

## **SUPPLIER AND VENDOR COMPLIANCE MANUAL**

### **INTRODUCTION**

Cleared4 Inc., including its subsidiaries, divisions, affiliates, and brands (collectively, "Cleared4") endeavors to work with businesses that share Cleared4's philosophy of valuing employees, complying with the law, and operating with integrity. This Supplier and Vendor Compliance Manual ("Manual") describes Cleared4's philosophy and certain minimum requirements to which all of its suppliers and vendors (collectively, "Suppliers") must adhere. For example, at a minimum, we require that our Suppliers comply with all local, state, national, and international laws, codes, rules, and regulations, including health codes, employment and discrimination laws, privacy and information security laws and regulations, environmental regulations, safety codes, permits, and building ordinances (collectively, "Law(s)") for each location in which they do business. Often though, the requirements in this Manual exceed the requirements established by Law. Cleared4 actively seeks Suppliers whose philosophy is compatible with our own and will not do business with any Supplier that does not meet our minimum requirements. Failure to comply with this Manual is grounds for immediate termination by Cleared4 of its working relationship with a Supplier.

We require our Suppliers to communicate and uphold our requirements with their employees, suppliers, and vendors and, when appropriate, to post them in the local language in a prominent place accessible to all workers. Suppliers shall communicate all contents of this Manual verbally to all illiterate workers. Suppliers shall also adhere to, publicize, and enforce a non-retaliation policy that permits workers to discuss the requirements of this Manual with their management, suppliers, vendors, customers and Cleared4 or its designated third party, without fear of retaliation by management.

### **PRINCIPALS**

Cleared4's philosophy includes certain core principles and requirements. They are:

#### ***Human Rights/Workplace Conditions Child Labor***

---

Cleared4 will not tolerate the use of child labor in any of its global operations or facilities. We will not tolerate the exploitation of children or their engagement in unacceptably hazardous work. We expect our Suppliers with whom we do business to uphold the same principles. For this Manual, a "child" is anyone who is less than 18 years of age or the minimum age established by Law, whichever is greater. Temporary workplace internships, apprenticeship education programs for younger persons, and customary seasonal employment, so long as such persons are closely supervised and their morals, safety, health, and compulsory education are not compromised in any way, may be excepted from the prohibition; in no event, however, shall such individuals be involved directly with the manufacturing process.

#### ***Forced Labor and Human Trafficking***

---

Cleared4 will not tolerate the use of any forced or involuntary labor, either directly or indirectly, by any of Cleared4's Suppliers or any of their suppliers or vendors. This includes the use of slave labor, bonded labor, indentured labor, or involuntary convict labor. Nor will we tolerate the trafficking, physical punishment, or abuse of any worker. As part of the hiring process, workers must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment before the worker departing from his or her country of origin. Workers cannot be required to surrender their identity papers or other original personal documents or pay deposits as a condition of employment. Suppliers shall maintain adequate policies and procedures to ensure that workers have not been charged recruitment fees during their recruitment process. Workers must be free to leave the workplace at the end of their shift and to resign without repercussion. All overtime should be voluntary and should not be over legal limits. We expect our Suppliers with whom we do business to uphold the same principles.

---

## **Compensation**

---

Suppliers must pay wages and benefits that meet or exceed the legally required wages and benefits or, where no wage or benefits Laws exist, the local industry standard. For each pay period, Supplier must provide workers with a timely and understandable wage statement that includes sufficient information to verify the accuracy of wages paid for work performed.

---

## **Working Hours**

---

Suppliers must comply with Laws and industry practices on working hours. Workers must not work more hours in one week than allowable under Laws or regularly exceed the recommended maximum of 56 hours per week, whichever is less. Workers must be properly compensated for overtime work and must be allowed at least one uninterrupted, 24-hour rest period every seventh (7th) day.

