

## API TECHNOLOGIES CORP. - TERMS AND CONDITIONS FOR QUOTATION AND SALE

UNLESS YOU HAVE A SEPARATE, SIGNED GENERAL OR MASTER PURCHASE AGREEMENT WITH API TECHNOLOGY CORP. AND ITS AFFILIATES INCLUDING ITS WHOLLY OWNED SUBSIDIARIES (COLLECTIVELY REFERRED TO HEREIN AS "SELLER") WHICH IS CURRENTLY IN EFFECT AND EXPLICITLY APPLIES TO THE PRODUCTS OR SERVICES YOU ARE PROCURING FROM SELLER, THESE TERMS AND CONDITIONS FOR QUOTATION AND SALE (THESE "TERMS") SET FORTH THE EXCLUSIVE TERMS AND CONDITIONS BETWEEN THE ORIGINAL PURCHASER ("BUYER" OR "YOU") AND SELLER FOR THE PRODUCTS AND SERVICES FOR WHICH YOU REQUEST A QUOTE AND/OR THAT YOU ACQUIRE, AND OVERRIDES AND SUPERSEDES ANY ADDITIONAL OR CONFLICTING TERMS AND CONDITIONS DISCUSSED BY SELLER AND BUYER OR SET FORTH ON ANY BUYER PURCHASE ORDER OR OTHER RELATED DOCUMENTS.

**1. QUOTATIONS AND ACCEPTANCE.** Offer by Seller to Buyer of Products and Services identified on Seller's quotation and Acceptance by Seller of Buyer's purchase order ("Order") is expressly conditioned on Buyer's assent to these terms and conditions as the only terms and conditions applying to the sale of products. Fulfillment of Buyer's Order does not constitute acceptance of any of Buyer's terms and conditions and does not serve to modify or amend these Terms. Quotations valid for thirty (30) days and represent no obligation until the Seller accepts the Order. These Terms may not be varied except by a written agreement, supported by adequate legal consideration and duly-signed by an Officer of Seller. Acceptance by Buyer of the products ("Products") shall be deemed to occur upon shipment by Seller at the shipping point. In no event shall the Products be deemed to include Software (as defined below) or unreleased parts.

### **2. SOFTWARE.**

2.1. "Software" shall mean all software, in executable code, that is embedded, bundled or included with Products. Software is provided as-is, and without any warranty whatsoever.

2.2. Software Ownership. Buyer acknowledges and agrees that Seller retains the sole and exclusive ownership of all rights, title and interest in and to the Software and any derivatives thereof and all intellectual property rights associated therewith.

2.3. Software License. Any license of source code in software shall be covered under the terms of a separate source code license. Subject to the restrictions set forth in Section 2.4, provided that Buyer is not in default under these Terms, Seller grants to Buyer a non-exclusive, non-transferable, royalty-free, worldwide limited license to use, copy, have copied, and distribute the Software in executable code form solely for use on or with Buyer's products that incorporate Seller's Products.

#### **2.4. Restrictions.**

2.4.1. Sublicense. Buyer may sublicense the Software only in executable code form to Buyer's customers and only as a part of a sale or lease of Buyer's products that incorporate Seller's Products without the right to grant further sublicenses. All such sublicenses must be subject to a written agreement that protects the Software in the same manner that Buyer protects its own proprietary materials of like significance, but with no less than commercially reasonable protection that includes at a minimum, the restrictions set forth in this Section 2.4.

2.4.2. Buyer is prohibited from modifying, creating derivative works, disassembling, decompiling, reverse-engineering or otherwise attempting to discover or disclose methods or concepts embodied in any Software;

2.4.3. Buyer is required to include Seller's copyright and proprietary notices or markings on the Software and each sublicensed copy of any Software; and

2.4.4. No right is granted Buyer to distribute: (i) any Software or any derivative of Software as a standalone product; or (ii) any Software in source code form.

