PURCHASE ORDER TERMS AND CONDITIONS

Refer to our website nelson-miller.com for the most current revision

1.) DEFINITION: Nelson-Miller is hereafter referred to as Buyer. Vendor is hereafter referred to as Seller.

2.) ACKNOWLEDGMENT AND ACCEPTANCE: Seller's (A) Acknowledgment of this order, (B) Delivery of materials or equipment or (C) Performance of services hereunder shall constitute acceptance of the terms and conditions hereof. No oral agreement or understanding shall in any way modify this order or the terms or conditions hereof. If any of Seller's terms of sale are in conflict with the terms of this purchase order, the terms hereof shall govern unless Seller's terms are accepted in writing by the Buyer.

3.) PRICE: The price shall not be higher than that appearing on the face of this order or if no price appears thereon then no higher than the price last quoted to Buyer by Seller for similar goods or services. If not previously quoted to Buyer, the price shall not exceed the net price given by Seller to others for similar services, material and quantity. No charge will be allowed for packing, handling, crating, freight, express or any other carrier charges or cartage, unless designated in this order.

4.) CANCELLATION FOR CAUSE: Buyer may cancel all or any part of this Purchase Order if any of the following occurs: (i) Seller fails to make deliveries on agreed delivery schedules; (ii) Seller breaches any of the terms of this Order, including the warranties, (iii) Seller's deliveries hereunder do not conform to applicable specifications, drawings or instructions provided by Buyer, (iv) Seller files a voluntary provision in bankruptcy: (v) an involuntary petition is filed to have Seller declared bankrupt: (vi) a receiver or trustee is appointed for Seller; or (vii) Seller executes an assignment for the benefit of creditors. In any such cancellation for cause. Buyer may take any reasonable action to fully protect its rights and Seller shall be responsible for any increases, costs or expenses incurred by Buyer. The remedies provided in this section shall be cumulative and additional to any other or further remedies provided in law or equity.

5.) TERMINATION FOR CONVENIENCE: Buyer may terminate this order at any time for its convenience, in whole or in part, in which event Buyer's sole obligations shall be to reimburse Seller for Those goods actually shipped and accepted by Buyer up to the date of termination, and (B) Costs incurred by Seller for unfinished goods. Which are specifically manufactured for Buyer in a time frame consistent with delivery and which are not standard products of the Seller, as of the date of termination, plus reasonable profit thereon. In no event shall Buyer be responsible for loss of anticipated profit nor shall reimbursement exceed the order value. Buyer has the option to take possession of all unfinished goods.

6.) CHANGES IN WRITING: Seller and its sub-tier suppliers shall not make any change in materials, process or design details that would impact the form, fit or function of the contracted part without prior written authorization by the Buyer. Seller and its sub-tier suppliers shall notify Buyer of any obsolescence of materials or processes. The terms and conditions of this purchase order constitute the only terms which shall govern this order. No other agreement or quotation or any acknowledgment of Seller in any way modifying any of the provisions of this order will be binding upon Buyer unless made in writing and accepted in writing by Buyer and shipment of goods pursuant to this purchase order shall be deemed to be acceptance by Seller of the terms and conditions of this purchase order.

7.) DELIVERY: All goods must be shipped at the most advantageous rates unless otherwise authorized in writing by the Buyer. Any extra expense in effecting delivery of goods not so shipped will be charged to the Seller. Adequate scheduling of shipment of goods shall be made by Seller in that delivery dates included within this order are essential to the Buyer. Seller shall not, however, make material commitments or production arrangements in advance of reasonable flow time needed to meet Buyer's delivery schedule. No claims shall be allowed for such advance effort in case of change or termination. Shipments shall be strictly in accordance with Buyer's delivery schedule. Buyer reserves the right to return, at Seller's expense, all goods received in advance of delivery schedules or to hold the goods and pay Seller's invoice on normal maturity after the scheduled delivery date.

8.) PACKING AND SHIPPING: An itemized list of contents must be placed in each package bearing this purchase order number. No charge will be allowed by Buyer for cartage or packing unless agreed upon

beforehand in writing. All expenses incurred by Seller's failure to furnish necessary shipping documents shall be charged to Seller. If Seller ships directly from abroad to the Buyer, accurate US Customs declaration is required on shipment documents, including harmonized codes, country of origin, ultimate consignee, etc.

9.) ASSIGNMENT AND SUBCONTRACTING: The Seller will not be allowed to assign or subcontract any rights or obligations under this purchase order without the prior written consent of the Buyer. Furthermore, any change in the ownership, location or control of the Seller will be considered such an assignment and unless specifically accepted and consented to by the Buyer at the Buyer's option will result in immediate cancellation of this purchase order.

