

FRAUNHOFER USA, INC. PURCHASE ORDER STANDARD TERMS AND CONDITIONS

THIS PURCHASE ORDER IS SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS

1. ACCEPTANCE BY SELLER;

This order is Fraunhofer USA's (hereinafter FhUSA) offer to purchase the goods or services (the "Products") described in this purchase order. Acceptance of this offer is limited to its terms. This purchase order is only subject to the terms contained herein, plus any documents or specifications expressly incorporated by reference herein. FhUSA objects to any terms proposed by Seller in accepting this offer which are additional to or different from those contained in this purchase order unless specifically agreed to in writing by an authorized representative of FhUSA. .

1.1 This order will be deemed accepted unless Seller rejects it within 10 days. If Seller begins work and/or delivers the Products subject to this purchase order, such work shall constitute acceptance by Seller of this purchase order and of all of its terms and conditions. If Seller objects to any of the terms, then the Seller must do so in writing, and obtain FhUSA's agreement in writing with regard to those specific provisions.

2. DX ORDERS.

In the event FhUSA receives a DX rated Contract from the US Government, it will issue a separate spot buy purchase order for such purchase order, which Seller may or may not accept.

3. SHIPPING AND DELIVERY:

3.1 Seller will comply with FhUSA's "ship to" and "bill to" instructions as shown in this purchase order. Seller will route its shipments in accordance with the instructions of FhUSA or its shipping agent. Unless otherwise stated on the face of the purchase order, shipping terms will be FOB FhUSA's facility.

3.2 Packaging for Physical Purchases. Unless otherwise specified in the Order, the Seller will use packaging sufficient to sustain without damages arising out of normal air and motor freight transportation to the point of delivery. The Seller will reimburse FhUSA for and/or replace any damaged Products (or parts) if Seller's packaging fails to protect the Product.

3.3 Unless a specific requirement of this purchase order provides for earlier passage of title, title shall pass to FhUSA upon formal acceptance of the Products at the final destination. Risk of loss, as to the Products, shall pass to FhUSA upon delivery of the Products to FhUSA at FhUSA's facility.

3.4 Seller understands that FhUSA has delivery requirements in its contracts, and in turn, relies on Seller's timely performance of this purchase order and that time is of the essence in Seller's performance.

3.5 All deliveries must strictly adhere to FhUSA's packing and marking requirements as may be set out under the purchase order. Seller agrees to show the engineering revision level of the Products shipped on all shipping documents

3.6 As may be required under a purchase order, the Seller will provide FhUSA with written notice prior to the date that the Seller must commence deliveries of the Products as per the purchase order ("**Delivery Notice**"). The Delivery Notice must at a minimum, specify: a) how the product(s) will be shipped, the date of shipment, and the carrier; b) commercial invoice; c) packing list(s), showing at a minimum but not limited to: purchase order Number, Invoice Number, Seller Part Number, FhUSA Part Number, Item Description, Quantity (and in such format to be agreed upon mutually); and d) Certificate of Conformance, Certificate of Origin as issued by the Seller, and any other documents required by FhUSA. facility.

4. ACCEPTANCE OF PRODUCTS BY FHUSA:

4.1 Inspection & Acceptance. The FhUSA's acceptance is conditioned upon the conformance of the Products with all requirements of these Terms and Conditions and any purchase order, and the FhUSA's acceptance is not a waiver of any of those requirements. In the event the Products must be installed, tested, inspected or assembled prior to commercial use, the FhUSA may suspend acceptance until such installation, testing, inspection or assembly confirms that the Products are in accordance with Specifications and are operating properly.

4.2 Payment of any invoice by FhUSA to the Seller for Products delivered will not constitute a waiver of any claims or rights which FhUSA may have against the Seller and will not, by itself, constitute acceptance by FhUSA of the performance by the Seller of its obligations hereunder.

4.3 FhUSA will notify Seller in writing within fifteen (15) business days of actual inspection of the Products if any Products are being rejected by FhUSA for non-conformity with the Product Specifications or non-compliance with Applicable Law, and FhUSA will provide the Seller with the details of the relevant defects ("Rejection Notice"). If Products are rejected for damage in transit, FhUSA will be responsible for notifying the carrier of any damage, but Seller will be responsible for making a claim against the carrier.