---

## **Worker Health and Safety**

---

Suppliers must provide all their workers with a safe and healthy work environment and comply with all Laws and regulations regarding working conditions, including, but not limited to:

- ❖ Access to potable drinking water; sanitary food preparation, storage, and eating facilities; emergency medical care; and first aid kits
- ❖ Appropriate personal protective equipment, available at no cost to all employees
- ❖ Instruction in and enforcement of proper use of protective equipment
- ❖ Appropriate safety training for the use of machinery and other equipment, and handling chemicals
- ❖ Proper labeling of machinery, hazardous materials, and other potentially dangerous items
- ❖ Workers may not engage in the manual transport of a load which, from its weight, is likely to jeopardize a worker's health or safety
- ❖ Adequate lighting, ventilation, heating, and clean toilet facilities in all work areas
- ❖ Doors and other exits are well marked, unobstructed, and unlocked from the inside during all working hours for orderly evacuation if fire occurs or other emergencies
- ❖ All main exit doors allow workers to clear the building
- ❖ Evacuation drills are conducted at least annually
- ❖ Maintain written standards for a safe and healthy work environment and the prevention of accidents and injuries to workers, including: emergency reporting, employee notification and evacuation procedures, and fire detection and suppression equipment
- ❖ Where residential housing is provided for workers, facilities must comply with all housing Laws and regulations, occupancy requirements, and health and safety Laws

---

## **Harassment and Violence**

---

Cleared4 is committed to a working environment free of harassment. Cleared4 does not tolerate any type of harassment. Suppliers must treat all workers with respect and dignity. Suppliers must not use or permit corporal punishment or any other form of physical or psychological coercion, including verbal abuse and sexual harassment. Suppliers shall implement reasonable procedures for disciplining or terminating workers, including maintaining appropriate documentation. Suppliers shall not use monetary fines as a punitive disciplinary practice.

---

## **Discrimination**

---

Suppliers shall comply with all Laws pertaining to discrimination, including Laws prohibiting discrimination based upon age, race, religion, color, sex, disability, and national origin.

## ***Freedom of Association***

---

Suppliers must recognize and respect the right of workers to freedom of association and bargain collectively. Workers must not be subject to intimidation or harassment in exercising their right to join or not to join any organization. Our objective is to treat employees with fairness and consideration, whether employees are unionized or not.

## ***Environmental***

---

At a minimum, Suppliers must comply with all local environmental Laws. All waste materials and production byproducts must be disposed of legally and in an environmentally responsible manner. Suppliers must establish and use safe practices and standards for the identification and handling of hazardous waste. Adequate records of compliance must be maintained and provided to Cleared4 upon request.

## ***Business Integrity/Anti-Corruption/Anti-Bribery***

---

Cleared4 expects its Suppliers to conduct business responsibly and with integrity, honesty, and transparency. Cleared4 is committed to conducting business legally and ethically within the framework of a free enterprise system. Corrupt arrangements with customers, suppliers, vendors, government officials, or other third parties are strictly prohibited. "Corruption" generally refers to obtaining, or attempting to obtain, a personal benefit or business advantage through improper or illegal means. Suppliers shall implement procedures to ensure compliance with anti-corruption and anti-bribery Laws, including the United Kingdom Bribery Act and the United States Foreign Corrupt Practices Act, when applicable.

## ***Disclosure of Information***

---

Information regarding, among other topics, business activities, structure, financial situation, and performance is to be disclosed under applicable Laws. Falsification of records or misrepresentation of conditions or practices in the supply chain is unacceptable. Suppliers must comply with all privacy and information security laws and regulations pertaining to personal and/or confidential information, including as related to how it is collected, stored, processed, transmitted, and shared, and take commercially reasonable measures to adequately protect such information.

## ***Intellectual Property***

---

Intellectual property rights are to be respected. Compliance with all related Laws is required.

## ***Protection of Identity and Non-Retaliation***

---

Suppliers shall implement and communicate processes for their personnel and workers to raise concerns without fear of retaliation, including programs to ensure the confidentiality, anonymity, and protection of Supplier and employee whistleblowers.

