

Purchase Order Terms & Conditions

1. ACCEPTANCE/AGREEMENT: This Purchase Order (“Order”) shall become effective when accepted by Seller by (a) execution and return of the signed acknowledgment copy accompanying this Order, or (b) shipment of Goods (the term “Goods” throughout this Order includes without limitation, raw materials, components, intermediate assemblies and end products), or (c) performance of services, or (d) commencement of work on Goods, or (e) any other conduct of Seller which recognizes the existence of an Order from Perfekta Inc., (hereinafter referred to as “Perfekta”). By acceptance of this Order, Seller accepts all of the terms and conditions hereof. NO PURPORTED ACCEPTANCE OF THIS ORDER ON TERMS AND CONDITIONS WHICH MODIFY, SUPERSEDE, OR OTHERWISE ALTER THE TERMS AND CONDITIONS HEREOF SHALL BE BINDING UPON PERFEKTA, UNLESS THEY ARE ACCEPTED IN WRITING BY AN AUTHORIZED VICE PRESIDENT OF PERFEKTA, NOTWITHSTANDING PERFEKTA’S ACCEPTANCE OR PAYMENT FOR ANY SHIPMENT OF GOODS OR SIMILAR ACT OF PERFEKTA, Unless otherwise stated on the face of this Order, this Order is Perfekta’s offer to Seller and does not constitute an acceptance by Perfekta of any offer to sell or proposal by Seller. Any reference herein to any such offer or proposal by Seller is solely for the purpose of incorporating the description and specifications of the subject matter thereof into this Order, and then only to the extent that such description and specifications do not conflict with the description and specifications on the face of this Order. The obligations of the Seller contained herein shall survive acceptance of the goods and payment therefore by purchaser.

2. DELIVERY: Time shall be of the essence in this Order. Delivery must be in strict compliance with the schedule contained in this Order and shall be made by Seller at such times and places and of such items and quantities as are specified by Perfekta. Perfekta may adjust the delivery schedule at its discretion without charge or expense to Perfekta. Goods fabricated in excess or in advance of Perfekta’s requirements contained in this Order are at Seller’s risk. Perfekta reserves the right to return to Seller, at Seller’s expense, all Goods received more than seven (7) calendar days ahead of the required delivery date. Perfekta reserves the right, without loss of discount privileges, to pay invoices covering items shipped in advance of the schedule on the normal maturity after the date specified for delivery. If Seller fails to meet its scheduled delivery dates and Perfekta elects to call for expedited shipments, Seller will pay the difference between the method of shipping specified and the actual expedited rate incurred. Should Perfekta accept Goods which are not delivered on or before the required delivery date, which option Perfekta reserves, the Seller shall be liable for all additional costs incurred by Perfekta, because of such delay(s) including, but not limited to, telecommunication costs, additional or premium transportation charges, special handling expenses, damages incurred by Perfekta from its customer attributed to Seller’s failure to perform its obligations under this Order and costs to Perfekta, to use Goods out of normal manufacturing sequence or schedule, in addition to other remedies available by law to Perfekta. The Parties further acknowledge that the nature and actual amount of costs associated with delivery delay are uncertain and difficult to calculate. Therefore, Perfekta may choose, in its sole discretion, to require Seller to pay Perfekta liquidated damages. The parties acknowledge that such payments are not intended as a penalty, but are, in lieu of the actual damages measured by such costs. If Perfekta chooses to recover liquidated damages, they shall be equal to 1% of the value of the delinquent items per day of delay or a minimum of \$100 for each item per day of delay. The parties agree this calculation represents a reasonable estimate of the additional costs to be incurred by Perfekta in connection with a delivery delay. Accumulation of liquidated damages will be subject to a grace period of five (5) days per item after which liquidated damages shall begin. Perfekta’s choice to recover such liquidated damages for delayed delivery on any one or more occasions shall not, however, preclude Perfekta from recovering the actual costs incurred because of delayed delivery on any other occasion. Title and risk of loss shall remain in Seller until Goods are delivered to Perfekta. Notwithstanding such delivery, Seller shall bear risk of loss or damage to Goods purchased hereunder from the time that Perfekta gives notice of rejection of Goods pursuant to the inspection provisions of this Order. If Seller encounters or anticipates difficulty in meeting the delivery schedule, Seller shall immediately notify Perfekta in writing, giving pertinent details; provided however, that the receipt of such information shall

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be for information purposes only and shall not be construed as a waiver by Perfekta of any delivery schedule or date or of any rights or remedies provided by law or this Order. If Seller fails to make delivery promptly and regularly, as required by the Order, Perfekta may, in addition to other remedies available at law, terminate this Order in accordance with Section 15(a), *infra*. Nothing contained in this section shall prevent termination by Perfekta under the provisions of Section 15(a), *infra*.

