



## PURCHASE ORDER GENERAL TERMS AND CONDITIONS

**DEFINITIONS.** As used herein "Buyer" means Conesys, Inc., a California Corporation, for itself and its related entities and subsidiaries. The term "Purchasing Representative" means Buyer's authorized representative whose name appears on the face of this order. "Seller" means the person(s) or company to whom this Purchase Order is issued. The term "FAR" means Federal Acquisition Regulation, Title 48 CFR Chapter 1, and "DFARS" means Department of Defense Supplement to Federal Acquisition Regulations, Title 48 CFR Chapter 2.

**1. Acceptance and Agreement.** This Purchase Order contains the entire agreement between Buyer and Seller and is not subject to variation irrespective of wording of Seller's acceptance without prior written agreement by Buyer's Purchasing Representative; any additional or different terms of Seller's acceptance are hereby expressly rejected. This Purchase Order becomes a binding contract, including all terms and conditions herein and in documents specifically incorporated by reference, either upon acknowledgment in writing or commencement of performance hereof. This agreement is entered into the State of California and shall be governed by and construed in accordance with the laws of that State.

Supplier must submit statement indicating that the conflict material used in conflict mineral (Gold, Tantalum, Tungsten, and Tin) is not originated in DRC countries (Angola, Burundi, Central African Republic, Congo Republic, Rwanda, Sudan, Tanzania, Uganda, and Zambia.)

**2. Packing and Shipping.** Seller shall pack, mark and ship all goods and supplies in accordance with the requirements of this Order so as to be in compliance with transportation regulations and good commercial practice for protection and shipment, and Seller shall secure the most advantageous transportation service and rates consistent therewith. No separate or additional charge is payable by Buyer for containers, crating, and boxing or similar packing or shipping charges, unless specifically stated in this Order.

**3. Delivery.** Seller agrees that time is of the essence in the performance of this Order. Delivery shall be in strict accordance with the schedule and quantities specified in this Order. If it appears that Seller's deliveries will not meet such schedule or if Seller's deliveries fail to meet such schedule, in addition to any other rights or remedies provided to Buyer by law or under this Order. Buyer may require Seller to ship via expedited means and the cost difference between such expedited means and the means set forth in the Order shall be borne by Seller. Seller shall be liable to Buyer for any direct or consequential damages resulting from Seller's delay. Seller shall not be liable for delay in delivery due to causes beyond Seller's control and without Seller's fault or negligence, provided Seller exercises due diligence in promptly notifying Buyer in writing of the conditions which will result in delay and provided further. If Seller's delay is caused by the default of a subcontractor or supplier, such default arises out of causes beyond the control of both Seller and the subcontractor or supplier, and without the fault or negligence of either of them, and provided further that the supplies or services to be furnished by the subcontractor or supplier are not obtainable from other sources in sufficient time to permit Seller to meet the required delivery schedule. Seller shall not ship supplies to arrive at Buyer's plant earlier than two weeks in advance of the specified schedule unless authorized. Quality and OTD Performance: whenever a supplier in the list of top 20 suppliers based on lots received attains the status of Unacceptable (less than 88%) for one quarter, or Marginal (88%-93.9%) for two consecutive quarters, a P/CAR per CQP85-03 will be sent with Excel report to that supplier by the Quality Manager (or designee) referencing the ineffectiveness of their quality system. (See CQW74-03), a P/CAR per CQP85-03. MSDS data sheet must accompany each item with latest revision. At Buyer's option, any earlier deliveries may be returned to Seller at Seller's expense or payment may be deferred by Buyer until the date payment would become due according to the specified schedule. Supplier needs to deliver product that meet 100%.

**4. Invoices and Payment.** Seller, upon submission of a proper invoice, will be paid prices stated herein for supplies delivered and accepted or services rendered and accepted, less deductions, if any as herein provided. Cash discount calculation is determined by receipt date of supplies or services or of proper invoice, whichever is late. Payment will be subject to set-off of any valid claim of Buyer against Seller arising from this or any other transaction.