## ***Responsible Sourcing of Minerals***

---

Suppliers shall have a policy to reasonably assure that the minerals in the products they manufacture or source, including all tantalum, tin, tungsten and gold, do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country. Suppliers shall develop and provide written evidence documenting their due diligence programs to ensure "conflict free" supply chains, shall comply with all related Laws and requirements, and shall cooperate with Cleared4 in its efforts to comply with all such Laws and requirements. Cleared4 will not knowingly purchase products that contain conflict minerals or engage with Suppliers when Cleared4 identifies a reasonable risk that such entity is sourcing from, or linked to, an entity using or supporting the use of conflict minerals.

If a Supplier is found to not comply with these objectives, Supplier is expected to develop, implement, and document plans to remedy such non-compliance promptly. If the non-compliance cannot be resolved promptly, Cleared4 reserves the right to terminate the relationship with the Supplier and to not compensate Supplier for any products not yet delivered to and accepted by Cleared4 that do or might contain conflict minerals.

## **Privacy and Data Protection**

---

If a Supplier Processes any personally identifiable information (“PII”) on behalf of Cleared4, the Supplier shall comply with all privacy and data protection Laws, rules and regulations applicable in the jurisdiction to which such data is subject. The Supplier shall only Process PII under Cleared4’s instructions. The Supplier shall implement technical and organizational measures to adequately protect PII against misuse and loss under the requirements of all Laws. Upon Cleared4’s request, the Supplier shall provide a copy of its comprehensive and current personal data protection and security program covering Processing. The Supplier shall ensure that all personnel entrusted with Processing PII have undertaken to comply with the principles of data protection and have been duly instructed on the regulations. The Supplier shall promptly inform Cleared4 if a serious interruption of operations occurs, suspected of breach affecting PII, or any other irregularity in Processing PII. Where Cleared4, based upon Law, must provide information to an individual about the collection, Processing or use of its PII, the Supplier shall assist Cleared4 in making this information available, including allowing Cleared4 personnel or a third party designated by Cleared4, to audit Supplier’s records and facilities to verify Supplier’s compliance with this Manual. For this section, “Process” means any operation or set of operations performed on PII, including but not limited to, storage, amendment, transfer, and erasure of such data.

If a Supplier is found to not comply with these requirements, Cleared4 reserves the right to terminate the relationship with the Supplier immediately.

## **Legal Compliance**

---

Suppliers to Cleared4 must comply with Laws, including, but not limited to:

- ❖ Consumer Product Safety Act (“CPSA”), 15 USC. §§ 2051-2089
- ❖ Flammable Fabrics Act (“FFA”), 15 USC. §§ 1191-1204
- ❖ Federal Hazardous Substances Act (“FHSA”), 15 USC. §§ 1261-1278a
- ❖ Textile Fiber Products Identification Act, 15 USC. § 70
- ❖ Wool Products Labeling Act, 15 USC. § 68
- ❖ The FTC Care Labeling Rule, 16 CFR Part 423
- ❖ California Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code §25249.5 et seq. (“Proposition 65”)
- ❖ The Dodd-Frank Wall Street Reform and Consumer Protection Act §1502 (“Conflict Minerals”)
- ❖ Federal Food, Drug, and Cosmetics Act, 21 USC. §301, *et seq.*
- ❖ Fair Labor Standards Act (“FLSA”), 29 USC. § 201, *et seq.*
- ❖ Fair Packaging and Labeling Act, 15 USC. §§ 1451-1461
- ❖ Foreign Corrupt Practices Act of 1977 (“FCPA”), 15 USC. § 78dd-1, *et seq.*
- ❖ Bribery Act 2010 (c.23) (“UK Bribery Act”)
- ❖ Title VII of the Civil Rights Act of 1964 (Pub. L. 88-352), as amended (“Title VII”)
- ❖ Equal Opportunity Clause of Executive Order 11246
- ❖ Equal Pay Act of 1963 (“EPA”)
- ❖ Age Discrimination in Employment Act of 1967 (“ADEA”)
- ❖ Title I and Title V of the Americans with Disabilities Act of 1990, as amended (“ADA”)
- ❖ Privacy and Information Security-related laws, such as the EU General Data Protection Regulation (“GDPR”) and all US federal, state and local laws and regulations
- ❖ US Customs and Border Protection-related laws, such as 15 USC. § 1, *et seq.* and 19 USC. § 1, *et seq.*

## Diversity

---

Cleared4 is committed to creating a culture and workplace that fosters inclusion and diversity and requires the same from its Suppliers.

