

ABSOLUTE MANUFACTURING
PURCHASE ORDER TERMS AND CONDITIONS
IMPORTANT – READ CAREFULLY

1. **Complete Agreement/Additional Terms:** The terms, conditions, and provisions of this Agreement together with the descriptions, specifications, drawing, schedules, exhibits and attachments or riders annexed hereto and by this reference made a part of this Agreement (collectively “Attachments”) constitute the entire Agreement between the parties hereto and shall supersede all previous communications, representations, or agreements, either verbal or written between the parties with respect to the subject matter of this Agreement. There are no terms, agreements or understandings between the parties that are not expressly set forth herein. Buyer’s offer to purchase is conditioned upon Seller’s acceptance of all the terms and conditions set forth in this Agreement without alternation of any kind whatsoever.

2. **Warranties:** Seller warrants that all goods are new (unless otherwise specified in this Agreement) and warrants, whether new or used, that the goods supplied under this Agreement are fit and sufficient for the purpose intended, are merchantable, of good quality and free from defects, whether patent or latent in material, workmanship and design and that the goods conform to the specifications and requirements of this Agreement, including, but not limited to those set forth in the Attachments. Seller hereby warrants that it has good, marketable title to the goods or right to perform the services supplied and that they are free and clear from all liens and encumbrances of any nature whatsoever. The Seller shall warrant and defend such title forever against all claims and demands. Seller further warrants that it has complied with all applicable laws, regulations, standards, procedures and general requirements. Seller warrants to Buyer that it will promptly repair or replace non-conforming goods or re-perform such services including reimbursement to Buyer or removal/installation costs and transportation charges (for a period of one (1) year following acceptance of the goods or for the period of the Seller’s warranty, whichever is greater). All repairs, modifications, corrections and/or replacements shall be made by Seller unless Buyer and Seller agree that Buyer shall make such repairs, modifications, corrections and/or replacements. All repairs and corrections performed by Buyer shall be at Seller’s expense, including all material and direct labor costs. Seller shall maintain a documented control system to assure special processes are performed in adequate facilities by qualified personnel and that full compliance with the requirements for governing specifications is achieved. This system shall provide for definitive, written procedures for the accomplishment of special processes which shall be available in areas of performance. As applicable, Seller shall provide adequate training and certification of personnel and equipment for the performance of special processes. Seller shall impose these requirements on all suppliers performing special processes on deliverable articles.

3. **Time of the essence:** Seller and Buyer acknowledge that time is of the essence in performance of their obligations under the terms of this Agreement.

4. **Confidentiality:** Seller shall not (a) disclose any information concerning the subject matter of this Agreement to any third party except as agreed to in writing in advance, and/or (b) disclose any information which Buyer considers private, proprietary, competition-sensitive or confidential and/or (c) advertise or publish the fact that Seller has furnished or contracted to furnish to Buyer the goods or services herein mentioned, without first obtaining the written consent of Buyer.

5. **Intellectual Property:** Seller warrants that the sale or use of the goods covered by this Agreement does not infringe upon any United States or foreign patent, trademark or copyright. Seller shall indemnify defend and hold Buyer, its subsidiaries and affiliates and their officers, directors , agents and employees harmless from and against any and all royalties, liabilities, damages, settlement costs and expenses, losses, claims, actions, lawsuits, demands, fines, penalties of any third party (“Claimed Infringement”) and all court costs and attorney fees incurred by Buyer, expenses associated with any of all the foregoing or associated with the successful establishment of the right to indemnifications hereunder based upon, caused by, arising from or in any manner connected with goods or services (when used separately or with any good(s) or service(s) whether or not supplied by Seller) purchased or supplied hereunder or any portion thereof. Seller agrees upon notification to promptly assume full responsibility for defense of any suit or proceeding if it so desires and the costs for such representations shall be by the Seller. In the event of any Claimed Infringement, Seller shall, to ensure there is no interference with Buyer’s use of the goods,

promptly either obtain for Buyer the right to use the infringing article, or portion thereof, so that it becomes non-infringing or replace, modify, substitute or update the infringing goods, or portion thereof so that it becomes non-infringing. Not patent or copyright application shall be made by Seller in connection with goods manufactured by Seller hereunder which are of Buyer's original design.

6. **Law Governing:** This Agreement shall be deemed to have been made in the State of New York, U.S.A. and shall be interpreted, and the rights and liabilities of the parties hereto determined in accordance with the law of the State of New York, U.S.A., without regard to conflicts of law principles.

7. **Indemnity:** Seller shall defend, indemnify and hold harmless Buyer together with its parents, directors, officers, employees, assignees, agents and shareholders (herein after collectively called the "Indemnified Parties"), from and against all claims, demands suits, obligations, liabilities, damages, losses and judgments, including costs and expenses related thereto (including but not limited to reasonable attorney's fees and expenses and any obligation or liability for loss of use or any other incidental or consequential damage and all fees and expenses incurred by the Indemnified Parties in establishing the right to indemnification hereunder), which may be asserted against, suffered by, charged to or be result from the Indemnified Parties by reason of Seller's performance of this Agreement.