**5. Changes.** Buyer through its Purchasing Representative may at any time, by written notice, and without notice to sureties, make changes within the general scope of this Order in any one or more of the following: (i) Drawings, designs, processes such as brazing, plating etc. or specifications; (ii) method of packing or shipment; (iii) place of inspection, acceptance or point of delivery; (iv) quantities; (v) period of performance of work; (vi) data requirements. Should any such change cause an increase or decrease in the cost of, or the time required for performance of this Order, an equitable adjustment shall be negotiated.

For this Order, a first article may be requested from supplier and Purchase Order shall be modified accordingly. Any claim by Seller for such adjustment shall be submitted to Buyer within 15 days from Buyer's written notice of such change. Nothing contained in this clause shall relieve seller from proceeding without delay with the performance of this Order as changed.

If suppliers of part numbers with SCD or MIL designation utilizes subcontractors, they are required to notify Conesys for approval prior to changing subcontractors.

Sellers must obtain approval from buyer immediately if they plan to make changes of manufacturing facility location, process, material, design, secondary subcontractors, etc.... Changes cannot be made without written approval from buyer.

Seller has no MRB authority. Discrepancy must be submitted to buyer for authorized disposition as required.

### 6. Counterfeit Goods Prevention Program

**A.** For purposes of this clause, Goods consists of those parts delivered under this Purchase Order that are the lowest level of separately identifiable items (e.g. articles, components, product, work, materials, and assemblies). "Counterfeit Goods" means Goods that are or contain items misrepresented as having been designed and/or produced under Seller's approved system or Seller's other acceptable method, substitutes or unauthorized copies of a product, a product as defined by the manufacturers' part number identification, date code and manufacturers' identification (logo, trademark) in which the materials used or the performance of the product has changed without notice by someone other than the original manufacturer of the product, a standard component misrepresented by the supplier, products that have been re-topped (black-topped), remarked or otherwise fraudulently altered and/or misrepresented by a 3rd party. The term also includes approved Goods that have reached a design life limit or that have been damaged beyond possible repair, but are altered and misrepresented as acceptable, and/or have been used or reclaimed and misrepresented as new.

**b.** Seller shall not deliver Counterfeit, suspect-Counterfeit, or sub-standard Goods to Buyer under this Purchase Order.

**c.** Seller shall not disguise the pedigree of material or chain of ownership by removal of a previous seller's name, nomenclature, or identification.

**d.** Seller shall implement an appropriate counterfeit mitigation program acceptable to Buyer to ensure that it does not receive counterfeit goods into inventory, use them in manufacturing, or inadvertently provide them in products sold to Buyer.

**e.** If Seller becomes aware or suspects that it has furnished Counterfeit, suspect-Counterfeit or sub-standard Goods to Buyer under this Purchase Order, Seller shall notify Buyer within two (2) business days and promptly replace, at Seller's expense, such Goods with authentic, new and unused OEM or Buyer-approved parts that conform to the requirements of this Purchase Order. Notwithstanding any other provisions of this Agreement, Seller shall be liable for all costs related to the replacement of such, including without limitation Buyer's costs of removing such components, Buyer's cost of installing conforming components, and any testing or validation necessitated by the installation of conforming goods after the offending Components have been replaced. Notwithstanding any other provisions of this Agreement, any limitation of liability set forth in this Agreement shall not be applicable to this clause. The remedies contained in this article are in addition to any remedies Buyer may have at law, equity or under other provisions of this Purchase Order.

**f.** Seller shall include the substance of this article, a. through e. including this paragraph f., in lower-tier subcontracts for the delivery of goods that will be included in, or furnished as, end items to Buyer.

**7 Warranty.** Seller warrants that all articles, materials, work and services furnished hereunder will be free from defects in material and workmanship, will conform to all applicable specifications, drawings, samples and descriptions and if of Seller's design or selection, will be free from design defects and fit for the intended use. These warranties shall be effective for 12 months from Buyer's acceptance or if the articles, materials, work and services are incorporated into an end item delivered to Buyer's Customer for 12 months from the date of shipment of that end item. The foregoing shall be in addition to any standard warranty or guarantee of Seller and any warranties otherwise created by operation of



## PURCHASE ORDER GENERAL TERMS AND CONDITIONS

law. All warranties and guarantees shall run to Buyer and Buyer's customers.

