



PURCHASE ORDER GENERAL TERMS AND CONDITIONS

The Buyer's Purchase Order general terms and conditions shall take precedence over any terms and conditions proposed by Seller in his acceptance or acknowledgement of this order. Buyer's acceptance of Seller's goods shall not be deemed as an acceptance of such terms. Unless otherwise stated on the face of the Buyer's Purchase Order or except as modified and executed in a separate agreement signed by both Buyer and Seller, the following terms and conditions shall apply:

1.0 ACCEPTANCE: This order is accepted by Seller either through the transmission of Buyer's Purchase Order, and/or commencement of performance by the Seller.

2.0 AGREEMENT: The agreement shall be governed by the laws of the state of California, without regard to the choice of law provisions thereof. This Purchase Order, including the pertinent drawings and specifications, if any, shall constitute the entire agreement between the parties and supersedes all offers, negotiations and agreements relating to the subject matter hereof executed in writing by both parties. No condition inserted by the Seller in acknowledging or accepting this Purchase Order shall be effective if in conflict with the terms and conditions stated herein unless such conditions are accepted in writing by the Buyer. No waiver by Buyer of any default shall be deemed a waiver of any subsequent default. Either the Buyer or the Seller may assign his rights under this contract but neither may without written consent of the other, delegate his performance to an assignee. If any provision of this Purchase Order is found to be unenforceable by any judicial or administrative body, the other provisions hereof shall not be affected thereby and shall remain in full force and effect. Typographical and clerical errors are subject to correction.

3.0 SHIPPING INSTRUCTIONS AND INVOICING: Seller agrees to properly prepare all goods for shipment so as to prevent damage in transit to comply with Buyer's shipping instructions and/or routings, and to ship in accordance with the requirements of Buyer's designated common carriers in a manner to secure lowest transportation cost. No additional charge shall be made to the Buyer unless otherwise stated herein in connection with the foregoing. Seller shall transfer the risk of loss, deterioration or damage when goods are transferred to Buyer designated carriers as stated in the schedule of the Purchase Order.

3.1 Seller shall be paid, upon agreed-to payment term days from the receipt of goods, subject to submission and receipt of invoice containing the agreed to prices on the Purchase Order, for stipulated goods delivered and accepted or services rendered confirmed by the Buyer, less deductions, if any, as herein provided. Buyer makes payment from the calculated agreed to number of payment days based upon the quantities received matching to the invoice and/or services completion verification. Also see paragraph 4.1 and 5.0 below.

4.0 DELIVERY: Delivery shall be in accordance with the order and time is of the essence. When the Seller has reason to believe the deliveries will not be made as scheduled, written notice concerning the cause of the delay and estimated delivery date shall be given immediately to the Buyer. If shipment by premium transportation becomes necessary in order to fulfill the Seller's delivery obligation, transportation charges in excess of any he has previously agreed to pay, for this premium transportation shall be paid by Seller. Nothing contained in this article shall prevent termination by the Buyer under provisions of the order.

4.1 The Buyer does not condone Seller's manufacturing of the entire Purchase Order in advance of time reasonably required to meet deliveries set forth in this Purchase Order. Buyer reserves the rights to return freight collect, or to store at the Seller's expense, all goods received at Buyer's plant more than one week in advance of the schedule shown on the Purchase Order. Buyer and Seller acknowledge such early delivery shall delay the payment according to the number of payment term days from the date of goods arrival and acceptance. Buyer shall not exceed a 3 business day inspection processing period and reserves its right to extend the acceptance of a one (1) year latent defects period for acceptance.

4.2 In the event of fire, strikes, lockout, accident, war, or other causes beyond Seller's control interfering with the manufacture or the transportation of the goods herein described or of the Seller's manufactured products, then the deliveries under this order may be suspended by Buyer during the period required to remove the cause, without additional cost to Buyer.

