

SERVICE PROVIDER GENERAL TERMS AND CONDITIONS OF PURCHASE



All sales by the Service Provider of the Services and Goods in the purchase order (the “**Service Provider**”) and purchased by Detector Electronics Corporation or Detector Electronic UK Ltd. (the “**Buyer**”) shall be subject to the following Service Provider General Terms and Conditions (the “**Terms and Conditions**”) which shall be deemed incorporated into all orders and offers to purchase submitted to Buyer for acceptance and into all of its acceptances and contracts for sale.

1. ACCEPTANCE - Any of the following acts by Service Provider shall constitute acceptance of these Terms and Conditions: signing and returning a copy of the Buyer’s purchase order; commencement of performance on items delineated in purchase order or returning Service Provider’s own form of acknowledgment. Any term or condition stated by the Service Provider in any prior proposal or in acknowledging or otherwise accepting the Buyer’s order shall not be binding on the Buyer unless specifically accepted in writing by the Buyer. These Terms and Conditions will continue until Service Provider has completed the items in the purchase order and Buyer has accepted or rejected all Deliverables in Exhibit A unless terminated earlier in accordance with Article 22.

2. PRICE AND DELIVERY - Service Provider shall furnish the items called for in the Buyer’s order in accordance with the prices and delivery stated on the order. If prices and/or delivery date are not stated, Service Provider shall offer its lowest prices or best delivery dates, both of which shall be subject to written acceptance by Buyer. All prices include all applicable taxes, except sales tax which is separately shown where applicable. Service Provider warrants that the prices charged for the items covered by this order will be as low as the lowest prices charged by the Service Provider to any other customers purchasing similar items in the same or smaller quantities and under like circumstances.

Buyer may return or store at Service Provider’s expense any items delivered more than thirty (30) days in advance of the delivery date specified for such items.

3. PACKING AND SHIPPING - No charge shall be made by Service Provider for packaging, transportation or storage. All items shall be packaged, marked and otherwise prepared in accordance with (i) good commercial practices to obtain lowest transportation rates, and (ii) Buyer’s Supplier Packaging Requirements, Engineering Specification 300416-001 (or latest version). Service Provider shall mark on containers handling and loading instructions, shipping information, order, item, and account number, country of origin, Harmonized Tariff Code, export control classification number, shipment date and names and addresses of Service Provider and Buyer. An itemized packing list must accompany each shipment.

4. RISK OF LOSS AND TRANSFER OF TITLE - Risk of loss on items covered by Buyer’s order shall be borne as

defined in the Incoterms® 2010 specified on the order or otherwise directed by the Buyer. Title shall transfer from the Service Provider to the Buyer upon receipt and acceptance at the Buyer’s facility.

5. PAYMENT TERMS - Terms of payment are sixty (60) days net from the date of invoice. Unless otherwise agreed by Buyer, all payments shall be in U.S. dollars.

6. INVOICING - After each shipment made under this order, Service Provider shall send a separate invoice, including Buyer’s item numbers. Payment of invoice shall not constitute acceptance of items ordered and shall be subject to appropriate adjustment for failure of Service Provider to meet the requirements of this order. Buyer may set off any amount owed by Service Provider or any of its affiliated companies to Buyer against any amount owed by Buyer under this order.

7. INSPECTION - All items covered by Buyer’s order may be inspected and tested by Buyer, its customers, higher tier contractors and the U. S. Government, at all reasonable times and places Service Provider shall provide without additional charge, all reasonable facilities and assistance for such inspections and tests. Service Provider shall use an inspection system accepted by Buyer in writing. All inspection records relating to items covered by this order shall be available to Buyer during the performance of this order and for such longer periods as specified by Buyer in its acceptance of the inspection system.

If any items covered by the purchase order are defective or otherwise not in conformity with the requirements of the purchase order, Buyer may by written notice to Service Provider, (i) rescind the purchase order as to such items, (ii) accept such items at an equitable reduction in price, or (iii) reject such items and require the delivery of replacements. Deliveries of replacements shall be accompanied by a written notice specifying that such items are replacements. If Service Provider fails to deliver required replacements promptly, Buyer may (i) replace or correct such items and charge Service Provider the cost occasioned Buyer thereby or (ii) terminate the purchase order for default as provided in Article 20(b).