**8. Indemnification and Insurance.** Seller shall be liable for the loss or damage to Buyer-furnished or Government-furnished property while such property is in Seller's possession. If Seller is to perform work or services on premises occupied or under control of Buyer, Seller agrees to indemnify and save Buyer harmless from any and all judgments, orders, awards, costs and expenses including attorney's fees on account of damage to property or bodily injury (including death) which may be sustained by Seller, Seller's employees, Buyer, Buyer's employees or third Persons. Without limiting the foregoing, Seller and its subcontractors and suppliers agree to maintain public liability and property damage insurance sufficient to cover Seller's obligations set forth above.

**9. Indemnity for Patent Infringement.** To the extent that detailed design specifications for the items hereby ordered have not originated with buyer, Seller agrees to indemnify and save harmless Buyer and its successors, assigns or customers from any expense, loss, damage, attorney's fees or liability on account of any infringement or alleged infringement of any United States or foreign patent or copyrights which may result from the sale or use of such items. Seller agrees at its own expense to defend any actions, suits, or claims in which such infringements are alleged provided that Seller is notified as to such actions, suits, or claims.

**10. Confidentiality.** Seller shall keep confidential all designs, processes, drawings, specifications and other technical or proprietary information, as well as tooling or manufacturing aids, furnished or disclosed to Seller by Buyer, and agrees further that technical information furnished by Buyer is Buyer's proprietary information unless expressly identified as the property of a third party. Unless otherwise provided herein or authorized by Buyer in writing, Seller shall use such information only in the performance of this Order.

**11. Special Buyer Tooling.** If the prices stated on the face of this order include as a separate item, any jigs, tools, dies, manufacturing aids, computer software, or other equipment to be used in filling this order, such shall become the property of Buyer and title thereto and the right of immediate possession thereof shall exclusively vest in Buyer (i) in cases where purchased outside of Seller's organization at the time they are first delivered to Seller or its agents or (ii) in cases where manufactured by Seller within its organization, at the time of acquisition of material and/or component parts which make up any of such jigs, tools, dies or other equipment. Upon completion of this Order such equipment shall be disposed of as Buyer may direct, or will be delivered with final shipment of the parts to the Buyer. As a condition of payment Seller shall furnish Buyer a certified tool list. In no event will Seller dispose of, use, or permit use by third parties without Buyer's prior written consent.

### 12. Termination/Cancellation/Stop work

**a. Termination for Convenience:** The performance of work under this Order may be terminated in whole or in part by Buyer for Buyer's convenience at any time. If Buyer elects to exercise this right, it agrees to purchase from Seller any Goods that Seller has in process to fulfill Purchase Order requirements that are within thirty (30) days of the Purchase Order delivery date. Buyer is not obligated to purchase any inventory or "safety stock" that Seller may have on hand that is not required within thirty (30) days of the Purchase Order delivery due date. Seller will be entitled to no other payments or remedies for this early termination and the parties obligations hereunder will cease unless otherwise provided for herein.

**b. Termination for Default:** Buyer may, by written notice of default to Seller, terminate this contract in whole or in part if Seller (i) fails to deliver supplies or perform services within the time specified, (ii) fails to make progress so as to endanger performance of this Order and fails, within ten (10) days after receipt of written notice of such failure to make progress, to cure that failure or otherwise to provide adequate assurance of performance, or (iii) fails to perform any other provision of this contract, if the contract is terminated only in part. Seller shall proceed diligently with the performance of the un-terminated portion. If Buyer terminates this contract in whole or in part for Seller's default, Buyer may acquire, under terms that Buyer considers appropriate, supplies or services similar to those terminated and Seller shall be liable to Buyer for excess costs for those supplies or services as well as any incidental or consequential damages. In the event of such termination, Buyer may, at its option, also require Seller to transfer title and deliver to Buyer any completed supplies, partially completed supplies and materials, parts, tools, dies, jigs, fixtures and the like that Seller has specifically produced or acquired for the terminated portion of this Order. Subject to Buyer's right of setoff of excess re-procurement costs or other damages. Buyer shall pay to Seller the contract price for completed supplies delivered and accepted, and Buyer and Seller shall agree on an amount of payment for partially completed supplies, materials and the like delivered to Buyer at Buyer's specific direction. The rights and remedies of Buyer as specified in this

