



GENERAL TERMS AND CONDITIONS OF PURCHASE

1. ACKNOWLEDGMENT AND ACCEPTANCE

Acceptance of this order is expressly limited to the terms of this order and the terms hereof shall govern the business relationship between Excelitas UK Limited (the "Buyer") and the Seller. Any additional or different terms proposed by Seller are objected to and are hereby rejected unless Seller's terms are accepted in writing by an authorized representative of Buyer. No proposal, oral agreement, order acknowledgement or other understanding shall in any way modify this order, or the terms or conditions hereof. Seller's action in (a) accepting this order, (b) delivering materials, (c) performing service called for hereunder shall constitute an unqualified acceptance of the terms and conditions hereof despite any contrary or inconsistent terms in any other document exchanged by the parties.

2. PRICE AND DELIVERY

Seller shall furnish the goods and/or services called for by this order in accordance with the prices and delivery schedule stated on the face of this order. If prices and/or delivery dates are not stated, Seller shall offer its lowest prices or best delivery dates both of which shall be subject to written acceptance by Buyer. All prices include all applicable taxes except sales taxes which are separately shown when applicable. Seller warrants that the prices charged for the goods and/or services covered by this order will be as low as the lowest prices charged by the Seller to any customers purchasing similar goods in the same or similar quantities and under like circumstances. Buyer may return or store at Seller's expense, any goods delivered more than two (2) days in advance of the delivery date specified for such goods unless early delivery has been approved in writing by the Buyer.

3. PACKING AND SHIPPING

(a) No charge shall be made by the Seller for packaging or storage. All items shall be packaged, marked and otherwise prepared in accordance with good commercial practices to obtain the lowest shipping rates unless otherwise stated on the order. Seller shall mark on containers handling and loading instructions, shipping information, order number, item and account number, shipment date and names and addresses of Seller and Buyer. An itemized packing list shall accompany each shipment. Buyer reserves the right to return over shipments or shipments made in advance of the scheduled deliveries at Seller's expense. Buyer's count and weight shall be accepted as final and conclusive if a packing slip is not enclosed with shipment. Time is of the essence with respect to all shipping dates itemized on this Order. Buyer reserves the right to cancel this Order and reject the goods upon any late delivery by Seller, (b) Unless otherwise specified in the Order, delivery of the goods shall be DAP (in accordance with Incoterms 2010) be Seller's factory and (c) the fact of delivery shall be solely evidenced by Buyer's receipt for the goods concerned, which receipt shall not of itself constitute acceptance of the goods by Buyer.

4. PAYMENT

All invoices shall be rendered in duplicate, and shall state the discount terms, purchase order number, item numbers, and any applicable taxes. Freight and similar charges shall be itemized separately. A bill of lading must accompany each invoice. Payment of invoice shall not constitute acceptance of goods or services and shall be subject to adjustment for errors, shortages, defects in goods or services or other failure of Seller to meet the requirements of this order. Buyer may set off any amount owed by Seller or any of its affiliated companies to Buyer against any amount owed by Buyer to Seller under this Order. All payments for goods and/or services properly provided in accordance with Purchase Order(s) shall be payable net 60 days from the date a proper invoice has been submitted in respect of goods delivered and/or services performed

5. RISK OF LOSS

Seller shall bear all risk of loss or damage to goods covered by this order until delivery of goods in accordance with DAP Incoterms Buyers factory.

6. ASSIGNMENT

(a) Seller shall not assign this order or any rights hereunder or any monies due to or become due hereunder without the prior written consent of Buyer, and no purported assignment by Seller shall be binding on Buyer without its written consent thereto. Seller shall require that no permitted assignee divulge any information concerning this order except to those persons necessarily connected with the transaction. Payments to an assignee of any claim arising under this order shall be subject to reduction or set-off for any present or future claim or claims, which Buyer may have against the Seller. (b) Seller shall promptly notify Buyer in writing of any organizational changes made by Seller, including name or ownership changes, mergers or acquisitions.

7. COMPLIANCE

In performing its obligations under the agreement, the Seller shall and shall procure that each member of its Group: a. comply with all applicable laws, statutes and regulations (including those listed in this Section) from time to time in force and b. notify the Buyer if it becomes aware of any non-compliance in connection with this section. The Seller shall not discriminate directly or indirectly or by way of victimisation or harassment against any person contrary to the Race Relations Act 1976, the Sex Discrimination Act 1975, the Disability Discrimination Acts 1995 and 2005 or the Equality Act 2010 (the "Discrimination Acts") The Seller shall not offer or give, or agree to give, or procure or induce others to offer, give or agree to give on the Sellers behalf to any director; officer; employee; representative or agent of the Buyer any gift or consideration of any kind as an inducement or reward for doing or from refraining from doing, or for having done any act in relation to the obtaining or execution of the Contract or any other Contract from the Buyer or for showing or refraining from showing any favor or disfavor to any person in relation to the Contract or any such Contract. In addition, the Seller accepts, agrees and undertakes to comply with the provisions of the UK Bribery Act 2010 and the Foreign Corrupt Practices Act 1977 (as amended) of the United States. The Seller warrants that it has established adequate procedures to comply with the UK Bribery Act 2010 and that it maintains an ethics program that includes a written code of conduct, training and awareness for all employees. Any breach of the Contract related to this Section 7 by the Seller or by anyone employed by it or acting on its behalf (whether with or without the knowledge of the Seller) or the commission of any offence by the Seller or by anyone employed by it or acting on its behalf under the above mentioned statutes in relation to the Contract, shall entitle the Buyer to terminate the Contract with immediate effect by notice in writing and recover from the Seller the amount of any loss resulting from such termination.

