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1. GENERAL: Prompt acceptance of this order is requested but, in any event, any delivery hereunder shall constitute an acceptance hereof and of all its terms. B. This order is a final, complete and exclusive statement of the agreement between the parties and may not be modified, supplemented, explained or waived by parole evidence, Seller's acknowledgement, a course of dealing, or in any other way except in writing signed by an authorized representative of Buyer. Any references in this order to Seller's proposal or quotation are only to describe the materials or work covered hereby and do not constitute an acceptance of any terms set forth therein. C. This order and the language herein shall be construed and enforced under the Uniform Commercial Code as in effect in the State of Ohio on the date hereof.

2. PERFORMANCE BY SELLER: Time is of the essence for this order and it is essential it be performed and filled on the specified date(s) and that the work progress in a timely fashion. Failure to comply may result in monetary penalty. Seller warrants that material and work furnished hereunder shall be of the highest grade and quality unless otherwise specified, shall conform to any applicable specifications therefore, shall be fit and sufficient in all respects for the intended purposes thereof, and shall meet all standards of the Occupational Safety and Health Act of 1970 (OSHA); and all applicable State and local safety and health requirements. At Buyer's option, any part of the material or work not complying with the requirements hereof, expressed or implied, may be returned, at Seller's risk and expense including transportation both ways, for prompt correction of defects. Payment by Buyer shall not constitute acceptance nor waive any rights of Buyer hereunder. This order is issued to Seller in reliance on Seller's personal performance and Seller may not assign this order or the partial payment of any sums due hereunder, or sub- contract any substantial part of the performance or work other than for standard commercial supplies. Seller warrants that it shall comply with all applicable Federal, state, and local laws including the Fair Labor Standards Act of 1938, Executive Order 11246, and Title VII of the Civil Rights Act of 1964, including amendments and regulations issued pursuant thereto and this order hereby incorporates by reference all provisions required by said law and regulations to be included herein. Seller agrees to exculpate, defend, indemnify and hold harmless the Buyer and its customers from and against all claims, liabilities, lawsuits and penalties, including all attorney's fees and other expenses, and including those based on Buyer's or its customer's negligence which results, directly or indirectly, from any of the following (i) personal injury or death or property damage or destruction arising out of alleged defects in material, workmanship or design of the material or work furnished hereunder; (ii) violations of OSHA or state or local safety or health requirements arising out of the use or resale of material or work furnished hereunder; (iii) personal injuries or death of Seller or Seller's agents, employees or subcontractor's personnel and damage to or destruction of



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Seller's or its subcontractor's property; and (iv) the infringement of any United States or foreign patent, or trademark.

3. CERTAIN CHARGES OR EXPENSES NEGATED: Unless otherwise specifically provided herein, (i) no charges for transportation, packing, crating, cartage, storage or containers shall be allowed, (ii) Seller shall pay and the price includes, all applicable sales and similar type taxes which are not imposed by law on the Buyer, and (iii) any information or data disclosed or furnished to Buyer by Seller hereunder shall be deemed sold as part of the price hereof, nonproprietary and free of all restrictions whatsoever.

4. BUYER'S PROPERTY: Buyer retains title to all drawings, designs, specifications and technical data furnished to Seller for use with this order and the same shall be treated as Buyer's confidential information, shall be used by Seller only to complete this order and shall be returned upon completion or termination of this order, along with all copies or reproductions thereof, provided copies or reproductions shall be made only with Buyer's written consent. All materials, including tools, special dies and patterns, furnished or specifically paid for by the Buyer, shall be the property of the Buyer, shall be returned to Buyer when no longer required hereunder, shall be used only to complete this order and shall be segregated and clearly identified as property of the Buyer. Seller assumes all risk and liability for loss or damage thereto, except for normal wear, and agrees to permit inspection and supply detailed statements of inventory upon request of Buyer.

5. CHANGES: Buyer may at any time by written notice make changes within the general scope of this order. If any such change affects the time for or cost of performance; an equitable adjustment shall be made in the delivery schedule, purchase price, or both, by agreement of the parties. All claims by Seller for adjustment under this clause must be asserted, in writing and in full, within thirty (30) days from the date of notification of the change or shall be waived. Nothing herein shall excuse Seller from proceeding with the order as changed. No extras shall be allowed except pursuant to written changes and this clause.

6. TERMINATION: Buyer may at any time terminate this order, in whole or in part, by written notice, where- upon Seller shall terminate work pursuant to the terms of such notice. Seller shall promptly advise Buyer of the quantities of applicable work and material on hand or purchased prior to termination and the most favorable disposition that Seller can make thereof. Seller shall comply with Buyer's instructions regarding disposition of such work and material. All claims by Seller based on such termination must be asserted, in writing and in full, within ninety (90) days from the date of notification of the termination, or shall be waived. Buyer shall pay Seller the purchase order of finished work and the cost to Seller (excluding profit or losses) of

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work in process and raw material, less, however, (i) the agreed value of any items used or sold by Seller with Buyer's consent, and (ii) the reasonable value or cost (whichever is higher) of any defective, damaged or destroyed work or material and any items sold or used by Seller without Buyer's consent. Buyer will make no payments for finished work, work in process or raw material fabricated or procured by Seller unnecessarily in advance or in excess of Buyer's delivery requirements. The payment provided under this clause shall constitute Buyer's only liability in the event this order is terminated as provided herein. The foregoing provisions of this clause shall not apply to any termination by Buyer for default of Seller or under the following provisions of this clause unless a court shall find such termination by Buyer to be improper. To the extent this order covers items normally carried in inventory by Seller (as distinguished from items specially made to Buyer's specifications), Buyer shall have no liability for any termination of this order, in whole or in part, prior to actual shipment and for any termination, within ten (10) days after receipt by Buyer, its liability shall be limited to returning said items and reimbursing Seller for direct costs of handling and transportation. C. Buyer shall not be liable for failure to take delivery of material or work or render any other performance in the event fire, accidents, labor difficulties, governmental actions, third party failures or any other conditions beyond Buyer's reasonable control render it commercially impractical for Buyer to do so.

