

**ABLE COIL & ELECTRONICS CO., INC.**

**STANDARD CONDITIONS OF PURCHASE**

This Purchase Order may be accepted by any means or part performance, provided Seller unqualified agrees to all of the terms and conditions appearing on the face and reverse side hereof or added as supplements hereto. In the event Seller's acceptance purposes additional or different terms, notice of objection thereto is hereby given and such additional or different terms shall not be binding upon Able Coil & Electronics except to the extent Able Coil & Electronics gives its specific agreement in writing to such terms. Unless the expression "Government contract provisions waived" is added by the Buyer to the face of this Purchase Order, all of the Armed Services Procurement Regulations incorporated directly, or by reference, in the terms and conditions on the reverse side hereof are fully applicable to the performance of this Purchase Order.

SHOW OUR PURCHASE ORDER NO. AND PART NO. ON ALL CARTONS, INVOICES, PACKING LISTS AND BILLS OF LADING.

PLEASE ACKNOWLEDGE THIS ORDER IMMEDIATELY, ADVISING DELIVERY AND CONFIRMING PRICE. COMPLETE PACKING SLIP MUST ACCOMPANY EACH SHIPMENT.

1. OFFER AND ACCEPTANCE: This order is an offer to purchase and is limited to the terms and conditions contained herein. Any terms and conditions contained in quotations or similar forms of Seller or that may be proposed in any acknowledgement or acceptance that are in addition to or different from these terms and conditions are hereby rejected and shall not become part of the purchase agreement without Buyer's specific written consent. This order may be accepted only by Seller executing and returning to Buyer the acknowledgment copy hereof. If Seller shall, instead of accepting as aforesaid, ship any goods or furnish any services in response to this order, Buyer may at its sole election, either reject the tendered goods and/or services or treat such action as constituting acceptance and assent to the terms and conditions hereof.

2. SHIPMENT: Shipment shall be made in accordance with specific instructions from Buyer on the face hereof. In the absence of specific shipping instructions, shipment shall be routed via the most economical mode of commercially reasonable transportation available. Material will be classified so that lowest Commodity Rate may be obtained. Unless otherwise agreed to in writing by Buyer, prices on the face hereof include all charges for handling, packing and crating, and Seller is obligated to suitably pack, mark and ship all goods to prevent damage and to conform to requirements of common carriers and in accordance with good commercial practice. Notwithstanding any shipping, FOB or other terms or rights of the Buyer included herein, Buyer shall have the right to return all freight damaged merchandise to Seller and receive full credit therefor, unless said damage has been caused by the negligence of Buyer.

3. DELIVERY: Time is of the essence. Delivery shall be made in quantities and at the item(s) specified in this order of instructions. Deliveries not made on the date or dates specified may be cancelled or rejected by the Buyer. If any goods delivered do not conform to this order, Buyer may reject such goods or the entire lot received. If this order requires or authorizes deliveries of goods in separate lots, Buyer, if it rejects or cancels one or more separate lots as aforesaid, may also, at its sole election, exercise either or both of the following rights: (i) to cancel any undelivered lots and/or (ii) to purchase elsewhere and charge Seller with any loss incurred as a result thereof. Unless delay is due to causes beyond Seller's control, premium transportation costs to meet delivery schedules shall be at Seller's expense. When requested by Buyer, Seller shall notify buyer (email, fax, phone call) of shipment the same day goods are shipped.

4. WARRANTIES: Whether or not Seller is a merchant of goods and/or services provided by it, Seller warrants that all goods and/or services provided by it: (i) shall be free of conflict minerals, (ii) shall be of good quality and workmanship and free from defects, latent or patent; (iii) shall conform to all specifications, drawings, descriptions furnished, specified, or adopted by Buyer; (iv) shall be merchantable and suitable and sufficient for their intended purposes; and (v) shall be free of any claim of any third party. NONE OF THE REMEDIES AVAILABLE TO BUYER FOR THE BREACH OF ANY OF THE FOREGOING WARRANTIES MAY BE LIMITED EXCEPT TO THE EXTENT AND IN THE MANNER AGREED UPON THE BUYER IN A SEPARATE AGREEMENT SPECIFICALLY DESIGNATING SUCH LIMITATION AND SIGNED BY AN AUTHORIZED REPRESENTATIVE OF BUYER.

