



Manufacturing Services Agreement

This Manufacturing Services Agreement (“**Agreement**”) is entered into as of ___ day of _____ 20__ (the “**Effective Date**”) by and between [Insert full Customer Name] having its place of business at [Insert full Customer Address], (“**Customer**”) and [Flextronics Entity Name], having its place of business at [Flextronics Entity Address] (“**Flex**”).

Customer desires to engage Flex to perform manufacturing services as further set forth in this Agreement and in applicable agreed upon Specifications to be attached or incorporated by reference. The parties agree as follows:

1. DEFINITIONS

Capitalized terms have the meanings set forth in this Agreement or in Exhibit 1 attached hereto.

2. MANUFACTURING SERVICES

2.1. Services and Specifications.

(a) Subject to the terms and conditions of this Agreement, Customer hereby engages Flex to procure Materials, and to manufacture, assemble, and test Products pursuant to mutually agreed upon written Specifications (collectively, such work, the “**Services**”). In case of any conflict between the Specifications and this Agreement, this Agreement prevail.

(b) Flex and Customer shall maintain and update the Specifications in accordance with the terms of this Agreement.

2.2. Engineering Changes. Either party may request that Flex incorporate engineering changes into the Product or Specifications by providing a written description of the proposed engineering change sufficient to permit the parties to evaluate the feasibility and cost of the proposed change. Flex shall proceed with engineering changes when the parties have agreed upon the changes to the Specifications, delivery schedule and adjustments to the Fee List, and Customer has agreed to reimburse Flex the implementation costs and adjust Product pricing, as applicable.

2.3. CAPEX. Customer shall pay Flex for or obtain and consign to Flex any CAPEX as set forth in Flex’s pricing quotations, the attached Fees List, or some other agreement signed by the parties incorporated herein by reference. Preparations for providing Services will not commence until payment for the CAPEX is received by Flex.

2.4. Launch and Ramp Expenses. Customer shall pay Flex for incurred NRE Charges of preparing the production and testing environment for mass production of the Products. Flex shall include such launch and ramp expenses in Flex’s pricing quotations, the attached Fees List, or some other documentation acknowledged by the parties. If it appears that the actual incurred launch and ramp expenses will exceed through no fault of Flex those agreed to, Flex will provide Customer notification of such additional expenses and Customer agrees to be responsible for such additional amount.

2.5. Miscellaneous Services. From time to time, Customer may engage Flex to perform additional Services. The parties will mutually agree, in writing, on the scope, deliverables and fees prior to such engagement.

3. FORECASTS; ORDERS; FEES; PAYMENT

3.1. Forecast. Customer shall provide Flex, on a monthly basis, a rolling twelve-month forecast indicating Customer’s monthly Product and Services requirements (the “**Forecast**”). Unless a different timeframe is agreed to by the parties, Customer shall on a monthly basis provide purchase orders for the first three months of the then-applicable Forecast, which constitute a non-cancellable portion of the Forecast.

3.2. Purchase Orders; Precedence. As a matter of convenience, Customer may use a standard purchase order form for any orders provided for hereunder. The terms and conditions contained in this Agreement prevail over any terms and conditions of any such purchase order, acknowledgment form or other form instrument exchanged by the parties, and no additional, contradictory, modified or deleted terms established by such instruments are intended to have any effect on the terms of this Agreement, even if such instrument is accepted by the other party. In the event of a conflict between the terms of this Agreement and any exhibit to this Agreement, the order of precedence will be this Agreement, then the exhibits.

3.3. Purchase Order Acceptance. Flex shall normally accept purchase orders from Customer, provided that Flex may reject any purchase order: (a) that is for a change in previously ordered quantities that has not been approved in advance by Flex; (b) if the fees reflected in the purchase order are inconsistent with the parties’ then-current agreement with respect to the fees; (c) that represents a significant deviation from the Forecast for the same period, unless such



deviation is approved in advance by Flex; (d) if the parties have not agreed on changes to the Fee List made in accordance with Section 3.4(b); or (e) that would extend Flex's financial exposure beyond Customer's approved credit line. Flex shall notify Customer of rejection of any purchase order within five (5) business days of receipt of such purchase order.

3.4. **Fees; Changes; Taxes.**

(a) The initial fees shall be as identified in the **Fee List** which is attached hereto as Exhibit 3.4(a) and incorporated herein by reference. If a Fee List is not attached or completed or amended as agreed upon, then the initial fees shall be as set forth in purchase orders issued by Customer and accepted by Flex in accordance with the terms of this Agreement.

(b) The Fee List shall be reviewed at least quarterly by the parties. Any changes to the Fee List and timing of changes (including, engineering related changes set forth in Section 2.2) shall be agreed by the parties, such agreement not to be unreasonably withheld or delayed. By way of example only, the fees may be increased or decreased if the market price of fuels, Materials, equipment, labor and other production costs, change beyond normal variations in pricing or currency exchange rates as demonstrated by Flex or by Customer.

(c) Customer agrees that the Fee List shall be adjusted for additional fees and costs due to: (i) changes to the Specifications, to the projected volumes, minimum run rates, inventory turns, or to any assumptions set forth in Flex's quotation; (ii) a Governmental Change; (iii) failure of Customer or its subcontractor to timely provide sufficient quantities or a reasonable quality level of Customer Controlled Materials where applicable to sustain the production schedule; and (iv) any pre-approved expediting charges reasonably necessary because of a change in Customer's requirements.

(d) All fees are exclusive of (i) Taxes, (ii) amounts related to the export licensing of the Product and payment of brokers fees, duties, tariffs or similar charges, and (iii) NRE Charges, CAPEX, Launch and Ramp Expenses, and Customer shall be responsible for all such items. Should all or any portion of the Products or Services performed by Flex under this Agreement be deemed, at any time, to be taxable; Flex shall invoice Customer for such taxes and Customer shall promptly pay all such invoices submitted by Flex.

3.5. **Currency and Exchange Rates.** The Fees List is based on the exchange rate(s) for converting any non-invoice currency purchases into invoice currency. The parties shall true-up all amounts paid in a quarter with a debit/credit memo on a quarterly basis, based on the cumulative changes in the exchange rate(s) resulting from converting the non-invoice currency into the invoice currency in the previous quarter. In the event of a change in the currency exchange rate at the beginning of a quarter and at the end of said quarter of more than two (2) percent then Flex may change the price of the Product on the Fees List based on the most recent exchange rate of official reference rates adopted by the parties.

