

LORD Corporation  
Dba **Stellar Technology**

TERMS AND CONDITIONS OF PURCHASE  
FORM 0602-03, rev 02/16/2015

1. ORDER AND ORDER ACCEPTANCE.

Buyer agrees to buy and Seller agrees to sell the materials and services (hereinafter referred to as the "Products"), in accordance with purchase orders issued from time to time (each, an "Order") and these Terms and Conditions of Purchase. The Order, together with these Terms and Conditions of Purchase and any written agreement incorporating these Terms and Conditions of Purchase, represent the entire agreement between Buyer and Seller (collectively, "Parties") with respect to the subject matter hereof. Order acceptance by Seller shall occur by commencement of performance or by Order acknowledgment. Order acceptance by Seller shall also be deemed to occur if Seller fails to provide Order acknowledgement or objection to the Order within two (2) business days of receipt by Seller of the Order. For any Order received by Seller having a required delivery schedule that cannot be met, Seller shall inform Buyer within two (2) business days after receipt of the Order and at that time inform Buyer of the schedule that can be met, which revised schedule Buyer may accept or reject. Additional or different terms contained in Seller's acknowledgment or any other documentation of Seller shall be void and of no effect. Notwithstanding the foregoing, terms on the face of the Order shall prevail over any conflicting terms herein; provided that any conflicting terms in an applicable written agreement between the Parties shall prevail. None of any past practice, industry standards, course of dealing or usage of trade shall constitute an addition or modification of any term or condition herein.

2. CHANGES.

A. CHANGES TO PRODUCTS.

Seller may not change or allow to be changed material specifications, materials of manufacture, sources of supply, manufacturing process, test methods or manufacturing location without advanced written notice to Buyer (which such notice shall provide sufficient time for Buyer to assess the impact of such change) and Buyer's written acceptance thereof. Seller may not discontinue the Products until the later of eighteen (18) months after receipt by Buyer of notice of discontinuance by Seller, or the time period required by Buyer to transition to an alternate supplier.

B. CHANGES TO ORDER.

No modifications to the Order by Seller will be valid unless agreed to in writing by Buyer. Buyer may change the Order at any time by written notice to Seller. If changes directed by Buyer result in an increase or decrease in Seller's cost or time for performance, an equitable adjustment in the price and time will be made by the Parties through written agreement, provided a request for adjustment is made by Seller within two (2) business days after receipt of a change notice. Notwithstanding the foregoing, without any cost to Buyer, Buyer may reschedule any Product Orders or releases up to five (5) business days prior to the original date of shipment from Supplier. Upon notice to Seller, Buyer may deduct from the amount due to Seller under the Order either damages for any breach of the Order or amounts otherwise due to Buyer from Seller with respect to other Orders issued by Buyer to Seller, irrespective of whether the deduction is related to the Products covered by the Order.

3. PAYMENT.

Payment is due forty-five (45) calendar days from the later of the following: (a) the date of receipt by Buyer of Seller's invoice; or (b) the date of acceptance by Buyer of the Products. In the event Seller experiences a problem with receiving payment, Seller shall immediately notify Buyer. Buyer shall have ten (10) business days to address the matter before any action is taken by Seller.

4. DELIVERIES.

Deliveries shall be FCA Seller's Plant (Incoterms 2010). Places of delivery and method of shipment shall be specified by Buyer in the Order or otherwise in writing. No change to the delivery destination or shipping method shall be made without Buyer's written consent. All shipments to Buyer must be accompanied by a packing slip that identifies the Order, part number, release number, quantity and description. Seller shall mark Products and/or packaging with the country of origin in accordance with applicable customs regulations. Time is of the essence for deliveries under an Order. Buyer may terminate an Order without penalty, in whole or in part, if delivery is not made as required.