**WARRANTY.** Except with respect to Software and unreleased parts, which includes prototypes, pre-release and sample parts, Seller warrants for a period of twelve (12) months from the date of original shipment (the "Warranty Period") that the Products will operate in conformity with written performance specifications set forth on Seller's most recently published product data sheet for the production version Product (the "Specifications"); provided, however, that this warranty shall not apply to any Product (i) which has been damaged, abused or misused physically or electrically (including, without limitation, by being operated outside the range of any environmental, power or operating parameters indicated on Seller's data sheet), (ii) on which the trademark shall have been defaced or obliterated or (iii) which has been reworked or repaired by any party other than the Seller without Seller's prior written authorization. Buyer shall request, in writing, a return material authorization ("RMA") within the warranty period prior to returning any nonconforming Products. Any claim under this warranty must be submitted to and received by Seller within the Warranty Period. Seller's issuance of an RMA will not commit Seller to the making of any repair or replacement hereunder. Requests for RMAs must list the types and quantities of all Products involved, the reason(s) the specific Product units are alleged to be defective or otherwise non-conforming, and provide any other information reasonably required by Seller concerning operating conditions involved and the period of use. In addition, the Order number and, where possible, the original invoice number covering the original purchase of the Products involved must also be identified on the RMA request. Returned Products must be shipped, transportation prepaid, by the most practical method of shipment. Shipping costs will be credited to the Buyer for all Products found to be subject to warranty adjustment. Excessive transportation costs will not be allowed. Seller can accept no billing for packing, inspection, labor charges or other incidental costs in connection with any Products returned. Unless otherwise requested by Buyer, returned Products found not subject to this warranty will be sent back to Buyer, transportation collect. In all cases, Seller's determination will be final. With respect to Products found not in conformity with this warranty, the remedy will take the form, at Seller's option, of a replacement or repair of the defective or nonconforming Product. In the event Seller determines that it is uneconomical to replace or repair

warranted Products, Seller may, at its sole option, remit the dollar equivalent based upon the original Product sales price and said remittance will be calculated by applying the pro rata percentage of the unexpired warranty to the original Product sales price. In the event of replacement pursuant to the foregoing warranty, such warranty shall apply to the replaced product. In the event of repair pursuant to the foregoing warranty, the validity of the foregoing warranty will be twelve (12) months from the date of shipment of the repaired Product less the period of time between the date of original shipment and the date on which Seller received return of the Product for repair. Seller's sole obligation and liability for non-conforming Products shall be, at its expense and at its sole option, to repair or replace them or to accept their return and refund You the applicable purchase price to the extent paid by You. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES WHETHER WRITTEN, ORAL, EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE) AND SHALL BE EXPRESSLY FOR THE BENEFIT OF THE BUYER WITH NO TRANSFER RIGHTS OR BENEFIT TO ANY THIRD PARTY. THE FOREGOING CONSTITUTES BUYER'S SOLE REMEDY AND SELLER'S SOLE LIABILITY FOR BREACH OF WARRANTY. NOTWITHSTANDING THE FOREGOING OR ANY OTHER STATEMENT IN THESE TERMS, ANY AND ALL PARTS THAT ARE SHIPPED AS SAMPLES, PROTOTYPES OR IN PRE-PRODUCTION OR PRE-RELEASE FORM, WHETHER DESIGNATED AS SUCH BY SELLER IN AN ACKNOWLEDGMENT, INVOICE, SHIPPING DOCUMENT OR OTHER WRITING ISSUED BY SELLER AS "PRE-PRODUCTION RELEASE PARTS", "PRE-PROD", "SAMPLE", "PPR" OR BY OTHER SIMILAR NOTATION IN THEIR PART NUMBER OR OTHERWISE, OR THAT OTHERWISE HAVE NOT YET BEEN RELEASED BY SELLER FOR GENERAL AVAILABILITY, MAY CONTAIN DEFECTS AND ARE PROVIDED "AS-IS, WITH ALL FAULTS" AND WITHOUT A WARRANTY OF ANY KIND, WHETHER EXPRESS OR IMPLIED. Seller reserves the right to change the part number for any pre-production release part to the applicable corresponding production released part number at any time and will notify Buyer of any such change.

### **3. DELIVERY.**

3.1. Unless otherwise explicitly agreed upon in writing, Seller's shipment terms are *Ex Works*, factory of production per Incoterms 2010.

