

STANDARD TERMS AND CONDITIONS OF PURCHASE (Rev 10/2013)

1. ACKNOWLEDGMENT

Seller's performance hereunder shall constitute acceptance of this Order under these terms and conditions. Any acknowledgment hereof which takes exception to the terms or conditions of this Order will not be considered binding upon Purchaser unless agreed to in writing by an authorized representative of Purchaser.

2. MARKING

Unless otherwise specified herein, Seller shall properly mark each package with Purchaser's order number, and where multiple packages comprise a single shipment, each package shall also be consecutively numbered. Purchase Order number and package numbers shall be shown on Packing Slips, Bills of Lading and Invoices. Packing Slips must accompany each shipment.

3. INSPECTION AND ACCEPTANCE

All goods delivered and services performed are subject to inspection before final acceptance. Purchaser may reject an entire shipment if a sample inspection discloses that articles so inspected contain defective material or workmanship or do not conform to specifications or samples (the extents of such a sample inspection to be at the sole judgment of Purchaser) unless Seller agrees to reimburse Purchaser for the cost of a complete inspection of the articles included in such shipment. If any goods are found to be defective in material or workmanship or otherwise not in conformity with this Order (including drawings samples and/or specifications), Purchaser, in addition to any other rights which it may have, may at its option: (i) correct or have corrected the nonconformity at Seller's expense, or (ii) reject and return such supplies or other deliverable items at Seller's expense, such rejected supplies or other deliverable items not to be replaced by Seller without written authorization from Purchaser. Purchaser may direct sorting and/or rework of rejected goods at Seller's expense. Payment shall not constitute acceptance.

4. DELIVERY SCHEDULE

Time is of the essence in this contract. Seller shall not make material commitments or production arrangement in excess of the amount or in advance of the time necessary to meet Purchaser's delivery schedule. Goods shipped to Purchaser in advance of schedule may at Purchaser's option be returned to Seller at Seller's expense, or retained by Purchaser but paid for in accordance with delivery schedule. Should Seller fail to make timely delivery, Purchaser at its option may either approve a revised delivery schedule proposed by Seller or may cancel the Order, in whole or in part, or may exercise any other lawful remedy. If Seller does not comply with Purchaser's delivery schedule, Purchaser may direct delivery by fastest means, and resulting charges must be fully paid by Seller.

5. PURCHASER'S PROPERTY

Unless otherwise provided herein, all items, materials, facilities, tools, jigs, dies, fixtures, patterns, or equipment furnished or paid for by the Purchaser shall be the property of the Purchaser, and Seller shall bear all risk of loss thereof and damage thereto, normal wear and tear excepted, while such property is in Seller's possession. Property covered by this provision shall be suitably protected, segregated and marked as the property of Purchaser; shall not be moved from Seller's premises without written Purchaser approval; and shall be immediately delivered to Purchaser upon request. All drawings produced by Seller in the course of performance of any engineering work required by this purchase order shall be the Purchaser's property and shall be delivered to Purchaser upon demand.

6. SHIP EXACT QUANTITY

When purchaser processes and returns an over shipment a chargeback (debit memorandum) of all freight or postal charges and other costs incurred as a result of that overshipment, will be issued.

7. COMPLIANCE WITH LAWS

A. Seller shall comply with all applicable federal, state, and local laws, rules and regulations and agrees to hold Purchaser harmless from all liability resulting from failure to so comply.

Without limiting the generality of the foregoing, Seller in accepting this Order represents that the goods to be furnished or the services to be rendered hereunder were or will be produced or performed in compliance with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act of 1938, as amended, and all valid and applicable regulations and orders of the Administrator of the Wage and Hour Division issued under section 14 thereof. Seller shall insert language on all invoices submitted in connection with this Order stating that the goods or services were produced or rendered in accordance with the foregoing representations.

