

**TERMS AND CONDITIONS OF PURCHASE
SPECTRUM COMPONENT SALES, INC. ("SCS")**

1. The terms of this order shall apply to the entity identified in this order as being SCS. The identified SCS is SPECTRUM COMPONENT SALES, INC. located and operating in North America. This order is subject to all the printed and written terms and conditions appearing on this order as well as any other terms or conditions of SCS referenced in this order.

2. Unless otherwise provided, terms of payment shall be net forty-five (45) days from the latest of the following: (i) SCS's receipt of SUPPLIER's accurate invoice in accordance with proper invoicing instructions as identified on the PO, or other master-type agreement; (ii) scheduled delivery date of the Work; or (iii) actual delivery of the Work. SCS shall have a right of setoff against payments due or at issue under this Purchase Order or any other Purchase Order between SCS and SUPPLIER.

a. Each payment made shall be subject to reduction to the extent of amounts which are found by SCS not to have been properly payable and shall also be subject to reduction for overpayments.

b. Payment shall be deemed to have been made as of the date of mailing SCS payment or electronic funds transfer.

c. Unless otherwise specified, prices include all applicable federal, state and local taxes, duties, tariffs, and similar fees imposed by any government, all of which shall be listed separately on the invoice.

d. SUPPLIER will provide SCS with a W-9 Form (Request for Taxpayer Identification Number and Certification) in accordance with IRS regulations. An updated form is required for any Name or address change. If SUPPLIER fails to provide a complete and proper W-9 Form, SCS is required to subject payments to Backup Withholdings.

e. No price changes from those shown on this order will be accepted unless authorized in writing by the SCS prior to shipment. SCS must receive written notification from SUPPLIER of any claimed or purported invoice discrepancies, errors, omissions or outstanding amounts due no later than forty-five (45) days from the shipping date of this order. Unless such written notice is received by SCS within said forty-five (45) day period, the account with SUPPLIER attributable to such order shall be considered by both SUPPLIER and SCS to be fully liquidated and undisputed.

3. SCS order number must appear on all shipping containers, shipping papers, packing slips, invoices and all other correspondence or documents pertaining to this order or, without cost or penalty to SCS, they may be returned to SUPPLIER, at SUPPLIER's expense, by SCS for correction of such omissions.

4. SUPPLIER's acceptance of all the terms and conditions of this order shall be deemed to occur when SUPPLIER provides any service or ships any goods ordered hereunder, or when SUPPLIER accepts any payment from SCS under this order.

5. SUPPLIER agrees to provide and maintain a quality control system to an industry recognized Quality Standard and to provide access to SUPPLIER's facilities at all reasonable times by SCS, authorized Customer representatives, and Regulatory Authorities. SUPPLIER agrees to include, and to require its supplier chain to include, the substance of this provision, including this sentence, in each of its subcontracts under this Purchase Order.

Further, SUPPLIER shall be in conformity with all specifications and revision status, drawings, process requirements, inspection/verification instructions and other relevant technical data and any other specific quality requirements identified in this Purchase Order and shall flow the requirements of this provision to its supplier chain and suppliers at any tier for the performance of this Purchase Order.

a. Records of all quality control inspection work by SUPPLIER shall be kept complete and available to SCS and its Customers.

b. SUPPLIER agrees to notify SCS Procurement Representative of product that does not meet the requirements of this order that cannot be reworked to conformity. Written Approval will be required by SCS Procurement Representative prior to SUPPLIER's shipment of nonconforming material to SCS. Additionally, SUPPLIER shall notify SCS Procurement Representative if SUPPLIER discovers that previously delivered product does not meet the requirements of this order.

c. SUPPLIER agrees to notify SCS Procurement Representative with changes in product and/or process which affect conformity with applicable Specifications, technical Data Sheets, or reliability of the product, changes of suppliers, and changes of manufacturing facility locations.

d. SUPPLIER shall maintain a Foreign Object Debris/Damage (FOD) prevention program. When applicable, SUPPLIER's FOD prevention program shall include:

i. The review of design and manufacturing processes to identify and eliminate foreign object entrapment areas and paths through which foreign objects can migrate.

ii. SUPPLIER shall employ appropriate housekeeping practices to ensure timely removal of residue/debris, if any, generated during manufacturing operations or tasks.

iii. SUPPLIER shall determine if sensitive areas that may have a high probability for introduction of foreign objects should have special emphasis controls in place appropriate for the manufacturing environment.

iv. By delivering items to SCS, SUPPLIER shall be deemed to have certified to SCS that such items are free from any foreign material that could result in FOD.