10.) INSPECTIONS/REJECTIONS: The Seller shall provide and maintain an inspection system acceptable to Buyer covering the supplies hereunder. All materials are subject to inspection and test, as approved by Buyer, at place of manufacture and/or destination under acceptance quality levels as established by Buyer. If that portion Buyer inspects is not acceptable, Buyer reserves the right to return the entire shipment and cancel any unfilled balances of this order without cost. All rejected material shall be returned at Seller's sole expense including cost of inspection. Any inbound transportation charges applicable thereto will also be charged to Seller. Unless otherwise provided herein, final inspection and acceptance shall be after delivery to Buyer's facility.

11.) SUPPLIER CORRECTIVE ACTION: The Seller shall agree to execute on the Buyer's Supplier Corrective Action Request (SCAR) within a reasonable time period.

12.) CONFIDENTIAL INFORMATION: When materials are made to specifications, drawings, technical information or data furnished by Buyer, the design and construction thereof shall be held in confidence and considered to be the Buyer's property and Seller shall not furnish to anyone else the same articles without receiving Buyer's written consent. As a result, a Non-Disclosure Agreement (NDA) from Buyer to Seller may be required as part of the on- going business relationship.

13.) FAIR LABOR STANDARDS ACT: In accepting this order, Seller shall be deemed to represent that the goods to be furnished hereunder were or will be produced in compliance with all applicable requirements of sections 6, 7, and 12 of the Fair Labor Standards Act, as amended and of regulations and orders of the United States Department of Labor issued under Section 14 thereof.

14.) OSHA ACT: Seller agrees to comply with the provisions of the Occupational Safety and Health Act of 1970 and the standards and regulations issued thereunder and certifies that all items furnished under the order will conform to and comply with said standards and regulations. Seller further agrees to indemnify and hold harmless Buyer for all damages assessed against Buyer as a result of Seller's failure to comply with the standards issued thereunder and for the failure of the items furnished under this order to so comply.

15.) NOTIFICATION OF NONCONFORMING PRODUCT: Seller shall ensure that nonconformance products are identified and controlled to prevent unintended use or delivery. Sellers may not ship nonconforming material without prior written authorization from the Buyer.

16.) COUNTERFEIT PRODUCT: The Seller shall plan, implement, and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part(s) use and their inclusion in parts or product(s) delivered to Nelson-Miller. Seller shall notify Buyer of any suspect parts.

17.) MONITORING AND EMPLOYEE CONTRIBUTION: Nelson-Miller monitors its own performance and the performance of its suppliers. The performance of our suppliers will be monitored based on quality and delivery of products and services. Suppliers are required to ensure that the persons performing the work are aware of their contribution to product or service conformity, including product safety and the

importance of ethical behavior in all business orders related to Nelson-Miller.

18.) RIGHT OF ENTRY:

a) The Buyer and Buyer's customers or any applicable regulatory authority shall have the right to enter Seller's facility to perform inspections or surveillance audits to verify the quality of work, records and to ensure compliance to the contract.

b) When applicable, the access requirement shall be flowed-down by Seller to Seller's sub-tier sources.

c) Seller and sub-tier contractors shall establish and maintain records to provide evidence of conformity to requirements. Records shall remain legible, readily identifiable and retrievable. Product history records shall be maintained for a minimum of 7 years or up to 10 years as required by the Buyer. Documents must be shredded or incinerated for disposal.

d) Seller will flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required.

19.) MISCELLANEOUS:

a) Seller will comply with all applicable state, federal and local laws, orders, and regulations, the Equal Employment Opportunity Clause relative to equal employment opportunity and the implementing rules and regulations are incorporated herein by reference.

b) The invalidity of any part of this purchase order will not affect the validity of other parts.

c) The remedies in this purchase order are cumulative and they are in addition to any other remedies provided for in law or equity. No waver of a breach of any provision of this purchase order will be a waiver of any other breach or of such provision.

d) Time is of the essence in this contract.

e) Whenever Seller shall, by virtue hereof, have in its possession property of Buyer or its customer, Seller shall be deemed an insurer thereof and shall be responsible for its safe return to Buyer, and Seller shall carry insurance to adequately protect the Buyer hereunder.

f) Seller will pay all the reasonable costs, attorney's fees, and expenses that are incurred by the Buyer in enforcing the terms and conditions of this purchase order,

g) No changes to this purchase order may be made except by a writing signed by Seller and Buyer.

h) This purchase order will be governed by the Uniform Commercial Code as adopted in the State of California as well as other applicable provisions of California law.