3. SHIPPING INSTRUCTIONS: All Goods shall be shipped F.O.B. to Perfekta's facility as stated on the face of the Order. Goods must be packaged and delivered to conform to Uniform Freight Classification to obtain the lowest shipping rate. Seller agrees to prepare and properly box or crate Goods for shipment so as to prevent damage in transit, to comply with Perfekta's shipping and routings instructions and appropriate export requirements, and to describe the Goods on the bill of lading in conformity with appropriate Uniform Freight Classifications. Any additional charges resulting from failure to comply with this section, including incidental and consequential damages, shall be charged to Seller. Each container must be marked to identify contents and quantities without opening. Packing lists and certifications, when applicable, must accompany each shipment and must have only one (1) purchase order per supplier packing sheet. The location of the packing list must be clearly marked on the container. When multiple containers are used, the packing list will show the items in each container. Multiple containers will be numbered consecutively, for example, 1 of 4, 2 of 4, etc. Perfekta's purchase order number, line number, release number, if any, plant location and quantity must appear on all invoices, packing sheets, delivery tickets, shipping orders and bills of lading. Perfekta assumes no obligation for materials shipped in excess of quantity as shown on this Order.

4. INVOICING AND PAYMENT: Unless otherwise stated in this Order, payment terms are net sixty (60) days after delivery of Goods and receipt of invoice. Individual invoices showing purchase order number and purchase order item number must be issued for each shipment applying against this Order. Three (3) copies of each invoice must be rendered with prices and extensions. Invoice date shall not precede shipment date. Rejections, delays in delivery or delivery in advance of required delivery date, and/or invoices and/or shipping documentation, errors and/or omissions will be considered just cause for withholding payment without loss of cash discount privilege(s). Unless otherwise specified, the price set forth in this Order shall include all charges for Seller's packing and crating.

5. INSPECTION: Seller agrees to inspect and test all Goods furnished in performance of this Order to insure compliance with the specifications and other requirements of this Order. Test reports and/or certifications shall be retained by Seller for seven (7) years, or as otherwise stated on the face of the purchase order, whichever is greater, after shipment of Goods. Seller agrees to permit inspection and testing by Perfekta of all Goods furnished in performance of this Order during manufacture, where practical, and at all other times and places. All Goods shall be received subject to Perfekta's inspection and acceptance or rejection. Inspection or testing of, or payment for any Goods shall not constitute an acceptance thereof. Acceptance by Perfekta does not relieve Seller of liability for latent defects, negligence, fraud or such gross error or defects as amount to fraud. Perfekta shall have the right to reject any Goods, or any portion of a shipment of Goods, found not to be in compliance with the specifications or other requirements of this Order. Perfekta will pay to Seller a reasonable price for any portion of a shipment of Goods that it does not reject. In the event that Perfekta rejects any Goods, it shall have the option of holding the rejected Goods for Seller's instructions and at Seller's risk and expense, or exercising any of its rights set forth in Section 15, *infra*. The obligations of this Paragraph shall survive the cancellation, termination or completion of this Order.

6. LIMITED WARRANTY: Seller expressly warrants that all Goods furnished hereunder shall (a) conform to all specifications, drawings, samples, or other descriptions furnished, specified or adopted by Perfekta, and to all other requirements of this Order; (b) be of merchantable quality and fit and sufficient for the purpose intended; (c) be free from defects in material and workmanship and, to the extent such Goods are not produced or manufactured pursuant to detailed designs of Perfekta be free from defects in design; (d) be

