



ORTEC, INC.

STANDARD PURCHASE ORDER TERMS AND CONDITIONS

These standard terms and conditions of purchase (this “Agreement”) apply to all purchase orders issued by Ortec, Inc., a South Carolina corporation, or any of its affiliates (“Buyer”) to any person, company, vendor or supplier selling products or services to Buyer (“Seller”). “Agreement” shall refer to these terms and conditions as may be amended from time to time. Buyer and Seller shall hereinafter be individually referred to as a “Party” and collectively as the “Parties”.

This Agreement will apply to Seller’s services and/or manufacture and supply of Products (defined below) pursuant to any Purchase Order (“PO”) directly or indirectly issued by Buyer (and/or any of its affiliated entities). Any different or additional terms in Seller’s acknowledgement, confirmation, invoice or similar form shall have no force or effect on this Agreement or its subject matter, and any of Seller’s pre-printed or standard terms of sale are specifically excluded. In the event of any conflict between the terms and conditions in this Agreement and any other written agreement between the Parties, the terms in this Agreement shall control and govern.

1. Agreement/Acceptance. Seller shall be bound by Buyer’s offer to purchase the products contained in a PO (the “Products”) when (a) Seller executes and returns an acknowledgment copy of a PO; (b) Seller commences work on such Products; or (c) Seller ships such Products, whichever occurs first. If Seller fails to send an acknowledgement or confirmation of each PO within five (5) days following receipt of the PO, the PO shall be deemed accepted. Any of Buyer’s affiliated entities may also issue a PO hereunder. Any acceptance is limited to acceptance of the express terms contained in the applicable purchase order and this Agreement. Any proposal or documents of Seller providing additional or different terms, or any attempt by Seller to vary any of the terms of the applicable purchase order (including any attempt to include Seller’s terms and conditions in any purchase order) or this Agreement, is hereby expressly objected to and rejected. The term “Products” refers to the subject of this Agreement and any PO, and may refer to goods, services, parts of Products, or any combination of them. Unless otherwise agreed to by the Parties in writing on a case-by-case basis, there shall be no minimum purchase requirements and Buyer shall not be precluded or restricted in any way from purchasing any comparable products from any other vendor.

2. Complete Agreement and Order of Priority. If a provision in a PO directly conflicts with a provision in this Agreement, the provision in this Agreement will prevail unless the applicable PO specifically states that the provision in the applicable PO will prevail. Any and all previous terms contained on a Seller quotation, acknowledgment, or invoice, PO, or understandings that are inconsistent with any of the various terms and conditions set forth in this Agreement and any PO are hereby rejected, canceled and rendered null and void to the extent of such conflict and/or inconsistency. Any other terms submitted by Seller are hereby rejected and shall not become part of or govern any PO, or become binding upon Buyer. Any and all PO’s issued shall be subject to and governed by the terms and conditions in this Agreement.

3. Delivery. Unless otherwise stated in the applicable PO, Seller shall ship all Products DDP (Delivery Duty Paid, Incoterms 2010) destination. Seller shall deliver the Products on the delivery date(s) in the applicable PO. Time is of the essence. Buyer may return earlier deliveries at Seller’s risk and expense or charge to Seller any additional costs sustained because of the same, at Buyer’s election. Unless otherwise specified by Buyer, Seller shall select a reputable and insured carrier to ship Products ordered hereunder or under any PO.

4. Passage of Title; Risk of Loss. Title to the Products and risk of loss shall remain with Seller until the Products have been delivered to Buyer’s facility. If a shipment is not accompanied by a bill of lading, packing slip or similar delivery document, Buyer’s count and/or weight will be conclusive. In the event of loss or

damage in transit, Seller shall repair or replace such Products free of any charge to Buyer as soon as reasonably possible.

5. Price; Invoices; Payment; Setoff. Each PO will be filled at the price shown on such PO. Any change must be authorized in writing by Buyer. Prices include all customs, duties, sales, use, excise and property taxes, shipping, packaging, boxing, crating, labeling, storage, insurance, and similar charges, unless otherwise provided in the applicable PO. Seller will present Buyer with an invoice for the amounts due and owing pursuant to each PO upon delivery of the Products. Each invoice will be in a form reasonably acceptable to Buyer. Buyer will pay all undisputed and accurate amounts on each invoice forty-five (45) days from Buyer's receipt of such invoice. Buyer will have no obligation to pay any amounts that Seller fails to invoice to Buyer within 180 days after the amounts were incurred. Except as required by applicable Law (defined below), Buyer will not be required to pay any late charge, interest, finance charge or similar charge. Without prejudice to any other right or remedy it may have, Buyer reserves the right to set off at any time any amount owing to it by Seller against any amount payable by Buyer to Seller.

