other industrial disturbances. Notwithstanding any provision hereof to the contrary, the reduction, depletion, shortage, curtailment or cessation of Supplier's supplies or reserves or any other supplies or materials of Supplier or its suppliers shall not be regarded as a Force Majeure Event.

- (c) If a party believes that its ability to fulfill or perform its obligations under the Purchase Order is being or will be impacted by a Force Majeure Event, such impacted party shall give written notice thereof to the other party as soon as commercially reasonable after the impacted party's first knowledge of the Force Majeure Event, along with an estimate of the effect it believes such Force Majeure Event will have on its ability to fulfill or perform its obligations. The impacted party shall use all commercially reasonable efforts to eliminate or remedy the failure or delay and to minimize the effects of such Force Majeure Event.
- (d) Where Supplier experiences a Force Majeure Event, if Garmin is satisfied that such Force Majeure Event prevents Supplier's full and/or timely delivery of the goods or services hereunder, and provided that Supplier establishes that it could not have overcome the effects of the Force Majeure Event with commercially reasonable steps, Garmin may, at its option:
  - (1) require Supplier to apportion among its customers the goods and services available for delivery during the Force Majeure Event;
  - (2) cancel any or all delayed or reduced deliveries; or
  - (3) cancel any outstanding deliveries hereunder and terminate the Purchase Order.

If Garmin accepts reduced deliveries or cancels the same, Garmin may procure substitute goods and services from other sources, in which event the Purchase Order shall be deemed modified to eliminate Garmin's obligation to purchase Supplier's goods and services which were not delivered. After cessation of the Force Majeure Event, Garmin may, but is not obligated to, require Supplier to deliver goods and services not delivered during the Force Majeure Event.

- (e) If the event which delayed or prevented performance by a party was not in fact a bona fide Force Majeure Event, the other party may treat the first party's non-performance as a default.

## 9. QUALITY ASSURANCE

Supplier shall establish and maintain a formal quality program and comply with the requirements stated below. If Supplier is not the manufacturer of goods covered by a Purchase Order, Supplier shall require the manufacturer of the goods to establish and maintain the program described below. Supplier's obligations hereunder shall extend and be applicable to Supplier's suppliers, contractors and sub-contractors:

- (a) For serialized items, all documents shall be traceable to the item serial number.
- (b) Supplier shall control all welding, soldering, finishing, plating or other special processes in accordance with the requirements and specifications referenced by or included in the Purchase Order.
- (c) Supplier shall fully comply with the drawings, specifications, test procedures, standards and other requirements of the Purchase Order. It is the responsibility of Supplier to ensure that only goods conforming to the Garmin-approved applicable design data are delivered to Garmin.
- (d) If Supplier identifies or becomes aware of the existence of a good which is not in conformance with Garmin's specifications and applicable design data for such good, Supplier shall contact Garmin to request engineering review/disposition of the discrepancy. Supplier shall maintain a system for:
  - (1) identification of defects in goods already manufactured;
  - (2) tracing of such goods to customers;
  - (3) prompt advice to customers of discovered defects; and
  - (4) a plan for recall and repair/replacement of such goods.

Garmin shall not be bound by Supplier's determinations under any positive recall system, and the final determination of conformance shall be in the sole discretion of Garmin. Supplier shall immediately upon Supplier's discovery report to Garmin any goods found to be non-conforming subsequent to delivery to Garmin.