3.2. Seller shall not be liable by reason of any delays in performance caused by war, fire, strikes, floods or other natural disasters, accidents, acts of terrorism, Government priorities or regulations, delays in transportation, shortages of materials and/or supplies or any other causes beyond its reasonable control. If shipment of any Product is delayed at Buyer's request, Seller may invoice Buyer for such Product and risk of loss of such Product will pass to Buyer on the date that Seller is prepared to make shipment to Buyer.

3.3. Rescheduling of shipments shall be by mutual agreement. Notwithstanding the foregoing, the Seller's extensive line of products requires close coordination of the Buyer's requirements with the Seller's production schedules to avoid possible delays in shipment. Accordingly, the Seller reserves the right to ship in advance of the Seller acknowledged schedule date unless the Buyer is established as a "Just in Time" (JIT) account. Unless otherwise stated on the face hereof, Seller may ship all the goods furnished hereunder at one time, or in separate parts or lots from time to time within the shipping period herein provided. Claims that the Seller did not ship the total quantity of goods shown on the face hereof will be researched and reconciled with all due diligence.

### **4. PAYMENT.**

4.1. Payment shall be due and payable thirty (30) days from date of invoice. No discounts are allowed. Payment shall not be withheld on account of any claim by Buyer against Seller. Seller reserves the right, in addition to all other remedies available under these Terms or at law (which Seller does not waive by the exercise of any rights hereunder), either to cancel the Order or suspend deliveries if Buyer fails to pay for any invoice or shipment when payment becomes due.

4.2. Any tax, duty, custom, or other fee of any nature imposed upon this transaction by any federal, state or local government authority shall be paid by the Buyer, in addition to the price quoted or invoiced. In the event Seller is required to prepay any such tax, duty, custom or other fee, Buyer will reimburse Seller therefor.

4.3. Buyer agrees to pay Seller, on demand, interest at the maximum rate permitted by applicable law for any late payments, calculated daily and compounded monthly, together with any and all related collections costs, court costs and attorneys' fees incurred in the collection of such overdue amounts.

4.4. If Buyer is located in the U.S., the following payment terms apply: unless specifically otherwise agreed in writing by Buyer and Seller, all payments are to be made in United States Dollars (USD\$). If made by check, the check must be drawn on a U.S. Bank. All banking charges, if any, are to be pre-paid by the Buyer.

4.5. If Buyer is located outside the U.S., all payment terms are measured from the date of invoice and payments are to be made in the agreed-upon currency as

designated in the applicable Seller quotation. If made by check, the check must be drawn on a Standard & Poor's triple A-rated bank headquartered in the country of Seller's principal place of business. All banking charges, if any, are to be pre-paid by the Buyer.

#### **5. TITLE AND RISK OF LOSS.**

5.1. Title and risk of loss in the goods shall pass in accordance with the delivery and carriage terms stated in the Seller's acknowledgement of order or in the absence of such statement on leaving the Seller's premises.

5.2. As collateral security for the payment of the full invoice price of the Products, Buyer hereby grants to Seller a lien on and security interest in and to all of the right, title and interest of Buyer in, to and under the Products, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under the applicable state's Uniform Commercial Code.

#### **6. CANCELLATION.**

6.1. Cancellation if Buyer in U.S. In the event that either party defaults in any of the terms, conditions, obligations, undertakings, covenants, or liabilities set forth herein, the other party shall give the defaulting party written notice of such default. If the defaulting party does not remedy such default within sixty (60) days following receipt of written notice thereof, the party giving notice may cancel the Order by providing the defaulting party with a written notice of cancellation. In addition to any remedies that may be provided under these Terms, Seller may terminate this Agreement with immediate effect upon written notice to Buyer, if Buyer: (a) fails to pay any amount when due under these Terms and such failure continues for sixty (60) days after Buyer's receipt of written notice of nonpayment; (b) has not otherwise performed or complied with any of these Terms, in whole or in part; or (c) becomes insolvent, is unable to meet its debts as they become due, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, or enters into any other arrangement or composition with creditors, or goes or is put into liquidation. Cancellation of the Order shall not relieve either party from its obligations hereunder which shall have accrued prior to such cancellation. Cancellation of an Order by Buyer pursuant to this article shall be Buyer's sole and exclusive remedy for any breach by Seller.

