

<b>Terms and Conditions of Purchase</b>	
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**1. Inspection and Acceptance**

All products and services received by UEC will be subject to inspection and acceptance or rejection. Rejected products will be held for disposition pursuant to Suppliers instruction and at Supplier’s risk and expense to include transportation and other charges paid by UEC.

**2. Warranty**

Supplier warrants that all products and services covered by this order will conform to the materials, specifications, drawings, and other descriptions approved by UEC, be of good material and workmanship, and free from defects.

- a. Seller warrants that the goods delivered pursuant to this Purchase Order shall (i) be and only contain materials obtained directly from the Original Component Manufacturer (OCM) or the Original Equipment Manufacturer (OEM), (collectively, the Original Manufacturer (OM)) or an authorized OM reseller or distributor; (ii) not be or contain Counterfeit Items, as defined below; and (iii) contain only authentic, unaltered OM labels and other markings. Seller shall obtain and retain all documentation required to fully trace the distribution and sale of the goods delivered hereunder back to the relevant OM, and, on request of Buyer, shall provide such authenticating documentation. Counterfeit Items include, but are not limited to, goods or separately-identifiable items or components of goods that: (i) are an illegal or unauthorized copy or substitute of an OM item; (ii) are not traceable to an OM sufficient to ensure authenticity in OM design and manufacture; (iii) do not contain proper external or internal materials or components required by the OM or are not constructed in accordance with OM design; (iv) have been re-worked, re-marked, re-labeled, repaired, refurbished, or otherwise modified from OM design but not disclosed as such or are represented as OM authentic or new; (v) have not passed successfully all OM required testing, verification, screening, and quality control processes; or (vi) an item with altered or disguised documentation, package labeling, or item marking intended to mislead a person into believing a non-OM item is genuine, or that an item is of better or different performance when it is not. Seller further warrants that it has and shall have an internal Counterfeit Item control process for goods delivered hereunder in accordance with the standards or instructions set forth in any Buyer’s specifications, including but not limited to Quality Notes, or other provisions incorporated into this Purchase Order. Buyer shall have the right to audit, inspect, and / or approve the processes at any time before or after delivery of the goods ordered hereunder. Buyer shall have the right to require changes to the processes to conform with Buyer’s defined standards, if any. Failure of the Seller to conform its processes with Buyer’s defined standards may result in the termination of this Purchase Order in accordance with the termination provisions set forth herein. Seller shall include the substance of this Section 2 (b) in any agreement between Seller and its lower tier sellers.
- b. This warranty entitlement shall inure to the benefit of both Buyer and Buyer’s customers. As used in this Purchase Order, Buyer’s customer(s) shall include its direct and indirect customers such as direct sale end-users, higher-tier subcontractors, prime contractors and the ultimate user under relevant prime contract(s).
- c. Seller shall be liable for and save Buyer harmless from any loss, damage, or expense whatsoever that Buyer may suffer from breach of any of these warranties. Remedies shall be at Buyer’s election, including the prompt repair, replacement or reimbursement of the purchase price of nonconforming goods and, in the case of services either the prompt correction of the defective services at no cost or reimbursement of the amounts paid for such services. Return to Seller of defective or nonconforming goods and redelivery to Buyer of repaired or replaced goods shall be at Seller’s expense. Goods or services required to be corrected, repaired or replaced shall be subject to this Section and the Inspection Section of this Purchase Order in the same manner and to the same extent as goods or services originally delivered under this Purchase Order, but only as to the repaired or replaced goods or parts thereof or the corrected service thereof. Seller shall promptly comply with Buyer’s direction to (i) repair, rework or replace the goods, (ii) furnish any material or parts and installation required to successfully correct the defect or nonconformance or (iii) successfully correct the defective or nonconforming service.

**3. Change Notification**

Supplier shall notify UEC of any changes to the contracted product or process, and obtain approval as required.

**4. Flowdown to Sub-tier Supplier**

Supplier shall flowdown to its sub-Suppliers, these terms and conditions and all other applicable requirements in the purchase documents, including but not limited to key characteristics, quality requirements or DPAS ratings as required.