No inspection (including source, inspection), tests, approval (including design approval), or acceptance of items ordered shall relieve Service Provider from responsibility for defects or other failures to meet the requirements of this order. Rights granted to Buyer in this Article 5 are in addition to any other rights or remedies provided elsewhere in this order or in law.

Final inspection and acceptance shall be at Buyer’s facility or end user’s facility unless otherwise specified in this order. Such final inspection and acceptance shall be conclusive except as to latent defects, fraud, such gross mistakes as

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amount to fraud, and Service Provider's warranty obligations.

8. WARRANTIES - In addition to any other express or implied warranties, Service Provider warrants that items furnished pursuant to Buyer's order will be (i) free from defects in workmanship and material, (ii) free from defects in design except to the extent that such items comply with detailed designs provided by Buyer, (iii) suitable for the purposes, if any, which are stated on the face of this order, and (iv) in conformity with all other requirements of this order.

In addition to any other rights Buyer may have, if items delivered pursuant to this order are found, within one year after acceptance not to be as warranted, Buyer may return such items to Service Provider, at Service Provider's expense for correction, replacement or credit, as Buyer may direct. Any items corrected or furnished in replacement shall also be subjected to all the provision of Article 6 and 7 to the same extent as items initially furnished.

9. MATERIALS, TOOLS AND ALTERATIONS - If Buyer furnishes Service Provider material or equipment (such as special dies, molds, jigs, tools, test equipment, etc.) or pays for such material or equipment, title thereto shall remain or vest in Buyer, and Service Provider shall identify, maintain and preserve such material and equipment and shall dispose of it (including scrap) in accordance with Buyer's direction. Buyer does not require that Service Provider carry insurance on any such property and Service Provider shall not include any insurance cost therefore in the prices charged under this order.

In the event that Service Provider makes alterations, modifications or revisions to any materials, tools or other items covered by the order, Service Provider shall notify Buyer at minimum thirty (30) days in advance of such alteration, modification or revision.

10. PROPRIETARY INFORMATION - All written information obtained by Service Provider from Buyer in connection with this order and which is identified as proprietary is received in confidence and shall remain the property of Buyer, and shall be used and disclosed by Service Provider only to the extent necessary for the performance of this order except that upon prior written notice to the Buyer. Service Provider may use such information in the manufacture of end items for direct sale to the U. S. Government to the extent the Government has the right to authorize such use by Service Provider, and, provided that Service Provider, to the extent practicable, prominently identifies each such end item as being manufactured by Service Provider for direct sale to the U. S. Government. All technical data controlled under the International Traffic in Arms Regulations (ITAR) shall not be disclosed by Service Provider to any non-US persons unless authorized by the Department of State. All technical data controlled under the Export Administration Regulations or other government agency shall not be disclosed by

Service Provider to any non-US persons unless authorized by the Department of Commerce or other government agency.

11. SUBCONTRACTS - Service Provider shall not subcontract for complete or substantially complete parts of work called for by this order without Buyer's prior written approval.

12. COMPLIANCE WITH LAWS - In performance of this order Service Provider shall comply with all Federal, state and local laws, rules and regulations for violation of which Buyer may be liable, including particularly all applicable requirements of the Fair Labor Standards Act.

13. COMPLIANCE WITH UTC CODE OF ETHICS - Service Provider acknowledges having read and understood the requirements and principles of the UTC Code of Ethics (available at <http://www.utc.com/Governance/Ethics/Code+of+Ethics>) and policies relating to business practices, including but not limited to compliance with policies governing Improper Payments, Money Laundering Prevention, Trade Control Compliance, Competition Law Compliance and Working With Governments, and are a fundamental part of, and incorporated into, this contract of purchase. Service Provider represents and warrants it shall comply with the UTC Code of Ethics and policies and shall be responsible for its employees' noncompliance with such code/policies.

14. LIEN WAIVERS - Service Provider shall furnish, upon Buyer's request, waivers by Service Provider and all other persons entitled to assert any lien rights in connection with the performance of Buyer's order.

