

## Bliley Purchase Order Terms and Conditions

### 1. ACCEPTANCE AND CONTRACT TERMS:

1.1 **CONTRACT FORMATION:** Any purchase order issued by Bliley Technologies, Inc. ("Bliley") is subject to, and governed by, these Purchase Order Terms and Conditions, which Purchase Order Terms and Conditions are incorporated by reference in any purchase order issued by Bliley, as if fully set forth in such purchase order. A purchase order is an offer to purchase goods and/or services by Bliley from the party (the "Seller") to which the purchase order is issued. A purchase order does not constitute an acceptance by Bliley of any offer, any quotation, or any proposal from Seller. Bliley shall not be bound by a purchase order until Seller executes and returns to Bliley the acknowledgment copy of the purchase order which shall constitute acceptance of the offer set forth in the purchase order. Seller shall be bound by the purchase order when:

(1) Seller executes and returns the acknowledgment copy of the purchase order; (2) Seller otherwise communicates to Bliley in writing its acceptance of the purchase order; or (3) Seller delivers to Bliley any of the goods, or renders to Bliley any of the services, identified in the purchase order. Bliley reserves the right to revoke the purchase order at any time prior to its acceptance by Seller as provided herein. Acceptance by Seller of the purchase order is expressly limited to the terms and conditions stated in the purchase order (including, without limitation, these Purchase Order Terms and Conditions). Any additional or different terms proposed by the Seller are rejected unless expressly assented to in writing by Bliley. Bliley expressly objects to any terms contained in any of Seller's documents which are different from, or additional to, the terms of the purchase order (including, without limitation, these Purchase Order Terms and Conditions). Bliley's execution of any document issued by Seller shall constitute only an acknowledgment of the receipt thereof, and shall not be construed as an acceptance of any of the terms therein. No contract shall exist between Bliley and Seller except as provided in this Section 1.1.

1.2 **DOCUMENTS CONSTITUTING THE CONTRACT; ENTIRE AGREEMENT:** The parties agree that, upon acceptance by Seller as provided in Section 1.1, above, the purchase order issued by Bliley to Seller, including any terms and conditions on the face and reverse side of the purchase order, together with any documents attached to and/or expressly incorporated by reference in the purchase order and these Purchase Order Terms and Conditions, shall constitute the complete and final contract (the "Contract") between Bliley and Seller. The Contract supersedes all prior understandings, agreements and negotiations between Bliley and Seller with respect to the subject matter of the Contract.

1.3 **AMENDMENTS:** The Contract may not be amended or otherwise modified except by a writing which is executed by Bliley. Any acknowledgment form or other document of Seller containing terms and conditions shall not have the effect of modifying the terms and conditions of the Contract, even if signed by Bliley, and such terms and conditions are hereby specifically rejected. Bliley shall consider a request by Seller for an amendment only if such request is in writing and is directed to specific paragraphs in the Contract. No such amendment shall be binding upon Bliley unless specifically accepted in writing by Bliley.

1.4 **CHANGE ORDERS; ADJUSTMENTS:** Bliley reserves the right to make, at any time, written change orders with respect to any one or more of the following: (1) specifications, drawings, and data incorporated into the Contract; (2) methods of shipment or packing; (3) place of delivery; (4) time of delivery; (5) manner of delivery; (6) quantities; and (7) any other aspect of the Contract. If any such change order causes an increase or decrease in the cost of, or the time required for, performance of the Contract, an equitable adjustment shall be made in the contract price or delivery schedule, or both. Any claim by Seller for an adjustment either under this Section 1.4 or on any other basis must be: (1) submitted in writing to Bliley by Seller within fifteen (15) calendar days of the issuance of the change order or the occurrence of the event upon which the claim for an adjustment is based; and (2) approved by Bliley in writing. Seller shall not proceed without having received Bliley's written approval. If Seller fails to submit a written claim for an adjustment within such fifteen (15) day period and/or if Seller proceeds without having first obtained Bliley's written approval for an adjustment, Seller shall be deemed to have waived any claim for an adjustment and Bliley shall not be obligated to honor any claim for an adjustment relating to the change order or other circumstances in question.