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**5. Technical Data Package/Specification Compliance**

Supplier certifies that all parts have been made in compliance to applicable drawings for part numbers indicated.

**6. Rights Retained**

UEC generally retains all rights and remedies granted to it by operation of law in addition to those set forth herein.

**7. Waiver**

Any Waiver or failure on UEC's part to require strict compliance with the provisions of this order shall not be deemed a waiver of UEC's right to insist upon strict compliance thereafter.

**8. Choice of Law**

This contract shall be constructed according to the laws of the State of South Carolina, without regard to conflict of law issues.

**9. Shipping Charges**

Supplier shall pay any additional expedited shipping charges incurred by it if Supplier is required to expedite materials in order to meet the agreed upon delivery schedule.

**10. Acceptance of Purchase Order**

Agreement by Supplier to furnish the materials, products, or services hereby ordered, or its commencement of such performance, or acceptance of any payment, shall constitute acceptance by Supplier of this Purchase Order subject to these terms and conditions. In the event that this Purchase Order does not state price or delivery, UEC will not be bound to any prices or delivery to which it has not specifically agreed in writing. Any terms or conditions proposed by Supplier inconsistent with or in addition to the terms and conditions of purchase herein contained shall be void and of not effect unless specifically agreed to by UEC in writing. Modifications hereof or additions hereto, to be effective, must be made in writing and be signed by UEC's purchasing representative. These terms and conditions, together with any referenced exhibits, attachments or other documents, constitute the entire agreement between the parties with respect to the subject matter of this Purchase Order, and supersede any prior or contemporaneous written or oral agreements pertaining thereto.

**11. Purchase Order Number(s)**

Must appear on all correspondence, shipping labels, and shipping documents, including all packing sheets, bill of lading, air-bills, and invoices.

**12. Termination for Convenience**

UEC may, by notice in writing, terminate this Purchase Order or work under this Purchase Order for convenience and without cause, in whole or in part, at any time, and such termination shall not constitute default. In the event of partial termination, Supplier is not excused from performance of the non-terminated balance of work under the Purchase Order. In the event of termination for convenience by UEC, Supplier shall be reimbursed for actual, reasonable, substantiated and allocable costs for work performed up to the date of termination. UEC may take immediate possession of all work so performed upon written notice of termination to Supplier.

**13. Termination of Default**

UEC may, by notice in writing, terminate this Purchase Order in whole or in part at any time for breach of any one or more of its terms, for failure to provide adequate assurance of future performance. In the event of partial termination, Supplier is not excused from performance of the non-terminated balance of work under the Purchase Order. In the event of Supplier's default hereunder, UEC may exercise any or all rights accruing to it, both at law, including without limitation, those set forth in Article 2 of the Uniform Commercial Code, or in equity.

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**14. Partial Shipments / Over Shipments / Early Delivery**

Partial shipments or Over Shipments will not be accepted by UEC Electronics without prior authorization. Invoices for unauthorized partial shipment may be held until the total balance due is received. No shipments will be accepted On Dock at UEC Electronics more than ten business days prior to schedule shown on the Purchase Order, unless authorized in writing by a UEC Electronics procurement representative. In the event material is delivered prior to Purchase Order date and / or authorization is not received from UEC Electronics, we reserve the right to return all goods to the Seller at Seller's expense. Seller will be given the opportunity to have over shipments returned at seller's expense. Surcharges may apply.

**15. Traceability / Shelf Life of Materials / Manufacturer Date**

Items purchased by UEC Electronics shall have Lot Code, Date Code, Serial Number and/or other traceability information clearly stated on the packing slip and Certificate Of Conformance. The Supplier shall identify items that have shelf life requirements with the date of the manufacturer and date of expiration. Failure to properly identify the materials shall result in rejection. Material which does not show at least 50% of the indicated shelf life will not be accepted.

Electronic components (for PCB population) sealed in original Moisture Barrier Bags (MBB) from the manufacturer must have a date code of 7 year or less from date of UEC purchase order.

Electronic components (for PCB population) resealed in Moisture Barrier Bags (MBB) must be of NEW condition and have a date code of 5 year or less from date of UEC purchase order.

