Purchase Order Terms & Conditions, Rev Y

Janicki Industries, Inc. · 719 Metcalf Street, Sedro-Woolley, WA 98284 · These terms govern every purchase order issued by Janicki Industries and are incorporated into each order by reference.

Purchase Order Terms & Conditions, Rev Y

1. ACCEPTANCE: These terms and conditions and the documents referred to herein govern all Purchase Orders ("Orders") issued by Janicki Industries to the Supplier identified on each Order. Fulfillment of any part of an Order, or any other conduct by Supplier which recognizes the existence of a contract pertaining to the subject matter of such Order, shall constitute acceptance by Supplier of such Order and all of the terms and conditions included or referenced on this page (the "Contract Terms"). Supplier certifies by acceptance of this Order that Supplier is appropriately qualified and/or certified, where required, to fulfill the Contract Terms. Janicki Industries objects to any terms proposed in Supplier's proposal, sales note, acknowledgment or other form of acceptance of Janicki Industries' offer which add to, vary from, or conflict with the Contract Terms. Any such proposed terms shall be void and the Contract Terms constitute the complete and exclusive statement of the terms and conditions between Supplier and Janicki Industries. The Contract Terms may be modified only by a written instrument executed by authorized representatives of both Supplier and Janicki Industries. If an Order has been issued by Janicki Industries in response to Supplier's offer and if any of the Contract Terms add to, vary from or conflict with any terms of Supplier's offer, then the issuance of the Order by Janicki Industries shall constitute an acceptance of Supplier's offer subject to the express conditions that Supplier assents to the additional, different and conflicting Contract Terms and acknowledges that the Order and these Contracts Terms constitutes the entire agreement between Supplier and Janicki Industries with respect to the subject matter hereof and the subject matter of Supplier's offer. Supplier shall be deemed to have so assented and acknowledged unless Supplier notifies Janicki Industries to the contrary in a writing signed by Supplier's authorized representative within ten (10) working days of receipt of the Order.

2. TERMINATION FOR DEFAULT: Janicki Industries, by written notice, may terminate this Order, in whole or in part, for default if Supplier (a) fails to comply with any terms of this Order; (b) fails to deliver goods or perform services within the time specified by this Order or any written extension; (c) fails to make progress, so as to endanger performance of this Order, and in either of these three circumstances, within thirty (30) days after receipt of notice from Janicki Industries specifying the failure, does not cure the failure or provide Janicki Industries with a written plan adequate to cure the failure if the failure cannot be cured within the thirty (30) days and such plan is acceptable to Janicki Industries' authorized procurement representative; or (d) Supplier becomes insolvent, makes an assignment for the benefit of creditors, suffers or permits the appointment of a receiver, trustee in bankruptcy or similar officer for all or parts of its business or assets; or avails itself of or becomes subject to any bankruptcy proceeding under the laws or any jurisdiction relating to insolvency or the protection of rights of creditors.

Supplier shall continue all work not terminated. Following a termination for default of this Order, Supplier shall be compensated only for work actually delivered and accepted. Janicki Industries may require

Supplier to deliver to Janicki Industries any supplies and materials that Supplier has produced or acquired for this Order. Janicki Industries and Supplier shall agree on the amount of payment for these deliverables, unless they have previously been paid by Janicki Industries. Upon the occurrence and during the continuation of a default, Janicki Industries may exercise any and all rights and remedies available to it under applicable law and equity, including without limitation, cancellation of this Order. If after termination for default under this Order, it is determined that Supplier was not in default, such termination shall be deemed a termination for convenience.

2.1 TERMINATION FOR CONVENIENCE: Janicki Industries reserves the right to terminate this Order, in whole or in part, by written notice of termination. Such notice of termination shall specify the extent of the termination and the date the termination is effective. Upon receipt of such a termination notice, Supplier shall immediately stop work on the order or terminated portion of the order and shall cause any of its subcontractors to do the same. Janicki Industries shall pay for any products delivered or services performed prior to the date that termination becomes effective (on a pro rata basis if Janicki Industries has paid in advance any fees covering a fixed period of Services). Unless Janicki Industries has requested and received a refund in respect of any undelivered product(s) or terminated services, it shall be entitled to the delivery of all product(s) and completion of all services for which it has paid prior to the effective date of the termination. The effective date of termination shall not be less than 3 days from the date of the notice of termination, unless otherwise mutually agreed to by the parties.

Supplier shall continue all work not terminated. Under no circumstances shall Janicki Industries be liable for lost and/or anticipated profits, unabsorbed indirect costs or overhead, or for any amount in excess of the total contract price of the Order.

3. CONFIDENTIALITY: Supplier will acquire knowledge of Janicki Industries Confidential Information (as defined below) in connection with and solely for its performance hereunder and agrees to keep such Janicki Industries Confidential Information in confidence during and following termination, expiration or completion of this Order. The Order and the information contained therein or provided in connection therewith shall not be disclosed to others nor used for any purpose other than in connection with the Order without Janicki Industries express written consent. “Janicki Industries Confidential Information” includes but is not limited to all information, whether written or oral, in any form, including without limitation, information relating to the research, development, products, methods of manufacture, trade secrets, business plans, customers, suppliers, finances, personnel data, Work Product (as defined herein), and other non-public material or information considered proprietary by Janicki Industries relating to the current or anticipated business or affairs of Janicki Industries which is disclosed directly or indirectly to Supplier. In addition, Janicki Industries Confidential Information means any third party’s proprietary or confidential information disclosed to Supplier in the course of providing Services or Goods to Janicki Industries. Janicki Industries Confidential Information does not include any information (a) which Supplier lawfully knew without restriction on disclosure before Janicki Industries disclosed it to Supplier, (b) which is now or becomes publicly known through no wrongful act or failure to act of Supplier, (c) which Supplier developed independently without use of the Janicki Industries Confidential Information, as evidenced by appropriate documentation, or (d) which is hereafter lawfully furnished to Supplier by a third party as a matter of right and without restriction on disclosure. In addition, Supplier may disclose Confidential Information which is required to be disclosed pursuant to a requirement of a

government agency or law so long as Supplier provides prompt notice to Janicki Industries of such requirement prior to disclosure.

Supplier agrees not to copy, alter or directly or indirectly disclose any Janicki Industries Confidential Information. Additionally, Supplier agrees to limit its internal distribution of Janicki Industries Confidential Information to Supplier's Assistants who have a need to know, and to take steps to ensure that the dissemination is so limited, including the execution by Supplier's Assistants of nondisclosure agreements with provisions substantially similar to those set forth herein. In no event will Supplier use less than the degree of care and means that it uses to protect its own information of like kind, but in any event not less than reasonable care to prevent the unauthorized use of Janicki Industries Confidential Information.

Supplier further agrees not to use the Janicki Industries Confidential Information except in the course of performing hereunder and will not use such Janicki Industries Confidential Information for its own benefit or for the benefit of any third party. The mingling of the Janicki Industries Confidential Information with information of Supplier shall not affect the confidential nature or ownership of the same as stated hereunder. Supplier agrees not to design or manufacture any products which incorporate Janicki Industries Confidential Information. All Janicki Industries Confidential Information is and shall remain the property of Janicki Industries. Upon Janicki Industries' written request or the termination of this Agreement, Supplier shall return, destroy, transfer or assign to Janicki Industries all Janicki Industries Confidential Information, including all Work Product, as defined herein, and all copies thereof.

4. WARRANTY: Supplier expressly warrants that all products and services supplied to Janicki Industries by Supplier as a result of an Order shall conform to the specifications, drawings or other description upon which the Order is based, shall be fit and sufficient for the purpose intended, merchantable, of good material and workmanship, free from defects and free and clear of all liens or encumbrances. Inspection, testing, acceptance or use of the goods by Janicki Industries shall not affect Supplier's obligations under this warranty, and such warranty shall survive inspection, testing, acceptance and use. Supplier agrees to replace or correct promptly defects of any goods or services not conforming to the foregoing warranty without expense to Janicki Industries, when notified of such non-conformity by Janicki Industries. If Supplier fails to correct defects in or replace non-conforming goods or services promptly, Janicki Industries may, after reasonable notice to Supplier, make such corrections or effect cover at Supplier's expense.

5. PRICE: An Order must not be filled at a higher price than shown on the Order. Unless another currency is specified on the order, all monetary amounts are deemed to be expressed in U.S. dollars. If no price is shown, Supplier must notify the Janicki Industries Buyer of record of the price and his/her acceptance must be obtained in writing before filling the Order. The price shall not in any event be higher than the lowest price Supplier provides to any of Supplier's other customers ordering similar quantities, after taking into consideration all rebates, discounts and allowances. Unless otherwise provided on the Order, delivery of Goods shall be f.o.b. destination and Supplier will not charge for boxing, packing, crating or other charges. Supplier's prices include any and all related customs duty. If Supplier sells products to Janicki Industries, or if the services include provision to Janicki Industries of any deliverables, subject to any customs duty, Supplier's prices include any and all related customs duty.

