

MICRO WIRE TRANSMISSION SYSTEMS INC.

MP006 – MWTS TERMS AND CONDITIONS

<i>DOCUMENT APPROVAL RECORD</i>		
<i>REQ' D</i>	<i>APPROVAL SIGNATURE & DATE</i>	
X	GENERAL MANAGER	

RELEASE RECORD FOR THIS REV	
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PURCHASE ORDER TERMS & CONDITIONS

1.0 Acceptance

The following terms and conditions, as written, shall govern all goods or services offered by or to Micro Wire Transmission Systems, Inc. The "Buyer" shall be the party purchasing the goods and/or services. The "Supplier" shall be the party providing the goods and/or services. The terms and conditions set forth herein are made part of and are incorporated by reference into each PO, and use of the term "PO" below means and includes all of the terms and conditions set forth herein. These terms and conditions shall prevail over any terms and conditions proposed by the Supplier which add to, vary from, or conflict with the terms and conditions under any document issued by the Buyer, unless reference to such alternative terms and conditions is explicitly made in the PO. Buyer's offer as set forth in the PO is expressly made conditional on Supplier's assent to the terms and conditions set forth in the Buyer's documents. These terms and conditions may not be modified without written consent of the Buyer.

2.0 Payment

Payment will be made in immediately available US funds. Supplier is solely responsible for the payment of any federal, state or local taxes to which Supplier may be subject on the payments made by Buyer, and Buyer shall have no obligation to withhold or make any such tax payments for or on behalf of Supplier. Payment terms are Net 30 days from invoice date, unless otherwise defined in each acknowledged PO.

3.0 Validity

PO's are not valid until Supplier accepts the PO with written acknowledgement. Email acknowledgement is acceptable.

4.0 Limitation of Liability

BUYER'S AGGREGATE LIABILITY ARISING FROM OR RELATING TO THE PO IS LIMITED TO THE AMOUNT PAID BY BUYER FOR THE GOODS AND/OR SERVICES PROVIDED UNDER THE PO. BUYER SHALL NOT BE LIABLE UNDER THE PO FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT OR PUNITIVE DAMAGES INCLUDING, WITHOUT LIMITATION, LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, OR ANY OTHER PECUNIARY LOSS EVEN IF BUYER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

5.0 Changes

No party shall make unilateral changes or to cause the Supplier to make changes within the general scope of the PO, including, but not limited to, changes in any drawings, designs, specifications, delivery schedule, sub-suppliers, subcontractors and other provisions of the PO without agreement of both parties. If any such change results in an increase or decrease in the cost of, or the time required for manufacturing or delivering goods or performing the services, an equitable adjustment may be made in the price or delivery schedule, or both, and the PO shall, subject to the agreement of Buyer and Supplier, be modified in writing accordingly. No claim under this paragraph shall be asserted by Supplier after fourteen (14) days following the notification of the change by Buyer.

Supplier will not, without Buyer's express prior written authorization, make any changes to the manufacturing location or change, substitute or modify the products or services, including sub-components, nor make any changes that may affect the specifications, including any changes to design, material, engineering, documentation or manufacturing process which includes the manufacturing process, the manufacturing site and the manufacturer, or process step discontinuances.

6.0 Quality Assurance/Quality Control

Supplier will identify and provide contact information to Buyer for one individual who will be responsible for Supplier's quality assurance (QA) and quality control (QC) procedures for any and all goods and/or services provided to Buyer over the course of the scope of work under which the PO was issued. Buyer may from time to time communicate directly with Supplier's individual responsible for quality on the QA/QC procedures being implemented for any and all goods and/or services provided to Buyer. Supplier will provide Buyer with Supplier QA/QC procedures and inspection records upon request.



7.0 Inspection

Upon notification by Supplier that goods ordered by Buyer are complete and ready for inspection, Buyer shall have the option and a reasonable amount of time (but not more than 30 days) to inspect goods at the Supplier's factory for preliminary acceptance prior to packing and shipping. Buyer may waive factory inspection at its sole discretion and elect to inspect goods and services at Buyer's designated receiving location, which may include Buyer's warehouse, customer factory, or another Supplier factory. In such case, Buyer shall have a reasonable time (but not more than 30 days) after delivery to inspect goods and services tendered by Supplier.