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free of operational or functional problems caused by computer software, processes or systems; and (e) be free from defects in title and any claims of any third parties. Such warranties, together with Seller's service warranties and guarantees, if any, shall survive inspection, test, acceptance of, and payment for the Goods and shall run to Perfekta its successors, assigns, customers at any tier, and all end users. In the event that the Seller discovers that non-conforming product was shipped to Perfekta and/or Perfekta's customer, the Seller shall immediately notify Perfekta in writing declaring the non-conformance. Such notification shall include details of non-conformance and other pertinent information including, but not limited to, packing sheet number, date shipped to Perfekta or Perfekta's customer, serial numbers and/or lot number, if applicable. Perfekta may, at its option, either (i) return defective or nonconforming Goods for credit or refund (without Seller having any right to furnish conforming Goods); (ii) require payment of any related labor and freight cost, (iii) require prompt replacement, correction, or re-work of the defective or nonconforming Goods, or (iv) have the defective item reworked, corrected or replaced at Seller's expense, including any costs or expenses charged or claimed by Perfekta's customers at any tier, or any end users, to recover, remove, re-work, correct or replace the Goods. At Perfekta's sole option, Seller shall pay Perfekta the costs or expenses referenced above, or Perfekta may deduct such amounts thereof from any monies due Seller. Such Goods will be held for Seller's instructions and at its risk, or at Perfekta's option, will be returned at Seller's risk. The return to Seller of any defective or nonconforming Goods and delivery to Perfekta of any corrected, reworked, or replaced Goods shall be at Seller's expense. Perfekta's packing sheet, which accompanies Goods returned, will indicate whether Goods are to be corrected, reworked, replaced or credited to Perfekta. No Goods thus returned will be replaced or corrected by Seller without Perfekta's written instructions. Goods that have been rejected or required to be corrected or reworked shall not thereafter be tendered for acceptance unless the former rejection or correction requirement is disclosed in writing. The obligations of this Paragraph shall survive the cancellation, termination, or completion of this Order. In addition to the rights set forth above, in the event of third party demand or claims against Perfekta relating to Goods furnished pursuant to these Terms and Conditions, Perfekta shall have the rights set forth in Section 16, *infra*, regarding indemnification.

7. CONFIGURATION CONTROL: Seller shall make no change in design, manufacturing or assembly processes or source of supply which would affect form, fit, function, weight or performance of the Goods ordered hereunder without the express, written approval of Perfekta. In the event the Seller proposes such a change, the Seller shall provide six (6) copies of the proposed revision and supporting data to the Perfekta for written approval. Should the Seller fail to obtain the Perfekta's written approval prior to delivering the Goods, then Perfekta may reject the Goods and seek all applicable rights and remedies.

8. EQUIPMENT, TOOLING AND FURNISHED PROPERTY: Unless otherwise agreed in writing, Seller shall furnish at its own expense all special dies, tools, jigs, fixtures, equipment and patterns used in the performance of this Order, the same to be kept in good condition and to be replaced by Seller when necessary without expense to Perfekta. Unless otherwise agreed in writing, all special dies, tools, jigs, mylar, NC programs, fixtures, equipment, patterns, drawings, aids, or other manufacturing data (including all copies of reprints thereof), and any and all material furnished by Perfekta, or specifically paid for by Perfekta, shall be the property of Perfekta and subject to removal at Perfekta's request, and shall be used only in filling orders from Perfekta, Seller shall properly preserve, safeguard, store and control and recover such items.

9. INDEMNITY/INTELLECTUAL PROPERTY RIGHTS: Seller agrees that it will, at its own expense, including payment of court costs and attorney fees, defend and hold Perfekta harmless against any charges, claims, damages, expenses, demands, actions, lawsuits or proceedings instituted by any party against Perfekta or its customers for alleged infringement of any patent, copyright, trademark, trade secret, invention, or similar right relating to Goods manufactured by or for Seller and furnished to Perfekta in the performance of this Order, or relating to the use or incorporation of such Goods into manufactured products. Seller further

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agrees that in case of a final award of damages in any such suit, it will pay such award and will indemnify and hold harmless Perfekta and all persons claiming under Perfekta with respect to such award, court costs, attorney fees, and expenses incurred by reason thereof. The obligations of this Section shall survive the cancellation, termination, or completion of this Order.

10. NOTICE OF LABOR DISPUTES: Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Order, Seller shall immediately give notice thereof to Perfekta, including all relevant information with respect thereto. Delivery delays caused by labor disputes shall be governed by Section 2 of this Order.

11. COMPLIANCE WITH LAWS: Seller agrees in accepting this Order to comply with all applicable local, state and federal laws, orders, directives and regulations heretofore or hereafter promulgated, including, but not limited to, those found in 41 CFR Chapter 60 requiring equal opportunity and affirmative action without regard to race, color, religion, sex, national origin, presence of a disability or status as a special disabled veteran or Vietnam era veteran, Federal Acquisition Regulation (FAR) 52.202-1; 52.212-1; 52.212-2; 52.212-3; 52.212-4; 52.212-5; 52.222-26; 52.222-35; 52.222-36; 52.222-50; 52.222-54; 52.242-15; 52.244-6, and Defense Federal Acquisition Regulation (DFAR) 252.225-7001; 252.228-7007-7009; 252.225-7014 with its Alternate.1; 252.225-7052; 252.247-7023; 252.247-7024; and 252.244-7000, which are specifically incorporated herein by reference. If Seller fails to comply with the provisions of this section, Perfekta may, by written notice to Seller, terminate this Order as upon a default in accordance with Section 15(a), *infra*, in addition to any other rights or remedies provided by law.