clause are in addition to any other rights and remedies provided by law or under this contract. In the event that it is determined that Seller was not in default, or that any default was excusable, the rights and obligations of Buyer and Seller shall be those provided in subparagraph "a." above, Termination for Convenience.

**13. Assignment and Subcontracting.** Seller may not assign this Order or any portion thereof without the written consent of Buyer. Seller agrees to obtain Buyer's written approval before subcontracting this Order or any substantial portion thereof. Buyer's approval of any such subcontractor shall not relieve Seller from any obligation imposed by this Order. Supplier to flow down to their sub-tier Suppliers the applicable requirements in the purchasing documents, including key characteristics where required.

**14. Compliance with Laws and Regulations.** Seller warrants that Seller's performance of this Order will comply with all applicable federal, state and local laws and regulations.

**15. Taxes.** Unless otherwise specified on the face of this Order, the prices stated include all applicable state, federal and local taxes.

**16. Gifts and Gratuities to Buyer's Personnel: Anti-Kickback Covenants.** Seller is on notice that it is Buyer's policy that buyer's personnel owe complete loyalty to Buyer and are forbidden to accept money or things of value from any supplier of goods or services to Buyer, Seller, for itself and its principal owners, stockholders and officers accordingly warrants and covenants that no employees of Buyer has any financial interest in Seller (except such as has been disclosed in writing to Buyer's Chief Financial Officer) and that Seller has not and will not directly or indirectly give anything of value to any employee of Buyer. The only exception to the foregoing shall be promotional and commemorative items having a value of less than \$25.00. Breach of the foregoing warranty and covenant shall entitle Buyer in addition to any other rights and remedies, immediately terminate for default any and all Orders to Seller outstanding at the time that Buyer learns of any such breach, regardless when such breach may have occurred. Further, Seller is hereby on notice that if a Government contract number of the word "military" appears on the face of this Order, this Order is subject to the terms of the Anti-Kickback Act of 1986 (41 U.S.C. 51-58) and implementing regulations and prime contract clauses, including FAR 52.203-7. Seller agrees that it shall report promptly to Buyer's President or Vice President any solicitation or request for a kickback as defined therein. Seller's breach of the prohibitions of the Anti-Kickback Act and regulations or of the foregoing obligation to report shall be considered a material breach of this contract and of any and all contracts between Buyer and Seller.

**17. Disputes.** If Buyer's prime contract contains a "Disputes" article or procedure, any claim, demand or request for adjustment by Seller which originally derives or results in any way from any act or omission of Buyer's prime contract customer that is not disposed of by agreement, may, at Buyer's election, be submitted for resolution pursuant to such prime contract "Disputes" article. If Seller is the principal party-in-interest in connection with any such claim or demand, Buyer may authorize Seller to proceed under such Disputes provision in Buyer's name, if such authorization is provided. Seller shall have full responsibility for such proceedings and shall bear all expenses, including attorney's fees in connection therewith, provided however that such authorization shall not constitute Seller the agent or attorney of Buyer. Any other dispute or controversy arising out of this Purchase Order shall be subject to resolution only in a court of competent jurisdiction in Los Angeles County, California, unless Buyer in its sole discretion elects otherwise.

**18. Federal Government Contract Provisions.** If the face of this Order includes identification of a prime contract with the United States, or reflects the "military," the following provisions of FAR and DFARS as in effect on the effective date of Buyer's prime contract are incorporated by reference, except as specifically indicated to the contrary below, as used in the following provisions for the purposes of this Order, the term "contract" means this Order, the term "contractor" means Seller and the terms "Government" and "Contracting Officer" mean Buyer:

### FAR SECTION Title and Applicable Limitations

52.203-6 Restrictions on Subcontractor Sales to the Government

52.203-7 Anti-Kickback Procedures

52.203-11 Certification and Disclosure Regarding Payments to influence certain federal transactions (applies when order exceeds \$100,000).