- (e) All goods, including any components of goods, that are rejected by either Garmin or Supplier shall be immediately destroyed and in no instances shall such rejected goods, or any components of such goods, be sold or otherwise distributed to third parties. The parties agree that Supplier's failure to comply with this Section 9(f) shall be deemed Supplier's default in a material term or condition of these Terms and Conditions.
- (f) Supplier shall, upon request, promptly provide a copy of Supplier's current quality control manual to Garmin.
- (g) Garmin, Garmin's customers and governmental entities shall have the right to inspect any and all of the goods and quality records maintained pursuant to clause (a) above at Supplier's plant, at Supplier's suppliers' plants, or upon Garmin's receipt of such goods, at Garmin's election, which right shall be exercisable notwithstanding Garmin's having paid for the goods prior to inspection. In the event any surveillance inspection or test is made by Garmin, Garmin's customer or governmental entity, such as the Federal Aviation Administration (in the case of goods which will be used in an aviation product) on the premises of Supplier, Supplier shall, without additional charge, provide all reasonable facilities and assistance for the safety and convenience of the inspector(s) in the performance of their duties. Garmin, by reason of its inspection of goods or failure to inspect goods, shall not be deemed to have accepted any defective goods or goods which do not conform to the specifications therefore or to have waived any of Garmin's rights or remedies arising by virtue of such defects or non-conformance.
- (h) Supplier and its suppliers shall be required to use any of Garmin's customer required special processes, controlled sources or key characteristics specified by Garmin in the Purchase Order.
- (i) Supplier shall provide written notification prior to any change in manufacturing location or sub-contracted third-party suppliers in order to allow sufficient time for Garmin to prepare and conduct evaluations as necessary.
- (j) Supplier shall obtain authorization from Garmin prior to shipping any solderable components in excess of two (2) years old. Depending on the type of goods and storage conditions, Garmin may, in its sole discretion, require Supplier to pre-test solderability of the goods to IPC/EIA/JEDEC J-STD-002B, Procedure 4.2, Test A and Test B. Material with shelf life requirements must have greater than 50% of shelf life remaining when shipped to Garmin.
- (k) Supplier represents and warrants that it has policies and procedures in place to ensure none of the goods, supplies or materials furnished to Garmin are Suspect/Counterfeit Parts and Supplier to the best of its knowledge and belief that no such parts have been or are being furnished to Garmin. "Suspect/Counterfeit Parts" are parts that may be of new manufacture but are misleadingly labeled to provide the impression they are of a different class or quality or from a different source than is actually the case. Suspect/Counterfeit Parts also include refurbished parts, complete with false labeling, that are represented as new parts or any parts that are designated as suspect by the U.S. Government. If Garmin reasonably determines that Supplier has supplied Suspect/Counterfeit Parts to Garmin, Garmin shall promptly notify Supplier and Supplier shall immediately replace the Suspect/Counterfeit Parts with parts acceptable to Garmin. Notwithstanding any other provisions contained herein, Supplier shall be liable for all costs incurred by Garmin to remove and replace the Suspect/Counterfeit Parts, including without limitation Garmin's external and internal costs of removing such Suspect/Counterfeit Parts, reinserting replacement parts, and of any testing necessitated by the reinstallation of Supplier's goods after Suspect/Counterfeit Parts have been exchanged.
- (l) If Supplier receives a change in status to an active certificate(s) that was provided to Garmin as part of the Supplier Risk Assessment (FRM-0006), Supplier is required to provide written notice to Garmin within 5 days of the change. If Supplier fails to inform Garmin that they have a change of status to active certificates, it may result in Garmin charging back Supplier for any material and costs incurred due to the change in status.
- (m) With respect to any goods sold to Garmin which will be used in aviation products and which have received, or are subject to, certification, authorization or approval by a governmental authority (e.g. FAA Technical Standard Orders (TSO) Authorization), Supplier shall provide Garmin, its representatives, designees and/or customers access to all certification and design data reasonably required by Garmin, its representatives, designees and/or customers to (i) determine airworthiness and (ii) complete aircraft level approvals for such goods. Supplier shall promptly notify Garmin of changes to such certification and design data.
- (n) With respect to any calibrated equipment or calibration services sold and/or provided to Garmin, Supplier shall provide Garmin a calibration certificate that includes, at a minimum, the following: (i) equipment description including manufacturer, model number, and serial number; (ii) calibration date; (iii) description of technical procedure(s) used; and (iv) traceability to the U.S. National Institute of Standards and Technology (NIST) or other internationally recognized standards organization. Supplier shall ensure that any calibration services provided to Garmin are performed using adequate technical procedures by adequately trained personnel and in adequate environmental conditions.

- (o) Supplier shall inform its employees, agents, suppliers and representatives of:
  - (1) their contribution to product or service conformity;
  - (2) their contribution to product safety; and
  - (3) the importance of ethical behavior, including, without limitation, compliance with ([FRM-0560](#)) Garmin's Supplier Code of Conduct (available at <https://www.garmin.com/en-US/suppliers/>).

