



PURCHASE ORDER TERMS AND CONDITIONS

These Purchase Order Terms and Conditions (“Terms and Conditions”), and a Purchase Order (with any and all appendices, and/or exhibits attached thereto or otherwise issued by Xact Spec Industries LLC (“XSI”) in connection herewith, collectively, the “Purchase Order”) by and between XSI and Vendor (as defined in the Purchase Order) (XSI and Vendor, collectively, the “Parties,” each a “Party”), constitute the entire agreement between XSI and Vendor and supersede and replace any and all prior discussions and agreements between the Parties. If any discrepancy, difference or conflict exists between the various provisions of the Purchase Order and these Terms and Conditions, these Terms and Conditions shall govern. Capitalized terms used but not defined herein shall have the meanings ascribed in the Purchase Order. XSI hereby gives notice of its objection to any different or additional terms other than those terms and conditions set forth herein.

1. **Agreement and Changes** By Vendor’s acceptance of the Purchase Order, Vendor agrees to abide by all key product and/or process characteristics or specifications, payment terms, deadlines and any other requirements expressed on the Purchase Order. In addition, Vendor is required to ensure that any and all sub-tier vendors, as applicable, also abide by said characteristics, specifications, payment terms, deadlines and requirements. XSI may make changes to the Purchase Order at any time, and Vendor shall accept such changes. Should Vendor desire to change any product specification or process definition, then Vendor must obtain XSI’s written approval prior to the implementation of the change. Any changes to the Goods (as defined hereafter) shall be negotiated in advance by the Parties and agreed to in writing. If a change causes an increase or decrease in cost and/or time required for performance of the services, an equitable adjustment shall be made and the Purchase Order shall be modified accordingly. If price, terms, shipping date or any other expressed condition of the Purchase Order cannot be achieved or met by Vendor, XSI must be notified as soon as the condition is identified, and must accept in writing any variation prior to shipment or delivery.
2. **Prices** Prices or fees for conforming goods, items or services specified in the Purchase Order (collectively, the “Goods”) shall include any applicable transportation charges, insurance costs, shipping and handling fees and any related taxes pursuant to the terms set forth in Section 15.
3. **Terms of Payment and Title** Upon Acceptance (as defined hereafter) of the Goods pursuant to Section 6 herein, XSI agrees to pay all amounts due within the terms agreed upon between the parties as stated in the Purchase Order (less any deposits paid to Vendor (if any) unless otherwise agreed to by the Parties in the Purchase Order. Vendor shall invoice XSI and XSI shall only be obligated to pay such invoice if issued to XSI subsequent to delivery, receipt, and acceptance of all Goods ordered under the Purchase Order.
4. **Delivery of Goods** Vendor hereby agrees to on-time delivery based upon the timeline set forth in the Purchase Order. If the Purchase Order does not specify a delivery date (the “Delivery Date”) or timeline, Vendor shall provide the Goods as if time is of the essence. Changes, modifications or any delay resulting from XSI that prevents Vendor from achieving the Delivery Date shall not constitute a breach of this Purchase Order by Vendor. If Vendor anticipates a delay in the delivery of the Goods, Vendor shall immediately notify XSI. In the event that Vendor fails to deliver the Goods by the Delivery Date, or Vendor fails to deliver conforming Goods, XSI may purchase substitute Goods elsewhere and charge Vendor for any additional expense incurred relating to the purchase of such substitute Goods. Vendor shall deliver all Goods in accordance with the terms of the Purchase Order. If delivery of the Goods is not complete by the Delivery Date, XSI may, without liability, and in addition to its other rights and remedies, terminate the Purchase Order by notice effective when received by Vendor, as to Goods not yet delivered or rendered. Acceptance of any part of the Purchase Order shall not bind XSI to Accept (as defined hereafter) any future shipments nor deprive it of the right to return goods already Accepted (as defined hereafter).

