

**CUDA II, Inc. Terms and Conditions**

1. **Acceptance:** Seller has read and understands this order and agrees that Seller's written acceptance or commencement of any work or service under this order shall constitute Seller's acceptance of these terms and conditions only. All terms and conditions proposed by Seller that are different from or in addition to this order are unacceptable to Buyer, are expressly rejected by Buyer, and shall not become a part of this order.
2. **Shipping & Billing:** Seller agrees: (a) to properly pack, mark and ship goods in accordance with the requirements of the Buyer and involved carriers in a manner to secure lowest transportation cost; (b) to route shipments in accordance with Buyer's instructions; (c) to make no charge for handling, packaging, storage, transportation or dryage of goods unless otherwise stated in this order; (d) to provide with each shipment packing slips with Buyer's order number marked thereon; (e) to promptly forward the original bill of lading or other shipping receipt for each shipment in accordance with Buyer's instructions. Seller will include on bills of lading or other shipping receipts correct classifications identification of the goods on the packing slips, bills of lading and invoices shall be sufficient to enable Buyer to easily identify the goods purchased. Seller further agrees: (a) to promptly render, after delivery of goods or performance of services, correct and complete invoices to Buyer; and (b) to accept payment by check or, at Buyer's discretion, other cash equivalent (including electronic transfer of funds). Time for payment shall begin until correct and complete invoices are received, and Seller's cash discount privileges to Buyer shall extended until such time as payment is due. Buyer may withhold payment pending receipt of evidence, in such form and detail as Buyer may direct, of the absence of any liens, encumbrances and claims on the goods or services under this order.
3. **Compliance with Statutes and Government Regulations:** Seller warrants that in the performance of work under CUDA II, Inc. orders, it has complied with or will comply with all applicable federal, state, and local laws and ordinances and all lawful orders, rules and regulations there under, including but not by way of limitation, the Fair Labor Standards Act of 1938 as amended (29 U.S.C. #201-219), the Walsh-Healy Public Contracts Act as amended (41 U.S.C Section 35-45) or the Eight-Hour law of 1912 as amended (40 U.S.C. Section 324-326) Copeland Anti Kickback Act (41 U.S.C. Sections 51-54), Service Contract Act of 1965 (41 U.S.C. Section 351), Davis Bacon act (40 U.S.C. Section 276 (a)), Contract Work Hours Standards Act of 1962 (40 U.S.C. 327-330), as amended, Occupational Safety and Health Act of 1970, as amended (29 U.S.C. Sections 651-678), DFARS 252.225.7014, Alt. 1 and the Fastener Quality Act (15 U.S.C. 5401-5414). Seller shall indemnify and hold harmless Buyer from and against all losses, cost, fees and damage arising directly or indirectly, from any actual or alleged failure by Seller to comply with any federal, state or local statutes or other legal obligations.
4. **Rejection:** If any of the product is found at any time to be defective, regardless of inspections or acceptance by Buyer, in material, workmanship, or otherwise not in conformity with the requirements of CUDA II, Inc. orders, Buyer, in addition to warranties or any other rights which it may have, may at its option, correct or have corrected the nonconformity at Seller's expense, or reject or return such goods at Seller's expense. Such goods may not be replaced without suitable written authorization from Buyer. An entire order of goods may be rejected on the basis of defects in individual parts determined by a standard sampling technique, or on an inspection of a first run for defect in any part. Parts may also be rejected for failure to deliver the documents required by CUDA II, Inc.
5. **Inspection:** Inspection or failure by Buyer to inspect and reject goods shall neither relieve Seller from its warranties nor other responsibility for such goods. All product to be delivered under CUDA II, Inc. orders are subject to inspection at any time or place including during the manufacturing process at a supplier's facility, by Buyer or Buyer's customers.
6. **Patent Indemnity:** Seller shall handle all claims and defend any suits or proceedings against them or against Buyer or its customers based on any claim that the sale or use of such product constitutes infringement of any patent of any country and Seller shall indemnify and save Buyer and its customers from harm against any expense for liability including costs and damages arising out of such claims, suit or proceeding.
