

Purpose

The purpose of this Purchase Order is to define the Terms and Conditions under which suppliers will conduct business with TPR Systems Inc.

1. Definitions

"BUYER" shall mean TPR Systems Inc.

"SELLER" shall mean the supplier stated as such in the Purchase Order.

"Completion" shall mean when the Goods have been delivered and accepted, together with delivery of all applicable documentation, drawings, models, instructions, and manuals necessary for correct installation, operation, inspection, maintenance, and use of the Goods, as specified in any Contract Document.

"Contract" shall mean the written contract between the Parties for the performance of the work by SELLER, consisting of these Terms and Conditions and any other Contract Documents.

"Contract Document" shall mean any document explicitly made part of the Contract.

"Day" shall mean calendar day.

"Delivery Schedule" shall mean the schedule which specifies the time for delivery, performance, partial performance or Completion, as applicable. The Delivery Schedule may be included in the Purchase Order or in any other Contract Document.

"Goods" may mean any article, product, apparatus, machine, device, material, component, or subassembly or service furnished or to be furnished under the Purchase Order.

"Services" shall mean any work or service performed or to be performed under the Purchase Order.

"In Writing" shall mean a document signed by BUYER and/or SELLER and submitted to the other Party either by hand, courier service, letter, fax, or pdf-attachment to an e-mail.

"Purchase Order" shall mean a request for the purchase of Goods or Services, issued in writing which describes the Goods to be purchased or Services to be provided.

"Order Confirmation" shall mean a document issued by SELLER in writing using BUYER'S form as attached to the Purchase Order, in which SELLER declares and undertakes to provide the requested Goods and/or Services according to the Contract.

2. BUYER reserves the right of final approval of product, procedures, processes and equipment.

3. All special processes required by this Purchase Order must be performed by qualified personnel.

4. BUYER reserves the right to review and approve the SELLER'S Quality Management System (QMS). Standard QMS Requirements Include:

(a) SELLERS providing special processing must maintain a system for validating their processes. SELLERS providing special processing (such as heat treat, penetrant inspection, passivation, paint, anodize or other finishing) that is considered a controlled process, must maintain a system for validating these processes that is acceptable to TPR Systems Inc. and/or indicated on Purchase Order.

(b) Customer Directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer in question.

(c) Suppliers initially approved for use via Certification (ISO, AS9100, ISO 17025, AS9120, NADCAP, etc.) must notify BUYER of any changes to their Certification.

(d) Suppliers providing Nadcap certified services must provide current documentation of these services and shall notify BUYER of certification changes such as process, scope and revision.

- (e) All Suppliers providing calibration services must be certified to ISO17025 (or equivalent). All calibration certificates must identify standards used and must be traceable to NIST (National Institute of Standards Technology).
- (f) Supplier will take necessary steps during processing and packaging to prevent addition of any foreign object debris or contaminants. Supplier shall have a F.O.D. prevention and training program adequate enough to ensure compliance.
- (g) Supplier shall comply with the AS/EN/JISQ 9100 requirements and 14CFR Part 21.2 regarding the application of Acceptance Authority Media (AAM) requirements. Supplier shall, within its organization and its supply chain, ensure that the use of AAM is clearly defined within its Quality Management System.
- (h) Customer directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer in question.

5. SELLER shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.

6. BUYER reserves the right to approve or specify any designs, tests, inspection plans, verifications, use of statistical data for product acceptance, and any applicable critical items including key characteristics.

7. BUYER reserves the right to designate requirements for test specimens (e.g., production method, number, storage conditions) for design approval, inspection/verification, investigation or auditing.

8. The SELLER is required to:

- (a) notify BUYER of nonconforming product or condition within 72 hours,
- (b) obtain BUYER'S approval for nonconforming product or service disposition,
- (c) notify BUYER of changes in product and/or process, changes of suppliers, changes of manufacturing facility locations and, obtain BUYER'S approval regarding any such changes, and
- (d) flow down to the supply chain the applicable requirements including customer requirements.

9. The Vendor and their sub-tier Vendors (External Providers) are required to retain all Records associated with the Purchase Order for 7 (seven) years or as required by contract.

10. The SELLER shall allow right of access by BUYER, their customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

11. The SELLER has a responsibility to conduct its business in an ethical manner.

12. The SELLER has a responsibility to ensure that they fully understand their contributions as it relates to product/service safety and conformity.

13. Acceptance and Acknowledgement

BUYER shall ensure the adequacy of specified purchase requirements prior to their communication to the SELLER. Thereafter, the Purchase Order to which these Terms and Conditions apply is BUYER'S offer and shall become a Contract only upon full and unconditional acceptance in writing by SELLER and in strict accordance with BUYER'S Terms and Conditions. SELLER's general terms and conditions, exceptions, qualifications, or other terms and conditions shall not apply, unless explicitly accepted In Writing by BUYER. No oral agreement or other understanding shall in anyway modify, amend or extend this Purchase Order or any of the terms and Conditions hereof. All supplemental sheets, routers, schedules, attachments, drawings, exhibits, or travelers which may be annexed hereto are made part of this Purchase Order to which SELLER agrees by acceptance of this Purchase Order.