2. **WARRANTY:** Seller warrants that the goods delivered pursuant to the Contract will conform to the drawings, specifications, samples, or other descriptions furnished by Bliley and as specified in the applicable purchase order. Such goods will be suitable for purchase or sale, free from defects in materials and workmanship, traceable back to the original manufacturer in all respects, shall not contain any known or unknown counterfeit components (detailed in Section 27), and shall be fit for their intended purpose. Bliley shall not be deemed to have waived any nonconformity by reason of approval of samples, acceptance and/or payment for the goods. It is specifically agreed that the above warranties shall survive inspection, testing and acceptance of the goods. This warranty is for the benefit of Bliley, its successors, assigns and customers and the end users of Bliley's products.

3. **DELIVERY:**

31 **DELIVERY TERMS:** Time of delivery and time of performance by the Seller is of the essence. Delivery terms specified in the Contract shall be construed in accordance with Incoterms 2010. Unless otherwise specified in the Contract, delivery of all goods shall be DDP Bliley's facility at 2545 West Grandview Blvd., Erie, PA 16506 (Incoterms 2010).

32 **PACKAGING:** All goods to be delivered under the Contract shall be packaged by Seller in a manner which is sufficient to assure that the goods are delivered to Bliley in good condition and without any damage, and shall take into account the mode of shipment, including (but not limited to) shipments involving multiple carriers or other forms of transshipment. All packaging must conform to United Freight Classifications Requirements where applicable and general packing and packaging guidelines of the carrier. Without limiting the foregoing, Seller shall comply with any specific packaging instructions set forth in the Contract.

33 **REMEDIES OF BLILEY:** If the delivery of the goods is not made at the times and in the manner specified in the Contract, or the rendering of services is not completed at the times specified in the Contract, Bliley reserves the right, without liability, and in addition to its other rights and remedies, to take either or both of the following actions: (1) direct expedited routings of the goods (the difference in cost between the expedited routing and the purchase order routing shall be paid by Seller); and/or (2) terminate the Contract as provided in Section 18, below. If Bliley terminates the Contract, Bliley may, at its option, purchase substitute goods elsewhere and charge the Seller with any losses and expenses incurred by Bliley in connection therewith. Bliley will have no liability for payment for goods delivered to Bliley which are in excess of quantities specified in the Contract and the applicable delivery schedules. Such goods shall be subject to rejection and return at Seller's expense, including (but not limited to) transportation charges both ways. The foregoing remedies are in addition to, and not in lieu of or in limitation of, any other rights and/or remedies Bliley may have under applicable law or under the terms of the Contract.

4. **PRICES; INVOICES; PAYMENT:**

41 **GENERALLY:** Prices stated in the Contract shall apply to all deliveries to be made or services to be rendered thereunder. Bliley shall have no obligation to pay invoices for goods or services at any increased price unless such increased price shall have been consented to in writing by Bliley. The price set forth in the Contract is the entire price for the goods and/or services in question. Unless specifically otherwise set forth in the Contract, such price includes all shipping, postage, handling, packaging, containers, drayage and any other materials or services provided in connection with the performance of the Contract by Seller. Except as is otherwise provided in the Contract, Bliley shall not be obligated to pay any fees or charges of any nature whatsoever which are in addition to the purchase price.

42 **TAXES:** Except as is expressly otherwise provided in the Contract, the purchase price includes all applicable federal, state and local taxes, including (without limitation) sales taxes. Seller shall be solely responsible for the payment of any such taxes and the application for any exemptions with respect thereto.

43 **DISCOUNT FOR PROMPT PAYMENT:** If a price discount is applicable for prompt payment, the discount period shall begin on the later of: (1) the date of Bliley's receipt of the Seller's invoice; or (2) the

date of Bliley's receipt of the goods and/or services which are the subject of the Contract.