52.203-12 Limitation on Payments to Influence Certain Federal Transactions.

52.204-2 Security Requirements

52.209-6 protecting the Government's Interest When subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (applies if order exceeds \$25,000)

52.214-26 Audit and Records - Sealed Bidding (applicable to Purchase Orders exceeding \$10,000)



## PURCHASE ORDER GENERAL TERMS AND CONDITIONS

52.214-28 Subcontractor Cost or Pricing Data - Modifications - Sealed Bidding (applicable if this Purchase order exceeds \$100,000)  
52.215-1 Instructions to Offerors – Competitive Acquisition Examination of Records by Comptroller General (applicable if this Purchase Order exceeds \$10,000)  
52.215-2 Audit - Negotiation (applicable to Purchase Orders over \$10,000)  
52.222-1 Notice to the Government of Labor Disputes  
52.222-4 Contract Work Hours and Safety Standards Act - Overtime Compensation  
52.222-20 Walsh-Healy Public Contracts Act  
52.222-21 Prohibition of Segregated Facilities  
52.222-22 Previous Contacts and Compliance  
52.222-25 Affirmative Action Compliance  
52.222-26 Equal Opportunity  
52.222-35 Equal Opportunity (applicable if this Purchase Order exceeds \$10,000)  
52.222-36 Affirmative Action to Handicapped Workers (applicable if this Order exceeds \$2,500)  
52.222-37 Employment Reports on Veterans (applies if Order exceeds \$10,000)  
52.222-50 Combating Trafficking in Persons  
52.223-2 Affirmative Procurement of Biobased Products under Service and Construction Contracts  
52.223-3 Hazardous Material Identification and Material Safety Data  
52.225-3 Buy American Act – Free Trade Agreements - Supplies  
52.225-9 Buy American Act – Construction Materials  
52.225-10 Notice of Buy American Act Requirement  
52.225-11 Buy American Act – Construction Materials under Trade Agreements  
52.227-1 Authorization and Consent (in which “Government” and “Contracting Officer” remain unchanged)  
52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement (applies to Purchase Orders over \$25,000)  
52.227-10 Filing of Patent Applications - Classified Subject Matter  
52.229-3 Federal, State and Local Taxes  
52.230-3 Disclosure and Consistency of Cost Accounting Practices  
52.230-4 Disclosure and Consistency of Cost Accounting Practices – Foreign Concerns  
52.230-5 Cost Accounting Standards – Educational Institution  
52.246-18 Warranty of Supplies of a Complex Nature Responsibility for Supplies  
52.246-23 Limitation of Liability (up which the term “Government” remains unchanged)  
52.248-1 Value Engineering (applies to Purchase Orders over \$1,000)  
**DFARS Section Title and Applicable Limitations**  
252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies (applies to Orders over \$25,000)  
252.204-7005 Representation Relating to Compensation of Former DOD Officials (applies to subcontracts over \$100,000)  
252.208-7000 Intent to Furnish Precious Metals as Government of a Terrorist Country  
252.222-7007- Representation Regarding Combating Trafficking in Persons  
252.225-7011 Restriction on Acquisition of Supercomputers  
252.227-7013 Right in Technical Data – Noncommercial Items  
252.227-7018 Right in Noncommercial Technical Data and Computer Software – Small Business Innovation Research (SBIR) Program  
252.227-7030 Technical Data - Withholding of Payment  
252.227-7037 Validation of Restrictive Markings on Technical Data

**19. Additional DFARS Provisions Regarding International Sourcing**  
The following clauses apply to all Purchase Orders:  
252.225-7007 Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies  
252.225-7009 Restriction on Acquisition of Certain Articles Containing Specialty Metals.  
252.204-7008 Restriction for Contracts Involving Export-Controlled Items.  
252.225-7001 Buy American and Balance of Payments Program  
252.225-7006 Quarterly Reporting of Actual Contract Performance outside the United States.  
252.225-7013 Duty Free Entry  
252.225-7016 Restriction on Acquisition of Ball and Roller Bearings  
252.225-7021 Trade Agreements  
252.225-7033 Waiver of United Kingdom Levies