6. SUPPLIER warrants that any transportation costs included in the price will not exceed actual transportation

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costs paid by SUPPLIER. If this order calls for payment of any transportation costs by SCS or if a freight charge is included in the price of the goods, SCS shall in no event be liable or accountable for any amount in excess of SUPPLIER's actual costs of transportation. SUPPLIER shall be accountable for and pay any excess transportation costs arising from SUPPLIER's failure to make delivery to the F.O.B. point or to follow shipping instructions on SCS purchase order.

7. SUPPLIER warrants that all goods or services sold to SCS are free and clear of all liens and encumbrances whatsoever and that SUPPLIER has a good and marketable title to same, and SUPPLIER agrees to defend and hold SCS harmless from and against any and all claims or demands based on a breach of this warranty.

SELLER represents and warrants that only new and authentic materials are used in products required to be delivered to SCS and that the Work delivered contains no Counterfeit Parts.

8. Unless otherwise specified, SUPPLIER shall properly and lawfully package all goods in accordance with good commercial practice that shall be sufficient to afford protection against deterioration and physical damage of parts during shipment from the supply source to SCS. Use of individual bags or containers shall be used to insure adequate protection from physical contact with other parts. Use of newsprint, excelsior or loose fill expanded polystyrene shall be avoided as a means of cushioning.

A notice of shipment shall be sent by SUPPLIER to SCS at the time the goods described herein are shipped, which notice shall state the number of the order, the kind of goods, the SUPPLIER's name and the carrier and route by which the shipment is being made.

a. With all shipments, SUPPLIER shall enclose:

i. Any appropriate test reports as required per SCS Purchase Order.

ii. (Aerospace, Defense and Space parts only)

A Certificate of Conformity/Origin, confirming conformity with drawings, specifications and revision status, process requirements, inspection/verification instructions and other relevant technical data, listed on SCS Purchase Order, that shall include SCS Purchase Order number, SCS item number, SUPPLIER item number, quantity of shipment, lot number and/or date code with applicable quantity per each, country of origin and where applicable HTS/Schedule B code and description, appropriate signature and date of certificate,

iii. A complete packing list that SUPPLIER shall mark, as applicable, containers or packages with necessary lifting, loading, and shipping information, including the SCS Purchase Order number, item number, dates of shipment, and the names and addresses of consignor and consignee. Bills of lading, as applicable, shall include this Purchase Order number.

b. Work shall not be supplied in excess of quantities specified in this Purchase Order. SUPPLIER shall be liable for handling charges and return shipment costs for any excess quantities.

9. SUPPLIER represents that it has fully investigated all Specifications, to include revision status, drawings, process requirements, inspection/verification instructions and other relevant technical data listed on SCS Purchase order, and, based upon such investigation and its past experience and superior knowledge with respect to such goods or services, SUPPLIER has determined that the production thereof in accordance with such Specifications will not infringe any patent, trademark, trade secret or copyright.

Therefore, SUPPLIER shall defend, indemnify and hold SCS and its successors in interest free and harmless from any and all claims, demands, costs and liabilities, including attorney's fees and legal expenses, arising out of any such intellectual property infringement or claim of such infringement.

In no event shall SCS or its successors in interest be liable to SUPPLIER for any patent, copyright, trade secret or trademark infringement or claim thereof; and, in the event SCS and/or its successors in interest is or are enjoined from the operation, use and/or sale of the goods or services pertaining thereto or to any part thereof covered by this order, SUPPLIER shall, at its sole expense, take all responsible steps possible to procure for SCS and its successors in interest the right to operate, use and sell said goods or services pertaining thereto or to any part thereof, covered by this order.

If SUPPLIER cannot so procure the aforesaid rights within a reasonable time, SUPPLIER shall then promptly, at SUPPLIER's sole expense:

a. Modify said goods or services, or any part thereof, so as to avoid infringement of any patent or any other proprietary interest; or

b. Replace said goods or services or any part thereof with goods or services which do not infringe or violate any such patent or other proprietary interest; or

c. Remove said goods or services or any part thereof, and refund any payment paid to SUPPLIER and pay to SCS any transportation costs and expenses that may have been paid or incurred by SCS in connection with the goods or any services, or any part thereof, so removed.

10. Notwithstanding any other commercial term or instruction to the contrary herein expressed, SUPPLIER hereby assumes all risk of loss or damage to the goods from any cause whatsoever until SCS takes delivery of the goods, inspects and accepts the same at the point of ultimate destination.