3.6. **Payment.**

(a) Customer shall pay all amounts due in U.S. Dollars within 30 days of the date of the invoice.

(b) If Customer fails to pay amounts due in accordance with the foregoing, Customer shall pay 1.5% monthly interest on all late payments. Furthermore, if Customer is late with payments or Flex has reasonable cause to believe Customer may not be able to pay, then Flex may with written notice, in Flex's sole discretion, undertake any or any combination of the following: (i) stop all Services under this Agreement until assurances of payment satisfactory to Flex are received or payment is received; (ii) demand prepayment for purchase orders; (iii) delay shipments; and (iv) to the extent that Flex's personnel cannot be reassigned to other billable work during such stoppage or in the event restart cost are incurred, invoice Customer for additional fees before the Services can resume. Customer shall provide all necessary financial information required by Flex in order to make a proper assessment of the creditworthiness of Customer.

3.7. **Credit Terms/Security Interest.** Flex shall provide Customer with an initial credit limit, which Flex shall review (and, if necessary, adjust) periodically. Customer shall provide information reasonably requested by Flex in support of such credit reviews. In Flex's reasonably exercised discretion and based upon reasonably complete financial information, Flex shall have the right to reduce Customer's credit limit and/or require Customer to obtain and maintain a standby letter of credit or escrow account on behalf of Flex; in such case, the bank chosen by Customer shall be reasonably acceptable to Flex, the letter of credit or escrow account shall be in force for a minimum period of time of six (6) months and shall be in an amount equal to Flex's entire exposure, including the risks associated with Inventory, Special Inventory, and the accounts receivable from the Customer in accordance with Customer's forecasts. The draw down procedures under the standby letter of credit or the escrow account shall be determined solely by Flex. Flex shall have the right to suspend performance (e.g., cease ordering Materials based on Customer's Forecast and/or cease making Product deliveries) until Customer either



makes a payment to bring its account within the revised credit limit and/or makes other arrangements satisfactory to Flex. Customer grants Flex a security interest in the Products delivered to Customer until Customer has paid for the Products and all Product-related charges. Customer agrees to promptly execute any documents requested by Flex to perfect and protect such security interest.

3.8. **Underutilization of Manufacturing Capacity.** Flex shall maintain production capacity as required to fulfill the Forecast from Customer in exchange for Customer's quarterly payment for Underutilization Costs in the event that Customer's actual purchased volume of Products is less than the forecasted volume of Products during the previous quarter.

4. MATERIALS PROCUREMENT; CUSTOMER RESPONSIBILITY FOR MATERIALS

4.1. **Authorization to Procure Materials, Inventory and Special Inventory.** Customer's accepted purchase orders and each Forecast constitute authorization for Flex to procure, without Customer's prior approval:

- (a) Inventory to manufacture the Products covered by such purchase orders and Forecast based on the applicable Lead Times; and
- (b) Minimum Order Inventory reasonably required to support Customer's purchase orders and Forecast; and
- (c) Any other Special Inventory which is separately authorized by Customer.

4.2. **Supply Chain Management.**

(a) **Purchases from AVL.** Customer may provide to Flex and maintain an AVL. If Flex co-sources Materials for Customer, the parties shall address changes to the AVL in accordance with the Section entitled Engineering Changes. Flex shall only purchase Materials on the AVL. Customer shall include Flex on the AVL for Materials that Flex can supply and, if Flex is competitive with other vendors with respect to reasonable and unbiased criteria for acceptance established by Customer, Customer shall raise no objection to Flex sourcing Materials from Flex. If Customer does not provide an AVL to Flex with respect to any Materials, then Flex may use its own AVL. For purposes of this Section 4.2 only, the term "Flex" includes Flex Affiliates.

(b) **Customer Controlled Materials.** The parties may agree that Flex may purchase Customer Controlled Materials under Customer Controlled Materials Terms. Customer acknowledges that the Customer Controlled Materials Terms may directly impact Flex's ability to perform under this Agreement and to provide Customer with the flexibility Customer is requiring pursuant to the terms of this Agreement. If Flex reasonably believes that Customer Controlled Materials Terms create an additional cost that is not covered by this Agreement, then Flex shall notify Customer and the parties shall agree to either (i) compensate Flex for such additional costs, (ii) amend this Agreement to conform to the Customer Controlled Materials Terms, or (iii) amend the Customer Controlled Materials Terms to conform to this Agreement, in each case at no additional charge to Flex. Customer shall provide copies to Flex of all Customer Controlled Materials Terms upon the execution of this Agreement and promptly upon execution of any new agreements with vendors. Customer shall not make any modifications or additions to the Customer Controlled Materials Terms or enter into new Customer Controlled Materials Terms with vendors that shall negatively impact Flex's procurement activities.

(c) **Vendor Warranties for Materials.** To the extent Flex actually receives from a vendor of Materials or services the benefit arising from said vendor's warranty obligations related to its Materials or services, Flex shall transfer such benefit to Customer (without any actual liability for such vendor's warranty obligations) related to the following warranties with regard to the Materials or services: (i) conformance of the Materials or services with the vendor's specifications and/or with the Specifications; (ii) that the Materials or services shall be free from defects in design, materials, or workmanship; (iii) that the Materials or services shall comply with Environmental Regulations or other laws; and (iv) that the Materials or services shall not infringe the intellectual property rights of third parties.

4.3. **Customer Responsibility for Inventory and Special Inventory.** Customer is responsible under the conditions provided in this Agreement for all Inventory and Special Inventory purchased by Flex under this Section 4.

5. SCHEDULE CHANGE, CANCELLATION, STORAGE

5.1. **Quantity Increases and Shipment Schedule Changes.**

(a) For any Forecast or accepted purchase order, Customer may request an increase in the quantity of Products ordered or forecast. All Product quantity increases require Flex's approval, which, in its sole discretion, may or



may not be granted. Flex shall use reasonable commercial efforts to meet any allowed Product quantity increases, which are subject to Materials and capacity availability. If Flex agrees to such increase in the quantity, and if there are extra costs to meet such increase, then Customer shall be liable for such extra costs. Any decrease in quantity is considered a cancellation, unless the decreased quantity is rescheduled for delivery at a later date.