## TRANSPARENCY/AUDITS/SUBCONTRACTING

Cleared4 expects its Suppliers to provide transparency into their operations, policies, processes, and relevant records to Cleared4 or its designated third party. Suppliers must disclose in writing to Cleared4 conditions that are or may conflict with anything in this Manual or any Laws in facilities that produce, store, or handle Cleared4 products or provide services to Cleared4.

Suppliers must allow unannounced inspections and audits of their records and facilities by Cleared4 or a Cleared4 approved third party to verify compliance with this Manual, including permitting confidential employee interviews and providing copies of such books and records as Cleared4 may reasonably request, provided that Cleared4 agrees to maintain any information in such books and records which is confidential and proprietary information of Supplier with at least the same confidentiality with which Cleared4 maintains its own confidential and proprietary information of a like nature. Cleared4 shall use its best efforts to conduct such inspections and audits during normal working hours. Cleared4 shall pay the costs associated with the first inspection or audit per year of Supplier's facilities. Should the inspection or audit reveal, in the sole determination of Cleared4, any non-compliance with this Manual and/or Cleared4's quality and other manufacturing and storage standards, practices, and procedures, Supplier shall reimburse Cleared4 for all costs of the second inspection or audit and of any later inspections and audits. Cleared4 may deduct these costs from any invoices submitted to it by the Supplier.

Suppliers must disclose the identity, physical location, and ownership of all factories that will produce products for Cleared4, including the use of subcontractors. Any proposed change from one factory to another or using subcontractors must be approved by Cleared4 in writing before production begins. Any Supplier of Cleared4 that uses a subcontractor, even if approved by Cleared4, shall be responsible for the acts and omissions of its subcontractor(s), including, but not limited to, any violation of this Manual by the subcontractor. Any Supplier that utilizes subcontractors without the prior approval of Cleared4 will be subject to order cancellation upon, and for a reasonable amount of time after, Cleared4 learns of the use of the unapproved subcontractor. Cleared4 shall not be required to compensate Supplier for any services performed or products provided (or which are in process) by an unapproved subcontractor.

## PURCHASE ORDER TERMS AND CONDITIONS

Cleared4 has adopted certain Purchase Order Terms and Conditions ("POTCs"). The POTCs, as amended from time-to-time, can be found through Cleared4's website. All Suppliers of Cleared4 must adhere to the POTCs. The most recent version of the POTCs is incorporated by reference into this Manual and attached as *Exhibit A*. Execution of the Acknowledgement and Agreement to this Manual shall indicate consent to be bound to the most recent version of the POTCs for all orders placed by Cleared4 (or, as applicable, to the version of the POTCs in effect when the order was shipped to Cleared4). Adequate records of compliance with the POTCs must be maintained and provided to Cleared4 on request. Should there be a conflict between Cleared4's POTCs and any term and/or condition offered any Supplier, Cleared4's POTCs shall control. Cleared4 reserves the right to except a Supplier from certain of the terms.

## CONFIDENTIALITY

"Confidential Information" means all information or documents of Cleared4, whether marked or not marked as confidential, written or oral, tangible or intangible, and shall include, but not be limited to, existing or proposed business or products, pricing, costs, technology, trade secrets, discoveries, ideas, concepts, know-how, methods, techniques, designs, patterns, processes, terminology, styling, markers, structure, marketing and distribution methods,

plans, and efforts, the identities of and the course of dealing with actual and prospective customers, contractors, competitors, and suppliers, employee names and other information, specifications, drawings, maps, blueprints, diagrams, analyses, strategies, compilations, studies, and other technical, financial, and/or business information. Any information of third-parties including, but not limited to, Cleared4's customers, disclosed to Supplier shall be deemed Cleared4's information, subject to these terms.