6.2. Cancellation if Buyer Outside of U.S. In the event that either party defaults in any of the terms, conditions, obligations, undertakings, covenants, or liabilities set forth herein, the other party shall give the defaulting party written notice of such default. If the defaulting party does not remedy such default within sixty (60) days following receipt of written notice thereof, the party giving notice may cancel the Order by providing the defaulting party with a written notice of cancellation. In addition to any remedies that may be provided under these Terms, Seller may terminate this Agreement with immediate effect upon written notice to Buyer, if Buyer: (a) fails to pay any amount when due under these Terms and such failure continues for sixty (60) days after Buyer's receipt of written notice of nonpayment; (b) has not otherwise performed or complied with any of these Terms, in whole or in part; or (c) becomes insolvent, is unable to meet its debts as they become due, files a petition for bankruptcy under any provision of the bankruptcy laws in the country of Buyer or Seller as applicable, or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, or enters into any other arrangement or composition with creditors, or goes or is put into liquidation or, if the step or action is taken in another jurisdiction, in connection with any analogous procedure in the relevant jurisdiction. Cancellation of the Order shall not relieve either party from its obligations hereunder which shall have accrued prior to such cancellation. Cancellation of an Order by Buyer pursuant to this article shall be Buyer's sole and exclusive remedy for any breach by Seller.

6.3. Orders accepted by Seller can only be cancelled for Buyer's convenience by providing written notice at least thirty (30) days prior to the acknowledged ship date. In the event an Order is canceled for Buyer's convenience, Buyer will be liable for the sales price of all finished goods, plus the total cost of all work in process, all raw materials purchased for the Product, including long lead time and/or bulk material, a reasonable profit and any other commitment made by, or cost incurred by, the Seller for the specific purpose of complying with the Order. In no event will Buyer's liability under this section exceed the total value of the canceled portion of the Order.

#### **7. GOVERNING LAWS AND EXPORT CONTROLS.**

7.1. If Buyer is based in the U.S., these Terms and the sale of the Product(s) hereunder shall be governed by and construed in accordance with the laws of New York State, excluding its conflicts of law provisions and excluding the United Nations Convention on Contracts for the International Sale of Goods. A waiver by Seller of any of these terms and conditions shall not be deemed to be a continuing waiver but shall apply solely to the instance to which the waiver is directed. No waiver by Seller of any of the provisions of these Terms is effective unless explicitly set forth in writing and signed by Seller. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. No action shall be brought for any breach by the Seller more than one (1) year after the occurrence of the cause of action therefor.

7.2. If Buyer is based outside of the U.S., these Terms and the sale of the Product(s) hereunder shall be governed by and construed in accordance with the

laws of the country of Seller's principal place of business, excluding the conflicts of law provisions thereof and the United Nations Convention on Contracts for the International Sale of Goods. A waiver by Seller of any of these terms and conditions shall not be deemed to be a continuing waiver but shall apply solely to the instance to which the waiver is directed. No waiver by Seller of any of the provisions of these Terms is effective unless explicitly set forth in writing and signed by Seller. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. No action may be brought for any breach by Seller more than one (1) year after occurrence of the cause of action therefor.

7.3. Buyer understands that the Products are subject to the laws and regulations of all applicable jurisdictions, which may include but are not limited to the United States' Export Administration Regulations ("EAR") or the International Traffic in Arms Regulations ("ITAR"). Diversion contrary to U.S. law is strictly prohibited. Details of the EAR can be found at <http://www.bis.doc.gov>. Details of the ITAR can be found at <http://www.pmddtc.state.gov>. API products may not be sold, exported or re-exported to any person or entity designated as prohibited or restricted by an agency of the U.S. government. Sales or retransfers of API products may not be made to embargoed countries prohibited by the U.S. Government. See <http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx> and <http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>. For a complete listing of prohibited parties, see "Lists of Parties of Concern" at <http://www.bis.doc.gov>. API products are prohibited by law from being used in conjunction with certain activities such as the research, design, development, manufacture, testing, use, or stockpiling of nuclear, biological, or chemical weapons, certain missile technology, and certain military end uses in China, all as described in Part 744 of the EAR. Products marked as "ITAR" are subject to the jurisdiction of the ITAR. This means that in order to export or re-export such products or to transfer them to a foreign person, whether in the U.S. or abroad, authorization from the U.S. Department of State is required. Products marked as "ECCN 3A001" have an ECCN of 3A001. This means that in order to export or re-export this product to certain non-U.S. destinations, a license from the U.S. Department of Commerce is required. Details of the requirements of section 3A001 of the Commerce Control List can be found at <http://www.bis.doc.gov>. Seller reminds You that it is Your responsibility to ascertain Your export compliance obligations and to comply with all applicable laws and regulations.