## 10. RECORD RETENTION

- (a) Supplier shall maintain quality records for a period of at least ten (10) years covering all goods and/or services described in the Purchase Order. Such records shall include, but are not limited to:
  - (1) Equipment calibration records;
  - (2) Training, experience, and qualification records;
  - (3) Design and development of input/output reviews and controls;
  - (4) Records of changes to recordkeeping provisions;
  - (5) Production, inspection, test, and traceability records;
  - (6) Rework and repair records;
  - (7) Conformity and nonconformity records with acceptance criteria;
  - (8) Monitoring measurement results;
  - (9) Internal audit review program and results;
  - (10) Management review; and
  - (11) Records of corrective action

## 11. SUBSTITUTIONS

- (a) Substitution of material or process shall only be made with prior written permission from Garmin.
- (b) Supplier shall submit a "Supplier Change Notice" (SCN) or "Process Change Notice" (PCN) when any change of material or process is made that could impact fit, form, or function of the goods.
- (c) If any substitution is permitted by Garmin, Supplier shall warrant that such substituted material or process (i) is of as good or superior quality to the material or process originally required; and (ii) shall last as long, or longer, than the material or process originally required.

## 12. DESIGNS, TOOLS, ETC.

- (a) Unless otherwise stated in the Purchase Order, Supplier at its cost shall supply all materials, equipment, tools and facilities required to perform the Purchase Order. Any designs, drawings, blueprints, materials, equipment, tools, or other property furnished to Supplier or specifically paid for by Garmin (collectively, "Garmin Property") shall remain Garmin's property unless otherwise agreed by Garmin in writing. Garmin Property shall be used only in the supply of goods and services to Garmin unless Supplier receives prior written consent otherwise from Garmin.
- (b) If Garmin furnishes such Garmin Property to Supplier, Supplier shall return the same to Garmin at Garmin's request, but no later than 30 days following the completion or termination of all or any applicable part of the Purchase Order or subsequent future Purchase Orders.
- (c) Supplier shall use Garmin Property at its own risk, and shall be responsible for all loss of or damage to the same while in Supplier's custody. Supplier shall, at its cost, store and maintain all such property in good condition and repair. Garmin makes no warranties of any nature with respect to the Garmin Property or any other property it may furnish to Supplier hereunder.
- (d) Supplier shall establish, implement and maintain a system for identification, control, verification, storage and maintenance of Garmin Property. This may include tools, dies, test fixtures, totes, material to be processed or intellectual property, such as software or engineering drawings. When physically possible, tooling shall be marked as "Property of Garmin," and shall be stored separately from Supplier-owned property. If such Garmin Property is lost, damaged, or otherwise compromised or unusable, Supplier shall immediately notify Garmin and maintain records.

## 13. HAZARDOUS MATERIALS

- (a) If Supplier brings any hazardous materials for Supplier's use while on Garmin premises, Supplier shall notify Garmin's Safety & Security Supervisor of the materials and hazards associated with them.

- (b) If the goods purchased pursuant to the Purchase Order contain any substance defined or described by 29 Code of Federal Regulations (CFR) part 1910.1000-1056 or 29 CFR 1910.1200, Supplier shall provide a current Material Safety Data Sheet to Garmin prior to or at the time of initial shipment, and Supplier shall label all containers with the manufacturer's name and address, the identity of the hazardous material and appropriate hazard warnings. If the Purchase Order is issued from a Garmin entity located in Canada or if Supplier is located in Canada, then Supplier shall also comply with the requirements of the Workplace Hazardous Materials Information System.
- (c) Without limiting the generality of Section 16(b) below, Supplier represents, warrants and agrees that the content of all goods supplied to Garmin shall comply with all applicable federal, state, provincial, territorial, local, and foreign laws, rules and regulations regarding hazardous substances, including, without limitation, laws enacted pursuant to European Union Directives.

#### 14. ENVIRONMENTAL COMPLIANCE

- (a) All materials, components and/or finished goods for use in and/or with Garmin products shall comply with the most current version of the Garmin Banned/Restricted (Declarable) Substances List (GPN [001-00211-00](#) or [001-00211-01](#) (For Wearable Products and Components)) available at <https://www.garmin.com/en-US/suppliers/> (the "Banned/Restricted Substances List").
- (b) Materials, components and/or finished goods are prohibited from containing a banned substance in excess of specified thresholds listed in GPN [001-00211-00](#) or [001-00211-01](#) (For Wearable Products or Components) unless exempted by Garmin in writing.
- (c) Supplier is required to provide information and/or declarations of restricted (declarable) substances listed in GPN [001-00211-00](#) or [001-00211-01](#) (For Wearable Products or Components) and contained in the materials, components and/or finished goods supplied for use in and/or with Garmin products.

#### 15. CONFLICT MINERALS COMPLIANCE

Supplier shall provide to Garmin all information (in sufficient detail), with written certifications thereof, to enable Garmin to timely comply with all of Garmin's and Garmin's customers' due diligence, disclosure and audit requirements under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), Rule 13p-1 and Form SD under the U.S. Securities Exchange Act of 1934, and all similar, applicable statutes and regulations, including due inquiry of Supplier's supply chain identifying conflict minerals (as defined in Section 1502(e)(4) of the Dodd-Frank Act) contained in goods sold to Garmin.

