

Aeroflex / Inmet, Inc.
PURCHASE ORDER TERMS AND CONDITIONS

1. **ORDER ACCEPTANCE** – This Purchase Order constitutes Buyers offer. It becomes a binding contract on the terms provided herein when it is accepted either by acknowledgement or by performance. Written acknowledgment must be by fax, mail or electronic. Acceptance of this Purchase Order is hereby expressly limited to the terms hereof. Any terms in any acknowledgement or other document of Seller which is in addition to or different from any term hereof is hereby objected to and shall not become a part of this Purchase Order unless agreed to in writing by Buyer.
2. **PRICE** – This Purchase Order shall not be filled at prices higher than those shown on this Purchase Order. Seller warrants that the prices to be charged for articles or services ordered herein are not in excess of prices charged to other customers for the same or similar goods. Payment will be in **U.S. Dollars** unless otherwise agreed to by specific reference in the Purchase Order.
3. **INVOICES/CASH DISCOUNT** - No invoices shall be issued for payments made prior to delivery unless otherwise provided in this Purchase Order. Individual invoices must be issued for each shipment under this Purchase Order. Invoices must reference this Purchase Order number, Work Order # when provided, part number if applicable, description of services performed, and applicable quantities. All payments are subject to adjustment for shortage or rejection of materials provided. Discounts shall be taken from the date the material is accepted by the Buyer at the destination designated on the Purchase Order.
4. **DELIVERY**- Time is of the essence. Delivery shall be strictly in accordance with the schedule, quantity, and any other terms set forth in this Purchase Order. Purchase order dates are in-house (Buyers dock) delivery dates unless otherwise specified on the Purchase Order. This order may be rated according to Defense Priorities and Allocation System Regulation (15 CFR 700). Supplier must adhere to such Regulation requirements. Seller shall indemnify Buyer for any damages imposed originating from Sellers delivery breach. Delays in shipment shall be reported immediately by the Seller to the Buyer. Buyer reserves the right to cancel, without liability, this Purchase Order in whole or in part if Seller should fail to make deliveries in accordance with the terms of this Purchase Order.
5. **PATENT, TRADEMARK, COPYRIGHT INDEMNITY** – Seller agrees to indemnify, and save harmless the Buyer, its successors, assigns and or its customers from and against any and all expenses, liabilities and other losses including attorneys fees, arising from or by reason of any actual or claimed infringement of patent, trademarks, claims, copyrights, or trade secrets, and to defend any suits or proceedings based thereon, with respect to the equipment or materials furnished hereunder by the Seller.
6. **WARRANTY** – The Seller warrants that all materials or services delivered hereunder will conform to the design and specifications and to drawings, samples, or other descriptions referred to in this Purchase Order and will be free from defects in material or workmanship. Such warranties shall survive any inspection, delivery, acceptance, or payment by the Buyer of the design, material or service for a period of one (1) year following the date of Buyer acceptance unless otherwise specified herein. All warranties shall run to Buyer and its customers during the warranty period. Seller's liability shall be limited to: a) product replacement cost; b) direct labor & material of Buyer's product directly damaged; as well as those services Seller performed on Buyers property.
7. **BUYERS PROPERTY**- All material including tools, furnished or specifically paid for by Buyer unless otherwise specified herein shall be the property of the Buyer, shall be subject to removal at any time without additional cost upon demand by the Buyer, shall be used only in filling orders from the Buyer, shall be kept separate from other materials or tools, and shall be clearly identified as the property of the Buyer. Seller assumes all liability for loss or damage, with the exception of normal wear and tear, and agrees to supply detailed statements of inventory promptly upon request.
8. **TAXES** – Except as may be otherwise provided in this Purchase Order, the contract price shall include all applicable Federal, State, and local taxes of any kind in effect on the contract date.
9. **ASSIGNMENT OF RIGHTS; SETOFF** – Seller shall not delegate any duties nor assign any right or claims under this Purchase Order or breach thereof without written consent of Buyer and no such attempted delegation or assignment shall be binding on Buyer. All claims for monies due or to become due from Buyer shall be subject to deduction by Buyer for any setoff, or counterclaim arising out of this or any other of Buyer's transactions with Seller.
10. **CHANGES** – Buyer may at any time make changes in the drawings, designs and specifications, but no change will be allowed unless authorized by the Buyer in writing. Buyer may also make changes in the method of shipping, of packing or place of delivery by any means of communication. If any such change affects cost or delivery schedules of this Purchase order, equitable adjustment shall be made provided Seller makes a written claim within ten (10) days from the date of Buyer's written notification.