7.4. If any term or provision of these Terms is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of these Terms or invalidate or render unenforceable such term or provision in any other jurisdiction.

8. **FORCE MAJEURE.** In the event of, including without limitation, acts of God, flood, fire, earthquake, explosion or other natural disasters, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest, national emergency, revolution, insurrection, epidemic, lockouts, strikes or other labor disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, materials or telecommunication breakdown or power outage, or other events outside the control of the Seller, as well as other force majeure cases commonly recognized under applicable law ("Force Majeure"), the Seller shall be released from performing its contractual duties under this Order to the extent that such Force Majeure is partially or wholly preventing the Seller from performing its contractual duties. In such an event, the Seller shall inform the Buyer about the nature of the Force Majeure incident and the expected duration of the incident. In no event shall the Seller be responsible or liable for any claim in connection with the non-performance or late performance of his contractual duties for the duration of a Force Majeure event.

#### **9. TAXES AND IMPORT DUTIES.**

9.1. If Buyer is based in the U.S., Buyer agrees to furnish Seller with an exempt purchase or resale certificate or, in the absence of same, assume all liabilities for all Federal, state and local taxes and duties, other than taxes based upon Seller's net income.

9.2. Except as expressly agreed to in writing by Seller, any and all customs, duties, taxes or other fees in any form which may be charged or assessed with respect to the importation into any foreign country of any Product, documentation or information furnished or sold shall be for the account of and paid for by the Buyer.

#### **10. PATENT INDEMNIFICATION.**

10.1. Seller shall defend at Seller's expense any law suit based on a claim for infringement of a valid United States patent by Seller's Product brought by a third party against Buyer, and shall indemnify and hold harmless Buyer against all resulting judgments or settlements of such suit or claim, so long as timely notice of such suit or claim and sole control of the defense, and settlement of the same, is given to Seller. Buyer shall furnish to Seller all information and assistance in connection with such suit or claim which may be reasonably requested by Seller.

10.2. If such Product is held to constitute an infringement and the use of the Product is enjoined or in the opinion of Seller may become constitute an infringement or become enjoined, Seller may, at its option, procure for Buyer the right to continue using the Product or replace same with non-infringing Product, modify the Product so that it becomes non-infringing, or grant Buyer a credit for the purchase price of such Product.

10.3. Notwithstanding any of the foregoing, Seller shall not be liable to Buyer hereunder for any patent infringement or for any claim thereof based upon: (i) use of the Product in combination with any materials not provided by Seller where such

infringement or claim thereof would not have occurred but for such combination; or (ii) Seller's compliance with Buyer's designs or specifications; or (iii) modification of Products other than at Seller's direction; or (iv) use of an allegedly infringing version of the Product, if the alleged infringement could be avoided by use of a different version made available to Buyer, (v) the willful acts of Buyer; (vi) Seller's compliance with any industry or proprietary standard; and (vii) any settlement or compromise incurred or made by Buyer without Seller's prior written consent. The foregoing states Seller's entire liability and Buyer's sole and exclusive remedy for intellectual property infringement or misappropriation and is in lieu of all other express and implied warranties.

#### **11. DATA AND INTELLECTUAL PROPERTY RIGHTS.**

11.1. Any drawings, specifications, technical data or other information that Seller discloses to Buyer, including the Software, is and shall remain proprietary to Seller and shall be protected by Buyer in the same manner as Buyer protects its own confidential information of like significance but with no less than a reasonable degree of care. Buyer agrees not to disclose any such data to any third party, including its affiliates, nor to use it for any purpose other than as intended by Seller.

