

PRIMUS Technologies Corp - Purchase Order Terms & Conditions Supplemental

Special and Supplementary Quality Program & Inspection System Requirements and SUPPLIER QUALITY MANUAL for all Suppliers producing to Military/Aerospace Requirements and specifically producing to Customer owned drawings.

Effective 25-July-2017 and retroactive to all open PO's

REV: July 2017

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1. Purpose:

The purpose of this Purchasing Document is to provide the required terms and conditions specific to a Purchase Order to the prospective or selected supplier. This document provides the terms and conditions of this purchase as well as the quality criteria. It complements the description provided in the purchase order and terms and conditions of purchase located on web at www.primus-tech.com

2. Scope:

This shall apply to all documents, regardless of media type, that are used for procurement (PO's, RFQ's/RFP's, requisitions, contracts, specifications, drawings, etc.). Articles defined in the schedule of the contract will not be accepted by PRIMUS if the contractor fails to submit the required Certification,

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Documentation, Test Data, and Reports (i.e. evidence of conformance) specified herein.

3. Order of Precedence

The following Hierarchy establishes the Order of Precedence of this Purchase Order:

- I. Purchase Order
- II. Purchase Order Supplement
- III. Drawing or material Specification
- IV. Specification referenced on the Drawing

4. Definitions

"Contract" means the instrument of contracting, such as "PO", "Purchase Order" or other such typed designation, including all referenced documents.

"RFQ" Request for Quotation

"FAR" and "DFAR" refers to the Federal Acquisition Regulation and the Defense Federal Acquisition Regulation.

"QSL" refers to PRIMUS's Qualified Suppliers List or AVL-Approved Vendor List

"NRE" Non recurring expense

"Buyer's Procurement Representative" means a person authorized by Buyer, i.e. PRIMUS' cognizant procurement organization to administer and / or execute this contract.

5. Procedure:

For all applicable RFQ's, contracts, and Purchase Orders this Purchase Order Supplement must be referenced with every Request for Quote and Purchase Order and for specific Military and Aerospace PO's, Appendix A and Appendix B hereto will also apply to both RFQ's and PO's.

5.1 Procurement Authority:

PRIMUS holds out its buyers and purchasing manager as procurement representatives. Any commitment to third parties must come from an authorized procurement representative.

5.2 Global Requirements:

5.2.1 The following general requirements apply to all outgoing PRIMUS purchase orders and attachments covered under the scope of this procedure: 5.2.2 Audit / Survey - PRIMUS or its customers reserve the right to audit/survey the Vendor's Quality Assurance System and non-proprietary processes at the vendor and sub tier vendor facilities at any time during the performance of our purchase orders.

5.2.3 Supplier Corrective Action Requests - Vendor shall respond promptly after receipt. Reply shall note the problem, cause, and associated corrective and preventive action taken to prevent future non-compliance. Failure to respond promptly will impact Supplier performance rating (see P2.5).

5.2.4 Resubmitted Articles - Articles rejected by PRIMUS and subsequently resubmitted by the vendor shall be clearly and properly marked as resubmitted articles. Vendors shipping document shall contain a statement that the articles are resubmitted items and shall reference PRIMUS's rejection document. Each resubmission shall be shipped separately from any other material. 5.2.5 Supplier Rating: Suppliers shall have their quality and delivery performance monitored. Failure to maintain an acceptable standard shall result in removal from PRIMUS's Qualified Suppliers List (QSL).

5.3 Solicitation Instructions

Bidder will comply with these instructions when responding to a PRIMUS solicitation.

5.3.1 Responses to solicitations received after the specified "Bid Close Date" may be considered non-responsive. Any extension of the Bid Close Date shall only be approved by the Buyer's Authorized Procurement Representative. Any extension of a written solicitation must be in writing.

5.3.2 Bidder will provide pricing for the exact quantity requested as written and the next highest quantity break, if any, above the quantity specified herein. 5.3.3 Bidder's response to the solicitation will be based upon a zero shipping tolerance. If Bidder's offered price can be reduced by allowing for shipping tolerances, Bidder will so indicate by quantifying the reduction and specifying the shipping tolerance.

5.3.4 Bidder will indicate any manufacturer's part number if its response to the solicitation proposes an equivalent item other than the requirement stated herein.

5.3.5 PRIMUS will not accept any counterfeit parts. SELLER shall not deliver products that are or contain counterfeit items, such as, but not limited to, materials electrical/mechanical parts or software.

5.3.6 Bidder will return the original Request for Quotation (RFQ), signed, dated, and incorporating the information indicated below. If the Bidder received a Request for Proposal (RFP), the information indicated below will be provided as part of its response:

5.3.6.1 Terms of payment, including any prompt payment discounts;

5.3.6.2 F.O.B. Point (or other transfer of title point)

5.3.6.3 Unit price for quantities indicated, Bidder's corresponding unit of measure, and the extended price.

5.3.6.4 Bidder's delivery schedule. (If the Bidder can deliver to the Buyer's requirements, a separate schedule is not required)

5.3.6.5 Production lead-time.

5.3.7 Bidder will carefully review all documents cited in the Buyer's solicitation to ensure the following:

5.3.7.1 All information required to properly respond to the solicitation has been received;

5.3.7.2 All tooling and material requirements, processes and procedures are understood and priced accordingly in its response, noting that any NRE, e.g. tooling be indicated separately with its own lead-time.

5.3.8 Bidder accepts the responsibility to contact the Buyer's Authorized Procurement Representative, at the number noted on the solicitation, to resolve questions or concerns regarding the solicitation.

5.3.9 Bidder acknowledges by its response to the solicitation that no former employee

of the Buyer is representing the Bidder in connection with its proposal or any resulting order.

5.3.10 Proposals signed by an agent of the Bidder will be accompanied by evidence of their authority to sign as an agent of the Bidder, unless such evidence has been previously furnished and no changes have occurred.

5.3.11 Buyer reserves the right to reject any or all solicitation responses without prior discussions and to evaluate all solicitation responses with regard to quality, price, assurance of timely delivery, and all other factors that the Buyer, in its sole discretion, deems relevant.

5.3.12 If an award is made, it will be made to the bidder whose proposal, when price and other factors are considered, will result in the best value for the Buyer.

5.3.13 Buyer reserves the right to accept other than the lowest-priced proposal and to reject all others without prior discussions.

5.3.14 Buyer will use, when available, historical data from its Supplier Rating System when considering quality and timely delivery performance as award factors.

5.3.15 The award may be made based on initial proposals, without discussion or negotiation. Accordingly initial proposals should be submitted on the most favorable terms from a price, delivery and technical standpoint.

5.3.16 Buyer reserves the right to consider proposals or modifications to proposals received after the bid close date, provided such documents are received prior to award and are in the Buyer's and/or the Government's best interests. 5.3.17 NO-BID Response - If a Bidder declines to submit a proposal for any item described in this solicitation, Bidder is requested to submit a written "no-bid" response and to include the reason for not submitting a proposal.

Failure to respond may lead to removal from the qualified bidder's list.

5.3.18 Bidder Information - (In compliance with the Small Businesses Act), Bidder is requested to provide the following information if not already on file at PRIMUS.

A) State whether under the Federal definitions for the Small Business Administration, Bidder is classified as a Large or Small business.

B) If registered as any of the subdivisions of Small Business as defined in the FAR 52.219 and 13 CFR Part 126 please indicate on quote response.

C) Clearly state if the Bidder is a foreign corporation or if it is a representative of a foreign interest. Bidder/Seller shall notify PRIMUS in writing of any change in status from its solicitation response.

D) If F.A.R. 52.219-9 or DFAR 252.219-7003 is flowed down on this and if the total value of Bidder's solicitation response exceeds \$550,000, a Small Business and Small Disadvantaged Business Subcontract Plan must be returned with the solicitation response, if the Bidder is not a small business entity.

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5.3.19 Safety & Material Integrity compliance

- A) If the material (on any portion of items supplied) has a shelf life, provide with submittal the shelf life of said items.
 - B) If this item needs special storage and handling condition state them with the submittal.
 - C) Material Safety Data Sheets (MSDS) must be provided for materials in your submittal.
- 5.3.20 Drawings
- 5.3.20.1 Drawings will be indicated as either "release for quote" or "release for purchase"
 - 5.3.20.2 Revision Indications
 - 5.3.20.3 Alpha revisions are released drawings
 - 5.3.20.4 Numeric revisions are pre-released drawings

The following requirements are for Aerospace Products / Applications:

6 Military & Aerospace Requirements:

6.1 Documentation Revision Levels - Vendors and Suppliers (and their sub-tier sources) shall apply the issue / version (as specified in PRIMUS purchasing documents) of specifications, drawings, process requirements, inspection & test instructions, technical data, and other relevant documentation pertaining to the PRIMUS order.

6.2 Right of Entry - Vendors and Suppliers (and their sub-tier sources) involved in

the PRIMUS order, shall afford right of entry to their facility(ies) -by PRIMUS, PRIMUS's customer(s) and to Regulatory Authorities.

6.3 Records Access - Vendors and Suppliers (and their sub-tier sources) involved

in the PRIMUS order, shall afford right of access to pertinent Quality Records - by PRIMUS, PRIMUS's customer(s) and to Regulatory Authorities.

6.4 Sub-tier Flowdown - Vendors and Suppliers involved in the PRIMUS order shall "flow down" to their sub-tier sources (involved in the PRIMUS order) all applicable PRIMUS requirements – including those requirements relating to identified Key Characteristics.

6.5 Record Retention - Vendors and Suppliers (and their sub-tier sources) involved in the PRIMUS order, shall retain pertinent Quality Records for a period of Ten (10) years, or longer as specified by customers. Companies discontinuing or suspending business activities within that period will notify PRIMUS and seek their instruction on the disposition of those records.

6.6 Nonconforming Product - Vendors and Suppliers (and their sub-tier sources) involved in the PRIMUS order, shall notify PRIMUS of, and seek their instruction on the disposition and approval of, nonconforming material, products and/or services.