12. EXPORT/IMPORT COMPLIANCE: (a) Compliance with Export Laws. In performing the obligations of this Agreement, the Seller will comply with all United States export control and sanctions laws, regulations, and orders, as they may be amended from time to time, applicable to the export and re-export of goods, software, technology, or technical data ("Items") or services, which include but are not limited to The Export Administration Regulations ("EAR") administered by the US Department of Commerce, International Traffic in Arms Regulations ("ITAR") administered by the US Department of State, The Foreign Corrupt Practices Act ("FCPA"), administered by The Department of Justice and the SEC, and all regulations and orders administered by the Treasury Department's Office of Foreign Assets Control, (collectively, "Export Control Regulations and Laws").

(b) Export License. The Seller exporting any "Items" listed above shall be responsible for obtaining any required Export License or authorization for such export from the appropriate governmental agency. The Seller conducting the re-export to a sub-tier supplier or 3rd party shall be responsible for obtaining any required Export License or authorization from the appropriate governmental agency prior to re-export. Each Party shall cooperate in a reasonable manner to support the other in its efforts in obtaining any necessary licenses or authorizations required to perform its obligations under this Agreement.

(c) Export Control Classification Number (ECCN) & Harmonized Tariff Code (HTS). The Seller providing any "Item" under this Agreement to a supplier, sub-tier supplier or 3rd party, shall, upon request from said supplier, sub-tier supplier or 3rd party, provide the Item's Export Control Classification Number ("ECCN") and Harmonized Tariff Code (HTS), as well as the ECCN and HTS of any components or parts thereof if they are different from the numbers of the Item at issue.

(d) Export Representations and Warranties. 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 State Directorate of Defense Trade Controls and understands its obligations to comply with International Traffic in Arms Regulations ("ITAR") and the Export Administration

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Regulations (“EAR”). Seller represents and warrants that all Deliverables (as defined below) provided by Seller to Perfekta under this Agreement: (1) shall not be subject to any controls, requirements or restrictions set forth under the ITAR; (2) to the extent that the Deliverables are subject to the EAR and except for prohibitions relating to exports or re-exports destined for countries listed in Country Group E of the EAR, shall be classified under the EAR, or be otherwise eligible for a license exception available under the EAR, such that the Deliverables may be exported from the United States, and thereafter re-exported to a country other than the United States (a “Foreign Country”), without first requiring authorization by, or notification to, the U.S. Department of Commerce’s Bureau of Industry and Security; and (3) to the extent that the Deliverables are of Foreign Country origin and are subject to export control laws or regulations promulgated in any Foreign Country, Deliverables shall be classified under such foreign laws or regulations such that the Deliverables may be imported into and exported from the United States, and thereafter re-exported to a Foreign Country (other than countries listed in Country Group E of the EAR), without first requiring authorization by, or notification to, any foreign governmental authority. “Deliverables” means all items supplied by Seller to Perfekta under this Agreement, including without limitation goods, components, spare parts, accessories, software and technical data thereof; (4) Seller agrees that no technical data, information or other items provided by the Perfekta will be provided to a foreign subsidiary or parent company of Seller and/or foreign national employees of Seller, without the express written authorization of Perfekta 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 immediately notify Perfekta if it becomes listed on any Excluded or Denied Party List of an agency of the U.S. Government or its export privileges are denied, suspended or revoked; (5) The Seller represents that (i) the “Items”, and any parts or components thereof, that it is providing under this Agreement are not "defense articles" as defined in 22 C.F.R. sub section 120.6 of the ITAR and (ii) the services it is providing under this Agreement are not "defense services" as defined in 22 C.F.R. sub section 120.9 of the ITAR. The Seller acknowledge that this representation means that an official capable of binding the Seller providing such Items knows or has otherwise determined that such Items, parts and/or components thereof, are not listed on the ITAR's Munitions List at 22 C.F.R. sub section 121.1. Each Party agrees to reasonably cooperate with the other in providing, upon request of the other Party, documentation or other information that supports or confirms this representation; (6) To the extent that such “Items”, parts and/or components thereof, were specifically designed or modified for a military end use or end user, the Seller providing such Items shall notify the Buyer of this fact and shall also provide the Buyer with written confirmation from the United States Department of State that such Items, and all such parts or components thereof, are not subject to the jurisdiction of the ITAR as they are not listed on the US Munitions List.

(e) Remedy. In the event that Seller determines that any Deliverable fails to satisfy the representations and warranties of Section 12, then Seller shall promptly provide notice thereof to Perfekta. Seller shall fully indemnify Perfekta and its officers, directors, employees, agents and representatives with respect to all losses, damages, expenses, penalties and judgments arising from a breach by Seller of Section 12, including without limitation those arising from or related to obtaining and retrofitting a substitute item that conforms to the representations and warranties of Section 12 and is a functional equivalent to the substituted item.