4.4 Pursuant to Clause 4.3, the Seller will use commercially reasonable efforts to timely arrange for and, if parts are available, will provide the date when it can: (a) repair any rejected Products at FhUSA's facility, with FhUSA providing such reasonable support as the Seller may require within ten (10) Business Days of the Rejection Notice; or (b) replace the rejected Products, free of charge (including freight and insurance charges and any taxes or levies due) as per the appropriate specifications and modifications, to the agreed point of delivery.

5. INSPECTION:

5.1 FhUSA or FhUSA's customer shall have the right to review any designs, drawings or specifications prepared by Seller under this purchase order and to inspect and test Products at Seller's premises prior to delivery to FhUSA. FhUSA shall make such inspections and tests so as not to delay the work unduly. FhUSA shall also have the right to inspect Products at FhUSA's plant within a reasonable time after delivery. Any review, inspection or test by FhUSA under this section shall not relieve or excuse Seller from its obligations under this purchase order.

5.2 FhUSA and its authorised representatives, on reasonable notice, shall be entitled to audit and inspect the Seller's production facility(ies), documents, records, systems, practices, data and any other matters of the Seller relating to the Seller's performance of its obligations under this or any other purchase order for the purpose of verifying the Seller's compliance with this or any other purchase order.

6. WARRANTY:

6.1 Seller warrants that it has good title to the Products, free and clear of all liens or security interests. Seller warrants that Products will conform to any drawings or specifications furnished by FhUSA as part of this Order. If FhUSA has not furnished any such drawings or specifications then Seller warrants that Products will be fit and sufficient for the purpose intended. Seller also warrants that all Products supplied will be merchantable, of good material and workmanship, free from defect and in compliance with all applicable statutes, regulations, and standards, and do not infringe any third party's intellectual property rights. These warranties shall survive inspection, test, acceptance of, and payment for the Products and shall run to FhUSA and its end users and customers.

6.2 FhUSA shall have all legally available remedies for breach of warranty. In addition to its other remedies, FhUSA may either return for credit or refund or require prompt correction or replacement of the defective or nonconforming Product or part thereof per the terms of Seller's Warranty.

7. **PRICES:** The prices shown in this purchase order shall be in U.S. Dollars, unless otherwise specified in the Purchase order, and shall be firm unless FhUSA has expressly agreed to adjust the prices set forth in the purchase order, release, or other written agreement prior to delivery of the Products. The prices shown include all charges by Seller for packing, reusable containers, surcharges and transportation to the point of delivery unless expressly submitted and agreed to in writing. The prices shown also include all applicable federal, state and local taxes except taxes which Seller is required by law to collect from FhUSA. Seller shall show taxes which it is required by law to collect from FhUSA separately on its invoices and shall not invoice any tax for which FhUSA has furnished a valid exemption certificate. Seller represents that its prices charged for Products of the same kind as FhUSA under this purchase order are at least as low as the prices charged by Seller to third parties under conditions substantially similar

to those specified in this Purchase Order.

8. NEW MATERIALS: Except as otherwise specifically provided in the purchase order. The goods to be delivered hereunder shall consist of new materials (not used or reconditioned).

9. CHANGES: By giving written notice to Seller, FhUSA may modify at any time the specifications, designs or drawings, samples or other description to which the Products are to conform, the methods of shipment and packaging Products, or the place of delivery. If such modification affects the cost of, or the time required for, the performance of any part of the work under this purchase order, and if Seller makes a written claim for adjustment within thirty (30) days after receipt of the written notice of modifications, then FhUSA shall make an equitable adjustment to the terms of this purchase order within a reasonable time. Only modifications for which FhUSA submits a written notice to Seller shall become part of this purchase order.