11.2. Nothing shall be deemed to transfer to either party any ownership right or license of any kind in or to any of the other party's intellectual property.

11.3. Unless otherwise expressly set forth in writing by Seller, non-recurring engineering charges and all charges of a similar nature which may be billed to Buyer for work performed by Seller in connection with the sale of Products from Seller to Buyer (including but not limited to tooling charges, partial preparation charges, drawing or design charges, set-up or fit-up charges, and the like) represent only part of the cost thereof incurred by Seller. Buyer does not acquire any right, title or interest in, or license (either express or implied) to, any drawings, designs, inventions or intellectual property, or any tooling or other tangible property, by virtue of any such charges.

12. **TEST DATA.** Unless specifically noted hereon, qualification tests and any test data are not included in the selling price. Qualification tests may be performed by the Seller and test data supplied at the specific request and expense of the Buyer.

13. **FAIR LABOR STANDARDS ACT OF 1938.** The Seller represents that with respect to the production of the articles and/or the performance of the services stated herein, it has fully complied with all of the applicable provisions of the Fair Labor Standards Act of 1938 ("FLSA"), as amended, including sections 6, 7, and 12, regulations under FLSA section 14, and all other applicable Administrative regulations.

14. **DISPUTES.** If Buyer is based outside of the U.S., then Buyer and Seller shall attempt in good faith to resolve any dispute or disagreement ("Dispute") arising under an Order promptly by negotiation between executive management of each party who have authority to settle the Dispute and who are at a higher level of management than the persons with direct responsibility for administration of the Order. If any Dispute is not settled to the mutual satisfaction of Buyer and Seller, then it shall be settled at the option of either party by any court of competent jurisdiction in accordance with the applicable laws of the country in which the Seller's principal place of business is located.

15. **EXECUTIVE ORDER 11246.** In connection with performance of work hereunder, the Seller agrees to comply with all provisions, including specifically paragraphs (1) through (7), Sec. 202 of Executive Order No. 11246 of September 24, 1965, as amended, and rules, regulations and order pertaining thereto.

16. **EXCLUSION OF CERTAIN DAMAGES; LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THESE TERMS, (I) SELLER'S AGGREGATE CUMULATIVE TOTAL LIABILITY TO BUYER HEREUNDER, WHETHER FOR BREACH OF WARRANTY OR CONTRACT, INDEMNIFICATIONS HEREIN, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, SHALL NOT EXCEED THE PAYMENTS MADE TO SELLER FOR THOSE PRODUCTS PURCHASED UNDER THE ORDER WHICH GAVE RISE TO THE CLAIM, AND (II) IN NO EVENT SHALL SELLER HAVE ANY LIABILITY TO BUYER OR ANY THIRD PARTY FOR ANY INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR LOSS OF USE, REVENUE OR PROFIT, LOSS OF SAVINGS, LOSS OF BUSINESS OR CONFIDENTIAL OR OTHER INFORMATION, LOSS OF DATA OR DIMINUTION IN VALUE, FOR BUSINESS INTERRUPTION, FOR PERSONAL INJURY, FOR LOSS OF PRIVACY, FOR FAILURE TO MEET ANY DUTY INCLUDING OF GOOD FAITH OR OF REASONABLE CARE, FOR NEGLIGENCE, AND FOR ANY OTHER PECUNIARY OR OTHER LOSS WHATSOEVER) ARISING OUT OF OR IN CONNECTION WITH THE ORDER OR THE PRODUCT, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

17. **ASSIGNMENT.** These Terms shall not be assigned by either party without the written consent of the other party, which shall not be unreasonably withheld or delayed. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Buyer of any of its obligations under this Agreement. Notwithstanding the above, Seller may assign these Terms and any Order, without consent, in whole or in part, to (a) any affiliate or subsidiary or (b) a third party in the event of merger, recapitalization, conversion, consolidation, other business combination or sale of all or substantially all of Seller's assets to such third party.

