



P.O. TERMS AND CONDITIONS

1. Definitions: The following terms shall have the described meaning:

- (a) "Buyer" shall mean **Harry Krantz Company, LLC** and/or the entity identified as Buyer in this Contract.
- (b) "Contract" shall mean the Purchase Order to which these Terms and Conditions pertain, these Terms and Conditions, and any supplementary sheets, schedules, exhibits, and/or attachments annexed hereto or to the Purchase Order by Buyer.
- (c) "Goods or Services" shall mean those Goods or Services identified in this Contract, which may be changed, from time to time by the mutual written agreement of the parties.
- (d) "Seller" shall mean the party identified as Seller in this Contract.

2. Price: (a) Unless otherwise specified, the prices established by this Contract are firm fixed prices. Seller warrants that any unit prices charged herein do not exceed the unit prices charged by Seller to other customers in substantially similar transactions. (b) If Seller is liable to Buyer for any amounts, Buyer may, at its election, set-off such amounts against any amounts payable to Seller under this Contract.

3. Schedule and Delivery; Notice of Delay: Seller shall strictly adhere to all Purchase Order schedules. Time is and shall remain of the essence in the performance of this Contract. Seller shall notify Buyer, in writing, immediately of any actual or potential delay to the performance of this Contract. Such notice shall include a revised schedule and shall not constitute a waiver to Buyer's rights and remedies hereunder.

4. Inspection and Acceptance: (a) Buyer's final acceptance of goods or services is subject to Buyer's final inspection within 60 days after receipt at Buyer's facility or such other place as may be designated by Buyer, notwithstanding any payment or prior test or inspection. (b) Seller and its suppliers shall establish and maintain a quality control and inspection program as specified in the Purchase Order. Subject to applicable national security regulations, Buyer and Buyer's representatives shall have the right of access, on a non-interference basis, to any area of Seller's or Seller's supply chain sub-tier premises where any part of the work is being performed. Seller shall flow this requirement down to its sub tier supply chain suppliers as a condition of this Contract. Seller shall, without additional costs to Buyer, provide all reasonable in-plant accommodations, facilities, and assistance for the safety and convenience of Buyer and Buyer's representatives in the performance of their duties. (c) Seller shall keep and maintain inspection, test and related records, which shall be available to Buyer or Buyer's representatives. Seller shall allow copies to be made and shall furnish all information required by Buyer or Buyer's representatives.

5. Rejection: If Seller delivers nonconforming goods or performs nonconforming services, Buyer may, at its option and at Seller's expense: (i) return the goods for refund or credit; (ii) require Seller to promptly correct or replace the goods or services; or (iii) obtain conforming goods or services from another source. Buyer shall specify the reason for any return or rejection of nonconforming goods or services and/or shall describe the action taken. Seller shall be liable for any increase in costs, including procurement costs, attributable to Buyer's rejection of the nonconforming goods or services.

6. Changes: (a) By written change order, Buyer may from time to time direct changes for: (i) technical requirements; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities, delivery schedules or both; (v) amount of Buyer-furnished property; (vi) time of performance; and (vii) place of performance. (b) If any such



change causes an increase or decrease in the price or in the time required for its performance, Seller shall promptly notify Buyer thereof and assert its claim for equitable adjustment within 30 days after the change is ordered, and an equitable adjustment shall be made and reflected in a written amendment to this Contract signed by both parties or Buyer may withdraw such change order. However, nothing in this provision shall excuse Seller from proceeding immediately with the directed change(s) so long as such equitable adjustment, if request therefore is timely asserted, is made. Changes shall not be binding upon Buyer except when specifically confirmed in a written purchase order or change order.

7. Force Majeure: The following events, and only the following events, shall constitute force majeure under this Contract: (a) acts of God or of a public enemy; (b) acts of Government; (c) fires; (d) floods; (e) epidemics; (f) quarantine restrictions; (g) strikes; (h) freight embargoes; and, (i) unusually severe weather. In each case, the failure to perform must be entirely beyond the control and without the fault or negligence of the party claiming to be so affected. Each party shall give the other immediate notice of any event that such party claims is a *Force Majeure* condition that would prevent the party from performing its obligations hereunder, and of the cessation of the condition. A party's notice under this Section shall include the party's good faith estimate of the likely duration of the *Force Majeure* condition.

8. Termination for Convenience: (a) Buyer may, by notice in writing, direct Seller to terminate work under this Contract in whole or in part, at any time, and such termination shall not constitute default. In such event, Buyer shall have all rights and obligations accruing to it either at law or in equity, including Buyer's rights to title and possession of the goods and materials paid for. Buyer may take immediate possession of all work so performed upon notice of termination. (b) Seller shall immediately stop work and limit costs incurred on the terminated work. (c) Buyer, after deducting any amount(s) previously paid, shall reimburse Seller for the actual, reasonable, substantiated and allowable costs with the total amount to be paid by Buyer being determined by negotiation.