6. TAXES: Janicki Industries will not be liable for any taxes with respect to an Order, except for sales, use, retailers occupation, service occupation, excise, ad valorem, value added, or consumption taxes imposed by any governmental authority for the purchase of the products Supplier supplies, which Supplier is required by law to collect from Janicki Industries. Supplier shall not collect or remit, and Janicki Industries shall not be liable for, any such taxes if Janicki Industries has provided Supplier with a tax exemption certificate. Janicki Industries also will not be liable for any taxes of any nature based on the income of Supplier. If Janicki Industries is required by the law of any jurisdiction to withhold any taxes, duties, fees, levies, or charges ("Withholding Taxes") from any fees or other charges (including reimbursement of expenses) paid to Supplier, Janicki Industries will be entitled to deduct the amount of such Withholding Taxes from the amount of such fees or other charges (including reimbursement of expenses). If Supplier is either exempt from withholding or entitled to a reduced rate of withholding pursuant to a tax treaty or other applicable law, and provides Janicki Industries with adequate documentation of such exemption from or reduced rate of withholding, Janicki Industries will be entitled to withhold only such Withholding Taxes from which Supplier is not exempt. In case of doubt by Janicki Industries as to Janicki Industries' liability for any such tax, Supplier shall allow Janicki Industries, at Janicki Industries' expense, to assume control of any litigation or proceeding relating to the determination and settlement of such tax. Janicki Industries shall, upon final settlement of such litigation and proceeding, reimburse Supplier for any tax owing including in the amount to be reimbursed, any interest charges and penalties accruing thereon.

7. INVOICES: Supplier agrees to issue invoices referencing the Order number, line number (where applicable), release number (where applicable), item number, description of items, sizes, quantities, unit prices and extended totals. If an Order contains more than one item, Supplier's invoice will make the proper reference. Taxes, if any that are to be collected by Supplier shall be stated separately and shall be remitted by Supplier to the appropriate taxing authority. All invoices shall comply with the requirements of each relevant taxing authority and shall contain data and registration numbers that will enable Janicki Industries to obtain appropriate credit for any taxes charged.

Failure to comply with the above may result in delayed payment or returned invoices.

8. PAYMENT: As full consideration for Supplier's satisfactory provision of the products or performance of the services, Janicki Industries will pay Supplier's invoice not later than thirty (30) days following Janicki Industries' receipt of said invoice unless otherwise indicated in supplier agreement. Janicki Industries' payment of any such invoice shall constitute full and complete satisfaction of any and all actual and potential fees for the billing period covered by the invoice. Partial payments will not be made, unless Janicki Industries agrees otherwise in writing. All payment terms will be calculated based upon date of receipt (of products or services) or invoice (whichever is later) and payment terms will be considered satisfied based upon date of postmark of payment, or if EFT payment, date of transmission. Janicki Industries shall receive invoices within three (3) business days of invoice date.

9. PRESUMPTIONS: Supplier shall be conclusively presumed to have waived Supplier's right to receive payment for products or services covered by any Order if Supplier has not submitted an invoice for the products or services within one (1) year of the date of the Order. Supplier's submission of an invoice shall give rise to a presumption that the charges are the full amount Supplier is due for the products or services listed on or referred to in the invoice for the purpose of determining the existence

of any underpayment. Supplier may submit supplemental invoices only if accompanied by a photocopy of the original invoice and documentation acceptable to Janicki Industries that establishes the validity of Supplier's claim for underpayment. Supplier waives any claim for underpayment if a supplemental invoice and supporting documentation have not been furnished within the earlier of (i) one (1) year after the Delivery Date or performance of the services covered by the supplemental invoice, or (ii) three (3) months after the date of submission of the original invoice.

10. FORCE MAJEURE: Neither party shall be liable for a delay in performance of its obligations and responsibilities under this Order due to causes beyond its control, and without its fault or negligence, such as but not limited to war, embargo, national emergency, insurrection or riot, acts of the public enemy, epidemics, quarantine restrictions, fire, flood or other natural disaster, provided that said party has taken reasonable measures to notify the other promptly in writing, of delay (but in any event, within 72 hours of the force majeure event). Time is of the essence of this Agreement, and should Supplier fail to comply with Janicki Industries' delivery schedule or otherwise fail to comply with its obligations hereunder, Janicki Industries may terminate this Order without liability. Failure of subcontractors or inability to obtain materials shall not be considered as a force majeure delay.

11. WORK SUSPENSION: Janicki Industries, by written notice, may suspend all or part of the work to be performed under this order for a period not to exceed ninety (90) days. Supplier shall make all reasonable efforts to minimize the incurrence of costs related to the Order during this stoppage. Within the work stoppage period, Janicki Industries shall (a) terminate the work in accordance with the termination for convenience or default sections of these Terms and Conditions; (b) continue the work via written notice to Supplier; or (c)extend the work suspension period. If the work is continued, an equitable adjustment, if warranted, will be made in accordance with the Change Orders provision of these Terms and Conditions to price, delivery schedule or other provisions effected by the work suspension.

12. INTELLECTUAL PROPERTY: If Supplier provides to Janicki Industries any development, consulting, analysis, design, computer programming, installation, testing, conversion, implementation, training, technical writing and any other services resulting in the creation or modification of any computer programs, firmware, schematics, flowcharts, drawings, specifications, documentation, reports, recommendations or other writings, information or material embodied in a tangible medium, the terms and conditions of Janicki Industries' Specifications A-1 (Terms for Development and Professional Services) shall apply to that Order. Janicki Industries shall retain a copy of the version of Specifications A-1 that was in effect at the time each Order was placed and records showing the effective dates of each version.

13. INDEMNITY: Supplier shall, at Supplier's sole cost and expense, release, defend indemnify and hold directors, officers, agents, employees, and shareholders harmless from and against all claims, demands, disputes, complaints, causes of action, suits, losses and damages (including attorneys' fees) of any kind to the extent they in any way relate to or arise, in whole or in part, due to (a) subcontractors, or agents or the employees of any thereof, in the performance of this Order or any breach or default hereunder or (b) a claim that the goods or services Supplier provides are dangerously defective, or (c) a claim for delayed performance or breach of contract arising out of Janicki's use of a defective or non-conforming good delivered by Supplier, or (d) a claim that Supplier's products or services, or any part

thereof, infringes a patent, copyright, trademark, trade secret or other intellectual or proprietary right of a third party.

14. INSURANCE: Supplier shall be solely responsible for maintaining and requiring Supplier's Assistants to maintain such adequate health, auto, workers' compensation, unemployment compensation, disability, liability, and other insurance, as is required by law or as is the common practice in Supplier's and Supplier's Assistants' trades or businesses, whichever affords greater coverage. Upon request, Supplier shall provide Janicki Industries with certificates of insurance or evidence of coverage from companies meeting an A.M. Best rating of at least A-VII showing that Supplier is covered before commencing performance under this Agreement. Supplier shall provide adequate coverage for any Janicki Industries' property under the care, custody or control of Supplier or Supplier's Assistants. The Commercial General Liability policy shall name Janicki Industries as an additional insured as its interest may appear, contain a cross liability (severability of interests) provision and be primary and non-contributory to any insurance available or maintained by Janicki Industries. No exceptions to these coverages may be made unless approved in writing by Janicki Industries. Properly endorsed Certificates of Insurance shall be sent to the following address ten (10) days prior to commencement of delivery of any Product or Services, and upon renewal of insurance policies:

Janicki Industries

Attn: Supply Chain Manager

719 Metcalf Street

Sedro-Woolley, WA 98284

15. FLOW-DOWN OF REQUIREMENTS: Supplier is responsible for ensuring that all applicable requirements of this Order are flowed down to sub-tier suppliers. Supplier is responsible for adequate control of sub-tier suppliers to assure that sub-tier suppliers meet the requirements of this Order. Supplier is responsible to ensure that sub-tier suppliers use the latest process / drawing revision. When it is determined that Supplier or it's sub-tier supplier is responsible for: A) The root cause of a non-conforming product, B) Ineffective corrective action, or C) Failure to respond within the specified time, a Corrective Action may be issued to the Supplier. Acceptance of this Order indicates Supplier agrees with the flow down requirements and/or applicable end item user process specification requirements.

16. OWNERSHIP OF WORK PRODUCT: For purposes of this Agreement, "Work Product" shall include, without limitation, all designs, discoveries, creations, works, devices, masks, models, work in progress, service deliverables, inventions, products, computer programs, procedures, improvements, developments, drawings, specifications, artwork, notes, documents, business processes, information and materials made, conceived or developed by Supplier alone or with others which result from or relate to the Services performed hereunder. Standard Goods manufactured by Supplier and sold to Janicki Industries without having been designed, customized or modified for Janicki Industries do not constitute Work Product. All Work Product shall at all times be and remain the sole and exclusive property of Janicki Industries. Supplier hereby agrees to irrevocably assign and transfer to Janicki Industries and does hereby assign and transfer to Janicki Industries all of its worldwide right, title and interest in and to the Work Product including all associated intellectual property rights. Janicki Industries will have the sole right to determine the treatment of any Work Product, including the right to keep it as

trade secret, execute and file patent applications on it, to use and disclose it without prior patent application, to file registrations for copyright or trademark in its own name or to follow any other procedure that Janicki Industries deems appropriate. Supplier agrees: (a) to disclose promptly in writing to Janicki Industries all Work Product in its possession; (b) to assist Janicki Industries in every reasonable way, at Janicki Industries' expense, to secure, perfect, register, apply for, maintain, and defend for Janicki Industries' benefit all copyrights, patent rights, mask work rights, trade secret rights, and all other proprietary rights or statutory protections in and to the Work Product in Janicki Industries' name as it deems appropriate; and (c) to otherwise treat all Work Product as Janicki Industries Confidential Information as described above. These obligations to disclose, assist, execute and keep confidential survive the expiration or termination of this Agreement. All tools and equipment supplied by Janicki Industries to Supplier shall remain the sole property of Janicki Industries.

