

1. PURCHASE ORDER ACCEPTANCE

This purchase agreement (hereinafter "Agreement") between Seller and Cicon Engineering ("Buyer"), which incorporates by reference these terms and conditions, is Buyer's offer to purchase the goods and/or services (collectively, the "goods") described in this offer. Acceptance is strictly limited to the terms and conditions in this offer. Buyer will not be bound to any prices or delivery which has not specifically been agreed to in writing. Any terms or conditions proposed by Seller inconsistent with or in addition to the terms and conditions herein contained shall be void and of no effect unless specifically agreed to by the Buyer in writing. These General Terms and Conditions of Purchase, together with any and all referenced exhibits, attachments, documents, and any other noted requirements listed herein or on the Purchase Order, constitute the entire agreement between the parties with respect to the subject matter of the Purchase Order, and supersede any prior or contemporaneous written or oral agreements pertaining thereto. Seller's commencement of performance or acceptance of this offer in any manner shall conclusively evidence acceptance of this offer as written, including all terms, conditions, and clauses on the Purchase Orders.

2. CHANGES

- (a) Buyer has the right by written notice to suspend work, stop work or make changes, from time to time, to the Purchase Order, including quantity, delivery, packaging or shipment methods, drawings, SOW (technical data), place of delivery, etc. If such changes cause an increase or decrease in the cost of performance of this Purchase Order or in the delivery, an equitable adjustment shall be negotiated promptly and the Purchase Order shall be modified in writing. Any claim by the Seller for adjustment under this section must be sent in writing within 30 days of the date the Buyer notified Seller of the change or suspension. Seller shall follow up with specification of the amount claimed and supporting figures as soon as practicable.
- (b) Information, advice, approvals or instructions given by Buyer's technical personnel or other representatives shall be deemed opinion only and shall not affect Buyer's or Seller's rights and obligations hereunder unless set forth in writing, signed by Buyer, and stating that it constitutes an amendment or change to this Purchase Order.

3. RELEASE OF INFORMATION

Seller shall not, and shall require that its subcontractors at any tier shall not, distribute, publish or release any of the Buyer's information, or confirmation or denial of the same with respect to this Purchase Order without the prior written consent of Buyer.

4. WARRANTY

- (a) Seller warrants that all goods and/or services delivered under the Purchase Order, unless specifically stated otherwise, shall be **(i)** new, **(ii)** free of defects in workmanship, materials, and design, and **(iii)** be in accordance with all the requirements of this Purchase Order. Seller further warrants that the performance of work and services shall conform with the requirements of this Purchase Order and to high professional standards. All warranties in this Purchase Order shall survive inspection, test, final acceptance and payment of goods and services.
- (b) Seller warrants that all goods delivered pursuant to this Purchase Order **(i)** be and only contain materials obtained directly from the Original Component Manufacturer (OCM) or the Original Equipment Manufacturer (OEM), (collectively, the Original Manufacturer (OM) or an authorized OM reseller/distributor); **(ii)** not be or contain Counterfeit items, as defined below; and **(iii)** contain only authentic, unaltered OM labels and other markings. Seller shall obtain and retain all documentation required to fully trace the distribution and sale of the goods delivered hereunder back to the relevant OM, and, on request of the Buyer shall provide such authenticating documentation. **Counterfeit items include**, but are not limited to, goods or separately-identifiable items or components of goods that: **(i)** are an illegal or unauthorized copy or substitute of an OM item; **(ii)** are not traceable to an OM sufficient to ensure authenticity in OM design and manufacture; **(iii)** do not contain proper external or internal materials or components required by the OM or are not constructed in accordance with OM design; **(iv)** have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OM design but not disclosed as such or are represented as OM authentic or new; **(v)** have not successfully passed all OM required testing, verification, screening, and quality control processes; or **(vi)** an item with altered or disguised documentation, package labeling, or markings intended to mislead a person into believing that a non-OM item is genuine (OCM or OEM), or that an item is of better or different performance when it is not. Seller further warrants that it has and shall have internal counterfeit item control process for goods delivered hereunder in accordance with the standards or instructions set forth in any Buyer's Purchase Order Attachment Clauses (Form 7.4_7), or other provisions incorporated into this Purchase Order. Buyer shall have the right to audit, inspect, and/or approve the processes at any time before or after delivery of the goods ordered hereunder. Buyer shall have the right to require changes to the processes to conform to the Buyer's defined standards, if any. Failure by the Seller to conform its processes to Buyer's defined Standards may result in termination of the Purchase Order (without liability to Buyer) in accordance with the termination provisions set forth herein.

