

CENTROID, INC. TERMS AND CONDITIONS OF PURCHASE

- 1. ACCEPTANCE.** This purchase order constitutes an offer by the Buyer to Seller upon the terms and conditions stated herein and in the body of the order, and shall become a binding contract upon acceptance thereof either by acknowledgement or performance. The Buyer reserves the right to cancel this purchase order at no cost if it has not been formally accepted by Seller.
- 2. DELIVERY.** Time and rate of deliveries are of the essence of this order. Buyer reserves the right to cancel the order and reject the goods upon default by Seller in time or rate of delivery, and Buyer at its option may approve in writing a revised delivery schedule. Goods shipped to Buyer in advance of delivery schedule may be rejected or returned to Seller at Seller's expense.
- 3. REJECTIONS.** If any of the goods are found at any time defective in material or workmanship (including goods damaged because of unsatisfactory packaging by Seller), or otherwise not in conformity with the requirements of the order. Buyer, in addition to any other rights which it may have under warranties or otherwise, shall have the right to reject and return such goods at Seller's expense and to receive full credit for any rejected goods or, upon written request, to require replacement of any such rejected goods without additional Cost to Buyer.
- 4. BUYER'S PROPERTY.** Unless otherwise agreed to in writing all tools gauges, designs, sketches, drawings, blueprints, patterns, dies, engineering data or other technical or proprietary information, special appliances, and other equipment or material of every description furnished to Seller by Buyer, and any replacement thereof, or any materials affixed or attached thereto, shall remain the property of the Buyer. Such property, and whenever practical, each individual item thereof, shall be plainly marked or otherwise adequately identified by Seller as "property of the buyer's Company", shall be safely stored separate and apart from Seller's property and shall be subject to examination by buyer. Seller shall not substitute any property for Buyer's property and shall not use such property except in filling Buyer's orders. Such property while in Seller's custody or control shall be maintained in good condition at Seller's expense, shall be held at Seller's risk and shall be kept insured by Seller at Seller's expense in an amount equal to the replacement cost with loss payable to Buyer. Such property shall be subject to removal at Buyer's written request, in such event Seller shall prepare such property for shipment and shall redeliver the same to Buyer in the same condition as originally received by Seller, reasonable wear and tear excepted. Any special tooling included in the price of this order shall upon completion of this order become the property of Buyer and Seller shall return the same to Buyer or make such other disposition thereof as may be directed or approved by Buyer in writing.
- 5. CHANGES.** Buyer shall have the right to make changes to this order by notice in writing to the Seller. If such modifications cause a change in the amount due under the order or in the time required for its performances, an equitable adjustment may be made and the order modified in writing accordingly. Any claim (or adjustment) must be asserted by the Seller in writing within 15 days from the date the change is ordered. Nothing contained in this clause shall relieve the Seller from proceeding without delay in the performance of the order as changed.
- 6. ASSIGNMENT AND SUBCONTRACTING.** No assignment of this order shall be binding upon Buyer until its written consent thereto is obtained.
- 7. PATENTS.** Seller agrees to defend and hold harmless buyer, its successors, assigns customers, the user of its products from all loss or damage by reason of any and all actions or proceedings charging infringement of any patent, trademark or copyright by reason of sale or use of any goods furnished hereunder except goods for which buyer furnishes complete specifications.
- 8. WARRANTIES.** By accepting this offer, Seller warrants that all items delivered under this order will be free from defects in material and workmanship (including damage due to unsatisfactory packaging by Seller), that all items delivered will be strictly in accordance with Buyer's specifications, drawings and approved sample, if any, and to the extent such items are not manufactured pursuant to detailed designs furnished by Buyer, that all items will be free from defects in design and workmanship.
- 9. DEFAULTS.** Buyer may cancel this order in whole or in part by written notice: (a) if Seller shall become insolvent or make a general assignment for the benefit of creditors, or a receiver or liquidator for Seller is appointed or applied for, or if Seller admits in writing its inability to pay its debts as they become due; or (b) if any proceeding under any applicable Federal or State bankruptcy or insolvency law is brought by or against Seller; or (c) if, at any time, Seller should default in performance or shall so fail to make progress in the work as to endanger performance hereunder. After receipt of notice of any such termination, Buyer at its option may require the Seller to transfer title and deliver any satisfactorily completed work and such work in process as the Seller has specifically produced or specifically acquired for the performance of such part of the order as has been cancelled. Upon any such cancellation pursuant to this clause, if the cost of completion of the order is in excess of the contract price, then Seller shall be liable for such excess. However, except with respect to default of subcontractors, the Seller shall not be liable for any excess costs if the failure to perform arises out of causes beyond the control and without the fault or negligence of the Seller. If the failure to perform is caused by the default of the subcontractor and if such default arises out of causes beyond the control of both the seller and its subcontractors, and without the fault or negligence of either of them, the Seller shall not be liable for any excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable in sufficient time to comply with the order, the term "causes beyond the control" as used herein may include but is not restricted to acts of God or of the public enemy, act of Government in its sovereign capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes or unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the contractor and subcontractor, as the case may be. The rights and remedies of Buyer provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.
