

TERMS AND CONDITIONS

1. **CONTRACT FORMATION** -These General Terms and Conditions of Purchase ("Terms and Conditions") apply to orders by Prowse Manufacturing Group, Inc. ("Buyer") for parts, materials, products, or services ("Goods") supplied by Seller ("Seller"). The Buyer and Seller may be referred to jointly as "Parties" hereto.
2. **SELLER'S ACCEPTANCE OF ANY PURCHASE ORDER ISSUED BY BUYER IS EXPLICITLY MADE CONDITIONAL ON SELLER'S AGREEMENT TO THESE TERMS AND CONDITIONS. THE BUYER HEREBY OBJECTS TO ANY ADDITIONAL OR ALTERED TERMS.** The parties intend that these Terms and Conditions, together with the description of Goods, other referenced on the Buyer's Purchase Order ("PO"), constitute the final, and complete contract. Any other prior or contemporaneous agreements, oral or written, are hereby negated. Any modification or waiver of these Terms and Conditions shall be null and void. Buyer hereby rejects all pre-printed terms and conditions proposed by Seller in any quotation issued by Seller.
3. **INVOICING: PAYMENT** – A separate original invoice is required for each shipment under this Order. Buyer will pay for the Goods within sixty (60) days after the date of Buyer's receipt of the applicable invoice or the date acceptable Goods are received by Buyer (but not earlier than the specified delivery date) unless a different term has been agreed upon in writing.
4. **ORDER CHANGES** – Buyer may at any time, by written notice to the Seller, make changes to the drawings, specifications, quantities, delivery schedules and shipping instructions under this Order. If any such change increases or decreases the cost of performing or the time required for performance of this Order, an equitable adjustment in prices and /or schedules will be considered by Buyer, provided that any claim by the Seller for such adjustment is presented in writing with supporting documentation to Buyer within three (3) business days from the date of Buyer's notice to Seller of such change. No changes whatsoever will be initiated by Seller without Buyer's written approval.
5. **TAXES** – Prices stated include all taxes directly applicable to the Goods unless otherwise specified. The Buyer will only be liable for such federal, state, and local taxes that Seller is required by law to collect.
6. **PACKING AND CRATING GOODS FOR DELIVERY** – Goods will be suitably prepared for shipment to secure the lowest transportation costs (unless a premium method is specified on the PO) and will comply with all carrier regulations. No charges are allowed for packing, crating, freight express, or cartage services unless authorized by Buyer.
7. **RISK OF LOSS; EXCESS SHIPMENTS AND DELAYS** – Delivery must occur within the time stated on the Order or otherwise specified by Buyer. If shipment is delayed, the Seller must notify the Buyer promptly and ship Goods in an expedited manner at Seller's expense. Buyer may select mode of transportation, routing of, and carrier for the Goods. The Buyer will have no liability for payment on Goods delivered more than the quantity ordered. Excess Goods may be returned to Seller at Seller's expense. Prior to time for delivery of the Goods, Seller has reason to believe that they will be unable to meet the delivery schedule, the Seller will immediately notify the Buyer in writing, indicating the cause of the delay and will use their best efforts to resolve the anticipated delay. Upon receipt of notice of the anticipated delay or upon occurrence of an actual delay, the Buyer may, in addition to any other remedies available to Buyer (i) direct expedited routing of Goods, with excess costs paid by Seller, or (ii) cancel the Order and purchase substitute Goods elsewhere with resulting excess costs and expenses paid by Seller. The Seller shall not deliver Goods more than three (3) days prior to the delivery schedule.