7. GOVERNMENT CONTRACTS: If this order is for material or work under a government contract or subcontract, all contract provisions applicable hereto and required by law, order, regulation or Buyer's government contract or subcontract are hereby incorporated herein by reference as fully as if set forth herein in full. Where necessary to make the context of such provisions or clauses applicable to this order, the terms "Contractor", "Contract", and "Government" or "Contracting Officer" (or terms of similar import) shall mean respectively Seller, this order, and Buyer.

8. PRODUCT CONFORMITY: All materials and products must conform to government and safety constraints concerning restricted, toxic and hazardous materials, as well as environmental, electrical and electromagnetic considerations applicable to Covert Manufacturing, Inc. Manufacturing, Inc.

9. INSPECTION AND ACCEPTANCE: Buyer, at its option, may inspect and/or test the Goods at Seller's plant, off site, and/or the point of destination. Buyer shall have the right to monitor Seller's inspection, quality and reliability procedures and review the data supporting same. Acceptance of the Goods by Buyer shall not relieve Seller from any of its obligations and warranties hereunder. In no event shall payment or transfer of title constitute acceptance of the Goods.



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10. QUALITY AND WARRANTY: Seller expressly warrants that all Goods covered by this Order will conform to the standards, specifications, drawings, samples, models, 3-D geometry or other description furnished or expressly adopted by Buyer, and will be of good material and workmanship, and free from defects, including defect in design (if Seller's design) and, if custom-designed by Seller for the application specified by Buyer, be comparable in quality to similar custom-designed goods sold for similar applications, and if the Goods are not ordered to Buyer's specifications, Seller further warrants that they will be of merchantable quality and fit and sufficient for the purpose intended. Seller further warrants that so long as Buyer is paying maintenance fees for Goods, the Goods will conform to all operational and functional capabilities and features as set forth in the specifications and will be free of defects that affect the performance of such features. Seller further warrants that all Goods covered by this Order, including but not limited to components and material furnished for or incorporated into the Goods, including Goods intended for distribution as service parts, will comply with all applicable Federal, State, Provincial and local statutes, laws, regulations, orders, and ordinances, including, without limitation, all environmental and occupational health and safety laws and industry standards.

11. DEFECTIVE GOODS: If any of the Goods fail to meet the warranties contained in above "Quality and Warranty" (a "Nonconformity"), Seller shall, upon notice from Buyer, promptly correct or replace those Goods at Seller's expense. If Seller shall fail to adequately address the Nonconformity, then Seller shall reimburse Buyer for all costs to correct or replace the Nonconformity in the Goods. If Seller fails to do so, Buyer may cancel this Order as to all such Goods, and in addition, may cancel the then remaining balance of this Order. After notice to Seller, all such Goods will be held at Seller's risk. Buyer may, and at Seller's direction shall, return such Goods to Seller at Seller's risk, and all transportation charges, both to and from the original destination, shall be paid by Seller. Any payment for such Goods shall be refunded by Seller unless Seller promptly corrects or replaces the same at its expense. If any field problem occurs as a result of a Nonconformity in the Goods and is sufficiently serious and widespread to threaten Buyer's marketing of its end product or Buyer's reputation, or poses a previously unforeseen safety hazard or causes any governmental agency, including, without limitation, a governmental consumer product safety agency or the United States Consumer Products Safety Commission, to require a change in Buyer's end product, such that a recall or Product Improvement Program (a "PIP") is a reasonable corrective action, Seller shall pay forthwith to Buyer all costs and expenses reasonably incurred by Buyer in taking such corrective action. If the corrective action is necessary in part because of a Nonconformity in the Goods provided, and in part because of an act or omission of Buyer, said costs and expenses shall be allocated between the parties pro rata according to their respective percentage of fault.



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12. RIGHT TO AUDIT CLAUSE: Buyer shall have the right to perform audits from time to time of Seller's costs and other items related to the terms of this Order. Seller shall, upon reasonable request and during reasonable business hours, make available for examination and reproduction by Buyer and its duly authorized agents, such books, records, and invoices of Seller as may be necessary to perform an audit pursuant to this Section. Such audits may be performed while this Order is in effect or within one year after its termination.

13. NOTICE: Covert Manufacturing, Inc. values highly the confidence and good will of its customers and suppliers. We offer our products only on their merit, and we expect our customers to judge and purchase our products and services solely on the basis of quality, price, delivery and service. Likewise Covert Manufacturing, Inc. buys only on merit, and we judge and purchase solely on the basis of quality, price, delivery and service. This policy applies in all relationships with our customers and suppliers.

14. EQUAL EMPLOYMENT OPPORTUNITY: During the performance of this contract or purchase order, the seller agrees as follows: A. The seller will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The seller will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The seller agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause. B. The seller will, in all solicitations or advertisements for employees placed by or on behalf of the seller, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin. C. The seller will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the seller's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. D. The seller will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor. E. The seller will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor or pursuant thereto, and will permit access to his books, records, and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders. F.



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In the event of the seller's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated or suspended in whole or in part and the seller may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law. G. The seller will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The seller will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event the seller becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the seller may request the United States to enter into such litigation to protect the interests of the United States.