

GENERAL TERMS OF PURCHASE CORTRON

1. DEFINITIONS

As used throughout this Purchase Order, the following terms shall have the meanings set forth below:

- (a) The term "Buyer" means CORTRON.
- (b) The term "Seller" means the person, corporation, or firm contracting to furnish the article(s) described in this Purchase Order.
- (c) The term "articles" means the goods, supplies, materials, items, parts, components, assemblies, services, technical data, drawings or other items covered by this Purchase Order.
- (d) The term "Government" means, unless otherwise noted, the United States Government, or any department or Regulatory agency thereof.
- (e) The term "Purchase Order" ("Order") means the name or title of the instrument of contracting, including all documents, exhibits and attachments referenced thereon, and once accepted by Seller as herein provided shall constitute the entire agreement between Buyer and Seller for the sale and purchase of those articles described herein.

2. SPECIAL INSTRUCTIONS

Seller shall mark the number of this Order and where applicable, the Buyer's part or drawing number on all packages, bills of lading, invoices, and other such appropriate documents and packages.

Seller shall enclose and no invoice shall be paid by Buyer without packing memorandum with each shipment.

Seller shall render invoice within 24 hours after shipment; otherwise, shipping notice shall be mailed to Buyer promptly.

Seller shall render invoices and show thereon the Order number, through routing and weight.

3. PAYMENT OF ACCOUNTS

- (a) Invoices offering no discount will be paid within forty-five (45) days following Buyer's receipt of invoices and goods.
- (b) Invoices offering a cash discount will be processed 10 days following Buyer's receipt of goods. If the terms of this Order do not appear on or agree with Seller's invoice as rendered, Seller agrees that Buyer may change Seller's invoice to conform to this Order and then make payment accordingly.

4. CONDITIONS OF PURCHASE

- (a) This Order is Buyer's offer to Seller. Seller accepts this as written by executing and returning the Acknowledgement of Order, or by beginning performance.
- (b) Unless otherwise specifically stated, all goods shall be delivered to the destination specified in this Order, free of transportation charges. No charges for packing or cartage are to be paid by Buyer.
- (c) Seller agrees to indemnify and save harmless Buyer and its agents, servants and employees against loss, damage or expense which Buyer may sustain, incur or become liable for on account of injury to or death of persons, or on account of damage to or destruction of property resulting from work performed or products furnished pursuant to this Order by Seller or by any of its subcontractors, or due to or arising in any manner from the wrongful act of negligence of Seller or his subcontractor and their respective employees. Said loss, damage or expense shall include claims arising under Workmen's Compensation Acts, Workmen's Occupational Diseases Act where applicable, and from any other claims for damages for personal injury, including death, or for property damage which may arise from operations under this order, whether such operations be by Seller or his subcontractor or anyone directly or indirectly employed by either of them.
- (d) Seller agrees that any confidential information that Seller receives from Buyer under this Purchase Order will be maintained in confidence by Seller.

5. WARRANTY

- (a) Seller warrants that all articles furnished hereunder shall be free from defects in workmanship and materials, shall strictly comply with the requirements of this Order and any drawings or specifications incorporated herein, regardless of any prior course of dealing between Buyer and Seller and where design is Seller's responsibility, be free from defects in design. The foregoing warranties are in addition to all other warranties, whether expressed or implied, and shall survive any delivery to, or inspection, acceptance, or payment by Buyer of or for the articles furnished hereunder.
- (b) If any articles delivered hereunder do not meet the warranties specified herein or otherwise applicable, Buyer may, at its election, (i) require Seller to correct at no cost to Buyer any defective or non-conforming articles by repair or replacement, or (ii) return such defective or nonconforming articles to Seller and recover from Seller the Order price thereof, plus transportation charges. The foregoing remedies are in addition to all other remedies at law or under this Order and shall not be deemed to be exclusive. All warranties shall run to Buyer and its customers.