Electronic components (for PCB population) not sealed in Moisture Barrier Bags (MBB) must be of NEW condition and have a date code of 3 year or less from date of UEC purchase order.

The shipment of any materials not within the described date codes will be rejected without written authorization by a UEC Electronics procurement representative.

**16. Shipping Instructions**

Ship in accordance with directions provided on the purchase order.

**17. Force Majeure**

Except for defaults of Supplier's subcontractors at any tier, neither UEC nor Supplier shall be liable for any failure to perform due to any cause beyond their reasonable control and without their fault or negligence. Such causes include, but are not limited to, acts of God or of the public enemy, acts of the Government in its sovereign or contracted capacity, fires, floods, epidemics, terrorism, quarantine restrictions, strikes, freight embargos, and unusually severe weather. In the event that performance of this Purchase Order is hindered, delayed or adversely affected by causes of the type described above ("Force Majeure"), then the Party whose performance is so affected shall so notify the other Party's authorized representative in writing and, at UEC's option, this Purchase Order shall be completed with such adjustments as are reasonably required by the existence of Force Majeure or this Purchase Order may be terminated for convenience.

**18. Release of Information**

Supplier shall not publish, distribute, or use any information developed under or about the existence of this Purchase Order, or use the UEC Company name or logo for the purpose of advertising, making a news release, creating a business reference, creating a website content or for products or service endorsement without prior written approval of UEC.

**19. Infringement**

Supplier warrants that all work, materials, services, equipment, parts and other items provided by Supplier pursuant to this Purchase Order, which are not of UEC's design, shall be free from claims of infringement (including misappropriation) of third party intellectual property rights and that any use of sale of such items by UEC or any of UEC's customers shall be free from any claims of infringement. Supplier shall indemnify and save UEC, and its customers harmless from any and all expenses, liability,

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and loss of any kind (including all costs and expenses including attorneys’ fees) arising out of claims, suits, or actions alleging such infringement, which claims, suits, or actions Supplier, hereby, agrees to defend, at Supplier’s expense, if requested to do so by UEC. Supplier may replace or modify infringing items with compatible goods acceptable to UEC of substantially the same form, fit, and function so as to remove the source of infringement, and Supplier’s obligations under this Purchase Order. If the use or sale of any of the above items is enjoined as a result of such claim, suit or action, Supplier, at no expense to UEC, shall obtain for UEC and its customers, the right to use and sell said item.

**20. Safety Data Sheets**

In accordance with 29 CFR 1910.1200 Hazard Communication Standard, Supplier shall provide SDS for chemically based products.

**21. Compliance with Law**

- a. Supplier warrants that the materials to be furnished and the services to be rendered under this Purchase Order shall be manufactured, sold, used and rendered in compliance with all relevant federal, state, local law, ordinances, and regulations and in compliance with applicable international prohibitions on child labor. Supplier certifies that with respect to the production of the articles and/or the performance of the services covered by this Purchase Order, it has fully complied with Sections 6, 7, 12, and 15 of the Fair Labor Standards Act of 1938, as amended, and of regulation and orders of the United States Department of Labor under Section 14 thereof, if applicable.
- b. Supplier warrants that all equipment and materials delivered under this Purchase Order are in conformance with the latest OSHA requirements.
- c. The Supplier warrants that in the performance of this Purchase Order, it will comply with all applicable U.S. Department of Transportation regulations on hazardous materials and any other pertinent federal, state, or local statutes, laws, rules, or regulations; and Supplier further agrees to save UEC harmless from any loss, damage, fine, penalty, or expense whatsoever that UEC may suffer as a result of Supplier’s failure to comply with this warranty. The foregoing is in addition to and not in mitigation of any other requirements of this Purchase Order.
- d. Supplier warrants that it has complied with the Anti-Kickback Act of 1966 and has not offered or given and will not offer or give to any employee, agent, or representative of UEC any gratuity or any kickback within the meaning of the Anti-Kickback Act of 1966. Any breach of this warranty shall be a material breach of each and every contract between UEC and Supplier.
- e. For orders placed in support of and charged to a U.S. Government Prime Contract or subcontract thereunder procuring an item meeting the Federal Acquisition Regulation (FAR) definition of a commercial item, the following clauses listed herein the terms “Government” and “Contractor” shall be revised to identify properly the contracting parties under the Purchase Order. The Supplier shall include the terms of this Article, including this Section 20(e), as applicable, in all purchase orders or subcontracts awarded under this Purchase Order.

