



MILTOPE CORPORATION
Standard Terms and Conditions of Sale

1. COMPLETE AGREEMENT:

Miltope Corporation d.b.a "VT Miltope" (herein called the "Seller") and the Buyer agree that the purchase and sales of Seller's hardware and software products ("the Products") are made under these Terms and Conditions and the Attachments, if any, listed below. These comprise the complete agreement between Buyer and Seller regarding the subject matter of this purchase order. These terms and conditions supersede all communication, representations or agreements, oral or written, between Buyer and Seller with respect to the subject matter of this purchase order unless mutually agreed to in writing.

2. DELIVERY:

2.1 All domestic shipments shall be made F.O.B origin. All international shipments shall be made FCA (Free Carrier) Hope Hull, Alabama in accordance with Incoterms 2010.

2.2 Title to the Product(s) shall pass to the consignee upon delivery of the shipment to the Carrier at the point of Origin.

2.3 Buyer may inspect the Product(s) at any reasonable time at the premises of the Seller, pending prior coordination with Seller. Final acceptance shall take place at Seller's plant via source inspection or issuance of a certificate of compliance.

3. INTERRUPTION OF PERFORMANCE:

If either party has knowledge that any actual or potential labor dispute or any other event that is delaying or threatens to delay the timely performance of the contract, the affected party shall immediately give written notice, including all relevant information with respect thereto, to the other party.

4. WARRANTY:

4.1 Seller's Product(s) are warranted against defects in materials and workmanship for a period of one hundred and twenty (120) days after the date of shipment to the Buyer or the period noted in our proposal when our proposal is incorporated or referenced in a forthcoming contract or purchase order.. The Seller warrants its Product(s) will conform to applicable drawings, designs, and specifications, and will meet all functional and performance requirements as required when properly installed, operated and maintained, in accordance with instructions and manuals.

4.2 This warranty does not extend to any Seller Product(s) that have been subjected to misuse, abuse, or accident, or improper installation, maintenance or application; nor shall it extend to units which have been repaired or substantially altered by persons other than personnel authorized in writing by the Seller.

4.3 Seller's obligations under this warranty are limited to servicing any product at Buyer's premises or, when authorized by Seller, upon return to the factory, whichever Seller may elect. Items must be returned with transportation charges prepaid, using a Return Material Authorization (RMA) number.

4.4 This warranty is in lieu of all other warranties, express or implied, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. The Seller is

not liable for damages, including, but not limited to, consequential damages arising out of, or in connection with, the use or performance of the equipment. Seller hereby expressly disclaims the warranty against infringement.

5. TERMINATION:

5.1 The Buyer may terminate this contract only provided that the Buyer's contract is terminated by Buyer's customer. The Buyer shall be responsible for providing all documentation required to support the termination request, including applicable termination documentation of its contracts, in whole or part, termination settlement documentation, and payment documentation

5.2 For contracts involving the US Government, the provisions of FAR 52.249-2 shall govern any such termination, except that the term "Contractor" shall mean "Seller" and the term "Government Contracting Officer" shall mean "Buyer."

5.3 For Commercial contracts the guidelines of the Uniform Commercial Code, Article 2, shall prevail for termination, except that Seller shall be fully reimbursed for fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated.

6. RIGHTS IN TECHNICAL DATA & COMPUTER SOFTWARE:

Unless specified otherwise, any technical data and any computer software to be provided under this contract will be provided with limited rights.

7. PAYMENT:

7.1 All prices are stated in U.S. Dollars, and all payments shall be in US Dollars.

7.2 Repeat Domestic Customers: Net thirty (30) days.

7.3 New Domestic Customers: Mutually acceptable advance payment, balance upon readiness for shipment.

7.4 International Customers: Mutually acceptable advance payment, balance via Irrevocable Letter of Credit confirmed through an acceptable U.S. Bank.

7.5 Repeat International Customers: Net thirty (30) days.

8. COMPLIANCE WITH LAW:

Both Parties shall comply with all applicable federal, state and local laws, Executive Orders, rules and regulations during performance of this order, including, but not limited to, the Occupational Safety and Health Act ("OSHA") of 1970 as amended; Toxic Substances Control Act ("TSCA") as amended; the Fair Labor Standards Act ("FLSA") of 1938 as amended; the Clean Air Act as amended; the International Traffic in Arms Regulations ("ITAR") as amended; and the Anti-Kickback Act of 1986 as amended, and the laws of the State of Alabama. Buyer

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indemnifies Seller from any and all claims and liability in any case of Buyer's non-compliance with such laws, orders, rules and regulations.

9. DISPUTES:

9.1 Any dispute arising out of, or related to, the sale shall be settled by negotiation between the parties. Failing the successful negotiation of a settlement, the dispute will be finally settled by arbitration.

9.2 Any unresolved controversy or claim arising out of, or related to, a quotation or any resulting order which might be the subject of an action at law or suit in equity shall be settled by arbitration in the State of Alabama by arbitrators appointed according to the rules of Alabama. Judgment upon any arbitration award may be entered in any court having competent jurisdiction thereof.

10. U.S. GOVERNMENT EXPORT CONTROLS:

10.1 If Buyer has received technical data, manufacturing drawings, specifications, software or similar type items from Seller, it is the responsibility of Buyer to ensure compliance with all U.S. export laws and regulations. These laws include, but are not limited to, (1) Section 38 of the Arms Export Control Act as enumerated in 22 CFR Parts 120-130, the International Traffic in Arms Regulations (ITAR), and (2) Export Administration Act of 1979, as amended in 15 CFR Parts 730-774 of the Export Administration Regulations (EAR).