(b) For any accepted purchase order, Customer may request a reschedule of the expected delivery date not to exceed ten (10) business days. All Product reschedules in excess of ten (10) business days require Flex's approval, which, in its sole discretion, may or may not be granted. If Flex agrees to accept a reschedule of any length of time, and if there are extra costs to meet such reschedule or increase, then Customer shall be liable for such extra costs. Any part of a purchase order quantity that is rescheduled pursuant to this Section 5 may not be subsequently rescheduled.

(c) Any delays in the normal production or interruption in the workflow process caused by Customer's changes to the Specifications or failure to provide sufficient quantities or a reasonable quality level of Customer Controlled Materials where applicable to sustain the production schedule, shall be considered a reschedule of any affected purchase orders for purposes of this Section for the period of such delay.

(d) Products that have been ordered by Customer and that have not been picked up in accordance with the agreed upon shipment dates shall be considered cancelled and Customer shall be responsible for such Products in the same manner as set forth in Section 5.2. Customer agrees that Flex shall have the right to invoice it for all cancelled Products and agrees to provide Flex, within ten (10) business days following the invoice, the location to which Flex shall ship the Products.

5.2. **Cancellations.** Customer may not cancel all or any portion of Product quantity of an accepted purchase order without Flex's prior written approval, which, in its sole discretion, may or may not be granted. If Customer does not request prior approval or if Customer and Flex do not agree in writing to specific terms with respect to any approved cancellation, then Customer shall pay Flex Monthly Charges for any such cancellation, calculated as of the first day after such cancellation for any Product or Inventory or Special Inventory procured by Flex to support the original delivery schedule. In addition, if Flex notifies Customer that any Product (or partially completed Product) subject to such cancellation has remained in Flex's possession for more than thirty (30) days, then Customer shall immediately purchase from Flex such Product at the amount set forth in the Fee List or cost for any applicable partially completed Product.

5.3. **Excess, Aged, and Obsolete Inventory.**

(a) Customer shall be responsible for the Inventory in accordance with the following. At the end of every calendar month:

(i) **Excess Inventory.**

A. *Carrying Charges.* Flex shall report the Excess Inventory. Such Excess Inventory reports are deemed agreed to by Customer unless Customer provides a written objection within 14 days of the end of the corresponding calendar month. Customer shall pay Flex a carrying cost fee equal to the value of the Excess Inventory times the Monthly Charges.

B. *Purchase of Excess Inventory.* Customer shall purchase Excess Inventory that has been Excess Inventory for at least 3 months, as identified by Flex in each monthly report, at a price equal to (as applicable) the price from the Fee List for any finished Products, the cost for any partially completed Products, or Standard Cost plus MOC for any other Excess Inventory.

(ii) **Obsolete Inventory.** Flex shall report the Obsolete Inventory. Customer's failure to object to Flex's Obsolete Inventory report (or failure to deny its responsibility for such inventory) constitutes Customer's acceptance of Flex's Obsolete Inventory report. After a validation period, which shall not exceed 14 days from the date of such report, Customer shall purchase the Obsolete Inventory at a price equal to (as applicable) the price from the Fee List for any finished Products, the cost for any partially completed Products, or Standard Cost plus MOC for any other Obsolete Inventory. For any Obsolete Inventory that is not purchased by Customer, Customer shall pay Flex a carrying cost fee equal to the value of the Obsolete Inventory times the Monthly Charges. If Customer fails to make on-time payment for Obsolete Inventory as required by this provision, Customer shall be liable for continuing additional such carrying cost fees for such Obsolete Inventory accruing on a weekly basis until Customer makes a complete payment for the Obsolete Inventory.

(iii) **Aged Inventory.** Flex shall report the Aged Inventory. Customer's failure to object to Flex's Aged Inventory report (or failure to deny its responsibility for such inventory) constitutes Customer's acceptance of Flex's Aged



Inventory report. After validation, which shall not exceed 14 days from the date of such report, Customer shall purchase the Aged Inventory at a price equal to (as applicable) the price from the Fee List for any finished Products, the cost for any partially completed Products, or Standard Cost plus MOC for any other Aged Inventory. For any Aged Inventory that is not purchased by Customer, Customer shall pay Flex a carrying cost fee equal to the value of the Aged Inventory times the Monthly Charges. If Customer fails to make on-time payment for Aged Inventory as required by this provision, Customer shall be liable for continuing additional such carrying cost fees for such Aged Inventory accruing on a weekly basis until Customer makes a complete payment for the Aged Inventory.

Prior to invoicing Customer for the amounts due pursuant to Sections 5.1, 5.2, and this Section 5.3 (other than the carrying charges for Excess Inventory), Flex shall use commercially reasonable efforts for a period not to exceed 14 days from the date of any such reports, to return for refund unused Materials from Excess, Obsolete, Aged Inventory and Special Inventory, to cancel pending orders for such inventory, and to otherwise mitigate the amounts payable by Customer.

Customer shall submit payment for the amounts identified and invoiced pursuant to this Section in accordance with the terms for payment set forth above in Section 3. Flex shall ship the Excess, Obsolete, and Aged Inventory and Special Inventory to Customer promptly following said payment by Customer. In the event Customer does not pay in accordance with the payment terms set forth above, then, in addition to any late payment charges that Flex is due from Customer, Flex shall be entitled to dispose of such Excess, Obsolete, and Aged Inventory and Special Inventory in a commercially reasonable manner and credit to Customer any monies received from third parties.

(b) For changes (including cancellation and reschedules) that are not consistent with this Section 5, Customer shall be responsible for the following costs in addition to the charges set forth above:

(i) any vendor cancellation charges incurred; and

(ii) expenses incurred by Flex related to labor and equipment specifically put in place to support the purchase orders and Forecasts that are affected by such reschedule or cancellation (as applicable).

5.4. **No Waiver.** Flex's failure to invoice Customer for any of the charges set forth in this Section does not constitute a waiver of Flex's right to charge Customer for the same event or other similar events in the future.

6. SHIPPING TERMS

6.1. **Shipments.** Flex shall (a) deliver all Products pursuant to the terms of this Agreement suitably packed for shipment in accordance with the Specifications and marked for shipment to Customer's destination specified in the applicable purchase order, and (b) make such deliveries EXW (Ex works, Incoterms 2020) Flex's manufacturing facility. Risk of loss and title shall pass to Customer upon delivery by Flex of the Products and Materials to the stated delivery point in accordance with the applicable Incoterm. All freight, insurance and other shipping expenses, as well as any special packing expenses not expressly included in the original quotation for the Products, shall be paid by Customer.

