

PURCHASE ORDER TERMS AND CONDITIONS
GENERAL TERMS AND CONDITIONS
SUPPLY AND SERVICES

1. ACCEPTANCE OF ORDER

(a) SELLER'S acknowledgment, acceptance of payment, or commencement of performance, shall constitute SELLER'S unqualified acceptance of this Order.

(b) By acceptance of this Order, SELLER agrees to the terms, conditions and specification as outlined.

(c) Unless expressly accepted in writing by BUYER, additional or differing terms or conditions proposed by SELLER or included in SELLER's acknowledgment are rejected.

(d) This Order constitutes the entire agreement between the parties, and supersedes all prior written or oral communications, representations, negotiations or agreements. SELLER agrees that any estimates or forecasts provided by Buyer do not constitute a commitment.

2. CHANGES

(a) Buyer's Procurement Representative may at any time, by written notice, make changes within the general scope of this Order including, but not limited to: (i) description or time of services (ii) drawings, designs, specifications or other technical documents (iii) place of inspection, acceptance, or point of delivery (iv) method of delivery, packaging or packing (v) reasonable adjustments in quantities, delivery schedules or both (vi) time of performance (vii) place of performance and (viii) terms and conditions of this Order.

(b) If any such change causes an increase or decrease in the cost or schedules of this Order, BUYER shall make an equitable adjustment to the Order price and/or delivery schedule. Any claim by Seller for an equitable adjustment must be in writing and submitted within ten (10) days from the date of Buyer's written notification of the change or such further time as Buyer may allow in writing. Changes shall not be binding upon Buyer except when specifically confirmed in a written Change Order.

(c) Failure to agree to any adjustment shall be resolved in accordance with the "Disputes" clause of this Order. Nothing contained in this "Changes" clause shall excuse the SELLER from proceeding without delay in the performance of the Order as changed.

3. AUTHORIZED REPRESENTATIVES

(a) Only the SELLER Procurement Representative has authority on behalf of SELLER to make changes to this Order. All amendments must be in writing. SELLER engineering and technical personnel do not have the authority to direct any change under this order.

(b) Any notices required shall be in writing and shall be deemed to have been received

if sent by mail to each party's address as stated on this Order, or when delivered by hand or by facsimile transmission.

4. DELIVERY

(a) *Transportation.* Unless otherwise provided in this Order, transportation shall be FOB Destination, Freight Prepaid. Buyer shall not be liable for insurance or premium transportation charges unless Buyer authorizes such charges in writing. SELLER shall ship in accordance with instructions specified by the Buyer. Absent any specific packing, routing or carrier instruction by Buyer, SELLER will suitably pack and ship all items in accordance with standard commercial practices. The prices set forth herein include all charges for packing. SELLER shall mark all packages with the Order number. SELLER shall be liable for all damages incurred directly or indirectly by Buyer or Buyer's Customer as a result of SELLER's failure to comply with these conditions.

(b) *Risk of Loss.* Seller is responsible for any risk of loss or damage to the items until they are delivered in conformity with this

Order at the FOB destination point stated herein. Seller shall remain responsible for risk of loss of any nonconforming or rejected items, unless such loss, destruction or damage results from gross negligence or fault of Buyer.

(c) *Title.* Title shall pass to Buyer upon final acceptance, regardless of when or where Buyer takes physical possession of the items.

(d) *Time is of the Essence.* Time is of the essence and if delivery or performance of the Work is not made in the quantities and at the time and manner specified, Buyer shall have the right without liability, and in addition to its other rights and remedies under this Order and the law, to take any of the following actions: (i) direct expedited delivery (premium shipping costs) or accelerated work schedule (premium labor costs) at SELLER's cost (ii) delay payment for a period of time equal to the lateness of such delivery or performance and/or (iii) terminate this Order by written notice under the terms outlined in the "Default" clause of this Order. Seller shall immediately notify Buyer of any delays or threat of delays in the delivery and/or performance under this order.

(e) *Liability.* SELLER shall be liable for any damages resulting from failure to make delivery or perform within the time specified in this Order, except where such delay is due to causes beyond the reasonable control of SELLER and SELLER immediately notifies Buyer.

