

TERMS AND CONDITIONS OF PURCHASE

BY ACCEPTANCE OF THIS PURCHASE ORDER AND/OR BEGINNING PERFORMANCE HEREUNDER, SELLER AGREES TO COMPLY FULLY WITH THE TERMS AND CONDITIONS ON THE FACE SIDE AND SPECIFIED BELOW. ACCEPTANCE OF THIS PURCHASE ORDER IS EXPRESSLY LIMITED TO SUCH TERMS AND CONDITIONS AND NO ADDITIONAL OR DIFFERENT TERMS AND CONDITIONS CONTAINED IN SELLERS ACKNOWLEDGEMENT OR ACCEPTANCE OF THIS ORDER SHALL BE PART OF THE AGREEMENT WITH RESPECT TO THIS PURCHASE ORDER; ACCEPTANCE BY BUYER OF THE GOODS DELIVERED UNDER THIS PURCHASE ORDER SHALL NOT CONSTITUTE ACCEPTANCE OR SELLER'S TERMS AND CONDITIONS.

1. **DEFINITIONS:** The term "sellers" as used herein shall include any persons providing or agreeing to provide goods, merchandise or materials or performing any type of work or services under this purchase order and includes subcontractors and independent contractors. The term "goods" as used herein shall mean the goods, merchandise, services, and work to be provided or performed under this purchase order.
2. **CHANGES:** Changes, modifications, waivers, additions, or amendments to the terms and conditions of this order shall be binding on Buyer only if such changes, modifications, waivers, additions, or amendments are in writing and signed by an officer of Buyer or duly authorized buyer of Interface Displays and Controls. Buyers shall have the right to change from time to time any of the drawings, specifications, or instructions for goods and Seller agrees to comply with such change notices. If such changes result in a decrease or increase in the Seller's cost or in the time of performance, an adjustment in the price and time for performance will be made by the parties in writing providing, however, that the Seller shall notify Buyer of the request for such adjustments within thirty days after receipt of the change notice.
3. **PROPRIETARY INFORMATION:** Any knowledge of information which the Seller may disclose to the Buyer shall not be deemed to be confidential or proprietary information and shall be acquired by the Buyer free from any restrictions as part of the consideration for this purchase order.
4. **INSURANCE LIABILITY TO THIRD PARTIES:** In the event Seller, its officers, employees, and agents or any of them enter premises owned, leased, occupied by, or under the control of Buyer in the performance of or connection with the order, Seller agrees to indemnify and hold harmless Buyer, its officers, agents and employees against any liability cost, expenses, and attorneys fees for any claim of loss, damage, cost of injury of whatsoever kind of nature, including bodily injury or death, arising out of or incidental to the performance or delivery or installation of the goods occasioned in the whole or in part by the acts or omissions of Seller, its employees, officers and agents, or any liability insurance in reasonable amounts covering the obligations above set forth and upon request will provide Buyer with a Certificate of insurance indicating the amount of such insurance.
5. **INSPECTION:** Final inspection and acceptance of goods by Buyer will be at the Buyer's facility from which this order originates unless otherwise specified. Any goods not accepted by the Buyer will be returned to the Seller at its expense and the Seller shall refund the full price paid in respect thereof to the Buyer and Buyer may deduct such price from the amount if any payments due to the Seller. Inspection may be performed at the Buyer's option on a statistical basis in accordance with Mil. Std. 105. When the defects within the sample exceed the allowable percent defective, the entire lot may be rejected. When the defects within the samples exceed the allowable percent defective, the entire lot may be rejected. The rejected lot will either be returned to the Seller for replacement or credit or 100% screened by the Buyer with cost of screening billed to the Seller. Acceptance based upon the initial inspection on receipt of goods is conditional and shall not constitute and shall not constitute a waiver of the right of Buyer to return goods to the Seller, which contained latent defects and not discovered until installation and test of the end product. All special drawings, dies, and patterns or other items supplied by the Buyer shall be the property of the Buyer and shall be preserved in good condition and returned when the work on this order is completed or terminated. Without the prior written consent of Buyer no special drawing, die, pattern, tool or other item supplied by the Buyer or made by Seller for the use of the delivery to Buyer or for use by Seller in supplying shall be used by Seller for any purpose other than supplying Buyer pursuant to this purchase order. If material, equipment, special drawings, dies, patterns, or other items are furnished by the Buyer to assist the Seller in the performance of this purchase order, all risk of loss thereof or damage thereto by fire or other hazard shall be upon Seller until the material, equipment, special drawings, dies, pattern, and /or other items have been redelivered to Buyer. If Seller is prevented from delivering or Buyer is prevented from receiving the goods as a result of government actions, regulations, fires, strikes, accidents or other causes beyond the control of the either party, the obligation to receive or deliver shall be suspended for a reasonable time during which such conditions exist.
6. **WARRANTY:** The seller warrants that all goods conform to specifications, drawings, samples, or other descriptions furnished or adopted by the Buyer and that they are of good material and workmanship and free from defects. If Seller is responsible for design of goods Seller warrants that all articles delivered under this purchase order are free from defects in design and are fit and sufficient for the purpose intended by the Buyer. Approval by the Buyer of designs furnished by the Seller shall not relieve Seller of its obligations under this warranty. Seller's warranties shall continue for the performance of time set forth on the face of this purchase order. And if no such period of time is thus stated, the warranties shall continue for a period of ten years. If a warranty is