B. EQUAL EMPLOYMENT OPPORTUNITY. The Equal Employment Opportunity Clause in Section 202 of Executive Order 11246, as amended, relative to equal employment opportunity and the implementing of rules and regulations of the Office of Federal Contract Compliance are incorporated herein by reference.

C. OCCUPATIONAL SAFETY AND HEALTH ACT. Seller certifies that at the time of delivery the products delivered hereunder will be free from unsafe and harmful conditions and comply with all applicable federal, state and local safety and health laws and regulations.

D. Purchaser shall have the right to cancel this Order in whole or in part if any goods hereunder are determined to have been manufactured or sold to Purchaser in violation of any federal, state or local law, rule or regulation.

E. Thales Defense & Security, Inc. is a federal contractor subject to the requirements of Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans Readjustment Act of 1974, as amended (38 U.S.C. 4212). The Affirmative Action Clause of 41 CFR 60-250.4 and 741.4 are incorporated by reference.

8. ASSIGNMENT

Seller shall not assign its obligations under this Order without the prior written consent of Purchaser's authorized representative.

9. INFORMATION DISCLOSED TO PURCHASER

Any knowledge or information which the Seller has disclosed or may hereafter disclose to Purchaser in connection with purchases hereunder, shall not unless otherwise specifically agreed upon in writing by Purchaser, be deemed confidential or proprietary information and shall be acquitted free from any restrictions as to the use thereof (other than a claim for patent infringement) as part of the consideration for this Order.

10. CHANGES

Purchaser may at any time, by written order on Purchaser's standard "Purchase Order" form and without notice to sureties, if any, make changes within the general scope of this Order, in any one or more of the following: (i) drawings, designs or specifications; (ii) method of shipment or packing; (iii) time of delivery and (iv) place of inspection, delivery, or acceptance. If any such change causes an increase or decrease in the cost of, or the time required for performance of, this Order or otherwise affects any other provisions of this contract, whether changed or not changed by any such order, an equitable adjustment shall be made (i) in the price or time of performance, or both, and (ii) in such other provisions as may be affected, and the Order shall be modified in writing accordingly. Any claim by the Seller for adjustment under this clause must be asserted within thirty (30) days from the date of receipt by the Seller of the modification of change.

11. INDEMNITY (Intellectual Property)

Seller agrees to save harmless and protect Purchaser and its customers against all costs and expenses including attorney's fees, arising out of any claim that any goods or part thereof furnished under this Order constitute an infringement of any intellectual property including but not limited to a patent of either the United States or of the country of manufacture, inventions (patentable or not), trade secrets, copyrights, and software if notified in writing promptly by Purchaser after Purchaser becomes aware of such claim and if Seller is given authority, information and assistance (at Seller's expense) for the defense of same, and Seller shall pay all damages and costs awarded therein against Purchaser or its customers. In case the use of said goods or part thereof is enjoined, Seller shall at its own expense and at its option (a) procure for Purchaser and its customers the right to continue using said goods or part, (b) modify or replace them so as to cure the infringement while continuing to comply with this order; or (c) at Purchaser's sole option and with the prior approval of Purchaser remove said goods and refund the purchase price. The foregoing shall constitute the sole remedy of Purchase and sole liability of Seller for such infringement.

12. INDEMNIFY (PRODUCT LIABILITY)

Seller agrees to save harmless and protect Purchaser from and against any and all claims, actions, liabilities, losses, costs and expenses, including attorney's fees, arising out of any actual or alleged personal injury or death or damage to property resulting in whole or in part from any defect in any goods sold to Purchaser or services performed by Seller under this Order, including improper design of said goods or a result of said goods being manufactured, packaged, labeled, shipped or sold or said services being performed. In violation of any federal, state or local law, rule or regulation, or as a result of any field modification or recall campaign that Purchaser is required to undertake for its product which incorporates goods procured under this Order where said goods are alleged to be or are actually defective. Seller also agrees, on request to procure a policy or policies of Product Liability Insurance with Vendor's Endorsement naming Purchaser as an additional insured, in such amounts and in such company or companies as shall be satisfactory to Purchaser. All such policies shall provide that coverage hereunder shall not be terminated without at least ten (10) days prior written notice to Purchaser.