7. **Time of Performance:** Time is of the essence of this Contract and if the delivery of product is not completed by the time promised or if it appears Seller will not be able to meet the schedule set forth in CUDA II, Inc. orders, the Buyer reserves the right, in addition to its other rights and remedies to terminate CUDA II, Inc. orders by written notice to Seller, to purchase substitute items or service elsewhere and charge the Seller with any loss incurred. Seller shall notify Buyer in writing immediately of any event that would delay Seller's performance of CUDA II, Inc. orders. Delivery of defective product without the required documents shall not be deemed to satisfy the delivery or time requirements of CUDA II, Inc. orders. Supplier shall be liable for any expediting costs incurred by CUDA II, Inc. due to the Supplier not meeting the stated due dates on any purchase orders. This applies to when such costs are necessary in order for CUDA II, Inc. to meet its Customer's due date or avoid penalties incurred as a result of Supplier delays.
8. **Assignment:** No assignment of CUDA II, Inc. orders by the Seller shall be made without the express written approval of the Buyer. If Buyer does approve, CUDA II, Inc. may state specific, customer-approved sources, in which case, the Supplier shall not deviate from those sources. In the case the Supplier does subcontract work to a sub-tier supplier, the Supplier agrees to flow down all applicable ISA9001/AS9100/SABRE or any other requirements, whether directly stated on purchase orders, or other supplied documents or standards.
9. **Required Certification:** Seller shall deliver to Buyer the product and documents required by the CUDA II, Inc. Purchase Order, each of which shall identify the lot to which it relates.
  - a. **Manufacturer's Certificate of Conformance ("Mfg. C of C")**. A certification signed with a legible signature by an authorized representative of the manufacturer, whose name and title shall also be printed or typed, that the product has been manufactured according to the standards and specifications to which it represents such product to have been manufactured and the requirements of the applicable standards and specifications for such product, and any revision thereof as of the date of shipment of the product, and (i) if the Fastener Quality Act ("Act") is applicable to a product, that such product has been inspected and tested by a laboratory accredited pursuant to the regulations under the Act ("Regulations") and that the original laboratory test reports ("Accredited Report") required by the Act are on file with the manufacturer, and (i) if the Act is not applicable to a product that original signed laboratory test reports ("Report") are on file with the manufacturer.
  - b. **Manufacturer's Test Reports ("Mfg. Test Reports")**. A copy of all the accredited reports and reports including all physical and chemical tests of the product as required by the standards and specifications for such product.
  - c. **Manufacturer's Chemical/Physical/Mechanical ("Mfg. Phys. & Chem. Reports")**. A copy of all the raw material used in the product certified by the person making such report.
  - d. **Process Certification ("Process Certs.")**. A certification by an outside facility with respect to processes or operations performed for the manufacturer.
  - e. **Supplier's Certificate of Conformance ("Supplier's C of C")**. by a Seller other than the manufacturer, that Seller has on file a Mfg. C of C, a copy of which shall accompany the Supplier's C of C. Supplier agrees to retain such Mfg. C of C for a period of ten years from the shipment of the CUDA II, Inc. order.
10. **Record Retention:** Seller shall maintain records of this transaction and all associated records for a minimum of 10 years from the date of shipment.

11. **Seller's Further Representation of Agreements:**
  - a. Seller agrees to maintain by lot number for a period of ten years from the date of shipment of the CUDA II, Inc. order the original signed copy of each (i) Accredited Report under such conditions as are required by the Act and the Regulation or (ii) Report. Seller agrees (i) to make the original of each Report and Accredited Report available to Buyer on request of the Buyer or of any direct or indirect customer of the Buyer and shall furnish copies of, and grant a right to inspect the originals of such Reports and Accredited Reports as its out of pocket costs, or (ii) if Seller is not the manufacturer, such Seller has a written agreement with the manufacturer which will enable it to comply with the provisions of the Paragraph 11a.
  - b. Unless otherwise set forth herein or on the face of Seller's invoice: (i) Seller is the manufacturer of the product, or an authorized dealer of such manufacturer and has documentation to trace each product by lot number to the manufacturer; and (ii) the product has been manufactured in the United States of America.
  - c. If any product is manufactured to a specification governed by any original equipment manufacturer ("OEM", e.g. Boeing, General Electric, Pratt and Whitney, Rolls Royce), Seller represent that the manufacturer of the product is listed on the Qualified Products List ("QPL"). Approved Equivalent Parts List ("AEPL") or the equivalent list of another OEM for the specification for that particular product at the date of the shipment of the product.
  - d. Each product shall be delivered in a container conspicuously marked with the name of the manufacturer, the product number and specification and the lot number. Product shall contain all the markings required by the Act and Regulations, if applicable.
  - e. CUDA II, Inc. customers will be afforded the right to perform source inspection at the manufacturer site.