11. Time is of the essence hereof. If SUPPLIER shall default in performance hereunder, or breach any of its obligations hereunder, or if SUPPLIER becomes insolvent or a trustee or

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receiver of SUPPLIER's business or assets is appointed by any court or if SUPPLIER shall make an assignment for the benefit of creditors then, and in any such event, SCS may cancel this order in whole or in part by written, telegraphic, electronic or facsimile notice to SUPPLIER whereupon SCS shall have no liability or obligation whatsoever to SUPPLIER by reason of or resulting from such cancellation; but, at SCS's sole election, SCS may pay SUPPLIER its actual direct out-of-pocket costs of performance hereunder to the date of such cancellation, as approved by SCS, in which event, the finished goods, completed services or any work-in-process as of the date of cancellation shall become the property of SCS and SUPPLIER shall safely hold the same for a reasonable period of time subject to receipt of SCS's written shipping or other disposition instructions.

12. In addition to its other rights set forth in the terms of this order, SCS may terminate this order without cause in accordance with the following provisions:

a. If this order covers goods manufactured or fabricated to SCS's Specifications or work especially prepared by SUPPLIER for SCS, then at any time prior to delivery of all goods or work covered by this order, SCS may terminate this order without cause, in whole or in part by written, telegraphic, or electronic or facsimile notice to SUPPLIER and, in such event, the following provisions shall apply:

(i) Immediately upon receipt of such notice of termination or upon such other date as may be specified in said notice, SUPPLIER shall cease all activity in connection with the canceled order except as otherwise directed by SCS.

(ii) SCS shall pay and SUPPLIER shall accept as full compensation hereunder SUPPLIER's actual direct out-of-pocket costs to the date of cancellation of this order (or such other date as specified in SCS's notice, as provided above), including SUPPLIER's reasonable expense in connection with termination of any of its supplier chain, all as approved by SCS; provided, however, that in no event shall the total amount to be paid to SUPPLIER upon such termination plus payments previously made by SCS exceed the percentage amount of the total price specified by this order equal to the ratio the goods delivered or services provided up until the date of cancellation (including any work-in-process) bears to the total quantity of goods or services ordered hereunder.

(iii) The goods or work or uncompleted portions of the goods or work shall be the property of SCS and SUPPLIER shall safely hold the same for a reasonable time subject to receipt of SCS's written shipping or other disposition instructions.

b. If any goods covered by this order are from SUPPLIERs standard stock merchandise, SCS may terminate without cause all or any part of the unshipped portion of this order at any time by written, telegraphic or electronic or facsimile notice to SUPPLIER and, in such event, SCS shall have no further obligation for cancellation charges or otherwise hereunder

except to make payment, subject to other applicable terms hereof, for conforming goods actually shipped and in transit or services actually performed, and accepted prior to such termination notice and to make payment for any such conforming goods or services.

13. Unless a longer period is specified in this Purchase Order or by law or regulation, SUPPLIER shall retain all records that reflect SUPPLIER's conformity with the terms of this Purchase Order for five (5) years from the date of final payment received by SUPPLIER. Records related to this Purchase Order include, but are not limited to, financial, proposal, procurement, specifications, production, inspection, test, quality, shipping and export, certifications, and receipt records.

14. SCS shall be solely responsible for all liaison and coordination with the Customer or any higher tier contractor(s) as it affects this Purchase Order or any Work thereunder or related thereto. Except as required by law, SUPPLIER shall not communicate with the Customer, and any higher tier contractor(s), with respect to this Purchase Order or any Work thereunder or related thereto, without prior written approval from the SCS Procurement Representative. SUPPLIER shall promptly notify the SCS Procurement Representative of any communications, initiated by the Customer or any higher tier contractor(s) that affects this Purchase Order or any Work thereunder or related thereto.

15. SCS may desire to place additional orders for items purchased hereunder. SUPPLIER shall provide SCS with a "Last Time Buy Notice" at least twelve (12) months prior to any action to discontinue any item purchased under this Purchase Order.

16. Any inconsistencies in this Purchase Order shall be resolved in accordance with the following descending order of precedence: (1) face of the Purchase Order, release document or schedule, (which shall include continuation sheets), as applicable, to include any special terms and conditions; (2) any master-type agreement (such as corporate, operating group, or blanket agreements); (3) representations and certifications; (4) these terms and conditions; (5) statement of work; and (6) specifications or drawings.