44 INVOICES: Unless otherwise provided in the Contract, Seller may invoice Bliley for goods which have been shipped to Bliley upon shipment of the goods. Such invoices must contain and/or be accompanied by such information and documentation as (1) will enable Bliley to match the invoiced goods to the Contract and (2) may be required by the Contract. Bliley shall have no obligations to make payment on incomplete or inaccurate invoices.

45 PAYMENT: Unless otherwise provided in the Contract, payment shall not be due until forty-five (45) days following the later of: (1) delivery and acceptance of the goods; or (2) receipt of Seller's properly completed invoice and all required documentation with respect to the goods delivered under the Contract.

5. CHANGES BY SELLER:

51 RAW MATERIALS/MANUFACTURING PROCESSES: Seller shall be required to: (1) notify Bliley in writing of any proposed material change to any raw material or manufacturing process including changes to process, equipment, design, material, or source of material; and (2) obtain Bliley's prior written approval, at Bliley's sole discretion, prior to implementing any such proposed change. The Seller will be required to complete any product change notification documents as requested by Bliley.

52 FACILITY LOCATION CHANGE: In the event the Seller intends to change the manufacturing location of any goods, the Seller will, at a minimum, give Bliley: (1) six (6) months notice of the intent to change the manufacturing location; and (2) adequate assurance, including a comprehensive plan, detailing how the Seller intends to meet its performance obligations and the delivery of conforming goods. If the Seller fails to provide such written information, Bliley may terminate the Contract, in whole or in part, without obligation or liability of any kind to Seller and may recover any reasonable costs and damages as a result of any failure on the part of Seller to comply with this Section 5.2.

53 ITEM OBSOLESCENCE: Seller shall advise in writing as soon as practicable after Seller identifies any goods or components of goods as potentially being obsolete. Twelve (12) months prior to ending its production of an item due to obsolescence, Seller will provide a replacement good with design parameters and specification documentation fully consistent with the obsolete goods' then-current design parameters and requirements documents.

6. EXTRA CHARGES: No charges will be allowed for taxes, transportation, packing, packaging, or returnable containers unless stated.

7. DELAYS AND NOTICE OF LABOR DISPUTES: Seller shall not be liable for delays in delivery caused by circumstances beyond its control including, acts of God, fires, floods, strikes or freight embargoes. Where such delays occur Seller shall immediately give notice thereof to Bliley. Wherever an actual or potential labor dispute is delaying the performance of the Contract, Seller shall immediately give notice thereof to Bliley. If any delay exceeds or is reasonably expected to exceed sixty (60) days, Bliley shall have the right to terminate the Contract without any liability to Bliley.

8. TOOLS, DRAWINGS, SPECIFICATIONS, ETC: Seller agrees that it will use any design, tools, patterns, drawings, specifications, information and equipment furnished by Bliley to Seller only in the production of the goods called for in the Contract and not otherwise, unless by Bliley's written consent. All patent and intellectual property rights embodied or otherwise reflected in any drawings, specifications, information or other items furnished by Bliley to Seller in conjunction with the Contract shall remain the property of Bliley at all times and Seller shall have no rights of any kind with respect thereto. Nothing in the Contract shall be construed as transferring or licensing from Bliley to Seller any patent or other intellectual property rights of Bliley, whether express or by implication. Bliley does not grant the Seller any reproduction rights to the goods ordered. Bliley does not warrant the accuracy of tools and fixtures which it furnishes. Upon completion or termination of the Contract all items furnished shall be returned to Bliley in as good condition as when received, ordinary wear and tear excepted. If and when requested by Bliley, the Seller agrees to produce

a policy or policies of insurance in favor of Bliley, in form satisfactory to Bliley, insuring all property on Seller's premises owned by Bliley against loss or damage resulting from fire (including extended coverage), flood, theft, mischief, and vandalism. Satisfactory evidence of procurement of such insurance shall be submitted to Bliley within a reasonable period of time after a request therefor by Bliley.