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breached Buyer may return at any time during the continuance of the warranty the goods occasioning such breach and Seller shall refund to the Buyer the purchase price paid in respect thereto. Such returns of the articles, materials after work shall be at the Seller's expense, including expenses and penalties incurred by Buyer in recalling such goods, which have been delivered to Buyer's customers and the expense of redelivery.

7. **PATENTS AND COPYRIGHTS:** The Seller agrees to indemnify and to save harmless Buyer, its officers, agents, employees and vendors (direct and remote) from any and all loss, expenses, damage, liability, claims or demands either at law or in equity for actual or alleged infringement of a patent, invention, design, trademark, copyright, or other claim of proprietary right or alleged infringement arises by reason of design for such material or articles originally by Seller or Buyer.
8. **TERMINATION:** Buyer may terminate this order in whole or in part at any time by written notice to the Seller. Such notice shall state the extent and effective date of termination of the work to be performed and upon the receipt thereof, the Seller will comply with the directions pertaining to work stoppage under this order and the placement of further orders of sub-contracts hereunder. The parties shall thereupon agree by negotiation within three (3) months upon the amount of payments. If any be paid to the Seller for such termination.
9. **PRICE ADJUSTMENT:** Buyer will not accept shipment at any price greater than the price indicated on this order. Any general decrease announced by the Seller in classifications equipment and/or materials similar to the goods described on this order shall automatically reduce the price thereof by a comparable amount.
10. **NOTICE OF LABOR DISPUTES:** (A) Seller agrees that whenever any actual or potential labor dispute delays or threatens to delay the timely performance of this order, Seller shall immediately give notice thereof to Buyer. (B) The Seller agrees to insert the substance of this Article including this section (B) in any lower tier subcontract if a labor dispute with such lower tier subcontractor may delay the timely performance of this order, except that each such lower tier subcontract shall provide that in the event its timely performance is delayed or threatened by delivery by any actual or potential labor dispute, the lower tier subcontractor shall immediately notify its near higher tier contractor of all relevant information with respect to such disputes.
11. **TERMS:** Terms on this order will be as follows: Discount invoices will be paid within the specified time period. Terms of non-discount invoices will be considered 60 days net. Such terms are based upon receipt by the Buyer of the goods prior to scheduled payment date. If buyer receives the invoice prior to such shipment or receipt of goods, the foregoing terms shall be measured from date of such receipt of shipment of goods rather than date of invoice. Right of access by Interface Displays or its customer and any regulatory authorities to all facilities involved in the order and to all applicable vendor Quality records.
12. **TIME OF DELIVERY:** The delivery dates indicated by the buyer for goods shall be considered as equally important as the price and quality. Failure to meet agreed upon delivery shall be a breach of the contract. Seller agrees to pay the Buyer any penalty and damages imposed upon or incurred the Buyer for failure of Seller to deliver the goods on such delivery dates.
13. **DEFAULT:** (A) Buyer may, by written notice of default to Seller, terminate this order or any part thereof if the Seller fails (1) to deliver the goods in accordance with the delivery schedule specified on the face thereof or by supplement hereto or (2) to replace or correct defective goods promptly upon receipt of notice or objection thereto by Buyer or (3) does not correct such failure within a period of 10 days after receipt of notice from the Buyer specifying such failure. (B) Upon such default termination, Buyer may procure similar goods on such terms and in such a manner, as it may deem appropriate and Seller shall be liable to the Buyer for any additional costs of acquiring such substitute goods, providing however, that the Seller shall not be liable for such additional costs where the default due to causes beyond the control and without the fault of the negligence of the Seller if Seller has notified Buyer in writing of the existence of the cause within 10 days from the beginning thereof. (C) Failure by Buyer to enforce any right under this clause shall not be deemed a waiver of any right hereunder. The rights and remedies of Buyer under this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this order.
14. **SALES AND USE TAX EXEMPTION (if applicable):** It is hereby certified that the above described property is exempt from the Sales Excise and Use Tax for the reason that such property is purchased for resale or will become an ingredient or component part of, or be incorporated into or used or consumed in a manufactured product produced for ultimate sale at retail.
15. **APPLICABLE LAW:** The validity, interpretation, and performance of these terms, and conditions and any purchase made hereunder shall be governed by the laws of the State in which the purchase order was placed.