#### 16. WARRANTIES

(a) Supplier's Product Warranty. Supplier represents and warrants to Garmin as follows:

- (1) Supplier shall deliver to Garmin title to all goods free and clear of all security interests, liens, charges, restrictions or encumbrances of any kind, nature or description;
- (2) All goods and services shall be free from defects in material and/or workmanship;
- (3) All goods shall be new and not used or reconditioned unless otherwise specified by Garmin;
- (4) All goods (and their packaging) and services shall conform to the description thereof and/or specifications, instructions and drawings therefore contained in the Purchase Order; and
- (5) All the goods shall in all respects be suitable for the particular purpose for which they are purchased and the goods shall be merchantable.

Supplier shall obtain the written concurrence to the above warranties from any subcontractor or supplier providing any of the goods or services covered by the Purchase Order.

(b) Compliance with the Law Warranty. In addition to any other warranties required by the Purchase Order or provided by Supplier, Supplier hereby covenants, represents and warrants that:

- (1) Supplier shall comply with all federal, state, provincial, territorial, and local laws, ordinances, rules and regulations applicable to its performance under the Purchase Order. Any clause required by any law, ordinance, rule or regulation to be included in an agreement of the type evidenced by this document shall be deemed to be incorporated herein
- (2) If the Purchase Order is issued from a Garmin entity located in the United States or if Supplier is located in the United States, then Supplier shall comply with (i) all Occupational Safety and Health Administration (OSHA)

regulations covered under 29 CFR 1910 (general safety) and 29 CFR 1926 (construction safety); (ii) the Fair Labor Standards Act of 1938, as amended; (iii) the Equal Employment Opportunity clause prescribed by Executive Order 11246 dated September 24, 1965, as amended; and (iv) any rules, regulations or orders issued or promulgated thereunder.

- (3) No materials provided to Garmin will originate from or be processed in any country that is subject to any embargoes or sanctions administered by the U.S. Department of Treasury.
  - (4) Supplier is not subject to any law, order, decree, restriction or agreement that prohibits or would be violated by the Purchase Order or the consummation of the transactions contemplated hereby; and
  - (5) None of the funds which will be paid to Supplier under the Purchase Order nor other assets of Supplier constitute property of, or are beneficially owned, directly or indirectly, by any person, entity or government subject to trade restrictions under U.S. law, including but not limited to: (i) the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et seq.; (ii) The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq.; and (iii) any Executive Orders or regulations promulgated thereunder, with the result that sale by Supplier, its managing member or any non-managing member (whether directly or indirectly), is prohibited by law (an "Embargoed Person"). No Embargoed Person has any interest of any nature whatsoever in Supplier (whether directly or indirectly).
- (c) Supplier's Warranty Regarding Anti-Dumping and Countervailing Duties. Supplier represents, warrants and covenants that all sales made hereunder are made in circumstances that will not give rise to the imposition of anti-dumping or countervailing duties under the laws of the United States, European Union, Canada and similar laws in such jurisdictions or the law of any other country to which the goods may be exported. To the full extent permitted by law, Supplier shall indemnify, defend and hold Garmin and its affiliated companies harmless from and against any costs or expense (including any countervailing or dumping duties) arising out of or in connection with any breach of this warranty. In the event that a countervailing and/or antidumping duty order is imposed, Garmin may terminate the Purchase Order with no further liability of any nature whatsoever to Supplier hereunder. In the event that any jurisdiction imposes punitive or other additional tariffs on goods subject to this Purchase Order in connection with a trade dispute or as a remedy in an "escape clause" action or for any other reason, Garmin may, at its option, treat such increase in duties a Force Majeure Event.

## 17. REMEDIES

- (a) If any of the goods or services are defective or otherwise not in exact accordance with the requirements of the Purchase Order, including any blueprints, specifications, samples or instructions issued in connection therewith, Garmin, in addition to its other rights, may in its sole discretion:
  - (1) require prompt repair or correction thereof by Supplier or Garmin's designee at Supplier's expense;
  - (2) require Supplier to replace such goods or services and upon Supplier's failure or refusal to do so, replace the same at Supplier's expense; or
  - (3) reject any shipment or delivery containing defective or non-conforming goods and return for credit or replacement at Garmin's option, said return to be made at Supplier's cost and risk.