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5. **Shipping** Vendor shall substantially pack, mark and ship all Deliverables in a manner to secure the lowest, reasonable transportation cost and in accordance with the shipping instructions contained in the Purchase Order and the requirements of common carriers. Vendor shall be liable for any difference in shipping charges arising from its failure to follow the shipping instructions contained herein or properly describe the shipment. The Parties agree to assist each other in the prosecution of claims against carriers.
6. **Right of Access** When requested by XSI, our customer or a regulatory agency, and when provided with reasonable notice (verbal or written), supplier shall grant the right of access to all facilities and applicable records pertaining to XSI's purchase orders.
7. **Record Retention** Suppliers will maintain hard copy records pertinent to Xact transactions, processing and inspection documents and certifications permanently. Hard copies are to be maintained for not less than 1 year. It is then at the suppliers discretion to maintain records, in hard copy or electronic format permanently. All said records will be made available to Xact upon request. Where the documents are kept electronically or in a computer system, they should be capable of being reproduced in a printed manner when required. Use of correction fluid or correction tape on quality records is prohibited. Legibility of quality records must be protected for the entire duration of retention time. Quality records must be in permanent ink – the use of non-permanent writing instruments such as pencils, erasable pens and such are prohibited.
8. **Flow Down Requirement.** Supplier will require all of its subcontractors and sub-tier suppliers to comply with XSI's requirements as outlined in the purchase order, these terms and conditions and other applicable documents.
9. **Acceptance** As a condition precedent to payment for the Goods by XSI to Vendor, XSI shall accept those Goods (in whole or in part thereof) on the Delivery Date or as otherwise set forth in the Purchase Order. For purposes of these Terms and Conditions, "Acceptance" means the point at which XSI accepts the Goods in accordance with the terms set forth in the Purchase Order. Acceptance shall include the terms "Accept" and "Accepted". The Goods shall be deemed to have been Accepted (i) in the absence of written notification of non-acceptance by XSI to Vendor within a reasonable period of time, but not less than two (2) business days from the Delivery Date or (ii) upon timely delivery of the Goods identified herein to the shipping address specified on the face of the Purchase Order. By way of clarification, XSI hereby retains the right to reject any non-conforming Goods and shall not be obligated to Accept any non-conforming Goods.
10. **Export Management Compliance for providing goods, materials, information, components, or services (restricted items) for use by XSI**
"XSI fully complies with all U.S. export control laws and regulations ("US Export Controls"), including without limitation the International Traffic in Arms Regulations (ITAR), the Export Administration Regulations (EAR), and the foreign asset control and specially designated nationals regulations administered by the Office of Foreign Assets Control (OFAC) in the Department of the Treasury. All products, technical data, software or technology to be exchanged between XSI and your company must be handled in compliance with US Export Controls.



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As a Term of Sale, XSI requires its suppliers to use reasonable efforts to cooperate with and assist XSI in the correct identification and classification of Items provided by the supplier, which may be subject to U.S. export control regulations. If the supplier does not, or refuses to make reasonable efforts to assist XSI and/or its related companies, as the case may be, to correctly identify or classify items which are being supplied to XSI which are subject to U.S. export control regulations, then the supplier hereby indemnifies and holds harmless XSI from any violation and/or penalties incurred by XSI and/or its related companies which result or arise from inaccurate classification of Items during the process of exporting the Items from the U.S. and/or during the import process at the country of destination.

The items, goods, technology and services covered hereunder (“restricted Items”) do not refer only to physical products and tangible items but also includes technical data, software, technology, know-how or other intangibles and services which are subject to the U.S. Export Controls.

The supplier will also ensure that all company personnel who represent the supplier in a visit to XSI will identify their citizenship/nationality. In the event XSI informs Supplier that restricted Items will be involved or accessible on a site visit to XSI’ facility or Supplier otherwise knows that restricted Items will be involved or accessible on a site visit to XSI’ facility, Supplier will only send personnel on such a site visit who are authorized by the U.S. export regulations to receive and work with restricted items.”