The Buyer's anti-slavery policy ("the Anti-slavery Policy") can be found at www.excelitas.com. In performing its obligations under the agreement, the Seller shall and shall ensure that each of its subcontractors shall comply with: i) all applicable laws, statutes, regulations and codes from time to time in force including but not limited to the Modern Slavery Act 2015, and ii) the Anti-slavery Policy. The Seller represents and warrants that: i) its responses to the Buyer's slavery and human trafficking due diligence questionnaires are complete and accurate; and ii) neither the Seller nor any of its officers, employees or other persons associated with it; has been convicted of any offence involving slavery and human trafficking; and having made reasonable enquiries, so far as it is aware OR to the best of its knowledge, has been or is the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body regarding any offence or alleged offence of or in connection with slavery and human trafficking. The Seller shall implement due diligence procedures for its own Sellers, subcontractors and other participants in its supply chains, to ensure that there is no slavery or human trafficking in its supply chains. The Seller shall not subcontract its obligations under this agreement without the prior written consent of the Buyer. In order to help the Buyer reach a decision on a proposed subcontract, the Seller shall provide the Buyer with any information that the Buyer may reasonably require about the proposed subcontractor. If the Buyer agrees that the Seller may subcontract its obligations, the Seller shall implement an appropriate system of due diligence, audit, and training designed to ensure compliance with the Anti-slavery Policy.

The Seller shall notify the Buyer as soon as it becomes aware of: a) any breach, or potential breach, of the Anti-slavery Policy; or b) any actual or suspected slavery or human trafficking in a supply chain which has a connection with this agreement. The Seller shall prepare and deliver to the Buyer no later than 31st December each year, an annual slavery and human trafficking report setting out the steps it has taken to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its business. The Seller shall maintain a complete set of records to trace the supply chain of all Goods and Services provided to the Buyer in connection with this agreement; and implement annual Seller and subcontractor audits, either directly or through a third party auditor to monitor compliance with the Anti-slavery Policy, the first of which shall be completed by prior to the date of the Purchase Order. The Seller shall implement a system of training for its employees, Sellers and subcontractors to ensure compliance with the Anti-slavery Policy. The Seller shall keep a record of all training offered and completed by its employees, Sellers and subcontractors to ensure compliance with the Anti-slavery Policy and shall make a copy of the record available to the Buyer on request. The Seller shall indemnify the Buyer against any losses, liabilities, damages, costs (including but not limited to legal fees) and expenses incurred by, or awarded against, the Buyer as a result of any breach of Anti-slavery Policy. The Seller represents, warrants and undertakes that it conducts its business in a manner that is consistent with the Anti-slavery Policy.

Data Protection Legislation means (i) unless and until the General Data Protection Regulation (EU) 2016/679) (GDPR) is no longer directly applicable in the UK, and any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK and then (ii) any successor legislation to the GDPR or the Data Protection Act 2018. The Seller shall comply at all times with all applicable requirements of the Data Protection Legislation and shall not perform its obligations under the agreement in such a way as to cause the Buyer to breach any of its applicable obligations under the Data Protection Legislation. The Seller warrants that it shall, in relation to any personal data processed in connection with the performance by the Supplier of its obligations under this agreement: a) process that Personal Data only for the purpose of its obligations under this agreement (b) ensure that it has in place appropriate technical and organisational measures, reviewed and approved by the Buyer to protect against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data, appropriate to the harm that might result from the unauthorised or unlawful processing or accidental loss, destruction or damage and the nature of the data to be protected; (c) ensure that all personnel who have access to and/or process personal data are obliged to keep the personal data confidential; and (d) not transfer any personal data outside of the European Economic Area unless the prior written consent of the Buyer has been obtained and the following conditions are fulfilled: (i) the Supplier has provided appropriate safeguards in relation to the transfer; (ii) the data subject has enforceable rights and effective legal remedies; (iii) the Supplier complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any personal data that is transferred. The Buyer may terminate the agreement with immediate effect by giving written notice to the Seller if the Seller commits a breach of the compliance with laws and policies and the requirements of this Section 7 Seller warrants that the goods to be furnished and the services to be rendered under this order shall be manufactured, sold, used and rendered in compliance with all relevant, local law, orders, rules, ordinances, and regulations) Seller warrants that in the performance of this order, it will comply with all applicable regulations on hazardous materials and any other pertinent EU legislation, local statutes, laws, rules, or regulations.

If the Supplies being supplied against this Order contain the minerals Tantalum, Cassiterite, Tungsten, Gold, Tin or Wolframite, then the Seller shall ensure that any components forming part of the goods have been purchased from legitimate and responsible sources which are in compliance with United Nations resolutions and which are not in any way involved in funding conflict. If requested by the Buyer, the Seller shall provide to the Buyer all relevant information showing the source of such component/goods. Seller warrants and covenants that no materials which are used in the manufacture of Goods will contain any minerals or materials restricted or required to be disclosed under law, rule or regulation. Any breach of this warranty shall be a material breach of each and every order between Buyer and Seller.

Anti-Facilitation of Tax Evasion The Seller shall: (a) not engage in any activity, practice or conduct which would constitute either: (i) a UK tax evasion facilitation offence under section 45(1) of the Criminal Finances Act 2017; or (ii) a foreign tax evasion facilitation offence under section 46(1) of the Criminal Finances Act 2017; (b) comply with the Buyers Code of Business Conduct & Ethics, Anti-bribery and Anti-corruption Policies as the Buyer may update them from time to time (The Buyer's Policies can be found at www.excelitas.com); (c) have and shall maintain in place throughout the term of this agreement such policies and procedures as are both reasonable to prevent the facilitation of tax evasion by another person (including without limitation employees of the Seller) and to ensure compliance with this clause; (d) promptly report to the Buyer any breach any demand for third party to facilitate the evasion of tax; (e) ensure that the Seller and its employees and subcontractors comply with the performance of this agreement; (e) within 2 months of the date of this agreement, and annually thereafter, certify to the Buyer in writing signed by an officer of the Seller, compliance with this Clause by the Seller and all persons associated with it under this clause. The Seller shall provide such supporting evidence of compliance as the Buyer may reasonably request. The Seller shall ensure that any person associated with the Seller who is performing services and/or providing goods in connection with this agreement does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Seller in this Clause (Relevant Terms). The Seller shall be responsible for the observance and performance by such persons of the Relevant Terms, and shall be directly liable to the Buyer for any breach by such persons of any of the Relevant Terms. Breach of this Clause 1 shall be deemed a material breach.