If deemed necessary, Garmin will issue a Corrective Action Request ("CAR") to Supplier. Supplier shall determine the root cause of the problem, provide a short-term corrective action, a root cause corrective action plan and target dates for completion of each corrective action implementation, in writing by completing a CAR form within 14 days of date issued.

- (b) Should Supplier's goods require rework for use in accordance with the terms of the Purchase Order, Garmin reserves the right to require, and Supplier agrees to pay to Garmin, compensation for Garmin's reasonable expenses and costs to perform or inspect the rework.
- (c) In the event of Garmin's breach hereunder, Supplier's exclusive remedy shall be Supplier's recovery of the goods or the purchase price payable for goods shipped and services performed prior to such breach.

## 18. INDEMNIFICATION

- (a) To the fullest extent permitted by law, Supplier shall indemnify and hold harmless Garmin, Garmin's affiliated companies, Garmin's customers and the agents, directors and employees of any of them (the "Indemnified Parties") from and against claims, damages, losses and expenses, including but not limited to reasonable attorneys' fees, arising out of or in connection with (i) any failure by Supplier or any goods and/or services provided by Supplier



hereunder to comply with any Laws; (ii) any breach by Supplier of any representation, warranty or covenant contained in the Purchase Order or (iii) any acts or omissions of Supplier or any subcontractor to Supplier, anyone directly or indirectly employed by them or anyone for whose acts they may be liable (an "Indemnifying Party"), regardless of whether or not such claim, damage, loss or expense is caused in part by the tortious or negligent acts or omissions of a party indemnified hereunder. Nothing in this Section shall require the Indemnifying Party to indemnify an Indemnified Party for such party's own negligence beyond that proportion of the claim, damage, loss or expense attributable to the contributory or comparative fault of the Indemnifying Party.

- (b) If any employee of Supplier, its subcontractors or anyone directly or indirectly employed by them or anyone for whose acts they may be liable (a "Supplier Employee") brings any claim against any Indemnified Party, the indemnification obligation under clause (a) above shall not be limited by any limitation on amount or type of damages, compensation or benefits payable by or for Supplier or a subcontractor to such Supplier Employee under workers' compensation acts, disability benefit acts or other employee benefit acts.
- (c) It is anticipated that the goods will be possessed, used and/or sold by Garmin and/or its customers. If by reason of any of these acts a suit is brought or threatened for infringement of any patent, trademark, trade secret, trade name or copyright with regard to the goods, their manufacture or use, Supplier shall, at its own expense, defend such suit and shall indemnify and hold harmless the Indemnified Parties from and against all claims, damages, losses, demands, costs and expenses (including attorneys' fees) in connection with such suit or threatened suit. In the event the Indemnified Parties and/or their successors in interest are or are enjoined from the operation, use and/or sale of the goods or any services, or any part thereof, covered by this order, Supplier shall (at its sole expense) take all reasonable steps possible to procure for the Indemnified Parties and their successors in interest the right to operate, use and sell said goods or any services, or any part thereof, covered by this order. If Supplier cannot so procure the aforesaid right within a reasonable time, Supplier shall then promptly (at Supplier's sole expense):
  - (1) modify said goods or services or any part thereof so as to avoid infringement of any patent or other intellectual property or proprietary interest;
  - (2) replace said goods or services or any part thereof with goods or services which do not infringe or violate any said patent or other intellectual property or proprietary interest; or
  - (3) remove said goods or services or any part thereof and refund any compensation paid to Supplier and pay to Garmin any transportation costs and expenses that may have been paid or incurred by Garmin in connection with the goods or services or any part thereof so removed.

## 19. INSURANCE

Supplier shall, at its own expense, maintain and carry insurance in full force and effect comprehensive general liability, including products liability, insurance in an amount appropriate for its business, but in no event less than \$1,000,000.00 (US) with an insurance company having an A.M. Best rating of "A" or higher. Upon Garmin's request, Supplier shall provide a certificate of such insurance (including any new or amended certificates of insurance) and/or name Garmin and Garmin's affiliated companies as additional insureds.