6.7 Source Inspection – PRIMUS and/ or its customers reserve the right to inspect all items covered in this purchase order at the vendor's facilities at any time during the performance of this purchase order.

6.8 Changes in Design, Material, Processes – Vendor shall not make any design, material, or process changes without prior written approval from PRIMUS purchasing on item specified in this Purchase Order. Evidence of Conformity - Articles defined in the schedule of the contract will not be accepted by PRIMUS if the contractor fails to submit the required Certification, Documentation, Test Data, and Reports (i.e. evidence of conformance) specified herein.

6.9 Sampling Inspection - Sampling inspection plans used by Vendors and Suppliers (and their sub-tier sources) involved in the PRIMUS order, shall be statistically valid and preclude the acceptance of lots / populations whose sample contains any rejections to PRIMUS requirements.

6.10 Controlled Sources: Vendors and Suppliers (and their sub-tier sources) involved in the PRIMUS order, shall (when specified by PRIMUS) only use sources that are approved and/or designated by PRIMUS's customers.

6.11 Quality Management System - When specifically required by PRIMUS (and/or its customers) Vendors and Suppliers (and their sub-tier sources) must maintain and operate to a quality management system that demonstrates conformance to Aerospace Standard AS9100.

6.12 Supplier Corrective Action Requests - Vendor shall respond promptly after receipt. Reply shall note the problem cause and associated corrective and preventive action taken to prevent future non-compliance.

6.13 Other requirements in following Sections 8.0, 9.0 and 10.0 – as applicable and invoked in the PRIMUS's purchasing documents.

7.0 Purchase Order General Provisions

7.1 Acceptance-The written acceptance of this purchase order, the delivery of any articles or materials, including partial deliveries, or the furnishing of any services under this purchase order shall constitute acceptance by the Seller and be subject to all terms and conditions herein. Any exceptions must be agreed to by Buyer in writing.

7.2 Contract Execution and Direction

Only the PRIMUS - Procurement Representative has authority on behalf of PRIMUS - execute or make changes to this Contract. All amendments must be identified as such in writing and executed by the parties. PRIMUS - engineering and technical personnel may from time to time render assistance or give technical advice or discuss or effect an exchange of information with SELLER's personnel concerning the work hereunder. No such action shall be deemed to be a change under the "Changes" clause of this Contract and shall not be the basis for equitable adjustment. Except as otherwise provided herein, all notices to be furnished the SELLER shall be in writing and sent to the PRIMUS - Procurement Representative.

7.3 Terms and conditions applicable to U.S. Government work If it is noted on the face of this purchase order that U.S. Government work is involved; Appendix B hereto, including applicable FAR and DFAR clauses, shall be flow down as applicable. Such clauses shall be incorporated by reference and have the same force and effect as if given in full text. In the event that a conflict exists between the basic terms and conditions set forth in the body of the purchase order and those provided by way of appendix or other attachment, the latter shall prevail.

7.4 Order of Precedence

Confliction provision hereof, if any, shall prevail in the following descending order of precedence: 1.) Typed provision on the face of the purchase order, 2.) Purchase order attachments, 3.) The printed portion of this SOP, including these Terms and Conditions, 4.) Statement of work, and 5.) Specifications attached to incorporate by reference. Buyer's specifications shall prevail over those of the Buyer's customer, including an agency of the U.S. Government and both shall prevail over those of Seller.

7.5 Tax-Federal sales, Manufacturer's and Retailers' Excise, State and Municipal Sales and Use Taxes, when applicable, shall by/e billed as separate items on invoices of Seller.

7.6 Warranty- (a) In addition to any warranty provisions incorporated into this purchase order, the Seller warrants to the Buyer that at the time of delivery the goods called for by this order will be free from defects in material and workmanship and will be suitable for the purposes intended whether expressed or implied. (b) At Buyer's option, Buyer may return any non-conforming or defective items (including data) to Seller or require correction or replacement of the item at the time the defect is discovered, all at Sellers risk and expense. Buyer shall have all other rights and remedies provided by law. Acceptance of items by Buyer shall not relieve Seller of its responsibilities hereunder. The warranties of Seller, together with its service warranties and guarantees, if any shall run to buyer and its customers. These rights of Buyer are in addition to, but shall not be limited to, Seller's standard warranties.

7.7 Delivery-time and rate of delivery are the essence of this order. If deliveries are made in advance of the date agreed upon, Buyer shall have the right to store or return the goods at Seller's expense, and if returned, Seller shall hold them for delivery at the appropriate time. If Seller repudiates this contract, fails to make the delivery at the time agreed upon, or makes delivery at any time later than that agreed upon, Buyer shall have the right, in addition to all other remedies, to terminate this purchase contract either in its entirety, or with respect to such goods as are delivered later than the time agreed upon and, at Buyer's option, any remaining installments, as the case may be, and charge Seller with any loss thereby incurred. Buyer shall have the right at its option to return any goods

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rejected for late delivery or store the same at Seller's expense and subject to its instructions. The loss which may be charged to Seller shall include the difference between the cost of purchasing replacement (whether paid or contracted to be paid) in substitution for those due from Seller ("covering purchases"), and any incidental or consequential damages incurred, including penalties assessed by Buyer's customer. Incidental damages shall include expenses incurred by Buyer in inspection, receipt, transportation, care and custody of goods rejected, charges, expenses or commissions incurred by Buyer in connection with effecting covering purchases, and any other reasonable expense incident to the repudiation, failure to deliver or late delivery of Seller. Consequential damaged shall include any loss resulting from general or particular requirements or needs of the Buyer of which Seller either at the time of contraction, or at the time of its breach of this contract, had reason to know.

7.8 Title and Risk or Loss-Unless otherwise provided in this order, Seller shall have title to and bear the risk of any loss or damage to the items purchased hereunder until they are delivered in conformity with this order at the F.O.B. point specified on the face hereof and upon such delivery title shall pass from Seller and Seller's responsibility for loss or damage shall cease, except for loss or damage resulting from Seller's negligence or failure to comply with this order. Passing of title upon such delivery shall not construe acceptance of the items by Buyer.

7.9 Inspection- (As used herein, the term "Inspection" will be read to include the term "Test" where applicable) (a) Except where specialized inspections are specified for performance solely by the Buyer or its 'Customer, the Seller is responsible for performing or having performed all inspections and tests necessary to substantiate that the supplies and services provided under this Purchase Order conform to the drawings, specifications, and other contract requirements listed herein. Where the Seller is a "Distributor", technical inspection of the product is not required. (b) The Seller shall prepare records evidencing performance and outcome of inspections performed. These records shall be kept complete and made available to the Buyer for a period of four (4) years following completion of the Order, and as long thereafter as the Order may require. (c) Equipment and devices used in the performance of inspections shall be suitable for the measurements made, and shall be compared periodically to Standards traceable to the National Institute of Standard and Technology (NIST) to ensure continuing accuracy. On-U.S. manufacturers may compare inspection equipment and devices to their National Standards or International Standard. Record of the performance and outcome of such comparison shall be maintained and made available to the Buyer upon request. (d) The Seller will submit to the Buyer for an acceptance only those supplies, which have been inspected by the Seller and found to be conformity with all requirements of this order. (e) All articles, raw materials, and work in process are subject to inspection, to the extent practicable, at all times and places, including during the period of performance and manufacture. (f) Unless otherwise provided, inspection and acceptance by the Buyer will be at destination; however, the Buyer reserves the right to perform source in section and acceptance, for all items or any portion thereof if warranted by circumstances such as the delivery of nonconforming products. (g) The Seller shall act upon and make timely response to the buyer concerning requests for corrective action related to receipt of nonconforming products or noncompliance with other Purchase Order requirements. (h) Until delivery and acceptance by the Buyer and after rejections, risk of loss will be on the Seller, unless loss results from negligence of the Buyer. (i) Notwithstanding prior inspection, payment for or use of the goods, the buyer shall the right to reject any of such goods, which do not conform to the requirements of this order. Such right shall be exercisable within six (6) months following receipt of the goods or as provided for in the Buyer's applicable specifications. All such rejected items shall be returned to Seller, transportation collect, for credit or refund, unless otherwise specified by the Buyer. (j) The buyer and or its Customer have the right to perform inspections on the premises of the Seller or subcontractors to the Seller. If this right is exercised, the Seller shall furnish, and shall require its subcontractors to furnish, without additional charge, all reasonable facilities and assistance for the safe and convenient performance of these activities. (k) Except as otherwise provided in the order, the Buyer or its customer shall bear the expense of the Buyer's, or it's Customer's, inspections performed at other than the Seller's or it's subcontractor's premises. The Seller hereby agrees that the Buyer has unequivocal rights to recover any and all reasonable costs associated with inspection or re-inspection, as may be

appropriate, at any point other than designated F.O.B. or inspection point as specified on the face of this order or any written amendment thereto. Such costs may include, but are not limited to: labor, material, travel, and include quality provisions required by the United States Federal Government All Subcontractors of Parts and Services to PRIMUS are advised that they are subject to surveillance and investigation by the United States Government NOTE: Acceptance of this Purchase Order, and delivery if product covered by the Order, constitute a "Certificate of Compliance" on the part of the Seller that all products delivered are in complete compliance with the requirements of the Purchase Order. If stated in the Purchase Order, specific, detailed Certification such as Certificate of Compliance, or Certificate of Analysis, Certificate of Test may be Required.

7.10 Infringement of Patents-To the extent of items delivered hereunder are not manufactured pursuant to the detailed designs furnished by Buyer, Seller shall hold Buyer, its agents, customers, and users of its products harmless from all loss, damage, and liability which may be incurred on account of infringement of United Stated patent rights with respect to such 'items and shall, at its own expense, defend all claims, suits, and actions against Buyer, its agents, customers, or the users of its products in which such infringement is alleged, provided Seller is duly notified of such claims, suits, and actions, and Seller's indemnity shall not apply to any infringements arising from the use or sale of an item delivered hereunder where such infringement would not have occurred from the use or sale of the item solely for the purpose from which it was designed.