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8. **INSPECTION OF GOODS; REJECTION OF GOODS AND REVOCATION OF ACCEPTANCE** – The Buyer, its customer, will have the right to inspect the Goods before paying for or accepting them. Where a specification number is noted for Goods, the Seller must supply a report signed by an authorized official of Seller confirming manufacturing of the Goods to the specification and such report must accompany Goods upon delivery. This report must bear the Buyer's Order number and description of the Goods shipped. The Seller shall furnish Defense Federal Acquisition Regulation Supplement (DFARS) complaint raw materials in accordance with applicable current regulations issued by the United States Department of Defense when required by the PO or contract. The Seller at the Seller's facility shall bear the full responsibility of inspecting the Goods to ensure that the Goods meet all requirements of prior to shipping Goods to Buyer. Buyer's action in paying for or accepting any Goods will not constitute a waiver of any rights or remedies of the Buyer, including the Buyer's right to revoke acceptance and return any of the Goods or the right to make a claim for damages because of the failure of the Goods to conform to this Order. All non-conforming Goods, the Seller will provide Buyer, at Buyer's determination, a full refund or replacement of the Goods, at the Seller's risk and expense, including transportation costs. The Buyer may, at its option, purchase substitute Goods in lieu of non-conforming Goods, and the Seller will be liable for the cost. Buyer's rights herein will be in addition to all other rights of Buyer under applicable law.
9. **QUALITY AND WARRANTIES** – the Seller shall provide and maintain a quality system subject to approval by the Buyer and equivalent to AS9100. The Seller shall notify Buyer of any change in the location of the Seller's facility. The Seller warrants all Goods delivered will strictly conform to the PO, all applicable specifications, quality documents and drawings. The Seller warrants the will be of good design, material, and workmanship, will be free of defects, will be merchantable and fit for their intended purpose, and will meet all applicable industrial and governmental safety standards. The Seller further warrants that Seller will have the right to sell such Goods at the time of delivery, and all such Goods will be new (unless otherwise specified in this Order) at the time of delivery. The Seller will also transfer to the Buyer any warranties on Goods and services. The Seller warrants that all services will be performed in a professional manner and in accordance with the highest industry standards. All warranties will survive any inspections, delivery, acceptance, or payment by Buyer, and will transfer to the Buyer, its successors, customers, and end users. Seller will repair or replace, without cost to Buyer, all defective or nonconforming Goods, and pay for all other resulting damage, losses or claims arising out of defective or nonconforming Goods. Repaired or replaced goods will carry the same Seller's warranties given to the original Goods. All remedies set forth herein are in addition to remedies available to Buyer at law or in equity.
10. **CANCELLATION** – This Order may be cancelled by Buyer at any time in whole or in part by written notification to the Seller. Upon notification, the Seller will immediately cease performance under this Order. The Seller must submit a cancellation statement to Buyer detailing all of Seller's costs as a result of the cancellation Order no later than 30 days after the effective date. Any reimbursement to Seller for costs which are the result of the cancellation must be mutually agreed upon and will not exceed (i) the contract price for completed Goods accepted by Buyer and not previously paid and (ii) the actual costs incurred by Seller.
11. **PRODUCT/SERVICE END OF LIFE** – In the event Seller intends to replace or discontinue the manufacture of a Good, the Seller will give the Buyer at least six (6) months prior written notice

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and accept additional Orders for such Good until the end of the 6-month notice period. Seller may not discontinue manufacture of a Good until all outstanding Orders for such Good have been filled.

12. **CERTIFICATE OF DESTRUCTION** – Goods dispositioned for scrap shall be conspicuously and permanently marked, or positively controlled, until physically rendered unusable. The Seller and its sub-tier suppliers are responsible for scrapping Goods for any reason shall provide a valid certificate of destruction to the Buyer.
13. **INDEMNIFICATION** – Seller agrees to defend, indemnify, and hold Buyer, its affiliates, officers, directors, employees, representatives, and agents (collectively, the "Indemnified Parties"), harmless of and from any claim, loss, cost, damage, settlement, or judgment arising out of Seller's provision of Goods to the Indemnified Parties, the presence of Seller's employees, agents or subcontractor are employees of the buyer. The duty to defend the Indemnified and hold harmless extends to any legal claims or proceedings, whether based on contract, warranty, infringement, strict liability in tort, negligence, or other legal theory, and extends not only to third party claims. The Buyer's indemnification obligations shall not apply to the extent any such claim is the result of the Indemnified Parties' negligence.
14. **INSURANCE** – Seller will furnish to Buyer a certificate of insurance showing Seller has obtained the following insurance coverage (or such amounts required by law) (a) Worker's Compensation – statutory limits for the state or states in which the work is to be performed; (b) Employer's Liability-\$1,000,000; (c) Commercial General Liability-\$2,000,000 combined single limit per occurrence including Premises and Operations Independent Contractors, Contractual Liability and Products and Completed Operations Coverages; and (d) Automobile Liability (including owned, hired and non-owned vehicles)
15. **TOOLING: BUYER'S PROPERTY** – All tooling, software code, and fixturing manufactured, purchased, or created by Seller specifically for the manufacture of the Goods hereunder("Tooling") shall be owned by Buyer. The Seller hereby transfers all right, title, and interest in such Tooling, including all intellectual property rights related thereto, to Buyer. The Seller will identify all Tooling as owned by Buyer, will segregate such Tooling, and will, when this Order has been completed, dispose of such Tooling in accordance with Buyer's written instructions. The Seller shall be liable for the safeguarding, maintaining, and preservation of materials, tooling, designs, patterns, drawings, and other property of Buyer in the Seller's possession and shall replace or repair without cost to the Buyer all such property which is lost, damaged, or destroyed while in the Seller's possession.
16. **CONFIDENTIALITY** - Except as required by law (upon prior written notice to Buyer), or with Buyer's prior written consent, the Seller will, always keep confidential all information, drawings, specifications, and data furnished by Buyer (whether in writing, electronically, orally, or visually) or derived or developed by Seller for the purpose of performing this Order (collectively, "Confidential Information"). The Seller agrees to take all reasonable steps to protect the confidentiality of Buyer's Confidential Information. Seller will not disclose Confidential Information, use it for its own benefit or for the benefit of any other party. Upon termination of this PO or contract, and at any time upon written request of the Buyer, the Seller shall return all copies of Buyer's Confidential Information to Buyer. These confidentiality obligations do not apply to information lawfully known by Seller at the time of disclosure or of information that becomes public knowledge other than through disclosure by Seller. The Seller will not publish or