For the purposes of this clause, the meaning of reasonable prevention procedure shall be determined in accordance with any guidance issued under section 47 of the Criminal Finances Act 2017 and a person associated with the Seller includes but is not limited to any subcontractor of the Seller.

8. INTERNATIONAL TRADE COMPLIANCE

Seller shall comply with all applicable legal and regulatory requirements relating to the importation and/or exportation of the goods identified in this order, including with all applicable UK and U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Export Control Act 2002, US Arms Export Control Act, 22 U.S.C.2751-2794, including the International Traffic in Arms Regulation (ITAR), 22 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; and the requirement for obtaining any export license or agreement, if applicable. Seller shall also provide Buyer with all required and/or requested information and documentation, including but not limited to, the country of origin, the applicable Harmonized System Code and the Export Control Classification Number. In the event of any change in the above-mentioned information, Seller shall immediately notify Buyer of such change in writing and provide Buyer with revised and updated information and documentation.

The obligation of the Seller to supply goods hereunder shall be at all times subject to all applicable export control laws and regulations of the countries where the goods are manufactured and the import control laws of the countries into which the goods are shipped. To the extent that such laws and regulations are applicable, Seller agrees to perform its obligations hereunder in compliance with such laws and regulations. The Seller shall ensure that any technical data shall be used only to manufacture the goods or carry out the service required by this Purchase Order. The goods supplied by Seller to Buyer under this Agreement may be subject to export controls under the laws and regulations of the country from which they are shipped. To the extent applicable, the Seller shall comply with all such laws and regulations governing the export, re-export, transfer and use of the goods and related technology and information, and will obtain all required local authorizations, permits, or licenses. Seller agrees to notify Buyer if any deliverable under this order is restricted by export control laws or regulations. Seller and Buyer each agree to provide the other with information, support documents, and assistance as may reasonably be required by the other in connection with securing any applicable authorizations or licenses. Seller shall immediately provide notice to the Buyer's procurement representative if Seller is, or becomes, listed on any Denied Parties List or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part by any UK or U.S. Government entity or agency. Seller's obligations under this Section 8 shall survive the expiration or termination of this Agreement. Seller shall obtain at its own risk and expense all required import and export licenses or other official authorizations necessary to perform under this Agreement. Seller shall provide to Buyer, upon request, all licenses or other approvals obtained by Seller in compliance with the requirements of this Section 8.

If Seller is engaged in the business of either exporting or manufacturing (whether exporting or not) defense articles or furnishing defense services, Seller represents that it is registered with the Office of Defense Trade Controls, as required by the ITAR, and it maintains an effective export/import compliance program in accordance with the ITAR.

9. WARRANTY

In addition to any other express or implied warranties the Seller warrants that all material or services delivered hereunder shall, for twenty-four (24) months from the date of receipt of the goods by Buyer, be (i) free from defects in workmanship and materials (ii) free from defects in design except to the extent that such goods comply with the detailed designs provided by the Buyer; (iii) suitable for the purposes, if any, which are stated on the face of this order, and (iv) in conformity with all other requirements of this order and the specifications for such goods that have been provided to Buyer. Goods that are found to fail to meet the requirements set forth in this Section 9 shall be considered to be defective goods. If any goods covered by this order are defective or otherwise not in conformity with the requirements of this order, Buyer may, by written notice to Seller, (i) rescind this order, (ii) accept such goods at an equitable reduction in price, (iii) reject such goods and require the delivery of replacements. Deliveries of replacements shall be accompanied by a written notice specifying that such goods are replacements. If Seller fails to deliver required replacement goods promptly and in any event no later than 5 days or such other period of time that may be agreed from date of return of defective Goods to Sellers premises, Buyer may make the repairs necessary to correct said defects and charge Seller with the costs to repair. If Buyer returns defective goods to Seller, such return shall be at Seller's expense (with an administration fee of £100) as Buyer may direct. All shipping costs and any reasonable travel, removal, and installation costs incurred in connection with goods to be replaced or repaired or faulty work to be corrected, shall be borne by Seller. Seller may not limit the remedies available to Buyer or the damages recoverable by Buyer arising out of breach of warranty. All replaced or repaired or faulty work corrected shall conform with all other requirements of this Agreement and the applicable Purchase Order for twenty-four (24) months from the date of receipt of the replaced or repaired Goods are received by Buyer or from the date of any other faulty work is corrected.

10. INSPECTION

All goods sent by the Seller must be inspected to confirm that all such goods conform to the Buyer's specifications. All goods delivered under this order shall also be subject to inspection and test by Buyer, to the extent practicable, at all times and places, and in any event prior to acceptance. Buyer may inspect the premises of the Seller or any of its subcontractors engaged in the performance of this order except in those areas as determined by the Seller to be restricted proprietary areas. Seller shall not be relieved of its obligations to replace any defective goods or work by reason of any failure on the part of Buyer to direct Seller's attention to any defect.