6.2 **Trade Compliance.**

(a) Neither party shall export, re-export or otherwise transfer any Products, Materials, commodities, software, or technology that have been supplied under or are otherwise in connection with performance of this Agreement, including after further processing by Customer or incorporation into another item (individually and collectively, "**Technology**") inconsistently with any requirement of the Export Administration Regulations ("**EAR**"), the International Traffic in Arms Regulation ("**ITAR**"), or legal measures administered by the U.S. Treasury Department, Office of Foreign Assets Control ("**OFAC**") or other laws or regulations of the United States and (as applicable) the exporting country outside the United States. Without limitation, Customer shall not, directly or indirectly, transfer Technology to a jurisdiction against which OFAC imposes an embargo (currently, Crimea, Cuba, Iran, North Korea, Syria and Venezuela) or to a person sanctioned by the U.S. government. In the case of Flex exports, re-exports and other transfers of Technology, Customer shall provide all information and documentation necessary to perform and support proper export authorization and shall be responsible for the accuracy and completeness of all such information provided by Customer, including identification of all parties to the transaction, end users, end uses, countries of destination, HTS and ECCN classifications, and any other information or documentation relevant to licenses for the Technology.

(b) Customer shall be responsible for obtaining any license, permit or other governmental approvals (individually and collectively, "**Export Licenses**") required for the export, re-export, or transfer of any Technology. Customer shall be



responsible for all reviews, classifications and licenses related to any encryption or other information security-related regulations.

(c) To the extent that Products are imported into any country, the Customer shall act as the importer of record.

(d) In the event Customer designates a supplier (including Materials vendors, transporters, warehousemen, freight forwarders, and brokers) to be used by Flex, then: (i) Customer shall designate only suppliers that comply with the minimum security requirements of applicable voluntary anti-terrorism security measures (e.g., C-TPAT Customs-Trade Partnership Against Terrorism); (ii) Customer shall prohibit any such suppliers from sub-contracting to any suppliers that are not in compliance with the aforementioned laws and minimum security requirements; and (iii) Customer shall support Flex in determining supplier compliance with the requirements in this Subsection including by requiring suppliers designated by Customer to complete a Flex questionnaire and to undergo periodic on-site audits to be conducted by a provider designated by Flex, at Customer's expense.

7. PRODUCT ACCEPTANCE AND EXPRESS LIMITED WARRANTY

7.1. **Product Acceptance.** The Products delivered by Flex shall be inspected and tested as required by Customer within ten (10) business days of receipt at the "ship to" location on the applicable purchase order. If Products do not conform to the purchase order or the express limited warranty set forth in this Section below, Customer has the right to reject such Products during said period. Products not rejected during said period shall be deemed accepted. Customer may return defective Products in accordance with the procedures set forth below. Customer shall bear all of the risk of loss, and all costs and expenses, associated with Products that have been returned to Flex for which there is no defect found.

7.2. **Express Limited Warranty.** This Section sets forth Flex's sole and exclusive warranty and Customer's sole and exclusive remedies with respect to a breach by Flex of such warranty.

(a) Flex warrants that the Products shall have been manufactured in accordance with the applicable Specifications and shall be free from defects in workmanship for a period of twelve (12) months from the date of shipment. In addition, Flex warrants that Production Materials are in compliance with Environmental Regulations.

(b) Notwithstanding anything else in this Agreement, this express limited warranty does not apply to, and Flex makes no representations or warranties whatsoever with respect to any of: (i) Materials (excluding Production Materials to the extent expressly set forth in Section 7.2(a)), equipment or services provided by vendors on the AVL; (ii) defects resulting from adherence to the Specifications, or any instructions provided by or on behalf of Customer; (iii) the design of the Products; (iv) Product that has been abused, damaged, altered or misused or mishandled (including improper storage or installation or improper handling in accordance with static sensitive electronic device handling requirements) by any person or entity after title passes to Customer; (v) first articles, prototypes, pre-production units, test units or other similar units; (vi) defects resulting from tooling, designs or instructions produced or supplied by Customer, including any defective test equipment or test software provided by Customer; or (vii) the compliance of Materials (excluding Production Materials) or Products with any safety or Environmental Regulations or other laws. Customer shall be liable for costs or expenses incurred by Flex arising out of or related to the foregoing exclusions to Flex's express limited warranty.

(c) Upon any failure of a Product to comply with this express limited warranty, Flex's sole obligation, and Customer's sole remedy, is for Flex, at Flex's option, to promptly repair or replace such unit and return it to Customer, freight prepaid. In the event that such unit cannot be repaired or replaced using commercially reasonable efforts, Flex shall refund the price paid by the Customer to Flex for such unit. Customer shall return Products covered by this warranty freight prepaid after completing a failure report and obtaining a return material authorization number from Flex to be displayed on the shipping container. This warranty will not apply to any Product that is returned more than thirty (30) days after the expiration of the warranty period set forth in Section 7.2(a). Furthermore, this warranty shall not apply if the Customer has removed from Flex's possession, for any reason, any tools or equipment that are necessary to repair the Product. Customer shall bear all of the risk, and all costs and expenses, associated with Products that have been returned to Flex for which there is no defect found.

(d) Customer shall provide any and all warranties directly to any of its end users or other third parties, and Customer shall not pass through to end users or other third parties the warranties made by Flex under this Agreement. Furthermore, Customer shall not make any representations to end users or other third parties on behalf of Flex, and Customer shall expressly indicate that the end users and third parties must look solely to Customer in connection with any problems, warranty claim or other matters concerning the Product.



7.3. **No Representations or Other Warranties.** FLEX MAKES NO OTHER REPRESENTATIONS OR WARRANTIES ON THE PERFORMANCE OF THE SERVICES, OR THE PRODUCTS, EXPRESS, IMPLIED, STATUTORY, OR IN ANY OTHER PROVISION OF THIS AGREEMENT OR COMMUNICATION WITH CUSTOMER, AND FLEX SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY, TITLE OR FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT.