4.3 Delivery of any portion of this Purchase Order constitutes acceptance of this order.

5.0 INSPECTION SPECIFICATIONS: All goods shall be in accordance with the specifications specified on this Purchase Order as revised and shall be subject to inspection and test by the Buyer during manufacture where practical and at all other times and places. All goods shall be received subject to Buyer's inspection and acceptance regardless of source inspection. Inspection or test of, or payment for, any goods shall not constitute an acceptance thereof by the Buyer, and does not relieve Seller of liability for latent defects or fraud. Buyer may loan the Seller tooling or fixtures to be used in the performance of the inspection and Seller shall maintain and take reasonable care for Buyer's tooling or fixtures. The Buyer shall have the right to reject any goods found to be defective in material, workmanship or otherwise not in compliance with requirements or corrections by Seller. If any goods fabricated by Seller from material furnished by Buyer are rejected due to Seller's fault or failure to meet the requirements of this Purchase Order, Seller shall pay Buyer the replacement cost of the material, fixtures, or tools damaged while in Seller's possession. Goods returned to Seller will be charged back or debited to the Seller at full Purchase Order price. All transportation charge on rejected items shall be paid by the Seller.

5.1 Seller shall only produce products or purchase components/hardware direct from the original component manufacturer (OCM), original equipment manufacturer (OEM), through an authorized (franchised) distributor, or through a Datron authorized broker that complies with IDEA-STD-1010N (IDEA Inspection Process Guidelines Checklist), compliant to AS5553 (Standard for Counterfeit Electronic Parts, Avoidance, Detection, Mitigation and Disposition) and AS6081 (when implemented). Work shall not be acquired from any independent distributor or broker without approval from the Datron Buyer in writing. A Certificate of Conformance, acknowledging the parts are genuine, may be required and will be noted on the Purchase Order. Buyer must be notified immediately if the seller suspects they may have been supplied counterfeit parts. Work that is delivered that contains or includes counterfeit parts will be replaced, at the seller's expense, with certified genuine parts. Any damages caused by these parts will be borne by the seller.

6.0 WARRANTY: Seller expressly warrants that all goods covered by this Purchase Order will conform to the specifications, drawings, samples or other description furnished or specified by Buyer, and will be merchantable of good material and workmanship and free from defect for a period of one (1) year. Seller expressly warrants that all goods covered by this Purchase Order which are of Seller's design or are Seller's standard product or are in accordance with the Seller's specifications, will be for and sufficient for the purpose intended. Payment for, inspection of, or acceptance of the goods shall not constitute a waiver of any breach of warranty. The warranties of the Seller together with the service warranties shall extend to Buyer's customer.

7.0 CHANGES: No changes in the Purchase Order shall be made by the Seller without prior written amendment by Buyer's authorized procurement representative. The Buyer shall have the right to make changes in or additions to the drawings, designs and specifications of material specially manufactured, to issue additional instructions, or to reduce or increase the quantity, or to modify the method of shipment or packing or place of delivery. If any such change causes an increase or decrease in the time required for, or the cost of the performance of this Purchase Order, an equitable adjustment in the contract price or delivery schedule will be made and this Purchase Order will be modified in writing accordingly. Any claim for adjustment under this provision must be asserted by the Seller within thirty (30) days from the date a change is ordered. However, nothing in this provision shall excuse the Seller from proceeding with the Purchase Order as changed.

8.0 BUYER FURNISHED PROPERTY: All drawings, materials, tools, specifications, data and other items furnished or specifically paid for by Buyer shall be the property of Buyer, and shall be returned on completion of Seller's work without additional cost, shall be used only in filling orders for the Buyer, shall be kept separate and shall be clearly identified as the property of Buyer. Seller assumes all liability for loss or damage, with the exception of normal wear and tear, and agrees to supply detailed statements of inventory as requested by Buyer. This Purchase Order shall not grant or convey to Seller any right to reproduce the articles called for hereunder, or the drawings, specifications, data, tools, or other items furnished hereunder for anyone other than Buyer.

8.1 Tooling / Fixtures: Unless otherwise specified in this order, all tooling and/or articles required for the performance hereof shall be furnished by Seller; shall be maintained in good condition; and shall be replaced when necessary at Seller's expense.

9.0 INSURANCE: Seller shall carry insurance (fire and extended coverage) against the usual risk of loss covering any property belonging to Buyer so long as such property shall be in the possession or control of Seller or in transit from Seller's plant for delivery as called for herein, which insurance shall be payable to Buyer and Seller as their interest may appear. Seller shall name Buyer as additional insured, provide a copy of the policy, and take reasonable care to notify Buyer in advance of policy changes and expiration.