- Suppliers shall notify Buyer in writing of all known nonconformities at least 48 hours prior to shipping.
- Suppliers shall obtain Buyer approval in writing prior to the disposal of nonconforming product
- Suppliers shall notify Buyer, a minimum of 90 days prior to supply of goods, of any changes in product and/or process, changes of suppliers, changes of manufacturing facility location and obtain prior written approval from Buyer.
- On the date of dispatch of each consignment, the Seller shall send advice note(s) and such Certificate(s) of Conformity as may be indicated by the terms of the Purchase Order. One copy of the Certificate of Conformity or Civil Approved Certificates or such other document as may be required shall accompany each consignment and a further copy shall be sent by post to the Buyer's Receiving Department;
- If the Supplier wishes to deliver non-conforming Supplies they must formally request to do so via a concession request. This concession request should be sent to the buyer named on the face of the Order. This concession request must detail the Order, line item number and part number of the Supplies as a minimum (plus serial number where applicable), details of the non-conformance, reason for non-conformance, thorough root cause statement and corrective action, together with action to prevent recurrence and its effectiveness. The Supplier can only ship the non-conforming Supplies if this concession is signed by an approved Purchaser representative, and a concession number is supplied which must be added to the delivery paperwork of the non-conforming Supplies.
- If the Seller is a Stockist, it shall provide copies of the original manufacturer's Certificate of Conformity or Civil Approved Certificates to the Buyer together with test results, figures, data and other relevant particulars where applicable.
- Buyer in coming goods inspections may be limited to checking goods delivered for identity and volumes, as well as for externally visible transport damage and externally detectable faults. Seller's liability for meeting delivery quality shall remain unaffected by Buyer's incoming inspection.
- Buyer reserves the right to check conformance with the specifications by taking random samples.
- Cases of non-conformance detected by Buyer must be promptly reported to Buyer, with at least the following details:
 - Quantity of goods affected;
 - Type of and reason for non-compliance;
 - Measures planned or already taken to eliminate the fault and its repetition: Seller shall be required to demonstrate quality assurance or acceptance of goods order shall be taken to ensure conforming product management records and correct and preventing action process and the records shall be retained per ISO9001, AS9100D or ISO13485 (under whichever ISO standards Seller is certified).
 - Effects on the delivery deadline.
- Seller shall provide technical support to Buyer to determine if goods can be used conditionally. All goods that are conditionally accepted by Buyer will be subject to a 25% price reduction. For all conditionally accepted goods, the full warranty period of twenty-four (24) months shall apply.
- Returns to Seller will be made with a return slip and a debit note.
- Seller shall notify Buyer of the cause of and corrective measures for each defect. For the systematic analysis, remediation and exclusion of repeat faults, Buyer reserves the right to request nonconformance reports for each defect, in particular, in case of cumulative faults. If necessary, Buyer may monitor the measures to remedy the nonconformance, if applicable, by auditing Seller's facilities.
- If requested, Seller must provide a completed 8D report within 10 working days, otherwise Buyer will impose an additional 10% price reduction penalty on the defective lot(s) of goods.
- If Seller discovers that there is a systemic process or production failure(s) which resulted in defective Goods being shipped to Buyer, Seller must disclose this information to Buyer immediately with all supporting documentation including technical data and statistical process control trends.
- Buyer shall initiate a product recall, upon appropriate technical evaluation, at Buyer's sole discretion, if Buyer detects any systemic quality failure or defect in the Goods.
- If a recall is initiated, Seller is solely responsible for all financial costs and liabilities which impact Buyer, including all the costs and liabilities imposed on Buyer by Buyer's customers.

For orders placed in support of a Government prime contract, all goods covered by this order may be inspected and tested by Buyer, its customers, higher tier contractors and the Government at all reasonable times and places. Seller shall provide without additional charge all reasonable facilities and assistance for such inspections and tests. In its internal inspection and testing of goods covered by this order, Seller shall use an inspection system accepted by Buyer in writing. All inspection records relating to such goods shall be available to Buyer during the performance of this order, and such longer periods specified by Buyer in its acceptance of the Inspection System. Final inspection and acceptance by Buyer shall be at destination unless otherwise specified in this order. No inspection (including source inspection) tests, approval (including design approval) or acceptance of goods order shall relieve Seller from responsibility for defects or other failure to meet the requirements of this order or for latent defects, fraud, gross mistakes, and Seller's warranty obligations. Rights granted to Buyer under this Section 10 are in addition to any other rights or remedies provided elsewhere in this order or in law.

11. INDEPENDENT CONTRACTOR

The Seller shall perform hereunder as an independent contractor and not an employee or agent of the Buyer.

12. INSURANCE

Seller agrees to its own expense to procure and maintain during the term of this order, insurance policies with the following minimum coverages: General/Public liability insurance in a sum of not less than £10,000,000; Property damage in a sum of not less than £10,000,000; and Employee liability insurance in a sum not less than the statutory minimum or such greater sum as will protect Buyer from any or all risks. Seller upon written request from Buyer shall furnish Buyer a Certificate of Insurance evidencing such coverage and naming Buyer as loss payee and an additional insured. Nothing in this Section shall be deemed to limit Seller's responsibility to the amount stated above or to any limits of Seller's insurance policies.

13. INDEMNIFICATION

Seller shall defend and indemnify the Buyer and hold it harmless from and against all liabilities, losses, claims, expenses or damages, including reasonable attorney's fees, which may result in any way from accident, injury, or damage either to person or property or from death of any persons arising out of the design, manufacture, use or distribution of the goods or by reason of any act or omission on the part of the Seller, its agents, employees, or subcontractors except to the extent that the accident, injury, damage, or death is due solely and directly to the negligence of the Buyer. Seller shall also defend and indemnify Buyer and hold it harmless from and against all liability, loss, claims, expenses and damages, including reasonable counsel fees, resulting from a) any actual or claimed trademark, patent or copyright infringement or trade secret misappropriation, or any litigation based thereon, with respect to any part of the goods covered by this order or their intended use, b) any act or omission of Seller's officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of any of its obligations under Section 7 International Trade Compliance. Such obligations shall survive acceptance of the goods and payment therefore by the Buyer.

14. CHANGES

Buyer may at any time by written change order suspend performance in whole or in part; make changes in drawings, designs, specifications; make changes in method of shipment or time or place of delivery; or require additional or diminished work. If any such change causes an increase or decrease in the cost of or the time required for performance of this order, then equitable adjustment shall be made in the Purchase Order price or delivery date or both, and this order shall be modified in writing accordingly. Any claim for adjustment under this Section 14 shall conclusively be deemed to be waived unless asserted in writing (including the amount of the claim) and delivered to Buyer within (30) days of receipt by Seller of the change order. If the cost of property made obsolete or excess as a result of a change is paid by Buyer, then Buyer may prescribe the manner of disposition of such property. No change order shall be binding on Buyer unless issued by an authorized representative. Buyer's engineering and technical personnel are not authorized to change this order. Nothing in this Section 14 shall excuse Seller from proceeding with this order as changed.