11. **Export Management Compliance for providing goods, or services that are not involved in restricted items or the manufacturing/production activities of XSI**

“XSI fully complies with all U.S. export control laws and regulations (“US Export Controls”), including without limitation the International Traffic in Arms Regulations (ITAR), the Export Administration Regulations (EAR), and the foreign asset control and specially designated nationals regulations administered by the Office of Foreign Assets Control (OFAC) in the Department of the Treasury. All products, technical data, software or technology to be exchanged between XSI and your company must be handled in compliance with US Export Controls.

Your company provides goods and services which necessitate your personnel gaining access inside XSI’ facilities. You are responsible to ensure that the personnel who provide these goods and services will work exclusively on the tasks they which have been contracted and will not review, copy, photograph, or otherwise remove any data in any form from XSI. Should any data or materials of any kind be removed by your personnel, your company will be liable for any fines, penalties, or damages suffered by XSI as a result of any violation of federal regulations, copyright or proprietary information infringements.”

12. **Inspection** Payment for the Goods provided under the Purchase Order shall not constitute Acceptance thereof. XSI may inspect and test such Goods and reject any or all items that are, in XSI’s sole judgment, non-conforming. Goods rejected or supplies in excess of quantities ordered may be returned to Vendor at Vendor’s expense. Failure by XSI to inspect and/or test the Goods shall not be deemed Acceptance by XSI. XSI along with its customer and their representatives, and any applicable federal, state or local authorities and/or agencies, retain the right to verify at the Vendor’s premises/related facilities, any and all system, process and product records related to the Purchase Order. The Vendor warrants that product provided meets applicable statutory and regulatory requirements. When a First Article Inspection (“First Article”) is specified on the Purchase Order, the product may not be shipped to XSI unless a copy of the inspection certificate has been provided to XSI stating that the product has met the specifications stated in the Purchase Order. Traceability is a XSI requirement that must be maintained by the Vendor. Vendor is required to immediately notify XSI and request approval in all cases where there are any proposed changes to the product or processes,

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and of any non-conformances related to the products on the Purchase Order, and obtain XSI's approval/deviation of any nonconforming product and its repair. If design, tests, examinations inspections and related instructions are involved as part of the verification (as defined in Purchase Order), the vendor shall provide a copy of those documents for approval to XSI. If test specimens (i.e. Production methods, identification and or traceability numbers, storage conditions, etc.) for design approval, inspection, investigation or auditing are required by the Purchase Order, then Vendor is required to comply with those requirements or specifications. Vendors of special processes are responsible for maintaining records of their processes as they relate to items provided hereunder and are required to provide these records to XSI upon request.