10.2 No technical data, manufacturing drawings, specifications, software or similar type item(s) shall be transferred, disclosed or exported by the Buyer to "Foreign Persons" without specifically obtaining approvals from the U.S. Department of State's Office of Defense Trade Controls or from the U.S. Department of Commerce's Bureau of Industry and Security, as required. It is the responsibility of the Seller to ensure compliance of deliverable Product with U.S. export laws and regulations.

11. PATENT AND COPYRIGHT INDEMNITY:

Seller agrees to indemnify and hold the Buyer harmless, up to the value of this contract, from any and all valid claims and liability under applicable patent and copyright laws provided that Seller shall be given (a) immediate written notice of all claims of any such infringement and of any suits brought or threatened against Buyer and (b) authority as this may be done without prejudice of the right of the Buyer to continue the use, as contemplated, of the Product(s) so purchased. If, in any such suit so defended, the Product(s) is held to constitute an infringement and its use is enjoined, or if in the light of any claim of infringement Seller deems it advisable to do so, Seller may either procure the right to continue the use of the same for the Buyer, or replace the same with a non-infringing Product(s) meeting form, fit and function requirements, or modify said Product(s) so as to be non-infringing, or take back the infringing product and refund the purchase price less a reasonable allowance for use, damage or obsolescence.

12. CLOSURE:

Payment of final invoice constitutes final closure of this contract. Buyer expressly releases Seller from any and all liability under this contract upon completion of Seller's contractual obligations, whether or not final payment has been made.

13. INTELLECTUAL PROPERTY:

Intellectual Property (IP), including, but not limited to, patents, copy-rights, trademarks, and trade secrets, shall remain the property of the Seller and shall not be divulged under any circumstances without the establishment of a proper nondisclosure agreement. All IP shall be returned to the Seller not later than ten (10) days after receipt of written notice by Buyer.

14. RELEASE OF INFORMATION TO PUBLIC:

Neither party shall, without the prior written consent of the other party, make any release of information concerning this order, nor any other information related to this order, except to employees and affiliates having a bona fide need for such information for the performance of their duties.

15. RIGHTS AND REMEDIES:

The rights and remedies of each party set forth herein shall be in addition to any other rights and remedies provided in law or equity.

16. NON-WAIVER:

No failure by either party to assert its rights under any provision of this order, or failure of a party to perform any provision of this order, shall be effective as a waiver thereof unless consented to in writing by the affected party; nor shall any such waiver constitute an advance waiver of any other provision or failure to perform.

17. FORCE MAJEURE:

17.1 Neither Party shall be liable for delays in the performance of any order arising out of causes beyond the control and without the fault or negligence. Such causes include but are not restricted to: Acts of God, the public enemy or the Government (including failure of the US Government to issue suitable export authorization or any revocation of such authorizations), fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather.

17.2 Neither Party shall be held liable for delays of any performance due to any default of a supplier(s) due to any of such causes, above, provided the defaulted supplies or services were not obtainable from other sources in sufficient time to meet the agreed upon schedule.

17.3 If Seller is unable to deliver the whole or any part of the order due to the reasons set forth in paragraph 17, Buyer has the right to cancel or suspend the order in whole or in part by providing thirty (30) day advance written notice thereof. Subsequent to such cancellation, a mutually agreed upon settlement shall be made between the Parties for all work, materials, finished and unfinished Product(s), to include a reasonable adjustment for profit.

18. LIMITATION OF LIABILITY:

In no event shall Seller be liable for any special, incidental, indirect, or consequential damages (including, without limitation, damages for loss of

profits or business interruption) arising out of the use of or inability to use any product, equipment, or associated software described herein, either separately or in combination with any other product, equipment, software or other materials even if Seller has been advised of the possibility or certainty of such damages.

can be found on the European Chemicals Agency website available at:
http://echa.europa.eu/chem_data/authorisation_process/candidate_list_table_en.asp

19. Counterfeit Parts:

(a) For purposes of this Clause, the term "Parts" consists of those parts delivered under this PO that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). The term "Counterfeit Part" means a Part that fulfills any or all of the following:

1) is or contains items misrepresented as having been designed, produced and/or tested under an approved system or other acceptable method;

(b) Seller agrees and shall ensure that Seller and Seller Engaged Personnel shall deliver no Counterfeit Parts to Buyer. Seller shall only purchase items to be delivered or incorporated as Parts directly from the original component manufacturer /original equipment manufacturer, or through an authorized distributor. Parts shall not be acquired from independent distributors or brokers unless approved in advance in writing by Buyer. Seller shall, at its expense, promptly replace any delivered Counterfeit Part with a genuine Part conforming to the requirements of this PO. Notwithstanding any other provision herein, Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Parts, including without limitation costs borne by Buyer, its customer or subcontractor associated with removing Counterfeit Parts, of reinserting replacement Parts and of any testing necessitated by the need to identify the Counterfeit Parts and the reinstallation of Parts after Counterfeit Parts have been exchanged. The remedies contained in this Clause are in addition to any remedies Buyer may have at law, equity or under other provisions of this PO.

20. Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH):

If work delivered by SELLER will be incorporated into deliverable goods for use in the European Economic Area, SELLER may be required to identify any Substances of Very High Concern from the Candidate List as defined under European Union Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). Upon request, SELLER agrees (1) to provide to VT Miltope, at no increase in contract price, information regarding the identified chemical's name, amount contained, total part weight and safe usage information, and (2) to permit VT Miltope to disclose such information to the customer or regulatory authorities for the purpose of compliance with the REACH regulation. If at any time the product's chemical composition changes after a response is provided, SELLER is required to provide VT Miltope with the revised information. Current Candidate List chemicals