(f) *Advanced Shipments.* If, without written authorization from Buyer, SELLER ships items to arrive more than five (5) business days in advance of schedule, Buyer may

return the items to SELLER at SELLER's expense or retain such items with payment deferred until after the scheduled date of delivery.

(g) *Excess Quantity.* SELLER shall not make material or production commitments in advance of such time as SELLER reasonably believes is necessary to meet the schedules. SELLER may not ship quantities in excess of the Order delivery prior written permission from the Buyer.

5. INSPECTION AND FINAL ACCEPTANCE

(a) Buyer and its customer may inspect all Work at reasonable times and places at the Seller's or Seller's supply chain sub-tier premises. SELLER shall provide all information, facilities, and assistance necessary for these inspections at no charge. SELLER shall flow this requirement down to its sub-tier supply chain. Buyer may charge to SELLER any additional cost of inspection and test when Work is not ready at the time Buyer or Buyer's Customer request inspection and test under this paragraph.

(b) No inspection shall relieve SELLER of its obligations to furnish and warrant all Work in the accordance with the requirements of this Order. Buyer's final inspection and acceptance shall be at destination.

(c) If SELLER delivers non-conforming Work, Buyer may, in addition to any other remedies available at law or at equity: (i) accept all or part of such Work at an equitable price reduction; or (ii) reject such Work. If SELLER fails to promptly replace or correct any rejected work, Buyer may replace or correct such Work at the sole expense of SELLER, including, without limitation, any excess costs. SELLER shall not re-tender rejected Work without disclosing the corrective action taken.

(d) SELLER shall maintain an inspection and quality control system acceptable to Buyer. SELLER shall keep records of all inspection work and make such records available to Buyer and Buyer's Customer upon request.

6. WARRANTY

(a) SELLER warrants that unless provided otherwise, all components or items provided herein are new and not of such age or so deteriorated as to impair their usefulness or safety. SELLER also warrants that all work furnished under this Order will comply with the requirements; be free from defects in design (except to the extent that it is to a Buyer design), material, manufacture and workmanship; will be free from liens and encumbrance; is merchantable and, is fit for its intended purpose. Any manufacturer's warranties are hereby assigned to Buyer and Buyer's customer.

(b) SELLER warrants that all labor provided hereunder shall be performed by qualified personnel and shall conform with the terms, specifications and description of work specified by Buyer.

(c) The warranty outlined in paragraphs (a) and (b) above shall run for eighteen (18) months from date of final acceptance by Buyer.

(d) Buyer shall not be deemed to waive any defects or nonconformities by reason of approval of samples or payment for the items. If Buyer finds through inspection and testing or through use and service that any work performed or delivery by SELLER is other than as warranted above, Buyer may, at its sole option: (i) return the Work at SELLER's sole risk and expense for credit or for replacement or correction; (ii) direct Seller to correct the Work in place; (iii) Retain the Work and make an equitable reduction in price.

(e) SELLER will provide six (6) months prior notification of any items that will become obsolete and offer the Buyer an End-Of-Life buy opportunity.

(f) SELLER warrants that the prices, warranties and services under this Order are no less favorable to Buyer than those extended to any other SELLER customer as of the effective date of this Order, for substantially similar items/services and quantities. Buyer shall have the right to examine all SELLER records to confirm that SELLER's representations and warranties are accurate.

7. DEFAULT

(a) Buyer, by written notice, may terminate this Order for default without liability, in whole or in part, if SELLER (i) fails to comply with any of the terms of this Order; (ii) Fails to make progress so as to endanger performance of this Order; (iii) fails to provide adequate assurance of future performance; (iv) files or has filed against it a petition in bankruptcy; or (v) becomes insolvent or suffer a material adverse change in financial condition.

(b) Following a termination for default, SELLER shall be reimbursed only for Work actually delivered and accepted. Buyer may require SELLER to deliver to Buyer any supplies and materials, manufacturing materials, special tooling or dies, and manufacturing drawings that SELLER had specifically produced or acquired for the terminated portion of this Order.

(c) In the event this Order is terminated for default due to late delivery, Buyer may purchase substitute Work elsewhere and charge SELLER with any loss incurred.

