

Global Embedded Technologies, Inc. (Global ET)

PURCHASE ORDER TERMS AND CONDITIONS

1. THE CONTRACT:

The documents ("Contract/Subcontract Documents") that form the contract (hereinafter the "Contract") between Buyer and Seller are the Buyer's purchase order (the "PO") issued to Seller; all documents referenced in the PO (including without limitation drawings, specifications, instructions, quality assurance requirements and any other referenced documents); all drawings, specifications, and other documents referenced in the Buyer's request for quotation/proposal issued to Seller for the Contract (unless and to the extent such documents are excluded from the Contract by express provisions in, and not by mere omission from, the PO); supplements to the PO issued to Seller by Buyer; these Terms and Conditions; and all documents referenced in any Contract Documents. What is required in any one Contract Document shall be deemed required by all Contract Documents and the Contract. Where there is any conflict or inconsistency between the provisions in one or more of the Contract Documents, ¶ 36, ORDER OF PRECEDENCE herein, shall control and shall govern the Seller's performance obligations, unless otherwise agreed in a writing signed by Buyer's Authorized Representative (the issuer of the purchase order or another buyer or manager within Buyer's Supply Chain Management organization) who issued the PO as part of the Contract. The Seller shall flow down to its sub-tier suppliers the applicable Quality Clauses and Terms and Conditions requirements contained in the Contract, including key characteristics of the drawings and Technical Data Package (TDP) where required.

2. ACCEPTANCE:

The acceptance by Seller that forms the Contract shall be deemed conclusively to have occurred upon Seller's acknowledgement and acceptance of the PO, Seller's performance of any activities covered by the Contract, or acceptance of payment related to Contract, whichever occurs first. For Government Defense Priorities and Allocations System (DPAS) rated purchase orders, Seller shall accept or reject in writing all DX-rated purchase orders with ten (10) working days of receipt and all DO-rated purchase orders within fifteen (15) working days of receipt.

By acceptance of the PO, Seller agrees to comply with all terms and conditions and specifications in the Contract Documents, including those contained in all documents incorporated into the PO. These Terms and Conditions are hereby incorporated in the PO. Any acceptance by Seller on purported terms and conditions that differ in any way from the provisions of the Contract shall be effective to form and bind Seller to the Contract, but such terms and conditions shall not become part of, or in any way alter, amend or otherwise modify any of the provisions of, the Contract. Any shipment of goods, performance of services, or commencement of work on supplies by Seller shall be deemed to be only upon the terms and conditions and contained in the Contract, except to the extent that Buyer may otherwise expressly consent in a writing signed by Buyer's Authorized Representative. Seller agrees that Buyer's acceptance or payment for any shipment of Goods or similar act of Buyer shall not be claimed or construed to constitute such consent.

3. DELIVERY:

(a) Contract delivery schedules and quantities are a material condition of this Contract, and Seller's failure to meet Contract delivery dates or quantities shall be considered a material breach of the Contract. If Buyer gives notice of the rejection of the Goods, the risk of loss and damage to the Goods is with the Seller. Any acceptance of deliveries late to the Contract delivery schedule will not waive Buyer's rights.

(b) If Seller fails to make delivery in accordance with the Contract delivery schedule, Buyer will have the option of terminating this Contract in accordance with ¶ 19, TERMINATION FOR DEFAULT,

(c) In the event of any anticipated or actual delay in meeting the Contract delivery schedule, Seller shall:

(i) Promptly notify Buyer in writing of the reasons for the delay and the actions being taken to overcome or minimize the delay;

(ii) Provide Buyer with a written recovery schedule; and

(iii) If requested by Buyer, ship via air or expedited routing to avoid or minimize delay to the maximum extent possible, unless Seller is excused from prompt performance as provided in ¶ 16, EXCUSABLE DELAYS. Seller will be solely responsible for paying the difference between the method of shipping specified and the actual air or expedited rate incurred.

(d) Any information provided by Seller regarding any anticipated or actual delay in meeting the Contract delivery schedule is informational only and shall not be construed as a waiver by Buyer of any of Buyer's rights or remedies provided by law or the Contract.

4. CONTRACT FLOWDOWN:

Seller must flow down to any sub-tier suppliers: all applicable Quality Clauses applicable Purchase Order Terms & Conditions, Contract Flowdowns, and if required, any key characteristics of drawings and technical information.

5. PACKAGING AND SHIPPING:

Packaging and shipment of Goods shall ensure safe arrival of the Goods at the destination specified in the Contract.

6. INSPECTION:

(a) Buyer and Buyer's Customers and the Government shall have the right to inspect any Goods supplied under the Contract during the manufacture, assembly, or test processes at the Seller's facilities or elsewhere. Such inspection may include, without limitation, raw materials, components, work in process, and completed products as well as production trackers, procedures, and test results. Processes or procedures performed, instituted, or enforced by Seller are subject to inspection. If any inspections occur at Seller's facility, Seller shall provide reasonable facilities and assistance for the inspection personnel. Buyer may reject all Goods supplied under the Contract that are found to be defective and may return the Goods to Seller at Seller's expense. Under no circumstances will any inspection, examination, or test, or any approval given in connection with any such inspection, examination, or test, whether by Buyer or Buyer's customer and whether under the Contract or another contract for the same or similar goods, relieve Seller of any obligation to comply fully with all requirements of the Contract, including the obligation to deliver Goods that conform to all requirements of the drawings, specifications, and other Contract documents. At Buyer's request, Seller shall repair or replace defective Goods at Seller's expense. Failure to inspect goods, failure to discover defects in Goods, or payment for Goods shall not constitute acceptance or limit any of Buyer's rights or remedies, including, without limitation, those under ¶ 10, REMEDIES. In the event inspection reveals any defect and schedule urgency requires that the defect be corrected by Buyer, all cost of such correction, including, without limitation, installation and removal, will be charged to Seller.