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advertise the existence or nature of this PO without Buyer's prior written consent. Seller acknowledges that breach of this Section may cause irreparable harm and monetary damages would not be a sufficient remedy, The Buyer may seek an injunction in addition to other remedies available by law or equity. The Seller's obligations under this Section shall survive termination or completion of the PO.

17. **TERMINATION FOR CAUSE** - Buyer may terminate an Order or any part thereof by written notice of default to Seller for any of the following conditions: (1) If Seller fails to deliver Goods as specified; (2) If Seller fails to comply with other provisions of the Order, or fails to make progress in accordance with its terms; and (3) If Seller becomes insolvent, makes a general assignment for the benefit of creditors, has filed a petition of bankruptcy or for reorganization, or pursues any other remedy under any other law relating to the relief for debtors. In the event of such termination, the Buyer may purchase or manufacture similar supplies and/or require Seller to transfer title and deliver to Buyer to any and all property produced or procured by Seller related to the Order, and Seller shall be liable to Buyer for any excess cost to Buyer. Any termination by Buyer, whether for default, or otherwise, shall be without prejudice to any claims for damages or other rights of Buyer against Seller.
18. **COMPLIANCE WITH LAWS; U.S. EXPORT CONTROLS** – In performing work under this Order, the Seller and its subcontractors will comply with all applicable federal, state, local laws and the rules and regulations of any governmental authority. This includes strict compliance with all applicable export control laws and regulations of the United States in addition to all applicable trade regulations under U.S. and foreign jurisdictions. The Buyer reserves the right to cancel any order without penalty or liability to Buyer in the event the Seller's does not comply with such laws, rules, and regulations. Seller will defend, indemnify, and hold Buyer harmless for any such non-compliance by Seller or its subcontractors.
19. **SUPPLEMENTAL TERMS AND CONDITIONS; MANDATORY FLOW DOWNS** – If the Order or any Long-Term Agreement ("LTA") references any supplemental terms and conditions, including but not limited to Supplemental Terms and Conditions (Government Contracts), or Supplemental Terms and Conditions, such supplemental terms and conditions will be part of the PO for the Goods and will be provided to Seller. The Seller shall flow down all supplemental terms to its sub-tier suppliers.
20. **ORDER OF PRECEDENCE** - In the event the Parties have executed an LTA, these Terms and Conditions shall also apply to the LTA. In the event of any conflict between the LTA, these Terms and Conditions, and any supplemental terms, the order of precedence shall be as follows: (i)LTA; (ii)Supplemental Terms (Government Contracts); (iii) Supplemental Terms; (iv) any other supplemental terms referenced in the Order; and (v) these Terms and Conditions.
21. **INDEPENDENT CONTRACTOR** – Seller is and shall remain an independent contractor. No employee, agent, or representative of the Seller or its subcontractors shall be deemed to be an employee of the Buyer.
22. **ASSIGNMENT: SUBCONTRACTING** – The Seller may not assign its rights or obligations under this Order, either voluntarily or by operation of law without the prior written consent of Buyer. Seller may not subcontract all or any substantial part of this Order without the prior written consent of Buyer. Any consent of Buyer will not release the Seller of its contractual obligations
GOVERNMENT ORDERS AND REGULATIONS–If the Goods covered by this Order are for a U.S. government contract or subcontract, Seller agrees to permit any inquiry by government officials

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and/or their authorized representatives into the cost and/or profits to the Seller through fulfillment of this Order to the extent authorized under the applicable contract. The Seller shall defend, indemnify, and hold harmless the Indemnified Parties of and from any costs, fines or other liabilities imposed as a result of such investigation.