Supplier will ensure that Supplier's Assistants appropriately waive any and all claims and assign to Janicki Industries any and all rights or any interests in any Work Product or original works created in connection with this Agreement. Supplier irrevocably agrees not to assert against Janicki Industries or its direct or indirect customers, assignees or licensees any claim of any intellectual property rights of Supplier affecting the Work Product.

Janicki Industries will not have rights to any works conceived or reduced to practice by Supplier which were developed entirely on Supplier's own time without using equipment, supplies, facilities or trade secret or Janicki Industries Confidential Information, unless (i) such works relate to Janicki Industries' business, or Janicki Industries' actual or demonstrably anticipated research or development, or (ii) such works result from any Services performed by Supplier for Janicki Industries.

17. LIMITATION OF LIABILITY: IN NO EVENT WILL JANICKI INDUSTRIES BE LIABLE TO SUPPLIER OR ANY THIRD PARTY, IN CONTRACT, TORT OR OTHERWISE, FOR ANY LOSS OF PROFITS OR BUSINESS, OR ANY SPECIAL, INCIDENTAL, INDIRECT, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, ARISING FROM OR AS A RESULT OF THESE CONTRACT TERMS, ANY ORDER OR ANY AGREEMENT BETWEEN THE PARTIES RELATING TO THE PRODUCTS, SERVICES OR DELIVERABLES SUPPLIER PROVIDES, EVEN IF JANICKI INDUSTRIES HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

18. CHANGE ORDERS: Janicki Industries reserves the right to make changes in drawings, designs, specifications, scope of work to be performed, time and place of delivery and method of transportation. If such change is to be made, it will be evidenced in writing by Janicki Industries in the form of a Change Order. If any such change has an effect on the price, warranty, delivery date or indemnification provisions of the Order, an equitable written acknowledgement of the effect on the changed provisions shall be indicated on the Change Order. Supplier may not make any change in drawings, design specifications, scope of work to be performed, time and place of delivery and method of transportation without Janicki Industries' written Change Order acknowledging the change. Any such Change Orders accepted by Supplier shall be incorporated in and amend the Order. Changes to this Order shall be communicated between Supplier and the Janicki Industries Buyer of record only. Verbal or electronic communications between Supplier and any other entity shall be considered advisory only and shall become official and effective only when incorporated into a revision of this Order. Any quotes, RFQs or ROMS referenced become an integral part of this Order.

19. PRODUCT CHANGES/ PART OBSOLESCENCE: Supplier shall notify the Janicki Industries Buyer of record of any changes listed below to qualified material. Qualified material is defined as products or components manufactured utilizing the same condition(s), method(s), material(s) and processes during the previous manufacturing period as well as acceptance criteria.

1. Proposed changes to the Company, supplier, and sub-tier suppliers approved designs (including proprietary designs.
2. Proposed changes to fabrication, test methods, processes, and / or tooling.
3. Changes in point of manufacture.
4. Management or ownership changes.
5. Prolonged labor disputes.
6. Prolonged shutdown of normal manufacturing operations.
7. Changes in sub-tier supplier locations.

Unless otherwise specified in this Order, the qualified material(s) Supplier provides to Janicki Industries shall be the current material revision.

Supplier shall provide advanced notification in writing to the Janicki Industries Buyer of record of any changes to tooling, facilities, materials or processes at the contracting supplier or their sub-tier suppliers that could affect the Janicki-contracted product. This includes but is not limited to fabrication, assembly, handling, inspection, acceptance, testing, facility relocation, or introduction of a new manufacturer.

Supplier shall notify the Janicki Industries Buyer of record of any pending or contemplated future action to discontinue articles purchased pursuant to this Order and shall allow Janicki to submit a forecast of expected annual usage prior to Supplier finalizing its decision to discontinue the articles. Supplier shall provide Janicki with a “Last Time Buy Notice” at least twelve months prior to the actual discontinuance. Supplier shall extend opportunities to Janicki to place last time buys of such articles with deliveries not to exceed twelve months after the last time buy date.

20. PACKAGING: Unless otherwise specified, the products Supplier sells to Janicki Industries shall be (a) packed, packaged, marked and otherwise prepared for shipment in a manner which is in accordance with good commercial practice, (b) acceptable to common carriers for shipment at the lowest rate for the particular goods and in accordance with applicable regulations, and (c) adequate to insure safe arrival at the named destination. Supplier agrees to mark all containers with necessary lifting, handling, and shipping information and also Order numbers, date or dates. A packing list must be enclosed in all shipments showing the Order number and exact quantity and description of the goods shipped. Shredded paper, or any other loose type of packaging that would likely pose a FOD (Foreign Object Debris) hazard shall not be used. Foam in place type cushioning is preferred.

21. RISK OF LOSS: Regardless of the method of shipment used, Supplier agrees to deliver all product specified on the Order to the location(s) specified on the Order at Supplier’s own risk. Supplier shall bear the risk of loss, destruction or damage until the items are accepted by Janicki Industries.

22. DELIVERY: Time is of the essence. Supplier agrees to comply with Janicki Industries' shipping, delivery, installation or startup schedules (as applicable) without any delay and without anticipating Janicki Industries' requirements. Shipments must equal the exact amounts identified in the Order and no partial shipments or runt cartons, changes or substitutions in specifications may be made without prior written consent of the Janicki Industries Buyer of record. Janicki Industries' acceptance of late shipments or partial shipments shall not constitute a waiver of any of Janicki Industries' rights to collect damages for goods not delivered or for late delivery. Supplier shall report to the Janicki Industries Buyer of record any delays in a schedule immediately as they become known to Supplier. Janicki Industries reserve the right to cancel the Order and effect cover if Supplier cannot comply with the schedule(s) indicated on the Order. If dates are not specified on the Order, Supplier shall procure materials, fabricate, assemble and ship goods or provide services only as authorized by shipment releases Janicki Industries issues to Supplier. Janicki Industries may return over-shipments to Supplier at Supplier's expense for all packing, handling, sorting and transportation. Janicki Industries may from time to time, and with reasonable notice, suspend schedules specified in the Order or such shipment releases. If it becomes necessary for Supplier to ship by a more expensive mode than specified on the Order in order to meet a schedule, Supplier shall pay any resulting premium transportation cost unless Supplier can establish to Janicki Industries' satisfaction that the necessity for the change in routing is occasioned by force majeure events. Supplier on-time delivery performance will be monitored by Janicki Industries. Corrective actions may be issued to Supplier for performance below Janicki Industries standards.

23. ACCEPTANCE OF PRODUCT: Payment by Janicki Industries for the products or services delivered hereunder shall not constitute Janicki Industries' acceptance. Janicki Industries retains the right to inspect the products or services performed and to reject any or all of the products or services performed which are in Janicki Industries' judgment defective, as well as the right to inspect Supplier's manufacturing operations, handling and storage of products and raw material, including the equipment used to manufacture the products. Janicki Industries will give Supplier reasonable notice of any planned Supplier site visit. No inspection or test made prior to final acceptance shall relieve Supplier for defects or other failure to meet the requirements of this Agreement. Products rejected by Janicki Industries and products supplied in excess of quantities called for herein may be returned to Supplier at Supplier's expense. In addition to Janicki Industries' other rights, Janicki Industries may charge Supplier all expenses of unpacking, examining, repacking, and reshipping such goods. In the event Janicki Industries receive goods whose defects or nonconformity is not apparent on examination, resulting in deterioration of Janicki Industries' finished product, Janicki Industries reserves the right to require the replacement, as well as payment of any resulting damages. Further, in the event Janicki Industries incorporates a defective or non-conforming good into a finished product rendering such product useless, delaying the delivery of said product, or causing a breach of contract by Janicki Industries; Supplier may be responsible for damages sustained, including but not limited to, increased expenses. When a shipment is rejected based upon Janicki Industries' inspection, and such rejection increases the risk of jeopardizing Janicki Industries' production schedules by reason of the fact that at least some of the products are necessary to meet such production schedules, then Janicki Industries, at its option, may charge Supplier for the reasonable costs of an increased level of inspection up to and including inspection of each of the products comprising such shipment. Supplier quality performance will be

monitored by Janicki Industries. Corrective actions may be issued to Supplier for performance below Janicki Industries standards.

