Supplier Terms & Conditions

Purchase Order Terms and Conditions

1. Definitions. The term “Buyer” shall refer to MAST Technologies. The term “Seller” shall refer to the supplier designated on the face hereof or on Purchase Order and shall also include its subcontracts, independent contractors and all other classes of persons performing any type of work under this Order. The term “goods” or “services” shall refer to the materials, supplies, items, equipment, work and/or services covered by this Order. “Non-conforming Goods” means Goods that do not comply with the warranties and other provisions contained in this Order. “Order” means the purchase order to which these Terms are appended or into which they are incorporated, together with all drawings, specifications and other documents attached to or referenced in such purchase order. “Terms” means these MAST Technologies’ Standard Terms of Purchase.

2. Acceptance. This Order must be accepted in writing by Seller. If for any reason Seller should fail to accept in writing, any conduct by Seller which recognizes the existence of a contract pertaining to the subject matter hereof shall constitute an acceptance of Buyer of this Order and all of its terms and conditions. Any terms proposed in Seller’s acceptance of Buyer’s Order which add to, vary from, or conflict with, the terms herein expressly agreed to in writing by Buyer’s authorized representatives, are hereby rejected. To the extent that terms appearing on the face of this Order are inconsistent with those set forth herein, the terms on the face shall govern. Any reference on this face of the Order to Seller’s proposal shall be exclusive of any terms and conditions attached to such proposal or referred to therein.

3. Entire Agreement. This Order, together with any specifications, schedules, exhibits or amendments which may be referred to herein or attached hereto by Buyer, sets forth the complete and final agreement between the parties, and supersedes any and all prior or contemporaneous communications relating to its subject matter. Any reference to any proposal, quotation or other communication by Seller shall, unless indicated to the contrary herein, be deemed to be limited to the description of the goods or services and to be inapplicable, by the terms hereof provided by reference in this Order shall be effective unless in writing and signed by authorized representatives of Buyer and Seller.

4. Prices. Seller agrees that the prices set forth on the face of this Order are (are) firm, and is (are) subject to increase. No increase in the price shown on the face of this Order will be accepted by Buyer unless agreed to in a writing signed by Buyer. No charges for extras will be allowed unless authorized by Buyer in writing. Prices will be inclusive of all charges necessary to deliver the Goods to Buyer (such as transportation, insurance and duties). The acceptance of this Order constitutes a warranty that the price(s) is/are to be charged for goods or services ordered. Where the price is subject to change, any excess of prices charged to other customers for the same or like goods and services in equal or less quantities.

5. Taxes. Buyer shall be liable for the payment only of those local, state or federal sales taxes, which Seller is required by law to collect from Buyer. Seller will pay any customs, import, export, excise, sales, use, value added or other tax or duty (however designated) imposed or assessed upon the manufacture, sale, import, export, delivery or use of the Goods. All such taxes shall be stated separately on Seller’s invoice.

6. Invoices and Payment. Invoices shall be submitted and shall contain the following information: Purchase Order number, item number, description of goods and services, sizes, quantities, unit prices, and extended totals. In addition to any other information specified elsewhere. Payment of an invoice shall constitute acceptance of goods or services and shall be subject to adjustment for errors, shortages, defects in the goods or services, or other failure of Seller to meet the requirements of the Order. Payment due dates, including extended periods, will be computed from the date of receipt of all goods and services or date of receipt of invoice, whichever is later. Buyer may deduct from any amount due or to become due to Seller under this Order any sums owed by Seller to Buyer, whether under this Order or any other purchase order or contract between the parties, and any sums reasonably necessary to protect Buyer against amounts and third-party claims for which Seller is liable, whether under this Order or any other order or contract between them.

7. Packaging. All goods shall be prepared and packed in a commercially reasonable manner suitable for the goods shipped. Seller shall provide, at its own expense, transportation representation and mark all containers with necessary handling, hazardous information, shipping information, purchase order numbers, Buyer part number, date of delivery and any applicable shelf life expiration. An itemized packaging sheet and Certificate of Conformance must accompany each shipment.