## 20. LABOR/SERVICES

- (a) If the Purchase Order covers services or labor to be performed on Garmin's premises, Supplier shall work to observe the highest safety standards and to adhere to all Garmin's work instructions and security requirements. Supplier shall obtain and pay for worker's compensation and employer's liability insurance, public liability insurance and property damage insurance in amounts appropriate for its business and in accordance with statutory minimums, and shall furnish Garmin with additional insured endorsements and insurers certificates evidencing such insurance, which certificates shall provide that the coverage evidenced thereby shall not be canceled except upon 30 days prior notice to Garmin.
- (b) Supplier shall comply with Garmin's safety procedures and company policies, including anti-harassment policies, when performing service on Garmin's property, and will be required to execute a Safety & Security Acknowledgement form before any work may be performed
- (c) In the event that production delays or other causes not within Supplier's control force postponement of the installation as scheduled, the goods will be stored at Garmin's facility until installation can be resumed, and unless objected to by Garmin, Supplier shall be permitted to invoice for such goods. In such event, Garmin may reserve the right to withhold 20% of the invoice amount of such shipments against the completion of start-up, testing,

inspection and any other items of work not yet completed. All transfer and storage charges incurred shall be negotiated on an individual basis.

## 21. COPYRIGHT/INTELLECTUAL PROPERTY

Supplier acknowledges that any trade secret information, copyrightable work product, and any and all other intellectual property rights developed, derived from, or otherwise generated by Supplier in performing services hereunder shall be owned by and belong exclusively to, Garmin and shall be deemed "works for hire" (as that term is commonly understood and as specifically defined under 17 U.S.C. Section 101). If such work product is not deemed to be a "work for hire", Supplier hereby assigns and agrees to assign to Garmin the ownership of all rights, titles, and interests in such material.

## 22. STATEMENT OF CONDUCT

- (a) Supplier understands and acknowledges that:
- (1) Garmin does not allow gifts or other consideration to be provided to Garmin's employees from suppliers or potential suppliers except for very low cost promotional items.
  - (2) Garmin's policy is that Garmin employees shall refrain from entering into any activity that is in conflict with the interest of Garmin, or which would prejudice their ability to exercise independent judgment in carrying out their duties and responsibilities, or devote undivided loyalty to Garmin. This includes any private or business activity which might create a conflict of interest.
- (b) Supplier shall inform its employees, agents, suppliers and representatives of the policies set forth in clause (a) above and in the (FRM-0560) Supplier Code of Conduct (available at <https://www.garmin.com/en-US/suppliers/>).

## 23. CONFIDENTIALITY/PUBLICITY/ADVERTISEMENT

- (a) Supplier acknowledges that the Confidential Information (as defined below) comprises valuable trade secrets and is proprietary to Garmin. Supplier shall not disclose any Confidential Information to any other person, firm or corporation or use such Confidential Information itself for any purpose other than to perform its obligations under the Purchase Order. The foregoing obligation shall not apply to any information that becomes public through no fault of Supplier. As used herein, the term "Confidential Information" means all know-how, designs, drawings, pricing information, specifications, and other information, whether or not reduced to writing, relating to the design, manufacture, use and service of any products of Garmin as well as any other information relating to the business of Garmin that may be divulged to Supplier that is not generally known to the public, including without limitation all Garmin Property.
- (b) The obligation of confidentiality contained herein shall survive cancellation, termination and expiration of the Purchase Order and shall bind all employees, agents and consultants retained by Supplier.
- (c) Supplier shall not, except as required by law, make any public release regarding the Purchase Order nor shall Supplier use in any advertising, letterhead, publicity or other public or media communications, any trade name, trademark, service mark, symbol or any other identification or abbreviation, contraction or simulation thereof owned by Garmin or any of its parent, affiliated and/or subsidiary companies without the prior written consent of Garmin.

## 24. INFORMATION AND DATA SECURITY

- (a) Supplier shall employ all appropriate legal, organizational and technical measures to protect all data and Confidential Information provided by Garmin to Supplier ("Garmin Confidential Data"). Supplier shall implement and maintain a written information security program, including appropriate policies, procedures and risk assessments, and shall provide a copy of Supplier's current data security policies upon Garmin's request. Supplier shall implement administrative, physical and technical safeguards to protect Garmin Confidential Data from unauthorized access, acquisition or disclosure; destruction, alteration, accidental loss, misuse or damage, and any other security procedures that may be issued by Garmin to Supplier from time to time.
- (b) Supplier shall notify Garmin within 48 hours after Supplier discovers or has reason to believe that any person or entity has breached or attempted to breach Supplier's security measures, or has gained unauthorized access to Garmin Confidential Data. Following any such breach, Supplier shall (i) investigate, remediate and mitigate the effects of the breach, and (ii) provide Garmin with assurances reasonably satisfactory to Garmin that the same or similar breach will not recur. Supplier shall, at Garmin's request and at Supplier's cost and expense, undertake all necessary remedial actions.