(b) Seller shall maintain an inspection system acceptable to Buyer covering the Goods furnished under the Contract. Seller shall permit Buyer to review procedures, practices, processes, and related documents to determine such acceptability. Seller shall keep records evidencing inspections and their results and shall make these records available to Buyer and Buyer's customer, where applicable, during Contract performance and for seven years after delivery.

7. SELLER'S NOTICE OF DISCREPANCIES:

Seller shall immediately notify Buyer in writing when discrepancies in Seller's process are discovered or suspected regarding Goods delivered or to be delivered under the Contract.

8. PAYMENT:

(a) Payment: Seller shall be paid after submission of properly prepared invoices in accordance with Buyer's invoicing instructions for services, materials and/or supplies delivered to and accepted by Buyer. Invoice must show: Seller's name, Buyer's Purchase Order Number, Quantity Shipped and Price. Unless negotiated with Buyer and written within the PO, the Contract's standard payment terms is Net 45 day following the formal receipt of goods and invoice, whichever is later. Buyer reserves the right to make any adjustments in Seller's invoice due to shortages, rejection of Goods, or other failure of Seller to comply with the provisions of the Contract. Payment adjustments may be made by Buyer under any other order or contract between Buyer and Seller. No charges or changes will be honored unless specified on the face of the PO.

9. WARRANTY:

Seller represents and warrants that Goods and/or Services ordered to specifications will conform to the Contract, including all specifications and drawings, and will be fit and sufficient for mission critical military applications, and that all Goods are merchantable, of good material and workmanship, and free from defect. Such warranties, together with Seller's service warranties and guarantees, if any, shall survive inspection, test, acceptance of, and payment for the Goods and shall run to Buyer, its successors, assigns, customers at any tier, and ultimate end user and joint users.

10. REMEDIES:

In addition to any other remedies established in this Contract or under applicable law, if the Goods or any part or portion thereof, in Buyer's judgment, fail to pass inspection, fail to meet warranty, or fail to conform to the requirements of the Contract, including with respect to timeliness of delivery (each such failure a "Non-Conformance" and each such Good a "Non-Conforming Good"), Buyer may do any or all of the following:

(a) Reject or return Non-Conforming Goods. As to returned Non-Conforming Goods (and as to rejected Non-Conforming Goods, but only if Buyer so directs), Seller shall promptly, at its expense, and at Buyer's election, repair or replace such Non-Conforming Goods. Seller shall be responsible for Buyer's cost of removal and reinstallation of such Non-Conforming Goods and for all costs and expenses (including without limitation labor costs and third party inspection costs) incurred by Buyer in connection with the inspection and discovery of such Non-Conforming Goods, identifying and correcting the cause of any Non-Conformance, and all other activities reasonably undertaken by Buyer to obtain conforming Goods or attempting to obtain from the ultimate end user a waiver to permit the Non-Conforming Goods to be used. In addition, Seller acknowledges that the delivery of Non-Conforming Goods is very disruptive to Buyer's production processes, planning and scheduling, workflow, and resource allocation, among other things. Seller acknowledges that these disruptions impose substantial additional harms on Buyer and that the costs flowing from those harms are inherently difficult to quantify. Accordingly, Buyer shall have the right to recovering the costs identified above.

(b) Upon rejection of Non-Conforming Goods or Seller's failure to promptly repair or replace such Non-Conforming Goods, Buyer may cancel this Contract and/or purchase goods or services in substitution for those due from Seller and recover from Seller the difference between the cost of cover and the

Contract price together with any incidental or consequential damages, notwithstanding anything to the contrary in this Contract.

(c) Goods rejected may, at Buyer's election, be returned to Seller at Seller's expense. If notice of rejection or return is given by Buyer to Seller, incidental expenses and the risk of loss or damage to such rejected or returned Goods shall be borne by Seller. In addition, Buyer may charge Seller all costs and expenses of unpacking, examining, repacking, and reshipping such Goods. Buyer reserves the right to require repayment or effect a setoff against any amounts owed to Seller (irrespective of whether such amounts owed are in connection with this Contract or not), of any expenses incurred by Buyer resulting from rejection or return.

(d) Accept or retain Non-Conforming Goods and, at Buyer's election, either equitably reduce the purchase price of those Goods or repair them at Seller's expense.

11. RESERVED

12. BUYER'S PROPERTY:

Buyer may from time to time furnish property to Seller for performance of this Contract. Unless otherwise provided in this Contract or agreed to in writing by Buyer's Authorized Representative, property of every description including all tools, equipment, and material furnished or made available to Seller, title to which is in Buyer, and any replacement shall be and remain the property of Buyer, and Seller shall indemnify and hold harmless Buyer from all liens and claims upon said property arising from any cause. Property shall not be modified without Buyer's prior written consent. Seller shall not use such property except for performance of work under the Contract or as authorized in writing prior to such use by Buyer's Authorized Representative. Such property while in Seller's possession or control shall be kept in good condition, shall be held at Seller's risk, and shall be kept insured by Seller, at its expense, in an amount equal to the replacement cost with loss payable to Buyer. Property shall be subject to inspection and removal by Buyer and Buyer shall have the right of entry for such purposes without any additional liability whatsoever to Seller. As and when directed by Buyer, Seller shall disclose the location of such property and/or prepare it for shipment from its plant to Buyer (or a Buyer designated location) in as good condition as originally received by Seller, reasonable wear and tear excepted. Seller shall return to Buyer all unused materials, regardless of its condition. At no time will unused material be removed from Seller's premise without prior written approval from the Buyer.