**20 Cost or Pricing Data Indemnity.** If Seller submitted cost or pricing data (as defined at FAR 15 801) as part of the process leading up to the award of this Order, or if Seller submits such data in connection with the pricing of any change order or other modification of this Order, Seller acknowledges that it is aware of Buyer's potential liability to the government in the event that any of Seller's data were not current, complete or accurate, Seller warrants that all cost or pricing data submitted by it (including data obtained from Seller's subcontractors, if any) in connection with this Order shall be complete, accurate and current

as of the time of agreement between Buyer and Seller to the price of this Order. Seller shall indemnify and save harmless Buyer from any and all loss, expenses or attorney fees caused by any breach of the foregoing warranty, including but not limited to any and all costs and fees incurred by Buyer in defending against claims alleging deficiencies in Seller's cost or pricing data, regardless whether such claims may be held lacking in merit.

**21 Judicial Relief.** Seller acknowledges and agrees that failure to deliver goods or services that conform to requirements of this order in a timely manner will seriously affect Buyer's production schedules and costs and result in damage to Buyer, and that the amount of such damages is difficult if not impossible to calculate, either in monetary or schedule terms. Therefore, in the event that Seller fails to perform its obligations under this order, or fails to make progress so as to endanger performance of this order in accordance with its terms. Seller agrees to deliver any supplies or manufacturing materials pertaining to this Order within 48 hours of Buyer's written demand therefore, Seller hereby agrees and consents to issuance of a writ of possession or other form of court order including an injunction which compels delivery of supplies or material to Buyer, if Buyer in its sole discretion shall apply to a court of competent jurisdiction therefore. Seller agrees that the writ or other court order may issue solely on the basis of this clause and recitation of the facts of Seller's failure to deliver within 48 hours of Buyer's delivery demand. Seller's delivery of supplies and manufacturing materials in response to Buyer's demand, or as a result of court order, shall not affect Seller's right to payment for those supplies and materials under the invoices and Payment clause of this Order. Buyer shall be entitled to recover its costs and attorney's fees incident to obtaining the writ or other court order provided for herein.

**22. Records.** Seller agrees that applicable records (records that are involved in the order) created by and/or retained by Seller shall be controlled. Records shall be legible, readily identifiable and retrievable and maintained for a minimum of ten (10) years.

**23. Conflict Minerals Compliance.** In accordance with applicable “Conflict Minerals” laws (Dodd-Frank Wall Street Reform and Consumer Protection Act), Buyer must determine whether its products contain tin, tantalum, tungsten or gold (“3TG”) originating in the Democratic Republic of the Congo and adjoining countries (“Conflict Minerals”). To the extent Seller supplies direct materials containing 3TG to Buyer under this purchaser order, Seller commits to have a supply chain process to ensure and document a reasonable inquiry into the country of origin of the 3TG minerals incorporated into products Seller supplies to Buyer. If requested, Seller will promptly provide information or representations that Buyer reasonably believes are required to meet its conflict minerals compliance obligations.

### CODE OF CONDUCT

Conesys conducts all its business practices with integrity and in full compliance of the laws and regulations that govern our global operations. We expect all of our suppliers and vendors to share in the principles established in this Code of Conduct and to drive these standards throughout the entire supply chain.

Ethical requirements include:

#### Business Integrity

Suppliers to Conesys are expected not to practice or tolerate any form of corruption, extortion or embezzlement.

#### Bribery

Conesys prohibits bribery (or attempts to bribe) or any other unlawful incentives within its operations or in contact with its business partners.

#### Fair Competition

Suppliers will conduct their business in line with fair competition and in accordance with all applicable anti-trust laws

#### Human Trafficking

Conesys will not tolerate and will not condone the use of slavery, forced, involuntary or coerced labor, child labor, human trafficking or sex trafficking in the operation or support of our business or the manufacture and distribution of our products.

This contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.