14. Delivery

Deliveries shall be completed strictly in accordance with the quantities specified on the Purchase Order. BUYER may at any time postpone delivery of any of the articles ordered herein for a reasonable time as to any particular schedule shipment. If, at any time, it appears SELLER may not meet such Delivery Schedule, SELLER shall, upon request by BUYER, avoid such delay (or such portion thereof as BUYER requires) by appropriate methods, including (without limitation) incurring expenditures for overtime and expedited shipment by air or other means of expedited transport. Any costs incurred by SELLER to avoid such delay shall be borne solely by SELLER, unless the delay in delivery arises out of causes beyond the control and without the fault or negligence of SELLER or its subcontractors within the meaning of the "Default-Termination" clause herein. The foregoing requirements are in addition to all of BUYER'S other rights and remedies as may be provided by applicable law for this Purchase Order. Nothing herein shall be interpreted as waiving BUYER'S remedies or default (including right or termination) if SELLER fails to meet the Delivery Schedule. Time is of the essence with respect to all deliveries under this Agreement. Therefore, the delivery date(s) shall not be advanced or delayed without written agreement between BUYER and SELLER.

15. Packing, Marking and Shipping

SELLER shall pack, mark and ship all Goods in accordance with the requirements of this Purchase Order, all applicable transportation regulations and good commercial practices for the adequate protection and shipment of the ordered Items. SELLER shall secure the transportation service and rates most advantageous to BUYER as long as procurement thereof shall be consistent with SELLER'S foregoing obligations. No separate or additional charge shall be payable by BUYER for containers, crating, boxing, bundling, storage unless specifically stated in this Purchase Order. Any expense, damage or liability incurred by BUYER as a result of improper preservation, packaging, marking or method of shipment shall be promptly reimbursed by SELLER upon BUYER'S demand. A packing list showing this Purchase Order number (and release number, if applicable) shall be included with each shipment, and each container shall be marked to show the Purchase Order number. SELLER shall mail the original bill of lading to BUYER'S Purchasing Department at point of purchase unless otherwise instructed. Any transportation charges paid by SELLER for which SELLER is entitled to reimbursement as specifically stated in this Purchase Order shall be shown on SELLER's invoice as a separate line item and the receipted freight bill shall be attached thereto. In the case of a drop shipment, SELLER shall send BUYER at time of shipment two copies of the above-described packing list.

16. Variations in Quantity

Quantities of Goods delivered pursuant to this Purchase Order shall not vary from the quantities ordered without specific written consent of BUYER. Shortages in quantities will be made up by SELLER at no cost to BUYER within the delivery period indicated. BUYER will not pay for any overages without prior agreement between BUYER and SELLER and will, at SELLER's timely request, return overages to SELLER at SELLER's expense.

17. Changes; Processed and Manufacturing Location

(a) BUYER may at any time by written notice make changes in drawings, specifications, descriptions, shipping instructions, quantities and/or delivery schedules. Should any such changes increase or decrease the cost of Goods or the time required for performance of this Purchase Order, an equitable adjustment will be negotiated, evidenced by a written amendment to this Purchase Order by the Parties.

(b) SELLER shall not make any modifications, improvements, alterations, or changes to the Good(s) listed in this Purchase order that may affect or may tend to affect form, fit, function or appearance or that reduce reliability, or that affect interchangeability of the changed or modified Good(s), unless such changes are first approved by BUYER in writing. SELLER shall give BUYER a minimum of thirty (30) days prior written notification of proposed changes prior to proceeding.

- Such changes may include, but are not limited to: Use of material other than what was used in previously approved Goods
- Production from new, additional, replacement or modified tools, dies, molds, patterns, etc.
- Production following upgrade or rearrangement of existing tooling or equipment
- Production from tooling and equipment transferred to a different plant site or from another plant

- Change of sub-tier supplier for parts, nonequivalent materials, or services (e.g. special processing such as heat treat, penetrant inspection, passivation, paint, anodize or other finishing that is considered a controlled process must maintain a system for validating processes that is Nadcap accredited or other system as required by this purchase order.
- Goods produced after tooling has been inactive for production for 12 months or more.
- For bulk materials: new source of raw material from new or existing supplier, or change in product appearance attributes, etc.
- Change in manufacturing location or facility change.

(c) BUYER may, at its option, require that a first article test be performed on any Goods that have been changed with any of the aforementioned changes since issuance of this Purchase Order.

18. Reliance

SELLER represents and warrants that it is an expert fully competent in all phases of performing the Contract, and SELLER agrees that BUYER is relying on such representation and warranty by SELLER.

SELLER shall not be relieved of any of its contractual obligations on the grounds that BUYER approved any specification, plan, or other documentation prepared by SELLER, or that BUYER provided recommendations or assistance in any phase of the work undertaken to produce the Goods.

In order to ensure successful performance of the Contract, SELLER shall as an expert make good faith review of all specifications, requirements, designs, tools, models, technical data, or other documentation when such is provided by BUYER to SELLER. SELLER shall forthwith notify BUYER In Writing of any missing documentation, deficiencies, discrepancies, or concerns that SELLER identifies in connection herewith.

The Parties agree to negotiate in good faith to modify the terms of this Agreement to accommodate changes in performance necessitated by BUYER'S recommendations, assistance in any phase of the work, or any other matters or concerns identified pursuant to this Article 7.

19. Assignment of Purchase Order

(a) SELLER shall not assign this Purchase Order nor delegate any of its duties or obligations hereunder without BUYER'S prior written consent except as permitted by the "SUBCONTRACTING" provision of this Purchase Order and any unauthorized assignment or delegation shall be void and shall constitute a material breach hereof.

