



ROSE INTEGRATION LTD PURCHASE ORDER TERMS AND CONDITIONS

1.0 GENERAL REQUIREMENTS

1.1 SCOPE AND ACCEPTANCE OF PURCHASE ORDER

(a) The term "Buyer" shall mean Rose Integration Ltd. and the term "Supplier" shall mean the individual, partnership, firm, or company identified on this Purchase Order ("PO"). Except where prohibited by law, the PO Terms and Conditions set out herein will apply to Buyer's purchase of hardware, materials, products and services (collectively "Product(s) and Service(s)") and/or licensing of software ("Software") as described on this PO or in an attachment to this PO. Supplier acknowledges that these terms and conditions will be binding on both Parties and no signature by either Party is required. Supplier acknowledges that these PO terms and conditions supersede any other previous or subsequent PO terms and conditions, including the Supplier's own PO terms and conditions. Supplier waives the application of its own PO terms and conditions, terms of sale, licensing and/or delivery terms, which shall not become a part of this PO either by Buyer's silence or acceptance of delivery. Any acceptance of PO terms and conditions other than those set out herein must be expressly entered into by the Parties within five business days of receiving the PO.

(b) In the event a contract number is identified in or on this PO or, if not identified, a current and applicable contract exists, such contract will apply to the purchases and/or licenses under this PO and, with the exception of this Paragraph 1.1, shall supersede these PO terms and conditions. Any conflict, discrepancy or term missing between the contract and these PO terms and conditions will be resolved in favour of the Buyer according to these PO terms and conditions.

(b) This PO will be deemed accepted by Supplier upon the earlier of: (i) expiration of five business days from the date of issuance; (ii) Supplier's written acceptance of the PO; (2) Supplier's shipment/delivery of the Product(s) and/or Software; (3) commencement of Services; or (4) submission of the first invoice.

1.2 PRICES AND DISCOUNTS – The prices and discounts will be as provided in this PO, an attachment to this PO or the applicable contract pursuant to paragraph 1.1.

1.3 TAXES – All prices mentioned in this PO are exclusive of value added taxes, use taxes, federal excise taxes, turnover taxes, provincial/territorial/state/federal sales taxes or similar taxes, including any related interest and penalties (collectively "Taxes"). Any Taxes payable on the Products, Software or Services will be added to the prices and will be for the account of Buyer. Supplier will ensure that invoices are issued to meet the requirements for deduction of input taxes by Buyer. Supplier shall be responsible for all other taxes.

1.4 PAYMENT TERMS – Payment shall be made by Buyer within the agreed terms as stated on this PO from date of receipt. Accounts outstanding over 180 days will be immediately subject to the dispute resolution provisions in paragraph 1.12 below, notwithstanding the Buyer's right to pursue, without limitation, interest fees or charges, other means of debt collection or equitable or injunctive relief.

1.5 ELECTRONIC PROCESSING – Supplier will meet Buyer's requirements for using electronic means to issue changes, invoices and other payments, and communications, including the data privacy and protection obligations set out in paragraph 1.21 below.

1.6 CHANGES – Buyer may require changes to this PO at any time. Any price and/or schedule adjustments will be mutually agreed upon. Supplier's performance of such changes shall not be delayed during any negotiations for adjustments.

1.7 ETHICAL BUSINESS PRINCIPLES – Supplier acknowledges and agrees that Buyer requires that Supplier maintain a high standard of ethical conduct in all its dealings with the Buyer. Rose Integration policy prohibits all employees from accepting gratuities, gifts, entertainment or other favours, as well as from engaging in any activities which create the perception of a conflict of interest, from any current or prospective Supplier. Supplier is required to maintain and supervise ethical supply chain risk management for compliance with all local, federal and international laws as set out in paragraph 1.11 below. Supplier must implement its own written code of conduct in respect of these principles and to flow down its principles to the entities in its supply chain that furnish it with goods and services. Buyer expects Supplier to maintain effective programs to encourage its employees to make ethical, value-driven choices in its business dealings. Buyer reserves the right to hold a breach of these ethical principles or code of conduct as a breach of the PO or contract and to unilaterally terminate the PO and any contract between the Parties as set out in the termination provisions in paragraph 1.24.