6. MODIFICATION OF TERMS

No term or condition proposed by or inserted by Seller on Buyer's acknowledgement form, or appearing on any other invoice or documents issued by Seller, which is at variance with this Order, shall be binding on Buyer unless accepted in writing by Buyer. The furnishing of any articles by Seller under Buyer's Order constitutes an acceptance by Seller of all terms and conditions set forth herein unless otherwise modified in writing by the parties.

7. SUBCONTRACTING BY SELLER

No subcontract or assignment of this Order shall be made by Seller with any other party for furnishing any of the articles hereunder in completed or substantially completed form, or the work herein contracted for, without prior written approval of Buyer.

8. CHANGES

All articles covered hereunder shall be manufactured in accordance with this Order unless a change thereto is subsequently authorized by a written change order issued by Buyer. With respect to drawings, designs, specifications, packaging, time and place of delivery and method of transportation, Buyer may, at any time, by a written change order, increase the quantity of articles to be furnished hereunder, suspend performance in whole or in part, extend the time of delivery or make changes within the general scope of this Order. If a written change order issued hereunder causes an increase or decrease in the cost of performance, or in the time required for performance, an equitable adjustment shall be made in the purchase price or delivery schedule, or both. Where the cost of property made obsolete or excess as a result of a change order is included in the Seller's claim for adjustment pursuant to this clause, Buyer shall have the right to prescribe the manner of disposition of such property.

9. RELEASE OF LIENS

Seller agrees that upon full payment for all work, services or materials to be furnished under this Order it hereby waives and releases any and all items, or claims, or right to lien, under the applicable statutes of the state where this work is performed relating to Mechanics' and Materialmen's Liens with respect to and on the premises and improvements thereon shown on this Purchase Order on account of labor, services, materials, fixtures, apparatus, equipment, machinery or chattels heretofore furnished, or which may be furnished hereunder at anytime hereafter by Seller, to or on account of Buyer, for the premises or chattels on which this work is performed.

10. INSPECTION AND TESTING

Any articles purchased hereunder shall be subject to inspection and testing by Buyer to the extent practicable at all times and places, including the period of manufacture and, in any event, prior to final acceptance. Buyer may inspect the plant or plants of the Seller or of any of its subcontractors engaged in the performance of this Order. If any inspection or test is made by Buyer on the premises of the Seller, the Seller, without additional charge, shall provide all reasonable data, facilities, and assistance for Buyer's inspectors' performance of their duties. All inspections and tests shall be performed in such manner as not to unduly delay the work. No inspection or test made prior to final inspection and acceptance shall relieve the Seller from responsibility for defects or other failure to meet the requirements of this Order.

11. DELIVERY

Seller shall strictly adhere to the delivery schedule specified in this Order. If, at any time, Seller believes it may be unable to comply with the delivery schedule, Seller shall immediately notify Buyer's Purchasing Department in writing of the reason for and duration of the anticipated delay. Thereafter, a Seller shall continue to notify Buyer's Purchasing Department of events as they transpire. In the event of such notification or of an actual failure by Seller to comply with the delivery schedule, Buyer may, in addition to all other remedies, require Seller, at Seller's expense, to ship goods via air freight or expedited routing to avoid or minimize delay. In the event of early delivery, Buyer may store goods at Seller's expense.

12. RESPONSIBILITY FOR PROPERTY

Unless otherwise provided in this Order, Seller, upon delivery to it or on behalf of Buyer, of any materials, parts, tooling or other property the title of which belongs to Buyer, assumes the risk of and shall be responsible for any loss or damage thereto. Seller, in accordance with the provisions of the Order, but in any event upon completion thereof, shall return such property to Buyer in the condition in which it was received, ordinary wear and tear excepted.