6. Product Compliance. Seller represents and warrants that all Products comply with all applicable federal, state, and local laws, codes, statutes, ordinances, rules, regulations, and requirements of any applicable jurisdiction, and orders of any governmental or regulatory authority, including but not limited to the California Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65); the Consumer Product Safety Act of 1972 (as amended by the Consumer Product Safety Improvement Act of 2008); the Magnuson-Moss Warranty Federal Trade Commission Improvement Act; the Fair Packaging and Labeling Act; the Textile Fiber Products Identification Act; the Flammable Fabrics Act; the Wool Products Labeling Act; the Federal Food, Drug, and Cosmetic Act; the Toxic Substances Control Act; the Federal Hazardous Substances Act; the Energy Policy and Conservation Act and any amendments thereto; all applicable rules and regulations regarding maximum volatile organic compound content and associated markings; all applicable rules and regulations regarding fees, assessments, and recordkeeping requirements associated with the sale of pesticides; all applicable rules and regulations of the Federal Trade Commission and the U.S. Food and Drug Administration, and all applicable rules and regulations of any other federal, state, or local agency (collectively, the "Law" or the "Laws"), and that any changes to goods hereafter made by Seller shall comply with all applicable Laws.

7. Warranties. Seller represents, warrants and guarantees that all Products furnished under any PO will (a) conform in all respects to all samples provided by Seller, any specifications, designs and/or drawings provided by Buyer and all applicable industry standards, (b) be new, (c) be merchantable, free of contaminants and free from defects in design, materials or workmanship, and (d) be suitable for Buyer's intended purpose. All warranties implied by South Carolina's Commercial Code, including South Carolina's implied warranties of merchantability and fitness for a particular purpose, shall apply to all Products furnished under any PO, notwithstanding any other terms or disclaimers set forth in Seller's invoices or other confirming documents. All warranties shall survive inspection, testing, acceptance and use. Seller's warranty shall run to Buyer, its successors, assigns, customers, and users of products sold by Buyer. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of the Products with the foregoing warranties. Seller represents and warrants to Buyer that the title conveyed on all Products produced and delivered to Buyer under this Agreement and any PO will be good and marketable, and the goods will be delivered free from any security interest or other lien or encumbrance (including any statutory or common law lien). Buyer or its duly authorized representative shall be entitled to inspect the Products during manufacture while in Seller's possession or the possession of any sub-contractor to Seller and upon delivery; provided, however, that no such inspection nor any failure to reject the Products shall constitute or imply acceptance of the Products by Buyer. Products that are repaired or replaced by Seller pursuant to this warranty shall also be given the same warranty hereunder.

8. Certificate of Analysis; Material Safety Data Sheets. If requested by Buyer, Seller shall provide a complete and accurate Certificate of Analysis with each shipment of Products. Seller acknowledges that Buyer will rely on the Certificate of Analysis and intends to introduce Products directly into its manufacturing processes without independent analysis by Buyer. An appropriate material safety data sheet ("MSDS") and

labeling, as and if required by Law, will precede, or accompany each shipment by Seller. Further, Seller shall send to Buyer updated MSDS's and labeling as required by Law.

9. Product Manufacture. Seller agrees to promptly provide Buyer written information on upgrades or modifications to existing Products and new product development for products similar to any of the Products. Seller shall continuously supply each Product for a minimum period of two (2) years following the end of the term of the last issued PO entered into between Buyer and Seller (the "Supply Period"). In the event that Seller intends to discontinue the manufacture and sale of any Product after the end of the Supply Period, Seller shall provide at least six (6) months prior written notice to Buyer. During such six-month period (the "Discontinuance Period"), Buyer may place PO's for such Product pursuant to this Agreement; provided however, the last delivery date for such Product shall not be more than twelve (12) months after the end of such Discontinuance Period. In no event shall Seller sell such Product to any other of its customers after it stops selling such Product to Buyer.

10. Changes to Goods. Seller shall send process change notifications in writing to Buyer no less than six (6) months in advance for any of the following: MSDS modification, change in Seller's specifications, change in critical raw materials, change in sourcing location, change in Certificate of Origin status, change in method of manufacture or significant changes in statistical process control or statistical quality control of key properties, or any other change requested by Buyer for which Buyer requires at least six (6) months' notice. Buyer reserves the right at any time to make changes in the specifications, drawings, samples, or other description to which the Products are to conform, in the methods of shipment and packaging, or in the time or place of delivery.

