

PURCHASE ORDER TERMS AND CONDITIONS

AQI-2, REV. MAY 29, 2019

- 1. Applicability.** This purchase order is an offer by Alpha Q, Inc. (the “Buyer”) for the purchase of the goods specified on the face of this purchase order (the “Goods”) from the party to whom the purchase order is addressed (the “Seller”) in accordance with and subject to these terms and conditions (the “Terms,” and, together with the terms and conditions on the face of the purchase order, the “Order”). This Order together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Order, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order. The Order expressly limits Seller’s acceptance to the terms of the Order. These Terms prevail over any terms or conditions contained in any other documentation and expressly exclude any of Seller’s general terms and conditions of sale or any other document issued by Seller in connection with this Order unless superseded with a signed Long-Term Agreement (“LTA”) between Buyer and Seller. Buyer may, in its sole discretion and at any time for any reason, change these Terms or any policies, instructions or guidelines. Seller is responsible for reviewing these Terms and applicable changes, which may be updated from time to time and posted on the Buyer’s website.
- 2. Acceptance.** This Order is not binding on Buyer until Seller accepts the Order in writing or notifies Buyer that Seller has started to perform in accordance with the Order. This Order will be deemed acknowledged within 7 days if not notified in writing from the date of issuance.
- 3. Specifications; Quantity.** Seller shall comply with the specifications stated on this Order and with applicable United States Government (“Government”) specifications if the Order identifies a Government contract. Buyer is not obligated to any minimum purchase or future purchase obligations under this Order. If Seller delivers more than 2% or less than 2% of the quantity of Goods ordered, Buyer may reject all or any excess Goods. Any such rejected Goods shall be returned to Seller at Seller’s risk and expense. If Buyer does not reject the Goods and instead accepts the delivery of Goods at the increased or reduced quantity, the Price for the Goods shall be adjusted by the Buyer if applicable or remain the same Price as the original quantity reflected on the Order.
- 4. Inspection.** Buyer and, if the Order bears a Government prime contract number, representatives of the Government, shall have the right to inspect and test the materials and workmanship of all Goods or a sample of the Goods at all times and places including, when required, during manufacture; and if any such inspection or test is made on the premises of Seller, Seller shall furnish, without additional charge, all reasonable facilities and assistance for a safe and convenient inspection or test.
- 5. Rejected Material.** Notwithstanding prior inspection, payment for, or use of the Goods, Buyer shall have the right to reject or revoke acceptance of any such Goods that do not conform to the requirements of this Order. Such right shall be exercisable within the period provided in Buyer’s applicable specifications, or, in their absence, within a reasonable period of time, but not less than six

(6) months after delivery of the Goods. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon written notice to Seller, to: (a) rescind the Order in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and, if requested by Buyer, require replacement of the rejected Goods at Seller's expense. All such rejected Goods shall be returned to Seller, at Seller's cost, for credit and refund and shall not be replaced by Seller except upon written instructions from Buyer. Replacement of rejected material, if requested or accepted by Buyer or otherwise authorized under this Order, shall be at no additional expense to Buyer excepting, however, those Goods which Buyer elects to repair at Seller's expense. If Seller fails to timely deliver ["timely" defined as \leq Supplier Lead Time as stated on Seller's Quote] replacement Goods, Buyer may replace them with goods from a third party and charge Seller the cost thereof and terminate this Order for cause pursuant to Section 16. These Terms apply to any repaired or replacement Goods provided by Seller hereunder. Any inspection or other action by Buyer under this Section 5 shall not reduce or otherwise affect Seller's obligations under the Order, and Buyer shall have the right to conduct further inspections after Seller has carried out its remedial actions. Buyer's rights under Section 5 shall be in addition to and shall not be deemed to diminish its rights under Section 6.

6. Warranty. Seller warrants to Buyer and to purchasers of Buyer's products that at time of delivery of the Goods called for by this Order [and for a period of 12 months from the delivery date], the Goods will: (a) be free from any defects in material, workmanship and design; (b) be suitable for the purposes intended, whether express or implied; (c) conform to applicable specifications and other requirements specified by Buyer; (d) be merchantable; (e) be free and clear of all liens, security interests or other encumbrances, and (f) not infringe or misappropriate any third party's intellectual property rights. These warranties shall survive any delivery, inspection, test, acceptance or payment of or for the Goods. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the noncompliance of the Goods with the foregoing warranties. If Buyer gives Seller notice of noncompliance with this Section, Seller shall, at its own cost and expense, promptly/within 10 days replace or repair the defective or nonconforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Seller and the delivery of repaired or replacement Goods to Buyer.

