



Purchase Order Terms and Conditions

This order is subject to the following terms and conditions:

ACCEPTANCE This purchase order (Order) is Buyer's agreement with Seller to purchase the Items listed in this Order. Items include tangible or intangible products, software, or services to be delivered or performed by Seller to satisfy Buyer's requirements. Any acceptance of the purchase order is limited to acceptance of the express terms contained on the face of the purchase order, these Terms and Conditions, and any other supplemental documents specifically referenced in the purchase order. Buyer shall not be bound by and specifically objects to any term or condition whatsoever that is different from or in addition to the terms and conditions of this Order. Seller's commencement of performance or acceptance of this Order in any manner shall conclusively evidence agreement to this Order as written.

PACKAGING No charges will be allowed for packaging, packing, or returnable containers unless explicitly included in this Order. Seller and its sub-tier suppliers shall package items with adequate protection from damage including corrosion and contamination, as applicable. Except for Commercial Off-the Shelf (COTS) and "Bag and Tag" items, bare metal-to-metal contact is prohibited. Seller will be charged for any damage due to improper packaging.

REQUIREMENTS FLOW DOWN Seller shall flow down applicable technical requirements, specifications, terms and conditions to its sub-tier suppliers including key characteristics required to ensure such compliance.

QUALITY LEVEL Seller shall ensure a quality level of zero defects for all deliveries to Buyer. Defects include defective parts and documentation errors or lack thereof.

ON-TIME DELIVERY Seller shall ensure an on-time delivery rate of one hundred percent (100%) for all deliveries to Buyer.

INDEMNIFICATION Seller hereby agrees to indemnify and hold harmless Buyer, and its directors, officers, agents and employees, from and against any and all claims, liabilities, demands, damages, losses, causes of action and judgments (a) brought by any person, corporation, or other entity not a party to this Order, whether arising from injury or death to persons or loss or damage to property or otherwise (collectively, Third Party Claims), and reasonable attorneys' fees and costs and expenses incident thereto to the extent such Third Party Claims arise from (i) any defect in the design, workmanship or material of any Item or component thereof including software provided by Seller to Buyer hereunder or (ii) any negligence (whether active or passive) or willful misconduct of Seller, its suppliers of any tier or its or their directors, officers, agents, or employees; and (b) arising out of or in connection with any breach by Seller of its warranty stated in this order.

INSURANCE Seller shall maintain comprehensive general liability insurance covering bodily injury, property damage, contractual liability, products liability and completed operations, and worker's compensation and employer's liability insurance, in such amounts as are reasonably adequate to insure against the risks to Seller's operations. At Buyer's request, such policies shall include Buyer as an additional insured and loss payee thereof, as Buyer's interests may appear and shall include a waiver of subrogation in Buyer's favor. At Buyer's request, Seller shall furnish to Buyer a certificate of insurance or other satisfactory evidence of insurance.

PRODUCT MATERIAL DECLARATIONS

Hazardous Materials: For each Item, Seller shall notify Buyer if the Item contains a substance or material that may be hazardous and if it is required to have a Safety Data Sheet (SDS). The percent by weight is required for substances or material required to have a SDS. Labeling and instructional materials shall be in accordance with the SDS. Shipping documents shall describe the material according to the applicable classification or tariff rating.

Hazardous Substance Disclosure: Upon Buyer's request, Seller shall promptly provide information on any Items delivered under this Order which contain hazardous substances (Hazardous Disclosure). A Hazardous Disclosure shall include part number, part weight, substance name, and substance percentage by weight. Seller shall promptly provide Buyer with an updated Hazardous Disclosure for new Items purchased by Buyer and changes to the hazardous substance list affect Items. Seller shall provide a Hazardous Disclosure within fifteen (15) days after receipt of the request.

Prohibited Substances: Seller shall not include prohibited substances in Items delivered to Buyer, without Buyer's prior approval. Prohibited substances are subject to change upon notice, but currently include asbestos, radioactive



substances, and ozone-depleting substances, including substances on their own and in substance-containing compounds.

REACH: Upon Buyer's request (REACH Request), Seller shall provide information on any Items delivered hereunder which contain regulated substances (REACH Disclosure) as specified in EC Regulation No 1907/2006 of the European Parliament and of the Council of December 18, 2006 concerning Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). Seller shall promptly provide Buyer with an updated REACH Disclosure whenever an Item contains a substance that is added to the REACH Candidate List for Authorization, is subject to Authorization, or is Restricted. Seller represents and warrants that each Item, its supply and use, including its incorporation into other products, and its import into the European Union, complies with all applicable REACH requirements, including, but not limited to, substance registration, notification and authorization of a Substance of Very High Concern (SVHC). Seller shall complete Buyer's semi-annual survey no later than fifteen (15) days after the date of issuance of the REACH Request. Seller further agrees that if Seller does not respond within fifteen (15) days, such non-response shall constitute Seller's affirmation that none of the Items supplied hereunder contain a SVHC.

Cooperation: Seller shall cooperate with Buyer and provide all information, documentation, and assistance requested by Buyer for achieving compliance with all current and future materials declaration regulations. Seller shall reimburse Buyer for all costs and expenses in connection with any expenditure required by Buyer for compliance of Items with such materials declaration regulations, including, but not limited to, testing for REACH compliance, which testing shall be performed, at Buyer's option, by Buyer or Seller.