9. Termination for Default: (a) Buyer may, by written notice of default to Seller, terminate this Contract in whole or in part, or, at Buyer's sole discretion, require Seller to post such financial assurance as Buyer deems reasonably necessary, if Seller fails to: (i) deliver the goods or to perform the services within the time specified in this Contract or any extension; (ii) make progress, so as to endanger performance of this Contract; or, (iii) perform any of the other provisions of this Contract. (b) Buyer may require Seller to transfer title and deliver to Buyer, in the manner and to the extent directed by Buyer, any partially completed goods and raw material, parts, tools, dies, jigs, fixtures, plans, drawings, services, information and contract rights (Materials) as Seller has produced or acquired for the performance of this Contract, including the assignment to Buyer of Seller's subcontracts. Seller further agrees to protect and preserve property in the possession of Seller in which Buyer has an interest. Payment for completed goods delivered to and accepted by Buyer shall be at the Contract price. Payment for unfinished goods or services, which have been delivered to and accepted by Buyer and for the protection and preservation of property, shall be at a price determined in the same manner as provided in the Termination for Convenience provision hereof except that Seller shall not be entitled to profit. Buyer may withhold from Seller moneys otherwise due Seller for goods completed and services performed in such amounts as Buyer determines necessary to protect Buyer against loss due to outstanding liens or claims against said goods. (c) Seller shall promptly notify Buyer if Seller is the subject of any petition in bankruptcy. In the event of Seller's bankruptcy, Buyer may require Seller to post such financial assurance, as Buyer, in its sole discretion, deems necessary. Failure to post such financial assurance upon 10 days written notice shall constitute a default under this Contract. The rights and remedies of Buyer in this clause are in addition to any other rights and remedies provided by law or under this Contract.



10. Goods Warranty: Unless stated otherwise in the documents accompanying these terms and conditions, Seller warrants (a) all goods against defects in design and performance for a period of one year following delivery and shall warrant that all services were performed in a good and workmanlike manner for a period of one year following completion of such services; and (b) that all goods are new and unused. If this Contract is for delivery of goods, Seller shall observe, comply with and afford Buyer all applicable warranties contained in the New York Uniform Commercial Code, which shall be in addition to the warranties set forth herein. Seller hereby acknowledges that Buyer does not waive or accept any disclaimer of any such warranties. These warranties shall survive delivery, inspection, acceptance and payment and shall run to Buyer's customers.

11. Compliance with Law: Seller has complied with all applicable federal, state and local laws, regulations and other requirements, including those pertaining to regulatory and environmental matters, in its performance of this Contract. (a) Harry Krantz Company Complies with all applicable provisions of the Electronic Industry Code of Conduct (EICC) <http://www.eicc.info/documents/EICCCodeofConductEnglish.pdf> and requires that our suppliers similarly do so in accordance with provision **14. Flow Down of Applicable Requirements** of our purchase order terms and conditions.

12. Right of Access: Unless stated otherwise in the documents accompanying these terms and conditions, Seller shall allow Buyer, Buyer's customer, and regulatory authorities access to all facilities involved in the order, and to all applicable records.

13. Notification of Nonconforming Goods and Changes in Specifications: Seller shall notify Buyer of nonconforming goods detected after delivery of goods, which could or does affect goods delivered and shall notify Buyer of changes in goods definition (material, processing, configuration, etc.) that could affect acceptance of goods.

14. Flow Down of Applicable Requirements: The requirements contained within this Contract shall be flowed down the supply chain, as applicable, including any special and/or specific customer requirements.

15. Disputes: Pending final resolution of a dispute hereunder, Seller shall proceed diligently with the performance of this Contract and in accordance with all the Terms and Conditions contained herein and with Buyer's direction thereof.

16. Assignment: Neither this order nor any rights or obligations herein may be assigned by Seller nor may Seller delegate the performance of any of its duties hereunder without, in either case, Buyer's prior written consent.

17. Release of Information to Public: Seller shall not, without the prior written consent of Buyer, make any release of information concerning this order or any other information related to Buyer (other than to Seller's employees and subcontractors that is required for the performance of their duties), including copies of this order or identifying the items sold by Seller to Buyer, nor use the name of Buyer in any advertising or publicity, except as may be necessary to comply with proper legal demand.

18. Purchase Order Confirmation: (a) This Purchase Order must be confirmed and is not effective until Buyer receives a copy executed and signed by an authorized representative of Seller acknowledging the terms and conditions of this order. Shipment of merchandise also implies acceptance of the terms and conditions of this purchase order as well as the noted quality clauses. (b) Buyer's acceptance of goods shall not deem acceptance of any additional or different terms or conditions, unless such acceptance specifically recognizes and assents to their



inclusion. (c) Buyer reserves the right to cancel any purchase and return any goods that do not have a signed confirmation.