24. JANICKI INDUSTRIES PROPERTY: Any material or parts furnished by Janicki Industries intended for use by Supplier in Supplier's execution of Supplier's duties as required by this Order are held by Supplier on consignment. All such materials or parts not used by Supplier in connection with this Order shall be returned to Janicki Industries at Janicki Industries' expense unless Supplier is otherwise directed in writing. If not accounted for or not returned to Janicki Industries, Supplier shall pay or reimburse Janicki Industries for such materials or parts. All such materials or parts will be kept insured by Supplier at Supplier's expense in an amount equal to the replacement cost with a loss payable to Janicki Industries.

25. ASSIGNMENT/DELEGATION/SUBCONTRACTING: Supplier shall not assign, delegate, subcontract or transfer this Order, the work required to be done or any payments to be made hereunder without prior written approval from the Janicki Industries Buyer of record. When assignment, delegation, subcontracting or transfer is approved, Supplier shall continue to be liable with respect to all requirements, obligations and liabilities it assumed by accepting this Order and hereby guarantees satisfactory performance of this Order by its assignee, delegate, subcontractor or transferee. Supplier shall enter into a written agreement with any approved assignee, delegate, subcontractor or transferee, which flows down all applicable requirements of this Order, meets the insurance requirements of these Contract Terms and includes provisions protecting Janicki Industries' Confidential Information in a manner consistent with the terms of this Agreement. All claims for monies due or to become due from Janicki Industries shall be subject to deduction by Janicki Industries for any setoff or counterclaim arising out of this or any other Orders with Supplier whether such setoff or counterclaim arises before or after such assignment, delegation, subcontracting or transfer by Supplier.

26. EXPORT/IMPORT AND SANCTIONS COMPLIANCE: Any export credits belong to Janicki Industries, and Supplier shall furnish all documents required for international shipments, and upon request, all documents required by Janicki Industries to obtain export credits and customs drawback and remission. Supplier shall include a priced invoice with the master packing slip for international shipments. Upon Janicki Industries' request, Supplier shall furnish certificates that identify the country of origin of the materials used in the goods Janicki Industries purchase from Supplier and the value added thereto in each country.

26.2. GENERAL: Performance of this Order may involve the use of or access to articles, Technical Data or software that is subject to export controls under 22 United States Code 2751 – 2799aa-2 (Arms Export Control Act) and 22 C.F.R. 120-130 (International Traffic in Arms Regulations or "ITAR") or 50 United States Code 4801 – 4826 (Export Control Reform Act of 2018), 15 C.F.R. 730-774 (Export Administration Regulations), 50 United States Code 1701-1708, (International Emergency Economic Powers Act, as amended), and their successor and supplemental laws and regulations, or may implicate U.S. sanctions laws and regulations, including those administered by the U.S. Department of Treasury Office of Foreign Assets Control in 31 C.F.R. 500-599, and their successor and supplemental laws and regulations. Supplier shall comply with any and all Export and Sanctions Laws and Regulations, and any authorization(s) issued thereunder.

26.3 REGISTRATION: If Supplier is a U.S. entity and is engaged in the business of either exporting or manufacturing (whether exporting or not) Defense Articles or furnishing Defense Services, Supplier represents that it shall maintain an active registration with the U.S. Department of State's Directorate of Defense Trade Controls, as required by the ITAR, throughout the performance of this Order, and that it maintains an effective export and import compliance program in accordance with the ITAR. Evidence of such registration must be produced upon request by Janicki Industries.

26.4 WRITTEN CONSENT: Documents and data supplied by Janicki Industries may contain technical data within the definition of the International Traffic and Arms Regulations (ITAR) and is subject to the Export Control Laws of the U.S. Government. Supplier shall not re-transfer any export-controlled articles or information (e.g. Technical Data or software) to any other non-U.S. person or entity (including Supplier's dual and/or third-country national employees) without first complying with all the requirements of the applicable Export and Sanctions Laws and Regulations. Prior to any proposed re-transfer, Supplier shall first obtain the written consent of Buyer. No consent granted by Buyer in response to Supplier's request shall relieve Supplier of its obligations to comply with the provisions of paragraph B. of this clause or the Export and Sanctions Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of paragraph B. hereinabove, nor constitute consent for Supplier to violate any provision of the Export and Sanctions Laws and Regulations.

27. ON-SITE SERVICES: If Supplier performs any services at one of Janicki Industries' sites, Janicki Industries reserve the right to interview and accept or reject any personnel Supplier provides prior to assignment to Janicki Industries' facility. Janicki Industries may require any such personnel to pass a drug screening test that Janicki Industries administers. Supplier agrees to employ only competent and skilled personnel to perform the services and shall use all reasonable means to ensure the continued employment of personnel performing services pursuant to this Order. Upon Janicki Industries' request, Supplier will immediately remove from all facilities and replace any personnel who are unsatisfactory to Janicki Industries for any reason. Supplier warrants that all personnel Supplier assigns to Janicki Industries' facilities shall have a prior satisfactory work record in a responsible capacity; have no felony criminal record; be in good health without any physical or mental conditions which would prevent the performance of essential functions of the job. If Supplier is or becomes a party to any collaborative bargaining agreement regarding contracted personnel, no provision in that agreement shall be binding upon Janicki Industries, unless otherwise required by law. Supplier further agrees, while Supplier's personnel are on Janicki Industries' premises, that they will abide by Janicki Industries' normal rules of work. Proof of American citizenship or Naturalization shall be a pre-requisite for accessing Janicki Properties without escort.

28. COMPLIANCE WITH LAWS.

28.1 GENERAL: Supplier shall comply fully with all applicable federal, state and local laws in the performance of this Agreement including, but not limited to, all applicable employment, tax, export control and environmental laws.

28.2 EQUAL EMPLOYMENT OPPORTUNITY: Janicki Industries is an Equal Opportunity Employer and complies with Executive Orders 11246 and 13496 and hereby provides notice of its compliance with FAR 52-222-26, 29 CFR Part 471, Appendix A to Subpart A, 41 C.F.R. 60-1.4, 41 C.F.R. 60-250.5, which are hereby incorporated by reference.

Janicki Industries also provides notice of its compliance with the following:

41 CFR 60-741.5(a): This contractor and subcontractor shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

41 CFR 60-300.5(a): This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.

28.3 SMALL BUSINESS PLAN REQUIREMENTS: Janicki Industries is a government subcontractor and is subject to the requirements of FAR section 52.219. Pursuant to FAR 52.219.9., if Supplier (i) is not considered a Small Business (as the term is defined in section 3 of the Small Business Act) and (ii) is providing Goods or Services under this Agreement in an amount greater than or equal to $500,000, and (iii) is subcontracting a portion of the Goods or Services from a third party, Supplier agrees to submit to Janicki Industries a Small Business Plan or letter stating that Supplier does not have a Small Business Plan and listing the approximate dollar amount to be subcontracted.

28.4 HAZARDOUS MATERIALS: Upon Janicki Industries' request, Supplier will promptly provide Janicki Industries with a statement of origin for all Goods and United States Customs documentation for Goods wholly or partially manufactured outside of the United States.

28.5 ENVIRONMENTAL, HEALTH AND SAFETY COMPLIANCE: Supplier also represents and warrants that Products it supplies or delivers under this Agreement shall comply with all applicable national and international environmental, health, safety or product safety laws, regulations, treaties or other legal requirements relating to the manufacture, distribution, use and sale of the Products, including those requirements relating to the presence or use of chemicals or other materials in products (including but not limited to the laws and regulations of the United States (e.g., the Toxic Substances Control Act, the European Union (e.g., the Directive on the Restrictions on use of Hazardous Substances in Electrical and Electronic Equipment) and international law (e.g., the Montreal Protocol relating to ozone-depleting substances). Supplier shall obtain a similar agreement from all of its subcontractors. Supplier agrees to obtain and furnish any information reasonably requested by Janicki Industries, including test reports prepared by certified and accredited testing laboratories relating to lead, phthalates and heavy metals content in the Products, to enable Janicki Industries to ensure its own compliance with product safety laws, and to confirm compliance with this provision or to determine the environmental, health or safety effects of materials or chemicals contained in or used by a Product provided to or delivered on behalf Janicki Industries by Supplier. Supplier also agrees to indemnify Janicki Industries against any loss, expense and penalty incurred by Janicki Industries as the result of Supplier's failure to comply with this provision.

28.6 CUSTOMS: Upon Janicki Industries' request, Supplier will promptly provide Janicki Industries with a statement of origin for all Goods and United States Customs documentation for Goods wholly or partially manufactured outside of the United States.

