

STANDARD TERMS OF PURCHASE

1 DEFINITIONS.

“Buyer” means the entity issuing an Order, its parent company, and any affiliates, subsidiaries, successors or assigns thereof.

“Seller” means the person, firm or company to whom an Order is addressed.

“Items” means all goods and services or any parts thereof to be supplied by Seller under an Order.

“Order” means the purchase order for the supply of Items (including all instructions, documents, specifications and drawings, if any, referenced therein) to which Buyer has attached or referenced these standard terms of purchase.

2 **ACCEPTANCE.** The Order and these standard terms of purchase are Buyer’s offer to Seller. Any acceptance of the Order is expressly limited to acceptance of the terms of the Order and these standard terms of purchase. Any additional or different terms, which may be contained in any documents furnished by Seller, are deemed material and Buyer hereby objects to and rejects them. Any of the following Seller acts shall constitute acceptance (i) acknowledgment of the Order; (ii) commencement of performance; (iii) informing Buyer of commencement; or (iv) shipping of any Items in performance of the Order.

3 **ORDER OF PRECEDENCE.** In the event of any conflict between these standard terms of purchase and any term or condition on the Order, the terms and conditions on the Order shall control.

4 **PRICE.** The Order shall be limited to those prices specified on the Order, which are not subject to increase unless specifically authorized by an amendment to the Order. If the Order omits price terms, the price of the Items shall be the price last quoted or paid, whichever is lower. Unless otherwise provided in the Order, prices specified on the Order shall include all taxes, customs duties, customs fees or other governmental charges imposed upon the manufacture, sale or transportation of the Items specified herein. Buyer shall receive the benefit of any general reduction in Seller’s prices implemented prior to delivery. In no event shall Seller charge prices to Buyer that are higher than Seller charges to its other customers for goods of like grade and quality and in substantially the same quantities.

5 **PAYMENT.** Unless otherwise provided on the Order, Buyer will pay all Seller invoices within ninety (90) days of the later of (i) Buyer’s receipt of Seller’s correct invoice, which includes among other things, Buyer’s Order number or (ii) the date of receipt, inspection and acceptance of the Items so ordered.

6 **PACKAGING.** Seller warrants that all Items shall be packaged, marked, labeled and registered in compliance with all applicable laws. Seller shall employ suitable containers to ensure protection in shipment and storage to exclude the introduction of foreign material into any mechanism or assembly in which the presence of such foreign matter would require cleaning or disassembly prior to use. Any highly polished, highly finished or precision parts are to be properly preserved and packed by Seller in containers, which will afford protection against atmospheric deterioration. Seller shall not charge for handling packaging, storage, transportation, insurance in transit or any other service unless expressly stated in the Order. Items should be packaged to secure lowest transportation cost

consistent with the provisions hereof. Prior to the first delivery, Seller shall furnish current Material Safety Data Sheets (“MSDS”) and other literature pertaining to any hazards associated with Items explaining the precautions that Buyer should observe with respect thereto. Seller shall promptly furnish Buyer copies of any revisions to any of the same issued by Seller.