- Seller shall include the substance of this Section 4 (b) in any agreement between Seller and its lower tier suppliers.
- (c) Seller further warrants that the performance of work and services shall conform with the requirements of this Purchase Order and to high professional standards. All warranties in this Purchase Order shall survive inspection, test, final acceptance and payment of goods and services.
 - (d) Seller warrants that any hardware, software and firmware goods delivered under this Purchase Order: (i) shall not contain any viruses, malicious code, Trojan horse, worm, time bomb, self-help code, back door, or other software code or routine designed to: (a) damage, destroy or alter any software or hardware; (b) reveal, damage, destroy, or alter any data; (c) disable any computer program automatically; or (d) permit unauthorized access to any software or hardware; (ii) shall not contain any third party software (including software that may be considered free software or open source software) that (a) may require any software to be published, accessed or otherwise made available without the consent of Buyer, or (b) may require distribution, copying or modification of any software free of charge; and (iii) shall not infringe any patent, copyright, trademark, or other proprietary right of any third party or misappropriate any trade secret of any third party.
 - (e) This warranty entitlement shall inure to the benefit of both the Buyer and the Buyer's customers. Buyer's customer(s) shall include direct and indirect customers such as direct sale end-users, higher tier subcontractors, prime contractors and the ultimate user under relevant prime contract(s).
 - (f) Seller shall be liable for and save and hold Buyer harmless for any loss, damage, or expense whatsoever that Buyer may suffer from breach of any of warranties. Remedies shall be at Buyer's election, including, but not limited to the prompt repair, replacement or reimbursement of purchase price of nonconforming goods and in the case of services, either prompt correction of the defective services at no cost to Buyer or reimbursement of the amounts paid for such services. Return of defective or nonconforming goods to Seller and re-delivery to Buyer of repaired or replaced goods shall be made at Seller's expense. Goods or services required to be corrected, repaired or replaced shall be subject to this Section and the Inspection Section of the Purchase Order and this Agreement in the same manner and to the same extent as goods or services originally delivered under this Purchase Order, but only as to the repaired or replaced goods, or parts thereof, or the corrected service thereof. Seller shall promptly comply with Buyer's direction to (i) repair, rework or replace the goods, (ii) furnish any material or parts and installation required to successfully correct the defect or nonconformance, or (iii) successfully correct the defective or nonconforming service.
 - (g) Potential Federal penalties associated with fraud and falsification of counterfeit and potentially counterfeit items will be borne by the Seller exclusively.
 - (e) A GIDEP alert relating to a good provided by Seller may be considered a defective good subject to the above warranty which Seller shall reimburse Buyer for all costs whatsoever made necessary in any way relating to the removal, renewal, or replacement of items by the buyer, third-parties, Buyer's customers, or agents of the Buyer.
 - (f) If suspect or confirmed fraudulent/counterfeit parts are furnished under this purchase agreement, such items shall be impounded. Seller shall promptly replace such items with items acceptable to the Buyer. Seller shall be liable for all costs relating to impoundment, removal, and replacement at any time after delivery. Buyer may turn such items over to the authority having jurisdiction for investigation and reserves the right to withhold payment for the items pending the results of the investigation.

5. INFRINGEMENT

Seller warrants that all goods or services provided by Seller pursuant to the General Terms and Conditions of Purchase and the Purchase Order, which are not Buyer's design, shall be free from claims of infringement (including misappropriation and misuse) of third party intellectual property rights and that any use or sale of such items by Buyer or any of Buyer's customers shall be free from any infringement claims. Seller shall indemnify, save, and hold harmless Buyer and its customers harmless from any and all expenses, liability, and loss of any kind (including all costs and expenses including attorney's fees) arising out of claims, suits, or actions alleging such infringement, which claims, suits, or actions Seller hereby agrees to defend, at Seller's expense, if requested to do so by Buyer.

6. ASSIGNMENT, CHANGES TO THE ORGANIZATION, PROCESSES AND SUBCONTRACTING

- (a) Seller may not assign any rights or delegate any of its obligations due under or to become due under the General Terms and Conditions of Purchase and subsequent Purchase Orders, or subcontract any of its obligations under this Purchase Order, without the prior written consent of Buyer. Any purported assignment, delegation, or subcontracting by Seller without such written consent will be void. No assignment, delegation or subcontracting by Seller, with or without Buyer's consent shall relieve Seller of any of its obligations under this Purchase Order or prejudice any of Buyer's rights against Seller whether arising before or after the date of any assignment. This article does not limit Seller's ability to purchase standard commercial suppliers or raw materials.

- (b) Seller shall notify Buyer of changes in product and/or process, of suppliers, of equipment, in manufacturing facility location, ownership and obtain Cicon's approval or re-approval.
- (c) When required, Seller shall obtain approval and flow down to its supply chain the applicable requirements, including Buyer and Buyer's customer requirements. Seller shall only subcontract to Buyer's customer-designated or approved external providers, including process sources (e.g., special processes).