Contractor Code of Business Ethics and Conduct	52.203-13
Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009	52.203-15
Utilization of Small Business Concerns	52.219.8
Equal Opportunity	52.222-26
Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans	52.222-35
Affirmative Action for Workers with Disabilities	52.222-36

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Combating Trafficking in Persons	52.222-50
Subcontracts for Commercial Items	52.244-6
Preference for Privately Owned U.S.-Flag Commercial Vessels	52.247-64
Requirements for Contracts Involving Export-Controlled Items	252.204-7008
Prohibition of Hexavalent Chromium	252.223-7008
Buy American and Balance of Payments Program	252.225-7001
Quarterly Reporting of Actual Contract Performance Outside the United States	252.225-7006
Prohibition on Acquisition of United States Munitions List Items From Communist Chinese Military Companies	252.225-7007
Restriction on Acquisition of Certain Articles Containing Specialty Metals	252.225-7009
Duty Free Entry	252.225-7013
Preference for Domestic Specialty Metals (DEVIATION) & Alternate 1 (DEVIATION) (These deviations apply to Purchase Orders under prime Contracts entered into after November 15, 2006)	252.225-7014
Restriction on Acquisition of Ball and Roller Bearings	252.225-7016
Trade Agreements	252.225-7021
Waiver of United Kingdom Levies	252.225-7033
Contractors Performing Private Security Functions	252.225-7039
Technical Data—Commercial Item	252.227-7015
Validation of Restrictive Markings on Technical Data	252.227-7037
Requirement for Competition Opportunity for American Steel Producers, Fabricators, and Manufacturers	252.236-7013
Prohibition on Interrogation of Detainees by Contractor Personnel	252.237-7010
Training for Contractor Personnel Interacting with Detainees	252.237-7019
Notification of Potential Safety Issues	252.246-7003
Transportation of Supplies by Sea (DoD Contracts)	252.247-7023
Notification of Transportation of Supplies by Sea (DoD Contracts)	252.247-7024

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**22. Responsibility and Insurance**

Supplier shall be responsible for the actions and failure to act of all parties retained by, through, or under Supplier in connection with the performance of this Purchase Order. Supplier shall also maintain and cause its subcontractors to maintain such General Liability, Property Damage, Employer’s Liability, and Workers Compensation Insurance, Professional Errors and Omissions Insurance, and Motor Vehicle Liability (Personal Injury and Property Damage) Insurance as are specified in this Purchase Order or, if none are specified, such amount as will protect Supplier (and its subcontractors) and UEC from said risks and from any claims under any applicable Workers’ Compensation, Occupational Disease, and Occupational Safety and Health statutes. Supplier shall provide UEC with certificates evidencing required insurance upon UEC’s request.

**23. Export/Import Control**

If Supplier is a U.S. company that engages in the business of either manufacturing or exporting defense articles or furnishing defense services the Supplier hereby certifies that it has registered with the U.S. Department of State Directorate of Defense Trade Controls and understands its obligations to comply with International Traffic in Arms Regulations (“ITAR”) and the Export Administration Regulations (“EAR”).

**24. Equal Opportunity**

Both Section 503 (41 CFR 60-741.5(a)) and VEVRAA (41 CFR 60-300.5(a)) require the incorporation of the Equal Opportunity (EO) Clause in all contracts, subcontracts, and purchase orders. Both regulations allow for the EO Clause to be included by reference, provided the following criteria is met.