28.7 FEDERAL ACQUISITION REGULATIONS: If any of the following standard clauses or any Federal Acquisition Regulations (FAR) and Defense Federal Acquisition Supplement (DFARS) clauses contained herein do not apply to a particular Order due to the nature of the work performed (for instance, FAR 52.246-2, “Inspection of Supplies – Fixed-Price” does not apply if the Order is solely for Services), such clauses are considered not applicable to that Order. To the extent this Order is placed under a Janicki Industries prime contract with the Federal Government, the provisions of Sections 52.219-8, 52.222-26, 52.222-35, 52.222-36 and 52.247-64 of the Federal Acquisition Regulation (“FAR”) in their version in effect as of the date this Order is placed are incorporated herein by reference with the same force and effect as if set forth herein. The full text of these FAR clauses may be accessed electronically at the following Internet websites: FAR or DFARS. The following changes to the FAR clauses are made for incorporation of these clauses in this Order: “Contractor” shall mean “Supplier”; “Contracting Officer” shall mean “Janicki Industries Buyer of record “; “Contract” shall mean this “Purchase Order.”; “Government” shall mean “Janicki Industries.” and “Subcontractor” shall mean “Supplier’s subcontractor.” Supplier is not required to comply with the FAR clauses cited herein, except for FAR 52.247-64, with regard to Supplier’s work performed outside the United States by employees who were not recruited within the United States.

28.8 SEVERABILITY: If any provision of this Agreement or compliance by any of the Parties with any provision of this Agreement constitutes a violation of any law, or is or becomes unenforceable or void, then such provision, to the extent only that it is in violation of law, unenforceable or void, shall be deemed modified to the extent necessary so that it is no longer in violation of law, unenforceable or void, and such provision will be enforced to the fullest extent permitted by law. If such modification is not possible, said provision, to the extent that it is in violation of law, unenforceable or void, shall be deemed severable from the remaining provisions of this Agreement, which provisions will remain binding on the Parties.

28.9 ORDER OF PRECEDENCE: All documents associated with this Order are to be read to be consistent to the fullest extent possible. If there are inconsistencies between the documents and provisions incorporated or attached to this Order they will be resolved in accordance with the following order of precedence: (a) any applicable government or customer flowdown; (b) the Purchase Order including schedules; (c) These Purchase Order Terms and Conditions; (d) Terms for Development and Professional Services; (e) Purchase Order Notes; (f) any statement(s) of work related to the Purchase Order; (g) specifications related to the Purchase Order; (h) drawings that are related to the Purchase Order; and (i) any other exhibits to the Purchase Order.

28.10 GRATUITIES AND KICKBACKS: Supplier warrants that it has not and will not offer or provide any kickback or gratuities (in the form of entertainment, gifts, or otherwise) for the purpose of obtaining or rewarding favorable treatment as a supplier of Janicki Industries.

29. REMEDIES: Janicki Industries’ remedies shall be cumulative and shall include any remedies allowed by law. Waiver of any breach by Janicki Industries shall not constitute Janicki Industries’ waiver of any other breach of the same or any other provision. Acceptance of any items or payments therefore shall not waive any breach.

30. NONEXCLUSIVE AGREEMENT: This is not an exclusive agreement. Janicki Industries is free to engage others to perform Services or provide Goods the same as or similar to Supplier’s. Supplier is

free to, and is encouraged to, advertise, offer and provide Supplier's Services and/or Goods to others; provided however, that Supplier does not breach this Agreement.

31. NOTICES: Except for Purchase Orders which may be sent by local mail, facsimile transmission, or electronically transmitted, all notices and other communications hereunder shall be in writing, and shall be addressed to Supplier or to the Janicki Industries Buyer of record. The Janicki Industries Buyer of record is defined as the person named as Buyer in the information block of the Purchase Order. Notice shall be considered given when (a) delivered personally, (b) sent by e-mail with acknowledgement received by return e-mail, (c) sent by confirmed telex or facsimile, (d) sent by commercial overnight courier with written verification receipt, or (e) three (3) days after having been sent, postage prepaid, by first class or certified mail.

32. SURVIVAL OF OBLIGATIONS: Any obligations and duties which by their nature extend beyond the expiration or termination of this Agreement shall survive the expiration or termination of this Agreement.

33. GOVERNING LAW/SUBMISSION TO JURISDICTION: This agreement shall be construed in accordance with the laws governing contracts made and to be performed in the State of Washington, U.S.A., exclusive of the U.N. Convention on the International Sale of Goods. Supplier hereby consents to the jurisdiction of any local, state, or federal court located within the State of Washington and waives any objection which Supplier may have based on improper venue or forum non conveniences to the conduct of any proceeding in any such court. If either party is required to bring or maintain any action (including assertion of any counterclaim or cross-claim, or claim in a proceeding in arbitration, bankruptcy, receivership or any other proceeding instituted by a party hereto or by others), or otherwise refers this Purchase Order Terms and Conditions to an attorney for the enforcement of any of the covenants, terms or conditions of this Purchase Order Terms and Conditions, the prevailing party in such action shall, in addition to all other payments required herein, receive form the other, all the costs incurred by the prevailing party including reasonable attorneys' fees and such costs and reasonable attorneys' fees which the prevailing party incurred in, and in preparation for, such action, arbitration, trial, appeal, review and/or proceeding in bankruptcy court.

34. LANGUAGE: The parties confirm that it is their wish that these Contract Terms, as well as any other documents relating hereto, including all Orders, notices, schedules, authorizations, attachments and amendments, have been and shall be drawn up in the English language only.

35. ENTIRE AGREEMENT: This Agreement and associated documents referenced herein constitute the entire agreement between the parties with respect to the subject matter hereof; all prior agreements, representations, statements, negotiations and undertakings, whether oral or written, are superseded hereby. In the event Janicki Industries acquires, is acquired by or merges with another company that has a written contract with Supplier, or otherwise assumes a contract between Supplier and the acquiring, acquired or merging company (each, a "Legacy Contract"), Janicki Industries may at its sole option terminate the Legacy Contract by written notice and elect to have this Agreement govern all transactions between Supplier and Janicki Industries and its Affiliates from and after the date given in the notice.

36. INDEPENDENT CONTRACTOR: Supplier is and shall be deemed to be an independent contractor at all times during its performance of the work specified in the Order. Under no circumstance shall

Supplier be deemed an agent for Janicki Industries.

37. RELEASE OF INFORMATION AND ADVERTISING: Supplier shall not, without prior written consent of Janicki Industries' Buyer, make any disclosure, news release or public announcement, denial or confirmation of same, of any part of the subject matter of this Order or in any manner advertise or publish the fact that Supplier has supplied or contracted to supply to Janicki Industries the products mentioned herein except as may be required to perform this Order. Disclosure to authorized Government sources is exempt from this restriction unless otherwise indicated herein.

38. RECORD RETENTION: Supplier shall have on file and retain for ten years after final delivery of a Janicki Industries PO line item, or as defined in the purchase agreement, all design, sourcing and manufacturing records as well as material, chemical and physical test reports and Certificates of Conformance for products manufactured or processes performed by themselves and their sub-tier suppliers at no cost to Janicki Industries. The Supplier may use electronic media storage in lieu of paper records if approved by Janicki Industries. At the conclusion of this time period, the Supplier shall make written request to Janicki Industries for permission to destroy the records, package and ship the records to Janicki Industries, maintain the records at the Supplier's facilities; or any combination of the above. Copies of retained records shall be furnished to Janicki Industries upon request.

39. ORDER ACKNOWLEDGMENT: Unless otherwise directed by the Janicki Industries Buyer of record, Supplier shall review all requirements of this Order and provide the Janicki Industries Buyer of record e-mail acknowledgement and acceptance of this Order with a confirmed ship date.

40. RIGHT OF ACCESS: Janicki Industries reserves the right to witness any and all tests during production as well as final inspection prior to shipment. Right of access by Janicki Industries, our customers and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain involved in the order, and to all applicable records is implied in the acceptance of this Order.

41. NONCONFORMING MATERIAL CONTROL: If a nonconforming material situation occurs, Supplier shall notify the Janicki Industries Buyer of record for instructions. Non-conforming material shall not be delivered to Janicki without prior written approval from the Janicki Industries Buyer of record.

42. ROOT CAUSE AND CORRECTIVE ACTION: Supplier shall provide proof of root cause determination and corrective action for any deficiencies deemed supplier responsibility utilizing Janicki Industries' Corrective Action Response form. Failure to respond in a timely and/or effective manner may result in future on-site review, source inspection at suppliers facility, being placed on purchase order hold status and/or disqualification. Costs associated with the identification and correction of deficient material may be charged to Supplier.

43. COUNTERFEIT PARTS: Supplier shall have adequate processes in place to prevent the incorporation of counterfeit materials and parts into product supplied to Janicki Industries. Flow-down provisions of DFARS 252.246-7007 and -7008. In addition, AS5553 and AS6174 requirements shall be adhered to for prevention. When applicable, flow-down of these provisions from the primary supplier to sub tiers is also required.

44. SUPPLIER MANAGEMENT: Supplier shall have adequate processes in place to communicate to Supplier's assistants their contribution to product conformity & safety, as well as the importance of

ethical behavior.

A-1 Specifications: Terms for Development and Professional Services

Terms for Development and Professional Services

1. Contract Documents: These Specifications constitute an integral part of the Services Agreement between Janicki Industries and Supplier ("Services Agreement") in which they are referenced, to the extent Supplier provides any Professional Services (as hereinafter defined) to Janicki Industries.