15. PATENTS AND COPYRIGHTS - Buyer shall have Service Provider will defend, at its own expense, any suit or claim that may be instituted against Buyer or any customer of Buyer for alleged infringement of patents relating to the maintenance, sale or use of items furnished pursuant to this order, except for any such infringement resulting from detailed designs provided by Buyer, and Service Provider shall indemnify Buyer and its customers for all costs and damages arising out of such alleged infringement. Buyer owns all right, title, and interest in all documents, tracings, design data, drawings, specifications, models, samples, information or other data supplied by Service Provider for the purposes of the goods and services related to the purchase order. Buyer shall have the right, at no additional charge, to use and/or reproduce the Service Provider's applicable literature, such as operating and maintenance manuals, technical publications, prints, drawings, training manuals and other similar supporting documentation and sales literature. Service Provider agrees to advise Buyer of any updated information relative to the foregoing literature and documentation with timely notifications in writing. Service Provider hereby grants a transferable, irrevocable, paid-up, royalty-free world-wide license to use Service Provider's intellectual property for whatever extent and

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purpose needed for the goods and services related to the purchase order.

16. LIABILITY FOR INJURY - Service Provider shall indemnify Buyer against loss and liability for all personal injury and property damage caused by items furnished or services performed by Service Provider pursuant to this order, whether performed on the premises of Service Provider or Buyer or elsewhere. Service Provider shall carry and maintain insurance coverages satisfactory to Buyer to cover the above, and, upon Buyer's request, shall furnish to Buyer appropriate evidence of such insurance.

17. ASSIGNMENT - Service Provider shall not assign this order or any rights under this order without the prior written consent of Buyer, and no purported assignment by Service Provider shall be binding on Buyer without such consent.

18. NOTICE OF LABOR DISPUTES - Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, Service Provider shall immediately notify Buyer in writing of all relevant information with respect to such dispute and shall make its best efforts to mitigate such delay in timely performance.

19. CESSATION OF PRODUCTION - If production of items covered by this order is to be permanently discontinued at any time within one year after final delivery under this order, Service Provider shall give Buyer at least 180 days prior written notice of such discontinuance during which time Service Provider shall accept orders from Buyer for a reasonable quantity of such items.

20. PUBLICITY - Service Provider shall not make or authorize any news release, advertisement, or other disclosure which shall deny or confirm the existence of this order without the prior written consent of Buyer, except as may be required to perform this order.

21. CHANGES - Buyer may at any time, by written change order, suspend performance in whole or in part, make changes in drawings, designs, specifications, method of shipment of packing, or time or place of delivery or require additional or diminished work. If any such change causes an increase or decrease in the cost of, or the time required for, performance of this order, an equitable adjustment shall be made in the contract price or delivery dates or both, and Buyer's order shall be modified in writing accordingly. Any claim for adjustment under this Article shall conclusively be deemed to be waived unless asserted in writing (including the amount of the claim) and delivered to Buyer within thirty (30) days from the date of receipt by Service Provider of the change order. If the cost of property made obsolete or excess as a result of a change is paid by Buyer, Buyer may prescribe the manner of disposition of such property. Buyer's engineering and technical personnel may from time to time render assistance to Service Provider concerning the items or services to be furnished pursuant to this order, but such personnel are not authorized to change the items ordered or the provisions of Buyer's order. No change order

will be binding on Buyer unless issued by an authorized representative of Buyer's purchasing office. Nothing in this Article shall excuse Service Provider from proceeding with the purchase order as changed.