9. **RIGHTS IN INVENTIONS:** Where payment is made to Bliley for experimental, developmental, or research work to be performed in accordance with special requirements of Bliley, Seller agrees to disclose, and upon request, assign to Bliley each invention, improvement and discovery (whether or not patentable) resulting from said work. Bliley shall be the sole owner of any such intellectual property rights and Seller shall have no interest therein.

10. **INDEMNITY:** Seller agrees to indemnify and hold harmless Bliley, Bliley's customers, and all persons claiming under Bliley against all claims, demands, liability, loss, cost and expense (including reasonable legal fees,) for actual or alleged infringement of any U.S. patent, trademark, or similar right by the materials or goods called for under the Contract. Seller agrees to defend at its expense all claims and suits asserted or brought against Bliley based on alleged defects in material, workmanship or design of the goods sold hereunder, and to indemnify and hold Bliley harmless from all claims, demands, liability, loss, cost and expense (including reasonable legal fees) arising therefrom.

11. **SELLER'S EMPLOYEES:** In the event Seller is required to perform work at Bliley's plant, Seller shall carry adequate liability insurance and workman's compensation insurance, and agrees to indemnify and hold Bliley harmless against any claims resulting from the performance of said work or the acts of any employees employed to perform such work.

12. **CONTINGENCIES:** If Bliley fails to take any shipments hereunder because of labor troubles, fire, accident, Government regulations, acts of God, or any other cause of like or different character beyond Bliley's control, Bliley at its option may a) extend the delivery period by a time equal to that during which shipments are omitted or b) terminate the Contract in whole or part with respect to the undelivered portion without liability to the Seller for doing so.

13. **LIENS:** Seller warrants that it shall have good and marketable title to all goods delivered to Bliley pursuant to the Contract and that such goods shall be delivered to Bliley free and clear of all liens and encumbrances of any nature whatsoever.

14. **TITLE; RISK OF LOSS:** Unless otherwise provided in the Contract, title and risk of loss with respect to goods furnished pursuant to the Contract shall pass from Seller to Bliley when risk of loss passes to Bliley from Seller under the delivery terms (Incoterms 2010) governing the Contract.

15. **ASSIGNMENT:** Seller shall not assign the Contract (including the right to payments under the Contract) nor subcontract all or substantially all of the work on any goods ordered under the Contract without Bliley's prior written approval.

16. **TERMINATION FOR CONVENIENCE:**

161 **RIGHT TO TERMINATE:** Bliley may terminate work under the Contract in whole or in part at any time by written notice to Seller specifying the effective date and the extent of such termination. Bliley shall have such right of termination even when Seller is not in default under the Contract.

162 **SELLERS OBLIGATIONS UPON TERMINATION FOR CONVENIENCE:** After receipt of such notice of termination and except as otherwise directed by Bliley, Seller shall immediately: 1) stop work under the Contract on the date and to the extent specified in such notice of termination; 2) place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portions of work under the Contract which are not to be terminated; 3) terminate orders and subcontracts relating to the performance of any work stopped by such notice of termination; 4) settle all claims arising out of such termination or orders and subcontracts, subject to the approval or ratification of Bliley; 5) transfer title and deliver to Bliley fabricated and non-fabricated parts, work in process and completed work, supplies and other materials produced as part of or acquired in respect of the performance of the work terminated; and

6) take any necessary action to protect property in Seller's possession in which Bliley has or may acquire an interest.