Confidential Information does not include any information that (a) has been or becomes publicly known, through no wrongful act of Supplier; (b) was previously and lawfully known to Supplier without obligation to keep it confidential; (c) is rightfully received from a third-party who received the information lawfully and under no obligation to keep it confidential; or (d) which is independently developed by Supplier without use of or reference to the Confidential Information disclosed by Cleared4.

Supplier agrees to maintain as confidential the Confidential Information it receives from Cleared4 using no less than the same degree of care it uses to protect its own Confidential Information, but in no event less than a reasonable degree of care. The Confidential Information shall not be used by Supplier, its employees, or its representatives, in whole or in part, other than for the purpose contemplated in this Manual. Supplier shall hold such Confidential Information in confidence, except if disclosure of such Confidential Information is (a) consented to in writing by Cleared4; (b) required by law; or (c) made to Supplier's employees, agents, consultants, advisors, subcontractors, and entities controlled by it (collectively, "Personnel") who need to know such Confidential Information in connection with the purpose and who are bound to Supplier by obligations of confidentiality no less stringent than these provisions to keep such Confidential Information confidential. Supplier shall be responsible for any breach of these obligations by its Personnel. Supplier and its Personnel shall not disclose to any third-party (including, without limitation, any employee, customer, competitor, supplier, or vendor of Cleared4) any Confidential Information, the purpose, anything regarding any possible transaction, or that discussions or negotiations are even taking place.

Supplier shall not reproduce the Confidential Information, in whole or in part, and shall not distribute all or any portion of this Confidential Information to any person other than Supplier's Personnel for the purpose.

Any proprietary rights, including, without limitation, patent rights, inventions, copyrights, trademarks, service marks, trade secrets, and any other intellectual property rights in Confidential Information shall be and remain with Cleared4. Supplier shall not have any rights, by license or otherwise, to use the Confidential Information except as provided. If Supplier acquires any proprietary rights in Confidential Information disclosed by Cleared4, Cleared4 shall own and retain all such proprietary rights, and Supplier hereby assigns and agrees to assign all such rights to Cleared4.

Supplier acknowledges that threatened or actual disclosure or use of Confidential Information in violation of these obligations (including by third parties to whom Supplier disclosed Confidential Information) will cause irreparable harm to Cleared4 for which monetary damages would be an inadequate remedy. Supplier, therefore, agrees that Cleared4 shall have the right, in addition to any other rights and remedies, to seek injunctive relief for any violation of these obligations by Supplier without the necessity of posting a bond. Supplier waives the claim or defense that Cleared4 has an adequate remedy at law.

Cleared4 may require Supplier to sign a separate Confidentiality and Non-Disclosure Agreement ("Confidentiality Agreement") consistent with the terms above. If any conflict occurs, the Confidentiality Agreement will control.

## **SUPPLIER COMPLIANCE**

Cleared4 requires that an officer or authorized senior management representative from Supplier sign an agreement pledging Supplier's compliance with this Manual.

Any violation or threatened violation of this Manual, including but not limited to, violating the Law, is cause for immediate termination by Cleared4 of its contractual and/or business relationship with such Supplier, including of any shipments not yet received. If it is determined by Cleared4 that a Supplier is operating in violation of the Manual, should Cleared4 so choose, the Supplier must work with Cleared4 or its designated third party to develop and implement a

corrective action plan, including a mutually agreed schedule for resolution of the issues. Failure to meet a corrective action plan commitment will be considered a material breach of any supply or similar agreement between Cleared4 and the Supplier and may cause cancellation of current orders and/or termination of the contractual relationship.

## GOVERNING LAW/VENUE

All matters relating to any transaction, including any dispute arising out of a purchase order, shall be governed by and construed under the laws of the State of Texas. Exclusive venue and jurisdiction regarding any such matter shall be in either the state courts in Dallas County, Texas or the federal courts of the Northern District of Texas. Supplier affirms that it has sufficient contact with Texas so Supplier would reasonably anticipate being hailed into the courts in Florida regarding any transaction or other issues arising between the parties. Cleared4 shall have the right to elect to enforce this agreement in a jurisdiction in which Supplier is incorporated and/or in which it has its principal place of business.

