

## STANDARD PURCHASE ORDER TERMS AND CONDITIONS

- 1. Acceptance:** Any of the following acts by Seller shall constitute acceptance of this contract and all of its terms and conditions: (a) signing and returning a copy of this contract, (b) returning Seller's own form of acknowledgment, (c) delivery of any of the items ordered, or (d) informing Buyer in any manner of commencement of performance. Any term of condition stated by the Seller in any prior proposal or in acknowledging or otherwise accepting this contract shall be a proposal for addition to the contract and shall not become part of the contract unless specifically accepted in writing by Buyer.
- 2. Technical Representatives:** The issuance of advice, approvals, or instructions by Buyer's technical personnel or other representatives shall be deemed expressions of personal opinion only and shall not affect Buyer's or Seller's rights and obligations hereunder. The Seller shall not make any changes in the materials or services to be delivered, specifications and amendments thereto, or delivery requirements, or any other changes, unless authorized by an amendment to this contract.
- 3. Combating Human Trafficking in Persons Regulations (FAR Clause 52.222-50 (c) and (g)) and Obligations:** These regulations and obligations will apply in whole or in part to your company. Filtronetics, Inc. prohibits suppliers, including indirect suppliers and agents, from engaging in prohibited human trafficking activities. Recruiting, transporting, or obtaining persons for work through the use of force, fraud, or coercion, using child labor where not allowed by law, denying access to identity records, or failing to provide written contracts for work in another country are all examples of prohibited activities.  
  
Violations of such regulations could result in:
  - Filtronetics, Inc. terminating your contract for convenience or for default and/or requiring you to terminate your sub-tier supplier's contract.
  - Suspension of payments until remedial action has been taken for violations.  
If you become aware that your company, employee, supplier or agent, have violated these laws, please contact Filtronetics, Inc. at 816-231-7375.
- 4. Counterfeit Products Risk Mitigation:** Seller, using the guidance provided for by the standards established under SAE AS5553 "Counterfeit Electronic Part; Avoidance, Detection, Mitigation and Disposition", shall ensure that only new and authentic materials are used in products delivered to Filtronetics, Inc. and be obtained directly from Authorized Suppliers (Original Equipment Manufacturers "OEMs, Original Component Manufacturers "OCMs", OEM/OCM franchised distributors or authorized aftermarket manufacturers). Should Seller discover suspect and/or confirm counterfeit products associated with this Purchase Order, Subcontract or Supplier Schedule Agreement, Seller shall notify Filtronetics, Inc. and ensure the counterfeit products are not delivered to Filtronetics, Inc. In the event that products delivered under this Purchase Order, Subcontract or Supplier Schedule Agreement constitutes or includes counterfeit products, Seller shall at its expense, promptly replace such counterfeit product with genuine product conforming to the requirements of this Purchase Order, Subcontract or Supplier Schedule Agreement. Seller shall flow down the substance of this clause to its suppliers and subcontractors at any tier for the performance of this Purchase Order, Subcontract or Supplier Schedule Agreement. Filtronetics, Inc. shall consider counterfeit and/or suspect counterfeit product to have no monetary value
- 5. Conflict Minerals:** By accepting this Purchase Order, Subcontract or Supplier Schedule Agreement, you agree that you will supply only materials that you have determined are DRC (Democratic Republic of Congo and adjoining countries of Angola, Burundi, Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia ("DRC Countries") Conflict Free (meaning that they do not contain Conflict Minerals that directly or indirectly finance or benefit armed groups in the DRC Countries) and you agree to formally report any Supply Chain change that could result in Filtronetics, Inc. receiving material containing Conflict Minerals from the DRC Countries. Said instances or changes are to be immediately reported, as they occur prior to the use or shipment of any Conflict Mineral material to the Filtronetics, Inc. Purchasing Department.
- 6. Country of Origin:** Sellers producing products where the country of origin is outside the U.S. or its territories and possessions must identify the place of production or performance in the offer.
- 7. Ozone Depleting Chemicals:** Sellers producing products with an origin outside the U.S. or its territories and possessions must identify ozone-depleting chemicals used to manufacture the products. Products containing ozone-depleting chemicals must be labeled in accordance with Federal Law.
- 8. Packing and Shipment:** Shipment shall be in accordance with instructions specified in this order and all material shall be suitably packed to secure lowest transportation costs and in accordance with the requirements of common carriers. No charge shall be made for boxing, crating, packing, storage, drayage, or other costs unless expressly incorporated on the face of this order. Buyer's order numbers must be plainly marked on all invoices, packages, bills of lading and shipping orders. Packing list shall accompany each box or package shipment showing Buyer's purchase order number and description of material. Buyer's count or weight shall be final and conclusive on shipments not accompanied by packing list. Goods shall be packed to assure against damage from weather or transportation. Shipments comprised in whole or in part, of hazardous materials shall comply with the applicable laws and regulations in the code of Federal Regulations. Title 49, and PL 93-633. Invoices shall be mailed to the attention of Buyer's Accounting Department immediately after each shipment. For shipments where the Buyer is responsible for payment of freight charges, the Seller shall not insure the shipment while in transit unless noted on Purchase Order.
- 9. Delivery:** Delivery shall be made strictly in accordance with the terms of this contract. Seller shall be excused for default hereunder only if and to the extent that failure to so deliver results from causes beyond its control and without its, or its subcontractors, fault or negligence, and provided prompt written notice thereof is given Buyer, and that such default is promptly cured by the Seller.