1.8 BUSINESS CONTINUITY – Supplier shall use commercially reasonable efforts to develop and maintain commercially reasonable Business Continuity Management Procedures (“BCM Procedures”) regarding contingency management to alleviate the effects of any business impacting events or incidents that may have a material and adverse impact on Supplier’s ability to perform its obligations under this PO (“Business Impacting Incident(s)”). The BCM Procedures shall contain, at a minimum, provision for:

- (a) a risk assessment and business impact analysis in respect of Business Impacting Incidents,
- (b) a prevention/mitigation plan, and
- (c) a resumption of service plan, including a recovery/restoration plan. The preceding will cover, but not be limited to,
 - (i) services documentation storage and protection (including, but not limited, to storage of deliverable technical information, Specifications and other documentation, design documents, tools, process and fixtures),
 - (ii) information systems security and redundancy, and
 - (iii) demonstrating Supplier’s ability to rapidly recover the loss of capability to deliver services and Product.

Buyer reserves the right to unilaterally terminate this PO and any related the contract if the Supplier fails to maintain or apply appropriate BCM Procedures in the event of a Business Impacting Incident, and to pursue all available remedies related to direct or indirect costs, fees, or damages sustained as a result. Supplier agrees to indemnify and hold harmless Buyer for any event related to a Business Impacting Incident which is not adequately or fully addressed by its BCM Procedures.

1.9 ASSIGNMENT – This PO cannot be assigned to any other Party, except for amounts due and owing, without the prior written consent of Buyer.

1.10 APPLICATION OF LAW – This PO and any related contract shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada, excluding its conflict of law provisions. Any dispute resolution carried out under the provisions of paragraph 1.12 below shall apply the law of the Province of Ontario and shall take place in Ottawa, Canada. The Parties hereby attorn to the jurisdiction and authority of Ottawa, Canada and agree not to contest that a more convenient forum exists. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this PO.

1.11 COMPLIANCE WITH LAWS – (a) Each Party and its respective directors, officers, employees, agents, contractors and affiliates shall comply with all applicable local, national, regional and international laws, ordinances, regulations, codes, standards, directives and international conventions and agreements, to the extent that any of the foregoing have the force of law by being directly enforceable by

a governmental authority, a court or other proper tribunal, (collectively “Laws”), including, but not limited to, anti-fraud, anti-terrorism, anti-bribery and records keeping Laws, conventions and/or directives of each place where such Party conducts business as it relates to this PO.

(b) Each Party and its respective directors, officers, employees, agents, contractors and affiliates shall comply with all laws, ordinances and/or directives of countries in which the Parties conduct business as they relate to the Universal Declaration of Human Rights, child labour laws, data privacy and protection laws, criminal reporting laws, environmental, health and safety laws, customary international laws, *jus cogens* norms or any similar laws, including, but not limited to, identifying and filing or purchasing (as applicable) any and all required permits, certificates, licenses, insurance, security measures, approvals and inspections required in performance of its obligations under the PO.

(c) Each Party shall comply with such regulations, laws and/or directives as may be applicable to, but not limited to, the place(s) of (i) manufacture of the Products, (ii) intended use of the Products, (iii) travel/pass through of the Products, (iv) final destination of the Products, and/or (v) place of delivery of Services.

(d) Buyer reserves the right to consider any actual or potential breach of these laws or norms as a breach of contract and to unilaterally terminate the PO and any related contract according to the termination provisions in paragraph 1.24 below.

1.12 SETTLEMENT OF DISPUTES – (a) Dispute Resolution Process:

(i) In the event of a dispute, prior to taking any other legal actions, an aggrieved Party shall provide written notice to the other Party of its intention to engage in informal discussions to resolve the dispute pursuant to this paragraph. For a period of no more than thirty (30) days from the date of such notice, unless otherwise extended by agreement, Authorized Representatives of both Parties will endeavor, in good faith, to settle the dispute.