Buyer's inspection and/or acceptance of and/or payment for goods and/or services shall not constitute a waiver by it of any warranties. Buyer's approval of any sample acceptance of any goods shall not relieve Seller from responsibility to deliver goods and to perform services conforming to specifications, drawings and descriptions. Buyer may reject any portion or all of any shipment of products that does not conform to the applicable specifications or descriptions of the products within 60 days of receipt and may return such rejected products to Seller, at Seller's sole option for replacement, refund or credit. Buyer's payment to Seller for products prior to Buyer's rejection as non-conforming shall not be deemed as acceptance by Buyer.

5. PATENT WARRANTY: Seller warrants that: (i) neither the goods furnished hereunder nor the sale or use thereof will infringe any United States or Foreign Letters Patent, trademark, copyright, or other proprietary or similar rights; (ii) Seller will, at its own expense, defend any suit that may arise with respect to any aforementioned infringement or allegation thereof; and (iii) Seller will indemnify and hold Buyer and/or its customers harmless from all loss and expense incurred on account of any alleged or actual infringement. Buyer shall promptly notify Seller of any such infringement claim made against it. The warranty provided here shall not apply to goods to the extent such goods comply with specifications furnished by Buyer.

6. INDEMNITY AND INSURANCE: Seller shall indemnify and hold Buyer harmless, and at Seller's expense, defend Buyer from all liability, loss and expense, or claims therefore, arising out of death or injury to any person or damage to any property, or any other damage or loss, by whomsoever suffered, resulting in whole or in part from any alleged or actual defect, whether latent or patent, in goods sold to Buyer hereunder including without limitation actual or alleged improper construction or design or failure to comply with specifications, or from non-complying services sold to the Buyer hereunder, or from the actual or alleged violation by such services or goods (or their manufacturer, possession, use or sale) of any federal, state or local rule, regulation or governmental order, or from the failure of such goods or services to comply with any express or implied warranty of Seller or with any of the provisions which govern Seller's performance under this purchase agreement, provided that this indemnity shall be null and void to the extent such liability, loss or expense, or claim(s) therefor, results solely from the negligence of Buyer. Seller will obtain and maintain in force, at no expense to Buyer, Products Liability insurance with Vendor's Endorsement naming Buyer and in amounts and with companies acceptable to Buyer, to cover any liability, loss or damage of the kinds above referred to.

7. PRICE AND QUANTITIES: If no price is stipulated herein, the goods or services shall be charged at prices not exceeding those last previously quoted or charged to Buyer for goods or services of like kind or quality. Seller warrants that the prices named herein are as low as any net price now given by Seller to any other customer of the same class for goods or services of like kind or quality

and Seller agrees that if at any time or before the actual shipping date or the last shipping date specified hereon, whichever occurs last, lower net prices are quoted to any other such customer, said lower net prices shall be applied to this purchase order and shall be substituted for the prices contained herein. Buyer shall also receive the full benefit of all discounts, premiums, and other favorable terms of payment customarily offered by Seller to its customers. Goods shipped under this order must be shipped in the quantity ordered. Over or under shipments may be returned at the option of the Buyer and at the Seller's expense.

8. **TOOLS:** Unless otherwise specified, all necessary material or tools, including dies, gauges, jigs or fixtures required to execute this order are to be supplied by Seller. If Buyer agrees to pay for or furnish any material or tools, dies, gauges, jigs or fixtures in connection with this order, said items shall be and remain Buyer's property, and shall be used exclusively for Buyer unless Buyer directs otherwise in writing. Seller will account for said items and keep this fully covered by insurance at all times without expense to Buyer. It is understood and agreed that said items may be removed by Buyer at any time and shall not otherwise be disposed of by Seller without written permission from Buyer. Seller will maintain said tools and similar equipment in good working condition and will return them to Buyer on request or termination of the work for which they were furnished. Seller shall submit first article samples to Buyer for approval on all new, reworked, or revised tooling.

9. **NON DISCLOSURE:** Seller shall not without first obtaining written consent, in any manner advertise or publish the fact that it has furnished or has contracted to furnish Buyer the articles or services herein mentioned. Material made to Buyer's design shall not be supplied to anyone else without prior written permission, and Seller shall neither reveal any specifications, designs or other information supplied to it by Buyer nor disclose to third parties any of the details connected with this order without prior written consent of Buyer. Seller agrees that any data, designs, specifications, and all other business, product, technical and financial information it obtains from Buyer are the confidential property of Buyer ("Confidential Information"). Except as expressly and unambiguously allowed herein, Seller will hold in confidence and not use or disclose any Confidential Information without Buyer's prior written consent and shall similarly bind its employees, consultants and subcontractors in writing. Seller shall not disclose any Confidential Information to any person or entity other than those employees, consultants or subcontractors of Seller's who have a legitimate need to know. Seller's non-disclosure obligation hereunder shall not apply to information it can document is generally available to the public or is rightfully disclosed to the Seller by a third party without restriction. Upon Buyer's request, or upon termination of this purchase order, Seller shall promptly return all Confidential Information and any copies thereof to Buyer.

