



**CHICAGO PRECISION, INC.
TERMS AND CONDITIONS OF
PURCHASE**

1. TERMS AND CONDITIONS: This purchase order constitutes an offer by Chicago Precision, Inc. (“*Buyer*”) for the purchase of those goods and services set forth on the face of this purchase order from the individual or organization to whom or which this purchase order is addressed (the “*Seller*”), in accordance with these terms and conditions of purchase (together with the terms and conditions on the face of this Purchase Order, the “*Purchase Order*”). Buyer and Seller are each a “*Party*” and collectively the “*Parties*”. This Purchase Order, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the Parties with respect to this Purchase Order and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations, warranties and communications, both written and oral, with respect to the subject matter of this Purchase Order. Any prior offer made by Seller to Buyer regarding the subject matter hereof is rejected. In the event of any conflict between any typed or handwritten provisions that are part of this Purchase Order, including any exhibits attached hereto, and the pre-printed terms and conditions set forth herein, the typed or handwritten provisions shall control. These terms and conditions may not be waived or modified except in writing by Buyer.

2. ACKNOWLEDGMENT AND ACCEPTANCE: Seller acknowledges the issuance of this Purchase Order to Seller constitutes an offer expressly limited to the terms contained herein, which expressly excludes any of Seller’s general terms and conditions of sale, invoice or any other document issued by Seller in connection with this Purchase Order. Seller’s acceptance of this Purchase Order is expressly made conditional on assent to the terms hereof. Any addition, modification or deletion to or of these terms by Seller in Seller’s acknowledgment form or otherwise communicated to Buyer shall be deemed a material alteration and is expressly objected to and rejected by Buyer. Acceptance of this Purchase Order shall take place upon Seller’s delivery of goods to Buyer in accordance with this Purchase Order. Unless acceptance of this offer is made within twenty (20) days of issue, Buyer reserves the right to revoke this offer and/or reject any acceptance by Seller of the offer to purchase contained in this Purchase Order. Buyer reserves the right to revoke this offer at any time prior to acceptance.

3. TECHNICAL INFORMATION AND EQUIPMENT: All technical specifications, drawings, notes, instructions or information referred to on the face of this Purchase Order or contained in attachments or exhibits hereto are deemed to be incorporated by reference. Seller expressly acknowledges that it has received and read said referenced information. All such materials, together with all tools, equipment and parts furnished by Buyer, shall remain the property of Buyer and shall be used only for work performed for Buyer. Seller, at Buyer’s request, shall return to Buyer (a) all written materials delivered to Seller; (b) any copies thereof; (c) all written materials generated by Seller pursuant to the performance of this Purchase Order; and (d) all tools, equipment and parts furnished by Buyer. Seller shall not cause to occur any lien or encumbrance on any such Buyer-owned property in Seller’s possession. Seller will insure any Buyer-owned property in Seller’s possession at replacement value, plus coverage for liability claims arising from Supplier’s use thereof, and shall provide Buyer, upon request, with certificates evidencing such insurance.

4. QUALITY: A Party agreeing to supply material, special processes, hardware or components used in the product deliverable to Seller customers shall:

- Maintain a Quality Management System certified to – or at a minimum, compliant with a recognized international standard. (i.e. AS, ISO, NADCAP) and/or current approval by our customer for services and processes to be performed to our customers specifications.
- Use customer-designated or approved sub-tier external providers, when applicable.
- Specific end customer requirements not accounted for on this PO Supplement will be found on the PO. Flow down all applicable requirements to your sub-tiers, including end customers’ requirements.
- Notify and obtain approval for any changes to processes, products or services, including change of your sub-tier providers or location of manufacture.
- Immediately provide notification of any non-conformances and obtain disposition. Rework may not be an option unless written authorization is received.
- Maintain a disaster recovery plan/ business continuity plan as it relates to the Purchase Order.
- Prevent all prohibited activities identified in paragraph (b) of the clause at 52.222-50, Combating Trafficking in Persons, and to monitor, detect and terminate the contract with a subcontractor engaging in prohibited activities.
- Prevent the use of counterfeit items by purchasing from OEM or their authorized distributors. Comply with requirements in AS5553 and AS6174.
- Comply with DFARS clause 252.246- 7007 (Contractor Counterfeit Electronic Part Detection and Avoidance System) when applicable.
- When DFARS 252.225-7014, Alt 1 or 252.225-7009 (Oct 2014) compliance is requested for raw materials or specialty hardware requiring Berry Amendment compliance for specialty metals, certifications must include the country of origin where specialty metal contained in the product was produced or the material/hardware will be returned.
- Comply with all current Conflict Minerals requirements.
- Provide a C of C and all applicable test data per detailed Purchase Order requirements, including retention of records. Certify to the current revision of the applicable customer or industry specifications used during processing or material acquisition and provide traceability to the purchase order.



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- Provide right of access to Seller facility and applicable records to Buyer, the end customer, and regulatory authorities, at all levels of the supply chain.
- Ensure that your employees are aware of their contribution to product and service conformity, product safety and the importance of ethical behavior. • Be responsible for applying the appropriate procedures, methods and equipment through the use of personnel trained and qualified to process the product per purchase order and supplied drawings/specifications in compliance with all stated requirements; including detection and elimination of FOD (Foreign Object Debris). Follow requirements in AS9146.
- Strive for 100% on time delivery with zero defects. Performance is evaluated monthly and when performance levels drop below what is considered acceptable, the Seller may be required to provide formal corrective action or be considered for removal from the Buyer's approved supplier list.
- Provide response to issued corrective action(s) in a timely manner or request an extension.
- Have a calibration program traceable to NIST standards.
- Agree that Buyer maintains the right of final approval of all products delivered in accordance with the Purchase Order based on a zero defect acceptance plan.
- Agree that if product or process is not compliant to the Purchase Order requirements, the product may be returned for rework or replacement at no charge, that a formal corrective action may be required, and that the Sellers invoice will not be paid until the matter is resolved.
- Providers supplying ITAR controlled items and/or materials must provide export jurisdiction and maintain ITAR registration during the time performing the activity. Notification is to be provided within 5 days of any change in registration status.
- If a DPAS rating is indicated on the PO, then this is a rated order certified for national defense use, and providers are required to follow all the provisions of the Defense Priorities and Allocation System regulation (15CFR Part 700).
- All DFARS clauses referenced in the PO must be complied with and identified on the product certification. External providers are required to notify the purchaser when compliance is compromised.

5. PRICE: Seller shall furnish the goods or services in accordance with the price set forth on the face of this Purchase Order. Unless otherwise stated, the price terms contained herein include all costs or charges of any kind that will be paid by Buyer and Buyer shall not be liable for any other costs or charges, all of which shall be borne by Seller, including, without limitation, charges for inspection, packaging and freight, all federal, state and municipal sales, use and excise taxes, VAT and any customs duties. The price terms shall remain fixed until completion of the deliveries contemplated hereunder. Seller warrants that the prices charged for goods or services covered by this Purchase Order will be as low as the lowest prices charged by Seller to customers purchasing goods or services of like kind and quality.

6. PAYMENT: Unless otherwise set forth on the face of this Purchase Order, Seller shall issue invoices only upon delivery of the goods or completion of services ordered by Buyer hereunder. Unless different payment terms are specified on the face hereof, Buyer shall issue payment within ninety (90) days end of month of its receipt of a correct and conforming Seller invoice. Payment by Buyer is contingent upon delivery and acceptance by Buyer of conforming goods or satisfactory completion of services. Payment made for rejected goods or services shall be refunded by Seller to Buyer within five (5) business days of Buyer's request. In no event shall Buyer be obligated to pay interest or penalties on any amounts due under Seller's invoices. Any attempt by Seller to create a security interest in goods delivered hereunder in its favor is expressly rejected by Buyer and shall be without effect. Payment shall be made in the functional currency of the locale of Buyer's manufacturing site as identified on the face of this Purchase Order or in USD, as determined in the sole discretion of Buyer.