11. Records; Audit and Inspection Rights. For a period of seven (7) years after the sale of any Products or such longer period as may be required by applicable Law, Seller will maintain complete and accurate books and records of all transactions and activities of Seller that relate to Seller's production, storage, delivery and sale of the Products, including complete and accurate manufacturing, processing, packaging and quality control records. Upon reasonable request and during regular business hours, Buyer may, at its own expense, or may have its Representatives (defined below) or an independent third party, inspect Seller's facility where the Products are produced and/or audit such books, records and other documents as necessary to verify compliance with the terms and conditions of this Agreement and any and all PO's.

12. Non-Conforming Products. Any goods that fail to conform to the requirements of the applicable PO, specifications, or this Agreement or that a governmental agency declares are unfit or otherwise unsafe for their intended use or in violation of any Law will be considered non-conforming ("Non-Conforming Products"). Seller will promptly furnish to Buyer all information and copies of all documents (including any complaints, inquiries, test or inspection results, internal reviews, warnings, declarations or notices) that Seller receives that suggest or indicate that any Products, or any ingredient of, or any material included in, any Products, or any packaging or supplies used in connection with any Products, may be Non-Conforming Products. 1. Buyer will have the right to reject any Non-Conforming Products by written notice after Buyer discovers the nonconformity, no matter when the discovery occurs. 2. If Seller requests, Buyer will either return such rejected Non-Conforming Products to Seller or dispose of same, at Seller's risk and expense, and Seller will reimburse Buyer for all commercially reasonable charges, expenses or commissions incurred in the inspection, receipt, transportation, care, custody and disposal of the Non-Conforming Products. 3. Buyer may require Seller to replace the rejected Non-Conforming Products as soon as possible or terminate the applicable PO pertaining to the Non-Conforming Products for cause pursuant to this Agreement. If payment has already been made for the rejected Non-Conforming Products, then Buyer will be entitled to a credit or refund, at Buyer's option, of that payment, and Seller will reimburse Buyer for all commercially reasonable charges, expenses or commissions incurred in the inspection, receipt, transportation, care, custody and disposal of the Non-Conforming Products. 4. If Buyer has incorporated any rejected Non-Conforming Products into any products, and such products remain in Buyer's possession or control, Seller will reimburse Buyer for the costs incurred in the production of such products along with all commercially reasonable charges, expenses or commissions incurred in the inspection, transportation, receipt, care, custody and disposal of such products, net of any salvage value received in connection with such disposal (provided, that Buyer is under no obligation to attempt

to obtain any salvage value). 5. If Buyer has incorporated any rejected Non-Conforming Products into any products, and such products are no longer in Buyer's possession or control, Buyer will have the right to field correct, withdraw, recall or repurchase such Non-Conforming Products or products from any third party in possession or control of such Non-Conforming Products or products, and Seller will reimburse Buyer for all reasonable costs incurred by Buyer or Buyer's clients and customers or end users in connection therewith, including all commercially reasonable charges, expenses or commissions incurred in the inspection, transportation, receipt, care, custody and disposal of such Non-Conforming Products or products, net of any salvage value received in connection with such disposal (provided, that Buyer is under no obligation to attempt to obtain any salvage value). Upon Buyer's request, Seller will assist Buyer in any or all reasonable aspects of a field correction, withdrawal, recall or repurchase, including developing a plan therefore and preparing and furnishing any required reports, records, and other information. Payment by Buyer shall not be deemed to be acceptance by Buyer of any Products.

13. Services/Consulting (For non-Product orders). Where sections can be relevant, this Agreement also pertains to professional, consulting, engineering, or other technical services, and labor for maintenance, repair, and operating services. Professional liability insurance is additionally required coverage. Documented verification of professional education, credentials, licenses and permits are required when requested by Buyer. A sole proprietor's Social Security number is required for 1099 purposes. No order may automatically renew, and all orders are for a specified period of time, limited number of services/performances, and/or have a maximum total cost limit. Buyer's property in Seller's possession is considered a bailment. Seller is financially responsible for their performance and/or the results of Buyer utilizing property acted upon by the Seller or following Seller's professional recommendations/design regardless of whether or not Seller was paid for services. Timely reports/certifications are required to define results found or actions performed. For work that is under disputed specification/definition or subjective quality or definition of completion, Buyer will solely determine when resolution is satisfactory.