(b) Upon written notification to BUYER, SELLER may assign to a third party its rights to payments due or to become due SELLER hereunder; provided SELLER and the third party to whom such payments are assigned jointly execute, in a form acceptable to BUYER, a written understanding to hold BUYER harmless with respect to any payments made pursuant to such assignment. Any assignment of current or future payments shall be subject to all defenses and rights of set off or withholding in favor of BUYER, including, without limitation, set off for damages for breach of contract or warranty and deductions pursuant to this Purchase Order.

20. Subcontracting

SELLER shall not, without BUYER'S prior written consent, subcontract any portion of this Purchase Order, except for (limitation shall not apply) SELLER's purchase of standard commercial supplies or raw materials. SELLER shall select subcontractors (including suppliers) on a competitive basis to the maximum extent consistent with the objectives and requirements of this Purchase Order. SELLER must flow down to sub-tier suppliers all applicable requirements in the purchasing documents (such as Purchase Orders and documents associated with orders of Goods), including any key characteristics where required (such as requirements contained in BUYER'S customers' purchasing documents, including, but not limited to, purchase orders, statements of work, specifications, quality assurance provisions and other documents associated with such orders).

21. Inspection and Testing

(a) All Goods (including, without limitation, raw material, components, intermediate assemblies, and end products) and Services performed by SELLER shall be subject to inspection and test by BUYER and BUYER'S customer and regulatory authorities, to the extent practicable at all times, places and facilities used in the performance of this Purchase Order during the period of manufacture. This right of inspection shall include the right of access to all applicable records.

(b) In case any Goods are defective in material or workmanship (or design, to the extent SELLER is responsible therefore), or otherwise not in conformity with the requirements of this Purchase Order ("Nonconforming Goods"), SELLER must immediately notify BUYER upon the discovery of such Non-Conformity of Goods. BUYER shall then have the right, at its sole discretion, to either: (i) accept the Nonconforming Goods; (ii) reject the Nonconforming Goods and cancel all or any part of this Purchase Order; or (iii) require that the Nonconforming Goods be corrected or replaced by SELLER with conforming Goods. If BUYER does not accept the Nonconforming Goods pursuant to (ii) or (iii) above, BUYER may return the Nonconforming Goods to SELLER at SELLER's risk and expense, including transportation both ways. Nonconforming Goods which have been rejected or required to be corrected by BUYER pursuant to (ii) or (iii) above shall be removed or, if permitted or required by BUYER, corrected in place by and at the expense of the SELLER promptly after notice is sent by BUYER. If SELLER fails promptly to remove such Nonconforming Goods which are required to be removed, or promptly to replace or correct such Nonconforming Goods pursuant to (ii) or (iii) above, BUYER may either: (1) replace or correct such Nonconforming Goods and charge SELLER the cost therefore; or (2) cancel all or any part of this Purchase Order. Unless SELLER corrects or replaces such Nonconforming Goods within the specified delivery schedule, BUYER may require the delivery of such Nonconforming Goods at a reduction in price which is equitable under the circumstance. If any inspection or test is made by BUYER, BUYER'S customer and/or the Government on the premises of SELLER or its subcontractor, SELLER, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of BUYER, BUYER'S customer and/or Government inspectors in the performance of their duties. If such inspection or test is made at a point other than the premises of SELLER or its subcontractor, it shall be at the expense of BUYER, except as otherwise provided in this Purchase Order, provided, that in case of rejection, BUYER shall not be liable for any reduction in value of samples used in connection with such inspection or test. All such inspections or tests shall be performed in such a manner as not to unduly delay the performance of the work or the delivery of the Goods. BUYER reserves the right to charge SELLER for additional re-inspections or retest as necessitated by prior rejection. Inspection and acceptance or rejection of Goods shall be made as promptly as practicable after delivery to BUYER'S plant or to such other place of final delivery as may be specified herein, irrespective of prior payment, except as otherwise expressly provided for in this Purchase Order; but failure to inspect and accept or reject Goods shall not relieve SELLER from responsibility for such Goods as are not in accordance with Purchase Order requirements nor impose liability on BUYER therefore.

(c) SELLER shall provide and maintain an inspection system acceptable to BUYER covering the Goods hereunder. Records of all inspection work by SELLER shall be kept complete and available to BUYER during the performance of their Purchase Order and for a period of no less than ten (10) years.

(d) This section shall not reduce any of the rights or liabilities of the parties under the "WARRANTY" provision of this Purchase Order.

(e) All rights granted herein to BUYER'S customer and/or Government shall be preserved by SELLER and passed on to all its subcontractors and suppliers.

(f) It is expressly agreed that payment shall not constitute final acceptance. Defective Goods will be returned at SELLER'S risk and expense at the full invoice price, plus incoming transportation charges. No replacement of defective Goods shall be made unless specified in writing by the BUYER. BUYER may reject and return any portion of shipment, which may be defective or fail to comply with specifications, drawings, samples or descriptions stated in the Purchase Order without invalidating the remainder of the Purchase Order.

22. Obsolescence. SELLER verifies that all parts BUYER is purchasing via this Purchase Order have an indefinite product life. SELLER shall continuously monitor the availability of components and resources necessary for the performance of the work. If SELLER becomes aware of a potential change in the availability of components or resources, SELLER shall immediately notify BUYER in writing of such change. Without prejudice to SELLER'S obligations to perform as originally agreed under the Contract, SELLER shall immediately present to BUYER a plan for how to resolve the issue. BUYER reserves the right, in its sole discretion, to decide how the issue shall be resolved.