(f) Certification of Export Classification. Prior to the first shipment to Perfekta of each unique part number of any of the Deliverables, and prior to the first shipment following a change to the export classification of any Deliverable, Seller shall provide to Perfekta written certification for each such part number of the following: (1) for each Deliverable supplied from the United States, its EAR Export Control Classification Number (“ECCN”) number and Schedule B number; and (2) for each Deliverable supplied from a Foreign Country, its Harmonized Tariff Schedule (“HTS”) number. Such information shall be certified in writing to Perfekta

13. STOP WORK ORDER: Perfekta may at any time, by written notice to Seller, require Seller to stop all or any part of the work called for by this Order, without compensation, for a period of up to twenty four (24) consecutive months after the notice is delivered to Seller (“Stop Work Order”). Upon receipt of a Stop Work

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Order, Seller shall forthwith comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by this Order during the period of work stoppage. Within a period of twenty four (24) consecutive months after a Stop Work Order is delivered to Seller Perfekta shall either 1) Cancel the Stop Work, 2) Extend the Stop Work for a mutually agreed to period or 3) Terminate the work covered by this Order as provided in Section 15, *infra*. Seller shall resume work upon cancellation or expiration of any Stop Work Order.

14. FORCE MAJEURE: Neither Seller nor Perfekta shall be liable for any excess costs if the failure to perform this Order arises out of causes beyond the control and without the fault or negligence of Seller. Such causes may include, but are not limited to, acts of God, or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, flood, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the failure to perform must be beyond the control and without the fault or negligence of Seller. The parties agree that delays caused by computer software, processes or systems problems caused by the use of a date greater than 1999 are not force majeure events. Seller shall notify Perfekta in writing within seven (7) calendar days of any and all events of Force Majeure. If Force Majeure continues for longer than thirty (30) calendar days, then Perfekta, at its sole option, may terminate this Order in whole or in part without any obligation or liability except that Perfekta is still responsible for payment for Goods or services which have been delivered to and accepted by Perfekta prior to Force Majeure notice receipt.

15. TERMINATION AND SETTLEMENT:

(a) Termination for Default:

(1) Perfekta may, by written notice of default to Seller, immediately terminate the whole or any part of this Order if Seller fails to make delivery of the Goods or to perform the services required by this Order within the time specified herein or any extension thereof. If Seller fails to satisfy any of the other requirements of this Order, or so fails to make progress as to endanger performance of this Order in accordance with its terms and conditions, and does not cure such failure within a period of ten (10) calendar days (or such longer period as Perfekta may authorize in writing) after receipt of notice from Perfekta specifying such failure, then Perfekta may terminate the whole or part of this Order.

(2) In the event Perfekta terminates this Order in whole or in part as provided in Subparagraph (1) above, Perfekta shall have no further obligation to Seller under the terminated portion of this Order, and Perfekta may procure, upon such terms and in such manner as Perfekta may deem appropriate, Goods or services similar to those so terminated, and Seller shall be liable to Perfekta for any excess costs.

(b) Termination for Insolvency: In the event of the institution of any proceedings by or against Seller under Federal or State bankruptcy or debtors' relief laws including, without limitation, any provision of the Bankruptcy Code, or the appointment of a receiver or trustee or an assignment for the benefit of creditors of Seller, or the institution of any similar proceedings, Perfekta may terminate this Order. Any termination under this Paragraph shall be deemed to be a termination for default in accordance with the provisions of Section 15(a), *supra*.

(c) Termination for Convenience: Perfekta may at any time by written notice terminate all or any part of this Order for Perfekta's convenience, in which event Seller agrees to stop work immediately as to the terminated portion of this Order and to notify subcontractor(s) to stop work, and protect and preserve property in its possession in which Perfekta has an interest. If this Order is terminated, in whole or in part, for Perfekta's convenience, Seller shall be paid an amount, to be mutually agreed upon, which shall be adequate to cover the

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reasonable cost of Seller's actual performance of work under this Order to the effective date of termination, plus a reasonable profit thereon provided that no amount shall be paid to Seller for (i) any anticipatory profits related to work under this Order not yet performed, or (ii) costs incurred due to Seller's failure to terminate work as ordered on the effective date of termination. Perfekta shall have no obligation to make any of the aforementioned payments to Seller, either for completed items or in connection with terminated work in process, unless Seller shall establish to Perfekta's satisfaction that such completed items, or the work in process, including materials, are unusable in connection with Seller's other business. In no event shall the termination charges and all previous payments made under this Order exceed the total Order Value shown on the face of this Order.