163        **COMPENSATION TO SELLER:** Within thirty (30) days after receipt of the notice of termination, Seller shall submit its claims, if any, relating to the termination. Bliley shall have the right to verify such claims at any reasonable time by inspecting and auditing the records, facilities, work or materials of Seller relating to the Contract. Any claim which is not timely made in accordance with this Section 16.3 shall be deemed to have been waived by Seller and Bliley shall have no liability with respect thereto. In the event of a timely claim, Bliley shall pay Seller: (1) the purchase order price, pro rata, for finished work; and (2) the cost to Seller (excluding profit, overhead or losses) of work in process and raw material, based on any audit Bliley may conduct and generally accepted accounting principles. Such amount shall be reduced by the following: (1) the reasonable value or cost (whichever is higher) of any items used or sold by Seller without Bliley's consent; (2) the value of any defective, damaged or destroyed work or material; and (3) the amount received, or which may reasonably be expected to be received, by Seller for usable and/or saleable raw materials or work in process which can be used or disposed of by Seller in a commercially reasonable manner in mitigation of its claim. Bliley shall make no payment for finished work, work in process or raw material fabricated or procured by Seller in excess of Bliley's written releases. Payment as provided under this Section 16.3 shall constitute Bliley's only liability in the event the Contract is terminated or deemed to be terminated under this Section 16. Seller's acceptance of such payment shall constitute acknowledgement that Bliley has fully discharged such liability. In no event shall Bliley be responsible for any lost profits, loss of use of capital, or any other form of direct, indirect, incidental or consequential damages with respect to any termination or deemed termination of the Contract under this Section 16. Except as otherwise provided in Section 18, below, the provisions of this Section 16 shall not apply to any termination by Bliley for default by Seller or for any other cause allowed by law or under the Contract.

17.        **DISCLOSURE OF INFORMATION:** Without first obtaining Bliley's permission in writing, the Seller shall not in any manner advertise or publish the fact that it has furnished or has been contracted to furnish Bliley with the goods ordered hereunder nor disclose any of the details connected with the Contract to any third party.

18.        **DEFAULT:** Bliley may terminate for default all or any part of the Contract if Seller: (1) does not make timely delivery of conforming goods as specified in the Contract; (2) materially breaches any of the terms and conditions of the Contract; or (3) so fails to make timely progress as to make it unlikely that Seller will be able to perform under the Contract. In addition, Bliley may terminate the Contract if any of the following events occur: (1) insolvency of Seller; (2) appointment of a receiver or trustee for Seller; or (3) execution by Seller of an assignment for the benefit of creditors. The exercise by Bliley of the right of termination hereunder shall not result in any liability to Bliley nor have the effect of waiving any remedies or damages to which Bliley might otherwise be entitled. The remedies set forth in this Section 18 are in addition to, and not in lieu of or in limitation of, any other rights and/or remedies Bliley may have under applicable law or under the terms of the Contract. In the event that a court of competent jurisdiction should determine that Bliley wrongfully terminated the Contract for default by the Seller, such termination shall be deemed to be a termination for convenience by Bliley under Section 16, above, and the liability of Bliley therefor shall be limited as provided in Section 16, above.

19.        **BUYER'S RIGHTS AND REMEDIES:** Nothing herein contained shall be construed to limit the rights and remedies to which Bliley may be entitled by law or in equity.

20.        **INDEPENDENT CONTRACTORS:** Bliley and Seller are strictly independent contractors with respect to one another, and nothing in the contract shall be construed as rendering a party the partner, joint venturer, agent and/or employee of the other party.

21.        **COMPLIANCE WITH FEDERAL, STATE AND LOCAL LAWS:** Seller warrants that in the performance of the Contract, it has complied with or will comply with all Federal, State and Local laws, and all lawful orders, rules and regulations thereunder, including, but not limited to the applicable provisions of the Fair Labor Standards Act of 1938 as amended, and the Occupational and Health Act of 1970, and all regulations, standards, and amendments issued pursuant to them. Additionally, all representations and stipulations

required by the Walsh-Healy Act, 41 U.S.C. 35-46, and regulations thereunder, are hereby incorporated by reference, such representations and stipulations being subject to all applicable rules and interpretations of the US Secretary of Labor now or hereafter in effect.