8. **Cancellation/Termination:** Buyer reserves the right, in its sole discretion, to terminate this Agreement or any part hereof, by written notice and to refuse delivery or, at Seller's cost, return goods already delivered or to refuse performance of services (a) at any time prior to acceptance by Buyer, (b) if shipment is made later than the date specified or note within reasonable time if no time is otherwise specified.

9. **Severability:** If any provision of this Agreement shall be declared illegal, void or otherwise unenforceable, the remaining provisions shall remain in full force and effect.

10. **Certificate of Conformance:** C of C – Certificate of conformance (Compliance) must be provided for each shipment and item in a shipment and include a statement that all applicable specification(s), drawing(s), including reference to appropriate revision level(s), and purchase order requirements have been met or exceeded.

11. **Inspection and Acceptance:** The specific quantities of goods or services ordered must be performed or delivered in full in compliance with the itemized delivery schedule and cannot be changed by Seller without the written consent of Buyer. All goods, and services, including all material, workmanship and design, must be subject to inspection, test and acceptance by Buyer within a reasonable time after delivery to Buyer. Buyer reserves the right to reject any goods or services damaged or defective in material workmanship or design. Rejected goods must be removed at the expense of Seller, including transportation both ways and other related costs, promptly after notification of rejection and Seller must bear all risk of loss of or damage to rejected goods. Notwithstanding Buyer's right to inspect and test after tender of delivery (except where specialized inspections or tests are to be performed solely by Buyer), Seller must perform, prior to delivery, inspections and tests reasonably required to substantiate that the goods or services conform to the requirements of this Agreement, including (where applicable) the technical requirements for the manufacture's part numbers specified herein. With respect to latent defects that are not apparent upon inspection, Buyer shall advise Seller promptly upon discovery. Any advance payments by Buyer shall not constitute acceptance by Buyer and shall not be a waiver of Buyer's right to inspect and reject the goods or services.

12. **Article Inspection/Test:** All articles must be inspected and/or tested by Seller, as necessary to assure full compliance with requirements prior to presentation for Buyer's acceptance. The fact that inspections and/or tests may be performed by Buyer does not relieve Seller of this responsibility.

13. **In-Process Inspection and Test:** Seller shall identify inspection and test points throughout the entire course of fabrication and assembly. Inspection and test points shall be planned at appropriate stages to verify compliance of characteristics and parameters that cannot be readily examined after subsequent assembly.

14. **Final Inspection and Test:** Seller shall assure that final inspection and test verified compliance with all requirements specified by Buyer as well as Seller's internal requirements. Documented evidence of acceptance through prior examinations is acceptable verification.

15. **First Article Inspection:** When invoked on PO via Quality Condition Code 21, Seller shall perform a First Article Inspection per AS9102.

16. **Records:** Records of inspections, test and other quality control activities shall be retained for a minimum

of 5 years and be filed in a manner that will allow access within 24 hours.

17. **Processing of Non Conformities:** The Seller does not have the authority to perform material review on any supplies or products that do not conform to contractual requirements. Nonconforming products or supplies or processes must be reported to Buyer's purchasing department. Under no circumstance shall supplies, products, materials be shipped without prior disposition from the Absolute Manufacturing quality department.

18. **Sub-Tier Suppliers:** It is the Seller's responsibility to ensure that all of their sub-tier suppliers meet all terms and conditions **listed within this Agreement.**

19. **Changes:** Buyer reserves the right to make changes in drawings, designs, specifications, scope of work to be performed, time and place of delivery and method of transportation. If such change is to be made, it will be evidenced in writing by Buyer. If any such change has an effect on the price, warranty, delivery date or indemnification provisions of the order, an equitable written acknowledgement of the effect on the changed provisions shall be indicated by Seller. Seller may not make any change in drawings, design specifications, scope of work to be performed, Seller's facility location, Seller's sub-tier suppliers, time and place of delivery and method of transportation without Buyer's written acknowledging the change. Any such changes by the Seller not authorized by the Buyer may result in termination of this Agreement.

20. **Buyer Assistance to Seller:** Upon request from Seller and at the option of Buyer, assistance may be provided to the Seller in fulfilling the requirements of this specification.

21. **Quality Audits by Buyer:** Seller shall permit Buyer to conduct audits of Seller's quality system to evaluate the degree of compliance with ISO 9001 / AS9100 and/or contractual requirements. Seller shall make available to Buyer during audits a copy of each specification, procedure, record or special requirement deemed by Buyer to be necessary for proper evaluation. Buyer may use one or more requirement specific assessment checklist during the audits to determine compliance.

22. **Inspection by Buyer at Seller's Facility:** Buyer and Buyer's customers shall have the right to visit Seller's facility to witness and/or perform inspection and tests on articles related to Buyer's Purchase Orders (PO) and determine the acceptability of such articles. This right shall also extend to Seller's source of supply. Buyer shall also have the right to maintain continuous article inspection at Seller's facility. Any contact by Buyer with Seller's sources of supply must be coordinated through Seller.

23. **Seller's inspection and test equipment:** quality records and necessary personnel shall be made available to Buyer for use at Seller's facility to determine conformity of articles to contractual requirements.

24. **Buyer's inspection and/or test at Seller's facility does not guarantee acceptance at destination nor does it relieve Seller of responsibility for the acceptability of contracted articles.**

25. **All inspection referred to will be coordinated through, or by authority of, Buyer's Purchasing Department.**