

DUPREE, INC.
TERMS AND CONDITIONS OF PURCHASE ORDER

Dupree, Inc.'s purchase order ("PO") constitutes our offer as Buyer, which may be accepted only by your signing a copy and returning it, without alteration, to our Purchasing Department. This offer is expressly limited to acceptance of its terms and conditions and any additional terms or condition are rejected. No modification of these terms and conditions shall be agreed to by or binding upon Buyer unless stated in a separate writing and signed by authorized representatives of Buyer and Seller.

This Order shall be subject to the following terms and conditions:

1. **PACKAGING.** All items shall be packed by Seller in suitable containers for protection in shipping and storage. Containers shall not exceed forty (40) pounds in total weight. Prices set forth in this Order include all charges for Seller's packaging and crating and for transportation to F.O.B. Point.

2. **WARRANTY.** Seller warrants the articles delivered hereunder to be free from defects in labor, materials, design, or fabrication, and that they will conform to applicable specifications, drawings, samples or other descriptions given. Seller also warrants that all goods furnished hereunder are new and are not counterfeit (as defined herein). A "counterfeit" good is defined as an unlawful or unauthorized reproduction, substitution or alteration that has been knowingly mislabeled, misidentified or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer. In the event that goods delivered hereunder constitute or include counterfeit goods, Seller shall, at its expense, promptly replace such counterfeit goods with genuine goods conforming to Order requirements, and shall be responsible for all costs and damages incurred by Buyer relating to the removal and replacement of counterfeit goods. This Warranty shall run to Buyer, its successors, assigns, and customers, and to the users of its products.

3. **INSPECTION.** Seller shall plan and carry out production and service provision under controlled conditions. Controlled conditions shall include, as applicable, evidence that all production and inspection/verification operations have been completed as planned, or as otherwise documented and authorized. Evidence of completion of all production and inspection/verification operations is accomplished through the application of Acceptance Authority Media (AAM). Use of AAM must be understood within Seller's organization and Seller's supply chain that the application of AAM is a personal warranty of compliance and conformity. All materials or articles ordered will be subject to final inspection and approval at destination by Buyer.

4. **TERMINATION.** Buyer may at its option terminate this PO, in whole or in part, by written notice to the Seller. Upon such termination Seller shall forthwith stop work under this Order, cease the placement of further orders for subcontracts hereunder, terminate work under orders or subcontracts outstanding hereunder, and take any necessary action to protect property in the Seller's possession in which the Buyer has or may acquire an interest. If, following notice of termination, the parties cannot by negotiation agree within a reasonable time on the amount of fair compensation to the Seller for such termination, Buyer will pay Seller, without duplication: a) the contract price for articles which have been completed; b) the actual costs incurred by the Seller which are properly allocable under recognized commercial accounting practices to the terminated portion of this Order; c) the reasonable expenses of the Seller in making settlement hereunder and under Seller's subcontracts hereunder and in protecting property in which Buyer has or may have an interest; and d) such profit on the work performed as may be reasonable under the circumstances and as determined by the Buyer. Payments under a), b), and d) above may not exceed the aggregate price specified in this Order. Seller will transfer title to Buyer and deliver on Buyer's instructions any property the cost of which is reimbursed under b) above; or, with Buyer's approval, may retain same at an agreed price or sell at any approved price and credit or pay the amounts so agreed or received as Buyer directs. Nothing contained in this paragraph shall be construed as a waiver of any of the other terms and conditions of this PO. Buyer may audit all elements of any termination claim.

5. **PATENTS.** Seller agrees to indemnify and hold harmless Buyer, its customers and all persons claiming under Buyer against all claims, demands and liability for actual or alleged infringement of any U.S. patent, trademark, or similar right by the materials or articles called for hereunder unless the same are made to Buyer's drawings or designs.

6. **MATERIALS FURNISHED.** Where Buyer has furnished materials to Seller to execute the Order, the invoice for final parts must contain the statement, "All material furnished by Buyer on this PO (except that which became normal industrial waste or was replaced at Seller's expense) has been returned in the form of parts or unused material." Seller will be responsible for the use of reasonable care in safeguarding materials furnished by Buyer. Proceeds of scrap salvage shall accrue to Seller and are reflected in the prices quoted herein.

7. **EXCESS AND EARLY SHIPMENTS.** Over-shipments will be accepted only when caused by conditions of loading, packing, or allowances in manufacturing processes and which do not exceed 5% of the quantity called for. In all other cases quantity shown is to be delivered net and no excess will be accepted. Unauthorized advance shipments are returnable at Seller's expense.