23. Warranty

(a) By acceptance of this Purchase Order, SELLER expressly certifies and warrants that all material and work that is covered by this Purchase Order shall conform to the specifications, including reliability, operating life, workmanship, materials, performance, drawings, samples or other description furnished by BUYER and further warrants that to the extent quality is not specified the best quality shall be furnished, and that all work and Goods shall be merchantable, of good material and workmanship and free from defect. The warranty period

shall commence upon transfer of title to BUYER and remain in effect until twenty-four (24) months after Completion (the “**Warranty Period**”). The SELLER expressly warrants that all Goods covered by this Purchase Order which is the product of SELLER or maintained by SELLER will be fit and sufficient for the purposes intended, and SELLER hereby acknowledges that it fully understands the purposes intended for work and Goods to be furnished. This warranty shall survive inspection, and any defects found subsequent to delivery, whether patent or latent, shall remain the responsibility of SELLER. SELLER will at the option of BUYER (i) replace defective Goods with products meeting the requirements hereof at no cost to BUYER, (ii) repay such portion of the purchase price as is equitable in the circumstance if BUYER elects to use the defective Goods, or (iii) repay the unit cost of any such defective Goods plus any excess costs of BUYER in acquiring satisfactory Goods and resultant rework of BUYER’S product(s). The SELLER shall hold BUYER harmless from any damage arising from a breach of these warranties. The warranties of the SELLER together with its service warranties and any guarantee, if any, shall run to the BUYER and/or BUYER’S customers.

(b) COUNTERFEIT PARTS WARRANTY: SELLER warrants the materials delivered to BUYER shall (i) be new; (ii) be and only contain materials obtained directly from the original equipment manufacturer (“OEM”) or an authorized OEM re-SELLER or distributor; (iii) not be or contain Counterfeit Items; and (iv) contain only authentic, unaltered OEM labels and other markings. As used in this Purchase Order, a “Counterfeit Item” is defined as a copy or substitute without legal right or authority to do so or one whose material, performance or characteristics are knowingly misrepresented by a supplier, distributor or manufacturer at any level in the supply chain. Examples include, but are not limited to: parts remarked to disguise parts differing from those offered by the OEM; previously used parts salvaged from scrapped assemblies; and defective parts scrapped by the OEM.

(i) Unless otherwise first approved in writing by the BUYER, the SELLER may only purchase Items from sources which the SELLER can show comply with a recognized international standard relating to Counterfeit Items and which ensure that the items purchased from such source are new, unused and authentic Items.

(ii) The SELLER shall maintain a method of traceability that ensures tracking of the supply chain back to the manufacturer of all items included in the Goods being supplied. This traceability method shall clearly identify the name and location of all supply chain intermediaries from the manufacturer to the direct source of each Item for the SELLER and shall include the manufacturer's batch identification for the item such as date codes, lot codes, serializations, or other batch identifications. Full supply chain traceability documentation includes but is not limited to OCM, OEM and authorized (i.e. franchised) supplier certificates of conformity, purchase orders and test/inspection data and/or certificates. The Contract shall specify any additional documentation (other than as specified in this condition) required by the BUYER. (iii) If Counterfeit Items or suspect Counterfeit Items are furnished under the Contract such Goods shall be impounded. The SELLER shall promptly replace such Goods with Goods acceptable to the BUYER and the SELLER shall be liable for all costs relating to impoundment, removal and replacement. The BUYER may notify and turn Counterfeit Items over to Government authorities for investigation and the BUYER reserves the right to withhold payment pending the results of the investigation.

(iv) This condition 10(b) applies in addition to any quality provision, specification, statement of work or other provision included in the Contract addressing the authenticity of Goods. To the extent that such provisions conflict with this condition, this condition shall prevail. (v) The SELLER shall flow down these requirements to the SELLER’S supply chain for any items that are intended for the BUYER. (vi) The SELLER is reminded that any knowing and willful act to falsify, conceal or alter a material fact, or any false, fraudulent or fictitious statement or representation in connection with the performance of work under the Contract may be punishable in accordance with applicable statutes and laws. (vii) The SELLER shall include all provisions of this condition 10 (b), including this sentence, in all lower tier contracts under this Purchase Order. Any inability or unwillingness of a lower-tier supplier to comply with this provision should be documented in writing and submitted immediately to the BUYER.

24. Price Warranty

SELLER represents that the price or prices specified on this Purchase Order do not exceed the current selling prices for the same or substantially similar items whether to the Government or to any other purchaser, taking into account the quantity and delivery requirements hereof. SELLER further represents that to the best of its knowledge, information and belief, the prices to be charged for Goods covered by this Purchase Order are not in excess of prices established by any applicable law or regulation, and SELLER agrees forthwith to refund any amounts paid by BUYER in excess of lawful amounts, or of the foregoing provisions of this section. The price includes packing, crating and preparation for shipment.

25. Consigned Property and Responsibility for Property

Unless otherwise provided herein or in any other agreement between BUYER and SELLER, all supplies, materials, facilities, tools, jigs, dies, fixtures, patterns, or equipment furnished to SELLER by BUYER to perform this Purchase Order shall remain the property of BUYER and SELLER shall bear all risk of loss thereof, and damage thereto, normal wear and tear excepted, which such property is in SELLER's possession. All such property shall at all times be properly housed and maintained by SELLER; shall be marked by SELLER as the property of BUYER'S business unit that issued the Purchase Order, shall not be commingled with the property of SELLER or that of a third party; shall not be moved from SELLER's premises without prior written authority from BUYER; and shall, upon request of BUYER, be immediately delivered to BUYER, by SELLER.