#### 5. WARRANTY.

In addition to all warranties implied in fact or at law, (including the implied warranties of merchantability and fitness for a particular purpose), Seller expressly represents and warrants that all Products furnished shall be free from all liens and encumbrances, design defects, and defects in materials and workmanship and shall conform strictly to all specifications and requirements of the Order. If there is a breach of warranty, Buyer, at Buyer's discretion, in addition to any other rights it may have, may return nonconforming Products, at Seller's expense, for repair, replacement, refund and/or credit or Buyer may elect to make the appropriate repairs and charge Seller the cost of such repairs. Refund or credit amounts shall include the price of the Product plus the amount of any costs incurred by Buyer including, without limitation, costs associated with (i) inspecting, uninstalling, handling, transporting or otherwise isolating the nonconforming Product, (ii) transportation and re-installation of the replacement Product and (iii) rework of any of Buyer's end Products that incorporate such nonconforming Product. Any Product or part thereof which is repaired or replaced under this Section shall be warranted for a period at least as long as the original warranty of the non-conforming Product. All warranties are for the benefit of Buyer and its customers, and shall survive acceptance, payment, subsequent use and/or resale or other disposition of the Products.

#### 6. INSPECTION AND ACCEPTANCE OF PRODUCT.

Prior to acceptance, all Products are subject to inspection and testing at Buyer's discretion. Payment for Products shall not constitute final acceptance. Buyer's failure to inspect Products will not relieve Seller from responsibility for such Products to the extent they do not conform to Seller's warranties. Acceptance shall not be deemed to affect Buyer's rights or the Seller's obligations under Section 5 [WARRANTY].

#### 7. INSURANCE.

Seller agrees to obtain and keep in effect, with an insurance company reasonably acceptable to Buyer, commercial general liability insurance with broad form coverage including product liability, completed operations insurance coverage, and blanket contractual coverage, including the liabilities Seller assumes hereunder with a per occurrence and annual aggregate limit of not less than \$5,000,000. Seller agrees to name Buyer as an additional insured and, if required by Buyer, to provide a waiver of subrogation by the Insurer in favor of the Buyer. In addition, Seller agrees to (a) procure, at its own expense and keep in full force and effect worker's compensation insurance as required by any state in which the work is to be performed, and employers liability or stop gap employers liability insurance with limits of \$1,000,000, and at Buyer's request to have listed on such workers compensation and employers liability insurance Buyer as an alternate employer and (b) procure and maintain automobile liability with minimum limits of \$2,000,000 combined single limit. If requested by Buyer, Seller agrees to obtain additional amounts and/or types of insurance coverage. Seller shall provide Buyer with insurance certificates evidencing such insurance, which certificates shall provide that such coverages may not be materially changed or canceled without thirty (30) days prior written notice to Buyer. The consent of Buyer to insurance shall not be considered as a limitation of Seller's liability, nor an agreement by Buyer to assume liability in excess of insurance limits or for risks not insured.

#### 8. INDEMNITY.

Seller agrees to indemnify, defend and hold harmless Buyer, its officers, agents, and employees from and against any and all demands, claims, suits, damages, loss, liability, cost or expense for any injury, death or damages sustained by any person, and for damage to property, arising under any legal theory with respect to any Products provided hereunder, except only where such injury, death or damage is caused by or results from the sole negligence of Buyer.

#### 9. SUBCONTRACTING.

Seller shall not subcontract its obligations under the Order without the prior written consent of Buyer. If Buyer approves of a subcontract, Seller agrees to enter into a written agreement with the subcontractor that obligates subcontractor to be bound by and to comply with all the conditions set forth herein. At Buyer's request, Seller shall provide Buyer with a copy of such written agreement.