## ACKNOWLEDGMENT AND AGREEMENT

The Supplier signing below agrees to adhere to this Supplier and Vendor Compliance Manual. This Supplier and Vendor Compliance Manual binds Supplier as of the date signed by Supplier and shall remain in effect unless or until the Supplier and Vendor Compliance Manual is revoked in writing by Cleared4 or is superseded by a future version signed by Supplier.

\_\_\_\_\_  
Supplier or Vendor Company Name

\_\_\_\_\_  
Signed and Acknowledged

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

## Exhibit A

### Purchase Order Terms and Conditions

*Updated: July 1, 2021*

The following Standard Purchase Order Terms and Conditions ("Terms") only apply to transactions that do not have a written agreement, duly executed by both parties. If there is such an agreement, then those terms shall be the terms that govern the transaction and relationship of the parties.

#### **1. Parties**

The term "Seller" refers to the addressee on the face of Cleared4's purchase order, and the term "Cleared4" refers to Cleared4, Inc., a corporation organized and existing under Delaware and in Dallas, Texas, together with its affiliates and subsidiaries.

#### **2. Scope**

These terms and conditions apply to all Cleared4 purchase orders, in addition to any terms on the face of an individual purchase order or in any plans, specifications or other documents incorporated by reference (each, collectively, an "Order"). Acceptance by Cleared4 of any offer from Seller is limited to the terms of the Order, and Cleared4 objects to and shall not be bound by any additional, different or conflicting terms, whether printed or otherwise, in any other communication between the parties (including on any of Seller's forms, letter or papers), it being understood that the terms of the Order shall prevail notwithstanding any such additional, different or conflicting terms.

#### **3. Acceptance and Limitations**

The Order shall be deemed accepted by Seller on the earlier of (a) shipment of goods or rendering of services ordered, in total or in part, or (b) within 15 days of issuance by Cleared4, absent written notification to Cleared4 of non-acceptance.

#### **4. Changes**

Cleared4 may change the Order at any time and Seller shall accept such changes. If a change by Cleared4 causes an increase or decrease in the cost or time required for Seller's performance, as soon as practicable, the parties shall agree to an equitable adjustment of the purchase price and/or delivery schedule, as applicable, and incorporate such changes as a revision change to the Order. No other form of notification or verbal agreement shall bind Cleared4.

#### **5. Termination for Convenience**

Cleared4 may, by written notice to Seller, terminate the Order, or any part thereof, for any or no reason, for Cleared4's convenience. Upon notice of termination, Seller shall immediately stop all work and cause its suppliers and/or subcontractors to stop all work with the Order. If Cleared4 terminates for convenience, Cleared4 shall pay Seller for goods and services accepted as of termination, and, subject to Section 8, for Seller's actual, reasonable, out of pocket costs incurred directly because of such termination. Cleared4 shall have no responsibility for work performed after Seller's receipt of notice of termination.

#### **6. Termination for Cause**

Cleared4 may, by written notice to Seller, terminate the Order, or any part thereof, if Seller breaches the terms of the Order, becomes insolvent or files for bankruptcy protection. For example, (a) failure by Seller to make timely,



complete and conforming delivery of goods and services, or (b) breach of the representations or warranties in the Order, shall entitle Cleared4 to terminate the Order for cause. If Cleared4 terminates for cause, Cleared4 shall have no payment obligations to Seller. Should a court of competent jurisdiction subsequently determine that Cleared4's termination for cause was wrongful or unjustified, then such termination shall be automatically considered a termination for convenience under Section 5 and Seller shall have all rights under that provision, but no other rights or claims for damages.

### **7. Damages**

Without limiting Cleared4's rights and remedies at law or in equity, Cleared4 reserves the right to charge Seller for any loss, expense (including reasonable attorneys' fees) or damage sustained because of Seller's failure to deliver conforming goods or services or other breach of the Order, including without limitation, expenses incurred in connection with Cleared4's purchase of substitute goods, incidental damages and consequential damages resulting from Seller's failure or breach.