(ii) In the event that the Authorized Representatives are unable to resolve the dispute within such 30-day period, either Party may provide written notice to the other Party requesting escalation of the dispute to the Parties’ next appropriate level of management (“Senior Representatives”). The Parties will use good faith efforts to schedule the meeting of the Senior Representatives within ten (10) days from such notice. The Senior Representatives will meet to discuss the matter and will endeavor, in good faith, to settle the dispute within thirty (30) days from the meeting.

(iii) If the Parties’ Senior Representatives are not able to resolve the dispute within thirty (30) days from the meeting and unless otherwise agreed upon, the Parties shall submit the dispute to arbitration, as defined below.

(iv) All defenses based on passage of time will be suspended pending the conclusion of this dispute resolution process, including, if exercised, the arbitration process defined herein.

(v) “Authorized Representatives” are defined as the Supply Chain Manager, Financial Manager and/or Sales Director. “Senior Representatives” include the President or his/her designate.

(b) Arbitration – (i) All disputes arising out of this PO shall be finally settled pursuant to the Ontario *Arbitration Act* in force at the time the PO is issued by one arbitrator. The arbitrator shall either be agreed by the Parties or be appointed. The language of the proceedings shall be English. Each Party shall submit a brief not to exceed 10 pages and the arbitration shall not exceed two days in duration. The arbitrator’s decision shall follow the plain and natural meaning of the relevant documents, and shall be final and binding. The arbitrator has no power to award (1) damages inconsistent with this PO, or (2) punitive damages or any other damages not measured by a Party’s actual damages, and the Parties expressly waive their right to obtain such punitive damages in arbitration or in any other forum. The arbitral award may be enforced in any court having jurisdiction and shall not be set aside on the grounds of procedural irregularity. All aspects of the arbitration will be kept confidential. Each Party will promptly pay its share of all arbitration fees and costs. The arbitration proceedings shall take place in Ottawa, Canada and apply the laws of Ontario as set out in paragraph 1.10 above.

(c) Other Relief – Nothing in this section will be construed to preclude either Party from seeking injunctive relief in a court of competent jurisdiction to protect its rights during the dispute resolution process.

1.13 INDEPENDENT CONTRACTOR – NO AGENCY – Each Party to this PO and any related contract is an independent contractor and not an agent of the other.

1.14 INSURANCE – Supplier agrees to acquire and maintain insurance on all property on the Supplier's premises owned by the Buyer against loss of damage resulting from fire (including extended coverage) theft, malicious mischief and vandalism. Supplier will provide Buyer certificates or proof of insurance upon request which complies with Buyer's policy.

1.15 MARKS – Supplier will not, without Buyer's prior written consent, make any use of Buyer or its affiliates' trade names, trademarks, logos, or any other Buyer designation or drawing ("Marks").

1.16 ENVIRONMENTAL HEALTH AND SAFETY – Supplier will test and inspect Products prior to shipment, to ensure compliance with all environmental, health and safety Laws that Buyer is subject to, including, in the case of Buyer's shipment or resale of the Product(s), the Laws of the final place of delivery and/or installation. Supplier shall use testing and inspection procedures approved in writing by Buyer as required.

1.17 SOFTWARE LICENSE – Supplier hereby grants Buyer a worldwide, non-exclusive, royalty-free, unrestricted, perpetual, transferable license to use, have used, reproduce, have reproduced, distribute, license and sublicense, as applicable, all Software licensed under this PO. Buyer will not reverse compile or disassemble the Software. This Software license shall survive termination of this PO. Buyer shall have the right to distribute any pre-paid Software until such inventory is depleted.

