

GENERAL TERMS AND CONDITIONS OF PURCHASE

May 13, 2014

1. ACCEPTANCE - Any of the following acts by Seller shall constitute acceptance of this order and all of its terms and conditions: signing and returning a copy of the Buyer's order; delivery of any of the items ordered informing the Buyer in any manner of commencement of performance or returning Seller's own form of acknowledgment. Any term or condition stated by the Seller 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.

2. PRICE AND DELIVERY - Seller 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, Seller 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. Seller warrants that the prices charged for the items covered by this order will be as low as the lowest prices charged by the Seller to any other customers purchasing similar items in the same or smaller quantities and under like circumstances.

Buyer may return or store at Seller's expense any items delivered more than thirty days in advance of the delivery date specified for such items.

3. PACKING AND SHIPPING - No charge shall be made by Seller for packaging, transportation or storage. All items shall be packaged, marked, labeled, and unitized in accordance with Det-Tronics Supplier Packaging Requirements, [Engineering Specification 300416-001 \(or latest revision\)](#). The specification includes requirements for unit, intermediate, and outer packaging; hazardous material shipments; unitization; marking and labeling; shipping documentation; wood packaging usage; reusable packaging; hazard communication; and carrier routing.

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 Incoterm specified on the order or otherwise directed by the Buyer. Title shall transfer from the Seller to the Buyer upon receipt and acceptance at the Buyer's facility.

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

6. 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 Seller shall provide without additional charge, all reasonable facilities and assistance for such inspections and tests. Seller 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 this order are defective or otherwise not in conformity with the requirements of this order, Buyer may by written notice to Seller, (i) rescind this 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 Seller fails to deliver required replacements promptly, Buyer may (i) replace or correct such items and charge Seller the cost occasioned Buyer thereby or (ii) terminate this 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 Seller 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 destination unless otherwise specified in this order. Such final inspection and acceptance shall be conclusive except as to latent defects, fraud, such gross mistakes as amount to fraud, and Seller's warranty obligations.

7. WARRANTIES - In addition to any other express or implied warranties, Seller 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 Seller, at Seller'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.

8. MATERIALS AND TOOLS - If Buyer furnishes Seller 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 Seller 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 Seller carry insurance on any such property and Seller shall not include any insurance cost therefore in the prices charged under this order.

9. PROPRIETARY INFORMATION - All written information obtained by Seller 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 Seller only to the extent necessary for the performance of this order except that upon prior written notice to the Buyer. Seller may use such

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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 Seller, and, provided that Seller, to the extent practicable, prominently identifies each such end item as being manufactured by Seller 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 Seller to any non-US persons unless authorized by the Department of State.

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

11. COMPLIANCE WITH LAWS - In performance of this order Seller 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.

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

13. PATENTS AND COPYRIGHTS - Seller 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 Seller shall indemnify Buyer and its customers for all costs and damages arising out of such alleged infringement. Buyer shall have the right, at no additional charge, to use and/or reproduce the Seller's applicable literature, such as operating and maintenance manuals, technical publications, prints, drawings, training manuals and other similar supporting documentation and sales literature. Seller agrees to advise Buyer of any updated information relative to the foregoing literature and documentation with timely notifications in writing.

14. LIABILITY FOR INJURY - Seller shall indemnify Buyer against loss and liability for all personal injury and property damage caused by items furnished or services performed by Seller pursuant to this order, whether performed on the premises of Seller or Buyer or elsewhere. Seller 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.

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

16. NOTICE OF LABOR DISPUTES - Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, Seller shall immediately notify Buyer in writing of all relevant information with respect to such dispute.

17. 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,

Seller shall give Buyer at least 180 days prior written notice of such discontinuance during which time Seller shall accept orders from Buyer for a reasonable quantity of such items.

18. PUBLICITY - Seller 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.

19. 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 Seller 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 Seller 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 Seller from proceeding with the purchase order as changed.

20. TERMINATION - (a) WITHOUT CAUSE. Buyer may terminate, for its convenience, all or any part of an order at any time by written notice to Seller. 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) Seller 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) Seller fails to make progress to such an extent that performance of an order is endangered, or (iii) any proceeding is filed by or against Seller 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 Seller without any liability and may

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purchase substitute items elsewhere and Seller shall be liable to Buyer for any excess cost occasioned Buyer thereby.

Except with respect to defaults of subcontractor at any tier, Seller 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 Seller. 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 Seller and subcontractor, and without the fault or negligence of either of them, the Seller 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 Seller 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 Seller 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 Seller has specifically 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 Seller, 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.

21. 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.

22. 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 this order.

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

24. 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 Seller represents by acceptance of Buyer's purchase order that he 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.

25. CERTIFICATION - As a prerequisite for entering into any PO, contract or bid with Detector Electronics Corporation, 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 Seller, 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 Detector Electronics Corporation, 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.

26. COMPLETE AGREEMENT - Buyer's order and these General Terms and Conditions, which includes Seller's EEO Agreement (not applicable unless this order exceeds \$10,000) 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 order.

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