10. CONFIDENTIAL INFORMATION:

10.1 If FhUSA supplies drawings, data, design, inventions, computer software or other technical information to Seller to facilitate the performance of this purchase order, then such information shall remain FhUSA's property and Seller shall hold it in confidence. Seller shall not reproduce, use or disclose such information to others for any purposes other than the performance of this purchase order without FhUSA's prior written consent. Such information shall be deemed Confidential Information as that term is defined in any Non-Disclosure Agreement or per Section 10.2 below, and shall be returned to FhUSA upon completion by Seller of its obligations under this purchase order or upon demand, along with all copies Seller has made and all other documents in which such information has been incorporated.

10.2 The terms and conditions of any separate Non-Disclosure Agreement, entered into by the Parties shall apply to the purchase order, and is incorporated by reference as if fully set forth here. In the absence of such a nondisclosure agreement, the Parties shall keep confidential and use their best efforts to cause their respective employees to keep confidential any Confidential Information, which they receive from each other, for a period of at least three (3) years from the expiration of the purchase order. The Receiving Party will not disclose, use, or copy such information, except as required for the performance of their obligations per this purchase order, and will take all reasonable precautions to prevent any unauthorized disclosure, use, or copying. Any other information that Seller may disclose to FhUSA with respect to the design, manufacture, sale or use of the Products covered by this purchase order shall be deemed to have been disclosed as part of the consideration for order, and FhUSA shall be free to use such information.

10.3 Seller and FhUSA agree that this Purchase Order is confidential business information. Seller, without the prior written consent of FhUSA, shall not disclose this information with any third-party, make any news release or public announcement of this purchase order, or advertise or publish the fact that FhUSA has placed this purchase order with Seller, or that Seller is performing services for FhUSA.

11. INTELLECTUAL PROPERTY; FHUSA'S PROPERTY:

11.1 All property used by Seller in connection with this purchase order which FhUSA owns and delivers to Seller, or pays Seller for, or pay's Seller's sub-supplier for, including, but not limited to, tools, dies, jigs, molds, patterns, fixtures and equipment and any replacement thereof, shall be and remain the property of FhUSA. FhUSA may remove or inspect such property at any time and FhUSA shall have free access to Sellers premises for such purposes. All property owned by FhUSA shall be marked as FhUSA's property by the Seller and used only for performing FhUSA's orders. Seller shall maintain and repair such property and return it to FhUSA in its original condition, reasonable wear and tear excepted, at the request of the FhUSA.

11.2 FhUSA's Background and Foreground IP is and shall remain the exclusive property of FhUSA. Seller shall not use FhUSA's Background IP or Foreground IP for any other purpose than the performance of its obligations under any purchase order issued by FhUSA. Neither Party has or will be obligated to transfer to the other Party any patent, trade secret, trademark, copyright or other intellectual property owned by the other Party as of the execution of the relevant purchase order or during the performance of its obligations under the purchase order.

11.3 Seller shall not use, duplicate, or transfer the Confidential Information and Intellectual Property of FhUSA to any affiliate or third party for any purpose except to accomplish the production objectives of this purchase order. Seller shall not reverse engineer the Products and/or components owned and/or contributed by FhUSA.

11.4 Seller shall not place any identifying markings on FhUSA's drawings, prints, or its Products, unless required

by law or regulation, without the prior written permission of the FhUSA.

12. INDEMNITY; PATENT INDEMNITY:

12.1 Seller shall defend, hold harmless and indemnify FhUSA, from and against any and all losses, claims, costs, liabilities, damages (including any loss of, or damage to, any property of, or injury to or death of, any person) and expenses suffered or incurred by FhUSA, its affiliated organizations, directors, officers, employees, contractors and agents arising from or in connection with any willful or negligent act or omission by the Seller or due to any breach of any purchase order (as applicable) by the Seller.

12.2 Seller shall also indemnify FhUSA, its successors, assigns, agents, customers and users of the Products against loss, damage, or liability, including costs and expenses, including attorneys' fees, which may be incurred on account of any suit claim, judgment or demand involving infringement or alleged infringement of any patent, copyright, industrial design, right or other intellectual property rights in the manufacture, use or disposition of the Products supplied under this purchase order, if the Products delivered under this purchase order are produced to a specification or design other than one provided by FhUSA. It shall be a condition of this indemnity that FhUSA shall notify Seller of any suit, claim or demand against it and, shall permit Seller to defend or settle such suit claim, judgment or demand.