13. PATENT AND COPYRIGHT INDEMNITY

Seller shall defend Buyer, Buyer's customers, and any subsequent seller or user of the articles against all claims and proceedings alleging infringement of any United States or foreign patent and copyright by any articles delivered under this Order, and Seller shall hold them harmless from any resulting liabilities and losses provided Seller is reasonably notified of such claims and proceedings. Seller's obligations shall not apply to articles manufactured pursuant to detailed designs developed and furnished by Buyer nor to any infringement arising from the use or sale of articles in combination with items not delivered by Seller if such infringement would not have occurred from the use or sale of such articles solely for the purpose for which they were designed or sold to Buyer.

14. COMPLIANCE WITH LAWS

Seller guarantees that all goods delivered or services performed (including production of such goods) by Seller pursuant to this Order will comply with all applicable federal, state and local laws, ordinances and regulations to the extent applicable to such goods and/or services and Seller shall indemnify Buyer, its customers (if any), and users from and against all claims, losses or liability arising from failure of such goods and/or services to comply herewith. Without limiting the generality of the foregoing, Seller agrees to comply with the applicable provisions of the following laws and any regulations, rulings or executive orders thereunder (or any amendments thereof, successors thereto, or other similar laws and regulations), any and all of which provisions are incorporated herein by reference. Applicable laws, regulations, rulings and executive orders include, but are not limited to the following:

- (a) The Fair Labor Standards Act of 1938, as amended.
- (b) Non-discrimination in Employment (Executive Order 11246 as amended, Executive Order 11375 and the rules, regulations and relevant orders of the Secretary of Labor).
- (c) Occupational Safety and Health Act of 1970 (84 U.S. Stat. 1590), as amended, and state plans approved under such act and the regulations thereunder.
- (d) All laws associated with Environmental Protection.

15. DEFAULT

- (a) Time is of the essence for this Order.
- (b) Buyer may, by written notice of default to Seller, cancel this Order or any part thereof if Seller fails: (i) to deliver the articles in accordance with the delivery schedule specified herein, or any extension thereof by written change order; or (ii) to replace or correct defective articles in accordance with the provisions of paragraph 5 hereof, or (iii) to perform any of the other provisions of this Order or fails to make sufficient progress so as to ensure performance of this Order in accordance with its terms and, in either of the circumstances specified in (iii) does not correct such failure within a period of ten (10) days (or such longer period as Buyer may authorize in writing) after receipt of notice from Buyer specifying such failure.
- (c) In the event of such cancellation, Buyer may purchase similar articles elsewhere on such terms and in such manner as Buyer may deem appropriate and Seller shall be liable to Buyer for any excess costs occasioned Buyer thereby.
- (d) Failure of Buyer to enforce any right under this clause shall not be deemed a waiver of any right hereunder. The rights and remedies of Buyer under this clause shall not be exclusive and are in addition to any other rights and remedies available to Buyer.

16. OWNERSHIP OF TOOLING

If Buyer supplies the tooling or Buyer pays for the tooling for the purposes expressed hereunder, whether as a separate charge or as included in the cost of the article purchased hereunder, all right title and interest in and to any such tooling shall vest in Buyer and no such right, title or interest shall vest in Seller. Seller shall, at its own expense, maintain such tooling in proper working condition and shall be responsible for all loss or damage to such tooling while in its possession. Seller shall use same exclusively for the production of articles for Buyer and for no other use except with Buyer's written permission. Buyer shall retain an unqualified right to remove, without charge to Buyer, any and all tooling of Buyer from Seller. Said tooling shall be returned to Buyer in good condition, ordinary wear and tear accepted.