Buyer has the right to reject all or any portion of the goods or services that do not, in Buyer's sole discretion, within reason with the use of objective evidence, comply in every respect with each and every term and condition of the PO, including approved drawings and specifications and any critical to quality parameters, whether prepared by Buyer or Supplier. If any of the goods and/or services are nonconforming, Buyer has the right, in addition to all other rights and remedies available to Buyer, to (i) reject the good and/or services and receive an immediate refund, (ii) return the good and/or services for rework at Supplier's expense or (iii) require Supplier to promptly replace the nonconforming goods and/or services with an equivalent amount of conforming good and/or services. Buyer may elect to reject the entire goods and services tendered even if only a portion thereof is nonconforming. Any acceptance by Buyer shall not be deemed a waiver or settlement of any defect in such goods and services.

The fact that Buyer does not inspect or test any goods and/or services shall not affect any of the Buyer's rights for nonconforming goods and/or services.

8.0 Certification

Supplier will certify in writing that any goods ordered by Buyer that are complete and ready for packing and shipping comply with all Buyer requirements and specifications. Supplier shall provide Buyer with any testing and material compliance certification as required in product requirement documents (e.g. drawings) or on the PO, or else upon request if not otherwise documented as a requirement.

9.0 Packing and Shipping

The Supplier is responsible for packing purchased goods to avoid damage during shipping assuming reasonable care by the carrier. Supplier agrees to ensure that shipments are properly packed and described in accordance with Buyer specifications and/or applicable carrier regulations. On all shipments, Supplier will provide a packing list to accompany each shipment, referencing the appropriate PO and item number. Shipping and payment terms are stated in the PO. Any claims for freight damage, including concealed damages, shall be filed promptly with the Supplier and/or the carrier by the Buyer. Buyer shall be notified immediately of any freight damages.

10.0 Delivery

If delivery of goods is not made in the quantities and on the delivery date(s) specified or the rendering of the services is not completed by the date or dates specified, the Buyer shall have the right to take either or both of the following actions: (i) direct expedited routings of the goods with the Supplier paying the difference in cost between the expedited routing and the PO routing cost; and/or (ii) terminate the PO by written notice effective when received by Supplier as to goods not yet shipped or services not yet rendered and to purchase substitute goods or services elsewhere. No change in the scheduled delivery date or performance will be permitted without Buyer's prior written consent.

11.0 Title and Risk of Loss

Unless otherwise specified in the PO, risk of loss of the goods and materials remains with the Supplier and title will not pass to Buyer until the goods and materials are delivered to and accepted by Buyer at the specified delivery location.

12.0 Time is of the Essence.

Time is of the essence with respect to any terms of the PO that require performance within a given time frame, including but not limited to the time for delivery of goods and/or services.

13.0 Warranty

Supplier warrants that the goods and/or services provided under the PO, to the best of their knowledge, (a) shall conform to the specifications, drawings, samples, critical to quality parameters or other descriptions specified by the Buyer or if none are specified, to Supplier's standard specifications for such goods and services; (b) shall be suitable for purpose intended, merchantable and free from defects; (c) shall comply with the best warranties, representations, and options expressed by

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Supplier orally or in any written advertisement, correspondence or other document provided to or in the possession of Buyer; (d) shall comply with all applicable federal, state and local laws, codes, and regulations; and (e) shall be free from claims by third parties, and can be used for its intended purpose without infringing patents, copyrights, trade secrets, or any other rights of third parties. These warranties are in addition to, and shall not be limited by, Supplier's standard warranties. Inspection and acceptance of goods or services by Buyer or payment therefore, shall not constitute a waiver of these warranties.

All accessory items or equipment furnished by Supplier are subject to the warranty or guarantee issued by their respective manufacturer.

14.0 Cancellation/Termination

Prior to the Supplier's acceptance of the PO, Buyer will have the right to revoke or withdraw the PO, in whole or in part, without liability to Buyer by giving written notice to Supplier. After Supplier's acceptance of the PO, Buyer may terminate the PO, in whole or in part, for its convenience by written notice to Supplier. In the event of such termination, Supplier may claim its reasonable costs incurred prior to the effective date of termination plus a reasonable allowance for profit, as may be agreed by the parties, provided, however, that the total sum payable upon termination shall not exceed the PO price, reduced by payments previously made.