7.11 Compliance With Statutes, Laws, and Regulations- (a) Seller warrants and certifies that in performance of this order, it will comply with all applicable statutes, rules, regulations, and orders of the United states, and of any state or political subdivision thereof, including laws and regulations pertaining to labor, wages, hours, and other conditions of employment and applicable price ceilings, if any, and that the articles delivered hereunder shall be produced in compliance with the Fair Labor Standard Act. (b) Seller shall comply withal applicable Federal, State, and local laws, Government orders, and regulations in performing this purchase order. Seller covenants to save and hold Buyer harmless of and from, and to reimburse Buyer for any and all costs, damages, and expenses (including reasonable Attorney's fees) suffered or occasioned to Buyer directly or indirectly through any failure of Seller to comply with any such laws, regulations, or orders.

7.12 Property of Materials Furnished to Seller by The Buyer- (a) Unless otherwise specified in this order, all designs, tools, patterns, drawings, specifications, and any other information, materials, or equipment, etc. shall remain Buyer's property, and Seller shall not use any such property or information as indicated in the production or manufacture of larger quantities than those specified herein, without first obtaining Buyer's written consent thereto. Seller shall be fully responsible for all property upon delivery to seller until re-delivery thereof to Buyer, and shall promptly upon completion of the work deliver all such property and production there from Buyer, or, if Buyer demand delivery of same prior to completion of work, Seller shall deliver such property and production to Buyer in accordance with the terms or said demand. (b) The Buyer shall hold the Seller liable for the cost of any and all materials or property provided by the Buyer to the Seller, for use in producing or manufacturing the goods ordered under this purchase order. If, as a result of negligence or mishandling on the part of the Seller or any of its subcontractors, Buyer furnished materials or property is misused, wasted, or destroyed in the processing of such materials or property, the Buyer reserves the rights to recover all and any reasonable cost of loss incurred by the buyer in having been subjected to such negligent, wasteful acts on the part of the Seller or its subcontractors. Reimbursement of such incurred cost or loss on the part of the Buyer will be accomplished by an appropriate method as directed by the Buyer, such as direct repayment or as a credit reduction in the amount of this order. (c) Restrictions in this clause do not apply to the U.S. Government.

7.13 Tooling and Test Equipment

7.13.1 Unless otherwise specified, all tooling and test equipment manufactured in the performance of this purchase order and billed shall become property of the buyer. Any exception to this specific provision must be expressed in writing on the face of this order or an appropriate written amendment thereto, including the

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incorporation of any such terms or conditions imposed by the Seller as a normal course of the Seller's business practice.

7.13.2 This applies to property of such special nature that its use, without substantial modification or alteration, is limited to the production of the particular services or products for which acquired or furnished. It includes such items as jigs, dies, fixtures, molds, special gauges, test equipment, etc.

7.13.3 PRIMUS tooling or test equipment shall be tagged & identified as belonging to PRIMUS. These items must be verified once per year on an inventory report, requested by PRIMUS.

7.13.4 Upon completion of work for which the PRIMUS furnished property was provided or upon being idle for six (6) consecutive months without a firm follow-up, the Contractor will request property disposition instructions from PRIMUS.

7.14 Specifications-Seller shall comply with all specifications stated on the face of this order or contained in any document referred to herein.

7.15 Changes-The only representatives empowered to direct change or agree to modifications of this order are authorized representatives of the Buyer's purchasing department. (a) No modifications of this order shall be binding on Buyer unless made by a formal amendment signed by an authorized agent of the Buyer. (b) Buyer may unilaterally make changes within the general scope of this order. 1.) the shipping instruction, 2.) the place of delivery, or 3.) the quantity, specifications, or drawings. (c) such changes shall not permit Seller to increase the price provided for in this order unless Seller shall make written demand upon Buyer within seven days after notice of such changes; thereafter Buyer shall have an additional period of seven days within which either to accept such increase in price or cancel this order.

7.16 New Material- Unless this purchase order specifies otherwise, the Seller represents that the supplies and components are new as defined in FAR52.211- 5, including recycled (not used or reconditioned) items, and are not of such age or so deteriorated as to impair their usefulness or life expectancy.

7.17 Packaging and Shipping- (a) Unless otherwise stated on the face of this purchase order, the Seller agrees to ship and deliver all items ordered herein F.O.B. destination (free from expense for the Buyer), by the method of conveyance and at the point specified in the order. (b) All package exteriors, packing lists, bills of lading, shipping notices, tags, correspondence, etc., must display the Buyer's purchase order number. Material shall be packaged in accordance with any applicable specifications cited in the order. If no such packaging specifications are cited, packaging shall be in accordance with commercial packaging requirements to ensure that no damage shall result from weather and/or transportation. Unless otherwise specified, the cost thereof shall be included in the price of the articles.

7.18 Termination- (a) Default-Buyer may terminate this purchase order or any part thereof by written notice of default to Seller under any of the following circumstances. Termination shall occur: 1.) If Seller fails to make deliveries or perform the services within the time specified or extension thereof. 2.) If Seller fails to comply with any other provisions of this order, or so fails to make progress as to endanger performance of this purchase order in accordance with its terms, and does not cure any such failure within ten (10) days of written notice from Buyer. 3.) If Seller becomes insolvent or makes general assignment for the benefit of creditors or pursues any remedy under law relating to relief of debtors. (b) **Termination for Buyer's Convenience** - Buyer may terminate this order in whole or in part at any time, by notice in writing. Upon receipt of said notice, Seller shall take immediate action to minimize Buyer's cost and to protect Buyer's property.

7.19 Stop Work Order - (a) Seller shall stop work for a period of up to ninety (90) days in accordance with any written notice received from PRIMUS -, or for such longer period of time as the parties may agree and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work during the period of Work stoppage.

(b) Within such period, PRIMUS - shall either terminate in accordance with provisions of this Contract or continue the Work by written notice to SELLER. In the event of a continuation, an equitable adjustment in accordance with principles of the "Changes" clause shall be made to the price, deliver schedule, or other provision(s) affected by the Work stoppage, if applicable, provided that the claim

for equitable adjustment is made within thirty (30) days after date of notice to continue.

7.20 Protection of Specific Acquisition Data/Technologies information - (a)

All technical data provided to the Seller by the Buyer shall be protected from public disclosure in accordance with the markings contained thereon. (b) Seller shall not, without first obtaining written consent, disseminate the fact that the Seller furnished or has contracted to furnish Buyer the times covered hereby, nor, except as is necessary for the performance of his Order, shall Seller disclose any of the drawings, specifications, and other details connected with this order to third parties or as a public disclosure. Dissemination of public disclosure includes, but is not limited to, permitting access to such information by foreign nations or by any other person or entity; publication of technical or scientific papers; advertising; or any other proposed public release. The Seller shall provide adequate physical protection to such information so as to prevent access by any person or entity not authorized such access by the Buyer.

7.21 Buyers Use of Data and Information

a. Seller agrees that any data such as drawings, instructions, or information to Buyer in connection with this purchase order shall be free from confidential, proprietary, or restrictive use markings, other than statutory patent, copyright, or U.S. Government security notices. Buyer, its agents or assigns, may duplicate such documents in connection with further manufacture, use, or disposition of the material furnished under this order, and may remove, obliterate, or ignore any such markings as may be on such documents. All information and data disclosed or furnished by Buyer in connection with this order shall be deemed to be disclosed or furnished as part of the consideration for this order, and Seller agrees not to assert claims (except claims for patent infringement) by reason of Buyer's use, duplication, or disclosure thereof.

b. Seller will retain the entire right, title, and interest throughout the world to each subject invention subject to the provisions of this clause and 35 U.S.C. 203. With respect to any subject invention in which the Seller elects to retain title, the Buyer shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the Buyer the subject invention throughout the world.

7.22 Proprietary and confidential information - When indicated on the RFQ, Purchase Order, drawings, specifications or correspondence that the information given to SELLER is confidential or Proprietary, SELLER shall not disclose such information in any way to third parties or the public in general. This also applies to any information where a Non-disclosure / confidential agreement is in effect between SELLER and Buyer. Confidential Information disclosed orally shall be identified as such in writing with thirty (30) days of disclosure. Recipient agrees that the Confidential Information is to be considered confidential and proprietary to Owner, and Recipient shall hold the same in confidence, shall not use the Confidential Information other than for purposes of its business with Owner, and shall disclose it only to its officers, directors, or employees with a specific need to know. Recipient will not disclose, publish or otherwise reveal any of the Confidential Information received from Owner to any other party whatsoever except with specific prior written authorization of Owner. Confidential Information furnished in tangible form shall not be duplicated by Recipient except for purposes of this Agreement. Upon the request of Owner, Recipient shall return all Confidential Information received in written or tangible form, including copies, or reproductions or other media containing such Confidential Information, within ten (10) days of such request. At Recipient's option, any documents or other media developed by the Recipient containing Confidential Information may be destroyed by Recipient. Recipient shall provide a written certificate to Owner regarding destruction with ten (10) days thereafter. The Receiving Party acknowledges and agrees that due to the unique nature of the disclosing party's Proprietary Information, there can be no adequate remedy at law for any breach of Receiving's Party's obligation hereunder, which breach may result in irreparable harm to the Disclosing party, and therefore, that upon any such breach or any threat thereof, the disclosing Party shall be entitled to appropriate equitable relief, without the requirement of posting a bond, in addition to whatever remedies Disclosing Party might have at law. In the event that any of the provisions of this Agreement shall be held by a court or other tribunal of competent jurisdiction to be illegal, invalid or unenforceable, such provisions shall be limited or eliminated

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to the minimum extent necessary so that his Agreement shall otherwise remain in
C) If shipments are made on wooden pallets, they must be accordance with U. S. Customs and Border protection (CBP) rules on US wood packing materials.

D) Large or heavy items. Packaging must have a space to accommodate lifting with a forklift.
E) Moisture protection (e.g. a desiccant) must be properly incorporated into the packaging where required.

full force and effect.