7. EXPORT CONTROL

- (a) Seller agrees to comply with all applicable U.S. export control laws and regulations, specifically including but not limited to the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2794, the International Traffic in Arms Regulations (ITAR), 22 C.F.R. 120 et seq., and the Export Administration Regulations (EAR), 15 C.F.R. 730-774; including the requirement for obtaining any export license or agreement, if applicable. Without limiting the foregoing, Seller agrees that it will not transfer any export controlled item, data, or services, to include transfer to foreign persons employed by or associated with, or under Contract to Seller or Seller's lower-tier suppliers, without the authority of an export license, agreement, or applicable exemption or exception.
- (b) Information furnished to Seller under this Purchase Order may contain Technical data as defined in ITAR at 22 C.F.R. 120-130. Seller is advised and hereby acknowledges that no technical data, information, or other items provided by Buyer for the purpose of this Purchase Order will be provided, disclosed or transferred to any foreign person, government or entity, as defined in the ITAR (22 C.F.R. 120 -130). Seller shall control the disclosure of and access to technical data, information and other items received under this Purchase Order in accordance with U.S. Export control laws and regulations, including but not limited to ITAR. Seller shall indemnify and hold Buyer harmless from and against any and all claims, liabilities, violations and expenses resulting from Seller's failure to comply with the export laws and regulations of the United States.
- (c) Seller agrees to notify Buyer if any deliverable under this Purchase Order is restricted by export control laws or regulations, particularly if those items are controlled by the ITAR. Seller shall inform Buyer of each part number which is controlled in writing upon delivery. Supplier shall inform Buyer in writing if Seller becomes listed on any Excluded or Denied Party List of an agency of the U.S. Government, or if Seller's export privileges are denied, suspended or revoked.
- (d) Seller shall be responsible for all losses, costs, claims, causes of actions, damages, liabilities and expense, including attorney's fees, all expenses of litigation and/or settlement, and court costs, arising from any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under this clause.
- (e) Buyer may be required to obtain information concerning citizenship or export status of Seller's personnel. Seller agrees to provide such information as necessary and certify the information to be true and correct.

8. COMPLIANCE WITH LAW

- (a) Seller warrants that the goods or services furnished and the services to be rendered under this General Terms and Conditions of Purchase and any subsequent Purchase Order shall be manufactured, sold, used and rendered in compliance with all relevant Federal, State, local law, orders, rules, ordinances and regulations, including but not limited to the Foreign Corrupt Practices Act, §15 U.S.C. 78 et seq. (the "FCPA") and all laws and regulations of Seller's place of performance, and in compliance with applicable international prohibitions on child labor. Seller certifies that with respect to productions of the articles and/or performance of the services under the Purchase Order, it has fully complied with Sections 6, 7, 12 and 15 of the Fair Labor Standards Act of 1938 ("FLSA"), as amended, and of regulations and orders of the United States Department of Labor under Section 14 thereof if applicable.
- (b) Seller warrants that all goods and services delivered under the Purchase Order are in conformance with the latest OSHA requirements.
- (c) Seller warrants that in performance of this Purchase Order, it will comply with all applicable U.S. Department of Transportation regulations on hazardous materials and any other pertinent Federal, State, or local statutes, laws, rules, and regulations; and Seller further agrees to save and hold Buyer harmless from any loss, damage, fine, penalty, or expense whatsoever that Buyer may suffer as a result of Seller's failure to comply. The foregoing is in addition to and not in mitigation of any other requirements of this Purchase Order.
- (d) Seller shall provide with each delivery any Material Safety Data Sheets applicable to the work in conformance with and containing such information as required by the Occupational Safety and Health Act of 1970 and regulations promulgated there under, or its State approved counterpart.
- (e) Seller warrants that is has complied with the Anti-Kickback Act of 1986 and has not offered or given and will not offer or give to any employee, agent, or representative of Buyer any gratuity or any kickback within the meaning of the Anti-Kickback Act of 1986. Any breach of this warranty shall be a material breach of each and every contract between the Buyer and Seller.