### **8. Limitation of Cleared4's Liability**

Cleared4 shall not be liable to Seller, its employees, representatives, agents, suppliers, or subcontractors for any anticipated profits or incidental damages (except to the extent provided in Section 5) or consequential damages. Without limiting the foregoing, Cleared4's liability for any claim arising directly or indirectly under or in connection with the Order shall in no event exceed the cost of the goods or services giving rise to the claim. Cleared4 shall have no liability for penalties of any kind.

### **9. Choice of Law**

All matters arising under or related to the Order shall be construed and enforced under the laws of the State of Texas, without regard to conflicts of law rules.

### **10. Compliance with Laws**

Seller represents and warrants that, in the production and sale of goods to be delivered, and in the provision of services, Seller has complied with all applicable federal, state, and municipal laws and regulations, including, without limitation, (a) all such laws and regulations pertaining to health, safety and environmental standards, (b) all such laws and regulations pertaining to design, manufacture, testing, labeling, and transportation of such goods, and (c) Cleared4's Supplier and Vendor Compliance Manual.

### **11. Conduct of Personnel**

While at any Cleared4 location, Seller's personnel, agents, and subcontractors shall comply with all reasonable requests, standard rules, and regulations of Cleared4 communicated to Seller regarding personal and professional conduct, including without limitation any security or privacy requirements, and shall otherwise conduct themselves in a businesslike manner.

### **12. Confidentiality**

Seller shall preserve in strict confidence all confidential, sensitive or proprietary information of Cleared4 received from Cleared4 ("Confidential Information"), whether or not marked "Proprietary" or "Confidential," and whether oral or written, using the same degree of care as it takes to preserve and safeguard its own confidential or proprietary information (but in no event less than a reasonable degree of care.) Confidential Information shall not include information that Seller can demonstrate by written evidence was publicly available at the time of disclosure or was independently developed by Seller without reference to Confidential Information. Seller will not (i) disclose or cause to be disclosed at any time any Confidential Information obtained from Cleared4, or (ii) use or cause to be used any of such Confidential Information for any purpose, except as required in the performance of the services required by the Order. Seller represents, warrants and covenants it shall maintain physical, electronic and procedural safeguards designed to (1) insure the security,

integrity and confidentiality of all Confidential Information, (2) protect against any anticipated threats or hazards to the security, integrity or confidentiality of Confidential Information, and (3) protect against unauthorized access to or use or disclosure of Confidential Information.

### **13. Entire Agreement**

The Order represents the entire agreement between Seller and Cleared4 regarding the goods and services described in the Order.

### **14. Freight Charges**

Except as expressly provided in the Order, packing, shipping, unloading, assembling and installation are included in the purchase price in the Order and Cleared4 shall not be charged any additional amounts for such services. All shipments on which freight charges are due must be prepaid. Collect shipments cannot be accepted.

### **15. Inspection**

Cleared4 may inspect and test all goods and/or services delivered under the Order. Neither receipt nor payment for goods and/or services shall constitute acceptance. Cleared4 may reject any or all items that are nonconforming, as determined by Cleared4's sole reasonable judgment. Cleared4's failure to inspect shall not relieve Seller of any of its responsibilities. Material shipped in quantities over Cleared4's stated requirements may be returned at Seller's expense. If goods are rejected, they will be held at Seller's risk and expense and Seller shall bear the risk of loss or damage to such goods until received by Seller.

### **16. Insurance**

Seller shall maintain, at a minimum, insurance in the amounts customary in Seller's industry. If requested, Seller shall provide evidence of such insurance before the delivery of any goods to Cleared4.

### **17. Intellectual Property Indemnity**

Seller shall indemnify, defend and hold Cleared4 harmless against all claims, liabilities, losses, damages, costs and expenses (including legal fees) resulting from or arising in connection with any actual or claimed

infringement of any patent, copyright, mask work, trademark, trade secret or other intellectual property, proprietary or contractual right of any third party, regarding the goods or services provided under the Order.