- (c) If Supplier supplies to Garmin any goods or services (including, without limitation, software) that include (i) executable files, whether delivered separately as software or within the provided goods or services and/or (ii) pre-compiled binary files (such as libraries or similar resources used to create executable files), which are intended for use within or in conjunction with Garmin products, Supplier shall, at the Supplier's sole expense no additional expense to Garmin, provide all necessary bug fixes, patches or updates for any deficiencies or defects relating to cyber security vulnerabilities known to Supplier or discovered through penetration testing conducted by Supplier, Garmin or any third party by or on behalf of Supplier or Garmin. Garmin reserves the right to reverse engineer goods supplied by Supplier solely for the purpose of and limited specifically to testing goods for deficiencies or defects related to cyber security vulnerabilities, and Supplier hereby consents to such reverse engineering.

## 25. IMPORTED GOODS

- (a) Supplier Requirements. Supplier shall provide to Garmin a "pre-alert" notice containing all information and documentation needed to affect customs entry into each country into which the goods are to be imported, except information within the exclusive possession of Garmin. When Garmin has provided Supplier with information on the tariff classification, rate of duty, value of the imported articles, commodity description or any other related statements, such information shall appear accurately on the customs/commercial invoice. Supplier shall provide such documentation and other assistance as Garmin may request to allow Garmin to claim drawback of duties and taxes on purchased goods or articles manufactured from purchased goods. Supplier shall accurately indicate the Country of Origin of the goods purchased hereunder on the customs/commercial invoice and other applicable documentation. When requested by Garmin, Supplier shall execute such documents as may be necessary to allow Garmin to claim duty preference under any and all applicable programs. Supplier warrants that all transfers of goods and data received from Garmin will be conducted in compliance with applicable requirements of the United States, Canada and/or other governments with jurisdiction over any goods or technical data supplied by Garmin in connection with this order.
- (b) Importer Security Filing – 10+2. Supplier shall coordinate with Garmin to ensure the accurate and timely filing of the Importer Security Filing (ISF) required data elements, a minimum of 24 hours prior to loading ocean freight destined for the United States.
- (c) Supply Chain Security. Supplier represents, warrants and covenants that it has reviewed, or will review, its supply chain security procedures and that these procedures and their implementation are, or will be at the time of any shipment, in accordance with the criteria set forth by the Customs-Trade Partnership Against Terrorism ("C-TPAT") program of the U.S. Bureau of Customs and Border Protection. Specifically, Supplier warrants that it is: (i) applying C-TPAT-prescribed inspection methods prior to loading of the transport conveyance; (ii) maintaining secure control over its loaded and empty transport conveyances; (iii) controlling and applying certified high security seals for securing transport conveyance doors; and, (iv) ensuring that its suppliers and/or business partners are observing the criteria set forth by C-TPAT. Supplier further represents, warrants and covenants that it has developed and implemented, or will develop and implement, procedures for periodically reviewing and if necessary, improving its supply chain security procedures. Specifically, Supplier agrees to conduct an annual security audit at each of its facilities and to take all necessary corrective actions to ensure conformity with C-TPAT standards. Supplier agrees to share with Garmin the results of such annual audits and agrees to prepare and submit to Garmin a report on the corrective actions taken in response thereto. In the event Supplier fails to take an appropriate corrective action, Garmin may, but is not required to, terminate the Purchase Order. If Supplier is enrolled in any supply chain security accredited programs, such as C-TPAT or other similar programs that may exist in the country of Supplier, then Supplier shall provide Garmin with documentary evidence of such enrollment(s).

## 26. EXPORT AUTHORIZATION REGULATION (EAR) / INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR)

Supplier hereby represents, warrants and covenants that it will NOT provide Garmin any goods, services, software, technology or information, in any format, subject to the following export controls (collectively, "Controlled Items") without first obtaining the prior written approval from Garmin:

- a) Commerce Control List (CCL) [controlled for any reason beyond AT],
- b) United States Munitions List (USML), or
- c) Wassenaar Arrangement Dual-Use Goods and Technologies and Munitions Lists.