- (f) For Purchase Orders placed in support of and charged to a U.S. Government Prime Contract, or subcontract there under procuring an item meeting the Federal Acquisition Regulation (FAR) definition of a commercial item, the following clauses set forth in the FAR or the Defense Federal Acquisition Regulation Supplement (DFARS) in effect as of the date of said prime contract are incorporated herein by reference. In all clauses listed, the terms "Government" and "Contractor" shall be revised to identify properly the contracting parties under this Purchase Order. In DFARS 252.215-7003, the term "Offeror" shall mean and refer to Seller. The Seller shall include the terms of this Section, including this Section 8(f) in all Purchase orders or subcontracts awarded under this Purchase Order.
- 52.203-7** "Anti-Kickback Procedures" (Excepting paragraph (c)(1))(Applicable to Purchase Orders that exceed \$150,000.)
- 52.203-13** "Contractor Code of Business Ethics and Conduct"
- 52.203-15** "Whistleblower Protections under the American Recovery and Reinvestment Act of 2009"
- 52.219-8** "Utilization of Small Business Concerns"
- 52.222-26** "Equal Opportunity"
- 52.222-35** "Equal Opportunity for Veterans"
- 52.222-36** "Affirmative Action for Workers with Disabilities"
- 52.222-40** "Notification of Employee Rights under the National Labor Relations Act" (Applicable to Purchase Orders that exceed \$10,000 and are issued under prime contracts)
- 52.222-50 Alt 1** "Combating Trafficking in Persons" (Include Alternate 1 if it is in the prime contract)
- 52.222-54** "Employment Eligibility Verification" (This clause is applicable to Purchase Orders (i) for construction or commercial or noncommercial services (except commercial services that are part of a Purchase of a COTS item, or an item that would be a COTS item, but for minor modifications, performed by the COTS provider, and that are normally provided for that COTS item); (ii) has a value more than \$3,000; and (iii) includes work performed in the United States)
- 52.225-1** "Buy American-Supplies"
- 52.225-13** "Restriction on Certain Foreign Purchases"
- 52.225-26** "Equal Opportunity"
- 52-232-40** "Notification of Employee Rights Under the National Labor Relations"
- 52.244-6** "Subcontracts for Commercial Items"
- 52.247-64** "Preference for Privately Owned U.S. Flag Commercial Vessels"
- 252.204-7008** "Requirements for Contracts Involving Export-Controlled Items"
- 252.204-7019** "Notice of NIST SP 800-171 DoD Assessment Requirements"
- 252.204-7020** "NIST SP 800-171 DoD Assessment Requirements"
- 252.204-7021** "Contractor Compliance with the Cybersecurity Maturity Model Certification Level Requirement"
- 252.223-7008** "Prohibition of Hexavalent chromium"
- 252.225-7008** "Restriction on Acquisition of Specialty Metals" (Applicable to Purchase orders for the delivery of specialty metals)
- 252-225-7009** "Restriction on Acquisition of Certain Articles Containing Specialty Metals"
- 252-225-7010** "Commercial Derivative Military Article – Specialty Metals Compliance Certificate"
- 252-225-7014 & Alt 1** "Preference for Domestic Specialty Metals and Alternate 1)"
- 252.227-7013** "Rights in Technical Data Noncommercial Items" (Applicable whenever any technical data for commercial items developed in part at Government expense will be provided for delivery to the Government under this Purchase Order).
- 252.227-7015** "Technical Data – Commercial Items" (applicable whenever any technical data related to commercial items developed in any part at private expense will be provided under this Purchase Orders for delivery to the U.S. Government)
- 252.227-7037** "Validation of Restrictive Markings on Technical Data"(Applicable whenever technical data is to be delivered under this Purchase Order)
- 252.244-7000** "Subcontracts for Commercial Items and Commercial Components"
- 252.246-7003** "Notification of Potential Safety Issues"
- 252.246-7007** "Contractor Counterfeit Electronic Part Detection and Avoidance System" (electronic parts only)
- 252.246-7008** "Sources of Electronic Parts" (electronic parts only)
- 252.247-7023** "Transportation of Supplier by Sea "
- 252.247-7024** "Notification of Transportation of Supplies by Sea (DOD Contracts)
- (g) Seller shall obtain and maintain all registrations, licenses and permits required to perform work hereunder, and shall provide to Buyer upon request.

9. TERMINATION FOR CONVENIENCE

- (a) Buyer may, by notice in writing, terminate this Purchase Order or work under this Purchase Order for convenience and without cause, in whole or in part, at any time, and such termination shall not constitute default. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under this Purchase Order.
- (b) In the event of termination for convenience by Buyer, Seller shall be reimbursed for actual, reasonable, substantiated and allowable costs, plus a reasonable profit for work performed up to the date of termination. Buyer may take immediate possession of all work performed upon written notice of termination.
- (c) Seller's obligations, including but not limited to obligations under the warranty, proprietary rights, infringement, and indemnity against claims provisions of this Purchase Order, shall survive any such termination.

10. TERMINATION FOR DEFAULT

- (a) Buyer may, by notice in writing, terminate this Purchase Order or work under this Purchase Order in whole or in part at any time for breach of any one or more of its terms, for failure to make progress so as to endanger performance of this Purchase Order, or failure to provide adequate assurance of future performance.
- (b) In the event of Seller's default hereunder, the Buyer may exercise any or all rights accruing to it, both at law, including without limitation, those set forth in Article 2 of the Uniform Commercial Code, or in equity.
- (c) Seller's obligations, including but not limited to obligations under the warranty, proprietary rights, infringement, and indemnity against claims provisions of this Purchase Order, shall survive such termination.