7. Price Warranty and Price/Taxes. Seller warrants that the price of the items set forth in the Order does not exceed those charged by Seller to any other customer purchasing the same item in similar quantities and under similar conditions of purchase. If Seller charges any other comparable buyer a lower price, Seller must apply that price to all Goods under this Order. If Seller fails to meet the lower price, Buyer, at its option, may terminate this Order without liability pursuant to Section 15. The price of the Goods is the price stated in the Order (the "Price"). If no price is included in the Order, the Price shall be the price set out in Seller's published price list in force as of the date of the Order. Unless otherwise indicated in this Order, the Price shall be firm and shall be deemed to include, all cost, insurance and freight charges and all federal, state and local taxes and duties applicable to the sale of the completed items ordered and the subsidiary items incorporated therein. No increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of Buyer. If Seller's raw material price decreases, then a price adjustment is to be made to Buyer.

8. **Payment Terms.** Seller shall issue an invoice to Buyer on or any time after the completion of delivery and only in accordance with the Terms. Buyer shall pay all properly invoiced amounts due to Seller within 60 days after Buyer's receipt of such invoice, except for any amounts disputed by Buyer in good faith. All payments hereunder must be in US dollars. In the event of a payment dispute, Buyer shall deliver a written statement to Seller listing all disputed items and providing a reasonably detailed description of each disputed item. The parties shall seek to resolve all such disputes expeditiously and in good faith. Seller shall continue performing its obligations under the Order notwithstanding any such dispute.

9. **Assignments and Subcontracting.** This Order shall not be assigned or subcontracted in whole or in part without prior written approval of the Buyer. This limitation shall not apply to the purchase of standard commercial supplies or raw materials. Any alleged assignment or delegation in violation of this Section shall be null and void. No assignment or delegation shall relieve the Seller of any of its obligations hereunder. Buyer may at any time assign, transfer or subcontract any or all of its rights or obligations under the Order without Seller's prior written consent.

10. **Setoff.** Without prejudice to any other right or remedy Buyer may have, all claims for money due or to become due from Buyer shall be subject to deduction or setoff by the Buyer by reason of any counterclaim arising out of this or any other transaction with Seller.

11. **Packaging and Labeling.** All Goods to be delivered shall be boxed, crated, carted or stored without charge to Buyer. Seller shall package the Goods in accordance with Buyer's instructions or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition. Seller shall ship the goods at the lowest possible transportation rates. Buyer's purchase order number and symbols must be plainly marked on all invoices, packages, bills of lading and shipping orders. Documents should have all required export control paperwork, including but not limited to the export control classification determinations including the export control classification determination for parts, where required and Seller is to use the "NMFC" National Motor Freight Classification Code if directed by Buyer on Order. Shipping memos or packing lists must be enclosed in all shipments showing purchase order and item number and exact quantity and description of goods being shipped. Seller must provide Buyer prior written notice if it requires Buyer to return any packaging material. Any return of such packaging material shall be made at Seller's expense. Any required certifications performed by sub-tier suppliers shall also be included with Goods delivered.

12. **Delivery.** Delivery shall be made to the address specified in this Order ("Delivery Location") and in strict accordance with the delivery schedule of this Order. Timely delivery of the Goods is of the essence. If Seller's deliveries fail to meet such schedule, (a) Buyer may elect to call upon Seller for expedited shipments, in which case Seller will pay the difference between the method of shipping specified in this Order and premium transportation rates, or (b) Buyer may terminate the Order immediately by providing written notice to Seller and Seller shall indemnify Buyer against any losses, claims, damages and reasonable costs and expenses directly attributable to Seller's failure to deliver the

Goods on the specified delivery date. Seller will promptly notify Buyer of all anticipated delays in delivery in writing. Buyer has the right to return any Goods delivered prior to the delivery date at Seller's expense and Seller shall redeliver such Goods on the delivery date. Seller may deliver before Order due date only if authorized in writing by Buyer.

13. Shipping Terms. Delivery shall be made as outlined in the Order under delivery date and/or in accordance with the terms on the face of this Order. Seller shall give written notice of shipment to Buyer when the Goods are delivered to a carrier for transportation. Seller shall provide Buyer all shipping documents, including the commercial invoice, packing list, air waybill/bill of lading and any other documents necessary to release the Goods to Buyer the same day of delivery unless otherwise agreed to between Seller and Buyer. Any required destination control statements or other required export compliance markings (including classification markings required by ITAR, if applicable) shall be included.