2. Definitions: As used in these Specifications A-1, the terms listed below shall have the following definitions. Terms not otherwise defined herein shall have the meanings set forth in the Definitions section of the Services Agreement.

"Acceptance Certificate" means a written certificate in a form to be provided by Janicki Industries, that Supplier shall prepare and Janicki Industries shall sign to evidence Janicki Industries' acceptance of Deliverables.

"Acceptance Date" means the date on which Janicki Industries delivers the Acceptance Certificate or is otherwise deemed to have accepted such Deliverables.

"Acceptance Test" means any test specified in the Order which will be used to demonstrate that the Deliverables perform the functions and operate with the capabilities described in the Documentation or Specifications.

"Deliverables" means the computer programs, firmware, schematics, flowcharts, drawings, specifications, Documentation, reports, recommendations or other writings, information or material embodied in a tangible medium that are to be provided by Supplier pursuant to the Services Agreement.

"Documentation" means the visually readable English language materials provided by Supplier that are relevant to the Deliverables.

"Intellectual Property Right" means a patent, copyright, trademark, trade secret, registered design, industrial design, design right, utility model or other intellectual property right recognized by statute or at common law.

"Professional Services" means all professional services to be provided by Supplier pursuant to an Order and this Agreement, including, but not limited to, development, consulting, analysis, design, computer programming, installation, testing, conversion, implementation, training, technical writing and any other services necessary or desirable to successfully install and operate the Deliverables or complete the tasks specified in the Order.

"Specifications" means the specifications referenced in and attached to the Order. The Specifications shall include, but not be limited to, tasks to be completed, functions to be performed, user operational instructions, descriptions, tolerances, capabilities and physical requirements of a Deliverable.

"Warranty Period" means that period of time commencing on the Acceptance Date and continuing for one (1) year thereafter.

3. Project Management: Each party shall appoint a project manager who shall be responsible for coordinating its activities with respect to this Agreement. Each party shall direct all performance-related inquiries to the project manager of the other party. Each party's project manager shall have the authority to act on its behalf of in all matters concerning the technical details of the Order. To change the scope of the Order, Janicki Industries' project manager shall provide a written request detailing the desired changes to Supplier's project manager. Supplier's project manager shall provide the Janicki Industries project manager with an estimate of the cost of such change and impact on the schedule. Supplier shall continue performing pursuant to the previously agreed-upon Order until the parties agree in writing (via a Purchase Order Change Order) on the applicable changes in scope of the Order, scheduling, and fees.

4. Scope of Services: The Professional Services or Deliverables to be provided by Supplier under the Service Agreement shall be described in an Order issued by Janicki Industries and accepted by Supplier. If a task specification is issued in connection with an Order, it will reference the Service Agreement and such Order and will describe the work to be done, deliverables, ownership and confidentiality, Janicki Industries and Supplier responsibilities, scheduled completion, criteria for acceptance and cost/milestone deliverable payments. A task specification or Order may not be changed or be terminated orally, but may be modified at any time by an instrument in writing signed by authorized representatives of both parties hereto.

5. Interviews/Screening: Janicki Industries shall have the right to interview and accept or reject any personnel provided by Supplier prior to assignment to Janicki Industries, it being understood that such interviews are for the purpose of Janicki Industries confirming the individual's ability to perform the technical aspects of the assignment. As a condition to any engagement involving work to be performed at a Site, Supplier personnel may be required to pass a drug screening test administered by Janicki Industries.

6. Key Resources: An Order may specify a key employee, subcontractor and agent resources ("Key Resources") committed to the performance of Supplier's obligations. Supplier shall not change Key Resources or assign Key Resources to any other activities which are not directly associated with the performance of its obligations to Janicki Industries without the prior written consent of Janicki Industries.

7. Non-Solicitation: Neither party shall recruit or hire any personnel of the other who are or have been assigned to perform any Professional Services in connection with any Order entered into between the parties pursuant to the Services Agreement until one (1) year after completion of the Professional Services, except that Janicki Industries shall have the right to recruit and hire any employee or consultant of Supplier if Janicki Industries terminates this Agreement or an Order for cause as specified in the Services Agreement.

8. Delivery: Supplier acknowledges that time is of the essence for delivery of all Deliverables and completion of all Professional Services. Supplier shall deliver all Deliverables and complete all Professional Services on or before the scheduled delivery date specified on the Order. No Deliverable shall be deemed delivered and no Professional Services shall be deemed to be completed unless and until all Deliverables have been delivered and all Professional Services have been completed in their entirety in accordance with the requirements set forth in the Services Agreement, these A-1 Specifications and the Order. Any delays in delivery of Deliverables or completion of Professional

Services shall be reported by Supplier to the Janicki Industries Buyer of record immediately as they become known to Supplier.

9. Acceptance: The Deliverables shall be deemed accepted upon their successful installation at Janicki Industries' satisfaction that the capabilities and performance of the Deliverables conform to the Documentation and Specifications.

9.1. When so specified on an Order, Supplier will demonstrate to Janicki Industries' satisfaction that the Deliverables meet the Acceptance Test criteria. In such case, if the Deliverables pass the Acceptance Test and otherwise conform to the Documentation and Specifications, Supplier shall provide Janicki Industries with an Acceptance Certificate. The Deliverables shall be deemed accepted when Janicki Industries signs the Acceptance Certificate. If Janicki Industries does not sign the Acceptance Certificate, Janicki Industries shall specify to Supplier in writing, within fifteen (15) working days (Monday through Friday, excluding holidays) after Supplier has delivered the Acceptance Certificate, the deficiencies in the Deliverables which caused Janicki Industries not to sign the Acceptance Certificate. If such notification of the deficiencies is not provided within fifteen (15) working days, the Deliverables shall be deemed accepted.

9.2 If Janicki Industries specifies a deficiency as set forth above:
(i) Supplier will proceed to correct the deficiency. When the deficiency is corrected to Janicki Industries' satisfaction, Janicki Industries will sign the Acceptance Certificate.
(ii) In the event that Supplier determines that a deficiency is not due to any Deliverable, then Supplier shall provide in writing the basis for this determination. If the deficiency is not due to a Deliverable, then Janicki Industries shall sign the
Acceptance Certificate.

9.3 If within ninety (90) days after delivery there is no acceptance of the Deliverables due to deficiencies in or caused by one or more Deliverables or if Supplier and Janicki Industries do not agree whether the deficiency is due to a Deliverable, Janicki Industries may, at its option, notify Supplier in writing that the Deliverables have not been accepted and that the Order is canceled. In such event Supplier shall immediately refund all monies paid by Janicki Industries to Supplier for such Deliverables. Janicki Industries shall retain the right to continued use of any Deliverable required for the non-disrupted continuation of its business until, but not after the earlier of:
(i) twelve (12) months after termination of the Order, or

(ii) such time as Janicki Industries has, at its convenience, successfully installed a suitable replacement for said Deliverable(s).

10. Title and Possession:
(a) All Deliverables developed in connection with any Order, either by Janicki Industries or jointly by Janicki Industries and Supplier, or by Supplier pursuant to Specifications or instructions provided by Janicki Industries shall be owned by and confidential to the party identified in the Order. In the absence of any such identification in an Order, Deliverables shall be deemed to be owned by and confidential to Janicki Industries.
(b) Deliverables that are owned by and confidential to Janicki Industries shall be considered a works made for hire belonging exclusively to Janicki Industries with Janicki Industries having the right to obtain

and to hold in its own name patents, copyrights, registrations, or such other protection as may be appropriate to the subject matter and any extension or renewals thereof. To the extent that any such Deliverables are not subject to the United States Copyright Act or do not otherwise qualify for work-made-for-hire treatment under such Act, Supplier agrees to assign and does hereby assign all Intellectual Property Rights in such Deliverables to Janicki Industries and shall cause its employees to waive all moral rights. Supplier agrees to give Janicki Industries and any other person designated by Janicki Industries, at Janicki Industries' expense, all assistance reasonably required to perfect its rights pursuant to this Section. Supplier will not, nor will it permit its Employees, to sell, transfer, assign, plagiarize or otherwise disclose such Deliverables to any third party.

(c) Supplier agrees that in connection with any work performed for Janicki Industries, it will not collaborate in the creation of patentable or copyrightable works with any person (other than Janicki Industries employees or other persons who have signed agreements consistent with the provisions of this Section) without Janicki Industries' prior written consent.

(d) Supplier shall, at its sole cost and expense, release, defend at Janicki Industries' option, indemnify and hold harmless Janicki Industries, its directors, officers, agents, employees, and shareholders from and against all claims, demands, disputes, complaints, causes of action, suits, losses and damages (including attorneys' fees) of any kind to the extent they in any way relate to or arise, in whole or in part, due to the acts or omissions to act of Supplier, its subcontractors, Suppliers, or agents or the employees of any thereof, in the performance of the Contract or any breach or default there under.

(e) There are no restrictions on Janicki Industries' right to make, have made, use, modify, create derivative works of, reproduce, have reproduced, perform, display, sell and distribute Deliverables that are owned by Janicki Industries.