7.23 Assignment, Subcontracting and Insolvency – Seller shall not assign this purchase order in whole or in part nor enter into any subcontracts hereunder without Buyer's written consent. Either party may cancel this order forthwith by written or proper electronic notice in the event that the other becomes insolvent or makes a general assignment for the benefit of creditors or files a petition for reorganization or if a petition in bankruptcy is filed by or against the other party and is not dismissed within ten days.

7.24 Separability of Provisions – If any clause, sentence or provision of this order be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder hereof, but shall be confined in its operation to the clause, sentence, provision or part hereof, directly involved in the controversy in which judgment shall have been rendered.

7.25 Labor Disputes – Seller shall immediately notify Buyer of any actual or potential labor dispute which delays or threatens to delay the timely performance of this purchase order, and of all information relevant thereto.

7.26 Publicity – Seller shall not, without the prior written consent of Buyer, make public, by press release or otherwise, the fact that this purchase order has been placed with it, or any details thereof.

7.27 Governing Law – This purchase order shall be governed by the interpreted pursuant to the laws of the State of Maryland.

7.28 Communication with PRIMUS Customers
PRIMUS shall be solely responsible for all liaison and coordination with PRIMUS's customer, including the U.S. Government, as it affects the applicable prime contract, this Contract, and any related contract.

7.29 Government Property

7.29.1 Government Furnished Property (GFP)

Property transferred from Government stocks, or purchased direct by the Government and delivered into the contractor's custody for performance of the contract. Title to GFP goods remain in the Government.

7.29.2 Subcontractor Acquired Government Property

Property purchased or fabricated by the subcontractor, the cost of which is reimbursable under the contract. The subcontractor is required to identify and segregate Government property in its possession. No Government property nor any part of Government property shall be or become a fixture or lose its identity by incorporation in or attachment to property not owned by the Government.

7.29.3 Government Property Accountability

Every year by September 30, Subcontractor must supply PRIMUS with an inventory of all Government property in their possession. This must be done on form 1662.

7.30 Furnished Property

- PRIMUS - may provide to Seller property owned by either PRIMUS - or its customer (Furnished Property). Furnished Property shall be used only for the performance of this Contract.
- Title to Furnished Property shall remain in PRIMUS - or its customer. Seller shall clearly mark (if not so marked) all Furnished Property to show its ownership.

- Except for reasonable wear and tear, SELLER shall be responsible for, and shall promptly notify PRIMUS - of, any loss or damage. Without additional charge, SELLER shall manage, maintain, and preserve furnished Property in accordance with good commercial practice.
- At PRIMUS -'s request, and/or upon completion of this Contract, the SELLER shall submit, in an acceptable form, inventory lists of Furnished Property and shall deliver or make such other disposal as may be directed by -.

7.31 ATF Regulations

In accordance with requirements of the United States Bureau of Alcohol, Tobacco and Firearms (ATF), where appropriate the supplier must provide the number of their Federal Explosive License / permit. The number must be identified on prescribed documentation per Federal Regulation 55.125) (6) – (e.g. on packing lists, certificates of conformance, lot data, etc.)

7.32 Suppliers Content Code

When the manufacturer's part number uses a code to denote quantity put-up or package size, it will be incumbent upon the Vendor to supply in the appropriate put-up to accommodate this specific order. Therefore, the base part number must be used, but allowance for the put-up will be flexible.

8.0 PACKAGING, PRESERVATION and HANDLING

8.1 Packaging requirements

8.1.1 Electronic Devices (if applicable)

- Electronic devices are to be inserted individually into ESD bags.
- ESD bags must be either folded over or sealed with an ESD indicated tape or in a zip-locked ESD bag.
- Individual items in bags are to be wrapped in anti-static bubble wrap protection; one complete wrap
- PWA's are to be inserted into a single slot of a corrugated box with partitions to allow the boards to be inserted vertically. Only one layer of boards should be packed per shipping container.
- Corrugated shipper must be at least 275 pound burst strength.
- Shipping container must be legibly labeled on the outside with at least the following information.
 - Shipper's Name
 - Item Description
 - PRIMUS Part Number

8.1.2 Pallets (if applicable)

- For shipments of inventory goods delivered to PRIMUS on pallets, the pallets must be 42 inches wide by 48 inches deep pallet truck fork entrance on the 42 inch side with a clearance of 4 inches.
- Total packed Pallet height must not exceed 40 inches

8.2 Container Marking

- Each individual container (can, bag, bottle, roll drum, etc.) containing the articles to be delivered must be clearly and permanently marked with Batch or Lot number
- Date of manufacture or shipping date, whichever controls shelf life limitations
- Hazard material markings – Each individual container of toxic substances or hazardous chemicals to be delivered, shall bear a label from the manufacturer, importer, distributor, or supplier with the chemical name and hazardous warning as defined by OSHA HAZARD COMMUNICATION STANDARD 29 CFR 1910, 1200 and state employee "Right to Know" Laws. In addition, manufacturer, importers, distributors and / or suppliers shall provide Material Safety Data Sheets (MSDS) for these substances.
- Non-Hazardous chemicals – Each individual container of non-hazardous chemicals delivered to PRIMUS shall bear a label from the manufacturer, importer, distributor and / or supplier so indicating that the contents are non-toxic and / or non-hazardous.

8.3 General Packing, shipping and documentation requirements

- The goods delivered against Buyers Purchase Order shall be in accordance with any specified packing or shipping requirements and accordance with all applicable transportation regulations.

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B) An itemized packing list shall accompany each shipment. Buyer's count, weight or other measure of fulfillment shall be final.

8.4 Traceability

Supplier/Seller/Contractor will maintain traceability of either sub tier vendor or PRIMUS supplied electrical components (such as, but limited to thermal fuses, slo-blo fuses, diodes, discharge switches and resistors) A lot number for completed assemblies shall be assigned (e.g. build date, sequential digits or numerals). Assemblies shall be identified in accordance with the appropriate subparagraph herein. If lot number for any component changes during assembly or rework, a new lot number shall be assigned to the completed assembly. Supplier/Seller, Contractor shall maintain records of each lot, and provide PRIMUS certificates of compliance (C of C) listing assigned assembly numbers. If components were supplied by PRIMUS the C of C should specify which PRIMUS RIR number(s) correspond to each assembly lot. Assembly shall be permanently marked with lot number. Smallest unit bag or carton containing assemblies shall be marked.

8.5 Time and Temperature Sensitive Materials

Time and temperature storage conditions must be attached to the packing sheet and accompany each shipment to be delivered. The outer most shipping box must be marked to indicate Time and Temperature Sensitive Material and Temperature Storage Range Degrees. Any material with normal shelf life of one year or less must have three fourths of its shelf life left at time of shipping. The shelf life period begins with the date of manufacture and not with the date a distributor receives material. Additional information required on the Certificate of Conformance if it is not marked on the material or packaging is: Name and Address of Manufacturer if different from supplier, and Date of Manufacture.

8.6 Shelf Life and Storage Environment

A) For items delivered under this contract / purchase order, whose useable shelf life is time-limited or age-sensitive, the supplier shall clearly identify on each individual unit container that its contents have a shelf life, as well as the date of expiration.
B) PRIMUS will not accept any item(s) whose life has expired more than 25% when delivered.
C) For items delivered under this contract / purchase order, whose storage must be environmentally controlled (e.g. temperature, humidity, EDS, etc.), the have a shelf life, as well as the date of expiration.

8.7 Metal Parts

All parts must be free of oils, grease, corrosion, moisture and manufacturing soils/debris. There shall be no sharp edges all surfaces must be burr free. Adequate cleaning is required on all metal surfaces to remove any and all grease, fingerprints, oxides and tarnish. All unfinished metal surfaces must be cleaned using a solvent, emulsion or alkaline spray to remove the contaminants. All parts should then be protected in such a manner as to not allow for recontamination during shipping and handling. This is intended as a general guideline. More stringent qualification on drawings takes precedent over these requirements.

9.0 On-Site Commercial and Safety Requirements

A) Insurance coverage verification- Contractors performing work on-site shall provide PRIMUS purchasing evidence of insurance coverage via a copy of their insurance certificate.
B) Contractor shall place PRIMUS as an additional insured on their policy for purposes of this order.
C) Subcontractor's Equipment and operators; Subcontractor must provide a written statement that site employees operating equipment are competent. In addition, any Contractors employee operating their own equipment on PRIMUS's premises must have on file with PRIMUS a copy of their operator's certified license for the specific piece of equipment. Subcontractor must provide all equipment necessary for the job. At the conclusion of the job, this equipment must be promptly removed.
D) On site construction or services- if required per contract, Contractor must obtain and provide all applicable federal, state and local permits.
E) All on-site contractors must review with the PRIMUS Project Coordinator all PRIMUS rules and regulations (see SDN335). Any facility questions must be

directed to PRIMUS's facility manager, any commercial questions or changes must be approved by PRIMUS's purchasing manager.

F) On site contractor may be required to carry a bond. This will be indicated on the Purchase Order as well as the bond amount.

G) All on-site sub-contractors must submit proof that they are US Citizens or Green Card Holders.

10.0 Counterfeit Parts/Work and Prohibited Items

10.1 Counterfeit Definitions

A) For purposes of this clause, Work consists of those parts delivered under this Contract that are lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). "Counterfeit Work: Work that is or contains items misrepresented as having been designed and/or produced under an approved system or acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair, but is altered and misrepresented as acceptable.

B) SELLER agrees and shall ensure that Counterfeit Work is not delivered to PRIMUS.

C) Seller shall only purchase products to be delivered or incorporated as Work to PRIMUS - directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by PRIMUS -.

D) Seller shall immediately notify PRIMUS - with pertinent facts if Seller becomes aware or suspects that it has furnished Counterfeit Work. When requested by PRIMUS -, SELLER shall provide OCM/OEM documentation that authenticates traceability of the affected items to applicable OCM/OEM.

E) In the event that Work delivered under this Contract constitutes or includes Counterfeit Work, SELLER shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirement of this Contract. Notwithstanding any other provision in this Contract, SELLER shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation PRIMUS' costs of removing Counterfeit Work, of reinserting replacement work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies PRIMUS - may have at law, equity or under other provisions of this Contract.