7. SET-OFFS: Buyer shall have the right at any time to set off any amount owing from Seller to Buyer, or Buyer's subsidiaries or affiliates, against any amount due and owing to Seller or any of Seller's subsidiaries or affiliates, pursuant to this Purchase Order or any other contractual agreement between Buyer and Seller or their respective subsidiaries or affiliates.

8. DELIVERY: Unless otherwise specified on the face of this Purchase Order, Seller shall deliver the goods DDP Buyer's branch/plant specified on this Purchase Order (Incoterms 2010) and on the delivery date specified on this Purchase Order. Unless authorized by Buyer, Seller shall be responsible for any expedited freight costs required to meet Seller's commitment date of delivery. Seller shall notify Buyer immediately at such time as Seller has knowledge of any impending material shortage, governmental regulation, labor dispute or other event or impediment which could result in a delay in the delivery. **TIME AND RATE OF DELIVERY ARE OF THE ESSENCE.** If Seller fails to deliver the goods or services in full on the date of delivery specified on this Purchase Order, Buyer may terminate this Purchase Order immediately by providing written notice to Seller and Seller shall indemnify Buyer against any losses, claims, damages, and reasonable costs and expenses directly and indirectly attributable to Seller's failure to deliver the goods on the specified delivery date. If the shipping term agreed upon by the Parties is other than DDP Buyer's branch/plant specified on this Purchase Order (Incoterms 2010), Seller shall provide accurate information to Buyer for customs and other import or export clearance purposes.

9. TITLE AND RISK OF LOSS: Seller shall bear all risk of loss until final inspection and acceptance of the goods by Buyer at Buyer's branch/plant specified on this Purchase Order, and title shall pass upon delivery and acceptance of the goods by Buyer at Buyer's branch/plant specified on this Purchase Order. Title to and risk of loss of the goods delivered pursuant to this Purchase Order shall be governed by this Section 8 notwithstanding the Incoterms otherwise applicable to this Purchase Order.



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10. RIGHT TO INSPECT: Seller shall inspect all goods prior to shipment to Buyer. Seller shall notify Buyer of any non-conforming goods and obtain Buyer's approval prior to shipment. Buyer may inspect goods received under this Purchase Order on receipt of the goods and either accept or, if any goods or nonconforming goods or are in excess of the amount set forth on this Purchase Order, reject such goods. Non-conforming goods may be rejected by Buyer and returned to Seller at Seller's risk and expense for credit, rebate of paid purchase price, or replacement, at Buyer's option. Payment any time prior to acceptance shall not be deemed acceptance. Seller agrees to obtain Buyer's written approval prior to making any modifications to its products, services and/or processes.

11. SHIPMENT PACKAGING AND IMPORT CLEARANCE: Seller shall be responsible for packaging, marking and shipping the goods in accordance with the terms hereof, good commercial practices and all applicable laws (which laws include, but are not limited to, the SAFE Port Act of 2006, which is found at 19 CFR 146 et. seq. (the "**ISF Regulations**")) that are in effect as of the date this Purchase Order was issued and which may

be enacted, amended or modified in the future. Seller shall pack all goods for shipment in a manner sufficient to ensure that the goods are delivered in undamaged condition. For each shipment, Seller shall provide Buyer with complete and accurate (a) commercial invoices, (b) packing lists, and/or (c) other documentation that is requested by Buyer, including, but not limited to any customs clearance documentation ((a), (b) and (c) are collectively referred to as "**Supporting Documentation**"). Each package shall be marked with handling instructions, shipping information, Purchase Order number and part or item number. For all shipments, Seller shall document the country of origin for each part on the commercial invoice and packing list in a format acceptable to Buyer, for example stating "Country of Origin is" (specific country). When requested, Seller shall provide a country of origin certificate, in Buyer's requested format. Seller agrees that for all shipments to Buyer for which Seller is the importer of record ("**IOR**"), Seller shall be considered the ISF Importer (as such term is defined with the ISF Regulations) and will comply with the terms of the ISF Regulations. Such compliance includes, but is not limited to, the timely and accurate filing of the Importer Security Filing.

