

1. Definitions

"Buyer" means Universal Instruments Corporation. "Supplier" shall mean the person or entity to whom this Purchase Order ("PO") is addressed, which person or entity is bound by the terms and conditions set forth herein.

2. Conditions of Agreement

This PO inclusive of both sides of this paper and any attachments represent the sole and entire agreement between the Supplier and Buyer, unless there is a written agreement in place between Buyer and Supplier ("Supplier Agreement"). If a Supplier Agreement is in effect, then in such instance, any conflicts between a provision in this PO and the Supplier Agreement shall be resolved as follows: (1) if the conflict between this PO and the Supplier Agreement involves the price, quantity, payment terms, or Statement of Work set forth in this PO, this PO shall govern; (2) if the conflict between this PO and the Supplier Agreement involves the terms and conditions set forth in the Supplier Agreement, then the Supplier Agreement governs; (3) all other conflicts between this PO and the Supplier Agreement shall be governed by the provisions in this PO. These terms and conditions shall also apply to Product supplied via vendor schedule ("PA") when no Supplier Agreement is in place. Hereinafter, the term PO shall be inclusive of PA where applicable.

3. Product Change Control

- 3.1 Buyer may make changes to drawings, designs, or specifications of the Products, including but not limited to any processes or materials in the manufacture of the Product ("Product Change(s)"). In addition, Supplier may request Product Changes via Supplier Change Request Form (SCM-F008).
- 3.2 If a Product Change causes an increase or decrease in the cost of the Product, an equitable adjustment may be made in the price and the PO shall be modified in writing accordingly provided, however, that any equitable adjustment shall not exceed the value of any Vendor System issued requirements. Any claim by Supplier for adjustment must be asserted in writing to Buyer's Authorized Representative no later than twenty (20) calendar days after the date of the requested Product Change, or within such extension as Buyer may grant in writing. If no claim is received within twenty (20) calendar days, the Product Change is deemed to be accepted by Supplier. Claims shall be in the form of a complete change proposal fully supported by detailed and factual information. Buyer shall have the right to examine any of Supplier's pertinent books and records for the purpose of verifying Supplier's claim.

4. Product Supply Continuity

Supplier shall be responsible to ensure availability of Product(s) or parts thereof, at Supplier's expense, for the duration of Buyer Product Life. If a Product or a part thereof reaches end of life or otherwise becomes unavailable, Supplier shall maintain a supply of such Product or part thereof to support through Buyer Product Life. For avoidance of doubt, the alteration, redesign, or substitution of such Product or a part thereof is not an option to satisfy this Section. As used herein, Buyer Product Life shall mean Buyer's product end of life plus ten (10) years thereafter.

5. Shipping/Delivery

- 5.1 Supplier will package and ship all Products in accordance with Buyer's packaging specification which shall be requested from Buyer and will be provided at no charge. In addition, Supplier will use appropriate care in packing and marking shipments to ensure that all shipments are in compliance with all appropriate rules and regulations, including requirements for international shipping.
- 5.2 All Products will be shipped ExWorks origin to Buyer's designated location(s) unless otherwise stated on this PO and packing slips must reference Buyer's part number, PA number (if applicable), quantity and delivery location.

6. Time of Essence

In this PO and in any contract arising therefrom, time is of the essence. If Supplier fails to deliver on time, Buyer may purchase replacements elsewhere and Supplier will be liable for actual and reasonable costs and damages Buyer incurs. Supplier will promptly notify Buyer if it is unable to comply with the delivery date specified on this PO. For Products with surface transportation lead-times greater than one (1) week, Supplier shall be required to maintain a minimum of one (1) week buffer inventory in the country of the delivery for every week of the transportation lead-time greater than one (1) week as determined by calculating the average weekly requirement from the latest forecast/release. Buyer also reserves the right to assess and apply charge-backs to the Supplier in situations where critical customer deliveries were missed due to line down situations caused by the Supplier late delivery or quality problems. Charges will also be applied when, due to criticality of need, non-conforming Product requires reworking in Buyer's tool room at Buyer's current shop rates.