1.18 SUPPLIER PERSONNEL – All persons furnished by Supplier, including employees, agents, or subcontractors, shall be deemed Supplier Personnel and Supplier will be responsible for ensuring payment of all unemployment, social security, social insurance and other payroll taxes, including contributions when required by law. Supplier Personnel will not be covered by, and shall be excluded from participation in, any Buyer employee benefit plan. Supplier will be responsible for Supplier's own labour relations with any labour organization either representing or seeking to represent Supplier Personnel.

1.19 SUPPLIER INFORMATION – Supplier will not provide any of its or a third-party's technical, business or other information unless Supplier has the express right to do so, and the Parties will not view any of the foregoing as confidential or proprietary. If Supplier desires to provide to Buyer confidential and/or proprietary information with restrictions, it can only be furnished and accepted under a separately executed non-disclosure agreement between Buyer and Supplier.

1.20 BUYER'S INFORMATION – Supplier will view as Buyer's property any idea, data, program, technical, Buyer trademarks, business or other information owned or controlled by Buyer, and provided to, or acquired by Supplier in connection with this PO ("Information"). Supplier will keep this Information confidential, use it only in performing under this PO and obligate Supplier Personnel to do so. This does not apply to information previously known to Supplier free of obligation, or made public through no fault of Supplier. Following Buyer's directions, Supplier will, at its own expense, destroy or return the original and/or any copy of Information.

1.21 DATA PRIVACY – Supplier agrees that any collection, use and/or storage of personally identifiable information shall be in accordance with the data privacy laws of the applicable country in which such personally identifiable information is to be collected, used, transmitted and/or stored, and according to the data privacy laws where any individual is located. Buyer reserves the right to hold a failure to keep its Information secure and/or a data breach as a material breach of contract, and to terminate the PO as set out in paragraph 1.24 below.

1.22 SURVIVAL – All rights and obligations, as well as the general terms, that by their nature would continue beyond the termination, cancellation or expiration of this PO, will survive termination, cancellation or expiration.

1.23 TERMINATION FOR CONVENIENCE – Buyer may at any time terminate or cancel this PO and/or Services, in whole or in part, by written notice to Supplier. If such written notice does not state the time in which the termination is effective, the termination is deemed to be effective within thirty (30) days of Supplier's receipt of written notice. Buyer may cancel POs at any time prior to shipment/delivery of Products and/or Services without liability to Buyer. Buyer's liability for terminated Services will be limited to the amount due for Services performed and accepted up to the date of termination. Buyer reserves the right to return any unused or faulty Products for a refund from Supplier within thirty (30) days of written notice of termination. Supplier may not terminate a PO for convenience under any circumstances.

1.24 TERMINATION FOR DEFAULT – In the event that:

- (i) Supplier fails to delivery to Product(s) or perform the Service(s) within the time specified by this PO or any written extension authorized by Buyer;
 - (ii) Supplier materially breaches any condition of this PO, fails to perform any condition under this PO or fails to make progress in meeting its obligations under the PO so as to endanger delivery or service as set out in the PO; or
 - (iii) Supplier declares bankruptcy, suspends its business operation, or initiates any reorganization and/or arrangement for the benefit of its creditors, including insolvency;
- Buyer may immediately terminate all or any part of this PO by thirty (30) days' written notice to Supplier. In any of these circumstances, if Supplier does not admit the failure or breach and provide a written response with details to Buyer within ten (10) days of receiving written notice, Buyer may immediately terminate on the thirty-first (31st) day from its original written notice. If Supplier does not cure the failure or breach to Buyer's satisfaction within thirty (30) days after its admission and reply, Buyer may immediately terminate on the thirty-first (31st) day following Supplier's written admission and reply.