12. EXPORT. Seller shall comply with all applicable United States export control laws and regulations (including any future revision thereof), including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C. 2751-2794, the International Traffic in Arms Regulation ("**ITAR**"), 22 C.F.R. 120 et seq., the Export Administration Act, 50 U.S.C. app. 2401-2420, and the Export Administration Regulations, 15 C.F.R. 730-744. Seller shall obtain all required export licenses or agreements necessary to ship products or perform Seller's work, as applicable.

13. RESCHEDULING AND CANCELLATION: Buyer may reschedule the delivery of any goods at any time up to the time of shipment for a period of up to ninety (90) days beyond the delivery date, and Buyer shall not have any liability for any costs associated with such rescheduling. Buyer may cancel this Purchase Order in whole or in part upon notice at any time and notwithstanding the fact such Purchase Order contains orders for non-cancellable/non-returnable ("**NCNR**") or custom goods. Upon Buyer's cancellation, Seller shall (a) stop work on such cancelled goods and deliver to Buyer such work in process or completed goods as may be requested by Buyer, (b) cancel orders for components or raw materials for such cancelled goods, and (c) return any unneeded components or raw materials for such cancelled goods. Unless otherwise stated on the face of this Purchase Order, all goods ordered hereunder are one hundred percent (100%) cancellable and one hundred percent (100%) returnable with no restocking or other such charges. Except for cancellation due to default or delay by Seller, Seller shall be entitled to commercially reasonable compensation for NCNR goods and custom components to the extent such liability is indicated on the face of this Purchase Order, which were properly ordered by Seller and which Seller cannot return, cancel or broker using diligent efforts within ninety (90) days after notice of cancellation by Buyer. The total compensation paid by Buyer for any NCNR or custom goods subject to cancellation shall not exceed the price on this Purchase Order for such cancelled goods. Buyer shall have no liability to Seller beyond payment of any balance owing for goods or services delivered to and accepted by Buyer prior to Seller's receipt of the notice of termination, and for work in process and completed goods requested by, delivered to, and accepted by Buyer after Seller's receipt of notice of termination in accordance with this Section 12.

14. WARRANTY: Seller hereby warrants to Buyer, its affiliates and its customers that for a period of two (2) years from Buyer's acceptance of the goods: (a) all goods are free from defects in design, material and workmanship; (b) all goods are new and unused, and are not counterfeit; (c) all services are performed in a good and workmanlike manner; (d) Seller has good title to the goods and has conveyed such title to Buyer free and clear of all liens, claims, charges and encumbrances; (e) the goods or services conform to the applicable original manufacturer's specifications or drawings, samples or descriptions referenced herein; (f) the goods are merchantable and fit for the purposes intended; and (g) the goods or services do not infringe upon the intellectual property rights of a third party. Without limiting Buyer's right to pursue any remedies available to it at law or in equity, any goods or services which fail to comply with the warranty in this Section 13 may be rejected by Buyer and returned to Seller at Seller's risk and expense for credit, rebate of paid purchase price, or replacement, at Buyer's option. Seller shall be liable for all costs, fees, expenses or damages of any kind incurred by Buyer as a result of breach of this Section 13 by Seller. Buyer may return any such non-conforming goods to Seller without invalidating the remainder of such shipment or any other shipment under this Purchase Order. The warranty set forth in this Section 13 is fully transferable and assignable to third party purchasers, subsidiaries and affiliates of Buyer.