13. TERMINATION

A. If Seller ceases to conduct operations in the normal course of business (including inability to meet obligations as they mature) or if any proceeding under the bankruptcy, insolvency or reorganization laws is brought by or against Seller, or a receiver for Seller is appointed or applied for, or an assignment for the benefit of creditors is made by Seller, Purchaser may terminate this Order in whole or in part without liability.

B. Purchaser reserves the right to terminate this Order for its convenience even though Seller is not in default hereunder. In such event a mutually satisfactory and equitable adjustment of the terms hereof shall be made. Upon receipt of notice of such termination, Seller shall, unless such notice otherwise directs, immediately discontinue all work on this Order and deliver, if and as directed, to Purchaser all completed and partially complete articles, work in process and materials purchases or acquired for performance of this Order.

C. The provisions of this clause shall not limit or affect the right of Purchaser to cancel this Order upon default of Seller.

14. GRATUITIES

It shall be deemed a default subject to possible cancellation, if it is found that gratuities (in the form of entertainment gifts or otherwise) were offered or given by the Seller to any officer or employee of Purchaser or its subsidiaries or affiliates with a view toward securing an order or securing favorable treatment with respect to the awarding amending or making of any determinations with respect to performance under such Order.

15. WARRANTY

Seller expressly warrants that all items, goods and/or work ordered hereunder will be free from defects in design materials and workmanship for a period of one (1) year from date of acceptance by Purchaser and shall comply and be in accordance with applicable plans, drawings, specifications, and samples if furnished (subject to clause 17 "priorities". If inconsistencies exist).

16. STOP WORK ORDER

Purchaser may at any time, by written order to the Seller, require the Seller to stop all, or any part of the work called for by the Purchase Order, for a period of ninety (90) days after the stop order is delivered to the Seller, and for any further period to which the parties may agree. Any such order shall be specifically identified as a Stop Work Order issued pursuant to this article. Upon receipt of such an order, the Seller shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of ninety (90) days after a Stop Work Order is delivered to the Seller, or within any extension of that period to which the parties shall have agreed, Purchaser shall either (1) cancel the Stop Work Order; or (2) Terminate or cancel the work covered by such order as provided in the appropriate article of this Purchase Order.

17. PRIORITIES

To the extent of conflicts, if any among the provisions of these printed terms and conditions and the typed provisions in the Schedule of this Purchase Order, or any other optional provision incorporated herein, or any specifications attached hereto. Such conflicting provisions shall prevail in the following order of priority:

- Typed provisions in the Schedule of this Purchase Order
- These General Provisions
- The Supplemental Flow Down Provisions
- Specifications and Drawings

18. FORCE MAJEUR

Neither Purchaser nor Seller shall be considered in default in performance of its obligations hereunder if performance of such obligations is prevented or delayed by acts of God or government, labor disputes, failure or delay of transportation, or by vendors or subcontractors, or any other similar cause or causes beyond their reasonable control.

19. TAXES

Seller agrees to be responsible for and to pay taxes now or hereafter imposed upon Seller by law, or upon Seller's activities, or upon or on account of the purchased goods, or its sale, its transportation, its first storage or use (as those terms are used in sales and use tax laws), or upon this Order or any element thereof, or upon gross receipts or income derived from this Order or from the Seller's business of which this Order is a part.

20. GOVERNING LAW

This Order shall be governed and construed in accordance with the laws of the State of Maryland.

21. ENTIRE AGREEMENT

This Order, together with material incorporated herein by express reference, sets forth the entire and only agreement between the parties concerning the subject matter hereof and supersedes any and all prior agreements or prior communications between the parties. No provisions of this Order can be modified except by a writing on Purchaser's standard Purchase Order form signed by Purchaser's authorized representative.