Change Management

Seller shall notify Buyer in writing and in a timely manner of all relevant changes in the manufacture of its goods (including but not limited to changes in the form, fit or function of the goods) before implementation of such changes is scheduled (at a minimum 3 months prior to a change, except for a change in the manufacturing site, in which case notification must be at least 6 months in advance). Such changes shall include, but not be limited to, changes in manufacturing processes, materials, purchased parts, tooling, switching subcontractors, moving production sites or facilities for product testing, or changing quality assurance measures. Any and all changes shall require Buyer's prior written approval. Seller shall submit a qualification plan to Buyer for review and obtain written approval from Buyer prior to making the change(s) and shall bear all financial cost for Buyer to qualify and evaluate the change(s). Seller shall explain the type of change on the cover for the sampling documentation. Seller shall bear the costs of subsequent sampling inspections. Seller shall inform Buyer immediately if their ISO or other certification(s) is being revoked or Seller's facility is subject to any regulatory scrutiny or actions by government agency.

If Seller neglects to inform and obtain written approval from Buyer prior to making any of the above changes, Seller will be responsible for all financial and liability impact to Buyer as a result of quality issues, delivery lead time and ultimately any impact to Buyer's customers.

15. THE RIGHT TO AUDIT

- a) Buyer is entitled to perform quality audits at Seller's facility with timely prior notice. In addition, in case of quality problems or complaints, Buyer is entitled to analyze Seller's manufacturing process on-site to a practical degree at any reasonable time. Seller shall ensure that the same right to an analysis shall also be provided to Buyer at Seller's subcontractors. The Seller's sole responsibility for the quality of the products manufactured or supplied is not in any way impacted by the fact that audits have been performed.
- b) If it turns out that the quality assurance measures taken by Seller are incomplete or inefficient so that product quality and competitiveness are impaired, Seller agrees to amend its quality assurance procedures such that their effectiveness is ensured.
- d) All findings resulting from the audit will have to be addressed within 10 business days. This must include at a minimum, root cause analysis, corrective and preventive action and effectiveness, verification of corrective and preventive actions taken. Before closure of such findings, Buyer must be satisfied and approved with all the actions taken.
- e) If the Seller requires more than 10 business days to address the findings, a formal request for extension must be sent to Buyer for review and approval with proper justification of the extension.

16. DRAWING REVIEWS / TECHNICAL FEASIBILITY

- a) Before accepting this order, Seller has:
- Determined that it can meet the quality requirements defined in the technical documents; including all regulatory and statutory requirements.
 - Reviewed whether the technical documents are complete and unambiguous to Seller;
 - Determined that the production of the goods according to the technical documentation is feasible and ensured.
 - Ensured that any existing questions are answered.
- b) Seller has analyzed the suitability of the manufacturing systems, processes and testing equipment it intends to use including, if necessary, by means of process capability studies through statistical process control, which shall be documented. All such quality records shall be retained for verification by Buyer.
- c) Test measurements, safety-relevant dimensions and other specific characteristics are specifically marked in the Buyer drawings. When reviewing the drawings, Seller shall also review the markings for comprehensibility.
- d) All of the above in this Section 16 must be resolved and accepted by Seller and Buyer before Seller shall proceed to accept this order from Buyer. Upon acceptance, if Seller fails to deliver goods to Buyer per agreed specifications and hence affect Buyer's production schedule, Buyer shall charge Seller for all the losses and liabilities Buyer might incur as a result of impacting Buyer's customers.

17. QUALITY MONITORING

- a) Seller must ensure quality by means of
- Proper incoming goods inspections using statistical techniques;
 - Process monitoring through statistical techniques;
 - Systematic inspection during production;
 - 100% final out-going and pre-shipment testing and inspection.
- b) Unless otherwise stipulated by Buyer, Seller shall define the scope of testing taking into account process capability, the significance of each characteristic, and the potential effects of defects. Special characteristics shall be specifically taken into account and documented in Seller's test schedule. Seller should ensure that all employees and sub-tier external providers are aware of their responsibilities and contribution to product or service conformity, and effective product safety

18. INITIAL SAMPLES

- a) For all goods destined for series production at Buyer, Seller shall provide initial samples and an initial sample test report as soon as such samples are first manufactured. Initial samples are goods completely manufactured using series manufacturing equipment under series conditions. For economic reasons and at Seller's risk, initial samples may be manufactured together with the manufacture of the first series lot. However, the acceptance of the first series lot will be contingent upon the acceptance of the initial sample or first article, as required by the Purchase Order. First Article Inspections shall be conducted in accordance with AS9102, current version.
- b) The initial sample test report shall include the documentation agreed on with Buyer. If the content of the initial sample test report has not been explicitly agreed on, complete information for verifying the quality of the product and manufacturing processes shall be closed, e.g. measuring reports, material certificates, results of functional or reliability tests, capability analyses of processes and measuring equipment.
- c) As a rule, all statements in drawings and specifications must be verified and agreed upon by both parties. Such agreement shall be documented.
- d) Initial samples shall be packaged separately from series goods and clearly marked and identified with as "initial samples."

19. DESIGN SURFACES / VISIBLE SURFACES

- a) Design surfaces or visible surfaces shall be marked as such in the drawings. For these surfaces, there is a strict requirement for cleanliness. Quality requirements and monitoring measures shall be explicitly agreed on between Seller and Buyer.
- b) During the initial production runs and the manufacturing of initial samples, boundary samples shall be defined. Boundary samples shall be saved and used as reference samples for monitoring manufacturing efficiency and effectiveness.
- c) Seller is solely responsible to ensure that all packaging methodology and/or design shall meet and comply with industrial packaging requirements including IATA and DOT regulatory requirements. Seller shall bare the cost of all damages as a result of transportation damage, including packaging inadequacy or defect. In the event the packaging design is a joint effort between Seller and Buyer, it is Seller's responsibility to ensure that the final packaging design is adequate to prevent any shipping and handling damages. Seller will be held responsible for all liabilities as a result of the damage.