15. INDEMNITY AGAINST LOSS: Seller shall indemnify, defend and hold Buyer, its affiliates, customers and licensees, and their directors, officers, employees and agents (collectively, the "**Indemnified Parties**"), harmless from and against all demands, claims, losses, expenses, damages, settlements, penalties, fines and liabilities of whatever kind or nature, including attorneys' fees



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and costs, asserted against or suffered by the Indemnified Parties by reason of, arising out of, or in any way related to, in whole or in part, the goods and services covered by this Purchase Order or the preparation, processing, manufacture, construction, completion, delivery, and/or use thereof. Without limitation, such obligation to indemnify shall exist with respect to claims and demands relating to (a) accidents, occurrences, injuries or losses, including, without limitation, injuries to persons or property and economic losses; (b) infringement, misappropriation or violation of any patent, copyright, trade secret, mask work, trademark, trademark rights or any other IP rights of a third party; (c) breach of contract or warranty; and (d) the fraud, misrepresentation, negligence, reckless actions or willful misconduct of Seller. The indemnity set forth in this Section 14 shall apply notwithstanding that the goods sold hereunder may have been produced by Seller in compliance with specifications furnished by Buyer. Buyer does not have any obligation to hold Seller harmless from any claim against Seller, its directors, officers, employees or agents, arising out of compliance with Buyer's specifications.

16. DUTY TO CORRECT: If a claim of infringement is brought against Buyer or Buyer reasonably concludes there is a risk that one will be made, in addition to Seller's indemnification obligation set forth in Section 14, Seller will, at Seller's sole risk and expense for each infringing or potentially infringing product, service or other material provided by Seller, use best efforts to procure Buyer's rights to continue directly and indirectly purchasing, using, importing, distributing, leasing, selling, offering for sale and otherwise disposing of the infringing product, service or other material. If Seller has not accomplished the foregoing after using best efforts, Seller will replace the infringing product, service or other material with a non-infringing version of the infringing product, service or other material; and/or modify the infringing product, service or other material so that it becomes non-infringing. Any replacement or modification must provide equivalent form, fit, function, features and performance and meet Seller's warranties under this Purchase Order. Further, any replaced or modified version of a product, service or other material provided pursuant to this Section 15 shall be deemed a "good" or "service" for purposes of this Purchase Order. Without limiting Seller's other obligations, if Seller has not accomplished its requirements in the first or second sentences of this Section 15, it will refund to Buyer all amounts paid by Buyer and any of its affiliates in connection with the affected goods or services (and any other goods or services intended to be used with it) to the extent such refund is elected by Buyer.

17. SELLER'S ATTEMPTED LIMITATION OF LIABILITY: Any attempt by Seller to disclaim any theory or grounds upon which Buyer, or Buyer's customers of the goods and services covered hereby, might recover against Seller is expressly rejected and is ineffective. Any attempt by Seller to limit its liability by means of a "Force Majeure" or similar argument or terms is expressly rejected and is ineffective. Any attempt by Seller to disclaim any kind or class of damages which Buyer, or successive purchasers of the goods and services covered hereby, might recover against Seller is expressly rejected and is ineffective. Any attempt by Seller to establish by contract time limitations periods within which Buyer, or successive purchasers of the goods and services covered hereby, are obligated to assert claims against Seller is expressly rejected and is ineffective.

18. CONFIDENTIAL INFORMATION AND PUBLICITY: Without prior written consent of Buyer, Seller shall neither disclose, publish or advertise to any person outside its employ, nor use for purposes other than performance of this Purchase Order, any information pertaining to the existence or terms of this Purchase Order including, but not limited to, the identity, price, or volume of the goods or services purchased hereunder, and the drawings, blueprints, descriptions, or specifications which are a part of or related to this Purchase Order. Both Parties agree to maintain in confidence those materials and information either has designated as being confidential or proprietary information. Seller agrees that Buyer shall be entitled to enforce this Section 17 against Seller by means of injunctive relief without the necessity of proving irreparable harm. To the extent that the Parties have a separate agreement governing the disclosure of each Party's confidential information, that agreement shall prevail over this Section 17. This Purchase Order does not grant Seller the right to use Buyer's logos, trademarks or promote its association with Buyer through press releases or other public relations efforts that may imply Buyer's endorsement of Seller.