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16. **ENFORCEMENT OF PROVISIONS:** The failure of Buyer to enforce at any time or for any period of time any of the provisions of this purchase order shall not constitute a waiver of such provisions or of the right of the Buyer to enforce each and every provision and any regulatory authorities to all facilities involved in the order and to all applicable vendor Quality records.
17. **ASSIGNMENTS:** This order and any payments to be made hereunder shall not be assigned or transferred without prior written approval by Buyer. Similarly Seller shall not further subcontract any substantial portion of the work to be performed by it under this order without the prior written consent of the Buyer.

GOVERNMENT CONTRACT PROVISIONS

IF THIS IS AN ORDER UNDER A GOVERNMENT PRIME CONTRACT OR SUBCONTRACT,
THE FOLLOWING ADDITIONAL CONDITIONS APPLY:

18. **TERMINATION:** Without limiting Buyer's right to terminate this order pursuant to the provisions of paragraph 11 printed hereon. Buyer may terminate the work under this order in accordance with the principles set forth in the applicable provisions of Section VIII of the ARMED SERVICES PROCUREMENT REGULATIONS in effect on the date of this order.
19. **SOURCE INSPECTION:** Buyer reserves the right to request Government inspection of the source. If this right is exercised, the Seller at its expense shall make all necessary arrangements with the proper Government agency to arrange for inspection and shall promptly furnish Buyer with the resulting inspection certificates.
20. **ASPR CLAUSES:** The following clauses from the ARMED SERVICES PROCUREMENT REGULATIONS in effect on the date of the prime contract in connection with this order is let are hereby incorporated in this order by reference with the same force and effect as though set forth in full; Buy America Act (7.104.3); Contract Work Hours Standard Act – Overtime Compensation (7.103.16); Walsh Healy Act (7.103.7); Excess Profits (7.103.11); Military Security Requirements (7.104.12); Examination of Records (7.1.4.15); Notice to Government of Labor Disputes (7.104.4); Negotiations (7.103.13); Officials Not to Benefit (7.103.5); Covenant Against Contingency Fees (7.103.20); Gratuities (7.104.16); Work Hours Act of 1962 (12.303.1); Equal Employment Opportunity (12.802(8)), and; if this order has for one of its purposes experimental, developmental, or research work patent rights license (9.107.5(b)); Data (9.203(b)), and Classified Contracts (9.106). If this order is in excess of \$600,000, Seller agrees to establish and conduct a Small Business Subcontracting Program (1.107.3(b)) and a Labor Surplus Area Subcontracting Program (1.805.3(b)). If this purchase order is in excess of \$5,000, Utilization of Small Business Concerns (1.707.3(a)); and Utilization of Concerns in Labor Surplus Areas (1.805.3(a)) apply, subject to the exception stated herein. If this order is or is anticipated to be in excess of \$100,000, additional provisions to properly implement P. L. 87-57, Truth in Negotiations Act, will be added to those conditions as then required by law, regulation, or the prime contract. If this order is let under a construction contract or subcontract, the applicable provisions Clauses for General Use in Section XVIII, Part 7 will in addition apply. Where necessary to make the contract of these clauses applicable to this order, the terms "Government" and "Contracting Officer" shall be construed to mean Buyer. The term "Contractor" shall mean Seller and the "Contract" shall mean this purchase order.