11. FORCE MAJEURE

Except for defaults of Seller's subcontractors at any tier, neither Buyer nor Seller shall be liable for any failure to perform due to any cause beyond their reasonable control and without their fault or negligence. Such causes include, but are not limited to, acts of God or of the public enemy, acts of the Government in its sovereign or contractual capacity, fires, floods, epidemics, terrorism, hacking/cyber-terrorism, quarantine restrictions, strikes, freight embargoes, or unusually severe weather. In the event that performance of this Purchase Order is hindered, delayed or adversely affected by causes of the type described above ("Force Majeure"), then the party whose performance is so affected shall so notify the other party's authorized representative in writing, and, at Buyer's option, the Purchase Order shall be completed with such adjustments as are reasonably required by the existence of Force Majeure or the Purchase Order may be terminated for convenience.

12. SUSPENSION OF WORK

- (a) Buyer may, by written order, suspend all or part of the work to be performed under this Purchase Order for a period of not to exceed 100 days. Within such period of any suspension of work, Buyer shall (i) cancel the suspension of work order; (ii) terminate the Purchase Order in accordance with the "Termination for Convenience" in **Section 9**; (iii) cancel the Purchase Order in accordance with "Termination for Default" in **Section 10**; or (iv) extend the stop work period.
- (b) Seller shall resume work whenever a suspension is canceled. Buyer and Seller shall negotiate equitable adjustment in the price or schedule, or both, if: (i) the Purchase Order is not canceled/terminated; (ii) the suspension results in a change in Seller's cost of performance or ability to meet the Purchase Order delivery schedule; and (iii) Seller submits a claim for adjustment within twenty (20) days after the suspension is canceled/terminated.

13. PROPRIETARY RIGHTS

- (a) Unless otherwise expressly agreed to in writing to the contrary, all specifications, information, data, drawings, software and other items supplied to Buyer by Seller shall be disclosed to Buyer on a non-proprietary basis and may be used and/or disclosed by Buyer without restriction, unless (i) otherwise required by the U.S. Government Regulations referred to below, or (ii) the Buyer has executed a separate agreement restricting the use and disclosure of such information, data, software and alike.
- (b) Unless otherwise expressly agreed to in writing to the contrary and subject to **Section 13(d)** below, all specifications, information, data, drawings, software and other items which are (i) supplied to Seller by Buyer or (ii) obtained or developed by Seller in the performance of the Purchase Order or paid for by Buyer shall be proprietary to Buyer or Buyer's client, shall be used only for purposes of providing goods or services to Buyer pursuant to this Purchase Order, and shall not be disclosed to any third party or used for Seller's purposes without Buyer's express written consent. All such items supplied by Buyer or obtained by Seller in performance of this Purchase Order or paid for by Buyer shall be promptly provided to Buyer on request or upon completion of this Purchase Order.
- (c) Unless otherwise expressly agreed in writing to the contrary and subjection to **Section 13(d)** below, any invention or intellectual property first made or conceived by Seller in the performance of this Purchase Order or which is derived from or based on the use of information supplied by Buyer shall be considered to be the property of Buyer; and Seller shall execute such documents necessary to perfect Buyer's title thereto. Unless otherwise expressly agreed in writing to the contrary and subject to **Section 13(d)** below, any work performed pursuant to this Purchase Order

which includes any copyright interest shall be considered "work made for hire".

- (d) Applicable U.S. Government Procurement Regulations incorporated into the Purchase Order shall, when applicable, take precedence over any conflicting provision of this **Section 13** to the extent that such Regulations so require. The incorporation by reference of such U.S. Government Regulations dealing with subcontractors rights in Technical Data, subject inventions, copyrights, software and similar intellectual property are not intended to, and shall not, unless otherwise required by applicable law, obviate or modify any greater rights which Seller may have previously granted to Buyer pursuant to prior agreements between the parties.

14. REMEDIES

- (a) Except as otherwise provided herein, the rights and remedies of both parties hereunder shall be in addition to their rights and remedies at law or in equity. Failure of either party to enforce any of its right shall not constitute a waiver of such rights or of any other rights and shall not be construed as a waiver or relinquishment of any such provisions, rights or remedies.
- (b) Buyer shall be entitled at all times to set off any amount owing at any time from Seller or any of its affiliated companies to Buyer, against any amount payable at any time by Buyer to Seller.

15. DELIVERY: NOTICE OF DELAY; OBSOLESCENCE

- (a) Time is of the essence. Failure to deliver in accordance with the delivery schedule under the Purchase Order, if unexcused, shall be considered a material breach of the Purchase Order. No acts of Buyer, including and without limitation modifications of the Purchase Order or acceptance of late deliveries, shall constitute waiver of this provision. Buyer also reserves the right to refuse or return at Seller's risk and expense, shipments made in excess of Buyer's orders or in advance of required schedules, or to defer payment on advance deliveries until scheduled delivery dates.
- (b) Seller shall notify Buyer in writing immediately of any actual or potential delay of the performance of the Purchase Order. Such notice shall include a proposed revised schedule but such notice and proposal or Buyer's receipt or acceptance thereof shall not constitute a waiver to Buyer's rights and remedies hereunder.
- (c) During performance of the Purchase Order, Seller shall notify Buyer of any planned obsolescence of the good(s) set out in the Purchase Order.