19. INTELLECTUAL PROPERTY RIGHTS: All products, information and technology produced, conceived or otherwise developed by Seller in connection with this Purchase Order shall be deemed works made for Buyer and shall vest exclusively in Buyer. Seller shall assign to Buyer all right, title and interest in all inventions, trade secrets, patents, mask works, copyrights, trademarks and other intellectual property developed by Seller in connection with this Purchase Order. Seller shall provide Buyer any assistance required to perfect such rights.

20. LICENSE FOR ALL PURPOSES: In addition to any other licenses, express or implied, in favor of Buyer, Seller's delivery of goods under this Purchase Order confers upon Buyer a non-exclusive, irrevocable, worldwide, royalty-free license, with the right to sublicense, under any intellectual property rights of Seller, licensed to Seller or licensable by Seller, to use, make or have made, sell or transfer the goods for all purposes, including modifying such goods, whether by combining such goods with any other product available to Buyer (including products purchased from Seller) or otherwise, and to sell the same. Except as otherwise set forth herein, no licenses are conferred by either Party for any purpose of any other patent, copyright, trade secret, mask work, trademark, trademark rights or any other IP rights.

21. COMPLIANCE WITH LAWS: Seller represents and warrants to Buyer that it is in compliance with, and that in performance of this Purchase Order it has complied with or will comply with all applicable international, national, state and local laws, regulations and ordinances. Any provision of any applicable law, regulations, rule or order which is required to be included in this Purchase Order by virtue is incorporated herein by reference including, but not limited to: (a) Executive Order



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11246 (Equal Opportunity); (b) Executive Order 13456 (Employment Eligibility Verification); (c) Executive Order 13496 (Employee Rights Under National Labor Relations Act); (d) 41 C.F.R. 60-300.5(a); and (e) 41 C.F.R. 60-741.5(a).

22. FOREIGN CORRUPT PRACTICES ACT. Seller shall (a) comply with all anti-bribery and corruption, anti-money laundering, trade control and sanctions laws and regulations applicable to Seller, such as the Bribery Act of 2010 of the United Kingdom, Foreign Corrupt Practices Act of 1977 of the United States of America and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and all applicable successor legislation; and (b) not and will undertake to ensure that its employees and third party providers (including its subcontractors, agents and other intermediaries) will not, offer, give or agree to give any person or solicit, accept or agree to accept from any person either directly or indirectly, anything of value in order to obtain, influence, induce or reward any improper advantage.

23. PRODUCT COMPLIANCE. All materials, substances, parts and components used by Seller shall conform to the following (including any future revision of the following): (a) the Registration, Evaluation, Authorization and Restriction of Chemicals (“**REACH**”) Regulation EC 1907/2007; (b) EU 2002/95/EC (27 January 2003), as last amended by the Commission Decision 2010/571/EU of 24 September 2010 on the Restriction of the Use of Certain Hazardous Substances (“**RoHS**”); (c) any national legislation adopted by a member country of the European Union to implement REACH or RoHS; (d) Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Public Law 111–203, 124 Stat. 1376 (July 21, 2010) (“**Conflict Minerals Laws**”); (e) California Proposition 65, codified at Cal. Health & Safety Code §§ 25249.5–25249.13 (“**California Prop 65**”); (f) any administrative regulations promulgated under the Conflicts Minerals Rules or California Prop 65; and (g) any other regulation of any jurisdiction where Buyer does business that prohibits, limits, or requires the disclosure of materials, substances, parts or components that are used in or constitute part of any of Buyer’s products. Seller shall provide written and executed verifications to Buyer of compliance with the foregoing in the form requested by Buyer. In addition, regardless of any inapplicability or exemption of Seller’s compliance with the foregoing, Seller shall provide all documentation reasonably requested by Buyer to ensure full disclosure of the materials, substances, parts and components as may be requested by Buyer.