7. Acceptance and Termination

- 7.1 By acceptance hereof, or, if acceptance has not been communicated to Buyer, by delivery of the goods and/or services ("Products"), Supplier agrees that, subject to Buyer's right to reject Supplier's performance hereunder, a contract containing the provisions herein set forth shall arise between the parties hereto with respect to the Products. No addition or modification hereof, and no waiver or alteration of any provision hereof, shall be valid unless made in writing and executed by Buyer. Failure of Buyer to receive a written acceptance hereof within five (5) days after the date hereof shall entitle Buyer, at its sole option, at any time prior to actual receipt of such written acceptance of the Products to terminate this order without cost or liability.
- 7.2 This PO may be terminated by Buyer with or without cause. In the event of termination by Buyer without cause, Buyer agrees to compensate Supplier for the actual and reasonable expenses incurred by Supplier for work in process up to and including the date of termination, provided such expenses do not exceed the agreed upon prices.

8. Price and Payment

- 8.1 Buyer is responsible for and will pay all sales, use and other taxes. All invoices will be paid net 60 days upon receipt of invoice unless otherwise indicated on the face of this PO, or from date of Products receipt if the Supplier is on ERS payment system unless otherwise specified.
- 8.2 Payment will not constitute acceptance of the Products, nor impair Buyer's right to reject Products for non-conformance at a reasonable later date.

9. Warranty

- 9.1 Supplier expressly warrants all Products and services to be free from defects resulting from the design (if the Supplier is the designer or partner in the design), workmanship, and materials. Supplier warrants that Products will conform to specifications and standards for a period of two years from the date of acceptance. Notice of all claims by Buyer under this warranty will be given to Supplier within two years of delivery. Provided that Supplier receives notice from Buyer in a timely manner, Supplier will, at its own expense either promptly replace, or accept return of warranted Products and parts and provide Buyer with a full refund, at Buyer's sole discretion. If a refund is given, Buyer reserves its right to obtain the Products elsewhere and seek "cover" from the Supplier. If Buyer can repair defective Products or make the services viable to Buyer, then Buyer may take remedial steps and Supplier will pay for the repair. Buyer will notify Supplier of the anticipated cost and obtain written approval before starting the repair. All costs for transport of non-conforming Product will be paid by the Supplier, unless "no fault found", is proven by the Supplier. Non-conforming Product will be replaced within twenty-four (24) hours.
- 9.2 Supplier warrants that Supplier shall have availability of Product(s) or parts thereof for the duration of Buyer Product Life.
- 9.3 Supplier represents and warrants that that Supplier shall have the continuous ability to meet the production capacity necessary to meet Buyer's requirements.

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- 9.4 Supplier warrants that at all times, Supplier will comply with all applicable laws, rules and regulations to which it is or becomes subject, including but not limited to the regulations promulgated by any agency of the government of the United States of America and the State of New York.
- 9.5 Supplier warrants that Supplier's Products or services specified in this PO do not infringe any patent, trademark, copyright or other intellectual property right of a third party.
- 9.6 Supplier warrants that Supplier will not modify or change the specifications, manufacturing processes, sub-supplier, or quality requirements to any Product without prior written consent of Buyer.
- 9.7 Supplier represents and warrants that Supplier shall comply with the latest version of Buyer's Supplier Manual as amended from time-to-time by Buyer; refer to www.uic.com/terms-policies-certifications.
- 9.8 All Products supplied to Buyer shall comply with, and Supplier agrees to be bound by, all applicable foreign, United States federal, state and local laws, orders, rules, regulations, guidelines, standards, limitations, controls, prohibitions, or other requirements contained in, issued under, or adopted pursuant to such laws, including, without limitation, product content and labeling, including, without limitation, the U.S. Toxic Substances Control Act and applicable RoHS and REACH regulations, anti-bribery, anti-corruption laws, Conflict Mineral prohibition and Conflict Mineral disclosure requirements. Supplier further agrees that neither Supplier nor any of its subcontractors will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the production or provision of Products. Delivery of any Products shall constitute Supplier's representation to Buyer that there has been and will be full compliance with all applicable laws and, at Buyer's request, Supplier shall certify in writing its compliance with the foregoing. As used herein, Conflict Mineral means minerals or their derivative that the US Secretary of State has determined are financing conflict in a DRC country, including, but not limited to, cassiterite, columbite-tantalite (coltan), gold, wolframite, tin, tantalum and tungsten.