1.25 FORCE MAJEURE – Neither Party shall be liable for any delay or failure in performing its obligations hereunder that is due to circumstances beyond such Party's reasonable control, including, but not limited to: acts of God or the public enemy; actions or decrees of international or government entities including trade or economic sanctions; civil unrest; acts of terrorism; riots; war; fire; unusually severe weather; earthquakes; volcanoes; explosions; labour strikes by subcontracts or vendors other than those of Supplier; or the concerted acts of labour ("Force Majeure Event"), provided that such circumstance was not reasonably foreseeable by such Party and, by the exercise of reasonable commercial due diligence, could not have been prevented or mitigated by such Party. Upon the occurrence of a Force Majeure Event, the affected Party shall give five (5) calendar days' notice, to the other Party of the nature of any such conditions and the extent of the anticipated delay resulting from such conditions, at which time performance of this PO to the extent affected by the Force Majeure event shall immediately be suspended without penalty to such affected Party. The Party who has been affected shall take all reasonable actions to resume performance hereunder as soon as such Force Majeure Event is removed or ceases. If the period of non-performance exceeds thirty (30) days from receipt of the notice of the Force Majeure Event, Buyer may terminate this PO immediately upon written notice to Supplier as set out under the termination for convenience provisions of paragraph 1.23 above.

1.26 TITLE AND RISK OF LOSS – Title or in the case of software the license shall take effect and risk of loss to Product(s) will vest in Buyer when the Product(s) is delivered according to the shipping terms on this PO. If additional services are to be performed after delivery, Supplier will retain risk of loss until such services have been performed and the Product(s) is accepted by Buyer or customer, as applicable.

1.27 ENTIRE AGREEMENT – This PO is the Parties' entire agreement as to the Products, Services and for Software to be provided hereunder and, except as provided in paragraph 1.1 above, supersedes all prior or subsequent agreements, proposals, communications and understandings, whether written, oral or electronic. This PO can only be amended by an agreement in writing that is signed by Authorized Representatives for both Parties.

1.28 PRODUCT SAFETY AND CONFORMITY – Supplier is expected to develop, implement, and maintain effective policies and training programs to ensure their employees are aware of their relevant contribution to the quality, safety and conformity of their products and/or services.

1.29 COUNTERFEIT PARTS – Supplier is expected to develop, implement, and maintain effective methods and processes appropriate to their products to minimize the risk of introducing counterfeit parts and materials into deliverable products. In addition, Supplier shall provide notification to recipients of counterfeit product(s) when warranted. If suspected counterfeit parts are furnished under this PO or are found in any of the products delivered hereunder, such items will be impounded by Buyer. The Supplier shall promptly replace the suspected counterfeit parts with parts acceptable to the Buyer. The Supplier shall be liable for all costs relating to the removal and replacement of counterfeit parts, including without limitation Buyer's external and internal costs of removing the counterfeit parts, of reinserting replacement parts and of any testing required by the reinstallation of Supplier's goods after counterfeit parts have been exchanged. Supplier shall be fully liable for all cost associated with change parts out, material handling and all other related costs. Buyer maintains the right to hold the intentional or unintentional provision of counterfeit parts as a material breach of this PO and terminate according to the provisions of paragraph 1.24 above.

1.30 TOOLS, JIGS, FIXTURES, DIES, PATTERNS, TEST EQUIPMENT – Tools, Jigs, Fixtures, Dies, Patterns, Test Equipment (“Items”) furnished by Buyer or purchased by Buyer from Supplier shall become and/or remain the property of the Buyer. These Items shall be used exclusively for the Buyer’s Product and may not be disclosed to anyone else or used by Supplier for anyone other than the Buyer. The Supplier agrees to store and keep in good condition all Items, up to and including calibration, without cost to the Buyer.

1.31 BUYER-FURNISHED PROPERTY AND ITEMS – Supplier agrees to exercise reasonable care in the safeguarding and preservation of all Buyer-furnished property and Items and assumes all responsibility for loss, damage or destruction while such property and/or Items are within Supplier’s possession or control.

2.0 DELIVERY REQUIREMENTS

2.1 SHIPPING – Supplier agrees to:

(a) deliver goods to Buyer as specified on the PO in accordance with obligations outlined in the INCOTERMS 2010 and/or as specified on the PO.