- 7 **INSPECTION AND QUALITY ASSURANCE.** All Items are subject to (i) First Article Inspection, Buyer source inspection, or in process inspection, during the period of manufacture prior to delivery and (ii) final inspection, testing and acceptance at destination notwithstanding any prior payment or inspection and acceptance. All Items shall comply with all applicable regulatory requirements. Seller shall provide and maintain a quality control system acceptable to Buyer and in compliance with the quality control standards (if any) specified on the Order. Seller’s quality control system shall be subject to confirmation and acceptance by Buyer and the applicable regulatory agencies. Buyer, Buyer’s customers and the applicable regulatory authorities have the right to access all of Seller’s facilities involved in the performance of the Order and to all applicable Seller records. Seller shall retain such records, complete and available, during the performance hereof and for ten (10) years after final payment by Buyer or for such longer period as may be required. Buyer may require Seller to flow down the requirements of this section to Seller’s sub-tier suppliers. Prior to commencement of manufacture of any Items, Seller shall notify Buyer in writing in the event of any changes in Items, manufacturing processes, tooling used or third party supplier changes and, where required, shall obtain Buyer’s prior written approval for such changes. Seller shall notify Buyer of any nonconforming Items, product or material while either in production or as the final Items or products.
- 8 **DELIVERY.** Delivery time is of the essence. Unless otherwise provided on the Order, delivery shall be Delivered At Place (DAP Incoterms (2010)) destination to Buyer’s address identified on the Order where title and risk of loss shall pass. Buyer bases its schedules upon Seller’s representation that the Items purchased will be delivered to Buyer by the dates specified on the Order. Time is therefore of the essence and if the Items are not delivered within the time specified hereon, Buyer may reject such Items and cancel the Order, and have no obligation whatsoever to pay for the Items. Buyer’s acceptance of delinquent deliveries shall not be deemed a waiver by Buyer of its right to cancel the Order, or to refuse to accept further deliveries. As soon as Seller determines that a delivery date cannot be met, Seller shall immediately inform Buyer in writing of Seller’s earliest possible delivery date so that Buyer can determine whether to accept Seller’s proposed new schedule. Seller agrees that in the event Items are delinquent to Buyer’s acknowledged Order, Seller will grant Buyer first priority for completed Item allocation and shipment. The above remedies afforded to Buyer shall not be exclusive and Seller shall indemnify and hold Buyer harmless from and against any and all damages, losses, demands, costs and expenses arising from claims or third parties due to any breach or default set forth above.
- 9 **ADVANCE MANUFACTURING, PROCUREMENT OR DELIVERY.** Seller shall not, without Buyer’s prior written consent, manufacture or procure materials in advance of Seller’s normal lead-time, or deliver substantially in advance of schedule. In the event of termination or change, Seller shall have no claim for any such manufacture or procurement in advance of such normal lead-time unless there has been such prior written consent of

Buyer. Items delivered to Buyer substantially in advance of the scheduled delivery date may be returned, at Buyer's option, to Seller at Seller's expense subject to re-shipment to Buyer at Seller's expense in accordance with the schedule herein prescribed.

- 10 **REQUIRED DOCUMENTATION.** Seller must deliver Items accompanied by required documentation that, at a minimum, includes (i) all manufacturer certificates of conformance; (ii) existing chemical and physical test reports for Items; (iii) any and all quality assurance reports available for Items; and (iv) any other documentation requested on the Order. Buyer reserves the right to return Items at Seller's expense if Seller has not provided required documentation within fifteen (15) days of delivery. Seller shall retain all underlying documentation, including raw materials certificates of conformance, for a period of ten (10) years from the date of issuance of each certificate of conformance. Seller shall pay all costs, including but not limited to all costs associated with Buyer's recall of products incorporating discrepant Items, if Seller substitutes or supplies incorrect Items or raw material.
- 11 **ORDER CHANGES.** Buyer may at any time, by written notice, make changes within the general scope of the Order in any one or more of the following: (i) Buyer's drawings, designs, or specifications; (ii) method of shipping or packaging; (iii) place or time of inspection, acceptance, or point of delivery; (iv) delivery schedule; (v) quantity of Items ordered; or (vi) order a suspension of Seller's work. Should any such change increase or decrease the cost of, or the time required for, performance of the Order, Seller or Buyer may request an equitable adjustment in the price, delivery schedule, or both. No claim by Seller for such adjustment will be valid unless submitted to Buyer in writing within thirty (30) days from the date of such change. If Seller considers that the conduct, statement or direction of any of Buyer's employees constitutes a change hereunder, Seller shall notify Buyer's authorized representative and take no action on the perceived change pending written approval of Buyer's authorized representative. Only Buyer's authorized representative has authority to approve a change. Any change made by Seller without such written approval shall be deemed voluntary by Seller and not compensable in the cost of or time required for performance. Nothing contained in this clause shall relieve Seller from proceeding immediately in the performance of the Order as changed.
- 12 **EQUIPMENT AND MATERIALS.** If Buyer makes any payment or allowance to Seller for tools, jigs, fixtures, molds, dies, production or testing equipment in the fulfillment of the Order ("Equipment"), all such Equipment and any improvements thereto or replacements thereof shall be the property of Buyer to be used by Seller solely for the purpose of the Order and shall be delivered to Buyer or its nominee upon demand, reasonable wear only excepted. Buyer does not warrant any aspect of the Equipment. If requested by Buyer, Seller shall execute a bailment agreement in a format acceptable to Buyer evidencing Buyer's ownership of the Equipment. Seller shall make no charge for storage, maintenance or retention of Equipment, and shall bear all risk of loss and is responsible for paying all personal property taxes that accrue on Equipment in Seller's possession. Seller may not deliver custody of any Equipment to any person or entity other than Buyer without Buyer's prior written permission. Buyer may enter Seller's premises at any reasonable time to inspect the Equipment and Seller's records with respect thereto. If Buyer furnishes any material for fabrication hereunder Seller agrees (i) not to substitute any material in such