#### **18. COMPLIANCE WITH LAW**

18.1. Seller warrants that the materials to be furnished and the services to be rendered under these Terms shall be manufactured, sold, used and rendered in compliance with all federal, state, local law, orders, rules, ordinances, and

regulations and in compliance with applicable international prohibitions on child labor. Seller certifies that with respect to the production of the articles and/or the performance of the services covered by these Terms, it has fully complied with Sections 6, 7, 12, and 15 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the United States Department of Labor under Section 14 thereof, if applicable.

18.2. Seller warrants that all equipment and materials delivered under these Terms are in conformance with the latest OSHA requirements/

18.3. The Seller warrants that in the performance of these Terms, it will comply with all applicable U.S. Department of Transportation regulations on hazardous materials and any other pertinent federal, state or local statutes, laws, rules, or regulations; and Seller further agrees to save Buyer harmless from any loss, damage, fine, penalty, or expense whatsoever that Buyer may suffer as a result of Seller's failure to comply with this warranty. The foregoing is in addition to and not in mitigation of any other requirements of these Terms.

18.4. For orders placed in support of and charged to a U.S. Government Prime Contract or subcontract there under procuring an item meeting the Federal Acquisition Regulation (FAR) definition of a commercial item, the clauses set forth in the FAR or the Defense Federal Acquisition Regulation Supplement (DFARS) in effect as of the date of said prime contract are incorporated herein by reference. In all clauses herein the terms "Government" and "Contractor" shall be revised to identify properly the contracting parties under these Terms. The Seller shall include the terms of the Article, including this Section 19.4. in all purchase order or subcontracts awarded under these Terms: (i) utilization of small business concerns, (ii) equal opportunity, (iii) equal opportunity for special disabled veterans, veterans of the Vietnam era, and other eligible veterans, (iv) affirmative action for workers with disabilities, (v) subcontracts for commercial items, (vi) preferences for privately owned U.S.-Flag commercial vessels, (vii) preferences for domestic specialty metals-alternate (DOD contracts), (viii) subcontracts for commercial items and commercial components (DOD contracts), (ix) transportation of supplies by seas (DOD contracts), (x) notification of transportation of supplies by seas (DOD contracts).

18.5. Buyer shall comply with all applicable laws, regulations and ordinances, Buyer shall maintain in effect all the licenses, permission, authorizations, consents and permits that it needs to carry out its obligations under these Terms. Buyer shall comply with all export and import laws of all countries involved in the sale of Products under these Terms or any resale of the Products by Buyer. Buyer assumes all responsibility for shipments of Products requiring any government import clearance. Seller may terminate these Terms if any governmental authority imposes antidumping or countervailing duties or any other penalties on the Products.

#### **19. GOVERNMENT CONTRACTS.**

19.1. If Buyer is located in the U.S. and the Products or services being acquired hereunder are for ultimate sale to the United States Government, unless otherwise stated, the Product(s) or services being purchased are "commercial items" (48 C.F.R. §52.202-1) under the Federal Acquisition Regulation ("FAR"). Accordingly, the following FAR clauses set forth on Attachment A, and that are asterisked, shall apply to the extent indicated, and only to the extent that Buyer's contract with its buyer includes such clauses, only if the flow-down of such clauses to Seller for commercial item subcontracts is required by law, and only to the extent consistent with Paragraph 20.2 below. If the Product(s) or services are not a commercial item, the following FAR and Defense Federal Acquisition Regulation Supplement ("DFARS") clauses set forth in Attachment A are incorporated by reference, but only to the extent that Buyer's contract with its buyer includes such clauses, and only if the flow-down of such clauses to Seller is required by law. Except as otherwise noted, where the terms "Contracting Officer" and "Contractor" appear in the text of the clauses, such terms shall mean the "Buyer" and "Seller" respectively. References in the clauses to the "Government" shall remain as stated. All references in such clauses to "Contract" shall mean the terms and conditions set forth in these Terms. Under no circumstances, however, will Buyer have access to confidential or proprietary information of the Seller.

19.2. To the extent any FAR or DFARS clause listed on Attachment A imposes socio-economic requirements and Seller is located outside the United States, such clause shall not apply unless, and only to the extent, the law of the country where Seller is located imposes the same or similar requirements.