F) This clause applies in addition to any quality provision, specification, statement of work or other provision included in this Contract addressing the authenticity of Work. To the extent such provisions conflict with this clause, this clause prevails.

G) SELLER shall include paragraphs (a)through (d) of this clause equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to PRIMUS.

10.2 Prohibited Materials

A) If there are any prohibited materials they will be indicated on attachments "Prohibited Materials"

B) SELLER represents that each chemical substance constituting or contained in Work sold or otherwise transferred to Buyer attached is on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Administration pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.) as amended.

10.3 Prohibited Software

A) This clause only applies to Work that includes the delivery of software.

B) As used herein, "Prohibited License" means the General Public License ("GPL") or Lesser/Library GPL, the Artistic License (e.g., PERL), the Mozilla Public License, the Netscape Public License, the Sun Community Source License, the Sun Industry Standards License, or variations thereof, including without limitation licenses referred to as "GPL Compatible, Free Software License".

C) As used herein, "Prohibited Software" means software that incorporates or embeds software in, or uses software in connection with, as part of, bundled with, or alongside any (1) open source, publicly available, or "free" software, library or documentation, or (2) software that is licensed under Prohibited License, or (3) software provided under license that (a) subjects the delivered software to any Prohibited License, or (b) requires the delivered software to be licensed for the

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purpose of making derivative works or be redistributable at no charge, or (c) obligates PRIMUS - to sell, loan, distribute, disclose or otherwise make available or accessible to any third party (i)the delivered software, or any portion thereof, in object code and/or source code formats or (ii) any products incorporating the delivered software, or any portion thereof, in object code and/or source code formats. (d) Unless SELLER has obtained PRIMUS -'s prior written consent, which PRIMUS - my withhold in its sole discretion, SELLER shall not use in connection with this Contract, or deliver to PRIMUS -, any Prohibited Software. (e) SELLER agrees to defend, indemnify, and hold harmless PRIMUS -, its customers and suppliers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys' fees, relating to use in connection with this Contract or the delivery of Prohibited Software.

11.0 Subcontractors

- A) Buyers documents – all confidential information, included but not limited to drawings, specifications, letters, electronic media are the property of the Buyer. Upon completion or at the Buyer's request, all such documentation must be returned to the Buyer.
- B) Government property - the contractor shall establish and maintain a system to control protect, preserve, and maintain all Government property. This property control system shall be in writing.
- C) Communication - A communication with respect to changes in the order MUST be communicated in writing through the Purchasing Department. Any such unsubstantiated changes run the risk of not being valid and will not be reimbursed.
- D) All Contractors on site must obtain and have visible a PRIMUS Contractor's badge. Access to certain parts of the building may be restricted. Upon completion of the job, all contractors' badges must be returned to PRIMUS. If not returned, a charge of \$50.00 each will be deducted from the final invoice.

Appendix A Supplier Quality Manual/Military & Aerospace Addendums

Q1.0 GLOBAL QUALITY REQUIREMENTS

- A) The following general requirements apply to all outgoing PRIMUS purchase orders covered under the scope of this procedure.
- B) Amendments and/or revisions to this document in effect at the contract date are applicable.

Q1.1 CERTIFICATE OF COMPLIANCE (C of C)

Supplier shall include, with each shipment, a Certificate of Compliance stating that the items have been manufactured inspected and/or tested in conformance to the terms of the contract.

The Certificate shall include as a minimum:

- A) the date,
- B) Purchase Order number,
- C) PRIMUS part number,
- D) Customer part number,
- E) Revision number,
- F) Quantity shipped,
- G) Supplier's name,
- H) Statement of conformance to the terms of the contract,
- I) Specific statement of conformance of material to the specification required (Example: material conforms to C1010 steel per QQ-s-6-9-8)
- J) Signature and Title of the authorized Quality Representative.

Q1.2 CERTIFICATE OF ANALYSIS (C of A)

When dictated by contract or based upon the type of product being supplied, a Certificate of Analysis shall be Required. Refer to Clause Q2.8. for specific detail regarding the requirements for Certificates of Analysis.

Q1.3. DOCUMENTATION REVISION LEVELS

Q1.3.1. Contractors and suppliers (and their sub-tier sources) shall apply the issue / version (as specified in PRIMUS purchasing documents) of specifications, drawings, process requirements, inspection & test instructions, technical data, and other relevant documentation pertaining to the PRIMUS order.

Q1.4. RIGHT OF ENTRY

Q1.4.1. Contractors and suppliers (and their sub-tier sources) involved in the PRIMUS order, shall afford right of entry to their facility(ies) -by PRIMUS, PRIMUS' customer(s) and to Regulatory Authorities.

Q1.5. RECORDS ACCESS

Q1.5.1. Contractors and suppliers (and their sub-tier sources) involved in the PRIMUS order, shall afford right of access to pertinent Quality Records - by PRIMUS, PRIMUS' customer(s) and to Regulatory Authorities.

Q1.6. SUB-TIER FLOWDOWN

Q1.6.1. Contractors and suppliers involved in the PRIMUS order shall 'flow down' to their sub-tier sources (involved in the PRIMUS order) all applicable PRIMUS requirements – including those requirements relating to identified Key Characteristics.

Q1.7. RECORD RETENTION

Q1.7.1. Contractors and suppliers (and their sub-tier sources) involved in the PRIMUS order shall retain pertinent Quality Records for a period of ten- (10) years, or longer as specified by certain customers. Companies discontinuing or suspending business activities within that period will notify PRIMUS and seek their instruction on the disposition of those records.

Q1.8. NONCONFORMING PRODUCT

Q1.8.1. Contractors and suppliers (and their sub-tier sources) involved in the PRIMUS order, shall notify PRIMUS of, and seek their instruction on the disposition and approval of, nonconforming material, products and/or services.

Q1.9. SOURCE INSPECTION

Q1.9.1. PRIMUS and/ or its customers reserve the right to inspect all items covered in this purchase order at the supplier's facilities at any time during the performance of this purchase order.

Q1.10. CALIBRATION SYSTEM REQUIREMENTS

Q1.10.1. The supplier or contractor's calibration system shall conform to the requirements of ISO 10012-1 in conjunction with ANSI/ISO/ASQ Q9001-2000 and ANSI/NCSL Z-540-1 and is subject to review and approval at all times by PRIMUS.

Q1.10.2. The supplier or contractor's signed certification must state:

Q1.10.2.1. Traceability to the National Institute of Standards & Technology (NIST) Q1.10.2.2. Tool or gage number

Q1.10.2.3. Contract number

Q1.10.2.4. The supplier or contractor shall maintain a Calibration System, which effectively controls the accuracy of measuring and testing equipment and is acceptable to PRIMUS Quality standards.

Q1.10.2.4. The supplier or contractor shall maintain a Calibration System, which effectively controls the accuracy of measuring and testing equipment and is acceptable to PRIMUS Quality standards.

Q1.11.SUPPLIER CORRECTIVE ACTION REQUESTS (SCAR) Q1.11.1.

The supplier shall respond with an initial reply within 7 days after submission (or return of failures if applicable) unless a waiver is granted by PRIMUS in writing. The initial reply shall note response team, including contact information, the problem description, and the initial / interim containment actions.

Q1.11.2. The supplier shall respond with a final reply within twenty one business days after receipt unless a waiver is granted by PRIMUS in writing. The final response should note root cause, solutions / corrective action, validation / permanent corrective actions, and prevention / preventative actions taken to prevent recurrence and future non-compliance.

Q1.11.3. Neglect to respond appropriately may result in a lowered supplier performance score.

Q1.12. FAILURE ANALYSIS REPORT

Q1.12.1. The supplier shall perform failure analysis on item(s) returned under this contract and shall provide to PRIMUS as a minimum, the following information with the shipment or as directed by contract.

- A) Date of Report
- B) Contract Number
- C Contractor's name and address
- D) Part Name, number, revision level, serial/number.

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- E) Specific and contributory causes of failure
- F) Corrective Action Taken to correct the non-conformance
- G) Serial number of the Corrective Action
- H) Preventive Action Taken to preclude recurrence
- I) Effectivity date
- J) Signature and Title of Contractor's Quality Representative approving the failure analysis report.

Q1.13. SAMPLING INSPECTION

Q1.13.1 Sampling inspection plans used by Contractors and suppliers (and their sub-tier sources) involved in the PRIMUS order, shall be statistically valid and preclude the acceptance of lots / population whose sample contains any rejections to PRIMUS requirements. (Preferred Method C=0, reject on one)

Q1.14. INSPECTION BY PRIMUS

Q1.14.1 All shipments on this contract are subject to Receiving Inspection activity by PRIMUS

Q2.0. ORDER AND/OR DRAWING SPECIFIC REQUIREMENTS Q2.0.1.

The following requirements apply to outgoing PRIMUS purchase orders when specified on the Purchase Order and/or Drawing(s) / Specifications.

Q2.1. CALIBRATION CERTIFICATION REQUIRED

Q2.1.1. A calibration certification may be required with each shipment. The certification shall include be traceable to the National Institute of Standards & Technology (NIST) or Mil-STD-45662A

Q2.2. PRIMUS INTERNAL REQUIREMENTS

Q2.2.1. This item will be calibrated by PRIMUS personnel prior to use. Forward to Calibration department.

Q2.3. ACCEPTANCE TEST PROCEDURES; IN- PROCESS AND FINAL

Q2.3.1. The supplier or contractor shall prepare separate detailed test procedures, encompassing test required for in- process and final acceptance. An Acceptance Test Procedure (ATP) shall cover each item of hardware or part thereof, which requires acceptance testing.

Q2.3.2. Final and In-process Acceptance Test Procedure requires PRIMUS approval prior to the delivery of the first item on the contract.

Q2.3.3. Subsequent changes are subject to PRIMUS approval prior to incorporation. Where these test are performed utilizing equipment controlled by computer software or firmware, the software or firmware associated with or affecting these test require PRIMUS approval at the same time(s) as the remainder of the Acceptance Test Procedure.

Q2.4. GOVERNMENT INSPECTION

Q2.4.1. Government inspection may be required prior to shipment from your Plant.