10. **CHANGES:** Buyer reserves the right at any time prior to shipment to make changes as to: (i) specifications of any goods to be specifically manufactured for Buyer; (ii) methods of shipment or packing; (iii) place of delivery; (iv) schedule of delivery; and (v) reduce, increase or cancel the quantities ordered.

If any such change causes an increase or decrease in the cost of or the time required for performance of this purchase order, an equitable adjustment shall be made in the contract price or delivery schedule or both. Any claim by Seller for adjustment under this clause shall be deemed waived unless asserted in writing within ten (10) days from receipt by Seller of the change.

Seller shall not change the manufacturing location, design, or processes specified or referenced in the order and on the drawing without advanced written approval from Buyer.

11. **CANCELLATION AND REMEDIES:** Buyer may cancel this order in whole or in part if: (i) the goods and/or services furnished do not conform to warranties; (ii) Seller fails to make deliveries as provided herein; (iii) Seller breaches any other term or condition herein; (iv) any representation by Seller proves to have been false when made; or (v) Seller is insolvent, or Buyer reasonably believes Seller is insolvent, a petition is filed for reorganization of Seller or for its adjudication as a bankrupt, Seller makes an assignment for benefit of creditors, a receiver or trustee is appointed for any of Seller's assets or any other type of insolvency proceeding or formal or informal proceeding for the dissolution, liquidation, or winding up of affairs of Seller is commenced. In the event of any such cancellations, Buyer shall have the rights, in addition to its other rights: (i) to refuse to accept delivery of goods and/or performance of services; (ii) within one year after delivery, to return to Seller at Seller's expense any goods already delivered and, at Buyer's option, either recover all payments made therefor and expenses incident thereto or, at Seller's expense, to receive replacement therefor, except that the rights set forth in this provision (ii) shall not be available upon cancellation by Buyer because of the occurrence, solely because of any of the events set forth in (v) above; (iii) to recover any advance payments to Seller for undelivered goods and/or services not fully performed; and (iv) to purchase elsewhere and charge Seller with any loss incurred as a result thereof. Buyer's right to return goods is not affected by any assignment by Seller of moneys due or to become due hereunder. Upon cancellation as aforesaid, Buyer shall not have any liability to Seller except that Seller may charge to Buyer only the allocable part of the price for conforming goods delivered and not returned and for services performed to the extent that Buyer receives material benefit therefrom. In addition, Buyer shall have the option of paying to Seller Seller's actual costs for undelivered goods, in which event such goods, whether in process or finished, and raw materials therefor, shall become Buyer's property and shall be delivered to Buyer as herein provided. In no event shall Buyer be obligated to pay to Seller any amount greater than the price herein for said delivered and undelivered goods in total.

12. **NONASSIGNABILITY:** Seller may not assign any right or interest in this order nor delegate performance of any of its obligations without Buyer's written consent.

13. **GOVERNMENTAL LAWS:** In accepting this order, Seller warrants that the goods to be furnished hereunder were or will be produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended and with orders and regulations of the Administrator of the Wage Hour Division issued thereunder, as amended. Seller agrees that this warranty may be considered the written assurance contemplated by said Act. Seller warrants that it has complied with all other applicable laws, regulations and ordinances of the United States government or any state or municipal government which may now or hereafter govern performance under this contract including without limitation and if applicable, the manufacture of goods purchased hereunder. Buyer shall fully comply with all export, administration and control laws and regulations of the United States Government as may be applicable to the export, resale, or other disposition of any products purchased from Seller.

14. **GOVERNMENT SUBCONTRACT:** In the event that this order bears a government contract number of the face hereof, Seller agrees to comply with all pertinent provisions, agreements and clauses of said contract and pertinent Presidential directives and executive orders to the extent that they apply to the subject matter of this order and all said pertinent provisions, agreements, clauses, directives and executive orders are herein incorporated by this reference. A copy of said contract or part thereof that Buyer deems applicable to this order will be given to Seller upon written request.