**STANDARD PURCHASE ORDER TERMS AND CONDITIONS - Continued**

10. **Warranty:** Seller warrants that all material and work covered by this contract will conform to applicable specifications, drawings, samples and/or other descriptions given, be free from defects in material or workmanship and suitable for the purposes intended by Buyer as disclosed to Seller. Unless the materials or articles covered by this contract are manufactured completely to detailed designs furnished by Buyer, Seller additionally warrants the design to be free from defects. No approval of any design by Buyer furnished by Seller shall constitute a waiver by Buyer of Seller's obligations hereunder. The warranties of Seller, together with its service warranties and guarantees, shall run to Buyer and/or its customers, and shall survive inspections, acceptance and payment.

In addition to, and without waiving any other rights Buyer may have at law or in equity, Buyer may, for breach of any warranty, at its election and direction, and at Seller's expense, require Seller to promptly repair or replace the defective goods, articles, materials or services, or return the same for credit. If Seller is instructed to repair or replace and fails to promptly accomplish the same, Buyer may, in addition to the foregoing, by contract or otherwise, replace or correct the same and charge Seller its costs thereby incurred, or terminate this contract for default.

11. **Prices:** Seller by acknowledging this contract represents that its prices as stated herein are no greater than those charged any other of its customers for the same products or services in like quantities, and shall include all applicable Federal, State, and Local taxes.
12. **Inspection:** All supplies and services covered by this contract shall be subject to final inspection and test by Buyer at destination designated herein notwithstanding prior payments, or inspection at source, it being expressly agreed that payment shall not constitute final acceptance. If inspection is required at Seller's facility, seller shall provide, without additional cost, all reasonable facilities therefore, and for the protection of Buyer's or its customer's personnel while on Seller's premises.
13. **Foreign Object Damage (FOD) Prevention:** Seller shall maintain a FOD Prevention Program in accordance with Seller's QMS which establishes a baseline FOD prevention policy/procedure. Whenever or wherever Foreign Object Debris (FOD) can be entrapped or Foreign Objects (FO) can migrate, Seller shall ensure that applicable FOD prevention requirements are flowed down to Seller's suppliers at every tier.
14. **Changes:** Buyer reserves the right, at any time, by written or electronic media notice to suspend performance by Seller hereunder, whether in whole or in part, or to make changes in the drawings, specifications or shipping instructions. Any difference in price or time for performance resulting from such change, whether by way of increase or decrease, will be equitably adjusted and the contract modified in writing accordingly; provided any such claim by Seller, and the amount thereof, shall be made in writing within 20 days from receipt by Seller of notice of change or be conclusively deemed waived; provided further that nothing contained herein shall excuse Seller from proceeding with its performance under the contract as changed.