Buyer may terminate the PO or any part thereof by written notice if (i) Supplier fails to make deliveries or complete performance of service within the time specified or in accordance with agreed schedules or the PO (unless such failure is due to acts of God, strike, or any other causes beyond Supplier's control) and does not cure such failure within ten (10) days after written notice thereof; (ii) for the reasons set forth in Section 10 above; or (iii) Supplier is otherwise in default under the PO and does not cure such failure within ten (10) days after written notice thereof.

In the event of Supplier default with the terms and conditions of the PO, Buyer may, at its sole discretion, claim partially completed goods with reasonable compensation to the Supplier.

15.0 Compliance with Laws

Supplier specifically agrees to comply with all applicable federal, state and local laws, order, rules and regulations in the provision of goods and/or services to Buyer under the PO.

16.0 Subcontracting

Supplier may not make any change in subcontracting any portion of the services to be performed or provision of the goods to be delivered under the PO without the express written permission of Buyer. No subcontract or order will relieve Supplier from its obligations to Buyer, including but not limited to, Supplier's insurance and indemnification obligations. No subcontract or suborder will bind Buyer, and Buyer shall not be responsible for any obligations under any of Supplier's subcontract(s) or suborder(s).

17.0 Ownership of Materials and Goods

All products, compositions, constructions, machines, equipment, apparatus, processes or other goods or materials, as may be provided to Supplier by Buyer for performance of the PO or made by Supplier for a fee, will be the sole and exclusive property of Buyer and will be used only for performance of the PO and, upon Buyer's request, will be delivered by Supplier to Buyer. All property of Buyer, while in Supplier's control, shall be held at Supplier's risk, free of all liens, encumbrances or security interests of Supplier or third parties. All property of the Buyer is subject to removal by Buyer at any time, and to return upon Buyer's request.

18.0 Proprietary Rights.

All specifications, drawings, photographs, prototypes, spreadsheets, critical to quality parameters and other written material or information delivered by Buyer to Supplier shall at all times remain the property of the Buyer and shall be used by Supplier solely for the purpose of the Supplier's performance on the PO. Supplier shall promptly return to Buyer all such specifications, drawings, photographs, prototypes, spreadsheets, critical to quality parameters and other written material or information upon Buyer's written request. Supplier's obligations under this paragraph shall survive cancellation, termination or completion of the PO.

In the event the goods and/or services provided by the Supplier under the PO involve the modification or other use of Buyer's intellectual property or confidential or proprietary information, the creation or development of any writing, data, designs,



specifications, products or any other materials (a "Work Product"), in whatever form, Supplier agrees that all Work Product shall be deemed a "work for hire" for Buyer and shall become the sole property of Buyer unless Work Product includes the Supplier's own unique intellectual property. Supplier acknowledges it does not have and shall not claim to have any rights in any Work Product created or developed pursuant to the PO and that, in the event any Work Product is not considered "work for hire," Supplier hereby assigns and agrees to assign in the future to Buyer all rights in and to the Work Product, including ownership of all intellectual property in the Work Product, unless Work Product includes the Supplier's own unique intellectual property. Supplier shall perform all necessary acts to ensure that all rights in any Work Product created or developed by Supplier for Buyer under the PO are the sole property of Buyer, , unless Work Product includes the Supplier's own unique intellectual property. Supplier represents and warrants that, to the best of its knowledge, the Work Product does not and will not violate, or infringe upon, any existing copyright, privacy right or any other proprietary right of any third party. This section shall survive termination of the PO.

19.0 Insurance

During the term of the PO, Supplier shall maintain insurance coverage for not less than the following limits: (a) Worker's Compensation Limits as specified by applicable state law; (b) blanket contractual liability coverage, with no exclusions; and (c) products liability and completed operations coverage, which policy term shall extend for three (3) years beyond acceptance by the Buyer, with a minimum limit of \$1,000,000 per occurrence and \$2,000,000 in the aggregate. If additional or greater insurance coverage is required as part of Buyer's contractual agreement with Buyer's clients, Buyer will provide the client's insurance specifications, and Supplier must obtain, maintain and keep in force such additional or greater insurance coverage during the time in which Supplier is engaged in providing goods and/or services to the Buyer under the PO. If requested by Buyer, Supplier shall furnish Buyer with Certificate(s) of Insurance prior to delivery or performance of goods and/or services. To the fullest extent allowable under all policies and under law, Supplier waives rights of subrogation against Buyer, its directors, officers, employees, agents and representatives. If requested, Supplier shall furnish a current certificate of insurance meeting the requirements of the above paragraphs.