13. SPECIAL TOOLING/SPECIAL TEST EQUIPMENT:

(a) "Special Tooling" (ST) means jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, all components of these items, and replacements of these items that are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or performing particular services.

(b) "Special Test Equipment," (STE) as used herein, means either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in performing a contract. It consists of items or assemblies of equipment, including standard or general purpose items or components that are interconnected and interdependent so as to become a new functional entity for special testing purposes. It does not include material, special tooling, facilities, and plant equipment items used for general plant testing purposes.

(c) Title to Special Tools/Special Test Equipment (ST/STE) provided by or paid for by Buyer will remain with Buyer. Buyer is responsible for maintaining ST/STE and must have access to ST/STE for purposes of maintenance, verification, or calibration.

14. RESERVED

15. STOP WORK ORDER:

Buyer may at any time, by written notice to Seller, require Seller to stop all or any part of the work called for by this Contract for a period of up to ninety (90) days after the notice is delivered to Seller ("Stop Work Order"). Upon receipt of the Stop Work Order, Seller shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to Seller, or within any extension of that period to which the parties shall have agreed, Buyer shall either cancel the Stop Work Order, or terminate the work covered by the Contract as provided TERMINATION FOR DEFAULT, TERMINATION FOR CONVENIENCE, whichever may be deemed appropriate in Buyer's sole discretion. Seller shall resume work immediately upon cancellation or expiration of any Stop Work Order. If Seller delivers to Buyer a request for equitable adjustment to the Contract's delivery schedule or price (or both) within ten (10) days and a fully supported proposal within thirty (30) days after Seller's receipt of such direction, Buyer may agree to an adjustment if the Stop Work Order has resulted in an increase in the time required for the performance of the PO or in Seller's costs properly allocable to the PO, which would be reflected in a Contract modification.

16. EXCUSABLE DELAYS:

FAR 52.249-14, Excusable Delays (APR 1984), is incorporated into this Contract by reference with the following terms substituted: "Contractor" means Seller, "Government" and "Contracting Officer" mean Buyer and "Subcontractor", shall mean "Seller's Subcontractor".

17. NOTICE TO BUYER OF LABOR DISPUTES:

Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Contract, Seller shall immediately give notice, including all relevant information, to Buyer.

18. CONTRACT CANCELLATION:

By written notice, Buyer may cancel the whole or any part of this Contract in the event of Seller's default of any or all of the requirements of this Contract or in the event of suspension of Seller's business, insolvency of Seller, institution of bankruptcy, liquidation proceedings by or against Seller, appointment of a trustee or receiver for Seller's property or business or any assignment, reorganization or arrangement by Seller for the benefit of creditors.

19. TERMINATION FOR DEFAULT:

(a) Buyer may, by written notice to Seller, terminate all or any part of this Contract for default if Seller fails to: (i) make full delivery of the Goods or perform this Contract within the time specified in the Contract; (ii) deliver Goods that conform in all respects with the specifications and quality requirements set forth in the Contract; (iii) perform any of its other obligations set forth in the Contract; or (iv) take any action or inaction that endangers performance of this Contract and fail to cure such situation within a period of ten (10) calendar days after receipt of notice from Buyer. If only part of the Contract is terminated, Seller is not excused from performance of the non-terminated part of the Contract.

(b) In the event Buyer terminates this Contract in whole or in part as provided in subparagraph (a) above, Buyer may procure, upon such terms and in such manner as Buyer may deem appropriate, Goods similar to those so terminated, and Seller shall be liable to Buyer for any excess costs for the same, including without limitation all costs and expenses of the type specified ¶ 10, REMEDIES.

(c) Buyer, in addition to any other rights and remedies provided by applicable law or under this Contract, may require Seller to transfer title and deliver to Buyer or to Buyer's customer, in the manner and to the extent directed by Buyer for: (i) any completed Goods; (ii) any partially completed Goods or work in progress; and (iii) any materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "Manufacturing Materials") as Seller has specifically produced or specifically acquired for the performance of such part of this Contract as has been terminated.

(d) Seller shall, upon direction of Buyer and at Seller's own cost, mark, separate, protect, and preserve property in Seller's possession in which Buyer or the Buyer's customer has an interest.

(e) Payment for completed Goods delivered to and accepted by Buyer pursuant to subparagraph (c) above shall be at the Contract price. Payment for partially completed Goods, work in progress, or Manufacturing Materials delivered to and accepted by Buyer pursuant to subparagraph (c) above shall be in an amount agreed to by Buyer and Seller, and failure to agree to such amount shall be a dispute concerning a question of fact within the meaning ¶ 30, DISPUTE RESOLUTION. Seller must transfer title and deliver partially completed Goods, work in progress, or Manufacturing Materials in accordance with Buyer's direction even if the parties have not yet agreed on terms of Payment. Under no circumstances shall a failure of the parties to agree upon payment terms excuse the Seller from performing in accordance with Buyer's direction. Buyer may withhold from amounts otherwise due to Seller, such sum as Buyer reasonably determines to be necessary to protect Buyer or Buyer's customer against loss due to or resulting from outstanding liens or claims of former lien holders or for damages otherwise caused by Seller's failure to perform its obligations under this Contract.