Buyer shall have the right without penalty to make changes in the delivery schedule or quantities upon (10) days written notice. All delivery and/or quantity changes are to be as mutually agreed by both parties.

Seller shall notify Buyer not less than three (3) months in advance of any design; material process changes; capital equipment changes; business ownership or location changes that may materially impact the handling of Buyers orders.

Seller shall notify Buyer not less than six (6) months in advance of Seller's intent to discontinue products or services as specified under this Purchase Order.
11. **TERMINATION FOR CAUSE** – In the event product or services ordered by Buyer fails to meet the specifications or terms and conditions agreed to between Buyer and Seller, Buyer shall notify Seller of such failure, and Buyer shall have the right without liability, to cancel this Purchase Order in whole or in part.
12. **TERMINATION FOR CONVENIENCE** – Buyer may terminate for convenience this Purchase Order in whole or in part at any time by delivering thirty (30) days written notice of termination. In the event of such notice, seller shall immediately stop all work related to this Purchase Order and take all steps reasonable to minimize the occurrence of

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costs allocable to work covered by this Purchase Order. Buyer's liability shall be limited to only those finished goods, work in process, and raw materials, which are unique to Buyer's requirements and shall not exceed thirty (30) days of scheduled deliveries associated with this Purchase Order. Seller shall document all such cost to Buyer's satisfaction.

13. **PROPRIETARY INFORMATION** – Seller may not without the prior written consent of Buyer disclose any information relative to this Purchase Order. Seller shall keep confidential all designs, processes, drawings, specifications, reports, data and other technical or Proprietary Information and the features of all parts, equipment, tools, gauges, patterns and other items furnished or disclosed to the Seller by the Buyer in connection with this Purchase Order. Proprietary Information shall remain the sole property of Buyer. Seller shall hold Proprietary Information in strict confidence and trust for the sole benefit of Buyer and shall not use, copy, reproduce, or summarize Buyer's Proprietary Information, except to the extent necessary perform work for Buyer as authorized by Buyer. Seller shall not disclose directly or indirectly all or any part of Buyer's Proprietary Information or any product made by use thereof to any third Party, or to any employee within its organization unless such employee reasonably requires access thereto and has undertaken an obligation to treat Buyer's Proprietary Information as provided herein. Seller's obligations under the terms herein shall continue in effect beyond the termination of any business relationship between Buyer and Seller and shall continue until Buyer specifically agrees in writing to release all or any part of the Proprietary Information from the restrictions imposed herein. Upon release Seller agrees to deliver to Buyer (or destroy to Buyer's satisfaction copies thereof, including copies stored in any computer memory or other storage medium) all tangible materials compromising or containing Buyer's Proprietary Information.
14. **INSOLVENCY** - In the event of any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against Seller, including any proceedings under the applicable Federal or State Bankruptcy law currently in effect, or in the event or the appointment, with or without the Seller's consent of an assignee for the benefit of creditors or of a receiver, the Buyer shall be entitled to elect to cancel any unfulfilled part of this order without liability whatsoever.
15. **OBJECTIVE QUALITY EVIDENCE** – Seller agrees to maintain objective quality evidence for materials supplied hereunder. Objective quality evidence may consist of ISO 9000 compliance or equivalent, lot traceability, calibration records, inspection reports, Material Certificates, shipping documents, Certificate of Origin, Certificate of Conformance, ROHS compliance. Seller shall supply this evidence upon request.
16. **PACKING AND SHIPPING** – Seller agrees to insure that the shipments are properly packed in accordance with any instruction found within this Purchase Order or otherwise reasonable in nature to protect the integrity of component quality. Seller will ship "freight collect" when using carriers specified by Buyer.
17. **TITLE AND RISK OF LOSS** – Title and risk of loss shall pass to Buyer at the **FOB** or **Incoterm** point provided on face of Purchase Order, however the risk of loss shall remain with the Seller as to goods which are not accepted by Buyer or which are rejected by Buyer.
18. **DEFECTIVE WORK** - If any of the materials or services are defective in material or workmanship or otherwise not in conformity with the requirements of this Purchase order, Buyer shall have the right to either reject them or require their correction, and to return them at seller's risk and expense, including transportation both ways. Buyer shall contact Seller and request **Return Material Authorization (RMA)**. Time being of the essence, Seller, upon mutual agreement may opt to allow Buyer to rework defective materials and Seller shall be financial liable for reasonable expenses. Any returned materials shall be issued a **Debit Memorandum** and Seller shall be required to re-invoice upon rework or replacement of materials.
19. **GOVERNMENT CLAUSES** – To the extent required by applicable laws, rules and regulations, the following clauses of the Federal Acquisition Regulations (FAR) are incorporated herein by reference. Where necessary to make the context of such clauses applicable to this Purchase Order, the term "Contractor" shall mean Seller, the term "Contract" shall mean the Purchase Order, and the terms "Government", "Contracting Officer", "Head of the Agency or Secretary" and equivalent phrases shall mean Buyer or the Government.
 - 52.203-6 Restrictions on Subcontractors Sales to the Government
 - 52.503-7 Anti-Kickback Procedures
 - 52.210-5 New Material
 - 52.215-1 Examinations of Records by Comptroller General
 - 52.215-2 Audit-Negotiations
 - 52.219-8 Utilization of Small Business Concerns and Small Disadvantaged Business Concerns
 - 52.219-9 Small Business and Small Disadvantaged Business Subcontracting Plan
 - 52.219-13 Utilization of Women-Owned Small Business
 - 52.220-3 Utilization of Labor Surplus Area Concerns
 - 52.220-4 Labor Surplus Area Subcontracting Plan
 - 52.222-26 Equal Opportunity
 - 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans
 - 52.222-36 Affirmative Action for Handicapped Workers
 - 52.223-2 Clean Air and Water
 - 52.227-1 Authorization and Consent
 - 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement
20. **EXPORT/IMPORT CONTROLS**
 - a) If Seller is a U.S. company that engages in the business of either manufacturing or exporting defense articles or furnishing Defense Services, the Seller hereby certifies that it has registered with the U.S. Department of Defense Trade Controls and understands its obligations to comply with International Traffic in Arms ("ITAR") and the Export Administration Regulations ("EAR").