(d) If this Order is terminated as provided in Section 15 (a) or (b), *supra*, Perfekta, in addition to any other rights provided in this Order, may require Seller to transfer title and deliver to Perfekta, , in the manner and to the extent directed by Perfekta, the following: (i) any completed Goods; and (ii) such partially completed Goods and materials, parts, tools, dies, jigs, fixtures, mylar, NC programs, plans, drawings, aids, information, and contract rights (hereinafter called ("manufacturing material's) as Seller has specifically produced or specifically acquired for the performance of such part of this Order as has been terminated. Seller shall also protect and preserve property in the possession of Seller in which Perfekta has an interest. Payment for completed Goods delivered to and accepted by Perfekta shall be at the contract price.

(e) The rights and remedies of Perfekta provided in this Section 15 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Order. Any termination of this Order under this Section 15 shall not relieve Seller of any obligations and liabilities which may have arisen under any of the terms and conditions of this Order prior to such termination, including, but not limited to, patent infringement, reproduction rights, latent defects, and warranty obligations.

16. INDEMNITY AND INSURANCE: Perfekta's rights hereunder shall exist by agreement of the parties notwithstanding any limitations regarding indemnity and/or contribution that exist under the law of the State of Kansas. Notwithstanding anything contained in Seller's warranty to the contrary or in Section No. 6, Perfekta and Seller expressly agree that Seller is responsible for and agrees to indemnify and hold harmless Perfekta for any and all damages, losses, expenses, attorney fees, court costs, etc., that are caused by Seller and/or its defective or nonconforming Goods. Seller shall also maintain such Public Liability, Property Damage, Employer's Liability, and Compensation 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 Seller (or its subcontractors) and Buyer from said risks and from any claims under any applicable Workers' Compensation, Occupational Disease, and Occupational Safety and Health statutes including the Occupational Safety and Health Act. Seller shall provide Buyer with certificates evidencing required insurance upon Buyer's request.

17. PRICES: Seller warrants that any price or prices specified for the Goods in the Order do not exceed Seller's current prices for the same or substantially similar goods. Unless agreed otherwise, all prices set forth on the Order shall represent the cost to Perfekta at the point and place of delivery specified herein, including all sales taxes, excise taxes, custom duties, governmental and municipal charges, taxes, and levies of every description, and charges for packing, crating, boxing, drayage and shipping. If price is not set forth herein, the applicable price for the Goods shall not be at a price higher than that last quoted or charged by Sellers, unless Perfekta otherwise agrees in writing.

18. GRATUITIES; POLICIES AND PROCEDURES: If it is found that gratuities (in the form of entertainment, gifts or otherwise) are offered by Seller, or any agent or representative of Seller, to any employee of Perfekta with a view toward securing favorable treatment with respect to the awarding or

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performing of any purchase order, Perfekta may, by written notice to Seller, terminate this Order as upon a default in accordance with Section 15(a) of this Order in addition to any other rights or remedies provided by law. Seller, its employees, representatives, and agents shall comply with all of Perfekta's rules, regulations, policies and procedures while on Perfekta's premises or in the company of any of Perfekta's employees. If Seller, its employees, representatives, or agents violate Perfekta's rules, regulations, policies, or procedures, Perfekta may, by written notice to Seller, terminate this Order as upon a default in accordance with Section 15 (a) of this Order in addition to any other rights or remedies provided by law.

19. CONFLICT MINERALS SOURCING: Pursuant to The Dodd–Frank Wall Street Reform and Consumer Protection Act (Pub.L. 111–203, H.R. 4173; commonly referred to as Dodd–Frank) section 1502, Perfekta, Inc expects its suppliers to maintain a policy to reasonably ensure that the tantalum, tin, tungsten, & gold (if present) contained within the product that they manufacture and supply to Perfekta are “conflict free”. “Conflict free” means any “conflict minerals” (gold, columbite,-tantalite, also known as coltan, cassiterite, wolframite, or their derivatives: tin, tantalum or tungsten) necessary to the functionality or production of the supplied products, either do not originate from the “Conflict Region” situated in the eastern portion of the Democratic Republic of the Congo (DRC) and surrounding countries or are from recycled or scrap sources. Perfekta does not knowingly procure products containing any of the above-specified metals that originate from facilities in the “Congo Region” that are not certified as “Conflict Free”. Although Perfekta is not regulated under the Securities Exchange Commission (SEC) we understand that many of our customers are; which requires us to maintain the same requirements as theirs in addition to our commitment to our moral & ethical responsibilities. Perfekta requires that suppliers of products that contain any one of the conflict minerals to declare that they are compliant to the conflict mineral program. Suppliers to Perfekta must adopt a policy regarding conflict minerals that is consistent with Perfekta's policy and require their management systems to support compliance with their policy while requiring their own suppliers to also take the same measures to ensure they too have a policy with the same results. Perfekta expects suppliers to establish their own due diligence program to ensure that the specified metals are being sourced only from smelters outside of the “Conflict Region” or from smelters which have been certified by an independent third party as “Conflict Free” if sourced within the “Conflict Region”. Smelters are qualified as “Conflict Free” if validated as compliant to the EICC Conflict Free Smelter (CFS) protocol, using the CFS Compliant Smelter List. Perfekta expects suppliers to maintain compliance systems and be able to demonstrate a satisfactory record of written evidence (if required) to support their due diligence programs. Perfekta may in its sole discretion assess & monitor ongoing performance and compliance with its conflict minerals policy, including but not limited to a review of appropriate supplier documents and review of past practices of the supplier. If Perfekta discovers the use of conflict minerals produced in facilities that are considered to be “Non-Conflict free” in any supplied products or being used at any point in the supply chain they will take appropriate action to transition the supply of these products to a “Conflict Free” source.