26. Intellectual Property

(a) SELLER warrants that the Goods delivered under this Purchase Order which are not of BUYER'S design will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country and are free and clear of all liens, licenses, claims and encumbrances. (b) SELLER shall indemnify, hold harmless and, at BUYER'S election, defend BUYER and its customers from and against all losses, costs, claims, penalties, causes of action, damages, liabilities, fees and expenses, including, but not limited to, reasonable attorneys' fees, arising from or related to any action by a third party that is based upon a claim that the Goods delivered under this Purchase Order infringe or otherwise violate the intellectual property rights of any person or entity. (c) SELLER grants and agrees that BUYER shall have a nonexclusive, worldwide, irrevocable, paid-up, royalty-free license and right, to enable BUYER to satisfy its contractual obligations to its customers, including the right to make, have made, sell, offer for sale, use, execute, reproduce, display, perform, publish, distribute, copy, prepare derivatives or compilations, and authorize others to do any, some or all of the foregoing, with respect to any and all, inventions, discoveries, improvements, technology, designs, works of authorship, mask works, patents, copyrights, technical information, data, databases, software, business information and other information, conceived, developed, generated or delivered in performance of this Contract. SELLER shall provide all assistance reasonably required and execute all documents necessary to perfect the rights granted to BUYER herein. (d) Any invention, development, trademark or copyrightable subject matter conceived, first reduced to writing, first reduced to practice, or made by SELLER, either solely or with others, in the course of SELLER'S performance under this Purchase Order, is hereby assigned to BUYER if such invention, development, trademark or copyrightable subject matter: (i) results from services for BUYER under this Purchase Order; or (ii) is made using BUYER'S time, materials or facilities, or is paid for by BUYER. All such copyrightable subject matter will be "works made for hire" under U.S. Copyright law. SELLER will disclose such inventions, developments, trademarks or copyrightable subject matter promptly to BUYER and will cooperate with BUYER during and after the term of this Purchase Order in filing and prosecuting any patent, trademark or copyright applications thereon and in evidencing ownership thereof by BUYER. SELLER agrees that the payments pursuant to this Purchase Order are full and complete compensation for all obligations assumed by SELLER hereunder, and the assignment of inventions, developments, trademarks or copyrightable subject matter does not entitle SELLER to any additional compensation.

27. Taxes

Federal, state or local taxes of any nature which are billed to BUYER shall be stated separately in SELLER'S invoices. To any extent that exemptions are available on taxes included in the original quote, such exemptions will be obtained by SELLER and be passed on to BUYER as a reduction in price.

28. Invoices

Invoices will be submitted by SELLER to the address of TPR Systems Inc., as stated on the Purchase Order. In no event shall payment be due from BUYER prior to the specified delivery dates. Terms of payment will be computed from the latest of the following dates: (a) Specified delivery date; (b) Date of Delivery, inspection and acceptance; (c) Date correct invoice or voucher is received in office specified by BUYER. Payment is deemed to be made on the date of mailing of the check by the BUYER. Payment of SELLER'S invoice is subject to adjustment for over shipment, shortage, and rejection. Individual invoices showing this Purchase Order number and item number of Purchase Order and description of items as shown on this Purchase Order must be issued for each shipment applying to this Purchase Order. One copy of each individual invoice must be plainly marked "ORIGINAL." Any applicable sales tax, duty, excise tax, use tax, or other similar tax or charge, for which BUYER has not furnished an exemption certificate, must be itemized separately on SELLER'S invoices. A statement of account shall be submitted monthly.

29. Force Majeure

BUYER shall not be obliged to accept Goods covered by this Purchase Order while it is unable to do so as a result of causes or conditions beyond its control including, without limitations, fires, floods, strikes, differences with employees, casualties, total or partial shutdown of its plants for any reason, or rules or regulations of any governmental authority, and, in such event BUYER may, at its option, extend the time of payments due hereunder, without interest, by the length of such period during which BUYER is unable to accept Goods, or BUYER may terminate all or such portion of this Purchase Order represented thereby without penalty.

30. Advertising and/or New Releases

SELLER shall not, without prior written consent of BUYER, advertise or release to the public or any media information relating to the requirements set forth in this Purchase Order or the fact that SELLER has contracted with BUYER. SELLER may request a release by formally transmitting to the BUYER a written request including the exact wording and any sketches or photographs which may form a part of the release. Under no circumstances shall releases be requested relating to Government Classified work. For failure to observe this provision, BUYER shall have the right to cancel the Purchase Order without any further liability.

31. Liens

SELLER agrees to deliver to BUYER the articles covered by this Purchase Order free and clear of all liens, claims and encumbrances.

32. Termination for Convenience

- (a) BUYER may for any reason (whether SELLER is in default or not) terminate the unperformed parts of the Contract in whole or in part by providing a minimum of sixty (60) days' notice in writing to SELLER, specifying what work is to be terminated and the effective date of the termination.
- (b) SELLER shall immediately cease all further production of the Goods and make its best efforts to cancel all subcontracts in the most cost-effective manner and provide documentation to BUYER hereof.
- (c) SELLER shall promptly make delivery of any part of the Goods (regardless of its state of progress) which is not already delivered at the date of termination if so requested by BUYER.
- (d) In addition to any payment due to SELLER for Goods already delivered by SELLER, BUYER shall also make payment of the full Contract price for all Goods that SELLER has begun regardless of its state of progress and regardless of whether BUYER requests delivery of said Goods.
- (e) **IN NO EVENT, EITHER FOR TERMINATION FOR CONVENIENCE OR ANY OTHER REASON, SHALL BUYER BE LIABLE TO SELLER FOR ANY PUNITIVE, EXEMPLARY, SPECIAL, INDIRECT, CONSEQUENTIAL OR INCIDENTAL DAMAGES (INCLUDING WITHOUT LIMITATION LOSS OF USE, INCOME, PROFITS, BUSINESS, SAVINGS, DATA, OR BUSINESS REPUTATION), EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