fabrication without Buyer's written consent; (ii) that title to such material shall not be affected by the incorporation in or attachment to any other property; and (iii) to state and warrant on its invoice for final parts: "All material furnished by Buyer on this Order (except that which became normal industrial waste or was replaced at Seller's expense) has been returned in the form of parts or held as unused material for disposition."

- 13 **SELLER'S NOTICE TO BUYER OF DELAYS.** In the event Seller encounters difficulty in meeting performance requirements, or in complying with the delivery schedule, Seller shall immediately notify Buyer in writing, including reasons for the delay and revised delivery promise, provided however, that this delivery promise shall be informational only in character and that this clause shall not be construed as waiver by Buyer of the original delivery schedule or date or of any rights or remedies provided by law under the Order.
- 14 **SUBCONTRACTING.** Without the prior written consent of Buyer, Seller shall not subcontract for procurement of all or any number of the Items covered by the Order in completed or substantially completed form. Seller will be responsible for the performance of its subcontractors and suppliers and any breach or default of any provision of the Order by any of them shall be deemed a breach or default by Seller.
- 15 **REJECTION OF NONCONFORMING GOODS.** In the regular course of its business, Buyer may reject, refuse acceptance, or revoke acceptance of any or all Items that are not strictly in conformance with all of the requirements of the Order and the applicable drawings, designs, and specifications, and by notice, rejection tag, or other communication, notify Seller of such rejection. At Seller's risk and expense and at Buyer's option, all such Items will be returned to Seller for immediate (i) repair, replacement, and other correction and redelivery by Seller as Buyer may direct or (ii) refund by Seller of the price of any such Items. Buyer may recover from Seller all costs and expenses incurred because of or in connection with such nonconformance by equitable price reduction, setoff, or credit against any amount that may be owed to Seller under the Order or otherwise. Buyer may charge to Seller all expense of inspecting, unpacking, examining, re-packing and storing any Items rejected in accordance with the above. Seller shall not re-tender rejected Items unless Seller submits notification of such past rejection with the re-tender and Buyer has consented to such re-tender in writing.
- 16 **WARRANTY.** In addition to all warranties prescribed by law or given by Seller, Seller warrants to Buyer and its customers that all Items furnished hereunder will (i) be free from defects in material and workmanship; (ii) conform to the applicable drawings, designs, samples and specifications; (iii) meet all functional and performance requirements; (iv) meet all of the requirements of the Order; and (v) be free from design defects. Unless otherwise specified in the Order, Items shall be (i) new and not used or reconditioned; (ii) merchantable; and (iii) suitable for the particular purpose or use for which Buyer purchases them. Seller shall indemnify and hold Buyer harmless from and against any and all damages, losses, demands, costs and expenses arising from claims by third parties due to Seller's breach of its warranties hereunder. This warranty shall survive any inspection, delivery, acceptance or payment by Buyer of the Items and are in addition to all other warranties available at law or equity. In addition to any other remedies which may be available at law, Buyer, at its option, may return to Seller any nonconforming or defective Items, or require timely correction or replacement of the Item, and Seller shall bear full

responsibility for risk of loss or damage and full transportation charges. If Buyer does not require correction or replacement of nonconforming or defective Items, Seller shall remit such portion of the contract price or such additional amount as is equitable under the circumstances.