24. INSURANCE. Seller shall carry Comprehensive General Liability insurance, including coverage for contractual liability, products liability, bodily and personal injury and property damage with minimum limits of (US) \$1,000,000 per occurrence and with limits of (US) \$2,000,000 in the annual aggregate. Seller shall carry Excess Liability Coverage with minimum limits of (US) \$5,000,000 per occurrence and (US) \$5,000,000 annual aggregate. Buyer shall be named an additional insured under all policies. Any claims-made coverage must continue for a minimum of two (2) years after the goods are delivered and accepted under this Purchase Order. All insurance policies must be underwritten by an insurance company with a minimum A.M. Best Rating of A-VII. All insurance policies shall be primary and non-contributory in favor of Buyer. This coverage shall include insurance to cover sublet work, if any. Seller waives and Seller shall cause its insurers to waive, any right of subrogation or other recovery against Buyer, its affiliates and their insurers. Seller shall submit certificates of insurance covering all required insurance to Buyer upon request. In case of failure to furnish said certificates of insurance, as aforesaid, Buyer may terminate this Purchase Order with no liability.

25. GOVERNMENT CONTRACTS: If this Purchase Order is placed in support of and charged to a U.S. Government (“**Government**”) prime contract or subcontract thereunder procuring an item meeting the Federal Acquisition Regulation (“**FAR**”) definition of a commercial item or noncommercial item (whichever is applicable to this Purchase Order), the applicable clauses set forth in the FAR or the Defense Federal Acquisition Regulation Supplement (“**DFARS**”) in effect as of the date of the prime contract or higher-tier subcontract are incorporated herein by reference as if set forth in full text unless made inapplicable by its corresponding note, if any. For all incorporated clauses the terms shall be revised to suitably identify the Party to establish Seller’s obligation to Buyer and to the Government and to enable Buyer to meet its obligations under its subcontract. Without limiting the generality of the foregoing, the term “Government” and equivalent phrases shall mean Buyer; the term “Contracting Officer” shall mean Buyer’s purchasing agent, employee or representative; the term “Contractor” or “Offeror” shall mean Seller; “Subcontractor” shall mean a subcontractor or supplier of Seller; and the term “Contract” shall mean this Purchase Order. If any of the referenced FAR or DFARS clauses do not apply to this Purchase Order, such clauses are considered to be self-deleting.

26. COUNTERFEIT PARTS. Seller shall comply with all applicable provisions of the DFARS Detection and Avoidance of Counterfeit Electronic Parts at DARS **252.246-7007 & 252.246-7008**. Capitalized terms in this Section 25 shall have the meaning afforded to them in such regulation. In

particular but in no way limiting the generality of the foregoing, Seller shall, and Seller shall include in its sub-tier contracts for the delivery of Electronic Parts that will be included in goods or otherwise provided to Buyer, the following: (a) establish, document, implement, and maintain a method of item traceability that ensures tracking of the supply chain back to the manufacturer of all electrical, electronic and electromechanical parts included in goods being delivered per this Purchase Order using industry standards SAE AS5553 or SAE AS 6081, or DFARS Case 2012-D055 as a guideline to prevent the delivery of counterfeit Electronic Parts (“**Prevention and Control Plan**”); (b) ensure that Counterfeit Parts are not delivered to Buyer; (c) purchase Electronic Parts directly from the Original Component Manufacturer (“**OCM**”)/Original Equipment Manufacturer (“**OEM**”), or through an OCM/OEM authorized distributor; (c) ensure Electronic Parts delivered hereunder contain only authentic, unaltered OCM/OEM labels and other markings; (d) when requested by Buyer, provide OCM/OEM documentation that authenticates traceability of the specified items to