14. Title and Risk of Loss. Title passes to Buyer upon delivery of the Goods to the Delivery Location. Seller bears all risk of loss or damage to the Goods until delivery of the Goods to the Delivery Location. Exception will apply if goods are deemed out of compliance with specification, damaged or otherwise not in acceptable parameters of the Order in which case Seller is wholly responsible.

15. Termination for Convenience of Buyer. Buyer reserves the right to terminate this Order or any part hereof for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder, and shall immediately inform any of its suppliers or subcontractors to cease such work. Seller shall be paid a reasonable termination charge for the work performed prior to the notice of termination. Seller shall not be paid for any work done after receipt of the notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided.

16. Termination for Default. In addition to any remedies that may be provided under these Terms, Buyer may terminate this Order or any part hereof for cause in the event of any default by the Seller, or if the Seller fails to comply with any of the terms and conditions of this Order, including, without limitation, late deliveries, and/or deliveries of Goods which are defective or which do not conform to this Order. If Seller becomes insolvent or subject to a bankruptcy petition or proceeding, including filing for Chapter 7 or Chapter 11, or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, then the Buyer may immediately terminate this Order for cause upon written notice to Seller. Seller is to inform buyer in writing of such occurrence. Buyer shall not be liable to Seller for any amount, and Seller shall be liable to Buyer for any and all damages sustained by reason of the default that gave rise to the termination.

17. Changes. Buyer shall have the right at any time to make changes in drawings, designs, specifications, materials, and packaging, place of test or inspection, time and place of delivery and method of transportation. If any such changes cause an increase or decrease in the cost, or the time required for the performance, the Seller shall notify the Buyer within fifteen (15) days after the receipt

of notification of such change. Buyer and Seller shall agree upon an equitable adjustment of the Price or other matter affected by the change and shall incorporate the agreement into the Order. Seller agrees to accept any such changes subject to this Section. No change to this Order is binding upon Buyer unless it is in writing, specifically states that it amends this Order, and is signed by an authorized representative of Buyer.

18. Indemnity. Seller shall indemnify and save harmless and defend Buyer, its subsidiaries, affiliates, successors or assigns, and their respective directors, officers, shareholders and employees, and Buyer's customers (collectively, "Indemnitees") from and against any and all losses, claims, liabilities, legal fees, costs or expenses arising out of or occurring in connection with the Goods purchased from Seller or any act or omission of Seller or Seller's agents, employees or subcontractors, including, without limitation, claims of injury to persons, death, damage to property, intellectual property infringement or misappropriation, and the cost of requesting/demanding any right to indemnification hereunder and the cost of pursuing any insurance providers. Seller shall not enter into any settlement without Buyer's or Indemnitees' prior written consent.

19. Insurance. Seller shall secure and maintain at its expense as a condition of doing business with Buyer: (i) Commercial General Liability insurance in the amount of \$1,000,000 per occurrence for bodily injury and property damage and \$2,000,000 in the aggregate including premises-operations, products/completed operations, contractual liability, independent contractors, personal and advertising injury; (ii) Commercial Automobile Liability insurance with limits of at least \$1,000,000 combined single limit for each accident covering all owned, non-owned hired and leased vehicles; (iii) Workers' Compensation insurance, in compliance with the statutory requirements of the state(s) of operation and Employer's Liability insurance with limits of not less than \$1,000,000 each accident/disease/policy limit; (iv) a combination of primary and excess/umbrella liability policies will be acceptable as a means to meet the limits specifically required hereunder; (v) Manufacturer's Errors and Omissions insurance, with limits of not less than \$1,000,000 each claim. Seller represents and warrants that it will obtain upon or prior to the Effective Date a policy or policies of insurance from an insurer(s) that (i) is licensed, authorized or permitted to do business in the state(s) where service is to be provided, and (ii) has a Best's Rating "A- VII" or better. Seller shall deliver a Certificate of Insurance on which Buyer and its subsidiaries and Affiliates are named as an additional insured and listed as a Certificate Holder. Seller shall deliver such Certificate of Insurance to Buyer via email. Seller's insurer or its authorized representative shall provide no less than thirty (30) days prior written notice of intent to non-renew, cancellation or material adverse change, except ten (10) day notice for nonpayment of premium shall apply. Seller shall waive its rights of subrogation against Buyer for all claims, as permitted by Law. Seller's commercial general liability policy is primary and non-contributory to any insurance or program maintained by Buyer. Seller is responsible for determining whether the above minimum insurance coverages are adequate to protect its interests. The above minimum coverages do not constitute limitations upon Buyer's liability. If and when permitted by Law, if Seller elects to self-insure, Seller must notify and obtain permission from Buyer to maintain a program of self-insurance. In addition to the requirements stated above, additional insurance requirements may be defined and included in particular the Order issued hereunder. Insurance requirements may be met by a combination of regular and excess policies.