- 17 **PATENT INDEMNITY.** Except when the work hereunder or supplies are manufactured to detailed designs originated and furnished by Buyer or by a process or method the use of which is specifically directed by Buyer, Seller guarantees that the Items produced hereunder and the sale, importation or use of them will not infringe any patents and Seller shall indemnify and save Buyer and its customers harmless from any expense, loss, cost, damage, or liability which may be incurred on account of infringement or alleged infringement of patent rights with respect to such Items, and defend, at its own expense, any action or claim in which such infringement is alleged, provided Seller is notified of such actions or claims against Buyer. In the event of an injunction or restraining order, Seller shall, at its own expense, either procure for Buyer the right to continue to sell, import and use the Item, or replace or modify the Item so that it becomes non-infringing.
- 18 **TERMINATION.** Buyer, by written notice, may terminate the Order for default if Seller fails to (i) comply with any of the terms of the Order or these standard terms of purchase; (ii) make progress so as to endanger performance of the Order; or (iii) provide Buyer, upon request, with adequate assurance of future performance within the time period requested by Buyer. Seller shall have twenty (20) days to remedy such failure to the reasonable satisfaction of Buyer following notice from Buyer. Buyer may terminate the Order immediately upon written notice to Seller if Seller (i) becomes insolvent; (ii) files a voluntary petition in bankruptcy; (iii) executes an assignment for the benefit of creditors; (iv) is adjudicated as bankrupt or insolvent or a receiver or trustee is appointed for Seller; or (v) terminates its existence or ceases to do business. Any termination herein will be without liability to Buyer except for completed Items delivered and accepted by Buyer. Unless otherwise agreed to in writing by Buyer, any such termination of the Order shall operate as a cancellation of the entire undelivered portions of the Order, and Buyer shall retain all remedies at law or in equity arising out of the cancellation. Seller will be liable for damages caused by or resulting from its default including but not limited to excess costs of re-procurement.
- 19 **DUPLICATION AND USE OF BUYER'S DATA.** For this section "Buyer's Data" means all technical data (including, without limitation, manufacturing, process, test or repair data, know-how, designs, and data describing physical, functional, or performance characteristics), computer software, and all other information and data that (i) has been supplied to Seller (or any other person) by or on behalf of Buyer, whether transmitted in writing, orally, or otherwise; (ii) Seller has designed, developed, or created at Buyer's expense; and (iii) all derivatives of (i) and (ii) that Seller has designed, developed, or created. Seller may use Buyer's Data only in the performance of work for Buyer. Except for articles or designs incorporated in the Items delivered hereunder which originated with Seller and which may be completely severed from such Items, Seller shall not, either during the performance of the Order or thereafter, (i) reproduce or manufacture any such Items called for hereunder or any part thereof for any third parties utilizing Buyer's Data or (ii) disclose any Buyer's Data, without first obtaining Buyer's written consent. Upon Buyer's request,

Seller shall return all Buyer's Data and any copies thereof to Buyer. If with Buyer's written consent, Buyer's Data is furnished to Seller's suppliers or subcontractors for use in the performance of the Order, Seller shall (i) insert the substance of this provision in its orders with its supplier or subcontractor, and (ii) remain responsible hereunder for any breach by such supplier or subcontractor.