33. Termination for Default

- (a) In addition to such rights as BUYER may have under FAR 52.249-8 and FAR 49.502, BUYER shall be entitled to terminate the Contract, or any part thereof, for default with immediate effect by notice In Writing to SELLER in the following circumstances:
 - (i) SELLER fails to reach Completion within the time specified in the Contract, or fails to perform any of its other obligations under the Contract, or fails to make progress so as to endanger the performance of the Contract, and, in either case, fails to remedy and cure such failure within thirty (30) Days after SELLER's receipt of written notice specifying the failure; or
 - (ii) SELLER suspends its business, or becomes the subject of bankruptcy, insolvency, liquidation, winding-up, receivership or analogous proceedings or events, or there are otherwise reasonable grounds to assume the occurrence of such events.
- (b) SELLER shall diligently proceed with the performance of the work not terminated by BUYER.
- (c) BUYER shall in case of termination for default be entitled to return the terminated part of the work or Goods and to reclaim all corresponding payments made of the Purchase Order price. In addition, BUYER shall be entitled to compensation for the documented direct costs and expenses, hereunder any excess re-procurement costs, resulting from the termination.

34. Delayed Performance

SELLER is in delay if Completion is not achieved in accordance with the Delivery Schedule. In case of delay, BUYER shall be entitled to liquidated damages amounting to five-tenths of one per cent (0.5%) of the Purchase Order price for the portion of the Contract that is delayed for each Day of delay. In no event shall the liquidated damages exceed twenty per cent (20%) of the total Purchase Order price. Liquidated damages hereunder shall be BUYER'S sole monetary remedy in the event of delay on part of the SELLER except for termination for default under Article 12 and except for negligence or misconduct on part of SELLER. If the delay is caused by negligence or misconduct on part of SELLER, BUYER may claim damages for actual losses in excess of the liquidated damages.

35. BUYER'S Property

All specifications, drawings, tools, jigs, dies, fixtures, materials and other items which are supplied by BUYER or which are to be furnished by SELLER as an item or items on this Purchase Order shall be confidential. They shall be and remain the property of BUYER and BUYER shall have the right to enter SELLER's premises and remove them at any time without being guilty of trespassing or liable to SELLER for damages of any sort. All such items shall be used only in the performance of work under this Purchase Order unless BUYER consents otherwise in writing, except that as to any such items which are owned by the Government or which the Government has the right to use, the SELLER may use items in the performance of any direct contract between the SELLER and the Government on a non-interference basis, after the Government has expressly authorized such use in writing with written notice of such authorization to the BUYER. SELLER shall prominently mark all such items as the property of, and, if directed, the area in which they are located as containing property of, BUYER (or, as the case may be, of the United States Government or said other party). SELLER shall also mark such items with the corresponding drawing number and/or Government number. SELLER shall similarly list all such items on inventory invoices and shall be responsible for them as an insurer until delivered to BUYER. SELLER shall not dispose of any such items without BUYER'S written consent. The provisions of this Article herein above set forth shall survive delivery and payment and remain in full force until all said items are delivered to BUYER or otherwise disposed of with BUYER'S written consent. SELLER shall without limitation as to time indemnify and save BUYER harmless from all claims which may be asserted against said property, including without limitation mechanic's lien or claims arising under workman's Compensation or Occupational Disease laws, and from all claims for injury to persons or property arising out of or related to such property unless the same are caused solely and directly by BUYER'S negligence.

36. No Waiver of Conditions

Failure of BUYER to insist on strict performance hereof shall not constitute a waiver of any of BUYER'S rights hereunder, or waiver of any default by SELLER.

37. Business Continuity Plan

SELLER is a key component and partner in BUYER'S commitment to its customer base for on-time performance and delivery. SELLER is responsible and accepts the duty to implement and maintain a Business Continuity Plan consistent with its product line that includes: disaster recovery actions; IT recovery capabilities; back-up and alternative sources of supply; emergency operation plans; and related BCP actions.

38. Disputes, Applicable Law and Jury Waiver

(a) All disputes arising from or related to this Contract, which are not disposed of by mutual agreement may be decided by recourse to an action at law or equity. Until final resolution of any dispute hereunder, SELLER shall diligently proceed with the performance of this Purchase Order as directed by BUYER.

(b) BUYER and SELLER agree to timely notify each other of any claim, dispute or cause of action arising from or related to this Purchase Order, and to negotiate in good faith to resolve any such claim, dispute or cause of action. To the extent that such negotiations fail, BUYER AND SELLER AGREE THAT ANY LAWSUIT OR CAUSE OF ACTION THAT ARISES FROM OR IS RELATED TO THIS PURCHASE ORDER SHALL BE FILED WITH AND LITIGATED ONLY IN A COURT OF COMPETENT JURISDICTION WITHIN THE STATE AND COUNTY FROM WHICH THIS CONTRACT WAS ISSUED; AND BUYER AND SELLER EACH HEREBY CONSENT AND AGREE TO THE PERSONAL JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED WITHIN THE STATE FROM

WHICH THIS CONTRACT WAS ISSUED WITH RESPECT TO ANY SUCH CLAIM, DISPUTE OR CAUSE OF ACTION AND WAIVE ANY DEFENSE OR OBJECTION TO THE EXERCISE OF PERSONAL JURISDICTION AND/OR VENUE BY ANY SUCH COURT.