13. LIMITATION OF LIABILITY. EXCEPT AS OTHERWISE SPECIFICALLY SET FORTH IN THIS PURCHASE ORDER, FHUSA SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, LOST GOODWILL, LOST PROFITS, WORK STOPPAGE OR IMPAIRMENT OF OTHER GOODS, AND WHETHER ARISING OUT OF BREACH OF ANY EXPRESS OR IMPLIED WARRANTY, BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGE OR IF SUCH DAMAGE COULD HAVE BEEN REASONABLY FORESEEN. IN NO EVENT WILL FHUSA'S LIABILITY IN CONNECTION WITH THIS ORDER OR THE PRODUCTS EXCEED THE AMOUNT PAID BY FHUSA TO SELLER FOR THE PRODUCTS GIVING RISE TO SUCH LIABILITY IN THE PRECEDING 12 MONTHS. These limitations

shall apply to all causes of action individually and in the aggregate.

14. **NOTICES.** All notices, reports, requests, approvals and other communications required or permitted hereunder must be in writing. They will be deemed given when required if: (i) delivered personally, (ii) sent via e-mail, with confirmed receipt, (iii) sent by confirmed telex, (iv) sent by commercial overnight courier with written verification of receipt, or (v) sent by registered or certified mail, return receipt requested, postage prepaid to the addresses set forth in the purchase order, order, or other written agreement. Such notice shall be treated as having been received upon the earlier of actual receipt or five (5) days after posting. All communications must be sent to the receiving party's initial address set forth below or to such other address that the receiving party may have provided for purpose of notice.

15. INSURANCE

Seller will maintain at all relevant times reasonable levels of insurance coverage for comprehensive general liability and product liability for the Products. Maintenance of said insurance policies shall not release Seller from its responsibilities and obligations resulting from defective Products or arising out of its obligations to indemnify FhUSA per section 12 above. FhUSA shall be shown as additional insureds on Seller's respective policy. Seller shall maintain (i) workers compensation, employer's liability, or the equivalent, as applicable, and (ii) such other coverage as is customary and prudent for similarly situated companies. Copies of Certificate of Insurance will be provided upon reasonable demand. If Seller is self-insured, then it will provide a certification of its company's self-insurance program with coverage similar to that stated above.

16. **ASSIGNMENT:** Seller may not assign this purchase order or any of Seller's rights, duties, or obligations under this purchase order, or subcontract the performance of any of its duties under this purchase order, without FhUSA's prior written consent. The terms and conditions of this purchase order shall bind any permitted successors and assigns of Seller.

17. EXCUSABLE DELAYS: FORCE MAJEURE

17.1 Neither Seller nor FhUSA as buyer shall be liable for damages for delay in or prevention of its performance of this purchase order arising out of causes beyond its reasonable control, including, but not limited to,

acts of war or terrorism, acts of any Government in either its sovereign or contractual capacity, national strikes or other labor disputes, or freight embargos, or Acts of God, such as fires, floods, earthquakes (hereinafter referred to as "Force Majeure").

17.2 In the event of Force Majeure, the Party whose performance is affected will give prompt, written notice to the other Party, stating the period of time the Force Majeure event is expected to continue and impact on the affected Party's ability to perform its obligations hereunder. If Seller expects a Force Majeure Event will continue for more than five (5) days, Seller agrees to promptly give FhUSA a revised delivery schedule. If Seller's production is only partially restricted or delayed, Seller shall allocate production to its customers in a fair and reasonable manner and accordance with its contractual obligations and production capabilities. **During a Force Majeure Event, FhUSA may cancel or modify, in whole or in part, any affected orders (where firm or not) and elect to use other suppliers, without any obligation, liability, or penalty of any kind as of the date specified in written notice to Seller.**

17.3 Notwithstanding the foregoing, if a party's performance of this purchase order is, or is necessarily expected to be, suspended for a period of more than 60 days due to the Force Majeure event, then the other Party may terminate the purchase order with thirty (30) days prior written notice.