- 20 **SELLER'S DISCLOSURES.** All unpatented ideas, information, design devices, prints, drawings, and technical information concerning Seller's products, methods or manufacturing processes which Seller discloses or furnishes to Buyer in connection with the Order shall be, except only to the extent as may be otherwise specifically agreed to in a nondisclosure agreement signed by the authorized representatives of Buyer and Seller, deemed to have been disclosed or furnished as part of the consideration for the Order and Seller agrees not to assert any claims by reason of the use, duplication or disclosure thereof by Buyer and or its successors, assigns or customers. Buyer and its successors and assigns may subject all Items ordered herein to further manufacture, combine them with other articles, sell or put them to any use whatsoever, and Seller may make no claim for royalties or additional compensation due to such manufacture, combination, sale or use.
- 21 **INDEMNITY.** Seller shall indemnify, defend and hold harmless Buyer and its affiliates, shareholders, officers and employees from and against any and all claims, demands, actions, losses, damages, liabilities, costs and expenses, including but not limited to attorneys' fees, arising out of or in connection with (i) the inaccuracy of any representation or warranty by Seller; (ii) the breach by Seller of any promises, covenants or conditions made by Seller to Buyer; or (iii) any Items supplied by Seller under the Order. In the event Seller, its employees, agents, subcontractors, and/or lower tier subcontractors enter premises occupied by or under the control of Buyer or third parties in the performance of the Order, Seller shall indemnify, hold harmless and defend Buyer and its affiliates, shareholders, officers and employees from any loss, cost, damage, expense or liability by reason of property damage, death or personal injury, including Seller's employees, of any nature or kind whatsoever arising out of, as a result of, or in connection with such performance occasioned in whole or in part by the actions or omissions of Seller, its employees, agents, subcontractors, and/or lower tier subcontractors. Without in any way limiting the foregoing undertakings, Seller and its subcontractors and any lower tier subcontractors shall maintain adequate insurance to cover any product liability, public liability, property damage and automobile liability or any damage incurred in connection with Seller's performance of any work on or about Buyer's premises and shall maintain proper Workmen's Compensation insurance covering all employees performing the Order. If requested by Buyer, Seller will furnish certificates of insurance from its insurance carriers evidencing compliance with the foregoing obligation.
- 22 **COMPLIANCE WITH LAWS.** Seller warrants that the performance of any work pursuant to the Order is and shall in all respects be in strict compliance with all laws, rules, regulations, ordinances, proclamations, demands, directives or other legal requirements which now govern or may hereafter govern the manufacture, sale or delivery of the Items contemplated by the Order. Seller agrees to obtain all necessary permits and licenses at its expense. Seller agrees upon request to furnish Buyer with a certificate of compliance relating to any such laws and regulations in such form as Buyer may require. Seller agrees

to indemnify and hold Buyer harmless from any liability arising from any failure of Seller to comply with such laws and regulations.

- 23 **EXPORT CLASSIFICATION.** Where Seller holds the design authority for an Item, Seller shall provide Buyer with export classification data, such as Export Control Classification Number (“ECCN”), Harmonized Tariff Schedule (“HTS”) code or International Traffic in Arms Regulations (“ITAR”) classification, as applicable.
- 24 **GOVERNING LAW, JURISDICTION AND VENUE.** The Order, these standard terms of purchase and the contract between the parties evidenced hereby shall be deemed made in the state in which Buyer’s office issuing the Order is located and shall be construed and interpreted solely in accordance with the laws of such state, excepting that state’s laws on conflict of law. The United Nations Convention on Contracts for the International Sale of Goods, 1980, and any successor thereto, shall not apply. Venue and jurisdiction for all legal proceedings of any kind or nature brought to enforce any provisions of these standard terms of purchase or the Order shall also lie within the state and county from which Buyer issued the Order. Pending any prosecution, appeal, or final decision of any dispute, or the settlement of any dispute arising under the Order or these standard terms of purchase, Seller shall proceed diligently, as directed by Buyer, with performance of the Order. TO THE MAXIMUM EXTENT PERMITTED BY LAW, SELLER HEREBY WAIVES ITS RIGHT TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, COUNTERCLAIM OR CROSS-COMPLAINT IN ANY ACTION, PROCEEDING OR HEARING BROUGHT BY EITHER SELLER AGAINST BUYER OR BUYER AGAINST SELLER ON ANY MATTER WHATSOEVER ARISING UNDER, RELATING TO, OR IN ANY WAY CONNECTED WITH THE ORDER, THE RELATIONSHIP OF SELLER AND BUYER OR ANY CLAIM OF INJURY OR DAMAGE, OR THE ENFORCEMENT OF ANY REMEDY UNDER ANY LAW, STATUTE OR REGULATION NOW OR HEREAFTER IN EFFECT. In no event shall Seller commence any action arising out of the Order or the contract between the parties later than one year after the cause of action has accrued.
- 25 **STATUS AS INDEPENDENT CONTRACTOR.** Seller is an independent contractor and while performing work on or off Buyer’s premises neither it nor any of its agents or employees shall be considered agents or employees of Buyer.
- 26 **ASSIGNMENT.** No assignment of the Order or these standard terms of purchase by Seller, or any duty or right under them, shall be binding upon Buyer unless Seller first obtains Buyer’s written consent to said assignment. Any attempt to assign or delegate in violation of this section shall be void.
- 27 **SEVERABILITY.** If any of the terms and conditions herein are at any time held to be invalid or unenforceable, such term or condition shall be construed as severable and shall not in any way render invalid or unenforceable the remainder of these standard terms of purchase which shall remain in full force and effect and, in lieu of the invalid or unenforceable provision, there will be added as part of these standard terms of purchase one or more provisions as similar in terms as may be valid and enforceable under applicable law.
- 28 **PUBLICITY.** Seller shall not use the name of Buyer in any advertising or publicity, nor make any news release, public announcement, denial or confirmation of the Order, or any part or any phase of the Order, without the prior written approval of Buyer.