22. **IMPORT/EXPORT COMPLIANCE:** Seller shall provide Buyer with information and assistance as may be reasonably required in connection with executing import, export, sales, and trade programs, including but not limited to manufacturer's affidavits, harmonized tariff schedule, export control classification number, qualification information (e.g. origin), and U.S. Federal Communications Commission's identifier when applicable.

23. **EQUAL EMPLOYMENT OPPORTUNITY:** In the event any executive order or other Government regulation relating to nondiscrimination in employment is applicable to the Contract, Seller agrees to comply with all provisions of Executive Order amendments relating thereto, and of the rules, regulations, and relevant orders of the U.S. Secretary of Labor.

24. **ELECTROSTATIC DISCHARGE CONTROL REQUIREMENTS:** Sellers of electrical and electronic parts, assemblies and equipment (hereinafter referred to as "Parts") shall determine if any Parts supplied to Bliley are electrostatic discharge (ESD) sensitive and if so, shall apply the following conditions in compliance with ANSI/ESD S20.20: (i) Sellers of ESD sensitive electrical and electronic Parts shall design, manufacture, test, and repair these Parts using good commercial ESD control practices when on site at Bliley or in the Seller facility; (ii) electrical and electronic Parts supplied to Bliley that are susceptible to ESD damage as delivered shall be properly handled and packaged to prevent ESD; and (iii) packages containing electrostatic discharge sensitive (ESDS) parts shall be marked with an appropriate caution label.

25. **TINNED LEAD (WHISKERS IF ALL LEAD):** With all components, there can be no tin in a concentration of more than 96.5%. If tin is found in a concentration greater than 96.5%, the Seller may be charged reasonable costs for materials, rework, shipping, and any other related expenses.

26. **CONFLICT MINERALS:** Bliley fully supports the position of the Electronic Industry Citizenship Coalition (EICC) and the Organization for Economic Cooperation and Development (OECD) to avoid the use of metallic ores which finance or benefit armed groups in the Democratic Republic of the Congo (DRC) or adjoining countries. Bliley is fully aware of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act pertaining to Conflict Minerals. Seller represents and warrants that the good and services delivered pursuant to all or any part of the Contract shall be DRC conflict free and shall not contain conflict minerals originating from any of the covered countries in each case as such terms are defined by the Securities Exchange Commission pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, as may be amended. Seller shall provide Bliley with an opportunity to audit to the source of the Conflict Minerals contained in all or any part of the goods and services provided. Seller will reimburse Bliley for any costs, fines or penalties incurred if the Seller breaches or otherwise fails to comply with this Section 26.

27. **COUNTERFEIT WORK:**

- a. For purposes of this Section 27, "Work" consists of those parts delivered under the Contract that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). "Counterfeit Work" means Work that is or contains an item that is an unauthorized copy or substitute that has been identified, marked, and/or altered by a source other than the item's legally authorized source and has been misrepresented to be an authorized item of the legally authorized source. The term also includes Work that is or contains an item that is used, has reached a design life limit or has been damaged beyond possible repair, but is altered and misrepresented as acceptable and/or new.
- b. Seller shall not deliver Counterfeit Work to Bliley under the Contract.
- c. Seller shall only purchase products to be delivered or incorporated as Work to Bliley 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 Bliley.

- d. Seller shall immediately notify Bliley with the pertinent facts if Seller becomes aware or suspects that it has furnished Counterfeit Work. When requested by Bliley, Seller shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.
- e. This Section 27 applies in addition to any quality provision, specification, statement of work or other provision included in the Contract addressing the authenticity of Work. To the extent such provisions conflict with this Section 27, this Section 27 shall prevail.
- f. In the event that Work delivered under the Contract constitutes or includes Counterfeit Work, Seller shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of the Contract. Notwithstanding any other provision in the Contract, Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation Bliley's costs of removing Counterfeit Work, of installing 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 Bliley may have at law, equity or under other provisions of the Contract.
- g. At the request of Bliley, Seller shall provide a certification that the Work provided to Bliley does not contain any Counterfeit Work. Certification may also include or require the submission of an original certificate of conformance, original test reports, or other data traceable to approved labs or other entities to ensure an item is as claimed.
- h. Seller shall include paragraphs (a) through (e) and this paragraph (h) of this Section 27 or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as Work to Bliley.