8. Delivery. Time OF THE ESSENCE OF THIS ORDER and deliveries must be received on the dates and at the destination(s) set forth on the face hereof. If delivery is not completed within the time(s) specified, Buyer reserves the right, without liability, in addition to its other rights and remedies, to cancel the entire Order or that part of the Order not delivered, or to extend the time of delivery or payment. If timely delivery is guaranteed by Seller, Buyer shall have the right to direct Seller to make shipment by the most expeditious means and the total cost of such expedited shipment and handling shall be borne by Seller. Seller will be liable for damages resulting from a late or non-conforming delivery, including any liquidated damages on the face of this Order. If Buyer rejects the late delivery of Goods or properly refuses to accept Non-conforming Goods, then Buyer may obtain equivalent substitute products from another source, and if the price of such products exceed the price of the Goods under this Order, then Seller will reimburse Buyer for such excess. No partial or complete delivery shall be made hereunder prior to the date or dates shown unless Buyer has given prior written consent. Buyer will pay only for maximum quantities ordered. Over shipments will be held at Seller’s risk and expense for a reasonable time while Buyer awaits return shipping instructions from Seller.

9. Freight; Title and Risk of Loss. (a) Unless otherwise specifically provided on the face of this Order, the Seller shall ship the goods FOB point named herein in such manner as to minimize the cost of transportation and shall mark containers with necessary handling, hazardous information, shipping information, purchase order numbers, Buyer part number, date of delivery and any applicable shelf life expiration. An itemized packaging sheet and Certificate of Conformance must accompany each shipment.

10. Inspection. (a) Notwithstanding any prior inspections or payments hereunder, all goods and services shall be subject to final inspection and acceptance at Buyer’s plant within a reasonable time (but not less than 90 days) after receipt as measured from the time any goods or services delivered do not conform to the requirements of this Order. Buyer shall have the right to reject such goods or services. Buyer may elect to reject the entire goods and services tendered even if only a portion thereof is nonconforming. If Buyer elects to accept nonconforming goods or services, Buyer shall pay for such items in addition to any other damages, claims, or offsets. In such case, payment in full shall be due and payable on receipt of such goods or services. Any Buyer’s signature on any shipping/receiving document shall not constitute acceptance of Goods or any other terms or conditions, or acknowledgement of condition of Goods but shall merely acknowledge receipt of a shipment of any good or service, and Buyer shall have 20 days from date of shipment to inspect the goods or services for any defects.

11. Warranty. (a) Seller warrants that all goods and services furnished hereunder shall: i) be free from defects in workmanship, material, manufacture, and design (where design is Seller’s responsibility); ii) comply with all requirements of this Order, including all drawings and specifications incorporated herein and samples furnished by Buyer or otherwise specified herein or otherwise represented by Seller (even if such representations do not appear on the face hereof, notwithstanding the provisions of Paragraph 3 hereof; iii) be merchantable and fit and sufficient for the use intended by Buyer; and iv) be free and clear of any lien or other adverse claim against title. The foregoing warranties are in addition to all other warranties, expressed or implied, and Buyer shall survive any delivery, inspection, acceptance, and payment by Buyer. Buyer’s approval of Seller’s material or design shall not relieve Seller of the warranties set forth herein. (b) Seller’s warranty shall be effective for a period of time as set forth on the face of this Order. If no such period is stated, the warranty shall remain in effect for a period of one (1) year from the date of Buyer’s acceptance. This warranty shall run to Buyer’s customers and users of its products. (c) If any goods or services furnished hereunder do not meet the warranties specified herein then Buyer may, at any time, either return the nonconforming goods or services at Buyer’s option: i) deduct the cost of correcting such defect from the purchase price of the Goods under this Order or recover from Seller the price Buyer has paid for such Goods or services, or ii) return such defective or nonconforming goods or services at Buyer’s option. Buyer may (1) reject the goods or services hereunder. (2) require Seller to repair or replace the goods or services at Buyer’s option. (3) require Seller to make an adjustment of the purchase price of the Goods under this Order, less payments otherwise made or to be made. Upon payment of Seller’s claim, Buyer shall be entitled to receive from Seller the number of Goods or services so adjusted.