17. GENERAL

- (a) This Order shall be governed by, subject to, and construed according to the laws of the State of Massachusetts. Seller will comply with all applicable federal, state and local laws.
- (b) Seller shall be responsible for the articles covered by this Order until they are delivered at the designated delivery point, regardless of point of inspection. Nothing contained in this paragraph, however, shall relieve the Seller from its obligation to comply with the warranty provisions hereof.
- (c) Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Order, Seller shall immediately give notice thereof to Buyer, confirmed in writing, including all relevant information with respect thereto. The Seller agrees to insert the substance of this provision, including this sentence, in any subcontract hereunder as to which a labor dispute may delay the timely performance of this Order, except that each such subcontract shall require the subcontractor to notify his next higher tier subcontractor of all relevant information with respect to such disputes.
- (d) No waiver, alteration, or modification of any of the provisions of this Order shall be binding on Buyer unless evidenced in writing signed by an appropriate representative of Buyer. Buyer's approval of Seller's design or material shall not relieve Seller of the warranties or any other requirements of this Order, nor shall waiver by Buyer of any drawings or specification requirements for one or more articles constitute a waiver of such requirements for the remaining articles to be delivered hereunder unless so stated by Buyer in writing. The provisions of this clause shall not limit or affect the rights of Buyer under paragraph 10 hereof.

18. QUALITY

- (a) Seller will flow down all applicable requirements of the Purchase Order to their subtiers to insure conformance with all Specifications, Drawings, AS9100 or other Quality systems requirements, Regulations, Public Laws and other requirements, including key characteristics where required, as may be specified in the Purchase Order. Seller must notify Cortron Buyer of changes in product and/or process definition and must require Cortron Buyer's approval.

GENERAL TERMS OF PURCHASE CORTRON

(b) Nonconforming material will not be accepted by Cortron unless approved in advance in writing by the Buyer. Requests for authorization to ship nonconforming material will be addressed in writing to the appropriate Cortron Buyer with full explanation of the nonconformance.

(c) Electronic/electrical Components, Materials and Assemblies

- (1) Seller represents and warrants that only new and authentic components and materials will be delivered to Cortron under this Purchase Order. No "Counterfeit Goods" or suspect counterfeit goods defined as separately identifiable items or components of assemblies detailed per AS5553 2009-04 section 3.2 will be delivered under this Purchase Order.
- (2) Seller shall only purchase authentic parts/components directly from the OEMs/OCMs or through the OEM's/OCM's authorized distribution chain. Purchase of parts/components from Independent Distributors is not authorized unless first approved in writing by BUYER.
- (3) Seller must make available to Cortron, at Cortron's request, OEM/OCM documentation that authenticates traceability of the components to that applicable OEM/OCM.
- (4) Seller's system shall be consistent with applicable industry standards, AS5553 as a minimum, for the detection and avoidance of Counterfeit Electronic Parts and Suspect Counterfeit Electronic Parts and ensuring traceability of parts to OEM/OCM through authorized distribution chain.
- (5) Seller shall flow the requirements of this provision to its subcontractors and suppliers at any tier for the performance of this Purchase Order.
- (6) Seller shall be liable for cost of counterfeit parts and suspect counterfeit parts and the cost of rework or corrective action that may be required to remedy the use or inclusion of such parts.

19. RIGHT OF ENTRY

Seller hereby grants to Cortron Inc, its customers and any applicable regulatory agencies, the right to enter on its premises as well as other necessary places, during normal business hours for the purpose of inspection of Seller's facilities and systems to ensure Seller compliance with the terms and requirements of this order, including the quality of the contracted work, records and materials.

20. RECORDS

Seller shall maintain records necessary to verify conformance of supplied material to the conditions of this order. Seller shall also maintain records of all purchase orders. These records are to be maintained for a minimum of five (5) years from the date of delivery. At Cortron's election, such records shall be made available to Cortron, Cortron's customers and/or any regulatory agency, at no cost to Cortron Inc.

21. DOCUMENT PRECEDENCE & ATTACHMENTS: Should any ambiguity or inconsistency exist in any portion of this purchase order attached hereto, the following precedence of documents shall apply to eliminate any such ambiguity or inconsistency: (1) Buyer's purchase orders and attachments (2) buyer's drawing/specification.

GOVERNMENT CONTRACTS

In the event that this Order is issued pursuant to a Government contract, the terms and conditions of Appendix A shall also apply to this Order and shall be considered as a part hereof, whether attached or not. Copies of Appendix A, if not attached, can be obtained from Buyer.