Verification Rights: This Product Material Declarations Article shall apply to Seller and its sub-tier suppliers and Seller shall flow down requirements substantially similar to the requirements contained this Article in its agreements with its sub-tier suppliers. Upon Buyer's request, Seller shall also provide a copy of its policies and procedures implemented for compliance with these product material declarations regulations and requirements. Seller's compliance shall be capable of verification through review and analysis by Buyer at Seller's facility and be available for Buyer's examination and reproduction upon prior notice, until three (3) years after final payment under this Order. Seller shall interpret such data if requested by Buyer.

ITAR In the event Seller is supplying an Item that is controlled under the International Traffic in Arms Regulations and classified on the United States Munitions List, Seller shall provide confirmation in writing to Buyer that Seller is registered with the Directorate of Defense Trade Controls (22 C.F.R. 122.1). Inability to provide the required information may be considered a failure to deliver in conformity with this Order and Buyer may, in its sole discretion and at Seller's expense, reject the Item at the point of receipt.

SEVERABILITY If any term of this Order is held invalid or unenforceable for any reason, the remaining terms of this Order shall continue in full force and effect as if this Order had been executed with the invalid portion eliminated, provided the effectiveness of the remaining portions of this Order will not defeat the overall intent of the parties. In such a situation, the parties agree, to the extent legal and possible, to incorporate a replacement clause to accomplish the originally intended effect.

TERMINATION Buyer shall have the right to terminate this Order in whole or in part at any time.

For Convenience – Upon receipt of a notice of termination from Buyer, Seller shall stop work and immediately take the necessary action to ensure that all work under the Order shall cease, and to the extent specified in Buyer's termination notice, that all subcontracts and orders are forthwith terminated immediately. Seller shall also reassign to other customers, all in-process material and components relating to the terminated portion of the Order. Seller shall deliver to Buyer any completed Items, parts, assemblies and components which are not so reassigned. The terms of this section shall not limit or affect the right of Buyer to terminate this Order for default, and shall not apply to a breach of contract. In case of termination by Buyer of all or any part of this Order without cause, any Seller termination claim must be submitted to Buyer within twenty-one (21) days after the effective date of termination to be considered for payment. Seller shall maintain complete and accurate records of cancellation/termination claims, which shall support Seller's claimed costs. Such records shall be accessible for verification through audit and analysis by Buyer. Buyer's maximum liability shall be limited to the following:

a. Payment for any Items already delivered or services performed and accepted by Buyer plus the proportionate part of the unit price for any Items in the process of manufacture, inspection, or test, pro-rated to the state of their completion. Seller shall certify, with respect to all Items of termination inventory included in the termination claim, that the costs



of such Items are properly allocable to the terminated portion of the Order, that such Items are not more than the reasonable quantitative requirements of the terminated portion of the Order, and that such Items do not include any Items, parts, assemblies, or components reasonably usable without loss to Seller on its other work.

b. In no event shall Seller be entitled to any amount which, taken together with monies paid or owing under the Order, shall exceed the value of the terminated portion of the Order.

c. Seller shall have no claim for any damages, or loss of profit, arising out of any termination for convenience.

d. Seller shall have no recourse for any costs if the Order is terminated 1) due to lack of Buyer sales or 2) within two (2) weeks after issuance or 20% of the delivery schedule, whichever is less.

For Default — Buyer may by written notice to Seller, without prejudice to any other rights or remedies provided under this Order, at law or in equity, terminate this Order in whole or in part in any of the following circumstances:

a. if Seller has been declared bankrupt, makes an assignment for the benefit of creditors, or is in receivership; or

b. if Seller fails to perform the work or deliver the Items in accordance with the performance requirements or delivery schedules specified herein or any extension thereof; or

c. if Seller fails to comply with US Export Restrictions under ITAR, EAR, or other export laws, regulations, orders, and licenses; or

d. if Seller: 1) fails to perform any of the other terms of this Order; or 2) fails to make progress as to endanger the performance of this Order in accordance with its terms, and in either of the two circumstances enumerated in items d.1) or d.2), does not cure such failure within a period of ten (10) days (or such longer period as Buyer may authorize in writing) after receipt of notice from Buyer specifying such failure. In the event Buyer terminates this Order in whole or in part as provided in this Section, Buyer may procure, upon such terms and in such manner as it may deem appropriate, supplies or services similar to those so terminated, and Seller shall be liable to Buyer for any excess costs, reasonably incurred for such similar supplies or services, provided that Seller shall continue the performance of this Order to the extent not terminated under the terms of this Article.

ENTIRE AGREEMENT; AMENDMENTS This Order is intended by Buyer and Seller as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement. No course of prior dealings, written or oral, between the parties, no usage of the trade, and no acceptance or acquiescence in a course of performance rendered under this Order shall be relevant to supplement, explain or be relevant to determine the meaning of the terms of this Order, even though the accepting or acquiescing party has knowledge of the nature of the performance and opportunity for objection. No amendment or change shall be binding unless in writing and signed by authorized representatives of each party.