(f) If, after notice of termination of this Contract under the provisions of this ¶ 19, it is determined for any reason that Seller was not in default under the provisions above, or that the default was excusable under ¶ 16, EXCUSABLE DELAYS, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to ¶ 20, TERMINATION FOR CONVENIENCE.

(g) The rights and remedies of Buyer provided in this ¶ 19 shall not be exclusive and are in addition to any other rights and remedies provided by applicable law or under this Contract. For the avoidance of doubt, nothing in this ¶ 19 shall limit in any way Buyer's rights under subparagraph (b) of ¶ 3, DELIVERY.

(h) If Buyer notifies Seller in writing that the termination of this Contract pursuant to this ¶ 19 was directed by the U.S. Government or that Buyer's prime contract with the U.S. Government has been terminated, termination of this Contract will be in accordance with applicable provisions of Part 49 of the Federal Acquisition Regulation ("FAR"), including Subpart 49.4, which shall be incorporated herein by reference.

20. TERMINATION FOR CONVENIENCE:

(a) Buyer may, by written notice to Seller, terminate all or any part of this Contract for convenience and without cause. If only part of the Contract is terminated, Seller is not excused from performance of the non-terminated part of the Contract.

(b) In the event of a termination for convenience by Buyer, Seller shall be paid an amount, to be mutually agreed upon, which shall be adequate to cover the actual reasonable cost paid by Seller for the actual labor and material reasonably used by Seller to perform the work under this Contract up to the effective date of termination, plus a reasonable profit. Buyer will not pay for anticipatory profits related to work under this Contract not yet performed or costs incurred due to Seller's failure to terminate work as ordered as of the effective date of termination. Under no circumstances will the total amount paid under the provisions of this paragraph exceed the prices set forth in this Contract for the work terminated.

(c) Buyer, in addition to any other rights and remedies provided by applicable law or under this Contract, may require Seller to transfer title and deliver to Buyer or to Buyer's customer, in the manner and to the extent directed by Buyer for: (i) any completed Goods; (ii) any partially completed Goods or work in progress; and (iii) any Manufacturing Materials as Seller has specifically produced or specifically acquired for the performance of such part of this Contract as has been terminated.

(d) Seller shall, upon direction of Buyer, mark, separate, protect, and preserve property in Seller's possession in which Buyer or the Buyer's customer has an interest.

(e) Payment for completed Goods delivered to and accepted by Buyer pursuant to subparagraph (c) above shall be at the Contract price. Payment for partially completed Goods, for Manufacturing Materials or work in progress delivered to and accepted by Buyer pursuant to subparagraph (c) above, or for the protection and preservation of property in Seller's possession pursuant to subparagraph (d) above, shall be in an amount agreed to by Buyer and Seller, and failure to agree to such amount shall be a dispute concerning a question of fact within the meaning ¶ 30, DISPUTE RESOLUTION. Seller must transfer title and deliver partially completed Goods, work in progress, or Manufacturing Materials in accordance with Buyer's direction even if the parties have not yet agreed on terms of Payment. Under no circumstances shall a failure of the parties to agree upon payment terms excuse the Seller from performing in accordance with Buyer's direction.

(f) If Buyer notifies Seller in writing that the termination of this Contract pursuant to this ¶ 20 was directed by the U.S. Government or that Buyer's prime contract with the U.S. Government has been terminated for convenience, termination will be in accordance with applicable provisions of Part 49 of the FAR, including Subparts 49.2 and 49.3 as applicable.

21. DATA:

All drawings and specifications, furnished or paid for by Buyer shall be the property of Buyer, shall be subject to removal at any time without additional cost upon demand by Buyer, shall be used only in filling orders from Buyer, and shall be kept separate from other drawings and specifications, and identified as the property of Buyer. The information contained in reports, drawings, documents or other records which are furnished to Seller by Buyer relative to this Contract, to the extent that such information is not in the public domain, shall not be disclosed to others, except to subcontractors that have been approved by Buyer as necessary for completion of this Contract, in which event the Seller shall have the same obligation of nondisclosure. Upon completion, termination, or cancellation of this Contract, Seller shall return all data, including without limitation, drawings and specifications to Buyer, in the event Buyer requests return of any such items, within thirty (30) days after the effective date of completion, termination, or cancellation of this Contract. Any such data of Buyer retained by Seller shall remain subject to the foregoing restrictions on use, reproduction, and disclosure. Upon termination of this Contract, either for default or convenience (as prescribed TERMINATION FOR DEFAULT and TERMINATION FOR CONVENIENCE), Seller may not disclose the existence of this Contract or items to be supplied under the Contract without Buyer's Authorized Representative's prior written consent, except to subcontractors who shall have an obligation of nondisclosure with Seller

22. U.S. EXPORT CONTROL LAWS (ITAR AND EAR COMPLIANCE):

(a) Seller shall comply with all applicable laws and regulations regarding export-controlled items and technology, including but not limited to the International Traffic in Arms Regulations and the Export Administration Regulations.