10. Statement of Work

Where applicable, the Buyer and Supplier agree to execute a statement of work ("Statement of Work") detailing all quality and business management related items relative to development of the Products to be provided as stated on the face of this PO. Such Statement of Work is made a part of this PO by reference.

11. Tooling

- 11.1 "Tooling" means any tooling used in the production of Products, including but not limited to molds, jigs, fixtures, dies, patterns, and unique computer software required to operate the tooling. Tooling paid for or provided by Buyer including any patents or proprietary intelligence are the property of Buyer. Supplier will provide a bill of sale acknowledging payment and ownership of all Buyer Tooling. Supplier will not sell, lend, rent, encumber, pledge, lease, transfer or otherwise dispose of Buyer's Tooling nor shall Supplier assert or permit any person claiming an interest through Supplier to assert any claims of ownership to or any other interest in Buyer's Tooling. Buyer Tooling will be plainly marked "Property of Universal Instruments Corporation" with the appropriate tool number assigned and will be consigned to Supplier. If requested, Supplier agrees to sign a separate Equipment Consignment Agreement that is made a part of this PO by reference. Buyer will have the right to remove any and all property at any time. Unless a specific separate agreement is reached and signed by both parties, Tooling developed, created or manufactured by Supplier on behalf of Buyer will be used solely for the benefit of Buyer and Buyer shall be provided with electronic and hard copies of the design and all related drawings and specifications. Supplier, upon request from Universal, will provide reproducible Tooling prints for any existing tools. Supplier accepts full financial responsibility for any risk associated with loss or excessive damage to Tooling while in its possession. Supplier will notify Buyer of any loss or damage to Tooling within forty-eight (48) hours of occurrence.
- 11.2 Modification of any Tooling will be at the direction of Buyer and at Buyer's expense unless otherwise agreed. Without prior notification and written approval by Buyer, at no time will Supplier modify, move, or destroy any Tooling, alter Tooling capacity, dispose of Tooling service parts, perform Tooling maintenance and updates for wear, or establishing new Tooling/new foundries. Supplier is responsible for disposing of the tooling at no cost when directed in writing by Buyer.
- 11.3 Supplier assumes full responsibility to (i) qualify any and all Tooling in accordance with Buyer approved processes, (ii) monitor condition of Tooling/Tooling life to assure no interruption in Product flow, (iii) repair or replacement of such Tooling, (iv) to maintain Tooling in conformance with any federal, state or local governmental authorities or agencies, and (v) ensure that sufficient quantities of components will be in Supplier's inventory and available to support Buyer production prior to and during the time period that the Tooling is being refurbished or replaced. Supplier shall advise Buyer well in advance when Tooling replacement is necessary. Supplier will keep detailed maintenance records for the Tooling make the records available to Buyer upon request. Supplier expressly assumes all risk and liability for property damage or personal injury that may arise from the installation, modification, use and/or removal, of any Tooling, and any potential injury associated therewith.
- 11.4 Upon the request of Buyer, Supplier shall provide Buyer with a complete list of all Tooling and other property on the premises of Supplier and will be able to demonstrate compliance with the obligations of this PO.
- 11.5 Supplier will permanently mark the Tooling with the part number that the Tooling is intended to produce. In the event that directly marking the Tooling is not practical, an identifying mark will be made and a corresponding record will be maintained that defines the corresponding part number to the mark. This record will be maintained for the life of the program. Any Supplier logo or other identifying mark placed on Tooling that results in a Supplier logo on the end part is prohibited unless otherwise approved by Buyer in writing.

12. Indemnification

- 12.1 Supplier agrees to defend, hold harmless, and indemnify Buyer from any claim that Supplier's Products or services infringe any intellectual property rights of any third party, or any claim arising from the failure of Supplier to comply with its warranties and obligations under this PO. If a claim of infringement is made, Supplier shall, at its own expense, comply with Buyer's demand to: (i) obtain for Buyer the rights to the Products, (ii) modify the Products or services so they are non-infringing, (iii) replace the Products or services with non-infringing Products or services or (iv) accept the return of infringing Products and the cancellation of infringing services and refund any and all amounts paid by Buyer.
- 12.2 Supplier shall hold Buyer harmless from and shall defend and indemnify Buyer for all liability, loss, costs, expenses, damages, including court costs and reasonable attorney's fees, arising from any injury (including death) or property damage which is related to, arises in connection with or is based upon (i) any breach by Supplier, its officers, employees, agents or representatives of any provision of this PO, or (ii) any act or omission of Supplier, its officers, employees, agents or representatives. This indemnification does not extend to any liability, loss, costs, expenses or damages arising directly and solely from the acts, omissions or misrepresentations of Buyer, whether negligent, inadvertent or otherwise.