(d) If after termination for default under this Order, it is determined that SELLER was not in default, such termination shall be deemed a termination for convenience.

(e) SELLER shall continue all Work not terminated or cancelled.

8. TERMINATION FOR CONVENIENCE

(a) Buyer reserves the right to terminate this Order, or any part hereof, for its convenience. In the event of a termination for convenience, SELLER shall immediately stop all work hereunder and immediately ensure that their suppliers and

subcontractors stop work. SELLER shall be paid the Order price for all completed work. For any material or supplies that cannot be utilized by SELLER for other work, Buyer will pay a percentage of the Order price reflecting the completion percentage of the work, plus reasonable termination charges as evidenced by SELLER's records. SELLER shall not be paid for any costs incurred which reasonable could have been avoided.

(b) Buyer is not liable for lost or anticipated profits, unabsorbed or under absorbed indirect costs or overhead, or any amount in excess of the total Order price. SELLER's termination claim shall be submitted within sixty (60) days from the effective date of termination.

(c) Buyer shall have the right to audit all elements of any termination claim and SELLER shall make available to Buyer on request all books and records related thereto.

(d) SELLER shall continue all Work not terminated.

9. STOP WORK

(a) Buyer may issue a Stop Work order for up to ninety (90) days by written notice to SELLER, or longer period as the parties may agree. SELLER shall take all reasonable steps to minimize costs during the Work Stoppage period.

(b) Prior the end of the 90 day period, Buyer shall either terminate this Order in accordance with the provisions outlined or continue the work by written notice to SELLER. In the event of a continuation, an equitable adjustment will be made in accordance with the "Changes" clause herein, provided the claim for equitable adjustment is made within thirty (30) days after date of notice to continue.

10. DISPUTES

To the maximum extent, all disputes shall be resolved by good faith negotiations. Either party shall have the right to apply to a court of competent jurisdiction for a temporary restraining order, a preliminary injunction, or other equitable relief to prevent irreparable harm. Any dispute that cannot be resolved by good faith negotiations within thirty (30) days or any such longer period as agree by the parties, shall be submitted for binding arbitration to the American Arbitration Association. The arbitration shall be conducted by a single arbitrator as mutually agreed by both parties at a location designated by the Buyer. Seller and Buyer will pay their own attorneys' fees and expert fees and other costs related to the Dispute, but will share equally in the costs associated with the arbitration hearing. The Arbitrator will have the power to award monetary damages, declaratory judgments, specific performance and injunctive and other equitable relief. The Arbitrator shall not award any damages in excess of damages that could lawfully be awarded by a court of competent jurisdiction or that are inconsistent with the "Limitation of Liability" portion of this Order. Any award by the Arbitrator may be entered as a judgment in any court of competent jurisdiction.

12. PAYMENTS AND TAXES

(a) Terms of payment are Net 50 days from the latest of the following: (i) receipt of proper invoice; (ii) scheduled completion of performance date of the Work; or (iii) actual completion of the Work. Payment shall be deemed to have been made as of the date of mailing payment.

(b) Payment may be reduced to the extent that Buyer finds items not properly payable or for overpayments.

(c) Buyer shall have the right to setoff against payments due or at issue for this or any other Orders between the parties.

(d) Unless otherwise specified, prices include all applicable federal, state, and local taxes, duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice.

13. BUYER PROPERTY

(a) Buyer may provide to SELLER property owned by Buyer or its customer. Furnished property shall only be used for the performance of this Contract.

(b) Title to furnished property shall remain with Buyer or its customer. SELLER shall clearly mark all property as Buyer's property.

(c) Except for reasonable wear and tear, SELLER shall be responsible for any loss or damage to furnished property.

(d) All supplies, tools, jigs, dies, fixtures or equipment paid for by Buyer shall be the property of Buyer.

(e) The Government Property Clause contained in the "U.S. Government Contract Provisions Supplement" shall apply for all Government-furnished property, or property to which the Government may take under this Contract.