(b) Seller shall indemnify Buyer for all liabilities, losses, penalties, damages, costs, or expenses that may be imposed on or incurred by Buyer in connection with any violations of export or import laws and regulations by Seller or by Seller's officers, employees, agents, or subcontractors.

23. PATENTS AND COPYRIGHTS:

No license under any trademark, patent or copyright, or application is either granted or implied to be granted to Seller in the performance of the Contract.

24. WORK ON BUYER'S DESIGNATED PREMISES:

In the event that Seller, Seller's employees, agents' or subcontractors enter Buyer's designated premises for any reason in connection with this Contract, Seller and such other parties shall observe Buyer's policies. Seller shall defend, indemnify, and hold Buyer harmless from all claims, actions, demands, loss, and causes of action, arising from injury, including death, to any person, or damage to any property, when such injury or damage results in whole or in part from the acts or omissions of Seller, Seller's employees, agents, or subcontractors, save and except for damage caused by the sole negligence of Buyer.

25. INSURANCE:

Seller, and any subcontractor used by Seller in connection with this Contract, shall carry Workmen's Compensation and Employees' Liability Insurance to cover Seller's and subcontractor(s)' legal liability on account of accidents to their employees. Seller and its subcontractor(s) shall carry adequate Comprehensive General Liability and adequate Comprehensive Automobile Liability Insurance covering accidents to their employees. Seller and its subcontractor(s) shall carry adequate Comprehensive General Liability and adequate Comprehensive Automobile Liability Insurance covering legal liability of Seller and the subcontractor(s) on account of accidents arising out of the operations of Seller or the subcontractor(s) and resulting in bodily injury, including death, being sustained by any person or persons, or in any damage to property. At Buyer's request, Seller shall furnish to Buyer certificates from Seller's insurers showing such coverage in effect and agreeing to give Buyer ten (10) days' prior written notice of cancellation of the coverage.

26. ASSIGNMENT AND SUBCONTRACTING:

Seller shall not assign this Contract or any portion of this Contract, nor shall Seller subcontract for completed or substantially completed Goods or services purchased under the Contract without the prior express written consent of the Buyer's Authorized Representative. No assignment or subcontract by Seller, including any assignment or subcontract to which Buyer consents, shall in any way relieve Seller from complete and punctual performance of this Contract, including without limitation all Seller's obligations. Buyer may transfer this Contract. All Terms and Conditions herein shall survive and remain the responsibility of Seller.

27. NOTICES:

All notices required or permitted to be given under the Contract shall be deemed properly given if delivered in writing personally, by e-mail, or sent by United States certified or registered mail addressed to Seller or Buyer, as the case may be, at the addresses set forth on the face of the PO, with postage fully prepaid. The effective time of notice shall be at the time of mailing.

28. WAIVER:

No waiver by Buyer of any breach of any term in this Contract or grant of an extension for performance under the Contract shall be deemed to be a waiver of any other or subsequent breach. Seller agrees that it will not claim that Buyer has waived any of Seller's performance requirements under this Contract, and no such waiver shall be effective to relieve Seller from complete and punctual performance of such

requirements, unless such waiver is expressly stated in writing and signed by Buyer's Authorized Representative.

29. APPLICABLE LAW AND VENUE:

The validity, performance and construction of this Contract shall be governed by and construed in accordance with the laws of the State of Michigan, excluding its choice of law rules, jurisdiction and venue for any suit between the parties arising out of or connected with this Contract, or the Goods furnished under the Contract shall lie only in the United States District Court, Eastern District of Michigan or Oakland County Circuit Court in Pontiac, Michigan. If this Contract is flowdown from prime contract with the U. S. Government, disputes involving the USG shall be governed solely by federal law.

30. DISPUTE RESOLUTION:

(a) Any controversy or claim arising out of or relating to this Contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association ("AAA") in accordance with its Commercial Arbitration Rules, including as appropriate its Procedures for Large, Complex Commercial Disputes or its International Dispute Resolution Procedures, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof pursuant to the Federal Arbitration Act.

(b) Claims shall be heard by a single arbitrator, unless the claim amount exceeds \$3,000,000, in which case the dispute shall be heard by a panel of three arbitrators. Within 15 days after the commencement of an arbitration to be decided by a panel of three arbitrators, each party shall select one person to act as arbitrator and the two selected shall select a third arbitrator within ten days of their appointment. If the arbitrators selected by the parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be selected by the AAA. In all disputes submitted to arbitration, the arbitrator(s) shall be licensed attorneys actively engaged in the practice of law as advocates and/or arbitrators for at least 20 years.

(c) The place of arbitration shall be Oakland County, Michigan, United States. The arbitration shall be governed by the laws of the State of Michigan, exclusive of choice of law rules.

(d) The arbitrator(s) will have no authority to award punitive or other damages not measured by the prevailing party's actual damages, except as may be required by statute.

(e) Each party shall bear its own costs and expenses and an equal share of the arbitrators' and administrative fees of arbitration.

(f) The award of the arbitrator(s) shall be accompanied by a reasoned opinion. Except as may be required by law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

(g) Notwithstanding the above, any final decision by the U.S. Government's Contracting Officer having cognizance over the prime contract under which this Contract is issued and concerning any matter which would otherwise be subject to arbitration under this ¶ 30, shall be binding upon Seller if it is binding on Buyer, regardless of whether that decision is appealed by Buyer, or as a sponsored appeal, by Seller. Arbitration under this ¶ 30 shall be stayed during the pendency of any such appeal.