(b) suitably pack, mark and ship in accordance with good commercial packing standards and carrier requirements to ensure lowest transportation cost and achieve the safest transportation of the goods. No additional charge shall be made to the Buyer unless otherwise stated herein. If goods are to be exported from the United States, Supplier agrees to 1) ensure that the appropriate destination control statement (i.e. ITAR or EAR) is referenced on Supplier’s commercial invoice; and (2) provide Buyer’s broker with a copy of applicable US export authorization prior to shipment of goods from the US.

(c) all documents must contain Buyers PO number.

2.2 REJECTIONS – Buyer may reject non-conforming shipment(s) and/or deliveries of Products and/or Software and (i) return the shipment, in whole or in part, FCA Buyer’s dock (FCA as per INCOTERMS 2010) for full credit including transportation costs: (ii) accept a conforming part of the shipment / delivery; and/or (iii) replace any rejected part of the shipment/delivery with third part products and / or software, with any additional costs reimbursed by Supplier.

2.3 ON TIME DELIVERY – Supplier will make delivery of a shipment of the Product and /or Software on the scheduled and agreed upon delivery date specified in this PO and/or meet the agreed upon milestone(s) and/or completion date(s) for Services.

2.4 MATERIAL SAFETY DATA SHEET (MSDS) – For Chemical products, such as Oil, Grease, Adhesives, Paint, Thinners, etc., the latest revision of the MSDS must accompany the shipment.

2.5 EXPORT CONTROL – Supplier is aware that the items being purchased hereunder may be used in military products. Supplier will advise Buyer of any export controls (other than Canadian) which apply to the items and which would affect the re-export of items from Canada.

a) Supplier and Buyer shall comply with the applicable export Laws and regulations of Canada, the European Union, the United States of America or any other country applicable to the Buyer, Supplier, transit, shipment and/or delivery.

(b) Buyer shall obtain such license or authorization to re-export or import as may be required by such Laws. Supplier shall provide all reasonable assistance in obtaining such license or authorization.

(c) Supplier shall, at its own cost and expense, obtain and comply with such license and authorization as may be required by such Laws to deliver the Products from Supplier's country to the country of delivery.

(d) Supplier shall provide Buyer with all information on the content of the Products which is subject to Supplier's country export control regulations and with other export control related information reasonably known to Supplier shipment/delivery with third Party products and/software, with any additional costs reimbursed by Supplier.

2.6 CERTIFICATE OF ORIGIN – Upon the initial shipment of a Product, Supplier shall provide a Certificate of Origin in compliance with the requirements of the customs authorities of the country of receipt showing, at a minimum, the Buyer's part number and the country of origin of the Product, which Certificate shall be signed by a person authorized to sign and knowledgeable of the information contained therein. For all shipments, including domestic shipments, Supplier shall provide Buyer promptly of any changes to the information provided on previously supplied Certificates of Origin or NAFTA Certificates of Origin.

3.0 QUALITY REQUIREMENTS

3.1 QUALITY REQUIREMENTS – Supplier shall be responsible for ensuring that Products furnished hereunder have undergone or have been subject to quality assurance and quality control activities and procedures, including conformity with the details of Buyer's PO or other request, which may include performance measurements, testing, quality process reviews or inspections. Supplier's quality management system shall provide for the early and prompt detection of actual or potential material deficiencies, trends or conditions which could result in unsatisfactory quality, and for timely and effective corrective action.

3.2 MANUFACTURE AND PROCESS – Supplier will adhere completely to the requirements of any material, drawing, design or image provided by Buyer to facilitate fulfilment of the PO, including all specifications referenced therein, and all PO requirements, including such items as part marking, identification, inspection, stamps, certification, inspection records, etc. All special processes that are called out on the PO, engineering drawings or specification must be carried out by OEM approved sources (i.e., NADCAP Industry standard). Supplier must notify the Buyer of any changes to materials or processes, changes of Supplier's sub-contractors or sub-suppliers, changes of manufacturing facilities locations. All changes must be submitted in writing and approved by Buyer before such changes come to affect the delivery or supply of the PO. Buyer takes no responsibility for the accuracy or detail provided in such drawings, designs, images or specifications and Supplier agrees to hold Buyer harmless for any such errors it may detect or fail to detect. In the case of a third-party error in the materials provided, Buyer and Supplier shall agree to jointly pursue such third-party for damages, if any.