19. Shipping: All goods are to be shipped freight collect, F.O.B. destination by the specified carrier, unless otherwise stated. (a) DO NOT CHARGE INSURANCE except upon Buyer's written request. (b) Regardless of F.O.B. point, Seller agrees to bear all risk of loss, injury, or destruction of goods and materials ordered herein which occur prior to acceptance by Buyer. (c) No such loss, injury, or destruction shall release Seller from any obligations hereunder. (d) Any goods received in excess of the quantity specified in this Contract may, at Buyer's option, be returned at Seller's sole expense. Buyer's count will be final and conclusive on all shipments not accompanied by a packing ticket.

20. Defective Goods: Seller must guarantee a return for all defective goods. (a) Goods rejected by Buyer for whatever reason shall be held, transported and/or stored at Seller's sole expense. Seller shall promptly reimburse Buyer for any such expenses. (b) Defective goods purchased COD will be returned COD to Seller or COD check will be cancelled, at Buyer's discretion. (c) Seller is responsible for all costs associated RoHS noncompliance returns and will accept a full return for all parts not meeting RoHS compliance criteria if necessary. (d) Seller is 100% responsible for all monetary and/or rework costs associated with product failures in addition to any further cost whatsoever associated with product failures. (e) If suspect parts/counterfeit parts are furnished under this agreement such parts shall be impounded by Buyer. Buyer may provide a sample batch Supplier for verification and authentication. In addition, Buyer reserves the right to send such items to the appropriate manufacturer and appropriate authorities for investigation. (f) Seller shall be liable for all costs relating to impound, investigation, removal, or replacement of suspect/counterfeit parts.

21. Indemnity. Seller shall defend, indemnify and hold harmless Buyer, its successors, assigns, customers and users of items covered by this Contract from and against any and all penalties, liabilities, settlements, losses, damages, costs, charges, claims, reasonable counsel fees, and any other expenses, relating to or arising from any claims: (a) of every nature or character (including, without limitation, claims for personal injury, death or damage to property) based upon or arising out of any defect or alleged defect in the goods or due to any actual or alleged negligence of Seller, or any of its employees or agents; (b) of infringement, actual or alleged, of any patent, trademark, copyright, or other tangible or intangible personal or property right; or (c) of violation, actual or alleged, of any applicable law, rule or regulation. Seller expressly warrants that the goods and the sale of the goods to Buyer are, in fact, free from any of the conditions set forth in the preceding sentence.

22. Complete Agreement: The Contract contains the complete and entire agreement between the parties with respect to the subject matter of this Contract, when accepted by acknowledgement, commencement, or performance. It supersedes any other communications, representations or agreements whether verbal or written. This Contract may be accepted only on all the terms and conditions herein stated. No acceptance by Buyer or payment for goods ordered hereunder shall be deemed a waiver of the foregoing or an acceptance of any additional or different terms contained in any acknowledgement, invoice, or other form sent or delivered by Seller to Buyer. This Contract shall be deemed a notification of and objection to any inconsistent, additional and/or different terms contained in Seller's invoice or other form and constitutes a rejection thereof.

23. Goods, Methods, and Processes: Any knowledge or information which Seller shall have disclosed or may hereafter disclose to Buyer incident to the placing and filling of this Contract shall not, unless otherwise specifically agreed upon in writing by Buyer, be deemed to be



confidential or proprietary information, and accordingly shall be acquired free from any restrictions (other than restrictions which may derive from a valid patent.)

24. Packaging, Shipment, and Transportation: All charges for boxing, packing, crating, and storage are included in the price stated herein. Goods shall be suitably packed to secure lowest transportation costs and to conform to the requirements of common carriers and any applicable specifications. All packages must bear Buyer's Purchase Order number. If purchase terms are F.O.B. shipping point. Seller will conform to Buyer's established routing and shipping instructions.

25. Applicable Law; Jurisdiction; Legal Fees: All questions concerning the interpretation, construction, performance, and enforcement of this Contract and remedies in the event of default shall be resolved in accordance with the laws of the state of New York without resort to said state's conflict of law rule, and in accordance with its fair meaning and not strictly against either party based on which party drafted this Contract. Any legal proceeding arising out of the terms of this Contract will be commenced in the courts located in Nassau or Suffolk County, New York. Each of Seller and Buyer irrevocably and unconditionally submits to the exclusive jurisdiction of such courts, waives any objection to the laying of venue of any action, suit or proceeding arising out of this Contract or the transactions contemplated hereby in the State of New York, and waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum. The prevailing party in any dispute will be entitled to recover from the losing party its costs (including reasonable costs of collection, attorneys' fees).

26. Equal Employment Opportunity. Buyer is an equal employment opportunity employer and is a federal contractor. Buyer and Seller agree that, to the extent applicable, they will comply with Executive Order 11246, the Vietnam Era Veterans Readjustment Assistance Act of 1974 and Section 503 of the Vocational Rehabilitation Act of 1973 and also agree that these laws are incorporated herein by this reference.

27. Record Retention: Seller shall maintain records of this transaction and all associated records for a minimum of 7 years from date of shipment, unless otherwise specified in the Purchase Order.

28. Flow Down of Requirements: The Seller shall flow down all applicable Purchase Order requirements to the supply chain.