Q2.4.2. On receipt of these orders, promptly furnish a copy to the Government Representative who normally services your plant or, if none, to the nearest Army, Navy, Air Force or Defense Supply Agency Inspection Office, so that appropriate planning for government inspection can be accomplished.

Q2.4.3. In the event the Representative or Office cannot be located, the PRIMUS buyer should be notified immediately

Q2.5. AS9100 / ISO 9001-2000 QUALITY MANAGEMENT SYSTEM

Q2.5.1. When specified by PRIMUS, the Supplier shall institute and maintain an independently- "certified" or "registered" ISO 9001-2000 Quality Management system - or otherwise demonstrate to PRIMUS (with documented objective evidence) that the supplier's QMS complies with requirements in that Standard.

Q2.6. QUALITY PROGRAM / INSPECTION SYSTEM REQUIREMENTS

Q2.6.1. Supplier shall provide and maintain a Quality management system that complies with the requirements and intent of ISO 9001 "Quality Management Requirements".

Q2.6.2. The Contractor shall provide and maintain a Quality Inspection System. The Inspection System shall be approved by PRIMUS prior to the

contract award. Only items that have been inspected in accordance with PRIMUS Approved Inspection System and are found by the Contractor to be in conformance with the requirements of the contract shall be presented to PRIMUS for acceptance.

Q2.6.3. Written Inspection Reports shall be prepared and maintained to provide objective evidence of conformance of the items to the requirements of the contract.

Q2.6.3.1. These records shall be available for review by PRIMUS and provided when requested.

Q2.6.3.2. As a minimum the Inspection Report shall include:

- A) Part Number
- B) Drawing level to which the items were manufactured
- C) Part Name
- D) Contract Number
- E) Lot Number
- F) Serial Numbers (when applicable)
- G) Quantity Inspected
- H) Parameters to be inspected/ tested
- I) Results of inspection / test, stamp/signature of inspector,
- J) Date of Inspection
- K) Sampling Plan (when Applicable).

Q2.6.3.3. The Contractor shall notify the PRIMUS Quality Representative of any changes made to the Approved Inspection System.

Q2.7. SUPPLIER NOTIFICATION OF CHANGES

Q2.7.1. Supplier will not make any changes in design, material or processes without prior written approval from PRIMUS – for any item so specified in this purchase order.

Q2.8. TEST REPORT – CHEMICAL/ PHYSICAL ANALYSIS RESULTS

Q2.8.1. Supplier shall include with each lot, a Certified Test Report, including the actual results of chemical analysis, mechanical property test and other properties designated in the contract. The Test Report, as a minimum shall include the date, purchase order number, the material tested, a statement to the effect that the material complies with the contract requirements and the signature and title of the authorized Quality Representative. Include the name and address of any independent laboratories used.

Q2.9. SPECIAL PROCESS CONFORMANCE

Q2.9.1. Contractor and any sub tier contractor engaged in special processes (example: Soldering, cleaning, x-ray, welding, magnetic particle and penetrant inspection, heat treating, plating) shall have processes approval by PRIMUS or the system to control sub tier's special processes shall have been approved by PRIMUS. Contractor shall have records of review and approval of sub tier supplier available for review by a PRIMUS Quality Representative. The Contractor shall identify the sub tier contractor(s) that performs the special processes by specifications and supply this information to PRIMUS with each shipment. Suppliers and sub tiers performing processes are responsible for training and periodic certification of operators in accordance with Government and /or Industry specifications

Q2.10. FIRST ARTICLE INSPECTION (FAI)

Q2.10.1. The Contractor shall submit a First Article Report when:

- Q2.10.1.1. the product supplied is new.
 - Q2.10.1.2. the product supplied is significantly changed from the last time received.
 - Q2.10.1.3. it is difficult, destructive, expensive, or otherwise inappropriate to inspect each delivered item.
 - Q2.10.1.4. the supplier has been changed from the last time the product was received.
 - Q2.10.1.5. the supplier's manufacturing process has significantly changed from the last time the product was received.
 - Q2.10.1.6. the supplier's manufacturing location has changed from the last time the product was received.
 - Q2.10.1.7. there has been a lapse in production for six months or more.
 - Q2.10.1.8. a quality incident necessitates a need for a First Article Inspection.
- Q2.10.2. All assemblies and components shall have been

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produced by the supplier and/or contractor or furnished by a sub tier and shall have been manufactured using the same production processes, procedures and equipment which will be used in fulfilling the contract and/or order. Q2.10.3. The preferred format for First Article Reporting shall be AS9102, latest revision, or an approved alternative or equivalent.

Prior to submission, the supplier and/or contractor shall inspect the component or assembly to ensure that it conforms to the requirements of the contract and/or and submit a record of this inspection with the item including statement of findings for material, processes and test.

Q2.10.4. The First Article Inspection documentation shall be retained and shall include a list of the characteristics required by the design data and any required tolerances, the actual results, and when testing is required, the results of the test.

Q2.11. SPECIFIC MILITARY AND AEROSPACE REQUIREMENTS .

Q2.11.1. The following requirements are for Military & Aerospace Products / Applications not included elsewhere in Purchase Order Supplement - Quality Program & Inspection System Requirements

Q2.11.2. CHANGES IN DESIGN, MATERIAL, PROCESSES

Q2.11.2.1 Supplier shall not make any design, material, or process changes without prior written approval from PRIMUS Purchasing on item specified in this Purchase Order. Evidence of Conformity - Articles defined in the schedule of the contract will not be accepted by PRIMUS if the contractor fails to submit the required Certification, Documentation, Test Data, and Reports (i.e. evidence of conformance) specified herein.

Q2.11.3. CONTROLLED SOURCES

Q2.11.3.1. Contractors and suppliers (and their sub-tier sources) involved in the PRIMUS order are to list their sources of subcontracting and materials in their responses to RFQ's and in Purchase Order Confirmations. In support of certain contracts, the customer (or PRIMUS on the Customer's behalf) may designate specific sources to be used; in these cases, contractors and/or suppliers (and their sub-tier sources) must obtain material and/ or subcontracting as specified and affirm this in their responses to RFQ's and in Purchase Order Confirmations.

Q2.11.4. OUTSOURCED PROCESSES

Q2.11.4.1 PRIMUS may procure external service(s) or work on a product during its manufacture. The purchase order or RFQ for such outsourced service(s) or work will clearly describe what is to be done and may specify the processes or procedures that are to be utilized in performance of the service(s) or work. Nothing in the Purchase Order or RFQ will abridge or abrogate provisions in this supplement providing for audits and inspections at the provider by PRIMUS or the Government customer. At the completion of the outsourcing, PRIMUS, at its discretion, may conduct inspection of its products to ascertain if the detailed processes and/or procedure have been followed and to assess if the quality meets the specified standard.

Q2.11.5. OUTSOURCING REQUIREMENTS FLOW-DOWN Q2.11.5.1

Contractors and/or suppliers are expected to flow down contracts conditions and specifications (see Section P8.0) to their sub-tier sources. In supplying services and/or materials to PRIMUS, the contractor and/or supplier affirms that such flow-down has been performed and acts in PRIMUS' stead to ensure that their sub-tier sources are compliant.

Q2.11.6. QUALITY MANAGEMENT SYSTEM

Q2.11.6.1 When specifically required by PRIMUS (and/or its customers) Contractors and suppliers (and their sub-tier sources) must maintain and operate to a quality management system that demonstrates conformance to the latest or their current certification revision of Aerospace Standard AS9100.

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APPENDIX B – STATUTORY NOTIFICATIONS AND REQUIREMENTS

200 EXPORT CONTROL

Information furnished to Seller under this RFQ or Purchase Contract may contain technical data as defined in the International Traffic in Arms Regulation (ITAR) at 22 CFR 120.10.

(a) Seller hereby certifies that it will comply with U.S. export and import controls laws and regulations, including but not limited to the International Traffic in Arms Regulations (“ITAR”) (22 CFR 120 et seq.), the Export Administration Regulations (“EAR”) (15 CFR Part 730-774), the regulations administered by the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) (31 CFR Part 500-598), the regulations administered by the U.S. Department of Commerce, Bureau of Alcohol, Tobacco, Firearms, and Explosives (“ATF”) found in 27 CFR Chapter 11, and all other applicable U.S. Government regulations relating to the importation of goods into the United States (including, but not limited to, the regulations administered by the U.S. Customs and Border Protection (“CBP”) at 19 CFR 0 et seq. and other import regulations promulgated by other U.S. agencies which may be enforced by CBP)(collectively “U.S. export and import control laws and regulations”), If Seller engages in the United States in the business of either manufacturing, exporting, or brokering in ITAR-controlled defense articles or furnishing ITAR-controlled defense services, Seller hereby certifies that it has registered with the U.S. Department of State Directorate of Defense Trade Controls (“DDTC”).

(b) Seller shall control the disclosure, export, re-export, transfer and retransfer of, and access to, any hardware, software, controlled technical data, technology, and/or services (collectively referred to as “items”) received under the Purchase Order to ensure that any such disclosure, export, re-export, transfer or retransfer is undertaken in accordance with U.S. export control laws and regulations. Seller agrees that no controlled items provided by Buyer in connection with the Purchase Order shall be provided to any person or entity unless the transfer is expressly permitted by a U.S. Government license or other authorization, or is otherwise in accordance with applicable laws and regulations. It shall be the responsibility of Seller to be cognizant of (including by requesting such information from Buyer if needed) the proper jurisdiction and classification under the ITAR and/or EAR of the items provided by Buyer prior to any release to a third party, including foreign affiliates or employees. If a final jurisdiction and classification determination for items provided by the Buyer has not been provided, Seller cannot export or otherwise release the information to a foreign person until a final jurisdiction and classification is approved by Buyer and any applicable export authorizations are obtained. For items subject to the ITAR, this responsibility includes Seller’s cognizance of the ITAR controls applicable to any technical data or defense service furnished to Seller by Buyer, including when exported to Seller from the United States in furtherance of Buyer’s technical assistance, manufacturing license agreement or other ITAR authorization prescribing ITAR jurisdiction of any defense article which may be produced or manufactured by Seller from such technical data or defense service.