3.3 RIGHT OF ACCESS – Buyer reserves the right to conduct surveillance of the Supplier’s facility or that of their subcontractors to confirm that the Supplier’s quality system meets Buyer requirements as well as any Quality standards requirements applicable to (ISO/AS) standards latest revision. Entry shall provide for access to quality system documentation and quality records as well as the ability to conduct audits and verify product and processes. Attendees of such surveillance may include the Buyer, regulatory official or Buyer’s customer representative(s).

3.4 FLOW DOWN OF CUSTOMER REQUIREMENTS – Buyer reserves the right to flow down additional requirements to Supplier so as to satisfy specific third-party customer and or business requirement that apply to any further resale or provision of Products or Services. Buyer will provide full and reasonable notice in writing of these third-party requirements to Supplier in advance of the PO.

3.5 RECORD RETENTION REQUIREMENT – (a) Quality records generated as the results of performance to a Buyer’s issued PO and/or related contract shall be maintained and preserved as legible for a period of seven (7) years, unless otherwise specified by the Buyer, and available for review by Buyer or its third-party customers.

(b) Supplier shall maintain quality assurance/inspection records for any of its manufacturing partners or sub-suppliers and that these records are also available upon request. These records shall include, but are not limited to, receiving, in-process, and final inspection records, certificates of conformance, raw material mill certifications, test results, documented non-conformances and corrective actions, and measuring and test equipment calibration documentation, as may be determined by the Parties.

(c) After the above-noted retention period, Buyer must be notified of Seller’s intent to dispose of any records and shall be given the opportunity for further retention at Buyer’s facility.

3.6 CERTIFICATE OF CONFORMANCE – Material supplied on this PO must be accompanied by a Certificate of Conformance signed by a responsible member of the Supplier’s quality organization stating the date of manufacture, Buyer’s PO number, part number, description, material specification including MSDS, mill certificate number, and heat lot number (if applicable).

3.7 FIRST ARTICLE INSPECTIONS (FAI) – The Buyer may require FAI’s to be performed by the Supplier at their sole cost and expense. A successful completion of first article inspection does not relieve the Supplier from performing usual quality conformance inspections of outgoing lots. Unless FAI is to be accomplished in accordance with AS9100 standard latest revision the Supplier’s own format may be used for the FAI report. When FAI per AS9100 standard latest revision is required the Supplier will perform detail FAI using the forms contained in the Appendix of AS9100 standard latest revision. FAI will be performed on new Product representative of the First Production Run. FAI shall not use prototype parts, or parts manufactured using methods different from those intended for the normal production process.

3.8 NOTIFICATION – Supplier must notify Buyer when: (a) Supplier or Supplier’s sub-tier are found to be non-compliant to Buyer specifications, (b) Supplier’s sub-tier is disapproved by Supplier, (c) Supplier or Supplier’s sub-tier are disapproved by a regulatory body or OEM. Supplier must notify the Buyer in writing at least five (5) days before of shipment of any actually or potentially non-conforming Product. The Buyer reserves the right to, (i) accept the order (ii) accept a portion of the order, or (ii) reject the order. Where such non-compliance is attributed to Supplier’s third-party, Buyer reserves the right to terminate for convenience as set out in the paragraph 1.23 above.