8. TERM AND TERMINATION

8.1. **Term.** Subject to termination as expressly set forth in this Agreement, (a) the term of this Agreement shall commence on the Effective Date and shall continue for one year thereafter, and (b) after the expiration of the initial term hereunder, this Agreement shall be automatically renewed for separate but successive one-year terms unless either party provides written notice to the other party that it does not intend to renew this Agreement ninety (90) days or more prior to the end of any term.

8.2. **Termination.** This Agreement may be terminated by either party (a) for convenience upon ninety (90) days written notice to the other party, (b) if the other party defaults in any payment to the terminating party and such default continues without a cure for a period of fourteen (14) days after the delivery of written notice thereof by the terminating party to the other party, (c) if the other party materially defaults in the performance of any other term or condition of this Agreement and such default continues unremedied for a period of thirty (30) days after the delivery of written notice thereof by the terminating party to the other party, or (d) in accordance with the provision addressing Force Majeure events.

8.3. **Effect of Expiration or Termination.** Expiration or termination of this Agreement under any of the foregoing provisions: (a) shall not affect the amounts due under this Agreement by either party that exist as of the date of expiration or termination, and (b) as of such date the provisions of Sections 5 shall apply with respect to payment and shipment to Customer of all Inventory in existence as of such date. The following Sections, and any terms or provisions necessary to interpret or enforce such Sections, shall survive any termination or expiration of this Agreement: 1, 3.6, 3.7, 4.3, 5, 6, 7.2, 7.3 and 9-11.

9. INDEMNIFICATION

9.1. **Indemnification by Flex.** Flex shall defend, indemnify and hold harmless, Customer and its Affiliates, and all directors, officers, employees, and agents (each, a “**Customer Indemnitee**”) from and against all claims, actions, losses, expenses, damages or other liabilities, including reasonable attorneys’ fees (collectively, “**Damages**”) incurred by or assessed against any Customer Indemnitee, but solely to the extent arising out of third-party claims relating to:

(a) any actual or alleged injury or damage to any person (including death) or property caused, or alleged to be caused, by a Product sold by Flex to Customer hereunder, but solely to the extent such injury or damage has been caused by the breach by Flex of its express limited warranties set forth in Section 7;

(b) any actual or alleged infringement or misappropriation of the intellectual property rights (including any industrial design rights, database rights or any other form of intangible or business property rights) of any third party, but solely to the extent that such infringement or misappropriation is caused by a process or Production Materials that Flex elects to use to manufacture, assemble or test the Products; however, Flex shall not have any obligation to indemnify Customer if such claim would not have arisen but for Flex’s manufacture, assembly or test of the Product in accordance with the Specifications; or

(c) noncompliance with any Environmental Regulations, but solely to the extent that such non-compliance is caused by a process or Production Materials that Flex elects to use to manufacture the Products; however, Flex shall not have any obligation to indemnify Customer if such claim would not have arisen but for Flex’s manufacture of the Product in accordance with the Specifications.

9.2. **Indemnification by Customer.** Customer shall defend, indemnify and hold harmless, Flex and its Affiliates, and all directors, officers, employees and agents (each, a “**Flex Indemnitee**”) from and against all Damages incurred by or assessed against any Flex Indemnitee, but solely to the extent arising out of third-party claims relating to the Products, except to the extent that Flex indemnifies Customer pursuant to Section 9.1.

9.3. **Procedures for Indemnification.** With respect to any third-party claims, each party shall give the other party prompt notice of any third-party claim and cooperate with the indemnifying party at the indemnifying party’s expense. The indemnifying party shall have the right to assume the defense (at the indemnifying party’s own expense) of any such

claim through counsel of its own choosing by so notifying the party seeking indemnification within 30 days of the first receipt of such notice. A party given notice of a claim for which the other party expects to be defended and indemnified shall have thirty (30) days in which to either assume control of the defense or provide a reasonable explanation of why such party is not obligated to defend the claim pursuant to this Agreement; the party seeking indemnification in such instance may begin to defend the claim on its own, subject to reimbursement of all such expenses by the other party upon the other party's admission that such claim is that party's responsibility, or upon the determination by a judge or arbiter (in accordance with the dispute resolution provisions below) that the party was responsible for the defense of the claim. The party seeking indemnification shall have the right to participate in the defense thereof and to employ counsel, at its own expense, separate from the counsel employed by the indemnifying party. The indemnifying party shall not, without the prior written consent of the indemnified party, agree to the settlement, compromise or discharge of such third-party claim if such settlement, compromise or discharge would require that the indemnified party: (a) enter into any license agreement, cross-license agreement, settlement, covenant-not-to-sue or similar arrangement with the indemnifying party or any third party; (b) admit to infringement, misappropriation or misuse of any third party's intellectual property; or (c) otherwise undertake or agree not to undertake any activity or business of the indemnified party.

9.4. **Sale of Products Enjoined.** If the use of any Products is enjoined, or in the event the indemnifying party desires to minimize its liabilities under this Section, then in addition to its indemnification obligations set forth in this Section, the indemnifying party may either substitute a fully equivalent Product or process not subject to such injunction or possible liability, modify such Product or process so that it no longer is subject to such injunction or possible liability, or obtain the right to continue using the Product or process in question. In the event that any of the foregoing remedies cannot be effected on commercially reasonable terms, then all accepted purchase orders and the current Forecast shall be considered cancelled and Customer shall purchase all Products and partially completed Products which Flex is not enjoined from selling, Inventory and Special Inventory as provided in this Agreement. Any changes to any Products or process must be made in accordance with this Agreement. Notwithstanding the foregoing, in the event that a third party files an infringement complaint but does not obtain an injunction, the indemnifying party shall not be required to substitute a fully equivalent Product or process or modify the Product or process if the indemnifying party obtains an opinion from competent patent counsel reasonably acceptable to the other party or otherwise provides reasonable assurances that such Product or process is not infringing or that the patents alleged to have been infringed are invalid.

10. LIMITATIONS OF LIABILITY

10.1. **Bargained-For Exchange.** The parties agree that the limitations and exclusive remedies set forth in this Agreement represent the negotiated allocations of risk between the parties and are reflective of the pricing and bargained-for exchange represented herein. Other than as expressly set forth in this Agreement, and subject to the terms and conditions of this Agreement, including the limitations set forth below, Customer acknowledges that Customer has not relied on any representations by Flex with respect to the Products or Flex's performance.