### **18. Invoice Payments**

Unless otherwise specified in the purchase order, Payment terms will be Net 45. All quotes and amounts paid under the Order shall be in U.S. Dollars. Seller shall bear the risk of fluctuation in foreign exchange rate. Cleared4 shall have no obligation to pay any amount before Cleared4's receipt of a correct and proper invoice for such amount prepared under the Order. Except as provided in the Order, payment shall not be due until final acceptance by Cleared4. Cleared4 may reduce and set off against amounts payable under the Order any indebtedness or other claim which Cleared4 may have against Seller, however and whenever arising.

### **19. No Assignment**

Seller may not assign, transfer or subcontract any part of the Order without the prior written consent of Cleared4, and any assignment in violation of this provision shall be null and void.

### **20. Notice**

Any communications required by the Order shall be in writing and shall be delivered to Cleared4 at:

Cleared4 Inc.  
Attn: LEGAL DEPARTMENT  
17250 Dallas Parkway  
Dallas, TX 75248

Please include the Buyer's name and PO number on the outside of the envelope. Any communication to the Seller shall be in writing and shall be delivered at an address provided before PO issuance.

### **21. Proprietary Rights**

Seller agrees that all work created by Seller solely or in collaboration with others while performing services under this Agreement or designing or developing materials to be delivered, including all intermediate and partial

versions (“Work Product”) shall automatically be the sole property of Cleared4 upon their creation or (with copyrightable works) fixation in a tangible medium of expression, and Cleared4 shall own all rights, including all proprietary and intellectual property rights, title and interest. Seller assigns to Cleared4 all of its 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 and other proprietary rights thereto throughout the world (and all renewals and extensions).

**22. Risk of Loss**

Seller shall bear the risk of loss of or damage to all goods purchased under the Order until they are received by Cleared4.

**23. Severability**

If any provision of the Order is determined to be invalid, illegal or unenforceable, the remaining provisions of this Agreement remain in full force, if the essential terms of this Agreement for each party remain valid, binding, and enforceable.

**24. Timely Delivery**

Time is of the essence in fulfillment of the Order. Shipment and delivery shall be made under the Order; provided, that if not addressed in the Order, delivery shall be made within ten (10) days of Cleared4’s issuance of the Order. Cleared4 may, at its option, and without limitation of any of its other rights, cancel any unfilled part of the Order if complete, conforming delivery is not made within the times specified. Cleared4 does not have to accept partial or incomplete delivery. Acceptance of any part of the Order shall not bind Cleared4 to accept any future shipments.

**25. Waiver**

No waiver by Cleared4 of any provision of the Order or any breach shall be deemed a waiver of any other provision or subsequent breach, nor shall any such waiver constitute a continuing waiver. Delay or failure of Cleared4 to insist on strict performance of any provision of the Order or to exercise any rights or remedies shall not be deemed a waiver.

**26. Warranties**

Seller warrants that all material, work product, and merchandise supplied under the Order (a) shall strictly conform to all specifications, drawings, samples, or other descriptions furnished to and approved by Cleared4, (b) shall be fit and serviceable for the purpose intended, as agreed to by Cleared4 and Seller (c) shall be of good quality and free from defects in materials and workmanship, (d) shall be new and not refurbished or reconditioned, unless agreed in writing by Cleared4, and (e) shall not infringe any patent, copyright, mask work, trademark, trade secret or other intellectual property, proprietary or contractual right of any third party. In addition, Seller warrants that Cleared4 shall have good and marketable title to all goods (including all components thereof) purchased by Cleared4 under the Order, free of all liens and encumbrances and that no licenses are required for Cleared4 to use such goods. Regarding services, Seller warrants that all services shall be provided in a professional and workmanlike manner, with skill and care consistent with current, good and sound professional procedures. Neither receipt of material, work product or merchandise nor payment therefore shall constitute a waiver of this provision. If a breach of warranty occurs, Cleared4 may, in its sole discretion, and without waiving any other rights, return for credit or require prompt correction or replacement of the nonconforming goods or services.