20. FORCE MAJEURE

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 and any prohibition or restriction by any government or other legal authority which affects this agreement and which is not in force on the date of this Order, fires, floods, epidemics, terrorism, quarantine restrictions, strikes (not including strikes of the Suppliers employees), freight embargoes, and unusually severe weather. In the event that performance of this 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, this order shall be completed with such adjustments to delivery schedule as are reasonably required by the existence of Force Majeure or this order may be terminated for convenience pursuant to Section 24.

21. DELAYS

Seller shall promptly notify Buyer if circumstances have arisen that make it reasonably clear Seller will not be able to meet the delivery deadline specified in this order, and in such notice, Seller shall also state the reasons for and duration of the delay. In the event the Seller fails to supply any item on time or complete the provision of services by the date(s) specified in this order, other than as caused by Force Majeure, the Buyer shall have the right to require the Seller, after a grace period of one month, to pay or to deduct from the order price, as liquidated damages (and not as a penalty) a sum calculated at the rate of ten percent (10%) of the price of the goods and/or services, or part thereof, so delayed, for each week of delay between the date of delivery specified in this order and the actual date of delivery. However, if the Seller for any reason not provided for above fails to proceed with the performance of this order or to make deliveries within the time specified in this order, or if the Buyer shall have reasonable doubt as to Seller's ability to perform its obligations, Buyer in addition to its remedies at law may at its option approve a revised delivery schedule or terminate this order or such part or parts hereof as to which there has been delay or any doubt, without liability to Buyer. The Seller due to delay in delivering the order on time, shall use any means possible to expedite the delivery using the fastest transportation method available at the time of shipping at the Seller's cost.

22. COUNTERFEIT GOODS

- a) "Counterfeit Goods" are defined as Goods or separately identifiable items, materials, parts or components of Goods that are;
- an unauthorized copy or substitute of an Original Equipment Manufacturer ("OEM") item;
 - not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture;
 - do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design;
 - have been re-worked, re-marked, re-labelled, repaired, refurbished, re-manufactured, or otherwise modified from the OEM design but not disclosed as such or are represented as OEM authentic or new, or;
 - have not successfully passed all OEM required testing, verification, screening, and quality control processes
- b) Seller warrants that Counterfeit Goods shall not be supplied to the Buyer or incorporated in the Buyer's products by the Seller or by any of the Seller's subcontractors or suppliers operating on behalf of the Seller.
- c) The Seller warrants that only new and non-counterfeit Goods shall be delivered under the Contract to the Buyer.
- d) Counterfeit Goods delivered or furnished to the Buyer under this Contract are deemed non-conforming. If the Seller becomes aware or suspects that it has supplied or furnished Counterfeit Goods to the Buyer, Seller shall promptly notify the Buyer and replace, at the Seller's expense, such Counterfeit Goods with OEM or other Buyer approved Goods that conform to the requirements of this Contract. Seller shall be liable for all costs and expenses related to the replacement of Counterfeit Goods and any testing or validation necessitated by the installation and/or commissioning of authentic Goods after Counterfeit Goods have been replaced. The remedies contained in this Section 22 are in addition to any remedies the Buyer may have at law, or under other provisions of this Contract.
- e) The Seller shall flow down this Section 22 to its subcontractors and suppliers for any items that are intended for the Buyer. Any inability or unwillingness of a subcontractor or supplier of the Seller to comply with the provisions of this Section 22 shall be documented in writing and submitted immediately to the Buyer.

23. BUYER'S RIGHT TO SUSPEND PERFORMANCE

Buyer shall have the right to require Seller at any time to suspend performance of all or part of this order for an indefinite period of time. In no event shall such period exceed twelve (12) consecutive calendar months. In the event Buyer exercises said right, Seller shall cease performance of this order, as directed by Buyer. Seller agrees to commence performance of the suspended order promptly after receiving Buyer's notice to commence the suspended order. An equitable adjustment in the price and/or in the delivery dates shall be made in the event Buyer requires a suspension of an order under this Section 23.

24. TERMINATION

- a) Without cause, the Buyer may terminate this Order in whole or in part at any time for any reason by serving upon Seller a written notice. For Purchase Orders placed in support of UK Government Contracts such termination settlement shall be made in accordance with the principles contained in DEFCON 656 Break contract provision issued by the UK Ministry of Defence from time to time. For the purposes of interpretation of the UK Government Conditions, the Buyer assumes the rights and obligations of the "Authority" and the Seller assumes the rights and obligations of the "Contractor" – except where the context clearly indicates otherwise or would make this inappropriate. For Purchase Orders placed in support of U.S. Government Prime Contracts, such termination settlement shall be made in accordance with the principles contained in Federal Acquisition Regulation (FAR) 52.249-2 as in effect as of the date of this order, except that any termination claim must be submitted to Buyer within ninety (90) day after the effective date of termination, and "Contractor" shall mean "Seller," "Contracting Officer" shall mean "Buyer Authorized Procurement Agent", and "Government" shall mean "Buyer" and the "Government".
- b) With cause, if Seller fails to make delivery in accordance with the agreed delivery date or schedule, except as provided in Section 24(a), or otherwise fails to observe or comply with any of the other instructions, terms, conditions, or warranties applicable to this order or fails to make progress so as to endanger performance of this order or in the event of any proceeding by or against Seller in bankruptcy or insolvency or for appointment of a receiver or trustee or an assignment for the benefit of creditors, Buyer may, in addition to any other right or remedy provided by this order or by law, terminate all or any part of this order by written notice to Seller without liability by Buyer to Seller on account thereof.