#### 10. BUYER PROPERTY.

Buyer's property includes, without limitation, all information, designs, tooling, equipment, patterns, drawings, specifications, know-how, concepts, ideas, inventions (whether or not patentable), patents, patent applications, techniques, processes, developments, improvements, rights in other tangible and intangible assets of a proprietary nature, all reproductions thereof and any other property furnished to Seller by Buyer, either directly or indirectly, or paid for by Buyer (collectively "Buyer Property"). All Buyer Property is deemed to be proprietary and/or confidential and shall be and remain the sole and exclusive property of Buyer. Seller shall use Buyer Property only for the purpose of fulfilling Buyer's Orders. Seller shall not reproduce, disclose to any third party, or use Buyer Property in the production, manufacture or design of any items for any party other than Buyer or for the manufacture of quantities of

the Products other than the quantities ordered by Buyer. Seller shall clearly label all of Buyer Property as being the property of Buyer. Seller shall not release, relocate or dispose of Buyer Property without the prior written permission of Buyer. Buyer Property is subject to immediate removal from Seller's facility at Buyer's discretion. Seller shall not unreasonably withhold access to its facility from Buyer for timely removal of Buyer Property. Buyer grants no license or other right to Seller in Buyer Property, whether now owned or hereafter created.

#### 11. TOOLING.

Any and all tooling, equipment, dies and fixtures (collectively "Tooling") acquired and/or used in manufacturing of the Products shall be and remain Buyer Property. Seller's payment of tooling charges shall not be construed to grant, convey, or transfer to Seller any ownership rights in or to the Tooling. During the time Buyer's Tooling is in Seller's possession, Seller shall be responsible for routine maintenance of Buyer's Tooling and shall obtain and maintain insurance for the full replacement value of such Tooling. While in possession of Seller, all of Buyer's Tooling shall clearly be identified as Buyer Property by means of a tag or marking. Buyer's Tooling shall be returned to Buyer upon demand. Buyer's Tooling may not be used by Seller for the manufacture of products for any party other than Buyer.

#### 12. INTELLECTUAL PROPERTY INDEMNIFICATION.

Seller shall indemnify and hold harmless Buyer, its affiliates, subsidiaries, agents, directors, officers, and employees, and each subsequent purchaser and customer of Products, from any losses, costs, damages, and liabilities, including without limitation, any attorney's fees, court costs and fines, arising from any potential or actual claim, suit, injunction, proceeding, or investigation alleging infringement or violation of any third party intellectual property rights or license. Seller shall not be liable for any claim solely based on Seller's compliance with any specification created by the Buyer, unless: (i) Seller could have complied with Buyer's specification using a solution that was non-infringing; (ii) the specification was derived from, or provided by Seller; or (iii) Seller knew or should have known of a claim or potential claim and did not promptly notify Buyer in writing.

#### 13. PRICE.

Except as otherwise set forth on the Order, the price includes all fees to meet the requirements of the Order and all applicable sales, use and other taxes and duties. The price to be paid for the Products shall in no event exceed the applicable maximum price, if any, established by any government regulation, and any provision or condition of the Order which is in violation of any such regulation shall be void. Seller warrants that the price for the Products identified in the Order is equal to or less than the lowest price offered by Seller to any of its customers for comparable items in comparable quantities.

#### 14. TERMINATION.

A. If either Party defaults with respect to any provision of the Order, including without limitation, these Terms and Conditions, or files or has filed against it a petition for bankruptcy, or suffers the appointment of a receiver or trustee of its business or properties by reason of insolvency or liquidation (each an "Event of Default"), the non-defaulting Party shall have the right to terminate the Order if such Event of Default is not cured by the defaulting Party within thirty (30) days after receipt of written notice. In such event, the non-defaulting Party shall have the right to seek any and all remedies available under the Order and under applicable law.