23. **PERFORMANCE** – In the event that Seller alleges a breach of this Order or another Orders by the Buyer, the Seller shall continue its performance under this Order until such allegation is resolved.
24. **GOVERNING LAW** - This Order shall be governed by the laws of the State of Washington without reference to the choice of laws provision thereof. The Seller hereby irrevocably consents to and submits itself exclusively to the jurisdiction of the applicable courts of Snohomish County Washington and the federal courts of Washington State for the purpose of any suit, action or other judicial proceeding arising out of or connected with any Order or the performance or subject matter thereof, unless the Buyer at its sole discretion determines to bring a claim in another court of competent jurisdiction. Seller hereby waives and agrees not to assert by way of motion, as a defense, or otherwise, in any such suit, action, or proceeding, any claim that (a) Seller is not personally subject to the jurisdiction of the above-named courts, (b) the suit, action or proceeding is brought in an inconvenient forum or (c) the venue of the suit, action or proceeding is improper.
25. **CUMULATIVE REMEDIES: SET - OFF RIGHTS** – All Buyer’s rights and remedies under this Order or at law are cumulative and non-exclusive.
26. **LIMITATION OF BUYER’S LIABILITY** – IN NO EVENT WILL THE BUYER BE LIABLE TO SELLER FOR ANY SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES REGARDLESS OF THE LEGAL THEORY ON WHICH ANY LIABILITY CLAIM IS MADE. In no event will Buyer's liability to Seller exceed the amount due under the applicable Order for the Goods.
27. **RIGHT OF ENTRY** – During the performance period of this Order, the Buyer, its customer, and/or regulatory agencies, have the right of entry to determine and verify product quality, records, and material at any place, including the plant of the Seller or of the Seller’s subcontractors. Seller shall provide, at no additional cost, reasonable facilities and assistance for the safety and convenience of Buyer, its customer, and/or regulatory agencies.
28. **ENVIRONMENTAL POLICY** – Buyer is committed to managing its operations in a manner that is environmentally responsible, protects the current, and future environmental interest of the community within which it operates.
 - (1) Maintain compliance with all federal, state, and local environmental laws and regulations.
 - (2) Seek to eliminate and/or reduce environmental pollution that may be attributed to the Seller’s operation.
 - (3) Maintain an environment, health, and safety management system appropriate for its business.
29. **CODE OF BASIC WORKING CONDITIONS AND HUMAN RIGHTS** - Buyer is committed to providing a safe, secure working environment and the protection human rights in its operations. Any material violation by Seller of applicable laws relating to basic working conditions and human rights, including laws regarding slavery and human trafficking, may be considered a material breach of this Order for which Buyer may elect to cancel any open Orders.

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30. **HAZARDOUS MATERIALS** - Seller will properly classify, describe, package, mark, label and provide Material Safety Data Sheets for the Goods. All packages shall be in compliance with any applicable hazardous materials laws, regulations, ordinances and orders.
31. **PUBLICITY** – Without Buyer’s prior written approval, the Sellers shall not, and shall require that its subcontractors and suppliers not to release any publicity, advertisement, news release, or confirmation, regarding any Order, Goods, or the program to which they may pertain. Seller shall be liable to Buyer for any breach of such obligation by any subcontractor or supplier.
32. **INDUSTRY SPECIFICATIONS AND STANDARDS** – For all military, federal and industry specifications and standards, the Seller shall comply with the revision in affect at the time the Buyer’s Order is issued.
33. **EQUAL EMPLOYMENT OPPORTUNITY** – The Seller and Seller’s subcontractors shall abide by the requirements of 41CFR§§60-300.5(a), 60-1.4(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment qualified individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability, or veteran status.
34. **CONFLICT MINERALS** – BUYER has made various efforts to comply with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and the U.S Securities and Exchange Commission’s August 2012 rule and regulations implementing that law (collectively, “the Conflict Minerals Requirements”). As part of these compliance efforts the Seller shall perform appropriate due diligence on its Supply Chain in order to fulfill the reporting obligations. The Seller is required to provide Buyer the Conflict Minerals Reporting Template no later than 30 calendar days following each calendar year in which Seller has delivered any Products to the Buyer.
35. **ENTIRE AGREEMENT** – This Order (and/or any long-term agreement under which this Order is issued) constitutes the entire agreement between the Parties and with respect to the subject matter herein and therein and supersedes all previous proposals, both oral and written, negotiations, representations, commitments, writings, and all other communications between the Parties. No waiver, alteration, modification of or addition to this Order will be binding unless expressly agreed to in writing and signed by duly authorized representatives of Buyer and Seller. A wavier of any of the terms and conditions hereof will not be deemed a continuing waiver but will apply solely to the instance to which the waiver is directed. In the event any provision of this Order is found to be invalid or unenforceable, the Parties hereby agree the court shall enforce such provision to the extent permitted by law and, to the extent such provision is not enforceable, shall enforce the remainder of an Order as if such provision were not included in the Order.