28. INTERPRETATION OF CONTRACT:

**281**      **GENERALLY:** For purposes of the Contract, the singular shall include the plural and the plural the singular, as the context may require. The Contract shall be construed as having been drafted by both parties and the Contract shall not be construed against one party or the other on the grounds that such party was the draftsman of the Contract.

**282**      **ORDER OF PRECEDENCE:** The documents constituting the Contract are intended to be construed as a whole and in a manner which gives effect to each provision of the Contract. In the event that there is an express and irreconcilable conflict between provisions of different documents comprising the Contract, such documents shall be construed in the following order of precedence: (1) provisions expressly set forth on the purchase order; (2) provisions of documents such as product descriptions, specifications, performance requirements and similar documents which are specific to the subject matter of the Contract and which are attached to and/or incorporated by reference in the purchase order, but excluding any Seller terms and conditions of sale which may be included or referenced in such documents; and (3) these Purchase Order Terms and Conditions.

29.      **CUSTOMER FLOW-DOWN REQUIREMENTS:** Bliley's customers may require that Bliley accept specific terms which must also be flowed down to Bliley's supply base. Seller agrees to accept the application of such flow down terms applicable to the Contract. Where such terms are applicable and not already included, Bliley will provide the required flow down terms within or traceable to the purchase order.

30.      **RIGHT OF ACCESS TO INSPECTION AND DOCUMENTATION:** All materials related in any way to the goods to be delivered pursuant to the Contract (including, without limitation, raw materials, components, intermediate assemblies, work in process, tools and end products) and all related books and records shall be subject to inspection and testing upon reasonable notice by Bliley, its customers, and any government agencies having jurisdiction, upon execution of reasonably requested confidentiality agreements, at all times and places, including sites where the goods are crated or tested, whether they be at premises of Seller,

Seller's suppliers or elsewhere, to assess: a) work quality; b) conformance with all requirements of the Contract, including, without limitation, all specifications; and c) conformance with Seller's representations, warranties and covenants. If any inspection or test is made on Seller or its supplier's premises, Seller, without additional charge, shall provide all reasonable access and assistance for the safety and convenience of the inspectors. Seller shall provide and maintain an inspection and process control system acceptable to Bliley and its customers covering the goods and shall keep complete records available to Bliley, its customers and all government agencies having jurisdiction for fifteen (15) years after completion of the Contract or such longer period as may be provided for by the Contract (which shall include, without limitation, any longer period provided for pursuant to any quality clauses included in this purchase order or any specific program requirements to which the Contract may relate).

31. SET-OFF: Bliley and Bliley's affiliates shall be entitled at all times to set off against any amount owing to Seller and/or Seller's affiliates any amount payable at any time by Bliley or Bliley's affiliates in connection with the Contract or any other obligation of Bliley or Bliley's affiliates to Seller or Seller's affiliates.

32. GOVERNMENT CONTRACTS: For purchase orders placed by Bliley in support of and/or relating to a U.S. Government Contract: (i) the Federal Acquisition Regulation (FAR) and, as applicable, the Defense Federal Acquisition Regulation Supplement (DFARS) clauses identified on DFARS documents 252.204-7008, 252.215-7004, 252.225-7008, 252.225-7009, 252.225-7010, 252.225-7014, 252.244-7000, 252.247-7023, and 252.247-7024 are incorporated by reference as set forth at length herein; (ii) any appendices to the purchase order that may include additional FAR and/or DFARS clauses shall also be incorporated by reference as if set forth at length herein; and, (iii) references to the terms "Government" and "Contractor" contained in the FAR and DFARS clauses shall be deemed revised to include Bliley and Seller, respectively.