B. Buyer may terminate an Order in whole or in part at any time by written notice to Seller. Upon receipt of such notice or at the time specified therein, if any, Seller shall immediately discontinue all work under the Order. Seller shall incur no further costs of performance and shall terminate all related orders and subcontracts given by Seller in connection with performance of its obligations under the Order. Buyer shall not be liable for any termination of an Order, in whole or in part, prior to the commencement of the order lead time for the Product. In the event of a termination of an Order, in whole or in part, inside order lead time for the Products, if the Products subject to the termination are made exclusively for Buyer, (i) Seller will then deliver and Buyer, upon testing and acceptance, will pay the original Order price for any quantity of Products then fully completed and ready for delivery which is less than or equal to the quantity of the Product identified in the Order and (ii) if Seller has in stock any unfinished Products or raw materials or components to be used for use in the manufacture of the Products that cannot be used in Seller's business, Buyer and Seller will negotiate in good faith to reach an agreement on any compensation from Buyer to Seller for such items. Seller shall exercise all options to return components or raw materials for refund or credit or to otherwise use such materials in Seller's business to minimize charges. Notwithstanding the foregoing, in the event of an extraordinary global or regional market occurrence that results in the cancellation by Buyer's customer(s) of orders for Buyer's goods which incorporate Seller's Products, then Buyer shall be entitled to cancel with no liability order(s) for Seller's Products to be used in Buyer's goods subject to such cancellation regardless of whether such Products are made exclusively for Buyer. If a dispute arises with respect to any amount claimed by Seller in connection with such termination, a final settlement value shall be determined from an audit of Seller's books and

records by a certified public accountant selected by Seller and approved by Buyer. For the avoidance of doubt, in the event Buyer terminates this Order in whole or in part, pursuant to this Section 14(B), Buyer shall not be liable to Seller for any raw materials, components or unfinished Products that Seller can otherwise use in Seller's business, and regardless of whether or not the Products are made exclusively for Buyer, Buyer shall not be liable for any raw materials, components or unfinished Products that were obtained or manufactured for a quantity of Products in excess of the quantity ordered under the terminated Order.

C. IN NO EVENT SHALL BUYER BE LIABLE FOR ANY LOSS OF PROFIT OR FOR ANY INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOSSES INCURRED BY SELLER AS A RESULT OF TERMINATION.

#### 15. BUSINESS INTERRUPTION.

If an actual or potential labor dispute, material shortage or other condition occurs that delays or threatens to delay Seller's performance under this Order, Seller shall immediately give written notice to Buyer that includes all relevant information with respect to such delay, including actions being taken to overcome or minimize the delay.

#### 16. FORCE MAJEURE.

Delay in or failure to carry out the duties imposed upon either Party under these Terms and Conditions shall not be deemed an Event of Default if such delay or failure results from causes beyond the reasonable control of the Party claiming relief hereunder, including but not limited to fire, explosion, cyclone, flood, declared or undeclared war, revolution, civil commotion, terrorism or acts of public enemies, blockage or embargo, or by reason of law, proclamation, ordinance, or requirement of any governmental authority. Each Party shall notify the other in writing of the cause of such delay and the expected period of such delay within three (3) business days after it begins. In the case of delays impacting Seller's performance under the Order, Buyer reserves the right to terminate the Order at its discretion without liability to Buyer.

#### 17. GOVERNMENT CONTRACTS.

If the Order is issued in connection with a government contract, Buyer's Order shall include any required flow down contract provisions. Seller shall include required flow down contract provisions in its subcontracts connected to performance of the Order.

#### 18. ASSIGNMENT.

Neither the Order nor any rights or obligations under these Terms and Conditions may be assigned by Seller without the prior written consent of Buyer.

#### 19. COMPLIANCE WITH LAWS.

Seller shall comply, and shall cause all Products to comply, with all applicable federal, state and local laws, rules, regulations, standards and orders. Seller agrees to defend, indemnify and hold Buyer harmless for any loss, damage, fine, penalty or any expense whatsoever as a result of Seller's failure to comply with this Section.

#### 20. ANTI-CORRUPTION AND ANTI-BRIBERY.

Seller will not participate in any corrupt practices and will ensure that Seller's officers, employees, subsidiaries and related companies do not participate in any corrupt practices in relation to the Order or the business relationship contemplated hereunder. In addition, Seller will take steps to ensure that Seller's agents, joint ventures and consortium partners, subcontractors, suppliers and consultants do not participate in any corrupt practices in relation to the Order or the business relationship contemplated hereunder.