15. **EQUAL EMPLOYMENT OPPORTUNITY:** Unless this order is exempt in accordance with the rules, regulations and orders applicable under Presidential Executive Order 11246 issued September 24, 1965, the provisions of the Equal Opportunity Clause of Section 202 of Executive Order 11246, as amended, and any rules, regulations or orders subsequently promulgated thereunder (41

C.F.R. Part 60-1), (subject to necessary changes in language as shall be appropriate to identify the parties and their undertakings) and the provisions of the Equal Employment Opportunity Agreement and Compliance Certificate signed by Seller are hereby, by this specific reference thereto, incorporated in this order. Further, unless exempted by the terms of Section 503 of the Vocational Rehabilitation Act of 1973, as amended, or by the regulations promulgated thereunder (20 C.F.R. Section 741 et seq.) this order specifically incorporates the provisions of the Vocational Rehabilitation Act of 1973, as amended, and the applicable regulations and the contractual clause set forth in those regulations requiring Seller to take affirmative action to employ the handicapped. Also, unless specifically exempted by the terms of the Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended, this order also incorporates the Act's affirmative action requirement toward the employment of disabled and Vietnam Era Veterans, as well as the requirement set forth in the Department of Labor regulations promulgated thereunder (41 C.F.R. Part 50-250) that all nonexempt Federal contractors and subcontractors list employment openings with State employment services. This clause shall not be construed to enlarge or extend any obligations of the parties under the terms of the Executive Order and the statutes and regulations herein above mentioned.

16. OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970; TOXIC SUBSTANCES CONTROL ACT: Seller warrants that the manufacture and design of the items, chemical substances or mixtures, covered by the services performed pursuant to this purchase order comply with the standards, rules, orders and regulations promulgated or prescribed pursuant to the Occupational Safety and Health Act of 1970, and the Toxic Substances Control Act, as applicable.

17. PRODUCT SAFETY NOTIFICATIONS: Seller will immediately notify Buyer by telephone [followed by written confirmation within twenty-four (24) hours] of any product sold hereunder which fails to comply with an applicable safety rule or standard of the Consumer Product Safety Commission or the Environmental Protection Agency or which contains a defect which could create or presents a substantial risk to the health of or injury to the public or to the environment by itself or when used by Buyer within the scope of its intended purpose.

18. QUALITY SYSTEM: Seller shall maintain a quality management system in compliance with ISO9001, AS9100, or similar quality system based on product complexity and will flow down to sub-tier suppliers the applicable requirements of Buyer's purchasing documents and specifications, including key characteristics. Seller will notify Buyer of changes in product and/or process definition and, where required, obtain buyer's approval. Supplier will separate nonconforming products and immediately notify buyer to obtain approval for shipment to Buyer.

19. MISCELLANEOUS: Buyer, Buyer's Customers, and regulatory authorities shall have the right to access and inspect any work being performed for Buyer by Seller and to inspect Seller's equipment, facilities, and records at any time during business hours. Whenever Seller shall have in its possession any property of Buyer or Buyer's Customers, Seller shall be deemed an insurer thereof and responsible for its safe return to Buyer. No modification, amendment, rescission, waiver or other change in this Agreement shall be binding on Seller unless agreed to in writing by Seller's authorized representative. The invalidity or unenforceability, in whole or in part of any provision herein shall not affect the validity or enforceability of any other provision herein. Whenever Buyer has the right to demand of Seller adequate assurance of due performance, Buyer shall be the sole judge of the adequacy of assurance given by Seller. Except as otherwise specifically provided in this order, Seller shall be liable for and shall pay any sales, use, excise, or other tax which may be imposed upon any of the goods or their sale, use or delivery. No delay or omission by Buyer in exercising any right or remedy hereunder shall be a waiver thereof or of any other right or remedy. No single or partial waiver by Buyer thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. All rights and remedies of Buyer hereunder are cumulative. Headings of paragraph are for convenience only and shall not be used in the construction or interpretation of this purchase order. No course of prior dealings between Buyer and Seller and no usage of the trade shall be relevant to supplement or explain this Agreement. This order and any agreement resulting here from cannot be modified or amended without the written consent of Buyer. This order shall be construed in accordance with the laws of the State of Connecticut excluding its conflict of law rules. The exclusive jurisdiction and venue of any action relating to this Purchase Order shall be the Superior Court of Connecticut or the United States District Court for the District of Connecticut and each of the parties hereto submits itself to the exclusive jurisdiction and venue of such Courts for the purpose of any such action. In any proceeding or action to enforce rights under this Purchase Order, the prevailing party shall be entitled to recover costs and attorneys' fees.