13. **Warranty** In addition to Vendor's standard warranty relating to the Goods, Vendor warrants that the Goods to be delivered pursuant to the Purchase Order (i) are of merchantable quality and free from defects in material or workmanship, (ii) shall conform to all specifications or other descriptions furnished to and approved by the Parties, (iii) comply with all applicable international, federal, state and local laws, rules and regulations (including, without limitation, those concerning health, safety, and environmental standards) which bear upon Vendor's performance, (iv) shall be new and not refurbished or reconditioned, unless expressly agreed in writing by XSI, and (v) are not restricted in any way by any patents, copyrights, mask work, trademark, trade secrets, or intellectual property, proprietary or contractual right of any third party.
14. **Cancellation** XSI may for any reason and at any time, at its option cancel any unshipped Goods. To the extent the Purchase Order covers stock Goods, XSI's only obligation is to pay for Accepted Products prior to such cancellation. To the extent the Purchase Order covers Goods manufactured or fabricated to XSI's specifications, Vendor shall immediately cease all performance hereunder upon receipt of notice of cancellation, and, if Vendor is not in default, XSI shall reimburse Vendor for the actual, direct cost to Vendor of such Goods which have, at the time of such cancellation, been wholly or partially manufactured. Upon payment, title to all such Goods shall pass to XSI. Unless XSI shall have otherwise instructed Vendor, Vendor agrees that it will not manufacture Goods in reserve in an amount greater than the number of manufactured Goods that it has shipped to XSI at any one time.
15. **Risk of Loss** Vendor assumes all risk of loss of or damage to all Goods ordered and all work in progress, materials, and other items related to the Purchase Order until the same are finally accepted by XSI. Vendor assumes all risk of loss of or damage relating to any Goods, work in progress, materials, and other items rejected by XSI until the same are received by Vendor or Accepted by XSI.
16. **Confidentiality** All specifications, documents, artwork, or drawings delivered to Vendor by XSI, and any other non-public information XSI discloses to Vendor, remains XSI's property. The information is provided to Vendor solely for the purpose of Vendor's performance of the Purchase Order and on the express condition that neither the Purchase Order nor the information contained therein or provided in connection therewith shall be disclosed to others nor used for any purpose other than in connection with the Purchase Order without XSI's prior express written consent. XSI reserves the right to request that Vendor return all such information to XSI or destroy it. Vendor's obligations under this paragraph shall survive the cancellation, termination or other completion of the Purchase Order.
17. **Indemnification** To the fullest extent permitted by law, Vendor shall indemnify, defend, protect, and hold harmless XSI, its officers, directors, shareholders, board members, representatives, agents, consultants, employees, affiliates, subsidiaries, and their respective successors and assigns (each an "Indemnitee" and collectively, the "Indemnitees") from and against all claims, losses, liabilities, damages, lawsuits, actions, proceedings, arbitrations, taxes, penalties, or interest, associated auditing and legal expenses, and other costs incurred by Indemnitee(s) (including reasonable attorneys' fees and costs of suit) ("Indemnified Claims") arising from Vendor's: (a) performance of its



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obligations under the Purchase Order and (b) misrepresentation or breach of any representation, warranty, obligation, or covenant of the Purchase Order. Such Indemnified Claims shall include, without limitation, all direct, actual, general, special, and consequential damages. This Section 12 shall survive termination, cancellation, or expiration of the Purchase Order.

18. **Insurance** Vendor shall maintain adequate insurance in any and all forms necessary to protect both Vendor and XSI against all liabilities, losses, damages, claims, settlements, expenses, and legal fees arising out of or resulting from performance of the Purchase Order. Although evidence of certain minimum coverage may be required, nothing contained herein shall abridge, diminish or affect Vendor's responsibility for the consequences of any accidents, occurrences, damages, losses, and associated costs arising out of or resulting from performance of the Purchase Order.
19. **Advertising or Publication** Neither Vendor nor any of its subcontractors or affiliates shall cause or allow the name of "Xact Spec Industries LLC" or "XSI" (or any variation thereof) or any XSI logo or mark, or that of any of its subsidiaries, affiliates or employees to be used in any advertising or promotional literature, electronic or otherwise, or in any publication whatsoever, without prior written approval of XSI.
20. **Taxes** XSI will not be liable for any taxes with respect to a Purchase Order, except for sales, use, excise, ad valorem, value added, or consumption taxes imposed by any governmental authority for the purchase of the products Vendor supplies, which Vendor is required by law to collect from XSI. Vendor shall not collect or remit, and XSI shall not be liable for, any such taxes if XSI has provided Vendor with a tax exemption certificate. XSI also will not be liable for any taxes of any nature based on the income of Vendor. If XSI is required by the law of any jurisdiction to withhold any taxes, duties, fees, levies, or charges ("Withholding Taxes") from any fees or other charges (including reimbursement of expenses) paid to Vendor, XSI will be entitled to deduct the amount of such Withholding Taxes from the amount of such fees or other charges (including reimbursement of expenses). If Vendor is either exempt from withholding or entitled to a reduced rate of withholding pursuant to a tax treaty or other applicable law, and provides XSI with adequate documentation of such exemption from or reduced rate of withholding, XSI will be entitled to withhold only such Withholding Taxes from which Vendor is not exempt. In case of doubt by XSI as to XSI's liability for any such tax, Vendor shall allow XSI, at XSI's expense, to assume control of any litigation or proceeding relating to the determination and settlement of such tax. XSI shall, upon final settlement of such litigation and proceeding, reimburse Vendor for any tax owing including in the amount to be reimbursed, any interest charges and penalties accruing thereon.
21. **Presumptions** Vendor shall be conclusively presumed to have waived Vendor's right to receive payment for products or services covered by any Purchase Order if Vendor has not submitted an invoice for the products or services within one (1) year of the date of the Purchase Order. Vendor's submission of an invoice shall give rise to a presumption that the charges are the full amount Vendor is due for the products or services listed on or referred to in the invoice for the purpose of determining the existence of any underpayment. Vendor may submit supplemental invoices only if accompanied by a photocopy of the original invoice and documentation acceptable to XSI that establishes the validity of Vendor's claim for underpayment. Vendor waives any claim for underpayment if a supplemental invoice and supporting documentation have not been furnished within the earlier of (i) one (1) year after the Delivery Date or performance of the services covered by the supplemental invoice, or (ii) three (3) months after the date of submission of the original invoice.
22. **Independent Contractor** Vendor, in the performance of its duties hereunder, shall be an independent contractor only, and not an agent, employee, partner, or joint venture of, or with XSI, and