#### 21. CONFIDENTIALTY.

Any information disclosed by Buyer to Seller incident to the Order and performance of the Order, including but not limited to, technical information, pricing, volumes, financial terms, and the existence of the Order itself is disclosed in confidence for the sole and exclusive use of Seller. Seller shall not publish or otherwise disclose such information to third parties without the prior written consent of Buyer.

#### 22. GOVERNING LAW.

The Order shall be construed, interpreted and controlled by the laws of the State of North Carolina, and all claims arising out of or related to the Parties' relationship created by the Order, whether in contract, tort or otherwise, shall be governed and decided pursuant to the laws of the State of North Carolina. Seller agrees to subject itself to the courts of said jurisdiction and that such venue shall be exclusive regarding disputes arising out of this Order. The Parties agree that the provisions of the United Nations Convention on Contracts for International Sale of Goods shall not apply to any transaction covered by the Order or these Terms and Conditions of Purchase.

### 23. SEVERABILITY/WAIVER.

Should any part of the Order or these Terms and Conditions be deemed invalid by court of law, it shall not constitute an invalidation of any other part of the Order or these Terms and Conditions, which shall otherwise remain in effect. Buyer's failure to insist on performance of any terms or conditions or to exercise any right or privilege or Buyer's waiver of any breach hereunder shall not thereafter waive any other terms, conditions, rights or privileges, or any subsequent breaches of the same term.

### 24. SURVIVAL.

The following Sections of these Terms and Conditions survive in perpetuity: 5. Warranty; 8. Indemnity; 10. Buyer Property; 11. Tooling; 12. Intellectual Property Indemnification; 14. Termination; 19. Compliance with Laws; 21. Confidentiality; 22. Governing Law; and 24. Survival.

### 25. USE OF BUYER'S NAME.

Seller shall not in any advertising, press releases or any other publicity matters use the name, logo(s), images or representations of Buyer or any affiliate of Buyer or language from which the connection of said names may be implied without Buyer's prior written consent.

### 26. AUDIT RIGHTS.

For any reason determined by Buyer, including, without limitation, quality control, or compliance with specifications or other Order terms, Buyer may inspect Seller's manufacturing facilities as well as review and copy, upon its request, any and all books, records and information of Seller relating to the Products provided hereunder. Seller shall maintain the books, records and information (including but not limited to production and quality records) relating to the Products provided hereunder for a minimum of ten (10) years after delivery and acceptance of the Products, unless a longer period is specified by the Order.

### 27. TRADE COMPLIANCE.

With respect to any articles or technical information disclosed or provided to Seller pursuant to the Order:

#### A. EXPORT CONTROLS.

(i) Seller acknowledges that certain products provided pursuant to the Order may be subject to United States export control laws and regulations. Seller agrees that any services provided and the use, transfer or re-export of such items or associated technical data must be authorized by the appropriate U.S. Government agency. Seller agrees to comply with all applicable U.S. export and re-export control laws and regulations and any local export regulations. Without limiting the foregoing, the Seller agrees that it will not transfer any products or information it receives from Buyer that constitute an export of controlled items, data, or services, to include transfer to a foreign national employed by or associated with, or under contract to the Seller, without the authority of an export license or agreement, or applicable exemption or exception.

(ii) Seller agrees to notify Buyer if any information or items the Seller provides or discloses is restricted by export laws or regulations.

(iii) Seller shall immediately notify Buyer if it is, or becomes, listed on any country's Denied Parties List, Debarred Parties List, or other such government issued lists or if Seller's export privileges are otherwise denied, suspended or revoked in whole or in part.