20. APPLICABLE LAW: Perfekta and Seller expressly agree to exclude from this Order the United Nations Convention on Contracts for the International Sale of Goods, 1980, and any successor thereto. This Order shall be deemed to be a contract entered into in the State of Kansas, U.S.A., and shall be construed and governed in all respects, and the legal relationships between the parties shall be determined, in accordance with substantive commercial law of the State of Kansas, U.S.A., including but not limited to, the Uniform Commercial Code, as the same may be enacted and in force from time to time in that jurisdiction.

21. AMENDMENT BY LAW: This Order shall be deemed to contain all provisions required to be included by any applicable local, state or federal laws, orders, regulations or directives heretofore or hereafter promulgated without the subsequent amendment of this Order specifically incorporating such provisions.

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22. ASSIGNMENT & CHANGE IN CONTROL: Seller shall not assign, sell, transfer or dispose of (in whole or in part) any of its rights or obligations under the performance of this Order without prior written consent of Perfekta. Proceeds due or to become due under this Order may be assigned by Seller only with the written consent of Perfekta and provided that payment to an assignee of any claim related to this Order shall be subject to all applicable defenses, reductions and setoffs. A “Change in Control” is defined as a change in ownership or control of twenty-five (25%) percent of the ownership of the Seller. A Change of control in Seller shall be considered an assignment subject to the provisions of this Article. Seller shall notify Perfekta immediately of any change in the nature of its ownership or business or any other circumstances which may affect its performance under the Order. Perfekta reserves the right to terminate the Order for default in the event such change may result in a conflict of interest or otherwise prejudice performance under this Order.

23. NOTICES: All notices required or permitted to be given hereunder shall be deemed to be properly given if delivered in writing personally, or sent by United States certified or registered mail, or sent by private overnight delivery service and by United States first class mail, addressed to Seller or Perfekta, as the case may be, at the addresses set forth on the face of this Order, with postage thereon fully prepaid. The effective time of notice shall be at the time of receipt.

24. AUTHORIZATIONS: All authorizations of Perfekta required or permitted to be given herein shall be deemed properly given only if given in writing by an authorized purchasing representative of Perfekta.

25. DISPUTES: Perfekta and Seller shall strive to settle amicably and in good faith any dispute arising in connection with this Order. If they are unable to do so, any action or proceeding to resolve any dispute may be settled at the sole discretion of Perfekta, by submitting the claim to: (i) binding arbitration, before a single arbitrator, in the state and under the laws of the state of Kansas, in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the arbitrator’s award may be entered in any court having jurisdiction thereof or (ii) shall be brought in the Kansas State District Courts in Sedgwick County, Kansas, and both Perfekta and Seller accept and submit themselves to the exclusive jurisdiction of such courts for the resolution of any dispute or claim between them arising under this Order. Pending resolution of any dispute hereunder, Seller shall proceed diligently with the performance of work, including the delivery of Goods in accordance with Perfekta’s directions. Upon resolution of the dispute, this Order shall be equitably adjusted, if necessary, to reflect such resolution.