20. Confidentiality. In addition to the requirements set forth in a separate Non-Disclosure Agreement “NDA” between the parties, Seller shall protect from disclosure and shall keep confidential all “proprietary information” included in this Order, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as “confidential” or “proprietary information,” and Seller shall only use and disclose such proprietary information for the following purposes: (a) to evaluate this Order; (b) to perform its obligations under this Order; (c) to other contractors on a need-to-know basis who are participating in the Government program that this Order is issued in connection with; and (d) to contractors on a need-to-know basis for emergency repair or overhaul work; provided, however, that each such disclosure shall be subject to the restriction that the “proprietary information” be retained in confidence and not be further disclosed. Such action would require written approval from Buyer “Proprietary Information” shall include, without limitation, designs, processes, drawings, specifications, reports, technical data and business information supplied by Buyer to Seller. With respect to all disclosures and storage of technical data subject to export controls, Seller shall comply with all requirements of the applicable export control laws and regulations. If Seller stores technical data subject to export controls in electronic format, Seller shall maintain and handle such electronic data in a manner that complies with all requirements of the applicable export control laws and regulations and with best practices for security of electronic data.

21. Quality Control Systems. Seller shall provide and maintain a quality control system acceptable to Buyer for the Goods covered by this Order. If an “end use” is identified on this Order, the appropriate and applicable quality requirements will be utilized. In accordance with all Corporate Laws, Buyer certifies that they are NOT ON ANY DENIED PARTY/EMBARGO LIST or Debarred. Seller shall permit Buyer to review Seller’s procedures, practices, processes and related documents to determine such acceptability. All ITAR restricted drawings, documents, specifications, and other technical data are to be solely reviewed by US Citizens and Seller will certify to this criteria upon acceptance of the Order. Seller agrees that if a part or specification control number document is referenced in the Order, it will immediately, upon receipt, advise Buyer of any change in or to the design, configuration or performance characteristics of the Goods identified in the document and the materials or manufacturing processes utilized in the production of such Goods. Changes to be reported are those which may have been made subsequent to the date of publication of any descriptive catalogs, bulletins or data sheets referenced in the control document.

22. Severability. If any provision of this Order shall be determined to be invalid, illegal or unenforceable under any applicable law, such provision shall not apply but all remaining provisions shall be given effect in accordance with their terms.

23. Waiver. No waiver by Buyer of any of the provisions of the Order shall be effective unless explicitly set forth in writing and signed by an authorized representative of Buyer. Buyer’s failure to, or delay in, insisting on performance of any of the terms or conditions herein or exercising any right or privilege, or Buyer’s waiver of any breach hereunder, shall not thereafter waive any other terms, conditions, remedies, powers or privileges, whether of the same or similar type.

24. Compliance with Laws and Regulations; Federal Acquisition Regulations. Seller agrees that in performing, it shall comply with all applicable federal, state and local laws, rules and regulations. If the purchase order identifies a Government contract, Seller certifies to Buyer by acceptance of the purchase order that the goods purchased hereunder are produced in compliance with all applicable Federal Regulations ("FAR"). Including, but not limited to, FAR clauses referring to the Fair Labor Standards Act, Equal Employment Opportunity Act, Walsh Healey Public Contracts Act, Buy American Act. Notice and Assistance Regarding Patent and Copyright Infringement, Rights and Technical Data, Special Tooling. Contract Work Hours Standard Act and Priorities, Allocations and Allotments regulations.

25. Governing Law and Forum. This Order shall be construed pursuant to and in accordance with the laws of the State of Connecticut. Seller irrevocably submits to the sole and exclusive jurisdiction of either the Superior Court for the Judicial District of Hartford-New Britain at Hartford or to the jurisdiction of the United States District Court for the District of Connecticut over any suit, action or proceeding arising out of this Order. Seller irrevocably waives to the fullest extent permitted by law, any objection which it may have to the laying of venue of any suit, action or proceeding brought in such court, and any claim that such suit, action or proceeding brought in such court has been brought in an inconvenient forum. In the event the Seller has not appointed an agent for service of process in Connecticut, Seller agrees to appoint the Secretary of the State of Connecticut as agent for service of process.

26. Force Majeure. Buyer shall not be held responsible for acceptance of all or any part of the materials tendered for delivery under this Order due to federal, state or municipal action, statute, ordinance or regulation, strike or other labor trouble, fire, windstorm or other incidents outside of the Buyer's control which shall make such acceptance impossible or impractical. Buyer shall be excused for any failure or delay in performance due to cause beyond its reasonable control, including any cause attributable to Buyer's Customers.