18. **STOP WORK ORDER:** As a result of direction from the US Government or if triggered by a higher tier contractor, FhUSA 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 this purchase order for a period of 100 days after the order is delivered to the Seller, and for any further period to which the parties may agree. The order shall be specifically identified as a stop-work order. Upon receipt of the order, the Seller shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order, including costs incurred by subcontractors, during the period of work stoppage.

19. **TERMINATION RIGHTS:**

19.1 Termination for Convenience. As a result of direction from the US Government or if triggered by a higher tier contractor terminating FhUSA's contract for convenience, then FhUSA may either terminate part or all of this purchase order for its convenience by giving written notice to Seller. Upon receipt of such notice, Seller shall immediately: (i) cease work; (ii) prepare and submit to FhUSA, an itemization of all completed and partially completed deliverables and services; (iii) deliver to FhUSA deliverables satisfactorily completed up to the date of termination; and (iv) deliver upon request any Work in Progress. Seller shall use reasonable efforts to mitigate its liability under this purchase order by, among other actions, accepting the return of, returning to its suppliers, selling to others, or otherwise using the cancelled deliverables and provided such expenses do not exceed the cost and/or funding ceiling set forth in this purchase order. FhUSA's only obligation shall be to pay Seller for any outstanding invoices, as well as WIP, any raw materials delivered to FhUSA, as well as those reasonable, allowable and allocable expenses incurred by Seller prior to the notice of termination.

19.2 For a termination for convenience not covered by subpart (a) above, FhUSA may terminate the performance of work under this purchase order (or any part thereof) at any time without cause upon thirty (30) days prior written notice of termination to Seller and upon receipt of such notice, Seller shall, discontinue work under this purchase order within ten (10) days after receipt of the written notice of termination, Seller shall submit any claim for its expenses resulting from the termination and FhUSA shall promptly make a reasonable settlement of the claim.

19.3 Termination for Cause. FhUSA may terminate the performance of work under this purchase order (or any part thereof) for cause upon written notice of termination to Seller if (a) Seller fails to cure any material failure to perform, discharge or fulfill its obligations under this purchase order to the reasonable satisfaction of FhUSA within ten days after receipt of a written notice from FhUSA that FhUSA considers Seller to be in default under this purchase order, or (b) Seller, without the prior written consent of FhUSA, assigns or transfers all or part of its rights and obligations under this purchase order to another person, either voluntarily or by operation of law; or (c) FhUSA has reasonable grounds for insecurity about Seller's ability to continue to perform this purchase order satisfactorily, including Seller's ability to maintain acceptable quality standards and delivery schedules, or a satisfactory financial condition.

20. **HAZARDOUS MATERIALS:** Seller shall notify FhUSA of all "hazardous materials" (as that term is defined in applicable federal, state and local statutes), which are contained in the Products, or provide a TSCA Certificate as required by the Toxic Substance Control Act. Seller shall furnish FhUSA with copies of all applicable "Material Safety Data Sheets" for Products no later than the initial shipment date under this purchase order. Seller shall also comply with all laws, orders and regulations pertaining to the use, storage, and disposal of restricted, toxic, and hazardous materials.

21. RECALL AND FIELD SERVICE CAMPAIGNS: To the extent that any field campaign or recall is attributable to Seller's Products, Seller shall indemnify and hold FhUSA harmless against all loss, liability, cost, or expense incurred by FhUSA arising out of the repair, replacement, or refund of the purchase price of such Products or the end product of its customer and/or end user. This indemnity shall apply if the recall, repair, replacement or refund (a) is required pursuant to applicable statutes, laws, or regulations or (b) FhUSA's customer or end user, or c) in FhUSA's reasonable commercial judgment is necessary to preserve FhUSA's commercial reputation as a supplier of reliable, high quality products. Seller will cooperate with FhUSA to determine the appropriate field campaign and/or retrofit procedures, undertake all necessary obligations, perform all necessary repairs, modifications, field campaigns or replacements, and assist FhUSA as may be required of it under applicable law or regulation; and the parties will cooperate with and work together in good faith to minimize the parties' financial exposure as part of the recall.