12. Nonconforming Product & Changes. Seller must notify Buyer of all nonconforming product and receive nonconforming product disposition approvals from the Buyer. Buyer may at any time, by written order, suspend all or part of this Order or any other purchase order or contract between them, with or without terminating the whole or part of it, without prejudice to Buyer’s rights hereunder. Any goods or services, or portion thereof, required by law to collect from Buyer.

13. Termination for Convenience. (a) Buyer may terminate this Order, for convenience, in whole or in part, without prejudice to Buyer’s rights hereunder. Any goods or services, or portion thereof, required by law to collect from Buyer.

14. Seller’s Indemnification. (a) Notwithstanding any other provision of this Order, Seller shall, defend, indemnify and hold harmless Buyer from and against any and all claims, damages, losses and reasonable expenses, whether direct, indirect or consequential, including, but not limited to, liabilities, obligations, claims, damages, assessments, demands, charges, actions, suits, judgments, losses and damages of any kind or nature, to the extent arising directly or indirectly out of or resulting from: i) goods or services supplied or the performance of work by Seller hereunder; ii) Seller’s breach of any of its obligations hereunder, whether or not a breach or default or material mistake of judgment on the part of Seller or its employees, agents or representatives, or fraud, or willful misconduct or negligence of any of Seller’s employees, agents, or representatives, or ii) such partially completed items and materials, or equipment, or work in progress; iii) the costs of paying claims to Seller’s suppliers for work directly allocable to the goods or services terminated. Seller shall, to the extent specified by Buyer, pay to Buyer the reasonable costs of replacing the terminated goods, inventory or services in excess of those required to meet Buyer’s delivery schedule for binding forecasts. (b) Within (30) thirty days from such termination, Buyer may submit to Buyer its written claim for termination charges, in the form and with the certifications prescribed by Buyer. Failure to submit such claim within such time shall constitute a waiver of all claims and a release of all of Buyer’s liability arising out of such termination. (c) Buyer may pay Seller the amount due for goods and services delivered prior to termination and, in addition thereto, but without duplication, shall pay the following amounts: i) the contract price for all goods and services completed in accordance with this Order and not previously paid for; (ii) the cost of unique work in process more than necessary to meet delivery schedules hereunder; and (iii) the costs of paying claims to Seller’s suppliers for work directly allocable to the goods or services terminated. There shall be no charges for terminating this Order with respect to standard goods for which there are alternate customers. Buyer shall not be responsible for any commitments made by Seller in advance of those necessary to comply with the schedules set forth in this Order. Payments made under this subparagraph shall not exceed the aggregate price specified on the face of this Order for the Goods or services otherwise. The amounts may be used to offset any claims made by Seller against Buyer, or any claims paid by Buyer to Seller. Goods, inventory or services in excess of those required to meet Buyer’s delivery schedule for binding forecasts.

15. Changes. (a) Buyer may, at any time, make changes or additions to this Order, which may result in a price increase or decrease or delay in delivery or performance of the goods or services hereunder. All such changes, modifications or revisions, as applicable, to this Order shall be in writing and signed by the authorized representatives of Buyer and Seller.

16. Non-Disclosure of Confidential Matter. Goods or services purchased hereunder by Buyer with Seller’s drawings or specifications shall not be quoted for sale to Others without Buyer’s written authorization.
specifications, drawings, samples, and other data furnished by Buyer shall be treated as confidential information by Seller, shall remain Buyer's property, shall only be disseminated to those within Seller's organization on a "need-to-know" basis only, shall not be disclosed to any third party, and shall be returned to Buyer immediately on request.

17. Buyer Property. Unless otherwise agreed in writing, all tooling, equipment, material, dies, molds, jigs, fixtures, patterns, machinery, special test equipment, special tapes and gauges which have been furnished, paid for, or charged against Buyer, or which have had their cost amortized shall be deemed Buyer's property. Such property, while in Seller's custody or control, shall be held at Seller's sole risk. Seller will keep an inventory record, conduct annual physical inventories and shall be kept insured by Seller at Seller's expense in an amount equal to the replacement cost with loss payable to Buyer. Such property shall be delivered in good condition, normal wear and tear accepted, to Buyer, F.O.B. Buyer's plant, immediately upon request by Buyer. Seller warrants that said items would not be used for any work or for the production of any materials or parts other than for Buyer without Buyer's written permission.

