

TERMS & CONDITIONS OF PURCHASE

Buyer OBJECTS in advance to the inclusion of any additional or different terms proposed by Seller in his acceptance of acknowledgment of this order. The inclusion of such terms by the Seller will be of no significance; such terms will not be conditions or additional terms to this order, and Buyer's acceptance of Seller's goods shall not be deemed as acceptance of such terms. Unless otherwise stated on the face of this order, the following terms and conditions shall apply.

1. DELIVERY

All goods must be shipped at the most advantageous rates unless otherwise authorized in writing by the Buyer. Any extra expense in effecting delivery of goods not so shipped will be charged to the Seller. Adequate scheduling of shipment of goods shall be made by Seller in that delivery dates included within this order are essential to the Buyer. Seller shall not, however, make material commitments or production arrangements in advance of reasonable flowtime needed to meet Buyer's delivery schedule. No claims shall be allowed for such advance effort in case of change or termination. Shipments shall be strictly in accordance with Buyer's delivery schedule. Buyer reserves the right to return, at Seller's expense, all goods received in advance of delivery schedules or to hold the goods and pay Seller's invoices on normal maturity after the scheduled delivery date.

2. EXCUSABLE DELAYS

Neither party shall be liable for damages, resulting from delays arising out of causes beyond its control and without its fault or negligence, including acts of God, acts of the Government, fires, floods, strikes, freight embargoes, and unusually severe weather, nor shall such delay affect the remainder of this order. Seller will notify Buyer, in writing within ten (10) days after the beginning of any cause for delay, in the absence of which Seller waives his right for an excuse for such delay.

3. PACKING AND SHIPPING

An itemized list of contents must be placed in each package bearing this Order Number. No charge will be allowed by Buyer for cartage or packing unless agreed upon before hand in writing. All expenses incurred by Seller's failure to furnish necessary shipping documents shall be charged to Seller.

4. INVOICING

Packing lists in DUPLICATE and itemized invoices, each bearing the Order Number, must be mailed on day of shipment. BILL OF LADING OR EXPRESS RECEIPT MUST BE ATTACHED TO YOUR INVOICE. Show our Order Number immediately following our name. Invoices subject to cash discount should be mailed on the day they are dated. If they are not, discount period will begin on the day bills are received by Buyer's Purchasing Department. Failure to attach Bill of Lading or Express Receipt to your invoice will delay payment and discount period will begin when the documents are received. All invoices must bear the following certification in order to be passed for payment. "We hereby certify that these goods were produced in compliance with the Fair Labor Standards Act of 1938 as amended, and regulations and orders issued by the United States Department of Labor there under."

5. INSPECTIONS AND TESTING

Buyer shall have the right to expedite, inspect and test any of the goods or work covered by this order prior to shipment. All goods are also subject to Buyer's inspection and approval on arrival. If rejected, they will be held for disposal at Seller's risk. Such inspection or the waiver thereof, however, shall not relieve the Seller from full responsibility for furnishing goods and work conforming to the requirements of the order, nor prejudice any claim, right or privilege the Buyer may have because of the use of defective or unsatisfactory goods or work.

6. WARRANTY

All goods furnished by Seller and any services or installation relating thereto pursuant to this order shall be warranted to be of the best quality of their respective kinds and to be free of defects in design, workmanship, or material and when known to Seller suitable for their intended purposes. In the event of breach, the Seller shall take all necessary action, at Seller's expense, to correct such breach in the most expeditious manner possible. Should the Seller fail to correct any such breach in a timely manner, the Buyer may proceed at Seller's expense, to perform the necessary corrective work. This warranty shall also inure to the benefit of Buyer's customer or use of the goods.

7. ASSIGNMENT AND SUBCONTRACTING

Seller shall not assign or subcontract any portion of this order without the prior written approval of the Buyer.

8. CHANGES

Buyer may at any time make changes in shipping and packing instructions, quantities, drawings, designs, specifications, place of delivery and/or delivery schedules for which an appropriate adjustment to the order shall be made.

9. TERMINATION FOR DEFAULT

Buyer may terminate all or any part of this order by giving notice of default to Seller, if Seller (a) refuses or fails to deliver the goods within the time specified; (b) fails to comply with any of the provisions of this order or so fails to make progress as to endanger performances hereunder; or (c) becomes insolvent or subject to proceedings under any law relating to bankruptcy, insolvency or the relief of debtors. In the event of a termination for default, Seller's liability shall be limited to the payment for goods delivered and accepted by Buyer under this order.