(c) Seller shall notify Buyer if any deliverable under the Purchase Order, for which the Seller is the design authority, is subject to U.S. export and import controls laws and regulations described in Paragraph 23(a). Before providing Buyer any deliverable subject to the EAR or the ITAR, Seller shall provide in writing to the Buyer’s Procurement Representative the export classification of any such item or controlled data, including the export classification of any: I. dual use goods and technology subject to the EAR, including any embedded ITAR-controlled or EAR 500 or 600 series’ item or technology; defense article, including any technical data, controlled by the ITAR; item or technology controlled by the EU List of Dual Use Items or by other applicable national export control lists. Subsequent to the initial disclosure above, Seller shall timely notify the Buyer’s Procurement Representative in writing of any changes to the export classification information of the item or controlled data. Seller represents that an official authorized to bind the Seller has determined that the Seller or the designer, manufacturer, supplier or other source of the deliverable has properly determined their export classification.

(d) Seller hereby warrants that neither Seller, nor any parent, subsidiary, affiliate, or lower-tier subcontractor is listed on any Restricted Party List of an agency of

the U.S. Government, any applicable non-U.S. Government, or international organization, or any applicable state, local government, or municipality, nor are their export privileges denied, suspended or revoked. For purposes of this provision, “Restricted Party List” is defined to include the U.S. Government’s Denied Persons List, Unverified List, Entity List, Nonproliferation Sanctions List, AECA Debarred List, Specially Designated Nationals (SON) List, Sectoral Sanctions Identifications (SSI) List, Foreign Sanctions Evaders List, Excluded Parties List, or Palestinian Legislative Council (PLC) List, or other similar lists issued by the U.S. Government or a non-U.S. government, or international organization, or any state or local government, or municipality that relates to export controls, economic sanctions, or anti-corruption. Seller shall immediately notify Buyer if Seller, or any parent, subsidiary, affiliate, or lower-tier subcontractor is added to any such Restricted Party List or if any of their export privileges become denied, suspended, or revoked. Seller shall not deal with any Restricted Party in relation to this purchase order. Seller shall notify Buyer of any known or suspected violations of export or import control laws or regulations related to any Restricted Party involving this purchase order, or the initiation or existence of any U.S. Government investigation into same.

(e) If the items provided by Seller originate from a foreign location, they may also be subject to the export and import control laws and regulations of the country in which the items originate. Seller shall abide by all applicable export and import control laws and regulations of that originating country.

(f) Seller agrees to provide Buyer with information necessary for Buyer to seek any necessary export and/or import authorizations, or to ensure or confirm compliance with U.S. and other applicable export / import controls laws and regulations.

(g) Where Buyer transfers items to Seller under a U.S. Government export authorization, Seller shall promptly notify Buyer of (1) any changed circumstances that may require Buyer to seek a new authorization, or a revision or amendment to an existing authorization, or that may impact Seller’s ability to perform under this contract (including but not limited to a change in name or ownership, the desired addition of a non-U.S. dual or foreign national employee, or the desired addition of a new subcontractor and/or affiliate), or (2) any known or suspected violations of export or import control laws or regulations, or the initiation or existence of any U.S. Government investigations into same, Seller shall comply with requests from Buyer for additional information regarding any such changed circumstances, known or suspected violations, or U.S. Government investigations.

(h) If the Purchase Order forms the whole or a part of a sale by Buyer of defense articles or defense services being sold in support of a Foreign Military Sale or commercially to or for the use of the armed forces of a foreign country or international organization, Seller shall upon acceptance of this Order, or within ten (10) days of being requested by Buyer to do so, with respect to all Purchase Orders received by the Seller’s legal entity to date in relation to the Raytheon Customer Contract or Solicitation Number related to the Purchase Order, complete IN-009 “International Traffic in Arms Regulations Certificate and Reporting of Political Contributions, Fees or Commissions,” available at <http://www.raytheon.com/suppliers/supplierresources/> in furtherance of the requirements stipulated in Part 130 of the ITAR, 22 C.F.R. §§130.9 and 130.10.

(i) Seller shall not engage in any subcontracts relating to the Purchase Order except in accordance with the terms and conditions of Section [18], Assignments, Subcontracting, Organizational Changes, and Place of Manufacture, and as compliant with U.S. export and import controls laws and regulations, and any authorizations granted thereunder. If Seller is authorized by Buyer to engage in subcontracting for procurements related to the Purchase Order, Seller shall incorporate into its subcontracts the provisions of Section [23] requiring compliance with U.S. and other applicable export and import control laws and regulations.

(j) Seller is responsible for complying with all relevant import laws and regulations to the extent consistent with U.S. law. Buyer shall not serve as Importer of Record. Seller shall be responsible for Customs clearance, payment of any and all duties, taxes, and fees for goods entering into the United States, or other relevant country.

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(k) Where Seller is a recipient of any items received pursuant to a U.S. export license, Technical Assistance Agreement ("TAA"), Manufacturing License Agreement ("MLA"), or other export authorization, Seller will abide by all provisos, requirements, and restrictions related to the applicable authorization. Seller will provide to Buyer accurate and complete records relating to all activities for which such records are required under TAAs and MLAs, such as but without limitation (i) Non-disclosure Agreements for sublicensees, (ii) Nontransfer and Use Certificates (DSP-83) for exports of Significant Military Equipment or classified equipment or technical data, and (iii) sales data to support annual sales reports. Seller will immediately notify Buyer of any change in circumstance that may require an amendment to an existing authorization or the obtaining of a new authorization. Buyer shall not be responsible for delays in U.S. import or export of controlled items supplied hereunder by Buyer resulting from a lack of necessary documentation from Seller or Seller's country.

(l) Seller shall indemnify Buyer for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by Buyer in connection with any violations of non-U.S. or U.S. export or import control laws and regulations, by Seller, its officers, employees, agents, Sellers or subcontractors at any tier.

201 PRIORITY RATING

If so identified, this contract is a "rated order" certified for national defense use, and the SELLER shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).

202 FARs / DFARS

Incorporated FAR/DFAR clauses:

The FAR / DFAR / NASA FAR clauses referenced in this Appendix B are incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable, including any notes following the clause citation, to the Contract. If the date or substance of any of the clauses listed below is different from the date or substance of the clause actually incorporated in the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead. The Contracts Disputes Act shall have no application to this Contract. Any reference to a "Disputes" clause shall mean the "Disputes" clause of this Contract.

Seller shall incorporate into each lower tier contract issued in support of this Purchase Order all applicable FAR and DFARS clauses in accordance with the flow-down requirements specified in such clauses.

Government Subcontract

This Contract is entered into by the parties in support of a U.S. Government contract.

As used in the FAR clauses referenced below and otherwise in this Contract:

1. "Commercial Item" means a commercial item as defined in FAR 2.101.
2. "Contract" means this Contract.
3. "Contracting Officer" shall mean the U.S. Government Contracting Officer for PRIMUS' government prime contract under which this Contract is entered.
4. "Contractor" and "Offeror" means the SELLER, acting as the immediate subcontractor to PRIMUS -.
5. "Prime Contract" means the contract between PRIMUS and the U.S. Government or between PRIMUS' customer - who has a contract with the U.S. Government.
6. "Subcontract" means any contract placed by the Contractor or lower-tier subcontractors under this Contract.

FAR 52.209-5 Certification Regarding Debarment, Suspension, Proposed Debarment, and Other Responsibility Matters

(a) Contractor certifies, to the best of its knowledge and belief, that:

(i) Contractor and/or any of its Principals:

- (A) Are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any Federal agency;
- (B) Have not, within a three-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or

performing a public (Federal, state, or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violating Federal criminal tax laws, or receiving stolen property;

(C) Are not presently indicted for, or otherwise criminally or civilly charged by a governmental entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision;

(D) Have not, within a three-year period preceding this offer, been notified of any delinquent Federal taxes in an amount that exceeds \$3,000 for which the liability remains unsatisfied.

(1) Federal taxes are considered delinquent if both of the following criteria apply:

(i) The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge to the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.

(ii) The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.

(2) Examples:

(i) The taxpayer has received a statutory notice of deficiency, under I.R.C. Sec. 6212, which entitles the taxpayer to seek Tax Court review of a proposed tax deficiency. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek Tax Court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(ii) The IRS has filed a notice of Federal tax lien with respect to an assessed tax liability, and the taxpayer has been issued a notice under I.R.C. Sec. 6320 entitling the taxpayer to request a hearing with the IRS Office of Appeals contesting the lien filing, and to further appeal to the Tax Court if the IRS determines to sustain the lien filing. In the course of the hearing, the taxpayer is entitled to contest the underlying tax liability because the taxpayer has had no prior opportunity to contest the liability. This is not a delinquent tax because it is not a final tax liability. Should the taxpayer seek tax court review, this will not be a final tax liability until the taxpayer has exercised all judicial appeal rights.

(iii) The taxpayer has entered into an installment agreement pursuant to I.R.C. Sec. 6159. The taxpayer is making timely payments and is in full compliance with the agreement terms. The taxpayer is not delinquent because the taxpayer is not currently required to make full payment.

(iv) The taxpayer has filed for bankruptcy protection. The taxpayer is not delinquent because enforced collection action is stayed under 11 U.S.C. 362 (the Bankruptcy Code).

(v) Principal, for the purposes of this certification, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segment; and similar positions).

(ii) Contractor has not, within a three-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(b) Contractor shall provide immediate written notice to PRIMUS - if, at any time prior to contract award, Contractor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

(c) The certification in paragraph (a) of this provision is a material representation of fact upon which reliance was placed when making award. If it is later determined that Contractor knowingly rendered an erroneous certification, in addition to other remedies available, PRIMUS - may terminate this contract for default.