- 29 **WAIVER OF LIENS.** Seller hereby waives and relinquishes all liens and claims, statutory or otherwise which Seller now has or may hereafter have as a result of labor done and materials furnished by Seller to Buyer in performance of the Order.
- 30 **NON-WAIVER AND REMEDIES.** Any and all failure, delay or forbearance of Buyer insisting upon or enforcing at any time or times any of the provisions of the Order or to exercise any rights or remedies under the Order, shall not be construed as a waiver or relinquishment of any such provisions, rights, or remedies in those or any other instances, rather, the same shall be and remain in full force and effect. The remedies herein reserved unto Buyer shall be cumulative and additional to any other remedies in law or equity.
- 31 **SURVIVAL.** All rights, duties and obligations which by their nature should apply beyond the term of the Order including, but not limited to, sections 16, 17, 19, 20, 21, 22, 24, 25, 28, 29 and 33 will remain in force after Seller's completion of the Order or any termination of performance of the Order.
- 32 **ENTIRE AGREEMENT.** The Order and these standard terms of purchase represent the complete and exclusive agreement between Buyer and Seller for the Items, superseding all oral or written prior agreements and all other understandings, communications or proposals between Buyer and Seller relating to the subject matter of the Order. No change in, modification of, or revision to the Order or these standard terms of purchase shall be valid unless in writing and signed by an authorized representative of Buyer's Purchasing Department. No course of prior dealings between the parties, and no usage of trade, shall be relevant to supplement or explain any term used in the Order.
- 33 **APPLICABLE FAR/DFARS CLAUSES FOR THE ACQUISITION OF COMMERCIAL ITEMS.** When a U.S. Government contract is referenced on the Order, the procurement regulations applicable to the acquisition of "Commercial Items," as that term is defined in 48 C.F.R. ("FAR") 2.101, apply with the same force and effect as if set forth verbatim herein. As prescribed in FAR 44.403/52.244-6 and DFARS 244.403/252.244-7000, the following federal procurement regulations (in effect on the date of the Order) are incorporated into the Order by reference:
- 52.203-13, Contractor Code of Business Ethics and Conduct
 - 52.203-15, Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009
 - 52.219-8, Utilization of Small Business Concerns
 - 52.222-26, Equal Employment Opportunity
 - 52.222-35, Equal Employment Opportunity for Veterans
 - 52.222-36, Affirmative Action for Workers With Disabilities
 - 52.222-50, Combating Trafficking in Persons
 - 52.247-64, Preference for Privately Owned U.S.-Flag Commercial Vessels
 - 252.225-7009, Restriction on Acquisition of Certain Articles Containing Specialty Metals
 - 252.236-7013, Requirement for Competition Opportunity for American Steel Producers, Fabricators, and Manufacturers
 - 252.246-7023, Transportation of Supplies by Sea
 - 252.247-7024, Notification of Transportation of Supplies by Sea