13. Limitation of Liability

Supplier assumes all risk of loss due to damage or rejection of inadequate Products, including but not limited to all costs and damages related to field recalls and/or repairs, or termination of this PO. In no event shall Supplier claim, or seek against Buyer, any liability for any lost revenues, lost profits, incidental, indirect, consequential, special, or punitive damages.

14. Insurance

- 14.1 Supplier will maintain in force, at its sole cost and expense, insurance coverage for Worker's Compensation, Employer's Liability and Commercial General Liability. In addition, upon request Supplier shall name Buyer as an additional insured.
- 14.2 Supplier will maintain, or will be self-insured for, the following insurance coverage during the term of this PO:

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- a. Workers Compensation, at statutory limits;
 - b. Employers Liability, with \$1,000,000 limit of liability;
 - c. Comprehensive General Liability, including Products - Completed Operations coverage and Broad Form Contractual with the following limits of liability:
 - \$2,000,000 per occurrence for Bodily Injury and Property Damage
 - \$10,000,000 General Aggregate;
 - d. Automobile Liability, with a combined single limit of liability of \$2,000,000/accident; and,
- 14.3 Supplier will provide Buyer with a copy of a Certificate of Insurance evidencing the above insurance coverage, and Insurers will endeavor to notify Buyer of any material change in such insurance thirty (30) days prior to such change.

15. Intellectual Property

Unless otherwise specifically stated on the face of this PO or in the body of a related agreement, if this PO calls for experimental, developmental or research work, Supplier agrees to and does hereby grant to Buyer all ownership rights and interests, including the right to patent and license, throughout the world, any inventions, improvements or discoveries conceived or first actually reduced to practice in the performance of this order and for this purpose Supplier shall submit promptly to Buyer a written disclosure of each invention, improvement or discovery.

16. Law

This PO shall be governed by, subject to and construed according to the substantive laws of the State of New York, notwithstanding the conflict of laws provisions. The United Nations Convention on Contracts for the International Sale of Goods is hereby expressly excluded.

17. Dispute Resolution

In the event that a dispute between the parties cannot be amicably resolved within six (6) months of the date upon which a written complaint is first made, then such disputes may otherwise be resolved, but only by commencement of a legal action in a court of competent jurisdiction that is located in Binghamton, New York. The parties also agree that New York law shall govern such litigation, and that neither arbitration nor mediation shall be used to resolve any dispute unless a prior written agreement to do so is executed by both parties.

18. Assignment

Supplier shall not assign any of Supplier's rights or obligations hereunder without the prior written consent of Buyer, which includes any change in control or transfer of ownership.

19. Severability, Headings

Any provision hereunder found to be legally unenforceable under New York law or China law, as applicable, shall be deemed deleted and replaced with a legally enforceable provision having the closest possible intent. All other provisions shall remain in full force and effect. Section headings are provided for guidance only and shall not be construed to limit the applicability of individual provisions herein.

20. Insolvency

Supplier represents that it is in a financial position to provide the work and equipment under the terms of this PO. If financial circumstances of Supplier change at any time, Supplier will notify Buyer of the situation and work with Buyer to make sure the Products in this PO are provided in a timely manner and with no reduction in quality.