  - f. Seller agrees to notify CUDA II, Inc. of any discovery of non-conforming product both prior to delivery and if applicable, after delivery. Such notification shall be submitted in writing (e.g. Request for Waiver) to allow CUDA II, Inc. to seek approval for the acceptance of non-conforming material from customer or end user when applicable. Seller shall not make changes in product and/or process definition without written notification and approval by CUDA II, Inc..
12. **Conformity with Order:** Product purchased hereunder shall conform to the specifications for such product on CUDA II, Inc. order, shall be new and shall conform to the current applicable revision level when shipped. No operation has been performed on such product by Seller, or any person after sale by the original equipment manufacturer. Our count will be accepted as final and conclusive on all shipments.
13. **Warranties:** Seller warrants that all articles, materials, work or services furnished hereunder shall be free from defects in material and workmanship and that all items furnished will conform to applicable specifications, drawings, samples and/or other descriptions. Seller assumes design responsibility and warrants the items to be suitable for the purpose intended. The warranties of Seller together with its service warranties and guarantees shall run to Buyer, its assigns and each of buyer's customers and their customers. In addition, Seller agrees to pass any warranty benefits to Buyer that Seller receives from its suppliers of any items ordered hereunder. The foregoing warranty shall be in addition to any warranty customer make by Seller and in addition to any implied warranties.
14. **Gratuities:** Seller, its employees, agents and representatives shall not offer gratuities to any officer or employee of Buyer.
15. **Assignment Rights:** Assignment of CUDA II, Inc. order or any interest herein or any payment due or to become due hereunder shall be void. Payment to assignee of any claim under CUDA II, Inc. order shall be subject to set-off or recoupment for any present or future claim or claims which Buyer may have against Seller. Seller agrees that Buyer may assign its rights and/or delegate its duties in whole or in part.
16. **Termination-Convenience:** Whether or not CUDA II, Inc. order relates to a Government contract, Buyer may in whole or in part in accordance with the Termination Clause set forth in Federal Acquisition Regulation (FAR) 52.249-2 and the policies and principles set forth the Part 49 or the FAR, as in effect on the date of CUDA II, Inc. order, which are hereby incorporated herein by this reference, except that in FAR 52.249-2: (1) the term "Contractor" shall mean "Seller" (2) the terms "Contracting Officer" and "Government" shall mean "Buyer", (3) the one year period in Paragraph (d) is reduced to 60 days, and (4) the 90-day period in Paragraph (k) is reduced to 30 days. Failure of Seller to file such claim with such period shall constitute a waiver of such claim and will be the basis for a complete denial of the claim by Buyer. The provisions of this clause shall not limit or affect the rights or remedies of Buyer stated in other clauses of this order or provided by law in the event of default or breach or breach by Seller.
17. **Suspension of Work:** Buyer may order the suspension of all or part of the work for a period of (90) days. Within such period, or any extension thereof to which the parties shall have agreed, Buyer shall either: (i) cancel the stop work order, (ii) let such order expire, or (iii) terminate the work covered by such order pursuant to Clause 14 herein. If a stop work order is cancelled or the period of any extension expires, Seller shall resume work. If the suspension has a material effect on cost or delivery, an equitable adjustment shall be made in price (excluding profit) and/or delivery. No claim shall be allowed unless made in an amount stated within twenty (20) days after the suspension ends. Buyer or its duly authorized representative shall have access to and the right to examine all pertinent books, records, and documents to substantiate such a claim.
18. **Release of Information:** The Seller agrees not to make or cause to be made, or permit any of its subcontractors (including lower tier subcontractors) to make any public disclosure relative to CUDA II, Inc. order, including any information generated thereunder, such as but not limited to company periodicals, press releases, public lectures, these and the like, without first obtaining prior written approval from Buyer.
19. **Labor Disputes:** Whenever an actual or potential CUDA II, Inc. labor dispute is delaying or threatens to delay the timely performance of CUDA II, Inc. order, Seller shall immediately be given notice thereof to Buyer. Such notice shall include all relevant information with respect to such dispute. Nothing contained herein shall be deemed a waiver of Buyer's rights or remedies.
20. **Priorities, Allocations and Allotments:** If a Government priority rating is shown on the face of this order, the Seller shall follow the provisions of the Defense Priorities and Allocation systems Regulation (15CFR350) and all other applicable regulations and orders of the Office of Industrial Resource Administration, Department of Commerce in obtaining controlled materials and other products needed to fill CUDA II, Inc. order.