10.2. **Exclusions of Certain Forms of Damages.** IN CONNECTION WITH THIS AGREEMENT, THE SERVICES, AND ANY PRODUCTS, EXCEPT WITH RESPECT TO (i) A PARTY'S OBLIGATIONS OF INDEMNIFICATION AND (ii) A BREACH OF A PARTY'S OBLIGATIONS OF CONFIDENTIALITY, IN NO EVENT SHALL ONE PARTY BE LIABLE TO THE OTHER FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES OF ANY KIND OR NATURE, OR ANY DAMAGES WHATSOEVER RESULTING FROM LOSS OF USE, DATA OR PROFITS, LOST SAVINGS, LOST PROFITS, LOST REVENUES, OR DAMAGES RESULTING FROM VALUE ADDED TO THE PRODUCT BY CUSTOMER, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING THE POSSIBILITY OF NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE. THE FOREGOING LIMITATION APPLIES EVEN IF THE PARTY HAS BEEN WARNED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE, AND EVEN IF ANY OF THE LIMITED REMEDIES IN THIS AGREEMENT FAILS OF ITS ESSENTIAL PURPOSE. FURTHERMORE, IN NO EVENT SHALL FLEX BE LIABLE FOR COSTS FOR PROCUREMENT OR MANUFACTURE OF SUBSTITUTE PRODUCT BY CUSTOMER, OR FOR THE VALUE OF THE INTERNAL TIME OF CUSTOMER'S EMPLOYEES TO REMEDY A BREACH.

10.3. **Cap on Liability.** IN CONNECTION WITH THIS AGREEMENT, THE SERVICES, AND ANY PRODUCTS, EXCEPT WITH RESPECT TO (i) A PARTY'S OBLIGATIONS OF INDEMNIFICATION, (ii) A BREACH OF A PARTY'S OBLIGATIONS OF CONFIDENTIALITY, (iii) FLEX'S WARRANTY OBLIGATIONS, AND (iv) CUSTOMER'S PAYMENT OBLIGATIONS: A PARTY'S TOTAL LIABILITY TO THE OTHER FOR DAMAGES FOR ALL CLAIMS UNDER THIS AGREEMENT OF ANY KIND WHATSOEVER, REGARDLESS OF LEGAL THEORY, AND WHETHER ARISING IN TORT



OR CONTRACT, IS NOT TO EXCEED % PERCENT OF THE PRECEDING TWELVE (12) MONTHS REVENUES FROM THE DATE THE CLAIM ARISES.

11. MISCELLANEOUS

11.1. **Confidentiality**. Each party shall not use any Confidential Information of the disclosing party for any purposes or activities other than in support of such party's obligations established in this Agreement. Except as otherwise specifically permitted herein or pursuant to written permission of the disclosing party, neither party shall disclose or facilitate disclosure of Confidential Information of the disclosing party to any third party, except that the receiving party may disclose such Confidential Information to (i) those of its Affiliates and their respective employees, consultants, and other agents who need to know such Confidential Information for carrying out the activities contemplated by this Agreement and/or (ii) third party suppliers or vendors for the purpose of obtaining price quotations; provided, however, that in either case, the recipient has agreed in writing to confidentiality terms that are no less restrictive than the requirements of this Section. Notwithstanding the foregoing, the receiving party may disclose Confidential Information of the disclosing party pursuant to a required court order, subpoena or other governmentally-required process; however, in such circumstance, the receiving party shall, to the extent reasonably feasible and permissible: (a) give the disclosing party prompt notice of the receiving party's receipt or knowledge of such required disclosure; and (b) provide the disclosing party a reasonable opportunity to oppose such process or to obtain a protective order at the disclosing party's expense. Subject to each party's right to maintain copies of Confidential Information in accordance with such party's reasonable record-keeping requirements, Confidential Information of the disclosing party in the custody or control of the receiving party shall be promptly returned or destroyed upon the earlier of (i) the disclosing party's written request, or (ii) termination of this Agreement. Either party may retain in its legal representative's files a copy of the other party's Confidential Information that has been disclosed to said party. Confidential Information disclosed pursuant to this Agreement shall be maintained confidential for a period of 3 years after the disclosure thereof. The existence and terms of this Agreement are Confidential Information of Flex.

11.2. **Use of Flex or Customer Name is Prohibited**. Neither party may use the other party's name or identity or any other Confidential Information in any advertising, promotion or other public announcement without the prior express written consent of the other party.

11.3. **Construction; Entire Agreement; Severability**. The terms and conditions as set forth in this Agreement have been arrived at after mutual negotiation, and the parties intend that its terms and conditions not be construed against any party merely because the Agreement was prepared by one of the parties. Subject to the terms of this Agreement, this Agreement, all Exhibits and attachments hereto and all Specifications constitute the entire agreement between the parties with respect to the transactions contemplated hereby and supersede all prior agreements and understandings between the parties relating to such transactions. If the scope of any of the provisions (or any portion of a provision) of this Agreement is too broad to permit enforcement to its full extent, then such provisions shall be enforced to the maximum extent permitted by law, and the parties agree that such scope may be judicially modified accordingly and that the whole of such provisions of this Agreement shall not thereby fail, but that the scope of such provisions shall be curtailed only to the extent necessary to conform to the law.

11.4. **Amendments; Waiver**. This Agreement may be amended only by written consent of both parties. The failure by either party to enforce any provision of this Agreement does not constitute a waiver of future enforcement of that or any other provision. Neither party will be deemed to have waived any rights or remedies hereunder unless such waiver is in writing and signed by a duly authorized representative of the party against which such waiver is asserted.

11.5. **Independent Contractor**. Neither party shall, for any purpose, be deemed to be an agent of the other party, and the relationship between the parties shall only be that of independent contractors. Neither party shall have any right or authority to assume or create any obligations or to make any representations or warranties on behalf of any other party, whether express or implied, or to bind the other party in any respect whatsoever.

11.6. **Insurance**. Flex and Customer agree to maintain appropriate insurance to cover their respective risks under this Agreement with coverage amounts commensurate with levels in their respective markets. Customer specifically agrees to maintain insurance coverage for any Products and Materials the title and risk of loss of which has passed to Customer pursuant to this Agreement and which is stored on the premises of Flex.