14. Compliance with Law. Seller is in compliance with and shall comply with all applicable Laws. Seller has and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the applicable PO. Seller shall comply with all export and import Laws of all countries involved in the sale of Products under each PO. Seller assumes all responsibility for shipments of goods requiring any government import clearance. Buyer may terminate a PO if any government authority imposes antidumping duties, countervailing duties, or any retaliatory duties on the Products. Seller hereby certifies that no child, slavery, forced labor or human trafficking was involved with the Products purchased hereunder or the materials incorporated therein. Seller also agrees to abide by Buyer's Supplier Code of Conduct (which is hereby incorporated by reference) found on Buyer's website at: https://ortecinc.com/cms_files/wp-content/uploads/2021/03/Supplier-Code-of-Conduct.pdf

15. Conflict Minerals. Seller covenants that the Products will not contain (i) conflict minerals (as such term is defined in Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, "Conflict Minerals"), or (ii) any minerals or other resources that if included in the Products would trigger a violation of U.S. Executive Order 13671.

16. Anti-Bribery. Seller and its shareholders, officers, directors, employees, agents, and anyone acting on its behalf (collectively, the "Representatives") are in compliance with all applicable national and international anti-bribery and anticorruption Laws, including but not limited to the US Foreign Corrupt Practices Act (collectively, the "Anti-Bribery Laws"). Seller has adopted and maintains adequate policies, procedures, and controls to ensure that Seller and its Representatives have complied and will comply with all Antibribery Laws, including at a minimum policies and procedures relating to prevention of bribery, accounting for financial transactions, due diligence on third parties, and training of personnel.

17. Government Contracts. If Seller is notified that the Products covered by a PO are ordered by Buyer under a U.S. government contract, Seller agrees that federal statutes and regulations applicable to Buyer as a

government contract are accepted and binding on Seller insofar as required by statute, regulation or the provisions of the government contract.

18. Indemnification. Seller will indemnify, defend and hold harmless Buyer, its officers, directors, shareholders, employees, agents, successors and assigns (each, an "Indemnitee") from any and all claims, demands, actions or threats of action (whether in law, equity or in an alternative proceeding), losses, liabilities, damages (including taxes), and all related costs and expenses, including reasonable legal fees and disbursements and costs of investigation, litigation, settlement, judgment, interest and penalties (collectively, "Losses"), and threatened Losses directly or indirectly due to, arising from or relating to (a) any defect or nonconformance in the Products purchased hereunder, (b) any act or omission of Seller or its Representatives, or (c) any breach of this Agreement or any PO by Seller or its Representatives. This indemnification shall be in addition to the warranty obligations of Seller. Buyer may be represented by and actively participate through its own counsel at its own expense in any suit or proceeding.

19. Intellectual Property Indemnification & Ownership. Seller, the Products provided to Buyer and the use thereof by Buyer and its customers, clients and end users shall not infringe on any Party's intellectual property rights, including any party's confidential information, trade secrets, copyrights or patents. Seller shall, at its expense, defend, indemnify and hold harmless any Indemnitee against any and all Losses arising out of or in connection with any claim that Buyer's or Indemnitee's (or any client, customer or end user of Indemnitee) use or possession of the Products infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party. In no event shall Seller enter into any settlement without Indemnitee's prior written consent. Each Party owns its intellectual property (including, but not limited to, any and all of Buyer's testing processes and criteria), and shall not use or disclose the other Party's intellectual property except as expressly permitted under this Agreement. In the event any intellectual property may be developed under this Agreement, the Parties hereto shall negotiate in good faith to enter into and agree upon an intellectual property development agreement that governs the development and ownership of any such developed intellectual property.

20. Insurance. Seller shall maintain such public liability insurance, including product liability, contractual liability, umbrella, cyber security, automotive liability insurance (including non-owned automotive liability), workers' compensation and employer's liability insurance as will adequately protect Supplier against all Losses. Seller agrees to submit certificates of insurance evidencing its insurance coverage when requested by Buyer. All insurance coverage provided to Buyer by Seller pursuant to this Agreement shall be primary insurance with respect to Seller's obligations and shall not be or be considered to be contributing insurance with any of Buyer's policies of insurance. No recovery by Buyer under any policy of insurance procured by Seller shall limit, waive, or bar any other right, remedy, claim, cause of action or recovery that Buyer may have against Seller under this Agreement or applicable Law.

21. Limitation on Buyer's Liability. In no event shall Buyer be liable for anticipated profits or indirect, incidental, consequential, punitive, special, or exemplary damages or for penalties of any description. Buyer's liability under this Agreement shall be limited to the amounts paid by Buyer in the preceding twelve (12) month period prior to any claim or loss.

22. Confidential Information. All non-public, confidential or proprietary information of Buyer (or its customers or clients), including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, financial information, customer lists, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with the applicable PO is confidential, solely for the use of performing such PO and may not be disclosed or copied unless authorized in advance by Buyer in writing. Upon Buyer's request, Seller shall promptly return all documents and other materials received from Buyer. Buyer shall be entitled to injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) already

known to the Seller at the time of disclosure; or (c) rightfully obtained by the Seller on a nonconfidential basis from a third party.