14. INTELLECTUAL PROPERTY

(a) SELLER shall indemnify, defend and hold harmless, Buyer and Buyer's customers against any liability and loss including without limitation, defense costs and attorneys' fees, for any allegation of or suit for infringement of any U.S. or foreign patent, copyright, trademark, or other intellectual property right arising out of this Order. SELLER shall at its own expense either procure for Buyer the right to continue using the alleged infringing Work, replace it with non-infringing Work, or modify it so it becomes non-infringing.

(b) SELLER assigns and transfers to Buyer all inventions, discoveries, improvements, mask work and patents relating to the work, conceived, developed or generated in performance of this Order. Upon request, Buyer shall execute all papers and furnish all reasonable assistance to vest all right title and interest in any such inventions, discoveries, etc.

(c) All data, copyrights, reports, and works of authorship developed in the performance of this Order shall be the sole property of Buyer.

(d) All information provided by Buyer to SELLER is confidential and proprietary. SELLER shall use Buyer information only as necessary for SELLER's performance under this Order. SELLER shall not disclose Buyer information to any third party without Buyer's written permission.

(e) To the extent SELLER produces items in accordance with Buyer proprietary drawings or specifications, SELLER shall not use or sell any surplus of items produced to these drawings or specifications to a third party.

15. INDEPENDENT CONTRACTOR

SELLER's relationship to Buyer shall be that of an Independent Contractor and this Order does not create an agency, partnership, or joint venture relationship between SELLER and Buyer. SELLER assumes full and sole responsibility for the employees, agents or representatives for all matters related to compensation, benefits, insurance and other applicable withholdings or taxes.

16. INDEMNIFICATION

(a) SELLER shall indemnify, hold harmless, and at Buyer's request defend Buyer, its officers, directors, customers, agents and employees, against all claims, liabilities, damages, losses and expenses, including attorneys' fees and cost of suit arising out of or in any way connected with the products or services provided under this Order, including, without limitation: (i) the breach of any warranty contained herein; (ii) any claim based on the death or bodily injury to any person, destruction or damage to property, or contamination of the environment and any associated clean up costs; (iii) SELLER failing to satisfy the Internal Revenue Service's guidelines for an independent contractor; (iv) any claim based on the negligence, omissions or willful misconduct of SELLER or any of SELLER'S agents, subcontractors, employees or anyone acting on behalf of SELLER; and (v) any claim by a third party against Buyer alleging that the Products or Services infringe a patent, copyright, trademark, trade secret or any other proprietary right of a third party. SELLER agrees to pay or reimburse all costs that may be incurred by BUYER in enforcing this indemnity, including attorney's fees.

17. INSURANCE WHILE ON BUYER PROPERTY

(a) In the event SELLER, its employees, agents or subcontractors enter Buyer property or its customers for any reason in connection with this Order, SELLER and its subcontractors shall procure and maintain workers compensation, comprehensive general liability, bodily injury and property damage insurance in reasonable amounts, and such other insurance as Buyer may require. If requested, SELLER shall provide a Certificate of Insurance to evidence such coverage. SELLER shall name Buyer as an additional insured.

(b) SELLER's employees and subcontractors shall comply with Buyer's security, safety and related requirements while on Buyer's property. Buyer may, at its sole discretion, have SELLER remove any specified employee or subcontractor.

(b) SELLER shall defend, indemnify and hold harmless Buyer, its officers, employees, and agents from any losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys' fees, all expenses of litigation and/or settlement, and court costs, by reason of property damage or

loss or personal injury to any person caused in whole or in part by the actions or omissions of SELLER, its officer, employees, agents, suppliers or subcontractors.

18. PRECEDENCE

In the event of any inconsistencies in this Order, the following is the descending order of precedence: (1) Face of the Purchase Order and any continuation sheets; (2) these terms and conditions (3) the Statement of Work or Specification

19. RELEASE OF INFORMATION

No public release of any information related to this Order shall be made by SELLER without the prior written authorization of Buyer.

20. ASSIGNMENT

SELLER shall not assign this Order or any right or interest in the Order without a prior written authorization by Buyer. Buyer will not unreasonably withhold authorization for an assignment of any payment due or to become due to Seller. All claims by Seller for payment due or to become due from Buyer shall be subject to set-off as provided under Paragraph 12, whether such setoff arose before or after an assignment by the Seller.