(iv) Seller understands that certain of its activities undertaken on behalf of Buyer may require U.S. companies to register with the Department of State, Directorate of Defense Trade Controls ("DDTC"). Proof of such registration will be provided to Buyer upon request. If the Seller is not a U.S. company or does not reside in the U.S., then the Seller must be registered as may be required under its local export regulations. If Seller is a Canadian company, Seller shall be registered in Canada by the Canadian Federal or Provincial government authorities (i.e. "Canadian registered person"). Seller will immediately notify Buyer if said registration and/or other required authorization are revoked, expired or invalidated for any reason, and to immediately cease any activity on behalf of Buyer involving the transfer of defense articles, including technical data, or defense services (ITAR-Controlled).

#### B. CUSTOMS/IMPORT CONTROLS.

(i) U.S. Customs Regulations. Seller, by accepting the Order, covenants and agrees that Seller and its employees, agents, independent contractors and sellers have fully complied with any and all country of origin and other requirements established by the Bureau of Customs and Border Protection and related agencies and all similar requirements of other applicable jurisdictions, Seller shall provide Buyer with such information pertaining to the manufacture of the merchandise covered by this Order as Buyer may request from time to time in order to verify Seller's compliance with the provisions of this section.

(ii) Country of Origin (COO) Marking. Every article of non-U.S. origin (or its container) that is imported into the United States shall be marked in English in a conspicuous place in as legible, indelibly and permanently as the nature of the article (or container) will permit, in such a manner as to indicate country of origin to an ultimate purchaser in the United States, unless excepted by law. In addition, the customs invoice (i.e., proforma invoice or commercial invoice) must also clearly state the country of origin for the items contained in the shipment. If not marked upon arrival to the U.S., all additional marking expenses, fines or penalties will be billed to and payable by the Seller.

(iii) Buyer Provided Materials. Buyer may provide the Seller with Buyer owned materials (collectively, "Buyer Provided Materials"). Buyer will provide the Buyer Provided Materials to the Seller under INCO Terms as designated on the Order. Seller will be responsible for the import customs formalities required to enter the goods into the country of destination (Seller's country). All Buyer Provided Materials that are returned to Buyer will be FCA (shipper's dock or port of export). Seller will be responsible for the export formalities in the local country to clear the goods for export. Buyer will complete all customs formalities in the U.S. for the export of materials provided to the Seller and for the return/import of materials by the Seller.

(iv) Free Trade Agreements. Seller will provide Buyer with supporting Free Trade Agreement Certificates or other such written Free Trade Certification Statements on a shipment-by-shipment basis, for all products that qualify under Free Trade Agreements. In addition, Buyer may request annual ("blanket") Free Trade Agreement Certificates or other such written certification from the Seller. Seller will advise Buyer of any change-in-fact that may occur related to Free Trade Agreement certifications previously issued to Buyer.

(v) Trade Compliance Affidavit ("TCA"). Buyer may require the Seller to respond to a Trade Compliance Affidavit request. Seller will complete a TCA and provide the requested trade compliance data (HTS, ECCN, COO, etc.) to Buyer. Seller will advise Buyer of any change-in-fact that occurs for any TCA issued to Buyer.

(vi) Dutiable Assists. Buyer may furnish Buyer Provided Materials ("dutiable assists") to a Seller that are used in association with the production of articles that will be imported into the United States. If the Seller is the Importer of Record into the U.S., the values of such "assists" must be declared to U.S. Customs and Border Protection upon entry, to arrive at the appropriate customs value. Dutiable assists provided by Buyer are the responsibility of the Importer of Record to properly declare to U.S. Customs upon entry.

(vii) Importer Security Filing. Seller agrees to comply with Importer Security Filing ("ISF") Requirements as found in 19 C.F.R. Part 149 of the United States Customs Regulations, including providing security filing information to Buyer within fourteen (14) days prior to goods leaving Seller's premises. If the Seller defaults with regard to any ISF obligation, Seller shall reimburse Buyer for any damages incurred by Buyer as a result of such default, including, without limitation, any damages assessed by Buyer's customers and any fines, fees, penalties and liquidated damages that United States Customs and Border Protection may impose on Buyer.

## **28. EQUAL OPPORTUNITY.**

**Buyer and Seller shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.**