- 10. CONFIDENTIALITY.** Seller agrees that it will keep confidential the features of any equipment, tool, gauges, patterns, designs, drawings, engineering data or other technical or proprietary information furnished by Buyer and use such items only in the production of items under this order or other orders from Buyer and not otherwise, unless Buyer's written consent is first obtained.
- 11. LABOR LAWS.** All goods shall be produced and services rendered under conditions which meet the applicable requirements of the Fair Labor Standards Act of 1938, as amended, including all Section 12(a), thereof, as amended and all applicable Federal, State and municipal laws and regulations governing wages, hours and conditions of labor. Seller shall insert a certificate on all amended invoices submitted in connection with this order stating that the goods or services were produced or rendered in compliance with the requirements of the Fair Labor Standards Act of 1938 as amended, included Section 12(a) thereof, as amended. If the order is for more than \$10,000 and is otherwise subject to the Walsh Healey Act (41 U.S. Code 35 45) the representations and stipulations required by that Act and regulations issued thereunder by the Secretary of Labor to be included in all contracts therein specified are incorporated herein by reference.
- 12. INDUSTRIAL LAWS AND TAXES.** The Seller agrees that neither the Seller nor any of the persons furnishing materials or performing work or services which are required by this order are employees of Buyer within the meaning of or the application of any Federal or State Unemployment Insurance Law or Old Age Benefit Law or other Social Security Law and Workmen's Compensation Industrial Accident or other Industrial or Labor Law. The Seller hereby agrees at its own expense to comply with such laws and to assume all liabilities or obligations imposed by any one or more such laws with respect to this agreement.
- 13. COMPLIANCE WITH OTHER LAWS.** Seller will comply with all Federal State and Municipal laws, rules and regulations that may be applicable to this order.
- 14. MODIFICATION OF AGREEMENT.** This order contains all the agreements and conditions of these transactions and no agreement or other understanding in any way modifying the conditions hereof will be binding upon Buyer unless made in writing as a change of purchase order and signed by Buyer.
- 15. CONTINGENCIES.** Buyer reserves the right at its option and without liability either to direct suspension of shipments of materials covered by this order or to cancel this order, in whole or in part, at any time where such suspension or cancellation is caused by Government order or other requirements, embargoes, acts of civil or military authorities, acts of the public enemy, inability to secure transportation facilities, strikes, differences with workmen, accidents at plant of Buyer or Defense Materials System Priority Regulations or other law or order or regulation or other contingencies beyond control of Buyer.
- 16. NO WAIVER OF CONDITIONS.** Failure of Buyer to insist upon strict performance of any of the terms and conditions of this order shall not constitute a waiver of such terms and conditions in any default.
- 17. USE OF MERCURY.** Supplies furnished under this order shall not contain or be contaminated by mercury or mercury compounds.
- 18. OZONE DEPLETING SUBSTANCES.** The use of any Class 1 Ozone Depleting Substances (ODS) in the design, manufacture, testing, cleaning or any other process in fulfillment of this order is prohibited.
- 19. EQUAL OPPORTUNITY EMPLOYMENT.** All Federal Equal Opportunity Employment clauses are herein incorporated by reference.
- 20. INSPECTION SYSTEM.** MIL I 45208A or equivalent inspection system applies to this order.
- 21. DELIVERY DATE.** Shipments of material up to 30 days in advance of required date are permissible.
- 22. CERTIFICATE OF CONFORMANCE.** Original signed Certificate of Conformance is required with each shipment.
- 23. ADDITIONAL TERMS AND CONDITIONS OF PURCHASE.** With respect to certain purchases under United States Government contracts and subcontracts, additional terms and conditions of purchase attached hereto shall be applicable and in the event of any conflict, such additional terms and conditions shall supersede these terms and conditions of purchase.
- 24. DPAS RATED ORDERS.** If purchase order identifies either a DX or DO rating, the order is for materials or supplies certified for national defense use. All provisions of the Defense Priorities and Allocations System regulation (15 CFR part 700) apply.