22. EXPORT, TRADE CREDITS, OFFSET & COUNTER TRADE CREDITS: To the extent permitted by law or Treaty, Seller shall assign to FhUSA all such credits which arise from this Order with the right to reassign such credits as determined by FhUSA.

23. CODE OF CONDUCT; CONFLICT MINERALS CLAUSE; EXPORT CONTROL:

23.1 Seller represents, warrants, and covenants that Seller will comply with all FhUSA compliance requirements, including the Sarbanes-Oxley Act of 2002, the Foreign Corrupt Practices Act of 1977, the UK Anti-Corruption Act, and FhUSA's Code of Business Conduct. In addition, the Seller shall: (a) comply with FhUSA's Environmental, Health, and Safety rules and requirements; (b) provide a safe, clean and healthy work environment for its employees and will ensure that Seller's workplace is in compliance with all local health, safety and environmental laws and standards; (c) that all employees are adequately trained for their respective jobs; (d) does not engage in Human Trafficking, as that term is defined in FAR Part 52.22-50, as required by DFARS Part 252.222-7007, and (e) not use slave labor or child labor and will comply with all applicable local laws.

23.2 Conflicts Minerals. To enable FhUSA to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203, H.R. 4173), Seller is required to certify the existence of any conflict minerals (tantalum, tin, tungsten, and gold) in products to be provided under this Subcontract or purchase order as part of its proposal in the form of Seller's Conflicts Mineral Certification (CMRT Form). The certification will identify the country of origin of any conflict minerals, whether the conflict minerals came from scrap or recycled sources, whether the conflict minerals came from a covered country (Democratic Republic of Congo, Burundi, Central African Republic, Tanzania, Zambia, Angola, Rwanda, South Sudan, and Uganda), whether the conflict minerals from the covered countries directly or indirectly finance armed groups, and Seller's process for determining and verifying the information provided. If there are any changes to Seller's supply base in regard to this part that affect this certification, Seller is required to send an amended certification to FhUSA's point of contact. FhUSA reserves the right to request any additional information on Conflict Minerals associated with this Subcontract or purchase order necessary to comply with its legal requirement and Seller will make good faith efforts to provide the requested information.

23.3 Export Controls. Both parties acknowledge that they are subject to United States laws and regulations controlling the export of technology, technical data, computer software, laboratory prototypes, and other items (including inter alia the Arms Export Control Act, as amended, and the Export Administration Act of 1979, as amended). Each party's performance under this Agreement must comply with all applicable United States export laws and regulations. The transfer of certain technology, technical data, and/or items may require a license from the cognizant agency of the United States government and/or written assurances by a party that the party shall not export to certain foreign countries without prior approval of such agency. Neither party represents or warrants to the other that such a license shall not be required or that, if required, it will be issued. In any event, neither party shall export or re-export any technology, technical data, or item in violation of any applicable United States law or regulation.

24. CUSTOMS DOCUMENTATION:

24.1 Seller shall provide FhUSA all necessary information and documentation in the possession or control of Seller relating to the Products supplied under this purchase order and required to comply with applicable customs, product marking, country of origin, and other laws.

24.2 Seller shall hold FhUSA harmless from any and all increased costs or customs duties or other penalties or damages incurred by FhUSA as a result of deficient or erroneous documentation supplied by Seller for purposes of establishing the status of Products supplied under this purchase order under the North American Free Trade Agreement and its implementing laws and regulations.

24.3 FhUSA shall be entitled to and Seller hereby assigns to FhUSA all duty and import drawback rights of Seller related to the product. These rights include, without limitation, those rights developed by successorship and rights

which may be acquired by Seller from its suppliers. Seller agrees to inform FhUSA of the existence of any such rights and upon request will supply such documents as may be required to obtain or assign such drawback rights.