20.0 Indemnification

Supplier agrees to indemnify, defend and hold harmless Buyer and its affiliates and their directors, officers, employees, shareholders, agents, successors and assigns from and against any and all demands, claims, causes of action, damages, liabilities, losses, judgments, costs or expenses (including, but not limited to, reasonable attorney's fees and costs and expenses of legal actions), incurred by Buyer in connection with or arising out of (a) Supplier's performance or failure to perform under the PO, except where such liabilities are the result of the gross negligence of Buyer; (b) any inaccuracy in any, breach of any, or false or fraudulent, representation or warranty made by Supplier in the PO; (c) property damage or personal injury (including death); (d) actual or alleged infringement of copyright, trade secret, patent or other proprietary rights of a third party; (e) Supplier's failure to comply with any applicable laws, regulations, ordinances, rules, orders or similar legal requirements; or (f) any act of negligence, willful misconduct, intentional act or omission or fraud by Supplier or any of its employees, consultants, representatives, or agents. This indemnification survives termination of the PO.

21.0 Confidential Information

All confidential or proprietary information, including all specifications, drawings, photographs, prototypes, spreadsheets, critical to quality parameters and other written material or information delivered by Buyer to Supplier ("Buyer Information") shall at all times remain the property of the Buyer and shall be used by Supplier solely for the purpose of the Supplier's performance on the PO. Supplier shall maintain all Buyer Information in confidence and shall not disclose any Buyer Information to third parties without Buyer's prior written approval. In the event that Buyer and Supplier have entered into a separate written confidentiality agreement, the terms of such agreement shall apply to the disclosure of confidential information between them and shall not be superseded by the PO. Supplier's obligations under this Paragraph shall survive cancellation, termination or completion of the PO.

22.0 Electronic Commerce

Supplier acknowledges that Buyer currently uses, or will in the future use, an electronic "business to business" framework to facilitate the transmission of Key Documentation relating to the purchase of goods and services. For purposes of this provision "Key Documentation" means purchase orders, order confirmations, advanced shipping notices, change orders, invoices and other similar documentation which form a part of the PO. Supplier acknowledges and agrees (i) to the transmission of Key Documentation by electronic means, and (ii) that Key Documentation transmitted hereunder by such methods will not be deemed invalid solely because they have been transmitted or executed electronically. Each electronic transmission and use of



digital identification or digitally reproduced signatures will be deemed for all purposes to constitute a "signature" and will have the same effect as a signature on a written document.

23.0 Limitation on Action

Supplier and Buyer are required to bring any claim under the PO within one (1) year of provision of the goods and/or services that are the subject of the claim, and waive all other rights to bring any claims outside of the one-year period.

24.0 Dispute Resolution

All claims, disputes and matters in question between Buyer and Supplier arising out of or relating to the PO or breach thereof, and including all questions of arbitrability of any dispute, shall be decided by arbitration in accordance with applicable rules of the American Arbitration Association and the Vermont Arbitration Act, 12 VSA §5651 et seq. Any such arbitration shall take place in Vermont. No arbitration arising out of or relating to the PO shall include, by consolidation, joinder or in any other manner, any additional person not a party to the PO except by written consent containing a specific reference to the PO and signed by Buyer and Supplier, and the other person sought to be joined. Any consent to the arbitration with additional persons to which such persons and Buyer and Seller consent shall be specifically enforceable. Notwithstanding the foregoing, Buyer shall have the right to seek relief before a court for any alleged breach of Sections 17, 18 or 21 of the PO.

Any litigation allowed under the PO, including, without limitation, litigation ancillary to arbitration between the parties, shall be initiated and maintained exclusively in state or federal courts of Vermont, and Supplier consents to the sole and exclusive jurisdiction of the Vermont courts and waives any jurisdictional or venue defenses otherwise available to it, and any rights to trial by jury.

25.0 ISO/AS Requirements:

The Buyer is responsible for ensuring that it is clear on the processes, products, and services to be provided including the identification of relevant technical data (e.g., specifications, drawings, process requirements, work instructions); (AS9100 8.4.3 a.)