31. INDEMNIFICATION:

(a) Except for ¶ 24, Parties shall indemnify, defend and hold harmless the other Party and its affiliates, and its and their respective directors, officers, employees, partners, contractors or agents, from and against all claims, demands, suits, actions or other proceedings brought by third parties ("Claims"), and from and against all damages, payments made in settlement, and other liability payable to such third parties, and all costs and expenses incurred (including without limitation reasonable attorneys', accountants' and experts' fees and expenses), as a result of such Claims (collectively, "Losses"), to the extent such Claims: (i) arise out of or are or were caused by breach of obligations under this Contract, or (ii) are for damages to any property or bodily injury to or death of any person arising out of or caused by negligence or willful misconduct.

(b) Seller will defend, at its own expense, any Claim against Buyer or its customer based on an assertion that Buyer's or its customer's use of the Goods or services furnished under this Contract in the as delivered condition infringes any third party intellectual property rights. In lieu of foregoing sentence, Seller may, at its option, procure either for Buyer or its customer the right to use said items or substitute an equivalent item acceptable to Buyer, or modify such items to render them non-infringing, provided the modification does not affect the product specification, functionality or performance. However, Seller shall have no obligation to defend a Claim or pay any Losses to the extent such Infringement Claim results from, arises out of or is caused by: (i) the use of item other than as permitted by this Contract; or (ii) the use of any item furnished in combination with other products where the infringement would not have occurred but for such combined use.

(c) If this Contract is issued under a U.S. Government prime contract or subcontract, Seller shall indemnify Buyer against and hold Buyer harmless from all claims, expenses, and losses, arising out of Seller's failure to comply with the FAR or Department of Defense FAR Supplement ("DFARS") or applicable rules, regulations, and standards of the Cost Accounting Standard Board in connection with any covered contracts, including, without limitation, TINA certification required pursuant to 84-005-0808 Purchase Order Terms and Conditions for Government Contracts Covered by the Federal Acquisition Regulation (FAR) and Department of Defense FAR Supplement (DFARS).

(d) This provision for indemnification is in addition to any other provision for indemnification in any document made part of this Contract.

(e) This ¶ 31 shall survive any termination or expiration of this Contract for any reason.

32. CONFIGURATION CONTROL:

(a) Seller shall make no change in design, materials, manufacturing location, manufacturing process, assembly processes, or source of supply, after approval of the first production test item or after acceptance of the first completed end item, without Buyer's written approval. If Seller makes any changes in the design, materials, manufacturing location, manufacturing process, assembly processes, or source of supply after approval of the first production test item or after acceptance of the first completed end item and the change was the initiated by the Seller, all re-qualification costs will be the responsibility of the Seller. Seller agrees that any approval by Buyer of the first production test item or any acceptance by Buyer of the first completed end item shall not in any way relieve Seller from performing all requirements of this Contract, including Seller's obligations under ¶ 9, WARRANTY.

(b) Seller shall furnish military standard hardware to the drawing revision level contained in the technical data package(s) issued to Seller for performing the Contract. If no revision level is specified, parts must be supplied to the latest revision level established by government agencies as of the date of this Contract.

(c) During the performance of this Contract and for a period of two (2) years following the last delivery of Goods under this Contract, Seller shall notify Buyer if Seller becomes aware of any obsolescence or planned obsolescence, of any Goods covered under this Contract.

33. RESERVED

34. PUBLICITY:

Without prior written approval from Buyer's Authorized Representative, Seller shall not, and Seller's subcontractor(s) at any tier shall not, release any publicity, advertisement, news release or denial or confirmation of same regarding the Contract or the Goods, Services, or program to which it pertains. Seller shall be liable to Buyer for any breach of such obligation by Seller and/or any of its subcontractors.

35. CONFIDENTIALITY:

(a) It is contemplated that Buyer may disclose to Seller certain business, financial, legal, technical and other information (collectively, the "Proprietary Information") for use solely in connection with this Contract.

(b) The term Proprietary Information includes all information, in whatever form or medium, provided in connection with this Agreement which is identified as proprietary by the disclosing party as follows: (i) written documents and permanent records are to be marked with a restrictive legend of the discloser such as "proprietary", "confidential" or the like and (ii) oral or visual information shall be identified as proprietary at the time of disclosure and so confirmed in writing within ten (10) days of the presentation, such writing to contain a restrictive legend and a summary of the Proprietary Information delivered at the oral or visual presentation. Notwithstanding the foregoing, this Agreement does not restrict disclosure or use of any information which would otherwise be considered "Proprietary Information" if the receiving party can demonstrate: (i) the information is published or generally known by the public (other than as a result of the breach of this Section); (ii) the information was known by it at the time of disclosure as evidenced by competent proof; (iii) the information has become lawfully available to the receiving party from a third party without restriction on disclosure; (iv) the disclosing party approved in writing the public release by the receiving party; or (v) the information was developed or discovered by the receiving party without access to or use of any Proprietary Information provided by the disclosing party.