4.0 WARRANTY REQUIREMENT

4.1 PRODUCT WARRANTY – Supplier warrants that Products will be new and free from defects in design, material, workmanship and any other error introduced negligently or intentionally. Supplier warrants that Products will be fit for Buyer’s purpose, conform to and perform in accordance with the

specifications, drawings, designs, images, samples and documents provided for such hardware for the longer of:

- (i) fifteen (15) months from the date of delivery to Buyer;
 - (ii) twelve (12) months after acceptance and/or installation by Buyer or Buyer's customer, as applicable;
- or
- (iii) such greater period as may be specified in this PO. If the Product contains parts or elements with manufacturers' warranties, Supplier hereby assigns such warranties to Buyer and, as applicable, Buyer's customer(s). Software (firmware/operating system software) provided in or with such Products will have the same warranty period as the Products.

4.2 SERVICES WARRANTY – Supplier warrants to Buyer and, as applicable, Buyer's customer(s), that Services will be performed in a diligent and professional manner, in compliance with industry standards, and in accordance with any agreed upon statement of work and/or specifications, drawings and documentation related to such Services.

4.3 SOFTWARE WARRANTY – Supplier warrants that Software licensed will be free of material errors, virus-free and malware free at the time of delivery, contains no open source software distributed under GNU Public License (GPL) v.3 or the Lesser GNU Public License (LGPL) v.3 or any open source software that has not been notified in advance to Buyer and will perform according to the specifications and documentation for such Software upon delivery. Supplier warrants and represents that it is in compliance with any applicable third-party licenses related to the Software or Product provided under this PO including, but not limited to, open source software licenses.

4.4 WARRANTY EXTENSION, SURVIVAL AND REMEDIES – (a) These Product, Services and Software warranties (collectively, "Warranties") will continue for the applicable Warranty period, and will survive inspection, acceptance and payment.

(b) Products, Software and/or Services not meeting the Warranties will be, at Buyer's option, returnable for a refund, or subject to repair, replacement and/or re-performance at no cost to Buyer or, as applicable, Buyer's customer(s). Transportation costs and risk of loss and damage in transit for nonconforming and replaced Products or Software will be borne by Supplier. Repaired and replacement Products and Software will be warranted as new and shall be warranted for the longer of ninety (90) days or of the remaining Warranty period of the replaced or repaired Products or Software.

(c) Buyer retains the right to hold Supplier's failure to remedy a breach of Warranty as a breach of the PO and/or contract and terminate the PO according to paragraph 1.24 above.

5.0 INDEMNIFICATION & LIABILITY

5.1 GENERAL INDEMNITY – Supplier will indemnify, defend and hold harmless Buyer, its directors, officers, employees, affiliates, customers, successors and assigns from any losses, damages, liabilities, fines, penalties, and expenses (including reasonable legal fees) related to any third-party claims that arise out of, or result from, Supplier's breaches, acts or omissions, whether intentional or negligent, related to this PO, and pay any reasonable legal fees and all damages so awarded by a court of competent jurisdiction, arbitration, mediation, or consented to in a settlement agreement between the Party and such third-party.

5.2 LIMITATION OF LIABILITY – (a) Except for amounts due hereunder, Buyer's liability to Supplier for any and all direct damages will not exceed the amounts paid under this PO.

(b) In addition, Supplier will be liable to indemnify Buyer for any incidental, indirect or consequential damages arising out of the breach of any provisions of this PO. Supplier will remain liable to Buyer to the

extent such incidental, indirect or consequential damages were reasonably foreseeable or could reasonably flow from its negligent or intentional acts or omissions as set out in paragraph 5.1 above.

5.3 INFRINGEMENT, MISAPPROPRIATION, INDEMNIFICATION – Supplier will indemnify, defend and hold harmless Buyer, its affiliates, agents, customers, officers, directors, and employees from any losses, damages, liabilities, fines, penalties, and expenses, including reasonable legal fees, that arise out of or result from any and all claims of infringement or misappropriation by Supplier of any patent, copyright, trademark or trade secret right, or other intellectual property right, private right, or any other proprietary or personal interest of a third-party as related to the existence of, performance of or contemplated performance of this PO, except to the extent such infringement or misappropriation is due solely to Supplier's infringing and/or misappropriating Buyer's Products, Software or Services.