16. DISPUTES AND GOVERNING LAW

- (a) Any controversy or claim that may arise out of or in connection with the Purchase Order that cannot be resolved after good faith negotiations will be submitted to a court of competent jurisdiction within the State of California.
- (b) Pending resolution or settlement of any disputes arising under or from the Purchase Order, Seller will diligently proceed with the performance of this Purchase Order as directed by Buyer.
- (c) Irrespective of the place of performance, any Purchase Order will be construed and interpreted according to the laws of the State of California, without resort to California's Conflict of Laws provisions. This contract excludes the application of the 1980 United Nations Convention on Contracts for the International Sale of Goods.

17. PRIORITY RATING

If so identified, the Purchase Order is a "rated order" certified for national defense use, and Seller shall follow all the requirements of the Defense Priorities and Allocation System Regulations (15 C.F.R. Part 700)

18. QUALIFIED PERSONNEL

The Seller is responsible to assure that personnel performing work at any level of the supply chain, are qualified to the applicable drawing/standard/specification, or have been trained in the specified requirements on this Purchase Order, and are aware of their contribution to product/service conformity, product safety and ethical behavior.

19. BUYER'S PROPERTY

- (a) All drawings, tools, jigs, dies, fixtures, materials, and other property supplied or paid for by Buyer shall be and remain the property of the Buyer. If Seller fails to return such property upon Buyer's request, Buyer shall have the right, upon reasonable notice, to enter Seller's premises and remove any such property at any time without being liable for trespass or damages of any sort.
- (b) All such items shall be used only in the performance of work under the Purchase Order unless Buyer consents otherwise in writing.
- (c) Goods made in accordance with Buyer's specifications and/or drawings shall not be furnished or quoted by Seller to any other person or concern without Buyer's prior written consent.
- (d) Seller shall have the obligation to maintain any and all property furnished by Buyer to Seller and all property to which Buyer acquires interest by this Purchase Order and shall be responsible for all loss or damage to said property except for normal wear and tear.

- (e) Upon request, Seller shall provide Buyer with adequate proof of insurance against such risk of loss or damage.
- (f) Seller shall clearly mark, maintain in inventory, and keep segregated or identifiable all of Buyers' property.
- (g) Upon receipt of Buyer supplied property, Seller shall verify property and notify Buyer in writing of any transit damage.

20. INSPECTION

- (a) Buyer reserves the right to inspect all goods and services, and test at reasonable times and places (by the Buyer or Buyer's customer) before, during, and after performance and delivery by Seller. Buyer may require Seller to repair, replace, or reimburse the purchase price of rejected goods or Buyer may accept any goods and upon discovery of nonconformance, may reject or keep and rework any such goods not so conforming. Cost of repair, rework, replacement, inspection, transportation, repackaging, and/or re-inspection by Buyer shall be at Seller's expense. Buyer's acceptance of goods or services shall not be deemed to diminish Buyer's rights or be final or binding on Buyer if latent defects, fraud, or misrepresentation on the part of the Seller exists.
- (b) If inspections and tests are made on the premises of Seller or Seller's lower-tier subcontractors, Seller shall furnish (without additional charge) all reasonable facilities, information and assistance necessary for the safe and convenient inspection and tests required by the inspectors in performance of their duty.
- (d) Neither Buyer's inspection nor any Buyer failure to inspect shall relieve Seller of any responsibility to perform according to the terms of this Purchase Order.
- (d) Seller shall not redeliver corrected or rejected goods without disclosing the form rejection or requirement for correction. Seller shall disclose any corrective action taken. Repair, replacement, or other correction and redelivery shall be completed as Buyer may reasonably direct.
- (e) All costs and expenses and loss of value incurred as a result of or in connection with nonconformance, repair, replacement, or other corrections may be recovered from Seller by equitable price reductions or credit against any amounts that may be owed to Seller under this Purchase Order or otherwise.

21. PACKAGING AND SHIPPING INSTRUCTIONS

- (a) Seller shall be responsible for ensuring proper packaging to prevent damage and deterioration, in accordance with good commercial practice.
- (b) Purchase Order number(s) must appear on all correspondence, shipping labels, and shipping documents, including all packing sheets, bills of lading, airbills, and invoice.
- (c) Unless otherwise specified, delivery shall be FOB Place of Shipment.