8. **CONFIDENTIAL.** The Seller shall not disclose information relating to this Order to any third party except as may be required to ensure performance and, except as so required, without first obtaining the written consent of the Buyer.

9. **TOOLS, DRAWINGS, ETC.** Unless otherwise specified in this Order, the purchase price includes the cost of all property, such as (but not limited to) gauges, jigs, fixtures, dies, molds, tools, and patterns that may be obtained or required by Seller for the manufacture, fabrication, or assembly of the articles called for herein. Any tools, dies, patterns, drawings or other equipment furnished by us will continue to be our property and subject to our disposition at any time. It shall be held by you at your risk and (except for patterns which are covered by our insurance), replaced by you if lost or destroyed; and shall be used exclusively in preparation of articles ordered by us.

10. **COMPLIANCE WITH LAWS.** The Seller agrees to comply with all applicable federal, state and local laws and executive orders and regulations issued pursuant thereto.

11. **CHANGE IN SPECIFICATION.** Buyer reserves the right at any time to make changes in drawings and specifications as to any material and/or work covered by this order. In such event there will be made an equitable adjustment in price and time of performance mutually satisfactory to the Buyer and Seller. Such changes shall be approved in writing by both Buyer and Seller.

12. **BANKRUPTCY.** In the event of insolvency of either of us (however such insolvency may be evidenced), or in the event of any proceedings by or against either of us, in bankruptcy, or insolvency, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors, the other party may cancel this Order forthwith.

13. **DEFECTIVE MATERIAL.** Material returned to Seller because of defects must be reworked or remade to conform to the above Warranty, and thereafter be returned to Buyer as soon as possible but in no event more than 30 days after return, and then only with prior written permission of Buyer, or the Buyer may, at its option, exercise the above Termination Clause.

14. **RIGHT OF ACCESS.** Buyer, our customers and regulatory authorities reserve the right of access to the supplier's facility for the purpose of audit and inspection. Should this become necessary, reasonable notice will be given to the supplier prior to visitation.

15. **SELLER PERFORMANCE.** Seller's overall quality performance is to be monitored by Buyer. Seller is to maintain a quality rating as follows: a) $\geq 97\%$ of items delivered shall conform to Buyer purchase order requirements; b) $\geq 90\%$ of orders shall be delivered to Buyer on-time. Failure to meet these ratings may result in re-evaluation of Seller's approval status.

16. **COMPETENCE AND AWARENESS.** Seller is to ensure that its employees are competent, relevant to their role within Seller's organization. Seller must also ensure that its employees are aware of their contribution to product or service conformity, product safety, and the importance of ethical behavior.

17. **FOREIGN OBJECT DEBRIS/DAMAGE (FOD).** Seller shall develop and maintain a Foreign Object Debris/Damage ("FOD") Prevention Program to prevent introduction of foreign objects into any item delivered under this PO. Seller shall employ appropriate housekeeping practices to assure timely detection and removal of residue/debris generated, if any, during manufacturing operations and/or normal daily tasks.

18. **FLOW-DOWN OF REQUIREMENTS.** Seller is required to flow down the requirements of this purchase order to sub-tier suppliers and special processors. Seller is required to notify Buyer of changes in the product or process, changes in sub-tier suppliers, changes of Seller's facility location and when required obtain approval of changes from Buyer.

19. **RECORD RETENTION.** Product inspection records, employee competence and awareness records, test reports and other documentation indicating conformance to Buyer purchase order must be retained by the Seller for a period of not less than ten (10) years from the date of shipment under each applicable Order for all product/part numbers unless otherwise specified on the Order. At the expiration of such period set forth above and prior to any disposal of records, Seller will notify Buyer of records to be disposed of and Buyer reserves the right to request delivery of such records. In the event Buyer chooses to exercise this right, Seller shall promptly deliver such records to Buyer at no additional cost on media agreed to by both parties.

20. **CONFLICT MINERALS.** This Order shall be subject to the disclosure requirements of the Dodd Frank Wall Street Reform and Consumer Protection Act (15 U.S.C. §78m(p)) in respect of "conflict minerals" (the "Act"). Without limiting the foregoing, Seller shall, upon Buyer's request, certify to Buyer that it has not, within the meaning of the Act, used conflict minerals in fulfilling this Order. In the event conflict minerals have been used, Seller shall, upon Buyer's request, be required to declare the geographic origins of such minerals based on good faith and reasonable investigative measures.