21. Confidential Information

- 21.1 Confidential Information shall mean any information relating to Buyer's business, financial condition, client lists, client files, strategies, plans, costs of procedures, overhead costs, operations, concepts, products, including the Products themselves, parts, design, layout, images, language, source code and other software, accompanying documentation for any existing or proposed product or service, research, development, testing, the performance of any prototype related to any existing or proposed product or service, or any other information marked "confidential," "proprietary," or with a similar legend or (ii) by its nature would be understood by a reasonable person to be proprietary or confidential. All Confidential Information is provided "AS IS".
- 21.2 Supplier shall hold in confidence and safeguard Confidential Information received under this PO and shall exercise the same degree of care to prevent disclosure to others as it takes to preserve and safeguard its own Confidential Information, but in any event, it shall exercise no less than a reasonable degree of care. Further, internal disclosure by Supplier shall be limited to only those of its employees who are bound by confidentiality obligations at least as protective as those set forth herein and who have a direct need to know to fulfill the purpose of this PO. Internal copying of Confidential Information by Supplier shall be kept to the minimum necessary for the efficient conduct of business, and all confidentiality labels shall be reproduced in full on all copies, whether whole or partial.
- 21.3 Supplier may use Confidential Information solely for the purpose of determining whether entering into a further agreement with Buyer is in the best interest of Supplier or for the purpose of facilitating an ongoing, working relationship between itself and Buyer or in the furtherance of its business obligations to Buyer. Supplier may not use Confidential Information for any other purpose including, without limitation, the use of Confidential Information to compete with Buyer or to enable any third party to compete with Buyer. Supplier shall not reverse engineer, decompile, or disassemble Confidential Information without the prior written permission of Buyer.
- 21.4 Each party shall make its best efforts to identify confidential information through notice and identification. If requested, Supplier agrees to sign a separate Non-Disclosure Agreement that is made a part of this PO by reference.
- 21.5 Suppliers shall not, without prior written consent of the Universal Marketing department, in any manner advertise or publish its relationship with Universal Instruments or Universal's customers, make any reference to the award of business or use any trademarks or trade names of Universal or any of its associated companies in any press release, advertising or promotional materials.

22. General

- 22.1 Supplier will provide to Buyer, on demand and at no additional cost, any information and documentation required by Buyer for compliance with any and all applicable local, state, federal or international requirements including, but not limited to the United States–Mexico–Canada Agreement and any other laws or regulations whether or not specifically identified in these terms and conditions. Supplier will include on each invoice and packing list adequate Product descriptions, country of origin and US Harmonized Tariff Code for each item in a shipment.
- 22.2 Any and all hazardous material provided by Supplier or in Products provided by Supplier will be expressly identified, labeled and Material Safety Data Sheets (MSDS) provided to Buyer, prior to the Products arrival at or use by Buyer. If necessary, Supplier agrees to provide MSDS sheets in any language requested by Buyer at no additional cost.
- 22.3 Where applicable, Supplier is obligated to comply with the following provisions:
DFARS 252.203-7002 Requirement to Inform Employees of Whistleblower Rights

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- DFARS 252.204-7000 Disclosure of Information
- DFARS 252.204-7012 Safeguarding Covered Defense Information and Cyber Incident Reporting
- DFARS 252.225-7048 Export-Controlled Items
- DFARS 252.227-7016 Rights in Bid or Proposal Information
- DFARS 252.227-7019 Validation of Asserted Restrictions--Computer Software
- DFARS 252.236-7013 Requirement for Competition Opportunity for American Steel Producers, Fabricators, and Manufacturers
- DFARS 252.244-7000 Subcontracts for Commercial Items and Commercial Components
- DFARS 252.246-7003 Notification of Potential Safety Issues
- FAR 52.203-14 Display of Hotline Poster(s)
- FAR 52.203-15 Whistleblower Protection Under the American Recovery and Reinvestment Act of 2009
- FAR 52.222-21 Prohibition of Segregated Facilities
- FAR 52.222-26 Equal Opportunity
- FAR 52.222-35 Equal Opportunity Veterans
- FAR 52.222-36 Affirmative Action for Workers with Disabilities
- FAR 52.222-37 Employment Reports Veterans
- FAR 52.222.40 Notification of Employee Rights Under the National Labor Relations Act
- FAR 52.222.41 Service Contract Act of 1965
- FAR 52.222.50 Combating Trafficking in Persons
- FAR 52.222.54 Employment Eligibility Verification
- FAR 52.223-18 Contractor Policy to Ban Text Messaging While Driving
- FAR 52.225-13 Restrictions on Certain Foreign Purchases
- FAR 52.232.40 Providing Accelerated Payments to Small Business Subcontractors
- FAR 52.244.06 Subcontracts for Commercial Items
- FAR 52.245-01 Government Property
- FAR 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels
- 41 CFR 60-1.7

These provisions have the same force and effect as if they were stated in their full text.

22.4 Supplier shall not knowingly contact or actively solicit an employee of Buyer to leave his or her employment with Buyer.