If this order is terminated as provided in this Section 24 the Buyer in addition to any other rights provided in this Section 24, may (a) require the Seller to transfer title and deliver to the Buyer (i) any completed goods and (ii) such partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights as the Seller has specifically produced or specifically acquired for the performance of this order and (iii) may procure substitute goods and services from any alternative source satisfactory to it; and any additional costs incurred by the Buyer in obtaining such goods and services from such alternative source and all expenses incurred by the Buyer in finding and arranging such alternative source shall be sums due and owing by the Seller to the Buyer. If after notice of the termination of this order "with cause", it is determined that the failure to perform is due to causes totally beyond the control and totally without the fault or negligence of the Seller, such notice of default shall be deemed to have been issued pursuant to Section 24 (a) hereof and the rights and obligations of the parties hereto shall be governed by such Section 24(a).

25. DISPUTES

- a) Buyer and Seller shall attempt to resolve any disputes arising out of or in relation to this order by good faith discussions. In the event of the occurrence of such a dispute, either party may, by written notice to the other party, have such dispute referred to the individuals designated below or their respective successors, for attempted resolution by good faith negotiations within thirty (30) calendar days after such notice is received. The initial designated individuals are as follows:
- For Seller: _____
For Buyer: Procurement Director
- b) (b) If the parties are unable to resolve any dispute pursuant to Section 25(a) within the time period set forth therein, either party may thereafter initiate an arbitration hereunder to resolve that dispute and any directly related matters. Any claim or controversy arising out of or relating to this Agreement, or the transactions between Seller and Buyer contemplated hereby, which cannot be resolved by good faith negotiation shall be finally and exclusively settled by arbitration in accordance with the London Court of International Arbitration (LCIA) Rules; which Rules are deemed to be incorporated by reference into this Article except as otherwise agreed herein. The arbitration shall be held in London, UK. The arbitration shall be conducted before an arbitration panel consisting of three arbitrators. Seller and Buyer shall each appoint one arbitrator and these two shall select the third. Decisions of such arbitration panel may be entered as a final judgment by any court having competent jurisdiction. Each party shall pay its own costs incurred in connection with such arbitration, and fifty percent (50%) of the fees assessed by the LCIA arbitrators. Notwithstanding such agreement regarding arbitration of disputes, either party may at any time seek injunctive or other similar relief from a court with appropriate jurisdiction in order to enjoin any breach of this Agreement or otherwise maintain the status quo, provided that such procedure shall only be available for such limited purpose pending the final resolution of any such dispute pursuant to arbitration in accordance herewith.

26. BUYER'S EQUIPMENT

Unless otherwise agreed in writing, all tools, equipment or material of every description furnished to Seller by Buyer (including intellectual property rights) or specifically purchased by Seller and paid for by Buyer, and any replacement thereof, or any materials affixed or attached thereto, shall remain the personal property of Buyer. Such property, and whenever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by Seller as "Property of Buyer" and shall be safely stored and properly maintained by Seller. Seller shall not substitute any property for Buyer's property and shall not use such property except in fulfilling Buyer's orders. Such property shall be available for inspection by Buyer at any and all times, and shall be subject to removal at Buyer's written request, in which event Seller shall prepare for shipment and shall redeliver such property to Buyer in the same condition as originally received by Seller, reasonable wear and tear excepted.

27. USE OF BUYER'S DATA

All materials, equipment, tools, copyright, rights in designs and any other intellectual property rights in all drawings, specifications and data supplied by the Buyer to the Seller shall at all times be and remain the exclusive property of the Buyer, and shall be held by the Seller in safe custody at its own risk and maintained and kept in good condition by the Seller until returned to the Buyer, and shall not be disposed or used other than in accordance with the Buyer's written instructions or authorisation. The Seller shall return all copies of any such material to the Buyer immediately on the Buyer's first written request or upon completion of this order. Seller shall not, without Buyer's written consent, disclose any drawings, plans, specifications, confidential information, know-how, discoveries, production methods and the like (herein referred to as "technical information") furnished to Seller by Buyer, or on Buyer's behalf, for the performance of this order to any person other than personnel of Seller directly concerned with the manufacture of said goods or otherwise required by Seller in the performance of this order; and Seller shall require any of its suppliers under this order to enter into a similar agreement. Seller shall take all reasonable precautions against any such technical information being acquired by unauthorized persons and shall not employ any such technical information for its own use or for any purpose whatsoever except in the performance of this order. The term "technical information" as used herein shall not include information which is generally published or lawfully available to Seller from other sources or which was known to Seller prior to disclosure thereof to Seller by Buyer or on Buyer's behalf.

28. CESSATION OF PRODUCTION

If production of goods covered by this order is to be permanently discontinued at any time within one (1) year after final delivery under this order, Seller shall give Buyer a least 180 days or such other period as may be specified in the order prior written notice of such discontinuance during which time Seller shall accept order from Buyer for a reasonable quantity of goods. At such time, the Supplier shall also deliver to the Buyer without charge all necessary drawings, manufacturing and process information, any Suppliers' unique tooling and shall use best endeavours to obtain for the Buyer on fair and reasonable terms the grant of any necessary licence(s).

29. WAIVER

Failure of Buyer to insist upon strict performance of any terms and conditions of this order, or to exercise any right or privilege contained in this order, or the waiver of any breach of the terms or conditions of this order shall not be construed as thereafter waiving any such terms, conditions, rights or privileges, and the same shall continue and remain in force and effect as if no waiver had occurred. All rights and remedies reserved under the terms and conditions hereof shall be cumulative and in addition to any further rights and remedies provided in law or equity.

30. COMPLETE AGREEMENT

This order contains the complete and entire agreement between the parties hereto, and supersedes any previous communications, representations or agreements, whether verbal or written, with respect to the subject hereof. NO CHANGE, ADDITION, OR MODIFICATION OF ANY OF THE TERMS OR CONDITIONS HEREOF SHALL BE VALID OR BINDING ON EITHER PARTY UNLESS IN WRITING SIGNED BY AN OFFICER OR DESIGNATED PURCHASING AGENT OF BUYER.