Seller must notify the Buyer of changes to processes, products or services, changes to Seller's external providers or location of manufacture and obtain Buyer's approval.

15. **Subcontracting:** Seller shall not subcontract for the procurement of any item covered by this contract in completed or substantially completed form without first securing the written approval of Buyer.
16. **Assignment:** Any and all amounts paid or to be paid hereunder are subject to setoff or recoupment for any present or future claim or claims which Buyer may have against Seller whether under this contract or otherwise. Seller agrees that Seller will neither assign its rights nor delegate its duties under this contract without the prior written consent of Buyer. Seller shall furnish Buyer with two signed copies of any assignment which is not prohibited by this clause or which is consented to by Buyer. Payment to an assignee in accordance with any such assignment shall be subject to setoff or recoupment for any present or future claim or claims of any nature, which Buyer may have against Seller. Buyer reserves the right to make, without notice to the assignee, direct settlements and/or adjustments in price with Seller under the terms of this contract notwithstanding any assignment of monies due or to become due hereunder.
17. **Compliance with Applicable Laws:** Seller agrees to observe and comply with all applicable Federal, State of Missouri and Local Kansas City laws, rules and regulations in its performance of this contract.
18. **Special Tools:** If the price stated on the face of this contract includes separately jigs, dies, fixtures, tools, patterns, drawings, specifications, special test equipment or other special equipment and manufacturing aids used in the manufacture of the articles, such items shall become the property of Buyer immediately upon their acquisition by Seller and Seller will identify such items as the property of Buyer as Buyer directs. Seller shall maintain such items in good condition and repair and from time to time replaced by Seller, all without expense to Buyer. Upon completion or termination of this contract such items will be delivered by Seller to Buyer or dispose of such items as Buyer may direct.
19. **Patent, Copyright and Trademark Protection:** Seller agrees to hold harmless and hereby indemnifies Buyer and its customers against any claim of or suit for infringement of any patents, copyrights or trademarks, whether one or more, and against any damages, costs and expenses arising there from as a result of the manufacture, sale or the normal use of the articles and things herein contracted for, providing Buyer shall give Seller prompt notice of any such claim or suit and reasonable opportunity to defend against the same. This clause shall not apply, however, if and only if, and to the extent that the articles or things herein contracted for are manufactured pursuant to detailed designs furnished by Buyer.
20. **Patent Rights:** Where payment is made hereunder for experimental, development or research work as such, to be performed in accordance with special requirements of the Buyer, Seller agrees to disclose and on Buyer's request to irrevocably assign full and exclusive rights to any and all inventions or discoveries conceived or first reduced to practice either during performance of the work hereunder, or resulting there from, to Buyer. Buyer, in its sole discretion, may but need not, require Seller to submit a verified report of inventions or discoveries, in the affirmative, or negative if such be the case, at any time prior to final payment hereunder, if not so required, then in any case within two years after said final payment.
21. **Data:** Seller agrees not to use, reproduce or disclose any data, designs, patterns, or tools or equipment or any other information supplied to it by Buyer hereunder, without express written permission by an authorized representative of Buyer, except in the performance of work or services to be performed for Buyer. Seller further agrees to the aforesaid conditions with regard to any data or to other matter generated by Seller in the performance of work or services for Buyer. Seller also agrees that any other data or matter supplied by it to Buyer need not be considered by Buyer to be proprietary in Seller unless expressly so agreed in writing by Buyer. Provided, however, the Seller may produce items for direct sale to the U.S. Government where the U.S. Government has the right to use the equipment, tools, gauges, patterns, designs, drawings, engineering data, or other technical or proprietary information furnished by Buyer which are required to produce the items.
22. **Termination:** Time is of the essence in the performance of this contract. Buyer shall have the right by written or electronic media notice to terminate this contract for convenience in whole or from time to time in part. In such event and provided the items ordered are not standard commercial items. Buyer's sole and maximum liability shall be limited to payment (1) for completed and delivered items at the contract price, and (2) of actual expenditure incurred by Seller, if any, plus a reasonable profit. Buyer shall have the right to delivery of items partially fabricated and to all unused material and inventory acquired and included in Seller's claim. If the items ordered are standard commercial items, Buyer shall have the right to terminate this contract as herein above provided without any obligation or liability whatsoever except for payment of items delivered prior to such termination. In the event of any breach of any of the terms of this contract by Seller, or in the event of any proceeding by or against Seller in bankruptcy or insolvency or for appointment of any receiver or trustee or any general assignment for the benefit of creditors, Buyer may, in addition to any other remedy it may have in law or equity, without any liability to Seller on account thereof, by telegraphic or written notice, terminate all or any part of this contract, procure the supplies or service elsewhere and seller shall be liable to pay Buyer any and all excess costs or other damages caused Buyer as a result thereof.