(c) TO THE EXTENT PERMITTED BY APPLICABLE LAWS, BUYER AND SELLER EACH WAIVE ANY RIGHTS WHICH EITHER MAY HAVE TO TRIAL BEFORE A JURY OF ANY DISPUTE ARISING FROM, OR RELATED TO, THIS CONTRACT. SELLER AND BUYER FURTHER STIPULATE AND CONSENT THAT ANY SUCH LITIGATION BEFORE A COURT OF COMPETENT JURISDICTION SHALL BE NON-JURY.

(d) Where a FAR provision or clause or any other federal statute regulation or clause, is cited or incorporated in this Purchase Order, federal law shall govern the interpretation and application thereof.

39. Costs and Attorney Fees

In the event that it becomes necessary for the BUYER to bring suit against the SELLER for the SELLER's breach of any of the conditions or terms of this Purchase Order, either for recovery of monies paid or for damages incurred, the BUYER shall be entitled to receive compensation for reasonable Attorney's fee and its costs and disbursements for said suit.

40. Specification Control Drawings

Items procured to Specification Control Drawings shall meet the specific requirements of the drawing. The SELLER shall not modify the manufacturing process, methods or materials after initial acceptance without prior written approval from BUYER.

41. Export Related Requirements

(a) EXPORT COMPLIANCE. PERFORMANCE OF THIS PURCHASE ORDER IS SUBJECT TO U.S. EXPORT CONTROLS UNDER 22 U.S.C. 2751-2796 (ARMS EXPORT CONTROL ACT), 22 C.F.R. 120-130 (INTERNATIONAL TRAFFIC IN ARMS REGULATIONS "ITAR"), 50 U.S.C. 2401-2420 (EXPORT ADMINISTRATION ACT), 15 C.F.R. 768-799 (EXPORT ADMINISTRATION REGULATIONS "EAR"), REGULATIONS AND ORDERS ADMINISTERED BY THE TREASURY DEPARTMENT, OFFICE OF FOREIGN ASSET CONTROLS ("OFAC"), OR LAWS AND REGULATIONS OF OTHER COUNTRIES COLLECTIVELY ("EXPORT CONTROL LAWS") AND THEIR SUCCESSOR AND SUPPLEMENTAL LAWS AND REGULATIONS (COLLECTIVELY HEREINAFTER REFERRED TO AS THE "EXPORT LAWS AND REGULATIONS"). SELLER SHALL PROVIDE BUYER UPON BUYER'S REASONABLE REQUEST ANY DOCUMENTATION AND OTHER INFORMATION THAT SUPPORTS THE CLASSIFICATION OF GOODS PROVIDED UNDER THIS PURCHASE ORDER. (b) IF SELLER IS ENGAGED IN THE UNITED STATES IN THE BUSINESS OF EITHER EXPORTING, MANUFACTURING OR BROKERING PRODUCTS SUBJECT TO THE U.S. MUNITIONS LIST (USML) AND THE ITAR, SELLER REPRESENTS THAT IT IS LEGALLY REGISTERED WITH THE DEPARTMENT OF STATE, DIRECTORATE OF DEFENSE TRADE CONTROLS AND THAT IT MAINTAINS AN EFFECTIVE EXPORT/IMPORT COMPLIANCE PROGRAM IN ACCORDANCE WITH THE ITAR. (c) FOREIGN PERSONNEL. SELLER SHALL NOT PERMIT ACCESS BY ANY FOREIGN PERSON, TO TECHNICAL DATA, INFORMATION OR SOFTWARE THAT IS CONTROLLED BY EXPORT LAWS AND REGULATIONS WITHOUT THE PRIOR WRITTEN CONSENT OF BUYER. ANY REQUEST FOR SUCH CONSENT MUST STATE THE INTENDED RECIPIENT'S CITIZENSHIPS AND NATIONALITY STATUS UNDER 8 U.S.C.1101 AND 8 U.S.C. 1324 (THE "IMMIGRATION AND NATURALIZATION ACT"), AND SUCH OTHER INFORMATION AS BUYER MAY REASONABLY REQUEST. NO CONSENT GRANTED BY BUYER IN RESPONSE TO SELLER'S REQUEST UNDER THIS PARAGRAPH (B) SHALL RELIEVE IT OF ITS OBLIGATIONS TO COMPLY WITH THE PROVISIONS OF PARAGRAPH (A) OR THE EXPORT LAWS AND REGULATIONS, NOR SHALL ANY SUCH CONSENT CONSTITUTE A WAIVER OF THE REQUIREMENTS OF PARAGRAPH (A), NOR CONSTITUTE CONSENT FOR SELLER TO VIOLATE ANY PROVISION OF THE EXPORT LAWS AND REGULATIONS. (d) TECHNICAL DATA CONTROL AND LEGEND. SELLER WARRANTS THAT IT WILL CONTROL AND MAINTAIN THE RECEIPT, STORAGE AND DISPOSITION OF ALL ITAR DESIGNATED TECHNICAL DATA OR INFORMATION RECEIVED FROM BUYER AND WILL OFFICIALLY DESTROY OR RETURN ALL DATA TO BUYER IN THE UNITED STATES UPON FULFILLMENT OF THE PURCHASE ORDER OBLIGATIONS. SELLER SHALL INCLUDE THE FOLLOWING LEGEND IN SOLICITATIONS AND PURCHASE ORDERS/CONTRACTS THAT CONTAIN BUYER PROVIDED ITAR DESIGNATED TECHNICAL DATA AS DEFINED BY THE ITAR:

"WARNING: THESE DATA ARE CONTROLLED FOR EXPORT PURPOSES UNDER THE UNITED STATES INTERNATIONAL TRAFFIC IN ARMS REGULATIONS, 22 CFR PARTS 120-130 (ITAR). UNLESS AN ITAR LICENSE EXCEPTION OR EXEMPTION IS PROPERLY AVAILABLE, THE EXPORT OF THESE DATA FROM THE UNITED STATES REQUIRES AN EXPORT LICENSE OR AUTHORIZATION GRANTED BY THE STATE DEPARTMENT'S DIRECTORATE OF DEFENSE TRADE

CONTROLS (DDTC). UNDER THE ITAR, THE DISCLOSURE OF THESE DATA TO A FOREIGN PERSON (I.E.: AN INDIVIDUAL WHO IS NEITHER A U.S. CITIZEN NOR A PERMANENT RESIDENT) IS CONSIDERED AN EXPORT OF THE DATA TO THE FOREIGN PERSONS COUNTRY OF CITIZENSHIP. VIOLATORS OF THESE EXPORT LAWS ARE SUBJECT TO SEVERE CIVIL AND CRIMINAL PENALTIES. RECIPIENT SHALL INCLUDE THIS NOTICE WITH ANY REPRODUCED PORTION OF THIS DOCUMENT.”

THE USE OF THIS TECHNICAL DATA OR INFORMATION IN DOCUMENT FORM (OR ANY OTHER MEDIUM), INCLUDING ANY ATTACHMENTS AND EXHIBITS HERETO, IS RESTRICTED BY U.S. LAW AND REGULATIONS. IT MAY NOT BE TRANSFERRED, EXPORTED, RELEASED OR DISCLOSED TO ANY FOREIGN PERSON IN THE UNITED STATES OR ABROAD, EXCEPT AS AUTHORIZED BY THE U.S. DEPARTMENT OF STATE OR THE INTERNATIONAL TRAFFIC IN ARMS(e) INDEMNIFICATION. SELLER SHALL INDEMNIFY AND HOLD HARMLESS BUYER FROM AND AGAINST ANY AND ALL DAMAGES, LIABILITIES, PENALTIES, FINES, COSTS, AND EXPENSES, INCLUDING ATTORNEYS' FEES, ARISING OUT OF CLAIMS, SUIT, ALLEGATIONS OR CHARGES OF SELLER'S FAILURE TO COMPLY WITH THE PROVISIONS OF THE EXPORT LAWS AND REGULATIONS AND BREACH OF THE REPRESENTATION IN PARAGRAPH (A). ANY FAILURE OF SELLER TO COMPLY WITH THE REQUIREMENTS OR ANY BREACH OF THE REPRESENTATION CONTAINED IN PARAGRAPH (A) SHALL BE A MATERIAL BREACH OF THIS PURCHASE ORDER.

42. English Language Requirement

All offers, correspondence, and all aspects of the Purchase Order shall be in the English language. The English language shall govern and prevail in implementation and interpretation of all aspects of the Purchase Order and related Purchase Order issues.

43 Environmental Regulatory Compliance

(a) BUYER is committed as through its company policy and as a management practice to the protection of the environment and the health and safety of its employees. Consistent with that commitment the BUYER will seek to prevent serious or irreversible environmental degradation through efficient operations and activities. The BUYER, in particular, will comply with all applicable environmental laws. SELLER, in furtherance of BUYER'S environmental regulatory compliance, commits to complying with all applicable environmental laws and regulations.

(b) Indemnification. SELLER shall indemnify and save harmless BUYER from and against any and all damages, liabilities, penalties, fines, costs, and expenses, including attorneys' fees, arising out of claims, suit, allegations or charges of SELLER's failure to comply with the provisions of all local, state and federal environmental laws and regulations.

44. Insurance

SELLER will maintain, at its sole cost and expense, insurance in such amount and scope as are adequate to cover its obligations and liabilities under this Purchase Order. BUYER, at its option, may require SELLER to furnish evidence of such insurance, but no acceptance of such evidence by BUYER shall be deemed a waiver or release of such liabilities or duty to indemnify. SELLER will at all times maintain with reputable insurance companies' comprehensive general liability insurance (including coverage for any liability under any BUYER purchase order and these terms and conditions) in the minimum amount of \$2.0 million. At BUYER'S request, SELLER will name BUYER as an additional insured under such policy and will provide to BUYER a certificate of such insurance providing for 10 days' prior written notice to BUYER of cancellation or material change. SELLER will maintain workers' compensation insurance sufficient to cover all of its general and special employees engaged in work pursuant to any BUYER purchase order and insurance against liability for personal injury or death or destruction to property arising out of work in fulfillment of any BUYER purchase order and will provide prompt evidence to BUYER of such coverage upon BUYER'S request.

45 Entire Agreement

This Purchase Order constitutes the entire agreement between BUYER and SELLER and supersedes all communications, representations, or agreements, whether oral or written, between the parties with respect to the subject matter of this Purchase Order. BUYER'S engineering and technical personnel may from time to time render assistance, give technical advice, discuss, or effect exchange of information with SELLER'S personnel concerning the Goods. Such actions shall in no way be construed as a change in the Parties' rights or obligations under the Contract. **End Document**