27. Release of Information. Release or publication of any information, data, speeches or technical papers relating to material covered by this Order is not permitted unless authorization for release or publication has been obtained in writing from the Buyer.

28. Compliance with Law. Seller is in compliance with and shall comply with all applicable laws, regulations and ordinances. Seller has and shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under the Order. Seller shall comply with all export and import laws and regulations of all countries involved in the sale of Goods under this Order. Seller assumes all responsibility for shipments of Goods requiring any government import clearance. Without limiting the generality of the foregoing, the Seller acknowledges and agrees that this is a rated order for National Defense use, and Seller is required to follow all of the provisions of the Defense Priorities and Allocations System Regulation (15 CFR 700). Seller further acknowledges and agrees that it must at all times act in compliance with the following laws: THE EQUAL EMPLOYMENT OPPORTUNITY CLAUSE IN SECTION 202 OF EXECUTIVE ORDER

11246, AS AMENDED; SECTION 503 OF THE REHABILITATION ACT OF 1973, AS AMENDED; AND SECTION 38USC2012 OF THE VIETNAM ERA VETERANS READJUSTMENT ACT OF 1974, RELATIVE TO EQUAL EMPLOYMENT OPPORTUNITY, AND THE IMPLEMENTING RULES AND REGULATIONS OF THE OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS ARE INCORPORATED HEREIN BY SPECIFIC REFERENCE. Buyer may terminate this Order if any government authority imposes antidumping duties, countervailing duties or any retaliatory duties on the Goods.

29. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in the Order shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity shall be construed from this Order.

30. No Third-Party Beneficiaries. This Order is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

31. Cumulative Remedies. The rights and remedies under this Order are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

32. Notices. All notices, request, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of this Order or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Order, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

33. Survival. Provisions of this Order which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Order.

34. Counterfeit Parts. Non-Conforming and Counterfeit Product: All product provided to Buyer shall consist of new materials and authentic products only. Buyer must be contacted in the event that Seller becomes aware of NonConforming or Counterfeit Product. Product will be considered Non-Conforming / Counterfeit if Purchase Order calls manufacturer name and required manufacturer is not supplied. Any changes to Purchase Order requests not approved in writing may be considered Non-

Conforming / Counterfeit. In order to prevent and mitigate for Counterfeit products, all Buyers must have an applicable Counterfeit protection plan in place consistent with the appropriate industry standards such as AS5553 or AS6174. A Counterfeit part is defined by Buyer as a part that is one or more of the following - an illegal or unauthorized copy or substitute of an original equipment manufacturers item; an item that does not contain the proper materials or components as required by the OEM specifications; an item that is used, refurbished or reclaimed and represented as new; an item that has/does not successfully pass all OEM testing requirements; or an item with labeling, marking or design (with or without intent) that could mislead one into believing an item is something that it is not.

35. Ethics. Ensuring that persons are aware of: their contribution to product or service conformity; their contribution to product safety; the importance of ethical behavior. Seller must be committed to the highest standards of ethics and business conduct. Seller must comply with the law, honor commitments, act in good faith, and be accountable. Seller must strive to maintain full compliance with all laws and regulations applicable to the operation of the business and customer relationships. Seller must not offer, promise, authorize, or provide, directly or indirectly, anything of value (including business gifts or courtesies) with the intent or effect of inducing anyone to engage in unfair business practices. Seller will avoid involvement in activities that may be perceived as a conflict-of-interest. Seller will respect the legitimate proprietary rights and intellectual property rights of Customers and Suppliers and take proper care to protect sensitive information, including confidential, proprietary and personal information. Seller will support product safety by ensuring robust management of special requirements, critical items and key characteristics.

36. Cyber Protection of Information. If Seller accesses, maintains, retains, modifies, records, stores, destroys, or otherwise holds, uses, or discloses personal information received from Buyer, it shall, following the discovery of a breach of such information, promptly, but in no event more than two (2) days after discovery, notify Buyer of such breach. Such notice shall include: a) the identification of each individual whose personal information has been, or is reasonably believed by Supplier to have been accessed, acquired or disclosed during such breach; b) a brief description of what happened, including the date of the breach and discovery of the breach; c) a description of the type of personal information that was involved in the breach; d) a description of the investigation into the breach, mitigation of harm to the individuals and protection against further breaches; e) the results of any and all investigation performed by Seller related to the breach; and f) contact information of the most knowledgeable individual for Seller to contact relating to the breach and its investigation into the breach.