21. APPLICABLE LAWS

(a) This Order shall be governed by the laws of the State of Connecticut, without regard to its conflicts of law provisions. Any Federal Acquisition Regulation (FAR), agency supplement to the FAR or requirement that is substantially based on the FAR shall be construed and interpreted according to the federal common law of government contracts.

(b) SELLER, in the performance of this Order, agrees to comply with all applicable local, state, and federal laws, orders, rules, regulations and ordinances. SELLER shall procure all licenses/permits, pay all fees, and other required charges, and shall comply with all guidelines and directives of any local, state, and/or federal governmental authority.

(c) SELLER shall be responsible for compliance with all requirements and obligations relating to its employees under all local, state, and federal laws, executive orders, rules and regulations including but not limited to, employer's obligations under laws relating to: income tax withholding and reporting; civil rights; equal employment opportunity; discrimination on the basis of age, sex, race, color, religion, disability, national origin, or veteran status; overtime; minimum wage; social security contribution and withholding; unemployment insurance; employer's liability insurance; worker's compensation; veteran's rights; and other employment, labor or benefits related laws.

(d) SELLER shall be responsible for compliance with all laws, regulations and rules related to the safety and conditions of each job site, including but not limited to the Occupational Safety and Health Act of 1970, and any amendment thereto.

(e) SELLER agrees that in connection with activities under this Order, it shall not make

or promise to make any improper payments, or provide or offer to provide anything of value, directly or indirectly, to government officials or other parties in violation of the Foreign Corrupt Practices Act or other applicable anti-bribery laws. By accepting this Order, SELLER certifies that it has not and will not make or solicit kickbacks in violation of FAR 52.203-7 or the Anti-Kickback Act of 1986.

(f) SELLER indemnifies Buyer from any costs, fines, penalties, or damages, interest, contract price or fee reductions or an assessment of unallowable costs that were attributable to SELLER's or SELLER'S agents, suppliers or subcontractors violation of applicable laws, orders, rules or regulations. SELLER shall have right to reduce the Order price and/or may demand payment of any corresponding amount. SELLER shall promptly pay amounts so demanded.

22. EXPORT CONTROL

(a) SELLER agrees to comply with all applicable U.S. export control laws and regulations, including but not limited to the Arms Export Control Act, 11 U.S.C. 2751-2794 (including the ITAR 11.C.F.R. 120 et seq) and the Export Administration Act, 50 U.S.C. app 2401-2420 (including the Export Administration Regulations, 15 C.F.R. 730-774). SELLER agrees that it will not transfer any export item, technical data, or services to foreign persons without the appropriate export license or applicable exemption.

(b) SELLER shall immediately notify Buyer if SELLER becomes listed in any Denied Parties List or if SELLER's export privileges are otherwise denied or suspended by any U.S. Government agency. Denial of export privileges of SELLER shall result in an immediate termination for default of this Order.

(c) SELLER shall be responsible for any costs, damages, liabilities and expense, including attorneys' fees, all expense of litigation and/or settlement, and court costs, arising from any act or omission of SELLER, its officers, employees, agents, suppliers, or subcontractors in the performance of any obligations under this clause.

23. SEVERABILITY

Each clause, paragraph and subparagraph of this Order is severable, and if one or more of them are declared invalid, the remaining provisions of this Order will remain in full force and effect.

24. PRIORITY RATING

If so identified, this PO is a "rated order" and SELLER shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).

25. COMMUNICATION WITH BUYER'S CUSTOMER

Buyer shall have sole responsibility for all communication with Buyer's customer as it affects the prime contract under which this Order was placed.

26. SURVIVABILITY

The following clauses remain in full force and effect after Order expiration, completion or termination:

Applicable Laws, Export Control, Independent Contractor, Warranty, Intellectual Property, Insurance While on Buyer Property, Release of Information, and any Government flowdown provisions that by their nature should survive.

27. WAIVER

Failure of either party to enforce any of the provisions of this Order or applicable law shall not constitute a waiver of the requirements of such provisions or laws.

28. GOVERNMENT FLOWDOWN REQUIREMENTS

If this order is issued against a Government Contract, the U.S. Government Contract Provisions Supplement is hereby incorporated by reference.