10.0 PATENTS, TRADEMARKS, AND COPYRIGHTS: The Seller warrants that the sale or use of its products shall not infringe any United States or foreign patent, trademark, or copyright, and the Seller undertakes to indemnify the Buyer and Buyer's customers, licensees, and assigns against all judgments, decrees, costs, and expenses resulting from any alleged infringement and to defend, upon request of the Buyer, its vendees, lessees, licensees, or assigns under any claim of patent infringement in the use or sale of the Seller's products. Seller agrees to obtain like protection from suppliers of materials or items incorporated in the products covered by this order.

11.0 PRICE REDUCTIONS: If during the term of this Purchase Order, Seller makes a general price reduction in the price of any of the products being purchased by this Purchase Order at the stated quantities, an equivalent price reduction shall apply to this Purchase Order for similar quantities placed under this Purchase Order and unshipped at the time of such general price reduction. Such newly established prices shall apply for the duration of this Purchase Order or until such prices are further reduced.

12.0 TAXES: This Purchase Order shall not impose upon the Buyer any liability for payment or reimbursement of any tax or taxes now or hereafter imposed by any taxing authority upon the transaction(s) herein, unless the Seller is in acceptance of the Purchase Order or price quotation(s) expressly specifies the nature and amount of the tax to be added hereto and such additional amount is further agreed to by the Buyer. Any tax so imposed and not agreed to by the Buyer shall be paid by Seller.

13.0 DEFAULT: If the Seller fails to make delivery or repudiates or if the Buyer rightfully rejects the goods or revokes acceptance thereof, then with respect to any goods involved and with respect to the whole if the breach goes to the whole contract, the Buyer may cancel all or any part of the Purchase Order and, whether or not he has done so, the Buyer may in addition to recovering so much of the price as he has been paid "cover" and have damages as to all goods affected whether or not they have been identified in the Purchase Order. The Buyer may "cover" by making, in good faith and without unreasonable delay, any purchase of or contract to purchase goods in substitution for those due from the Seller. The Buyer shall recover from the Seller, as damages, the difference between the cost of "cover" and the contract price together with any incidental or consequential damages but less expenses saved in consequence to the Seller's breach. The foregoing shall not be the exclusive remedies of the Buyer for any such breach by the Seller, but Buyer shall have all other remedies of the Buyer for law or equity. However, Seller shall not be liable for excess costs if failure to perform is beyond the control without fault or negligence of the Seller. If Seller is determined to be without fault, notice of default shall be deemed issued pursuant to the Termination Article of this contract.

14.0 **TERMINATION:** Buyer may terminate work under this Purchase Order in whole or in part at any time by written or telegraphic notice to Seller. Upon termination in whole or in part of the work under this Purchase Order by Buyer pursuant to paragraph above, Seller will as to the terminated portion of this Purchase Order, stop work immediately, notify subcontractors to stop work and protect property in Seller's possession in which Buyer has or may acquire an interest. Except where such termination is occasioned by default or delay of Seller, Seller may claim reimbursement on forms which Buyer will furnish on request, for Seller's actual cost incurred up to and including the date of termination which are properly allocable or apportionable under recognized accounting practices to the terminated portion of the Purchase Order, including liabilities to subcontractors previously billed or paid for, but excluding any charge for interest or any materials which Seller may be able to divert to other orders. Seller may also claim a reasonable profit on the work actually done by the Seller prior to such termination, the rate of which shall not exceed the rate used in establishing the original Purchase Order price. The total of such claim shall not, however, exceed the cancelable commitment value of this Purchase Order. Nothing contained in this paragraph shall be construed to limit the effect of any remedy which Buyer may have as a result of default by Seller.

15.0 **IDENTIFICATION OF DOCUMENTS:** All documents submitted to the Buyer in connection with this order, i.e., invoices, packing sheets, correspondence, etc., shall be identified with the Purchase Order number, the applicable Purchase Order item number, Buyer's part number as applicable, and Buyer's description of the item being purchased. Failure to comply with this provision may result in rejection of the documents or the shipment or both.

16.0 **INSOLVENCY OF SELLER:** If the Seller shall become bankrupt, insolvent, or make an assignment for the benefit of creditors, during the term of the contract, this contract shall be deemed breached by the Seller, and the Buyer shall have the right to terminate this contract by serving written notice of termination. Such termination shall not affect any claim for damages available to Buyer.