11.7. **Force Majeure**. If (a) either party is prevented from performing or is unable to perform any of its obligations under this Agreement (other than a payment obligation) as a result of any cause beyond the reasonable control of the party



invoking this Section, including any act of God, acts or decrees of governmental or military bodies, fire, casualty, flood, earthquake, war, strike, lockout, epidemic, pandemic, destruction of production facilities, riot, insurrection, Materials unavailability, the failure of equipment or tooling provided by Customer except to the extent such failure was caused by Flex, or (collectively, a “**Force Majeure**”), and (b) such party uses reasonable efforts to mitigate the effects of any Force Majeure, and (c) the affected party give prompts written notice to the other party, then the affected party’s performance shall be excused and the time for the performance shall be extended for the period of delay or inability to perform due to such Force Majeure. Regardless of the excuse of Force Majeure, if such party is not able to perform within 90 days after such event, the other party may terminate the Agreement.

11.8. **Successors, Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives. Neither party shall have the right to assign or otherwise transfer its rights or obligations under this Agreement except with the prior written consent of the other party, not to be unreasonably withheld. Notwithstanding the foregoing, Flex may subcontract, delegate or assign some or all of its rights and obligations under this Agreement to an Affiliate of Flex or to a third party financial institution for the purpose of receivables financing (e.g., factoring).

11.9. **Notices.** All notices required or permitted under this Agreement must be in writing and are deemed received (a) when delivered personally; (b) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid; (c) when acknowledged as received via email; or (d) two days after deposit with a commercial overnight carrier. All communications are to be sent to the addresses set forth above or to such other address designated by a party by giving written notice to the other party pursuant to this Section.

11.10. **Controlling Law; Disputes Resolution; Waiver of Jury Trial.**

(a) The laws of the state of California govern this Agreement and the interpretation of this Agreement, exclusive of conflict or choice-of-law rules that would require the application of the laws of another jurisdiction, except to the extent there may be any conflict between the law of the State of California and the Incoterms of the International Chamber of Commerce, 2020 edition, in which case the Incoterms control. The parties specifically agree that the 1980 United Nations Convention on Contracts for the International Sale of Goods, as may be amended from time to time, does not apply to this Agreement.

(b) Notwithstanding the foregoing, except as set forth in subsection (c) below, any dispute, claim or controversy arising out of or relating in any way to this Agreement, any other aspect of the relationship between Flex and Customer or their respective affiliates and subsidiaries, the interpretation, application, enforcement, breach, termination or validity thereof (including any claim of inducement of this Agreement by fraud and a determination of the scope or applicability of this agreement to arbitrate), or its subject matter (collectively, “**Disputes**”) shall be determined by binding arbitration before one arbitrator. The arbitration shall be administered by JAMS and conducted in accordance with the expedited procedures set forth in the JAMS Comprehensive Arbitration Rules and Procedures as those Rules exist on the effective date of this Agreement. Notwithstanding anything to the contrary in this Agreement, the Federal Arbitration Act shall govern the arbitrability of all Disputes. The arbitration shall be held in Santa Clara County, California, and it shall be conducted in the English language. The parties shall maintain the confidential nature of the arbitration proceedings and any award, including the hearing, except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as may be necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision. The arbitrator shall have authority to award compensatory damages only and shall not award any punitive, exemplary, or multiple damages, and the parties waive any right to recover any such damages. Judgment on any award in arbitration may be entered in any court of competent jurisdiction. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also, without waiving any remedy under this agreement, may seek from any U.S. Court having personal and subject matter jurisdiction over the parties any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitration tribunal. This specifically includes the right to seek temporary restraining orders, preliminary injunctions, writs of prejudgment attachment and other security liens, and orders of mandamus or prohibition, but specifically precludes the right to seek monetary damages of any kind outside of the arbitration proceeding.

(c) Each party shall pay their own expenses in connection with the resolution of Disputes pursuant to this Section 11.10, including reasonable attorneys’ fees. Notwithstanding the foregoing sentence, should any party to this Agreement hereafter institute any legal action or administrative proceeding against the other by any method other than set forth in this



Section 11.10, the responding party shall be entitled to recover from the initiating party all damages, costs, expenses, and attorneys' fees incurred as a result of such action.

(d) IN THE EVENT OF ANY DISPUTE BETWEEN THE PARTIES, WHETHER IT RESULTS IN PROCEEDINGS IN ANY COURT IN ANY JURISDICTION OR IN ARBITRATION, THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY, AND HAVING HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL, WAIVE ALL RIGHTS TO TRIAL BY JURY, AND AGREE THAT ANY AND ALL MATTERS SHALL BE DECIDED BY A JUDGE OR ARBITRATOR WITHOUT A JURY TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW. To the extent applicable, in the event of any lawsuit between the parties arising out of or related to this Agreement, the parties agree to prepare and to timely file in the applicable court a mutual consent to waive any statutory or other requirements for a trial by jury.

11.11. **Controlling Language.** This Agreement is in English only, which language shall be controlling in all respects. All documents exchanged under this Agreement shall be in English.

11.12 **Counterparts and Exchange of Signatures.** This Agreement may be executed in counterparts. The parties agree that electronically transmitted and reproduced signatures (including faxed pages, scanned copies of signatures and email acknowledgements) constitute acceptable exchange of authentic consent to the terms and conditions of this Agreement.

11.13 **Sale of Products to Governments.** In the event Customer sells Products manufactured hereunder to a government entity or agency where such sales are governed by rules and regulations published by the government (e.g., FAR and DFAR in the case of the US government), Customer shall provide Flex with (i) no less than 90 days' prior written notice and (ii) the applicable mandatory rules and regulations which apply to Customer as well as to Flex as a supplier to Customer ("**Flowdown Provisions**"). Flex shall only be bound to comply with such Flowdown Provisions to which it specifically agrees in writing and such agreement may be conditioned upon changes to the Fees List and the Lead Time to deliver the Products that are agreed to by Customer. Flex will notify Customer of its acceptance or not within said 90 days' time period. If Flex does not so notify within said time period, Flex's acceptance will be deemed to have been given.

IN WITNESS WHEREOF, the parties have caused this Manufacturing Services Agreement to be executed by their authorized representatives as of the Effective Date.