22. RESPONSIBILITY AND INSURANCE

Seller shall comply with all the rules and regulations established by Buyer for access to and activities in and around premises controlled by Buyer or Buyer's customer. Seller shall be responsible for the actions and failure to act of all parties retained by, through, or under Seller in connection with the performance of this Purchase Order. Seller shall also maintain, and cause its sub-tiers at every level to maintain such General Liability, Property Damage, Employer's Liability, and Workers' Compensation Insurance, Professional Errors and Omissions Insurance, and Motor Vehicle Liability (Personal Injury and Property Damage) Insurance as specified in this Purchase Order or, if none are specified, such amount as will protect Seller (and its Sub-tiers) and Buyer from said risks and from any claims under any applicable Worker's Compensation, Occupational Disease, and Occupational Safety and Health Statutes. Seller shall provide Buyer with certificates evidencing required insurance upon Buyer's request. This is applicable to orders of \$5,000 or higher.

23. RECORD RETENTION AND DISPOSITION

Unless a longer period is specified in the Purchase Order or by law or regulation, Seller shall retain all records related to the Purchase Order for seven (7) years from the date of final shipment against the Purchase Order. Records related to the Purchase Order include but are not limited to, financial, proposal, procurement, specifications, production, inspection, test, quality, shipping, export, certification records, etc. At no additional costs, Seller shall timely provide access to such records to the U.S. Government and/or Buyer upon request within twenty (20) business days. After the required retention time has elapsed Seller shall destroy all records relating to this order such that the information contained therein can no longer be physical or electronically reconstructed or recovered. Seller shall notify Buyer when records are destroyed and provide a Certificate of Destruction listing the records destroyed, and the method and date of destruction. If Seller ceases operations, Seller shall notify Buyer in writing with ten (10) business days of decision to cease operations and transfer records to Buyer in accordance with Buyer instructions.

24. ORDER OF PRECEDENCE

- (a) In the event of any inconsistency or conflict between or among the provisions of this Purchase Order, such inconsistency or conflict shall be subject to Section 12 (d) , be resolved by the following descending order of preference: **1.** Order specific provisions provided in full text on the Purchase Order as additions to the pre-printed terms; **2.** Documents incorporated by reference on the Purchase Order which apply to the Purchase Order as a whole and not to a specific line item therein; **3.** These General Terms and Conditions of Purchase and Supplements thereof **4.** Statement of Work, and **5.** Specifications attached hereto or incorporated by reference Section 24 (b).
- (b) Buyer's specifications, including but not limited to Cicon Engineering, Inc. Purchase Order Attachment Clauses (form 7.4_7), shall prevail over those of the United States Government, and both of the foregoing shall prevail over specifications of Seller. In the event of a conflict between specifications, drawings, samples, designated type, part number, or catalog description, the specifications shall govern over drawings; drawings over samples, whether or not approved by Buyer; and samples over designated die, part number, or catalog description. Buyer's Specifications shall take precedence over any third-party modifications which could have been implemented after initial design. In cases of ambiguity in the specifications, drawings, or other requirements of this Purchase Order, Seller must, before proceeding, consult Buyer, whose written interpretation shall be final.

25. TAXES

Unless this Purchase Order specifies otherwise, the price of this Purchase Order includes, and Seller is liable for and shall pay, all taxes, impositions, charges, customs duties or tariffs and exactions imposed on or measured by this Purchase Order except for applicable sales and use taxes that are separately stated on this Purchase Order and stated separately on Seller's invoice. Prices shall not include any taxes, impositions, charges or exactions for which Buyer has furnished a valid exemption certificate or other evidence of exemption. Seller is obligated to accept from Buyer valid claims for exemptions. To the extent that the Buyer is required to do so under applicable law or tax regulations, Buyer may deduct from any payments due to Seller pursuant to this Purchase Order such taxes as Buyer is required to withhold from such payments and pay such taxes to the relevant tax authorities; provided, however, that Buyer provides Seller with relevant tax receipts or other suitable documentation evidencing the payment of such taxes promptly after such taxes are paid.

26. INDEMNITY AGAINST CLAIMS

- (a) Seller shall keep its work and all goods supplied by it hereunder free and clear of all liens and encumbrances, including mechanic's liens, in any way arising from the performance of this Purchase Order by Seller or by any of its Suppliers/Vendors or subcontractors. Seller may be required by Buyer to provide a satisfactory release of liens as a condition of final payment.
- (b) Seller shall, without limitation, indemnify and save Buyer and its customer(s) and their respective officers, directors, employees and agents harmless from and against (i) all claims (including claims under Worker's Compensation or Occupational Disease laws or other equivalent laws in Seller's country) and resulting costs, expenses (including attorney fees and costs) and liability which arise from personal injury, death, or property loss or damage attributed, or caused by, the goods supplied or the services performed by Seller pursuant to this Purchase Order, including, without limitation, latent defects in such goods and/or services, except to the extent that such injury, death, loss or damage is caused solely and directly by the negligence of Buyer, and (ii) all claims (including resulting costs, expenses and liability) by the employees/independent contractors of Seller and any of its subcontractors.