17.0 **BUYER'S REMEDIES:** Shall be cumulative, and remedies herein specified do not exclude any remedies allowed by law. Waiver of any breach shall not constitute waiver of any other breach of the same or any other provision. Acceptance of any terms on payment therefore shall not waive any breach.

18.0 **COMPLIANCE WITH LAWS:** Liability for Injury: Seller shall indemnify, defend, and hold harmless Buyer from and against any loss, damages, costs, liability, expenses, causes of action, or injuries arising out of, associated with, or caused in any way by actual or alleged violation by Seller or Seller's products of: (I) any federal, state, or local law, ordinance, rule, or regulation, or (II) any provision of these Terms and Conditions and the agreement between Buyer and Seller.

19.0 **SELLER'S QUALITY PROGRAM:** This clause defines the basic requirements and responsibilities of the Seller's Quality Program as it pertains to assuring compliance with Buyer's Purchase Orders. The materials and services processed by the Seller for this Purchase Order must be controlled by a documented Quality Program acceptable to the Buyer. The Seller shall prepare, use, and maintain written instructions for inspections and tests performed in accordance with the terms of this Purchase Order. The instructions shall include identification of the item to be inspected or tested, measuring and test equipment to be used, details of inspection and test operations to be performed and the criteria for determining conformance or nonconformance to Purchase Order requirements. Such records shall be made available to the Buyer for review upon request.

19.1 The Seller's Quality Program shall ensure that procured supplies and services comply with drawings and specifications. All specified Buyer Quality Program requirements shall be conveyed to sources utilized by the Seller and no changes that affect these drawings or specifications shall be made unless specifically authorized by the Buyer.

19.2 The Seller's Quality Program shall specify in writing that any materials which do not conform with the specifications of this Purchase Order shall be withheld from fabrication. All materials shall be positively identified and nonconforming material shall be removed from the normal production flow until disposition is complete. Discrepancies in material which are not corrected must be reported to the Buyer for disposition.

19.3 Raw material furnished, or used by the Seller in fabrication of products, shall conform to applicable chemical, physical and other technical requirements. Evidence of the conformance shall be maintained by the supplier.

19.4 Calibration and certification of inspection and test equipment shall be traceable to the National Institute of Standards and Technology. Parts and/or material, packing lists, certifications and other applicable documents must be identified by the manufacturing lot or batch number. The manufacturing lot or batch number shall be stamped on identifying tags or on the smallest unit packaged by the Seller. Date codes, when used, must be in compliance with specifications set forth by Buyer.

19.5 The Seller shall control all preserving, packaging, shipping, and handling to ensure that all materials are adequately protected during all phases of contract performance.

19.6 The Seller shall ensure that items rejected by the Buyer, and subsequently resubmitted to the Buyer, shall be clearly identified on Seller's shipping document with the nonconforming material (NCOMR) number issued by the Buyer.

19.7 Buyer has the right to conduct surveys, audits and surveillance of Seller's facilities, or those of Seller's subcontractors. This includes inspection of materials and parts at Seller's facilities, or those of Seller's subcontractors.

20.0 REGULATORY REQUIREMENTS: The provisions of Executive Order 11246, as amended by Executive Order 11375 (Equal Employment Opportunity) 38 USC 2012 (Vietnam Era Veterans Readjustment Assistance Act of 1974), Section 503 of the Rehabilitation Act of 1973 (Handicapped Regulations) and the implementing regulations found at 41 CFR 60-1&2, 41 CFR 60-250, and 41 CFR 60-741, A. are hereby incorporated by reference.

21.0 EXPORT COMPLIANCE ASSURANCE: Seller expressly acknowledges that hardware and 'technical information' (software, proprietary data, know-how or other data or information) obtained from Buyer, and any products directly derived from such 'technical information', and any service performed to derive such products are subject to U.S. Government export control laws; such laws may restrict or prohibit the export, re-export, or transfer of such hardware, technical information, services or product. Seller shall comply with all applicable import, export and sanction laws and regulations including & not limited to U.S. Department of State, International Traffic in Arms Regulations ("ITAR"); U.S. Department of Commerce, Export Administration Regulations ("EAR"); U.S. Department of Treasury, and Office of Foreign Assets Control ("OFAC").