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nothing herein shall be deemed to create or imply any relationship other than that of independent contractor.

23. **Non-Waiver** Except as otherwise provided in the Purchase Order, failure by XSI to insist on strict performance of any provision of the Purchase Order, complain of any action, non-action, or default of the other Party, or to exercise any right or privilege, shall not constitute a waiver of any aggrieved Party's rights hereunder.
24. **Severability** If any term, covenant, condition, or provision of the Purchase Order, or the application thereof to any person or circumstance, shall ever be held to be invalid, illegal or unenforceable by a court or judicial officer, the provision shall remain in effect to the extent allowed by law, and in each such event the remainder of the Purchase Order or the application of such term, covenant, condition, or provision to any other person or any other circumstance (other than those as to which it has been deemed invalid or unenforceable) shall not be thereby affected and each term, covenant, condition, and provision thereof shall remain valid and enforceable to the fullest extent permitted by law.
25. **Successors and Assigns; Assignment** XSI and Vendor, respectively, bind themselves and their successors, assigns, and legal representatives to the other Party to the Purchase Order and to the successors and assigns of such other Party with respect to all covenants of the Purchase Order. Notwithstanding the foregoing, Vendor shall not subcontract the work or assign the Purchase Order without the written consent of XSI, and any assignment in violation of this Section 20 shall be void and of no effect.
26. **Governing Law** The Purchase Order shall be governed by and construed in accordance with the laws of the State of Ohio without regard to its rules of conflict of laws. Each of the Parties hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the State of Ohio and of the United States of America located in the State of Ohio (the "Ohio Courts") for any litigation arising out of or relating to this Agreement and the transactions contemplated hereby (and agrees not to commence any litigation relating thereto except in such courts), waives any objection to the laying of venue of any such litigation in the Ohio Courts and agrees not to plead or claim in any Ohio Court that such litigation brought therein has been brought in an inconvenient forum.
27. **Force Majeure** XSI may delay delivery, performance, or Acceptance of the Goods ordered hereunder in the event of causes beyond its control. Vendor shall hold such goods or refrain from furnishing such services at the direction of XSI, and Vendor shall deliver the goods when the cause affecting the delay is eliminated. XSI shall be responsible only for Vendor's direct additional costs incurred by holding the goods or delaying performance of the services at XSI's request. Causes beyond XSI's control shall include, without limitation, government action or failure to act where required, strike or other labor trouble, fire or similar catastrophe, and severe weather or other acts of God.