21. **"REACH" COMPLIANCE.** Seller shall, upon Buyer's request, certify that the products delivered in fulfillment of this Order do not contain any of the latest Substances of Very High Concern ("SVHC") pursuant to the European Chemical Agency's Registration, Evaluation, Authorization and Restriction of Chemicals program ("REACH"). The list of SVHC restricted chemicals may be found at <http://echa.europa.eu/candidate-list-table>.

22. **RoHS COMPLIANCE.** Seller shall, upon Buyer's request, certify that the products delivered in fulfillment of this Order do not contain substances in levels that would violate "Directive 2002/95/EC of the European Parliament and of the Council of 27 January 2003" and/or "Directive 2011/65/EU of the European Parliament and of the Council of 8 June 2011 on the restriction of the use of certain hazardous substances in electrical and electronic equipment" ("RoHS").

23. **GOVERNMENTAL.** When work and materials covered by this Order are for use on a United States Government contract or subcontract, accepting of this purchase order constitutes acceptance of the following covenants and conditions.

a. Seller agrees that performance hereof is subject to applicable laws, regulations and directives of the United States Government.

b. In connection with the performance of work under this order, Seller agrees not to discriminate against any employee or applicant for employment because of race, ethnicity, religion, color, gender, sexual orientation, disability, or national origin.

c. Seller agrees that its books, records, and such of its plant as may be engaged in the performance of this Order shall at all reasonable times be subject to inspection and audit by the Government department having jurisdiction of the contract noted herein. In the event this Order is in excess of \$1,000.00, Seller also agrees that the duly authorized representatives of the Comptroller General of the United States shall, until three years after payment under this Order, have access to and the right to examine any pertinent books, papers, documents and records of Seller involving transactions related to this Order.

d. Seller agrees that whenever any actual or potential labor dispute delays or threatens to delay the timely performance of this Order, Seller shall immediately give notice thereof to Buyer.

e. The representations and stipulations required by section 50-201.3 of Title 41 of the Code of Federal Regulations shall be incorporated in and made a part of this Order.

f. Seller shall comply with the laws relating to preference for domestic articles (Title 41 U.S.C. Sections 10a-d inclusive) to the extent required under the determinations issued by the head of the department concerned.

g. If this Order or any data furnished with it is classified, Seller agrees to abide by the "filing of Patent Applications" provisions of section 52-227.10 of Title 48 of the Code of Federal Regulations. These provisions are incorporated herein by reference as if set forth fully and completely.

h. If payment is to be made under this Order for experimental, development or research work, then, in such case, the Patent Rights provisions of section 52-227.11 of Title 48 of the Code of Federal Regulations shall apply. Seller agrees to grant the same license and rights to Buyer and the Government severally as are granted to the Government in such clause.

i. The provisions of section 52.204-2 of Title 48 of the Code of Federal Regulations in respect of "Security Requirements" are incorporated herein by reference as if set forth fully and completely. Notice of security classification may be made by Buyer or the Government. Seller agrees not to permit any alien access to data, models or information relating to this Order without prior written consent of the Secretary of the Department concerned.

24. **CHOICE OF LAW.** These Terms and Conditions shall be governed and construed by, and interpreted and enforced under, the internal laws of the State of California, the conflict of law rules of any jurisdiction to the contrary (including California) notwithstanding.

25. **CHOICE OF FORUM.** Should a dispute between the parties hereto arise out of this Order, then, in such case, any legal action or proceeding of any kind or nature concerning such dispute shall be commenced and maintained in the Superior Court of the State of California in and for the Central District of Los Angeles. If the subject matter of the dispute is not within the jurisdiction of said court, then the action or proceeding shall be commenced in such other court of competent jurisdiction as necessary located within the City of Los Angeles, California.

26. **ATTORNEYS' FEES.** In any legal action or proceeding arising out of this Order, the prevailing party, in addition to any other relief it may obtain, shall be entitled to recover its reasonable attorneys' fees and costs incurred in the action or proceeding with interest thereon as provided by law.

27. **COMPLETE AGREEMENT.** These terms and conditions constitute the complete and exclusive agreement of the parties hereto concerning the subject matter hereof, and supersede any and all other agreements, promises, conditions, discussions, negotiations, proposals, quotes, or understandings of the parties, whether oral or written. Any term or condition contained in any other document created, used, or issued by Seller to respond to the terms and conditions of this offer, shall not be binding upon Buyer. No additional or different terms and conditions shall be valid or binding upon the parties unless stated in a separate writing and signed by authorized representatives of Buyer and Seller.