10. TERMINATION FOR CONVENIENCE

Buyer may terminate this order at any time for its convenience in whole or in part, in which event, Buyer's sole obligations shall be to reimburse Seller for (a) those goods actually shipped and accepted by Buyer up to the date of termination, and (b) costs incurred by Seller for unfinished goods, which are specifically manufactured for Buyer and which are not standard products of the Seller, as of the date of termination, plus a reasonable profit thereon. In no event shall Buyer be responsible for loss of anticipated profit nor shall reimbursement exceed the order value.

11. STOP WORK ORDER

Buyer may, at any time by written notice to the Seller, stop all or any part of the work called for by this order. Upon receipt of such notice, the seller shall take all reasonable steps to minimize the incurrence of costs during the period of work stoppage. Buyer may subsequently either cancel the stop work order resulting in an equitable adjustment in the delivery schedule and or the price, or terminate the work in accordance with the provisions of this order.

12. PATENTS

Seller agrees to indemnify and save harmless the Buyer, its officers, employees, agents, representatives or any of its customers buying or using the goods specified herein from any loss, damage or injury arising out of a claim or suit at law or equity for actual or alleged infringement of letters patent, by reason of the buying, selling or using the goods supplied under this order, and will assume the defense of any and all suits and will pay all costs and expenses incidental thereto.

13. CONFIDENTIAL INFORMATION

Seller agrees not to make any use of data, designs, drawings, specifications and other information furnished to it by the Buyer, except for the performance of this order and Seller further agrees not to disclose such data, designs, drawings, specifications and other information to others except for the performance of this order under similar restrictions against use and disclosure. Upon completion or termination of this order, Seller shall return to Buyer and demand all such data, designs, drawings, specifications and other information, including copies made by Seller.

This order is confidential between the Buyer and the Seller, and it is agreed by the Seller that none of the details connected herewith shall be published or disclosed to any third party without the Buyer's written permission.

Seller acknowledges that the confidential information disclosed under this order may be subject to export control, and that compliance with appropriate United States Government regulations (e.g., International Traffic in Arms (ITAR), etc.) may be necessary to obtain required government approvals before disclosing confidential information to foreign persons, businesses or governments. The Seller agrees to comply with all applicable U.S. export control laws and regulations, specifically the requirements of ITAR, 22 CFR 120 et seq., and the Export Administration Act, 50 U.S.C. Apprx. 2401 et seq., including the requirement for obtaining an export license, if applicable. Without limiting the foregoing, the Seller agrees that it will not transfer any confidential information, export controlled items, data or services, to include transfer to foreign persons employed by or associated with, or under contract to, the Seller without the authority of any export license or applicable license exemption. The Seller shall obtain written consent of the Buyer prior to submitting any request for authority to export any such confidential information. The Seller shall indemnify and hold the Buyer harmless from all claims, demands, damages, costs, fines, penalties, attorneys' fees, and all other expenses arising from the failure of the Seller to comply with this clause or applicable U.S. export control laws and regulations.

14. RISK OF LOSS

Seller assumes the following risks: (a) all risks of loss or damage to all goods, work in process, materials and other things until the delivery thereof as herein provided; (b) all risks of loss or damage to third persons and their property until the delivery of all goods as herein provided; (c) all risks of loss or damage to any property received by Seller from or held by Seller or its supplier for the account of Buyer, until such property has been delivered to Buyer or its customer as the case may be, and (d) all risks of loss or damage to any of the goods or part thereof rejected by Buyer, from the time of shipment thereof to Seller until redelivery thereof to Buyer. Any patterns, dies, molds, jigs and fixtures furnished to Seller by Buyer, or specifically paid for by Buyer, shall be the property of Buyer and subject to removal by Buyer upon completion of the order, and shall be used only in filling Buyer's orders and held by Seller at its sole risk.

15. INSURANCE AND INDEMNIFICATION

Seller agrees to indemnify and save harmless the Buyer, its officers, agents and employees from and against any and all claims and liabilities (including expenses) for injury or death of persons or damage to any property which may result, in whole or in part, from any act or omission on the part of the seller, its agents, employees or representatives, or arising from any Seller furnished goods or services, except to the extent that such damage is due solely and directly to the negligence of the Buyer. Seller shall carry comprehensive general liability insurance, including contractual and product liability coverage, with a minimum limits acceptable to the Buyer. Seller shall, at the request of the Buyer, supply certificates evidencing such coverage.