Customer:

Flex:

Signed: _____

Signed: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____



Exhibit 1 Definitions

Unless defined elsewhere in this Agreement, the following terms have the following meanings:

“Affiliate”	means any corporation, partnership, joint venture or other legal entity that a party to this Agreement controls, is under common control with, or is controlled by, where “control” means the ownership of more than fifty percent (50%) of the voting equity in such entity or otherwise the ability to direct the management of such entity.
“Aged Inventory”	means either of any Product, partially completed Product, Inventory or Special Inventory, or some or all, for which there has been zero or insignificant consumption over the past six (6) months, which includes any particular item that Flex has had on hand for more than six (6) months.
“Approved Vendor List” or “AVL”	means the list provided by Customer or Flex, as the case may be and approved by Customer, that determines the vendors from which Flex must purchase Materials, and may include, but is not limited to, original equipment manufacturers, resellers, distributors, or brokers.
“CAPEX”	means tooling, molds, fixtures, equipment, software, or facility improvements.
“Confidential Information”	means (a) the existence and terms of this Agreement except that the existence of this Agreement may be disclosed for purposes of enforcing the Agreement pursuant to Section 11.10, (b) all information concerning the fees or costs for Products and Inventory other than Customer Controlled Materials and (c) any other information that is marked “Confidential” or the like or, if delivered verbally, confirmed in writing to be “Confidential” within thirty (30) days of the initial disclosure. Confidential Information does not include information that (i) the receiving party can prove it already knew at the time of receipt from the disclosing party free of any obligations of confidentiality; (ii) has come into the public domain without breach of confidence by the receiving party; (iii) was received from a third party without restrictions on its use; (iv) the receiving party can prove it independently developed without use of or reference to the disclosing party’s data or information; or (v) the disclosing party agrees in writing is free of such restrictions.
“Customer Controlled Materials”	means those Materials provided by Customer or by vendors with whom Customer has a commercial relationship.
“Customer Controlled Materials Terms”	means the terms and conditions that govern the purchase of Customer Controlled Materials.
“Economic Order Inventory”	means Materials purchased in quantities above the required amount for purchase orders and the Forecast in order to achieve price targets for such Materials.
“Environmental Regulations”	means any applicable hazardous substance content laws and regulations including those related to or implementing EU Directive 2011/65/EU about the Restriction of Use of Hazardous Substances (RoHS) and (EC 1907/2006) dealing with the registration, evaluation, authorization and restriction of chemical substances (REACH).
“Excess Inventory”	means either of any Product, partially completed Product, Inventory or Special Inventory, or some or both, owned by Flex that is not required for consumption to satisfy the next thirty (30) days of demand for Products under the then-current purchase order(s) and Forecast.



“Governmental Change”	means any laws, rules, regulations, court orders, administrative rulings or other governmentally-imposed or governmentally-sanctioned requirements (including mandatory wage increases) which result in changes to the costs of performance hereunder.
“Inventory”	means any Materials that are procured by or on-order with Flex in accordance with the applicable Lead Time for use in the manufacture of Products pursuant to a purchase order or Forecast from Customer.
“Lead Time”	means the Materials Procurement Lead Time plus the manufacturing cycle time required from the delivery of the Materials at Flex’s facility to the completion of the manufacture, assembly and test processes.
“Material Overhead Costs” or “MOC”	means Flex’s fee for acquiring, managing and storing Materials, which may be expressed as a percentage of the Standard Cost of the Materials, as such percentage is set forth in the applicable bill of materials or other document; if no MOC is specified in the applicable documents, then the MOC shall be equal to: (i) ten percent (10%) of the Standard Cost of all Materials on hand at Flex; and (ii) five percent (5%) of the cost of all Materials on order and not cancelable.
“Materials”	means components, parts, raw materials and subassemblies that comprise the Product and that appear on the bill of materials for the Product.
“Materials Procurement Lead Time”	means, with respect to any particular item of Materials, the longer of (a) the lead time to obtain such Materials as recorded on Flex’s system of record or (b) the actual lead time.
“Minimum Order Inventory”	means Materials purchased in excess of requirements for purchase orders and Forecast because of minimum lot sizes required by the vendor.
“Monthly Charges”	means a monthly finance carrying charge of one and one-half percent (1.5%), and all reasonable costs related to storage and handling.
“NRE Charges”	means incurred labor and Product-specific tooling, equipment or software and other reasonably necessary non-recurring set-up, tooling or similar expenses as set forth in Flex’s pricing quotations.
“Obsolete Inventory”	means either of any Product, partially completed Product, Inventory or Special Inventory, or some or all, that is any of the following: (a) removed from the bill of materials for a Product by an engineering change; (b) no longer on an active bill of materials for any of Customer’s Products; (c) date code of manufacture or shelf life has expired; or (d) on-hand with Flex but not required for consumption to satisfy the next one hundred eighty (180) days of demand for Products under the then-current purchase order(s) and Forecast.
“Products”	means an item in its completed form as described in written and agreed upon Specifications and that is the object of the Services.
“Production Materials”	means materials that are consumed in the production processes to manufacture Products including solder, epoxy, cleaner solvent, labels, flux, and glue; Production Materials do not include any such production materials that have been specified by the Customer or any Customer Controlled Materials.
“Services”	has the meaning set forth in Section 2.1(a).
“Special Inventory”	means any Minimum Order Inventory, Economic Order Inventory, safety stock and other mutually-agreed Inventory acquired by Flex in excess of the Forecast to support flexibility or demand requirements.



- “Specifications”** means the agreed detailed instructions provided by Customer defining each Product, which shall include bills of materials, designs, schematics, assembly drawings, process documentation, test specifications, current revision number, and an Approved Vendor List.
- “Standard Cost”** means, as applicable, (a) the quoted cost of Materials represented on the bill of materials current at the time such Materials are acquired; or (b) the value of any Services performed on work-in-progress at the time such Services are performed.
- “Taxes”** means federal, state and local excise, sales, use, VAT, and transfer taxes and similar charges. “Taxes” do not include taxes based on the net income of Flex or on real property owned by Flex.
- “Underutilization Cost”** means those costs associated with the manufacturing lines and space in the factory incurred by Flex as a result of underutilization of the production capacity in the event that Customer’s actual purchased volume of Products is less than the forecasted volume of Products, including the facility costs, equipment costs and amortization, labor costs, and any other related costs.



Exhibit 3.4(a)
Fee List

To be attached or incorporated by reference.

CAPEX

Launch & Ramp Expenses

Other Engineering Charges