For orders over \$10,000: This contractor and subcontractor shall abide by the requirements of 41 CFR 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

For orders over \$100,000: This contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

**25. Access to Facilities**

UEC and its Customers, as well as any Regulatory Agencies, are permitted access to Supplier facilities and access to applicable records on an as-needed basis. UEC will notify Supplier of such requirements as soon as practicable in advance of the required access

**26. Conflict Minerals**

Supplier recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”), the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten and gold (the “Conflict Minerals”) from the Democratic Republic of the Congo and adjoining countries (“DRC countries”). Accordingly, Supplier commits to comply with Section 1502 of Dodd-Frank and its implementing regulations. In particular, Supplier commits to have in place a supply chain policy and processes to undertake (1) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into products it provides Buyer; (2) due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the DRC countries directly or indirectly support unlawful conflict there, and (3) risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures. Supplier shall take all other measures as are necessary to comply with the Act and its implementing regulations, as they may be amended over time, and shall respond to Purchaser’s inquiries concerning the sourcing of conflict minerals promptly and with specificity, including by providing the names and locations of the minerals’ sources, smelters and mines.

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**27. Delivery; Notice of Delay; Obsolescence**

- a. Time is of the essence and failure to deliver in accordance with the delivery schedule under this Purchase Order, if unexcused, shall be considered a material breach of this Purchase Order. No acts of Buyer, including without limitation modifications of this Purchase Order or acceptance of late deliveries, shall constitute waiver of this provision. Buyer also reserves the right to refuse or return at Seller’s risk and expense shipments made in excess of this Purchase Order or in advance of required schedules, or to defer payment on advance deliveries until scheduled delivery dates.
- b. Seller shall notify Buyer in writing immediately of any actual or potential delay to the performance of this Purchase Order. Such notice shall include a proposed revised schedule but such notice and proposal or Buyer’s receipt or acceptance thereof shall not constitute a waiver to Buyer’s rights and remedies hereunder.
- c. During performance of this Purchase Order, Seller shall notify Buyer of any planned obsolescence of the good(s) set out in this Purchase Order.

**28. Assignments, Subcontracting, Organizational Changes, Place of Manufacture**

- a. Seller may not assign any rights, delegate any of its obligations due or to become due under this Purchase Order, or subcontract all or substantially all of its obligations under this Purchase Order, without the prior written consent of Buyer. Any purported assignment, delegation, or subcontracting by Seller without such consent shall be void. Buyer may assign this Purchase Order to (i) any affiliated company, (ii) any successor in interest, or (iii) Buyer’s customer.
- b. Seller shall promptly notify Buyer in writing of any organizational changes made by Seller, including name or ownership changes, mergers or acquisitions.
- c. Seller shall not change the location of manufacture of the goods to be provided to Buyer under this Purchase Order without Buyer’s prior written consent.

**29. Indemnity Against Claims**

- a. Seller shall keep its work and all goods supplied by it hereunder and Buyer premises free and clear of all liens and encumbrances, including mechanic’s liens, in any way arising from performance of this Purchase Order by Seller or by any of its vendors or subcontractors. Seller may be required by Buyer to provide a satisfactory release of liens as a condition of final payment.
- b. Seller shall, without limitation, indemnify and save Buyer and its customer(s) and their respective officers, directors, employees and agents harmless from and against (i) all claims (including claims under Workers’ Compensation or Occupational Disease laws or other equivalent laws in Seller’s country) and resulting costs, expenses (including attorney fees and costs) and liability which arise from personal injury, death, or property loss or damage attributed to, or caused by, the goods supplied, or the services performed by Seller pursuant to this Purchase Order, including, without limitation, latent defects in such goods and/or services, except to the extent that such injury, death, loss or damage is caused solely and directly by the negligence of Buyer, and (ii) all claims (including resulting costs, expenses and liability) by the employees of Seller or any of its subcontractors.

**30. Priority Rating**

If so identified, this Purchase Order is a “rated order” certified for national defense use, and Seller shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).

**31. Severability**

If any provision of this Purchase Order or application thereof is found invalid, illegal or unenforceable by law, the remainder of this Purchase Order will remain valid, enforceable and in full force and effect, and the Parties will negotiate in good faith to substitute a provision of like economic intent and effect.



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**32. Product Safety**

The supplier shall maintain a product safety program ensuring the components are designed or manufactured to ensure that they do not represent harm or hazards to the end user. Those employed by the supplier should understand their individual contribution to product safety.

**33. Ethical Behavior**

The supplier shall maintain a corporate culture ensuring the ethical behavior of its officers and employees. Each officer and employee should understand the importance of their behavior.