23. Public Statements. Seller shall not, without the prior written consent of Buyer, originate any publicity (including any news release or public announcement) nor use any logos, trademarks, service marks or names of Buyer or any of its affiliates, or disclose the nature and business of the relationship in any form.

24. Force Majeure. “Force Majeure Event” means any event or circumstance beyond the reasonable control of the impacted party, including, but not limited to government action or failure of the government to act where such action is required, strike or other labor dispute, fire, act of God or unusually severe weather, or unavailability of raw materials, supplies, transportation or utilities. Buyer may delay delivery or acceptance occasioned by a Force Majeure Event in which case Seller shall hold such goods at the direction of Buyer and shall deliver them when the cause of the delay has been removed.

25. Allocation. If Seller is aware of or anticipates any shortage of supply, it shall promptly notify Buyer of such shortage and its estimated duration. If shortages occur in Seller's supply of the Products as a result of a Force Majeure Event or otherwise or any reason, Seller shall allocate its available supply to Buyer first before any other customers of the Products or any product substantially similar to the Products. Buyer may either deduct the quantity of Products not shipped because of this allocation from the quantity it must purchase hereunder or require the Seller to deliver the missed quantity once the shortage has ended, in Buyer’s sole and absolute discretion. If any shortage continues for a period of more than thirty (30) days after Buyer’s receipt of notice of the shortage, Buyer shall have the right to terminate the applicable PO upon written notice to Seller, and Buyer shall have no obligation to make any payments to Seller pursuant to any such terminated PO.

26. Termination for Convenience by Buyer. Buyer may terminate any PO or any part of a PO, or this Agreement, for its convenience at any time upon notice to Seller. Upon such notice, Seller shall stop all work and follow Buyer’s instructions with respect to the disposition of materials in process, title to which shall vest in Buyer. Buyer shall pay Seller’s actual costs for work performed through the date of termination and Seller shall have a duty to mitigate such costs.

27. Termination for Cause. Buyer may terminate a PO or any part of a PO, or this Agreement, for cause in the event of any default or breach by Seller, including any failure to comply with any terms and conditions set forth in a PO or this Agreement. Late deliveries, deliveries of Products that are defective or that do not conform to the applicable PO or the terms of this Agreement and failure to provide Buyer, upon request, with reasonable assurances of future performance shall all be bases for termination for cause.

28. Assignments and Subcontracting. No part of any PO or this Agreement may be assigned or subcontracted by Seller without prior written approval of Buyer. Buyer may freely assign any PO and this Agreement without the consent of Seller.

29. Notices. All notices must be in writing and will be deemed given only when sent by first class mail (return receipt requested), hand-delivered or sent by documented overnight delivery service to the party to whom the notice is directed, at its address indicated in the applicable PO or by written notice.

30. Entire Agreement; Modifications; Waiver. The applicable PO, this Agreement and any documents included by reference by Buyer in such PO constitute the entire agreement between Buyer and Seller with respect to the transaction in such PO and may not be modified by course of performance, prior oral conversations, course of dealing or usage of trade, or any other document or agreement sent by Seller. No PO nor this Agreement may be modified or amended except in writing signed by both Buyer and Seller specifically referring to the applicable PO and/or this Agreement. Buyer’s failure to insist on performance of any of the terms or conditions in a PO or this Agreement or to exercise any right or privilege, or Buyer's waiver of any breach of a PO or this Agreement shall not waive any other terms, conditions or privileges, whether of the same or similar type.

31. Severability; Relationship. If any clause or provision in this Agreement is determined to be invalid, the Parties agree to modify any such clause or provision to maintain its effect, and the remaining provisions of this Agreement will remain in full force and effect. Buyer and Seller are contractors independent of one another.

32. Choice of Law and Venue. This Agreement and any PO shall be interpreted pursuant to the Laws of the State of South Carolina without giving effect to its choice of law provisions. Litigation brought to contest disputes arising under this Agreement or any PO shall be brought only in the state or federal courts of the State of South Carolina. The United Nations Convention on Contracts for the International Sale of Goods is excluded.

33. Remedies; Survival. Each of the rights and remedies reserved by Buyer in a PO or in this Agreement shall be cumulative and additional to any other or further remedies provided by law or equity, or in this Agreement. Provisions of this Agreement (such as, by way of example only, Indemnification, Intellectual Property Indemnification, Limitation on Buyer's Liability and Confidentiality) which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Agreement or any PO.