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the applicable OCM/OEM; and (e) immediately inform Buyer of all pertinent facts if Seller becomes aware of or suspects that it has furnished a Counterfeit Part to Buyer. Only obsolete parts that are no longer available from OCM/OEM sources may be procured from independent distributors, brokers, or other sources, provided Seller obtains Buyer's prior written approval and Seller provides documented inspection and test to confirm the validity of such parts in accordance with Prevention and Control Plan. In the event any goods provided under this Purchase Order constitute a Counterfeit Part, Supplier shall, at its sole expense, promptly replace such goods with genuine goods conforming to the requirements of this Purchase Order. Notwithstanding anything to the contrary, Seller shall be liable for all costs (including without limitation any claims, damages, expenses and other amounts) directly or indirectly relating to or arising from the provision of a Counterfeit Part to Buyer. The remedies contained in this paragraph are in addition to any remedies Buyer may have at law, equity or this Purchase Order.

27. RELATIONSHIP BETWEEN PARTIES: The Parties are independent contractors with respect to each other. The transaction entered into between the Parties pursuant to this Purchase Order does not create any partnership, joint venture, or agency between the Parties, and nothing in this Purchase Order shall be construed as creating any such relationship.

28. APPLICABLE LAW: This Purchase Order shall be governed by and construed in accordance with the internal laws of the State of Illinois, without regard to its principles of conflicts of laws. Each of the Parties agrees that any disputes between the Parties shall be resolved only in the courts of Cook County, Illinois or the United States District Court for the Northern District of Illinois and the appellate courts having jurisdiction of appeals in such courts.

29. SEVERABILITY: If any provision of this Purchase Order is adjudged to be unenforceable in whole or in part, such adjudication shall not affect the validity of the remainder of this Purchase Order. Each provision of this Purchase Order is severable from every other provision and constitutes a separate, distinct and binding covenant.

30. NOTICES: All notices shall be in writing and delivered either by hand, facsimile, electronic mail or certified mail, return receipt requested at the addresses set forth herein. Notice shall be deemed to have been given upon receipt if delivered by hand; upon receipt if given by facsimile but only if such receipt is confirmed by written confirmation produced by the transmitting machine; and upon expiration of seven (7) days after mailing, if given by certified mail.

31. REMEDIES: Rights and remedies provided to Buyer herein shall be cumulative and not exclusive of, any other rights or remedies that Buyer may have at law or equity. Failure by either Party to enforce any term will not be deemed a waiver of future enforcement of that or any other term.

32. TITLES: The section titles herein are used for reference purposes only and shall not be referred to or relied upon in interpreting the meaning of the language contained in such section.

33. GOVERNING LANGUAGE: Buyer and Seller acknowledge and agree that the language of this Purchase Order is the English language as used in the United States of America. In the event that the terms of this Purchase Order are translated into one or more languages, the English language version of this Purchase Order, as the language is used in the United States, shall be the governing version for purposes of interpreting and enforcing this Purchase Order.

34. ASSIGNMENT: Seller shall not assign its rights or obligations under this Purchase Order without the advance written consent of Buyer. Buyer may assign its rights under this Purchase Order to a subsidiary, affiliate or customers upon written notice to Seller.

35. INTENDED BENEFICIARY: Buyer and any successive purchasers of the goods and services covered hereby retain and shall be entitled to assert all rights and claims available to them at law or equity against Seller in respect of the transactions subject to this Purchase Order. There are no third party beneficiaries to this agreement except Buyer's customers are intended third party beneficiaries to Section 13 (Warranty), Section 14 (Indemnity), Section 15 (Duty to Correct), Section 19 (License for all Purposes) and Section 20 (Compliance with Laws).

36. SURVIVAL: Provisions of this Purchase Order which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Purchase Order unless otherwise superseded by an agreement of the Parties.