Supplier further represents, warrants and covenants that it has applied the provisions of each of the above export controls to the best of its capabilities for each item it supplies to Garmin; which includes whether each item is (i)

specifically designed, modified, adapted, or configured for military application, and/or (ii) subject to subsections a, b or c above. For each such item that Supplier does not manufacture, Supplier represents, warrants and covenants that it has made inquiry to the original manufacturer of each such item about the export controls, including design intent, for the item(s) as part of its analysis. Supplier acknowledges and understands the control requirements in subsections a, b and c above extend to designs (drafted and finalized), bills of material, parts, components, sub-systems, systems, integrated circuits, software code (object and source code), models, mockups, equipment, parts, services, proposals, and/or requests for product modifications. Based upon Supplier's analysis, it will NOT provide Garmin any Controlled Items, in any manner; including release or delivery to Garmin by means of: face-to-face discussions, telephone conversations, e-mails, granting of electronic access to information, sharing of servers, correspondence, memoranda, responses to solicitations, demonstrations, release of software and/or technology, and physical delivery of an item to Garmin without first obtaining the prior written approval from Garmin.

## **27. GOVERNING LAW**

The Purchase Order, including these Terms and Conditions, shall be deemed to be made in the state, province or territory from which the Purchase Order originates and shall in all respects be construed and governed by the laws of that state, province or territory without giving effect to any conflict of laws principles of such state, province or territory. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Purchase Order. Supplier hereby submits to the jurisdiction of the state and federal courts located in the State of Kansas for the purpose of all legal proceedings relating in any way to the Purchase Order, and if jurisdiction is in the courts of the State of Kansas, Supplier consents to venue exclusively in Johnson County.

## **28. ELECTRONIC DATA INTERCHANGE ("EDI")**

- (a) The parties may conduct the exchange of business forms using electronic data interchange ("EDI"). The parties intend that contracts formed by electronically transmitting data will be as enforceable as contracts formed by exchanging paper forms. If a party receives unintelligible data by EDI, that party will promptly notify the sending party. Each party agrees to provide appropriate security measures to ensure that all transmissions of data by EDI are authorized, and to protect data from unauthorized access, alteration or loss. Each party will use reasonable care to maintain the confidentiality of transactions and the data therein in the same secured manner as it would maintain paper documents of like kind.
- (b) Supplier acknowledges that while Garmin accepts electronic purchase orders (that include the description, quantities and other relevant information relating to the purchase of goods) and participates in electronic commerce via EDI, no terms and conditions contained in any data transmitted by Supplier will be binding upon Garmin unless expressly agreed to by Garmin in writing.
- (c) If Supplier is on Garmin's EDI system, Supplier acknowledges that these Terms and Conditions, the Supplier Code of Conduct and the Supplier Expectations, apply to each order placed pursuant to EDI, even though these Terms and Conditions, the Supplier Code of Conduct and the Supplier Expectations are not separately transmitted electronically with each Purchase Order.

## **29. MISCELLANEOUS**

- (a) The waiver of any term, condition, or provision hereof shall not be construed to be a waiver of any other such term, condition, or provision, nor shall such waiver be deemed a waiver of a subsequent breach of the same term, condition, or provision.
- (b) Supplier shall not assign its rights or obligations under the Purchase Order without the prior written consent of Garmin, which may not be unreasonably withheld.
- (c) All claims for money due or to become due, from Garmin shall be subject to deduction or set off by Garmin by reason of any claim arising out of this or any other transaction with Supplier.
- (d) If any term of the Purchase Order is not enforceable under governing law, the remaining terms shall be enforceable unless the invalidated term goes to the heart of the transaction, in which case Garmin reserves the right to cancel or terminate an individual order or the Purchase Order.
- (e) In the event of any conflict among the requirements of the Purchase Order, the provision requiring the highest standard for the work of Supplier shall govern.
- (f) Stenographic and clerical errors, whether in mathematical computations or otherwise made by Garmin on the Purchase Order or any other forms delivered to Supplier, shall be subject to correction.

- (g) Any modification hereof, to be valid, must be in writing and executed by both parties.
- (h) The headings in the Purchase Order are inserted solely for convenience and are not intended to serve as the basis for interpretation or construction of the terms and conditions contained herein.
- (i) Supplier shall not use subcontractors or independent contractors in the performance of an order without the express prior written consent of Garmin. In the event that Garmin does permit subcontracting, Supplier shall pass on all Garmin's requirements to its subcontractors and suppliers, including all of the requirements of these Terms and Conditions, and Supplier shall remain fully responsible for its subcontractors' and suppliers' compliance with such requirements.
- (j) The parties have agreed that the language of the Purchase Order and all communication between them be English. *Les parties ont convenu que les Bons de commandes et toutes les communications entre eux soient rédigés en langue anglaise.*