25. FOREGIN ACCOUNT TAX COMPLIANCE ACT ("FATCA"): Seller shall provide a current withholding certificate, executed on the latest version of the applicable IRS form, to document Seller's status for purposes of both Foreign Account Tax Compliance Act ("FATCA") and non-resident alien ("NRA") withholding. Generally, the withholding certificate will be in the form of a W-9 (if a U.S. individual, partnership, or a corporation), a W-8BEN (if a foreign individual), a W-8BEN-E (if a foreign entity), or a W-8ECI (if a foreign entity with effectively connected US income). The most current form applicable to Seller's situation may be obtained from the IRS at <http://www.irs.gov>. Seller's failure to provide a current US withholding certificate may result in potential delays of payment processing and/or US tax withholding under FATCA or NRA provisions which otherwise may be unnecessary.

26. GOVERNMENT CONTRACTS: This order may entirely or partially include Products which are integrated in FhUSA's assemblies and thereafter sold to the United States Government. As a requirement for Government solicitations, the Seller must ensure compliance with the Federal Acquisition Regulations clause FAR 52.244-6 - Subcontracts for Commercial Items and the associated Department of Defense FAR Supplement clause DFARS 252.244-7000 - Subcontracts for Commercial Items and Commercial Components (DOD Contracts) incorporated herein by reference. Whenever used in the text of these clauses, the terms "Contractor" means Seller, "Subcontractor" means Seller's Subcontractor, and "Contract" means this Order:

27. GOVERNING LAW; VENUE

27.1 This order shall be governed by the substantive laws of the state of Michigan, including the Uniform Commercial Code, but excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods.

27.2 Dispute Resolution. The Parties shall make a good faith effort to amicably settle by mutual agreement any dispute that may arise between them arising out of the purchase order or these Terms and Conditions. If such dispute is not resolved within thirty (30) days from the date that either Party has submitted this matter to the other Party's senior management, the dispute will then be referred to the American Arbitration Association (AAA) in accordance with its applicable rules then in effect. The arbitration proceedings shall be conducted in Ann Arbor, Michigan before one (1) arbitrator, unless the Parties agree within ten (10) days of referring the matter to the AAA, to have the matter heard by a panel of three (3) neutral arbitrators. The arbitration decision so reached shall be final and binding on the Parties. Judgment upon the award of the arbitrator shall be binding and may be entered in and enforced by any court having jurisdiction thereof. Each Party shall pay its own costs and attorney's fees. Notwithstanding the above provision, a breach of any of the promises or agreements contained in the purchase order or these Terms and Conditions may result in irreparable and continuing damage to either Party, for which there may be no adequate remedy at law, and each Party is therefore entitled to seek injunctive relief as well as such other and further interim or equitable relief as may be appropriate.

27.3 Equal Opportunity. The contractor/vendor shall abide by the requirements of 41 CFR §§ 60-1.4(a) and 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, national origin, or for inquiring about, discussing, or disclosing information about compensation. Moreover, these regulations require that covered prime contractors and subcontractors take

affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, or disability.

28. ENTIRE AGREEMENT:

28.1 This order, including all documents incorporated by reference, contains the entire agreement between FhUSA and Seller with regard to the purchase and sale of the Products sold under this purchase order. This order supersedes any prior agreements or discussions (whether written or oral) between FhUSA and Seller about this purchase order. No amendment or modification to this purchase order (other than a written notice of change issued by FhUSA under Section 9) shall be valid unless made in writing and signed by a duly authorized representative of each of FhUSA and Seller.

28.2 Seller and FhUSA may use electronic means, including e-mail and faxes to transmit its purchase order, Seller's acknowledgment of this purchase order, or other correspondence or information relating to the placing of a purchase order or its performance.

28.3 Survivability: The terms and provisions of these Terms and Conditions that, by their sense and context, are intended to survive the completion or termination of the purchase order shall survive the completion of performance and termination of the purchase order, including, without limitation, limitation of liability, indemnification, warranty, product recall and retrofit, intellectual property, confidentiality obligations, and the obligation to make any and all payments due hereunder. Claims that arise prior to termination or expiration of the purchase order and the claims for indemnification or breach of warranty under any purchase order shall not be extinguished by the termination or expiration of the purchase order.