(f) With respect to any Janicki Industries-owned software, Supplier agrees to deliver to Janicki Industries the source code (including flowcharts, compile listings and comments sufficient to enable a reasonably skilled programmer to understand the function and operation of the computer programs) at no additional charge. When Janicki Industries shall come into possession of the computer program source code in accordance with this Agreement, Janicki Industries shall thereafter have the absolute right to modify the source code to perform any functions that Janicki Industries deems necessary or desirable. Janicki Industries agrees that any modifications to the computer programs may void any applicable warranties that may be in effect.

11. Professional Services and Deliverables Warranty

Supplier warrants during the Warranty Period that all Professional Services and Deliverables provided under the Services Agreement will be performed to the best of its, and its employees', agents', and contractors' ability and in a professional manner, and that Deliverables will conform to and perform in accordance with the relevant Specifications and with all associated Documentation. Supplier's obligation under this warranty is to re-perform any Professional Services and correct and adjust any portions of the Deliverables which do not comply with this warranty, at no additional cost to Janicki Industries. After the Warranty Period, any Janicki Industries requested corrections and modifications shall be furnished on a time and materials basis in accordance with the Agreement at the then current charges therefore, and pursuant to a separately negotiated maintenance agreement. This warranty is in addition to all other warranties expressed or implied, and other obligations of Supplier.

12. Subcontracts
Supplier shall include in every subcontract provisions consistent with those contained herein. Prior written approval of each subcontractor must be obtained from the Janicki Industries Buyer of record, but such approval shall not relieve Supplier of responsibility for the subcontractor's performance of the work.

Purchase Order Notes

Notes

Note: Purchase Order Notes only apply when specified on a purchase order.

1. CERTIFICATE OF CONFORMANCE: Supplier shall make available all pertinent certificates that provide evidence of compliance with all facets of said process or specification. If no such process or specification is called out, then best commercial practices shall be followed. The supplier shall include a Certificate of Conformance with each shipment, stating that the items furnished to Janicki Industries are in conformance with the PO/Drawing requirements applicable to the items delivered. Additionally, any applicable nonconformance documentation for the delivered items must be submitted. Any recognized aerospace, military and/or industry standard, when imposed by the drawing, specification or PO must be specifically stated and form a part of the certification. Each supplier and/or sub-tier certification should contain the following information: (a) Purchase Order Number (b) Lot number (c) Quantity Shipped (d) Part Number (e) The date of issue, and (f) Signature and title of Supplier's Quality Assurance authorized representative.

2. SDS REQUIRED: A printed copy of the most recent Safety Data Sheet shall accompany the shipment, be on file with Janicki or be available through supplier portal.

3. (JI INTERNAL NOTE – RIR): Material will be inspected on receipt at Janicki Industries for conformance to PO requirements.

4. MATERIAL CERTIFICATIONS REQUIRED: Supplier agrees to maintain certificates traceable to material being ordered. Records shall be maintained per Janicki Industries Record Retention requirements. Material certifications shall be furnished with the shipment.

5. PHYSICAL AND CHEMICAL TEST REPORTS REQUIRED: Supplier agrees to maintain physical/chemical test reports and/or certificates traceable to material being ordered. Records shall be maintained per Janicki Industries Record Retention requirements. Material test reports/certifications shall be furnished with the shipment.

6. FIRST ARTICLE INSPECTION: A detailed first article inspection report is required. Janicki Industries should be notified in advance when the first article inspection is scheduled and reserves the right to witness the actual inspection or to require inspection to verify the data. The report may be in Supplier's format, must list all drawing characteristics and be made available upon request. The report must include evidence of conformance to all elements including material and processes. Each drawing characteristic must be complete with the tolerance in an adjoining column. The measured condition must be recorded. The report must show Janicki Industries' part number revision and purchase order number. This first article will consist of one piece and shall be identified. The report shall either

accompany the first article or be sent to Janicki prior to first article shipment. Where product does not meet the intent of “first production run”, all product characteristics shall be inspected. Partial (Delta) or re-accomplishment of first article inspection shall be repeated when changes occur that invalidate or are not represented in the original results, as determined by a multi-disciplinary team (e.g., members from responsible functions).

7. AEROSPACE FIRST ARTICLE INSPECTION REQUIREMENT: First Article Inspection required in accordance with AS 9102. The report must show Janicki Industries’ part number, revision, purchase order number and be made available upon request. This first article will consist of one piece and shall be identified. The report shall either accompany the first article or be sent to Janicki prior to first article shipment. Where product does not meet the intent of “first production run”, as defined within AS9102, all product characteristics shall be inspected.

8. 100% INSPECTION: Inspection is required with actual recorded results and acceptable min/max limits for all characteristics on all parts to ensure conformance to drawing and specification requirements. A copy of this inspection record is required with the shipment of product.

9. DATA MANAGEMENT AND TRANSMISSION: All data provided to support this order is proprietary and shall not be reproduced in whole or part without the express written consent of Janicki Industries. Supplier is responsible to maintain and shall comply with standards (such as AIT MP015, Boeing D6-51991 and others) as required by Janicki Industries and customers.

10. APPROVED USE OF SUB TIER REQUIRED: Subcontracting ANY or ALL of the work procured on this purchase order without prior written approval of the Janicki Industries Buyer of record is prohibited. When subcontracting is approved, Supplier shall flow down all applicable requirements of this PO to each approved subcontract supplier. Approved subcontracted operations shall meet all applicable requirements of this PO and compliance to these requirements shall be certified by the subcontractor.

11. NIST TEST EQUIPMENT: Use of NIST-traceable test and measuring equipment is required. Records substantiating this shall be made available upon request.

12. PART MARKING: Suppliers shall identify parts with the part number and job identification number. Means of identification, such as stamping, engraving, paint marking or tagging shall be requested by the Janicki Industries Project Manager.

13. PART MARKING FOR OUTSIDE SERVICES: Outside Services include, but are not limited to, coating, plating, heat treating, and stress relieving. Suppliers of outside services will maintain component identification (ie acceptance tags) throughout receipt, processing, and delivery. Items purchased under these orders must be identified with part number and job identification number.

14. SOURCE INSPECTION REQUIRED: Inspection at vendor facility by Janicki Industries or Janicki Industries authorized representative required prior to shipping.

15. CALIBRATION REQUIREMENTS (Only Required for Calibration Service Suppliers): Calibration/verification method and traceability to calibration standards shall be in accordance with ISO 17025 and ANSI/NCSL Z540-1 as applicable and shall be within the approved scope of the calibration service supplier. Unless otherwise noted on this PO, acceptance criteria shall be OEM specifications for the calibrated item and calibration frequency shall be 365 days.

16. (JI INTERNAL NOTE – ENG INSPECTION): Material will be inspected on receipt at Janicki Industries for conformance by Project Engineer.

17. SPECIAL PROCESSES: Each special process, including but not limited to: soldering, cleaning/etching or passivation, welding, brazing, plating/coating, heat treating, magnaforming/swaging, electro polishing, acid pickling, impregnating, bonding, glass sealing, shot peening, silkscreening, magnetic particle/penetrant or ZX-RAY or N-RAY inspections, when required by Janicki Industries or other process specifications, shall be performed by approved suppliers only, and approved special process operators only.

18. UNUSED

19. QUALITY SYSTEM REQUIREMENTS: Supplier shall maintain a documented quality system that complies with the requirements of government and/or industry quality system standards. Specifically, Supplier shall maintain a documented calibration system in accordance with ISO 17025 and/or ANSI/NCSL Z540-1 and as a minimum, a quality system compliant with the requirements of ISO 9001: (latest version) or AS9100 (latest version) as applicable. Supplier's quality system is subject to verification and approval at all times by Janicki Industries.

20. FAR AND DFARS FLOWDOWN CLAUSES AND PROVISIONS: Supplier agrees to supply material in compliance with DFARS 252.225-7001 and 252.225-7009. The origin of the material shall be from a qualifying country in accordance with DFAR 225.872-1.

The following clauses set forth in the FAR and DFARS as in effect on the date of this purchase order, unless otherwise noted, are incorporated herein by reference. The listed FAR and DFARS clauses are incorporated herein as if set forth in full text unless made inapplicable by its corresponding note, if any. Supplier shall include the appropriate FAR and DFARS clauses as required in any lower-tier subcontract.