16. LAWS AND REGULATIONS

Seller shall comply with all applicable Federal, State and Local laws, statutes and ordinances, including, but in no way limited to rules, regulations and standards of the Occupational Safety and Health Act of 1970 and the Federal Contract Work Hours and Safety Standards Act and the rules and regulations promulgated under these acts. With respect to the supply of goods relating to a facility regulated pursuant to the Atomic Energy Act of 1954, as amended, or the energy Reorganization Act of 1974, the provisions of Title 10 Code of Federal Regulations, Part 21 (10CFR21) are applicable to this order. Seller agrees in connection with performance of this order, not to discriminate against any employee or applicant for employment because of race, sex, religion, color, age, national origin, handicap or status as a Veteran Era or Special Disabled Veteran. Unless exempted, the equal employment opportunity clauses in Section 202, paragraphs one through seven of Executive Order 11246, as amended, and the affirmative action clauses as set forth in 41 C.F.R. Section 60-741.4 (for orders of \$2,500 or more) and 41 C.F.R. Section 60- 250.4 (for orders of \$10,000 or more) are incorporated herein by reference.

17. CUSTOM-TRADE PARTNERSHIP AGAINST TERRORISM (C-TPAT) CONTRACT

For Seller's goods to be imported into the United States, Seller shall comply with all applicable recommendations or requirements of the United States Customs Service's Custom-Trade Partnership Against Terrorism ("C-TPAT") initiative (for information go to: <http://www.customs.ustras.gov/enforcem/tpat.htm>). At Buyer's or the Customs Service's request, Seller shall certify in writing its compliance with the foregoing. Seller shall indemnify and hold buyer harmless from and against any liability, claims, demands or expenses (including attorney's or other professional fees) arising from or relating to Seller's noncompliance.

18. VENDOR QUALITY / INSPECTION SYSTEM REQUIREMENTS

Vendor Quality/Inspection system is to meet the requirements of ISO 9001 or AS9100 and vendor calibration system is to meet the requirements of ISO-10012-1. If vendor's system conforms to other commercial or government specifications; a review by Concepts NREC's vendor Quality Representatives will be required prior to implementation.

19. FLOW DOWN

Flow down to sub-tier suppliers the applicable requirements in Concepts NREC purchasing documents, including key characteristics where required (AS9100:2016 8.4.3 k).
All supplied specifications and drawings provide required flow down. These specifications and drawings are part of the terms of this purchase order.

20. SVR

Notify Concepts NREC about all known nonconforming product that is going to be shipped to Concepts NREC (AS9100:2016 8.4.3 k). Waiver request must be submitted and approved by Concepts NREC prior to shipment for any material that does not meet Concepts NREC specification or for any contract (Purchase Order) requirements (AS9100:2016 8.4.3 k).

21. RECORD RETENTION

Retain all records pertaining to this purchase order as mandated by Concepts NREC Quality Management System (QMS) (AS9100:2016 8.4.3 k) and indicated on Purchase Order.

22. SHELF LIFE

If product or material is age or storage sensitive, provide recommended storage conditions (i.e. temperature, humidity, etc.), if required and shelf life requirements or expiration date. Note: minimum remaining shelf life at the time of receipt shall be no less than 80 percent (AS9100:2016 8.4.3 i).

23. COUNTERFEIT PARTS

All purchased product must be traceable back to the Original Manufacturer (OM).

- a) When purchasing electronic and electromechanical parts as defined in from an authorized distributor, original factory certification must be included with the shipment. If the supply chain includes more than one authorized distributor, certifications from each supplier in the chain (chain of custody) traceability must be provided.
 - 1. If parts are electronic or electromechanical connectors or back shells, the manufacturer's certification must show the parts were supplied to the distributor from who they were received. Otherwise, all interim certificates (chain of custody) to document the complete supply chain are required. (AS9100:2016 8.4.3 k).
 - 2. DFARS Clause 252.246-7007
- b) When purchasing non-electronic parts, original mill certs are required with all interim certificates (chain of custody) to document the complete supply chain. (AS9100:2016 8.4.3 k).

24. LEGAL

If items supplied become the subject of a legal or counterfeit issue, the supplier is required to disclose the source of the item.

25. ACCESS TO SUPPLIER PREMISES

Where specified in the contract, the customer or the customer's representative shall be afforded the right to verify at the supplier's premises and the organization's premises that subcontracted product conforms to specified requirements (AS9100:2016 8.4.3 l)