(c) Seller agrees: (i) to use the Buyer's Proprietary Information solely for purposes of carrying out Seller's obligations under this Contract; (ii) not to disclose or reveal to any third party, without Buyer's prior written consent, any portion of Buyer's Proprietary Information or any notes, summaries or other information derived from the Proprietary Information; (iii) to disclose Buyer's Proprietary Information or portions thereof only to those employees or sub-contractors of Seller who need to know such information for the purpose of carrying out this Contract, it being understood that prior to such disclosure such persons will be informed of the confidential nature of the Proprietary Information and will agree to be bound by the provisions (iv) not to use any portion of Buyer's Proprietary Information for personal gain or to advance or support Seller's other business ventures or the business ventures of others; (v) to use at least the same degree of care in safeguarding Buyer's Proprietary Information as it uses to safeguard its own similar, confidential information that it does not wish to disclose, provided such degree of care is reasonably calculated to prevent inadvertent disclosure and unauthorized use thereof; and (vi) to notify the Buyer immediately upon discovery of any inadvertent disclosure or unauthorized use of Proprietary Information and to promptly use reasonable efforts to prevent any further inadvertent disclosure or unauthorized use. Seller will be deemed responsible for any breach of the provisions of this Section by any of its employees or other persons to whom it discloses Proprietary Information.

(d) Notwithstanding anything to the contrary in this agreement, Seller may disclose Proprietary Information to the extent required by law (by subpoena, investigative demand, Securities and Exchange regulations or otherwise) provided it first, to the extent permitted by law, gives the disclosing party sufficient notice to provide it with a reasonable opportunity to obtain a protective order to govern such disclosure.

(e) Upon expiration or termination of the Contract, Seller will promptly return to Buyer or destroy, at the option of Buyer, all of the Proprietary Information disclosed or provided to Seller, together with all copies, reproductions, summaries, analyses or extracts thereof or based thereon (in whatever form or medium) in its possession or in the possession of any of its representatives, and will cause any other person to whom it has disclosed such Proprietary Information to do the same.

(f) Seller recognizes and agrees that the Proprietary Information is of a character which gives it a special value the loss of which cannot be adequately compensated in damages, and that a breach of this will cause irreparable harm to Buyer. Seller, therefore, expressly acknowledges and agrees that Buyer shall be entitled to injunctive and/or other equitable relief to prevent a breach of any provision of and, in addition to any other remedies available to Buyer under law or this Contract.

36. ORDER OF PRECEDENCE:

The Contract constitutes the entire, fully integrated agreement of the parties as to the subject matter hereof. In the event of any inconsistency among the Contract Documents, the inconsistency shall be resolved by giving precedence in the following order: (i) the Purchase Order for the Contract; (ii) the terms and conditions of FAR and DFARS ; (iii) the terms and conditions in this document; (iv) (v) (vi) the drawings included among the Contract Documents; (vii) the specifications included among the Contract Documents; and (viii) any other documents incorporated into any Contract Document by reference.

37. HAZARDOUS MATERIAL:

(a) A current safety data sheet for all hazardous products must be on file with Global ET. If Seller changes manufacturing for this product or is shipping this product for the first time, a current safety data sheet must be provided by Seller to Buyer's Health and Safety Department prior to shipment. Additionally, all initial shipments of hazardous materials must include a copy of the current safety data sheet.

(b) Effective May 5, 2011, Buyer requires that all items procured through the Contract to be free of the following materials, unless otherwise specified on Buyer-controlled Drawings:

- (i) Hexavalent chromium
- (ii) Cadmium (iii) Beryllium
- (iv) Asbestos
- (v) Mercury
- (vi) Lead
 - (a) lead contained on electronic components and lead-containing solder are exempt from this requirement
- (vii) Highly toxic materials as defined in 29 CFR 1910.1200 Appendix A
- (viii) Carcinogenic Materials as defined in 29 CFR 1910.1200 Appendix A
- (ix) Class I and Class II ozone depleting substances as defined in section 602 of the Clean Air Act

Certification to these requirements must be provided to Buyer. Any issues with respect to compliance with these requirements must be raised Buyer.

38. RESERVED

39. SEVERABILITY:

If any provision in this Contract is held to be invalid, illegal, or unenforceable, the remaining provisions shall not be affected in any way and shall remain in full force and effect. Any provision held to be invalid, illegal, or unenforceable, shall be negotiated in good faith by the parties to maintain the original intent of the parties to the fullest extent permitted by applicable law.

40. DAMAGES:

NOTWITHSTANDING ANY OTHER PROVISIONS CONTAINED HEREIN, WHERE SELLER MISREPRESENTS OR BREACHES SELLER'S DUTY OR OBLIGATIONS UNDER THIS CONTRACT OR ENGAGES IN NEGLIGENCE OR WILLFUL MISCONDUCT, SELLER SHALL BE LIABLE FOR SPECIAL/CONSEQUENTIAL, INCIDENTAL, COLLATERAL, EXEMPLARY, INDIRECT DAMAGES, LOSS OF PROFITS, LOSS OF REVENUES, LOSS OF USE, OR BUSINESS INTERRUPTION LOSSES THAT ARISE OUT OF SELLER'S MISREPRESENTATION OR BREACH OF DUTY OR OBLIGATIONS

41. COMPLIANCE WITH LAWS:

(a) Seller shall comply with all applicable national, federal, state, provincial, and local laws, ordinances, rules, and regulations applicable to the performance of this Contract including without limitation (i) the manufacture or provisioning of Goods and supply of services under this Contract; (ii) the shipping of Goods, and (iii) the configuration or content of Goods or services for the use intended under this Contract.