**STANDARD PURCHASE ORDER TERMS AND CONDITIONS - Continued**

23. **Waiver:** No waiver by Buyer, whether express or implied, of any of the terms or conditions of this contract, shall be or be construed to be a continuing waiver, nor deprive Buyer of the right to reassert or rely upon any such items or conditions thereafter.
24. **Release of Information and Advertising:** Seller shall not, without prior written consent of the Buyer, make any disclosure, news release or public announcement, denial or confirmation of same, of any part of the subject matter of this contract or in any manner advertise or publish the fact that Seller has supplied or contracted to supply to Buyer the items mentioned herein except as may be required to perform this contract
25. **Execution and Interpretation:** This contract shall be deemed to have been executed in, and subject to interpretation under the laws of the State of Missouri.
26. **Certification of Safeguarding Covered Defense Information and Cyber Incident Reporting:** You (seller) may receive CDI (Covered Defense Information) subject to the requirements of DFARS 252.204-7012, Safeguarding Covered Defense Information and Cyber Incident Reporting (the "DFARS clause"), in support of bid and proposal activities of Filtronetics, Inc. In order to receive CDI, you must agree to handle the CDI in accordance with the requirements of the DFARS clause.
27. **Requirements of Approved Vendors:** As a part of the Filtronetics, Inc. Quality Standards, all approved vendors will be evaluated on a yearly basis. The evaluation will be based on quality of product supplied as well as on-time delivery. A composite score of these two factors will be calculated for each vendor. Consistent poor scores could result in a vendor being removed from our approved vendor list. Filtronetics, Inc. encourages all vendors to implement and constantly improve their quality management system. **Filtronetics, Inc. must be notified of any change in vendor's current quality management system status or certification within 30 days.** Our approved vendors and the quality of their products contribute to the quality and product safety of Filtronetics, Inc. products.
28. **Right of Access:** Filtronetics, Inc. reserves the right of access for their representatives, their customers and regulatory authorities to all facilities supporting our order and to all records applicable to the order. Access shall be at a reasonable time during regular business hours and notice of no less than 5 days will be provided.
29. **Flowdown of FAR:** Required flowdown of Federal Acquisition Regulations (FAR) will be included with any applicable Purchase Order. These regulations can be found at <https://www.acquisition.gov/FAR/>. Seller must flowdown these provisions to their direct and sub-tier external providers as well.
30. **Ethical Business Practices:** Filtronetics, Inc. is committed to ethical business practices and considers these practices to be important part of all of our buying decisions. The vendor shall ensure all employees are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.
31. **Document Retention:** Buyer requires retention of documented information created by Seller in support of this contract to be retained for 7 years and use appropriate disposition methods to insure documents are not disclosed to outside parties.

If not otherwise stated in purchase order on drawings, the following shall apply as applicable.

- A certificate of conformance with a signature of vendor representative is required with each shipment. This certificate shall include Filtronetics
- Purchase Order number and all applicable specifications.
- Soldering workmanship shall be in accordance with J-STD-001 Class 2 & 3.
- Supplier shall identify and package electrostatic sensitive parts to meet the electrostatic protection requirements of Mil-STD-1686.
- Terminals and standoffs on this P.O. are to meet the Solderability requirements of J-STD-002. Age of Surface Mount components shall not exceed 2 years. Gold leaded components are an exception to this requirement.
- Items requiring SHELF LIFE must have at least 95% of Shelf Life remaining upon receipt.
- Calibration of equipment shall include traceability to NIST, certifications, and status decals.