27. SEVERABILITY

If any provision of this General Terms and Conditions of Purchase, the Purchase Order, or application thereof is found invalid, illegal or unenforceable by law, the remainder of this Purchase Order will remain valid, enforceable and in full force and effect, and the Parties will negotiate in good faith to substitute a provision of like economic intent and effect.

28. SURVIVABILITY

Sellers obligations that by their very nature must survive expiration, termination or completion of the Purchase Order, include, but are not limited to, the obligations under the Termination for Convenience, Termination for Default, Proprietary Rights, Release of Information, Warranty, Infringement, Compliance with Law, Responsibility and Insurance, Indemnity Against Claims, Export/Import Controls, and Electronic Transmissions provisions of this General Terms and Conditions of Purchase and the Purchase Order shall survive expiration, termination or completion of this General Terms and Conditions of Purchase and the Purchase Order.

29. ELECTRONIC TRANSMISSIONS

- (a) The Parties agree that if this Purchase Order is transmitted electronically, neither Party shall contest its validity, or any acknowledgment thereof, on the basis that the Purchase Order or acknowledgment contains an electronic signature.
- (b) Seller shall, at Buyer's request and Seller's expense, send and receive business transactions by electronic means using Web-based technologies. Such Web-based technologies for electronic transmissions may include, but not be limited to: (a) email; (b) the Internet directly between Buyer and Seller; (c) electronic marketplace or portal; and (d) Buyer's future electronic data interchange ("EDI") systems. When using any of the above mentioned, the standard terms and conditions which may be a part of such systems shall be supplemented by, and superseded to the extent inconsistent with, these General Terms and Conditions of Purchase.

30. NOTICE OF DISCREPANCIES

Seller shall notify Buyer in writing when discrepancies in Seller's process or goods are discovered or suspected regarding goods delivered or to be delivered under this Purchase Order. Acceptance of this Purchase Order obligates the supplier to perform, upon request, a corrective action and investigation when discrepant material is received by Buyer. A written report shall be furnished, within a stipulated time period, which is specific and conclusive to prevent a recurrence of the discrepancy.

31. SPECIFICATIONS

All material or equipment listed herein to which Buyer, Buyer's Customer and/or Government specifications are applicable must comply with such specifications current as of the date of this Order. Should applicable specifications, material, or equipment listed by the Buyer, Buyer's Customer and/or Government be revised prior to shipment, Seller, upon written consent of Buyer, shall furnish such material or equipment in accordance with the revised specification or list.

32. EQUAL OPPORTUNITY

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, age, 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, age, national origin, protected veteran status or disability.

33. INTERNATIONAL TRANSACTIONS

- (a) Payment will be in United States dollars unless otherwise agreed to by specific reference in this Purchase Order.
- (b) Seller agrees that Buyer, its subsidiaries, affiliates or its designees may exclusively use the value of the Purchase Order to satisfy any international offset obligations that Buyer may have with Seller's country, subject to the offset qualifying laws, rules and regulations of that country.

34. STANDARDS OF BUSINESS ETHICS AND CONDUCT

By the acceptance of this Purchase Order, Seller represents that it has not participated in any conduct in connection with this Purchase Order that violates the Code of Conduct (available at <http://cicon.com/about/ethics/>) or, alternatively, equivalent ethics and conduct standards of Seller itself. If, at any time, Buyer determines that Seller is in violation of the applicable Standards the Code of Conduct, Buyer may cancel this Purchase Order upon written notice to Seller and Buyer shall have no further obligation to Seller.

35. SUPPLIER EVALUATION NOTIFICATION

Seller is hereby notified that Buyer is monitoring Seller performance for on-time delivery, product quality, and responsiveness to Corrective Actions. Active suppliers will receive a score based on these criteria for the deliveries of the previous year, only if the supplier falls below acceptable score. Evaluation criteria is subject to change at Buyer's sole discretion and can be provided to Seller upon request. Failure to maintain an acceptable score can trigger actions including, but not limited to: placing Seller on probation for re-evaluation, and suspension or disqualification from Buyer's Approved Supplier List.

36. PRODUCTION PROCESS VERIFICATION

Seller is hereby notified that Seller may be subject to perform Production Process Verification per AS9100D Sec. 8.5.1.3.

37. FOD PREVENTION

- (a) Seller shall ensure items supplied and the packaging will not be a source of debris, Foreign Object Damage (FOD), and/or other contaminants.
- (b) Seller shall be in compliance with either NAS412 or AS9146, FOD Prevention Program, and establish and maintain



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written FOD Prevention Program Practices to reduce FOD.

- (c) The FOD Prevention Program Practices shall be proportional to the FOD susceptibility of the product(s).
- (d) The FOD Prevention Program Practices, written procedures, or policies developed by the Seller shall be subject to review and audit.