21. **Waiver and Severability:** Any actions or inaction by Buyer shall not constitute a waiver of any right or remedy herein. The failure of Buyer to enforce at any time any of the provisions of CUDA II, Inc. order or to exercise any option herein provided, or to require at any time performance of any of the provisions hereof, shall in no way be construed to be a present or future waiver of such provisions, nor in any way to affect the validity of CUDA II, Inc. order of any part thereof, or the right thereafter to enforce each and every such provision. The express waiver (whether one (10) or more times) of any provision, condition or requirement of CUDA II, Inc. order shall not constitute a waiver of any future obligation to comply with such provision, or condition or requirement. A determination that any term of CUDA II, Inc. order unenforceable or invalid shall not affect the enforceability or validity of any of the remaining portion of CUDA II, Inc. order.
22. **Applicable Law, Forum and Disputes:** Seller and Buyer agree that CUDA II, Inc. order shall be deemed to be made and executed in Indiana regardless of the order in which the signatures of the parties shall be affixed hereto and that CUDA II, Inc. order and performance hereunder shall be governed, interpreted and construed in accordance with the laws of Indiana (except to the extent such laws might require the application of the law of any other jurisdiction). Buyer may, but is not obligated to bring an action or claim relating to or arising out of CUDA II, Inc. order or any dispute hereunder in the appropriate state or federal court in said State and Seller hereby irrevocably consents and submits to personal jurisdiction and venue in any such court. Any action or claim by Seller with respect hereto shall be brought solely in the

appropriate state or federal court in Indiana. Pending resolution by agreement of final judgement of any dispute, action or claim relating to or arising out of CUDA II, Inc. Order. Seller shall proceed diligently with performance of CUDA II, Inc. Order in accordance with Buyer's decision and direction.

23. **Taxes:** The prices stated herein include all applicable federal, state and local taxes and duties except state and local sales and use taxes, which by statute may be passed on to Buyer. Such sales and use taxes shall be separately stated on Seller's invoice and Buyer agrees either to pay such amount or furnish Seller with evidence sufficient to sustain an exemption therefrom. In the event it is determined that any taxes included in the prices herein are not required to be paid, seller agrees to notify buyer, and for taxes paid, to make prompt application from the refund thereof, to take all proper steps necessary to obtain same, and when received, to remit same to Buyer, or if not remitted, to decrease the CUDA II, Inc. order price accordingly.
24. **Government Contracts:** When the words "Government Contract Order" appears on the face of CUDA II, Inc. order, the "Purchase Order Additional Terms and Conditions" either previously furnished to you or furnished to you with CUDA II, Inc. order applies.
25. **Ozone Depleting Substances:** Seller shall comply with the labeling requirements for Class I and Class II ozone depleting substances as required by Section 611 of the Clean Air Act Amendments of 1990 and the final rules (40 C.F.R Part 82) implementing the same (collectively, the "Act"). Seller shall accurately label, consistent with the requirements of the Act, any products, which it is supplying to buyer that contain a controlled substance or are manufactured with a controlled substance. In the event Seller discovers that it has failed to comply with the labeling requirements of the Act, it shall immediately notify Buyer of those products which failed to comply with the labeling requirements Act.
26. **Quality System:** Suppliers of military products (AN, MS, NAS, MIL, etc.) must have a quality system compliant to ISO9001 &/or AS9100 or equivalent. CUDA II, Inc. reserves the right to conduct quality system audits at the supplier's facility.
27. **Right of Entry:** The seller shall allow the buyer, CUDA II, Inc., its customers, and regulatory agencies rights of entry to the applicable areas of facilities and to applicable documented information, at any level of the supply chain to determine and verify the quality of contracted work, records, and material.
28. **F.O.D.:** Foreign Object Debris (F.O.D.) controls must be in place by the Supplier/Seller to ensure that parts/product arrives at our facility free of any F.O.D. Foreign Object Debris includes but is not limited to: metal residue/debris, machine shavings, chips, burrs, tumbling media, paper, paint chips, wood, cardboard, foam, foam peanuts, lint, etc.
29. **DFAR:** Seller agrees the parts/product is in full compliance with requirements of DFAR 252.225.7008 & 7009, 225.872.1
30. **Counterfeit and/or Unapproved Parts:** Supplier shall establish and maintain and warrant a Counterfeit Parts Prevention/Avoidance and Control Plan to prevent and control the delivery of counterfeit parts and material.
31. **Conflict Minerals:** Supplier shall comply with the Dodd-Frank Act and ensure that through due diligence, parts/product supplied to CUDA II, Inc. is Conflict Mineral Free.
32. **Code of Conduct:** Seller shall ensure their employees are aware of their contribution to product or service conformity, product safety, and the importance of ethical behavior.