Approval of purchased products and services shall be in accordance with section 7.0 Inspection. Approval of methods, processes and equipment of supplier shall be confirmed through first article units utilizing production materials and methods, and shall be further controlled from changes as in 5.0 above. The release of products and services by Supplier shall not occur until planned arrangements have been carried out and product or service has been shown to meet all requirements. (AS9100 8.4.3.b)

Competence, including any required qualification of persons, of the Supplier shall be reasonable and meet industry standards. (AS9100 8.4.3.c)

Supplier shall respond to emails, phone calls, and other Buyer communications reasonably and in a timely manner and shall attend meetings requested by Buyer within reason. (AS9100 8.4.3.d)

Buyer may request special controls and may monitor Suppliers performance as it sees fit to ensure adherence to the requirements of the PO. (AS9100 8.4.3.e)

Unless otherwise agreed upon in writing, the Buyer does not plan to perform verification or validation activities at the Suppliers' premises (AS9100 8.4.3. f)

If Supplier is carrying out design and development activities to fulfill the PO, it shall follow, at a minimum, the requirements of AS9100D 8.3 for Aerospace applications or ISO 9001:2015 8.3 for all other applications (AS9100 8.4.3.g)

If product requirements explicitly call out inspection or test of special requirements, critical items, or key characteristics; such inspection or test shall be carried out according to specifications at Suppliers expense unless otherwise agreed upon in writing by Buyer. (AS9100 8.4.3.h)

Supplier shall be responsible for performing test, inspection, and verification as required by product specifications such as drawings and records shall be maintained for a minimum of 7 years from the date performed at Suppliers expense. Production process verification shall be carried out by the Supplier by inspection and test of first articles and first articles shall be repeated in the event of any changes permitted in 5.0 above. (AS9100 8.4.3. i)

Where the Supplier uses statistical techniques for product acceptance (sampling), such techniques shall be appropriate to the industry and risk of the product being inspected (AS9100 8.4.3.j)

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By accepting the PO, the Supplier asserts all of the following:

- Supplier has implemented a quality management system;
 - Supplier will use Buyer-designated or approved external providers for sub-components, including process sources (e.g., special processes) where explicitly required;
 - Supplier will notify the Buyer of nonconforming processes, products, or services and obtain approval for their disposition where it affects the Suppliers ability to meet the obligations of the PO;
 - Supplier will prevent the use of counterfeit parts;
 - Supplier will flow down to external providers applicable requirements including Buyer requirements;
 - Supplier will provide test specimens for design approval, inspection/verification, investigation, or auditing where agreed upon in writing with Buyer;
 - Supplier will retain documented information related to production and product quality for a minimum of 7 years and will dispose of any confidential or sensitive information in a manner that reasonably renders the information unreadable to others who may obtain the disposed material, including accidentally or maliciously. (AS9100 8.4.3.k)
- Supplier affirms the right of access by the Buyer, their customer, and regulatory authorities to the applicable areas of facilities and to applicable documented information of the Supplier, and at any level of the sub-tier supply chain. (AS9100 8.4.3.l)
- Supplier agrees that it will ensure that persons performing work on behalf of Supplier (and downstream) are aware of:
- their contribution to product or service conformity;
 - their contribution to product safety;
 - the importance of ethical behavior.

26.0 Miscellaneous

The PO shall be governed and construed in accordance with the laws of the State of Vermont, without reference or resort to its rules governing conflicts of law.

The failure of Buyer to enforce any provision of the PO shall in no way be construed as a waiver of such provisions or in any way affect the validity of the PO, in part or in full, or affect the right of Buyer to enforce any other provisions of the PO.

The Supplier and, Buyer respectively, hereby bind themselves, their partners, heirs, successors, permitted assigns and all legal representatives of such party with respect to all terms of the PO.

If any provision of the PO or its application shall for any reason or to any extent be construed by an arbitrator, arbitration panel or court of competent jurisdiction to be invalid or unenforceable, the remainder of the PO, and the application of such invalid or unenforceable provisions to other circumstances, shall remain in effect and be interpreted so as best to reasonably effect the intent of the PO.

Any terms of the PO which by their nature extend beyond their expiration or termination shall remaining in effect until fulfilled and shall bind the parties and their legal representatives, successors and assigns.

Neither party shall assign any right or obligation under the PO (including assignment by operation-of-law) without the prior written consent of the other party.

The PO represents the entire and integrated agreement between Supplier and Buyer and supersedes all prior negotiations, representations or agreements, either written or oral, and may be amended only by written instruments signed by both Supplier and Buyer.