18. Patent License. Seller, as part consideration for this Order and without further cost to Buyer, hereby grants Buyer an irrevocable, non-exclusive, royalty-free right and license to use, sell, manufacture, and cause to be manufactured and sold products embodying any and all inventions and discoveries made, conceived, or actually reduced to practice in connection with the performance of this Order.

19. Right of Entry. Buyer, Buyer's Customer or Regulatory Authorities shall have the right to conduct health, safety and environmental ("HSE") and Goods specific Quality Audits and inspections at Seller's manufacturing sites and review Buyer's applicable records and documentation. Buyer shall assess an HSE and Quality rating in accordance with Buyer's standard procedures. If, in the opinion of Buyer, such rating is unsatisfactory, Seller agrees to address any deficiencies identified by Buyer, to Buyer's satisfaction, within three (3) months from Buyer's submission of the rating to Seller. If Seller fails to correct all such deficiencies to Buyer's satisfaction within such three (3) month period, Buyer shall have the right to terminate the Agreement by giving Seller one (1) month written notice of its intent to so terminate. Buyer has the right to request test specimens, objective evidence and test reports from the Seller for any Goods or Special Process being purchased from the Seller as a means to support the quality of the Goods. Seller must notify Buyer prior to shipment of any nonconforming Goods and receive written authorization from Buyer to ship any nonconforming Goods.

20. Limitation on Buyer's Liability; Statute of Limitations. In no event shall Buyer be liable for anticipated profits or for incidental or consequential damages. Buyer's liability on any claim of any kind for any loss or damage arising out of or in connection with or resulting from this Order or from the performance or breach thereof shall in no case exceed the price allocable to the goods or services or unit thereof, which gives rise to the claim. Buyer shall not be liable for penalties of any description. Any action resulting from any breach on the part of Buyer to as the goods or services delivered hereunder must be commenced within one year after the cause of action has accrued.

21. Waiver. The failure of Buyer to enforce at any time any of the provisions of this Order, to exercise any election or option provided herein, or to require at any time performance by Seller of any of the provisions herewith shall in no way be construed to be a waiver of any such provisions, or the right of Buyer thereafter to enforce each and every such provision.

22. Rights and Remedies. The rights and remedies of Buyer set forth herein shall not be exclusive and are in addition to any other rights and remedies provided at law or in equity.

23. Compliance with Laws. Seller shall comply with all federal, state, local and governmental agency laws, ordinances, rules and regulations in the manufacture and sale of the goods and in the performance of services covered in this Order. In addition, Seller shall comply with the Export Control Laws and regulations of the United States and any amendments thereof.

24. Gratuities. Seller warrants that it has not offered or given and will not offer or give to any employee, agent, or representative of Buyer any gratuity with a view toward securing any business from Buyer or influencing such person with respect to the terms, conditions or performance of this Order.

25. Assignment and Subcontracting. No right or obligation under this Order (including the right to receive monies due hereunder) shall be assigned by Seller without the prior written consent of Buyer, and any purported assignment without such consent shall be void. Seller may not subcontract for completed articles or major components without Buyer's prior written consent. Buyer may assign this Order at any time if such assignment is considered necessary by Buyer in connection with a sale of Buyer's assets or a transfer of its obligations, including, but not limited to a merger, acquisition or outsourcing to a third party.

26. Notice of Delays. Whenever Seller has knowledge of an actual or potential labor dispute or any event which delays or threatens to delay the timely performance of this Order, Seller shall immediately notify Buyer of such event and furnish the contractor with full and complete details. Such notice is for informational purposes only and shall not relieve Seller of its obligations to comply with the requirements of this Order.

27. Applicable Law. This Order shall be governed by, subject to, and construed in accordance with and enforced according to the laws of the State of California, U.S.A. without regard to laws concerning conflicts of laws. Each of the parties hereto submits itself to the exclusive jurisdiction and venue of the State or Federal courts in California, U.S.A. for the purpose of any action in connection with this Agreement. The Parties do not intend that any agency or partnership relationship be created between them by this Order. Each provision of this Order shall be interpreted in such a manner as to be effective and valid under applicable law. The provisions of the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Order.