33. CONFIDENTIALITY OF INFORMATION:

331 INFORMATION DISCLOSED BY BLILEY: All information disclosed by Bliley to Seller in connection with the negotiation, execution and performance of the Contract (the "Confidential Information") shall be considered confidential to Bliley. Confidential Information includes, but is not limited to: (1) technical information (including, but not limited to, designs, blueprints, specifications and engineering data); and (2) business information relating to Bliley (including, but not limited to, the existence, terms and conditions of the Contract, the intended use of the goods and services covered by the Contract, the business plans of Bliley, information relating to customers of Bliley, and so forth). Seller shall: (1) hold all Confidential Information in strict confidence; (2) take all necessary and appropriate precautions to maintain the confidentiality of the Confidential Information; and (3) use the Confidential Information solely for the purpose of fulfilling Seller's obligations under the Contract. Seller shall require its employees, agents, representatives and subcontractors to maintain the confidentiality of the Confidential Information. Seller shall be liable to Bliley for any breach of such obligations by Seller's employees, agents, representatives and subcontractors. The existence of, and the terms of, the Contract itself shall be considered Confidential Information of Bliley.

332 INFORMATION DISCLOSED BY SELLER: Unless otherwise agreed by the Seller and Bliley in writing, any information which the Seller has disclosed or may hereafter disclose to Bliley in connection with the negotiation, execution and performance of the Contract shall not be deemed to be confidential or proprietary information to Seller, and Bliley may use such information without restriction.

34. GOVERNING LAW; VENUE FOR DISPUTES: The Contract and the relationship between the parties shall be governed and construed in accordance with the laws of the Commonwealth of Pennsylvania, excluding any choice of law provisions which would direct the application of the laws of a different jurisdiction. Any litigation arising from or relating to the Contract, or the breach thereof, shall be brought and decided exclusively in the state or federal courts whose districts encompass Erie County, Pennsylvania. Bliley and Seller hereby agree to submit to the personal jurisdiction of such courts for these matters. The United Nations Convention on the International Sale of Goods, the 1974 Convention on the Limitation Period in the International Sale of Goods and the Protocol amending the 1974 Convention shall not apply to the Contract.

35. RECOVERY OF EXPENSES: Bliley shall have the right to recover from the Seller all costs and expenses (including, but not limited to, attorney's fees) incurred by Bliley in enforcing the provisions of the Contract.



36. SURVIVAL: Those provisions of the Contract which, by their express terms or by their operation, are intended to survive termination of the Contract, shall survive termination of the Contract. Such provisions include, but are not limited to, this Section 36 and Sections 1, 3.3, 8, 9, 10, 11, 13, 15, 16, 17, 18, 19, 27, 28, 30, 31, 33, 34 and 35.

37. ETHICAL RESPONSIBILITY: Supplier shall comply with the Aerospace Industries Association of America (AIA) Global Principles of Ethics in the Aerospace & Defense Industry, available for review here: <http://asd-europe.org/business-ethics>

38. Required records: Seller will submit, at a minimum, a certificate of conformance with each shipment, certifying the item(s) shipped meets all requirements set forth by the purchase order. This certificate of conformance shall also clearly identify the date and/or lot code applicable to the item(s) shipped, traceable to seller's device internal records. Seller also agrees to supply Bliley with other record requests where formally flown down via purchase order. Seller certifies that any chemical substance(s), e.g., material safety data sheets have been provided to Bliley, pursuant to all federal, state or local laws and regulations

39. Communication and Control of Product/Equipment: Unless otherwise specified via purchase order or other official communication, Bliley has no specific requirements relative to the control of product or equipment or for the criteria outlined in the current revisions of ISO9001, AS9100, regarding the communication of requirements to external providers.

40. Notification: Seller shall immediately notify Bliley of any changes to product, process, manufacturing site, recall, or other non-conformances which may affect product integrity in any way