A. THE FOLLOWING FAR CLAUSES ARE APPLICABLE TO PURCHASE ORDERS FOR COMMERCIAL ITEMS UNDER ALL GOVERNMENT CONTRACTS:

FAR 52.203-7 "Anti-Kickback Procedures" (Excepting paragraph (c)(1))(Applicable to Purchase Orders that exceed \$150,000 or the dollar threshold in effect as of the date of the prime contract.)

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FAR 52.203.12 "Limitation on Payments to Influence Certain Federal Transactions" (Applicable to Purchase Orders exceeding \$150,000 or the dollar threshold in effect as of the date of the prime contract.)

FAR 52.203.13 "Contractor Code of Business Ethics and Conduct" (Applicable to Purchase Orders (i) that have a value more than \$5,000,000 or the dollar threshold in effect as of the date of the prime contract; and (ii) that have a performance period of more than 120 days.) (In Paragraph (b)(3)(i), the meaning of "agency office of the Inspector General" and "Contracting Officer" does not change, in Paragraph (b)(3)(ii) the meaning of "Government" does not change, and in Paragraphs (b)(3)(iii) and (c)(2)(ii)(F), the meaning of "OIG of the ordering agency", "IG of the agency" "agency OIG" and "Contracting Officer" do not change.)

FAR 52.203-17 "Contractor Employee Whistleblower Rights and Requirement To Inform Employees of Whistleblower Rights" (Applicable to Purchase Orders over the simplified acquisition threshold under prime contracts awarded by civilian agencies other than NASA and the Coast Guard.)

FAR 52.204-10 "Reporting Executive Compensation and First-Tier Subcontract Awards" (Applicable to Purchase Orders (i) of \$25,000 or more or (ii) the dollar threshold in effect as of the date of the prime contract and when Buyer is the Prime Contractor.) (The usual substitution of the parties is not applicable to this clause. Seller shall report to Buyer the information required under the clause.)

FAR 52.209-6 "Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended, or Proposed for Debarment" (Applicable to Purchase Orders exceeding \$30,000 or the dollar threshold in effect as of the date of the prime contract.)

FAR 52.216-22 Alt I "Limitations on Pass-Through Charges — Identification of Subcontract Effort" (Applicable to solicitations for Purchase Orders that will incorporate FAR clause 52.215-23 or 52.215-23 Alt I.)

FAR 52.215-23 & Alt I "Limitations on Pass — Through Charges" (Include Alternate I if it is included in the prime contract) (Under other than DoD prime contracts, applicable to time and material and labor hour Purchase Orders that exceed the simplified acquisition threshold; and under DoD prime contracts, applicable to time and material, labor hour, and fixed price Purchase Orders, except those identified in FAR 15.408(n)(2)(1)(B)(2), that exceed the threshold for obtaining cost or pricing data in accordance with FAR 15.403-4.)

FAR 52.219-8 "Utilization of Small Business Concerns"

FAR 52.222-17 "Nondisplacement of Qualified Workers" (Applicable to Purchase Orders over the simplified acquisition threshold when services are to be performed by Seller (1) under service contracts, as defined at 22.001, (2) that succeed purchase orders for performance of the same or similar work at the same location and (3) that are not exempted by 22.1203-2 or waived in accordance with 22.1203-3. Seller to furnish information needed by Buyer to comply with paragraphs d and e of this clause.)

FAR 52.222-21 "Prohibition of Segregated Facilities" (Applicable to Purchase Orders exceeding \$10,000 or the dollar threshold in effect as of the date of the prime contract.)

FAR 52.222-26 "Equal Opportunity" (Applicable to Purchase Orders exceeding \$10,000 or the dollar threshold in effect as of the date of the prime contract.)

FAR 52.222-35 "Equal Opportunity for Veterans" (Applicable to Purchase Orders of \$100,000 or more, or the dollar threshold in effect as of the date of the prime contract.)

FAR 52.222-36 "Affirmative Action for Workers with Disabilities" (Applicable to Purchase Orders exceeding \$15,000 or the dollar threshold in effect as of the date of the prime contract.)

FAR 52.222-37 "Employment Reports on Veterans" (Applicable to Purchase Orders of \$100,000 or more, or the dollar threshold in effect as of the date of the prime contract.)

FAR 52.222-40 "Notification of Employee Rights Under the National Labor Relations Act" (Applicable to Purchase Orders that exceed \$10,000 or the dollar threshold in effect as of the date of the prime contract and are issued under prime contracts resulting from Solicitations issued after December 12, 2010.)

FAR 52.222-41 "Service Contract Labor Standards" (Applicable to Purchase Orders that are subject to the Service Contract Labor Standards statute.)

FAR 52.222-50 & Alt I "Combating Trafficking in Persons" (Alternate I is applicable to Purchase Orders if it is included in the prime contract.)

FAR 52.222-54 "Employment Eligibility Verification" (Applicable to Purchase Orders (i) for construction or commercial or noncommercial services (except commercial services that are part of a purchase of a COTS item, or an item that

would be a COTS item, but for minor modifications, performed by the COTS provider, and that are normally provided for that COTS item); (ii) has a value more than \$3,000 or the dollar threshold in effect as of the date of the prime contract; and (iii) includes work performed in the United States.)

FAR 52.222-55 "Minimum Wages Under Executive Order 13658" (Applicable to Purchase Orders regardless of dollar value, that are subject to the Service Contract Labor Standards statute or the Wage Rate Requirements (Construction) statute, and are to be performed in whole or in part in the United States.)

FAR 52.225-26 "Contractors Performing Private Security Functions Outside the United States" (Applicable to Purchase Orders issued under (1) DoD contracts that that will be performed in areas of contingency operations, combat operations, as designated by the Secretary of Defense, or other significant military operations, as designated by the Secretary of Defense upon agreement of the Secretary of State or (ii) non-DoD contracts that will be performed in areas of Combat operations, as designated by the Secretary of Defense, or other significant military operations, upon agreement of the Secretaries of Defense and State that the clause applies in that area.)

FAR 52.232-39 "Unenforceability of Unauthorized Obligations"

FAR 52.232-40 "Providing Accelerated Payments to Small Business Subcontractors" (Applicable to Purchase Orders awarded after December 26, 2013 to small business when Buyer receives Accelerated Payments under its prime contract.)

FAR 52.244-6 "Subcontracts for Commercial Items"

FAR 52.247.64 "Preference for Privately Owned U.S.-Flag Commercial Vessels"

B. THE FOLLOWING DFARS CLAUSES ARE APPLICABLE TO PURCHASE ORDERS FOR COMMERCIAL ITEMS UNDER DoD CONTRACTS:

DFAR 252.203-7002 "Requirement to Inform Employees of Whistleblower Rights"

DFAR 252.204-7012 "Safeguarding of Unclassified Controlled Technical Information" (Applicable to Purchase Orders under DoD contracts awarded after November 17, 2013 and before August 2015)

DFAR 252.204-7012 "Safeguarding Covered Defense Information and Cyber Incident Reporting" (Applicable to Purchase Orders under DoD contracts awarded after August 25, 2015 and before October 8, 2015.)

DFAR 252.204-7012 "Safeguarding Covered Defense Information and Cyber Incident Reporting" (DEVIATION 2016-00001) (Applicable to Purchase Orders under DoD contracts awarded after October 7, 2015.)

DFAR 252.204-7015 "Disclosure Of Information To Litigation Support Contractors"

DFAR 252-211-7003 "Item Identification and Valuation" (Seller's obligations under this clause are limited to cooperating with Buyer's efforts to comply with this clause, including granting Buyer access to Seller's deliverables at its facilities and to appropriate property records.)

DFAR 252-223-7008 "Prohibition of Hexavalent Chromium" (Applicable to all Purchase Orders for supplies, maintenance and repair services, or construction materials.)

DFAR 252.256-7008 "Restriction on Acquisition of Specialty Metals" (Applicable to Purchase Orders for the delivery of specialty metals as end items to Buyer or Seller to the extent necessary to ensure compliance of the end products that Buyer will deliver to the Government when DFARS clause 252.225-7009 is in the prime contract.)

DFAR 252.225-7009 "Restriction on Acquisition of Certain Articles Containing Specialty Metals" (excluding paragraph (d) and paragraph (e)(1) which are deleted from this clause). (Applicable to Purchase Orders for items containing specialty metals to ensure compliance of the end products that Buyer will deliver to the Government under prime contracts awarded, or modified to include the clause, after July 28, 2009 according to the clause.)

DFAR 252.226-7010 "Commercial Derivative Military Article — Specialty Metals Compliance Certificate" (Applicable to solicitations for Purchase Orders that will incorporate DFARS clause 252.225-7009.)

DFAR 252.225-7048 "Export-Controlled Items"

DFAR 252.227-7013 "Rights in Technical Data Noncommercial Items" (Applicable whenever any technical data for commercial items developed in part

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at Government expense will be provided for delivery to the Government under the Purchase Order.)

DFAR 252.227-7015 "Technical Data — Commercial Items" (Applicable whenever any technical data related to commercial items developed in any part at private expense will be provided under the Purchase Order for delivery to the Government.)

DFAR 252.227-7037 "Validation of Restrictive Markings on Technical Data" (Applicable to Purchase Orders requiring the delivery of technical data.)

DFAR 252.239-7010 "Cloud Computing Services" (Applicable to Purchase Orders that involve or may involve cloud services)

DFAR 252.239-7018 "Supply Chain Risk" (Applicable to Purchase Orders involving the development or delivery of any information technology under DoD contracts awarded after November 18, 2013.)

DFAR 252.244-7000 "Subcontracts for Commercial Items and Commercial Components" (DoD Contracts)

DFAR 252.246-7003 "Notification of Potential Safety Issues" (Applicable to Purchase Orders for (i) parts defined as critical safety items in accordance with this clause; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; and (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system.)

DFAR 252.246-7007 "Contractor Counterfeit Electronic Part Detection and Avoidance System" (Applicable to Purchase Orders when the goods or services include electronic parts or assemblies containing electronic parts. This clause applies to all Sellers, at all tiers, without regard to whether the Seller itself is subject to CAS.)

DFAR 252.247-7023 "Transportation of Supplies by Sea"

DFAR 252.247-7024 "Notification of Transportation of Supplies by Sea"