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- b) Information contained in this Purchase Order or attachments thereto may contain technical data as defined in the ("ITAR") section 120.10. Seller shall control the disclosure of and access to technical data, information and other items received under this Purchase Order in accordance with U.S. export control laws and regulations, including but not limited to the ITAR. Seller agrees that no technical data, information or other items provided by the Buyer in connection with this Purchase Order shall be provided to any foreign persons or to a foreign entity, including without limitation, a foreign subsidiary of Seller, without the express written authorization of the Buyer and the Seller's obtaining of the appropriate export license, technical assistance agreement or other requisite documentation for ITAR-controlled technical data or items. Seller shall indemnify Buyer for all liabilities, penalties, losses, damages, costs or expenses that may be imposed on or incurred by Buyer in connection with any violations of such laws and regulations by Seller.
21. **OVERSHIPMENT** – Subject to inspection and acceptance, Buyer will be liable for payment only for quantities ordered and delivered. Over shipments shall be held at Seller's risk and expense for a reasonable time waiting shipping instructions unless another mutual agreeable process has been established. Shipping charges for returns shall be at the Seller's expense.
22. **REMEDIES** - The right and remedies provided by Buyer herein shall be cumulative and in addition to any other rights and remedies provided by law or equity or provided under the Uniform Commercial Code.
23. **WAIVER** – Waiver of a breach of any provision of this Purchase Order shall not constitute waiver of full compliance with such provision nor shall it be construed as a waiver of any other breach.
24. **FORCE MAJEURE** – Buyer may delay delivery or acceptance occasioned by causes beyond it control. Seller shall hold such goods at the direction of the Buyer and shall deliver them when the cause affecting the delay has been removed. Buyer shall be responsible only for Seller's direct additional costs in holding the goods or delaying performance of this Agreement at Buyer's request. Causes beyond Buyer's control shall include government action or failure of the government to act where such action is required, strike or other labor dispute, fire, unusually severe weather or the public enemy.
25. **GOVERNING LAW AND JURISDICTION** - This Agreement will be governed by and construed in accordance with the laws of the State of Michigan (exclusive of any choice of laws or other provisions that would result in the application of the laws of any other jurisdiction). Application of the United Nations Conventions of Contracts for the International Sale of Goods is expressly excluded. Any legal action or proceeding arising under this Agreement will be brought exclusively in the federal or state courts of Michigan and the parties hereby consent to personal jurisdiction and venue therein.
26. **SEVERABILITY**- If any provision found above is invalid, illegal and deemed not enforceable by law, the remaining provisions shall remain in full force and effect.