22. TERMINATION - (a) WITHOUT CAUSE. Buyer may terminate, for its convenience, all or any part of an order at any time by written notice to Service Provider. Upon such termination, settlement shall be made in accordance with the principles contained in Armed Services Procurement Regulation (ASPR) 8-706 as in effect at the date of this order, except that any termination claim must be submitted to Buyer within 90 days after effective date of termination. If Buyer's order is not for the purpose of aiding directly or indirectly in the performance of the contract with the U. S. Government the reference to ASPR 8-706 shall not apply, but the Buyer may at any time by written notice cancel an order or any part thereof at its convenience and for other than default as contemplated under Article 20(b) hereof, in which event Buyer shall be liable for payment of reasonable cancellation charges in accordance with industry practice. In no event, however, shall Buyer be liable for cancellation charges in excess of the total contract price. (b) WITH CAUSE. If (i) Service Provider fails to make any delivery or perform any services in accordance with the specified delivery dates or otherwise fails to comply with an order and does not remedy such failure within ten (10) days after receipt of written notice thereof, (ii) Service Provider fails to make progress to such an extent that performance of an order is endangered, or (iii) any proceeding is filed by or against Service Provider in bankruptcy or insolvency, or for appointment for the benefit of creditors, Buyer may (in addition to any other right or remedy provided by this order or by law) terminate all or any part of this order by written notice to Service Provider without any liability and may purchase substitute items elsewhere and Service Provider shall be liable to Buyer for any excess cost occasioned Buyer thereby.

Except with respect to defaults of subcontractor at any tier, Service Provider shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Service Provider. If the failure to perform is caused by the default of a subcontractor at any tier, and if such default arises out or causes beyond the control of both the Service Provider and subcontractor, and without the fault or negligence of either of them, the Service Provider shall not be liable for any excess costs unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Service Provider to meet the required delivery schedule.

If Buyer's contract is terminated as provided in this clause, the Buyer, in addition to any other rights provided in this clause, may require the Service Provider to transfer title and deliver to the Buyer (i) any completed supplies, and (ii) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights as the Service Provider has specifically

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produced or specifically acquired for the performance of such part of this contract as has been terminated. If, after notice of termination of Buyer's contract "With Cause", it is determined that the failure to perform is due to causes beyond the control and without the fault or negligence of the Service Provider, such notice of default shall be deemed to have been issued pursuant to the clause of this contract entitled "Termination Without Cause," and the rights and obligations of the parties hereto shall in such event be governed by such clause.

23. WAIVER - The failure of Buyer to insist upon the performance of any provision of an order, to exercise any right or privilege granted to Buyer under an order shall not be construed as waiving any such provision, and the same shall continue in force.

24. RELATIONSHIP OF PARTIES – For the delivery of services, the relationship of Service Provider to Buyer is that of an independent contractor and nothing will be construed as creating any other relationship. Service Provider may adopt arrangements as Service Provider may desire with regard to the details of its performance of the services, provided that the services are performed in a manner calculated to attain the most satisfactory results for Buyer.

25. APPLICABLE LAW - The validity, performance and construction of this order shall be governed by the laws of the state shown in Buyer's address on the purchase order. If the purchase order does not provide an address, the governing law for the purchase order and these Terms and Conditions shall be Minnesota.

26. SPECIAL U. S. GOVERNMENT PROVISIONS - Not applicable unless otherwise noted on the Buyer's order.

27. The provisions of section 202 of Executive Order 11246 and the rules and regulations issued pursuant to section 201 thereof, are hereby incorporated by reference and the Service Provider represents by acceptance of Buyer's purchase order that it will comply with such executive orders and rules and regulations and amendments thereto to the extent the same are applicable to the manufacture or sale of the goods purchased hereunder.

28. CERTIFICATION - As a prerequisite for entering into any PO, contract or bid with Buyer, the Supplier certifies, to the best of its knowledge and belief, that:

No federal appropriated funds have been paid or will be paid, by or on behalf of the Service Provider, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal,

amendment or modification of any Federal contract, grant, loan or cooperative agreement. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with any contract or bid, the Supplier shall complete and submit to Buyer, OMB Standard Form LLL, Disclosure of Lobbying Activities. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into, and is made subject to civil penalty under Section 1352, Title 31, U.S. Code.

29. COMPLETE AGREEMENT - Buyer's order, these General Terms and Conditions and any supplemental sheets and riders annexed by Buyer, contains the complete and entire agreement between the parties and supersedes any previous communications, representations or agreements, whether oral or written with respect to the subject matter of Buyer's purchase order.

In case of any conflict between these General Terms and Conditions and the Buyer's purchase order, Buyer's purchase order shall control.

By signing below, Service Provider agrees to these Terms and Conditions.

Company: _____

Signature: _____

Title: _____

Date: _____