31. HAZARDOUS MATERIAL

In the event that any part of the material to be supplied hereunder identified as "Hazardous" by the Seller shall observe all legal requirements of the United Kingdom, European Union and any relevant international agreements in relation to health, safety and environment and in particular to the marking of hazardous goods and the provision of data sheets for hazardous materials in accordance with EC Council Regulation 1907/2006 dated 18th December 2006 (The REACH Regulations) which shall contain sufficient information to allow an assessment to be made under the provisions of the Control of Substances Hazardous to Health Regulations 2002.

32. "RoHS and WEEE"

Seller agrees that Seller and the goods, as defined herein, are in compliance with all terms and conditions of the RoHS and WEEE directives. Supplier shall maintain traceability records for a period of no less than 7 years and records shall at a minimum reflect part number, quantity & revision status of material supplied to each order. Seller shall provide to Buyer, Letter of Declaration of Conformance upon request.

33. EICC Business Code of Conduct

From our executive leadership team to our employees at all levels, we strive to conduct our business worldwide in a socially responsible and ethical manner. To enhance our existing social responsibility efforts, Buyer's parent, Excelitas Technology Corp, has become an RBA-ON (EICC-ON) member of the Responsible Business Alliance. The RBA is the largest non-profit coalition dedicated to improving social, environmental and ethical conditions in their global supply chain.

Buyer is committed to aligning with the principles of the Responsible Business Alliance. As part of our commitment, we are requesting that all of our external providers review and implement business practices that align with the "Responsible Business Alliance Code of Conduct". <http://www.responsiblebusiness.org/standards/code-of-conduct>.

34. NOTICE OF LABOR DISPUTES. (USA Only)

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

35. PROPRIETARY INFORMATION

All written information obtained by Seller from Buyer in accordance with this order and which is identified as proprietary by the Buyer shall be received in confidence and shall remain the property of Buyer and shall be used and disclosed by Seller only to the extent necessary for the performance of this order.

36. PUBLICITY

Seller shall not make or authorize any news release, advertisement or any other disclosure which shall deny or confirm the existence of this order without the prior written consent of Buyer except as may be required to perform this order.

37. SUBCONTRACTORS

Seller shall not (i) subcontract for any tasks it is obligated to perform under this order or (ii) assign, in whole or in part, the Contract without Buyer's prior written approval.

38. CHOICE OF LAW

Irrespective of the place of performance, this purchase order shall be governed and construed and all disputes arising under or related to this purchase order shall be resolved in accordance with the laws of England and Wales. The parties irrevocably agree that the courts of England and Wales have exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, this Purchase Order or its subject matter or formation (including non-contractual disputes or claims).

39. SEVERANCE

If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this Section 39 shall not affect the validity and enforceability of the rest of this agreement. Any provision or part-provision of this agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

40. TOOLING AND FREE ISSUE MATERIAL

Any patterns, jigs, tooling, drawings, designs, materials or other items supplied or paid for by the Buyer for the execution of the Purchase Order shall remain the property of the Buyer. The Seller shall bear all risk in relation to loss or damage caused thereto while they remain in the Seller's custody; and shall return them promptly in good condition at the Seller's expense as directed by the Buyer after use or when so requested by the Buyer. All tooling supplied or paid for by the Buyer shall be maintained and kept in good repair and replaced when necessary by the Seller and shall not be used by the Seller except for manufacture in accordance with the Purchase Order except with the written consent of the Buyer. The Seller has no lien on the Buyer's property provided to him under the Purchase Order and undertakes to ensure the title of the Buyer and the exclusion of any such lien are brought to the attention of all persons dealing with such property.

41. OFFSET / INDUSTRIAL PARTICIPATION

In the event that the Seller is not a company registered in the United Kingdom, the Seller undertakes and confirms that the Goods and Services will qualify for offset or industrial participation ("IP") credit in favour of the Buyer or its nominees from the Seller's Government. The amount of credit shall, as a minimum, represent the full Contract Price of the Goods and Services and may be used to satisfy any present or future contractual offset or IP obligations incurred by the Buyer or its nominees. The Seller shall negotiate with the appropriate bodies and agencies in its country to ensure that offset or IP credit is granted to the Buyer and to provide the Buyer with appropriate evidence and certification prior to Contract completion. This includes agreement on appropriate multipliers consistent with the nature of the Goods and Services. In the event that the Seller is a UK registered company and the Goods and Services are to be supplied to a customer whose Government has directly or indirectly placed an offset or IP obligation on the Buyer, the Seller shall accept a flow down of the Buyer's obligations at least equal to the full Contract Price of the Goods and Services. The terms and conditions of such obligations flowed down to the Seller shall be the same as those imposed directly or indirectly on the Buyer by its customer's government.

42. CHLOROFUROCARBONS AND HYDROFUROCARBONS

The Seller shall observe the requirements of EC Council Regulation No 594/91 dated 4 March 1991 (or any subsequent amendment or re-enactment thereof) and EC Council Regulation 2037/2000 dated 1st October 2000 relating to the progressive reduction and eventual elimination of the use of the substances specified therein. The Seller will promptly advise the Buyer of any safe and suitable alternative to any of the aforementioned substances which can readily be incorporated into the goods without affecting price, delivery or performance and will supply any relevant information it may have for the purposes of assessment by the Buyer

43. THIRD PARTY RIGHTS

No person who is not a party to this contract shall have any right to enforce any term of this contract.

44. LIMITATION OF LIABILITY:

BUYER SHALL NOT BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, ARISING OUT OF THE DESIGN, MANUFACTURE, SALE, DELIVERY, INSTALLATION, SERVICE OR USE OF THE GOODS. IN NO EVENT WILL BUYER'S AGGREGATE LIABILITY UNDER, OR IN ANY WAY RELATED TO THIS AGREEMENT OR ANY PURCHASE ORDER, RESULTING FROM ANY CAUSE OR ACTION, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER LEGAL THEORY, EXCEED THE FACE VALUE OF THE PURCHASE ORDER WHICH GIVES RISE TO THE CLAIM.