28. Force Majeure. Each party shall be absolved from liability from any act, omission or circumstance occasioned by any cause not with its control, and which could not, by reasonable diligence, have been foreseen or avoided. Such acts, omissions or circumstances, however, shall not relieve a party of liability in the event of its failure to use reasonable diligence to remedy the situation and remove the cause with all reasonable dispatch and to give notice (including all details of the situation) in writing to the other party as soon as possible after the occurrence thereof. If by reason of any such Force Majeure event, the quantity of Products available to Seller shall be less that its total needs for its own use and sale, Seller shall allocate on a fair and equitable basis. Quantities so affected, may at the option of buyer, be eliminated from the Agreement without liability and Buyer may at its option terminate the Agreement.

29. Quality Commitment. Seller acknowledges and commits itself to continuous quality improvement and the implementation of a quality management system. In particular, Seller specifically acknowledges its commitment to attain 100% conformance with all of its obligations pursuant to this Agreement, including the goals of 100% on-time delivery and 100% conformance with warranty obligations. Seller is subject to control and monitoring of on-time delivery and conformance applied by Buyer. Seller shall have a system in place to prevent the use of counterfeit parts. Buyer may note in writing to Seller any non-conformance by Seller to the contract requirements and Seller shall comply with the requirements of Buyer's Non-Conformance Management System. In the event that the composition, packaging or sourcing of raw materials used in the production of Goods is altered, or the manufacturing process, quality test, or quality test methods used in the manufacture of the Goods is altered. Seller agrees to promptly notify Buyer of the alteration. Upon its request, Buyer or its customer may inspect and verify Goods at Seller’s facilities. Seller agrees to promptly notify Buyer of loss of any third party certification (such as ISO9000 Series, QS9000) that occurs during the term of this Agreement or any extension thereof.

30. Special Process. Seller warrants that any Special Process is Certified to industry standards or will meet the requirements expressly defined by the Buyer on face of this Order.

31. Flow Down. Seller shall flow down to all sub-tier suppliers all applicable requirements in the purchase order including any key characteristics, specifications, drawings, and other information, unless Seller is notified to withhold information, in writing, by the Buyer. The following FAR clauses shall apply, as required by the terms of the prime contract or by operation of law or regulation. The effective version of each FAR provision shall be the same version as that which appears in the Prime Contractor’s Prime Contract. FAR CLAUSES.

32. Record Retention. Seller shall retain related records for seven (7) years and flow down record retention requirements to all sub-tier suppliers. Obsolete or expired records shall be deleted, erased, incinerated, or otherwise destroyed. In the event of a sale of business or transfer or records to a new location, MAST shall be notified and record disposition shall be determined at that time.

33. Other Requirements. Seller shall ensure that personnel performing work under their organization are aware of their contribution to produce or service conformity, their contribution to product safety, and the importance of ethical behavior.
<table>
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<tr>
<th>Revision</th>
<th>Date</th>
<th>Prepared By</th>
<th>Approved By</th>
<th>Description of Changes</th>
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<td>001</td>
<td>03/10/10</td>
<td>Mike Vanderby</td>
<td>Andrew Sundsmo</td>
<td>New Issue</td>
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<tr>
<td>002</td>
<td>01/23/13</td>
<td>Mike Vanderby</td>
<td>Andrew Sundsmo</td>
<td>Added right of entry for MAST and customers and information on record retention</td>
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<tr>
<td>003</td>
<td>02/20/13</td>
<td>Steve Burningham</td>
<td>Andrew Sundsmo</td>
<td>Added Section 32. Record Retention</td>
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<tr>
<td>004</td>
<td>1/26/18</td>
<td>Steve Burningham</td>
<td>Andrew Sundsmo</td>
<td>Updated Section 29 to include notification of control and monitoring OTD and conformance, as well as notification of the need to prevent the use of counterfeit parts. Updated Section 32 to provide disposition information for records. Added Section 33.</td>
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