26. REMEDIES AND WAIVER: The remedies herein reserved shall be cumulative and additional to any other and further remedies provided in law or equity. No waiver by Perfekta of any breach of this Order or the granting of an extension for performance hereunder shall be deemed to be a waiver of any other or subsequent breach. No failure on the part of Perfekta in exercising any right or remedy hereunder, or as provided by law or in equity, shall impair, prejudice or constitute a waiver of any such right or remedy, or shall be construed as a waiver of any Event of Default or as acquiescence therein. No single or partial exercise of any such right or remedy shall preclude any other or further exercise thereof or the exercise of any other right or remedy. No acceptance of partial payment or performance of any of Seller’s obligations hereunder shall constitute a waiver of any Event of Default or a waiver or release of payment or performance in full by Seller of any such obligation. All rights and remedies of Perfekta hereunder and at law and in equity shall be cumulative and not mutually exclusive and the exercise of one shall not be deemed a waiver of the right to exercise any other. Nothing contained in this Agreement shall be construed to limit any right or remedy of Perfekta now or hereafter existing at law or in equity.

27. DATA: All drawings, specifications or electronic data, furnished or paid for by Perfekta, shall be the property of Perfekta, subject to removal at any time upon demand by Perfekta, without additional costs, shall be used only in filling orders from Perfekta shall be kept separate from other drawings and specifications, and

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shall be identified as the property of Perfekta. The information contained in reports, drawings, documents or other records which are furnished to Seller by Perfekta relative to this Order, to the extent that such information is not in the public domain, shall not be disclosed to others, except to subcontractors as necessary for completion of this Order, in which event the subcontractor shall have the same obligation of nondisclosure. Upon completion, termination, or cancellation of this Order, Seller shall return all drawings and specifications to Perfekta, in the event Perfekta requests return of any such items, within thirty (30) days after the effective date of completion, termination or cancellation. Any such data of Perfekta retained by Seller shall remain subject to the restrictions on use, reproduction and disclosure contained within this Order that shall survive the cancellation, termination, or completion of this Order. Upon termination of this Order, Perfekta may, at Perfekta's option, use, on a nonexclusive basis, all drawings, documents or other records related to this Order whether created by Perfekta or Seller without further compensation to Seller. Seller may not disclose the existence of this Order or the items to be supplied hereunder without Perfekta's prior written consent, except to subcontractors who shall have the same responsibility.

28. CONFIDENTIALITY: In order to facilitate performance by Perfekta and Seller under this Order, it is or may become necessary for Perfekta and Seller to disclose to the other, information which is confidential and proprietary to the disclosing Party. Perfekta and Seller shall not communicate confidential and proprietary information of the other, in any form, to any third party, without the prior written consent of the Party to which such information is confidential and proprietary and shall use their best efforts to prevent inadvertent disclosure of such information to any third party. Furthermore, Perfekta and Seller shall cause any of their employees to whom confidential and proprietary information is transmitted to be bound to the same obligation of confidentiality that Perfekta and Seller are bound to under this Order. All confidential and proprietary information disclosed by Perfekta and Seller to the other shall remain the property of the disclosing Party and shall be promptly returned to such Party at its request, together with any copies thereof, upon completion of the purpose for which the confidential and proprietary information was disclosed. Seller agrees that if the Goods are to be manufactured to design or data provided by Perfekta, Seller shall not, without Perfekta's prior written consent, manufacture any such Goods except for and upon this Order. Seller shall not, without Perfekta's prior written consent, in any manner, advertise or publish the fact that Seller has contracted with Perfekta to furnish the Goods. In the event that Seller fails to comply with this Section, Perfekta shall have the right to terminate the Order under Section 15(a) *supra*, as well as any and all rights and remedies prescribed by law.

29. INCORPORATED DOCUMENTS: All documents attached to this Order are incorporated herein by reference and made a part of this Order as if fully set forth herein.

30. ENTIRE AGREEMENT; AMENDMENTS: This Order and the Terms and Conditions stated herein or on the face of this Order or in any attachments hereto and incorporated herein, constitute the entire agreement between Perfekta and Seller with respect to the subject matter hereof and are binding on Perfekta and Seller, and their respective heirs, devisees, administrators, executors, trustees, receivers, successors, and permitted assigns. No change to this Order, the Terms and Conditions, or any attachments hereto and incorporated herein shall be valid and binding on either party unless reduced to writing and signed by authorized representatives of both parties.

31. HEADINGS: Section titles and captions contained in these Terms and Conditions are for reference only and in no way define, limit, extend or describe the scope of this Order, these Terms and Conditions, or the intent of any of their provisions.

32. ORDER OF PRECEDENCE: In the event of any inconsistency among this Order and any documents incorporated by reference, the inconsistency shall be resolved by giving precedence in the following order: (i)

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the Order to which these Terms and Conditions are attached; (ii) these Terms and Conditions; (iii) drawings; (iv) specifications; and (v) any other documents incorporated by reference including Seller Terms & Conditions.

33. SEVERABILITY: If any provision of this Order or application thereof is found invalid, illegal or unenforceable by law, the remainder of this 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.