Clause	**FAR / DFAR Reference**
Security Requirements NOTE: Delete paragraph (c). NOTE: Applicable if this Order involves access to Classified Information.	**52.204-2**
Basic Safeguarding of Covered Contractor Information Systems NOTE: Applicable to all Orders at any tier for other than commercially available off-the-shelf items.	**52.204-21**
Utilization of Small Business Concerns NOTE: Applicable unless contract is for personal services, or the contract, together with all of its subcontracts, will be performed entirely outside the U.S. and its outlying areas.	**52.219-8**
Equal Opportunity NOTE: Applicable only (i) if this Order is not exempted by Secretary of Labor under Executive Order 11246 as amended per FAR 22.807, and (ii) then only with respect to provisions of subparagraphs (b)(1) through (b)(11) [binding Supplier thereto].	**52.222-26**

Equal Opportunity for Veterans NOTE: Applicable to any Order of $150,000 or more. NOTE: The clause at 41 CFR 60-300.5(a) is incorporated herein by reference. Janicki Industries and Supplier shall abide by the requirements of 41 CFR 60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.	**52.222-35**
Equal Opportunity for Workers With Disabilities NOTE: Applicable to any Order greater than $15,000 or lower threshold if effective under older, higher-tier contract. NOTE: The clause at 41 CFR 60-741.5(a) is incorporated herein by reference. Janicki Industries and Supplier shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals	**52.222-36**
Buy American – Supplies	**52.225-1**
Preference for Privately Owned U.S. – Flag Commercial Vessels	**52.247-64**
General	**225.872-1**
Compliance with Safeguarding Covered Defense Information Controls	**252.204-7008**
Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information	**252.204-7009**
Safeguarding Covered Defense Information and Cyber Incident Reporting NOTE: Applicable to all Orders, at any tier, including orders for commercial items, for operationally critical support, or for which performance will involve covered defense information, unless the Order is solely for commercially available off-the-shelf items.	**252.204-7012**
Notice of NIST SP 800-171 DoD Assessment Requirements	**252.204-7019**
NIST SP 800-171 DoD Assessment Requirements	**252.204-7020**
Covered Defense Telecommunications Equipment or Services—Representation	**252.204-7016**
Buy American and Balance of Payments Program	**252.225-7001**
Qualifying Country Sources As Subcontractors	**252.225-7002**
Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies	**252.225-7007**

Restriction on Acquisition of Specialty Metals	**252.225-7008**
Restriction on Acquisition of Certain Articles Containing Specialty Metals NOTE: Exclude paragraphs (d) and (e)(1); paragraph (c)(6) is hereby deleted. NOTE: Upon Supplier notification of noncompliance with the terms of this clause and the provision of specific information related to the source of the noncompliance, Janicki **Industries will facilitate management of the allowance for up to 2% otherwise noncompliant specialty metal content in the end item. the 2% minimal content exception does not apply to and cannot be used to exempt specialty metals contained in high performance magnets**.	**252.225-7009**
Preference for Certain Domestic Commodities	**252.225-7012**
Export Controlled Items	**252.225-7048**
Contractor Counterfeit Electronic Part Detection and Avoidance System NOTES: The provision of paragraphs (a) – (e), including its definition of “electronic parts,” are incorporated herein by reference. This clause is applicable to all orders for electronic parts or assemblies containing electronic parts.	**252.246-7007**
Sources of Electronic Parts NOTES: this clause is applicable to all orders for electronic parts or assemblies containing electronic parts.	**252.246-7008**

21. ITAR and EAR: This PO may contain, and/or reference documents containing information subject to the International Traffic in Arms Regulations (ITAR) or the Export Administration Regulations (EAR). Supplier shall maintain registration with the Directorate of Defense Trade Controls (DDTC) and shall not export, release, or disclose this information without first complying with the export license requirements of the applicable regulations.

21.1 SELLER’S EMPLOYEES: Employees of Supplier who perform Services under this Order shall be citizens of the U.S., its possessions or territories, or lawful permanent residents as defined by 8 U.S.C. 1101(a)(20), or protected individuals as defined by 8 U.S.C. 1324b(a)(3). Seller shall provide certification of compliance upon Buyer request. Seller shall promptly notify Buyer of any changes to the certification. Failure to provide the certification, or notice of changes, may result in termination of this Order for default.

21.2 INFORMATION SECURITY.

21.3 Definitions:

“Information Security Incident” means (i) any actual or suspected incident involving Supplier Information System that may involve Janicki Industries Controlled Unclassified Information, or (ii) any actual or suspected unauthorized access to, use, or disclosure of Janicki Industries Controlled Unclassified Information.

“Information” means any communication or representation of knowledge such as facts, Data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual.

“Information System” means a discrete set of Information resources that collect, process, maintain, use, share, disseminate, or dispose Information.

“Supplier Information System” is defined as any Information System owned and/or operated by Supplier or owned/operated by a third party on behalf of Supplier that collects, processes, maintains, uses, shares, disseminates, or disposes Information.

“Controlled Unclassified Information” means any Information that is collected, processed, maintained, used, shared, or disseminated in connection with this Order that requires protection to ensure its confidentiality, integrity and availability including, but not limited to, any Janicki Industries Information and third party proprietary Information (identified as such), Personal Information, Federal Contract Information, Covered Defense Information as defined in DFARS 252.204-7012, and Controlled Unclassified Information (CUI) defined in the National Archives and Records Administration (NARA) Registry, available at https://www.archives.gov/cui/registry/category-list.

“Countermeasures” means actions, devices, procedures, techniques, or other measures that reduce the vulnerability of an Information System.

21.4 Reasonable and Appropriate Security Controls: Supplier shall apply reasonable and appropriate administrative, technical, physical, organizational, and operational safeguards and operations to protect Controlled Unclassified Information against accidental and unlawful destruction, alteration, and unauthorized or improper disclosure or access regardless of whether such Controlled Unclassified Information is on Supplier’s internal systems or a cloud environment.

If Supplier’s performance of the Order involves the transmission, storage, or processing of Controlled Unclassified Information on an Information System, the Supplier shall at a minimum apply the following security controls:

Basic Safeguarding Controls from FAR 52.204-21, regardless of whether FAR 52.204-21 applies to the Order:

Establish and enforce security configuration settings for information technology Products employed in Supplier’s Information Systems.

Establish and maintain Data protection processes and systems to adequately protect Controlled Unclassified Information, including pertaining to destruction methods employed, how audit and system log information is protected, and having the capability to encrypt Controlled Unclassified Information during transmission.

Ensure that risks identified in scans performed under this clause are promptly addressed.

21.5 Protecting Controlled Unclassified Information: Supplier must be in compliance with DFARS 252.204-7012 and have fully implemented the requirements set within NIST SP 800-171.

21.6 Information Security Incident Response and Notification: Supplier must have documented processes that address Information Security Incidents. These processes should be a set of written

instructions and Countermeasures that include, but are not limited to: detecting, responding to, and limiting the effects of an Information Security Incident.

Within 72 hours of discovery of an Information Security Incident, Supplier will notify Janicki Industries Authorized Representative and Janicki Industries Information Systems Security Manager (ISSM) at (360) 503-2033 of any Information Security Incident. At Supplier's expense, Supplier will (i) immediately investigate any Information Security Incident, (ii) make all reasonable efforts to secure Controlled Unclassified Information and mitigate the impact of the Information Security Incident, (iii) provide timely and relevant information to Janicki Industries about the Information Security Incident on an ongoing basis, and (iv) cooperate as applicable with Janicki Industries to provide notice to affected third parties.

This clause does not relieve Supplier of any other applicable safeguarding requirements, remedies, or obligations regarding the protection of Controlled Unclassified Information required by this Order or local, federal, state or other governmental agencies or departments, including but not limited to FAR 52.204-21 or DFARS 252.204-7012.

- Supplier shall respond promptly and appropriately to any inquiries from Janicki Industries related to compliance with this clause to include documentation and/or independent evidence of the effectiveness of implemented controls, processes and Countermeasures discussed above.
- Supplier shall provide prior written notification of material changes to any Supplier Information System that affect Supplier's compliance with this clause, 'including any new third party agreements that will store, process or transmit Janicki Industries Controlled Unclassified Information on behalf of Supplier.
- For contracts requiring access to classified information, Supplier shall be responsible for safeguarding all classified information in accordance with all applicable Government requirements including FAR 52.204-2, "Security Requirements," and customer classification specifications (e.g. DD254).

Supplier represents and warrants that Supplier is an expert, fully competent in all phases of the work involved in producing and supporting all Products and performing all Services purchased under this Order. Janicki Industries may require Supplier to remove from Janicki Industries or Janicki Industries customer's premises any employee, agent, or representative of Supplier, or any of its subcontractors and Janicki Industries shall have the right to request and have replaced any personnel who fail to perform to Janicki Industries satisfaction.

22. DPAS: This PO is DPAS-Rated per 15 CFR 700; refer to this website for more information: https://www.dcma.mil/DPAS/. *DPAS can be priority rated as DX (10 day order); DO (15 day order) or unrated, i.e., a priority with no specific timeline. If not defined assume unrated order. Additional information can be found here:* *https://www.dcma.mil/Portals/31/Documents/DPAS/DPAS_for_the_Contractor_REV8.pdf*

23. DROP SHIPMENT: If item or material to produce the item is drop shipped, Supplier shall email proof of delivery to the Janicki Industries Buyer of record within 48 hours of receipt. Failure to comply may result in delay of payment to Supplier.

24. DIGITAL PRODUCT DEFINITION (DPD): Implementation and ongoing maintenance of a DPD process compliant with the latest revision of the end item customer's DPD procedure, such as Boeing D6-51991 or Spirit Aero Systems MAA1 or Janicki approved equivalent is required. Janicki Industries reserves the right to audit to the applicable process standard.

25. ASME Material: All products and/or services relating to this line item must conform to the appropriate ASME code specifications and requirements.