(b) Counterfeit Goods:

i. Seller represents that it shall not furnish counterfeit goods to Buyer, defined as goods or separately- identifiable items or components of goods that may without limitation: (i) be an unauthorized copy or substitute of an original equipment manufacturer or original component manufacturer (collectively, "OEM") item; (ii) are not traceable to an OEM sufficient to ensure authenticity in OEM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OEM or are not constructed in accordance with OEM design; (iv) have been re-worked, re-marked, re- labeled, repaired, refurbished, or otherwise modified from OEM design but are represented as OEM authentic or as new; (v) have not passed successfully all OEM required testing, verification, screening, and quality control processes; or (vi) have not acted as or engaged an independent distributor, non- authorized supplier, non-authorized distributor, non-franchised distributor, broker, or non-authorized reseller (collectively "Non-Franchised Source"), unless Buyer has provided prior written approval. Any requests to Buyer to include Non-Franchised Source Goods or components of Goods shall include complete and compelling support.

ii. Seller warrants that it has, and maintains, a Counterfeit Item risk mitigation process for internal processes and with its suppliers. Seller's Counterfeit Item risk mitigation process shall include processes for screening US Government Industry Data Exchange Program (GIDEP) reports.

iii. Counterfeit goods shall be deemed non-conforming, and in addition to any other rights Buyer may have at law or pursuant to this Contract, Seller shall disclose the source of the counterfeit good to Buyer and cooperate with Buyer with respect to any investigations or remedial actions undertaken by Buyer or Buyer's customer. Seller shall provide to Buyer, upon Buyer's reasonable request, the identity of its suppliers and/or the location of manufacture of the goods or any subcomponents of the goods, or provision of services, as applicable, to confirm compliance with legal and regulatory requirements and this Contract.

This paragraph is a supplement to DFARS 252.246-7007, Contractor Counterfeit Electronic Part Detection and Avoidance System and DFARS 252.246-7008, Sources of Electronic Parts.

(c) Conflict Minerals: Seller recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the significant legal and non-legal risks associated with sourcing tin, tantalum,

tungsten and gold (the "Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries ("DRC countries"). Accordingly, Seller commits to comply with Section 1502 of the Act and its implementing regulations; to the extent Seller is not a "Registrant" as defined in the Act, Seller shall comply with Section 1502 of the Act and its implementation regulations except for the filing requirements. In particular, Seller commits to have in place a supply chain policy and processes to undertake (i) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into products it provides Buyer; (ii) due diligence of its supply chain, following a nationally or internationally recognized due diligence framework, as necessary, to determine if Conflict Minerals sourced from the DRC countries directly or indirectly support unlawful conflict there, and (iii) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Seller shall take all other measures as are necessary to comply with Section 1502 of the Act and its implementing regulations, including any amendments thereto.

(d) Gratuities: Seller warrants that neither Seller, nor any of its employees, agents, or representatives, have offered or given, or will offer or give, any gratuities to Buyer's employees, agents, or representatives for the purpose of securing this Contract, and that Seller will not make or solicit kickbacks in violation of FAR 52.203-7, Anti-Kickback Procedures, or the Anti-Kickback Act of 1986 (41 U.S.C. 51 et seq.), both of which are incorporated into the Contract by reference.

(e) Toxic Substances Control Act: Seller certifies that all chemicals to be delivered under the Contract comply with the requirements of the Toxic Substance Control Act (TSCA) 15 U.S.C. 2601-2629.

(f) Anti-Corruption Compliance: Seller certifies that in pursuing the Contract and performing under it, it will fully comply with the Foreign Corrupt Practices Act, the Corruption of Public Officials Act, the United Kingdom Bribery Act, and local anti-corruption laws in the jurisdictions in which services pursuant to the Contract are performed.

(g) Reserved

(h) Software: Seller warrants any hardware, software and firmware delivered under this Contract is free of any viruses, malicious code, Trojan horse, time bomb, self-help code, back door, or any software code that could damage, destroy, disable, reveal, modify, or allow unauthorized access of any software or hardware.

42. INDEPENDENT CONTRACTORS:

The relationship between the parties is that of independent contractors and not that of principal and agent, employer and employee, joint employers or legal partners. Neither party will represent itself as the agent or legal partner of the other party nor perform any action that might result in other persons believing that it has any authority to bind or enter into commitments on behalf of the other.

43. INFORMATION TECHNOLOGY ASSURANCE:

Seller shall maintain data protection processes and systems sufficient to adequately protect specifications, information, data, drawings, software, and other items which are (i) supplied to Seller by Buyer, or (ii) obtained or developed by Seller in the performance of this Contract or paid for by Buyer (collectively, "Buyer Data"), and to comply with any law or regulation applicable to such data. If an event occurs whereby Seller knows, or reasonably believes, that Buyer Data has been actually or potentially disclosed to, or accessed or acquired by, an unauthorized individual or individuals ("Security Incident"), Seller shall (i) use commercially reasonable efforts to investigate, contain, and remediate the Security Incident, and (ii) notify Buyer in writing promptly, but not later than seventy-two (72) hours after discovering the Security Incident. In addition, Seller agrees to defend, indemnify, and hold harmless Buyer, its customers and its agents against any liability, including without limitation costs, expenses and attorney's fees, caused by or related to a Security Incident. The obligations contained in this Section are

in addition to, and do not alter, Seller's obligations under applicable U.S. Government procurement regulations, including without limitation the FAR and DFARS.

44. RESERVED

45. RESERVED

46. RESERVED

47. RESERVED

48. RESERVED

49. PRIORITY RATING:

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

50. RESERVED

51. RESERVED