

## Purchase Order Terms and Conditions

These terms and conditions are incorporated by reference into all Hughes Circuits, Inc. ("HCI") purchase orders. All orders are subject to these terms and conditions.

**Acceptance.** Seller's commencement of work on the goods subject to this purchase order or shipment of such goods, whichever first occurs, shall be deemed as an effective mode of acceptance of HCI's offer to purchase contained in this purchase order. Any acceptance of this purchase order is limited to acceptance of the express terms of the offer contained herein. Seller shall be deemed to have waived objection to any term and condition contained herein upon such acceptance. If this purchase order shall be deemed an acceptance of a prior offer by seller, such acceptance is limited to acceptance of the express terms contained herein. Any of seller's terms and conditions that are in addition to or different from those contained herein are objected to and shall be of no force or effect.

**Delivery Terms.** All deliveries shall be made as FOB HCI Factory. HCI is not obligated to accept early, late, partial, or excess deliveries.

**Payment Terms.** HCI payment terms are Net 30 days. HCI does consider accelerated payments with discounts if Seller offers such.

**Cancellation/Termination.** HCI reserves the right to cancel this purchase order, in the event of default by Seller, without further obligation. HCI reserves the right to terminate this purchase order for its convenience. In the event of termination for convenience, HCI will reimburse Seller for sunk costs incurred during the performance of this purchase order which can not otherwise be recovered.

**Time of Performance.** Seller acknowledges that time is of the essence in satisfying the requirements of this purchase order. HCI may cancel this purchase order without further obligation should Seller fail to deliver within the delivery date specified on the face of this order. Seller and HCI may mutually agree to modify delivery dates. Such agreement will be evidenced as a change on the face of this order.

**Confidentiality.** Supplier will employ reasonable means to protect and keep confidential HCI information not generally known or made available and that supplier acquires knowledge of. This includes but is not limited to any of HCI's or its customer's designs, business plans, pricing information, etc.

**Export Control.** Information furnished to Seller under this purchase order may contain technical data, as defined under the International Traffic in Arms Regulations (ITAR) [22 CFR 120-130]. Seller is advised and hereby acknowledges that such technical data may not be exported, disclosed or transferred to any foreign person or foreign entity, including foreign persons employed by or associated with, or under contract to Seller or Seller's lower-tier suppliers, without the prior authority of an export license, agreement, or applicable exemption or exception.

**Safeguarding Covered Defense Information and Cyber defense information and Reporting.** Information furnished to Seller under this purchase order may contain controlled unclassified information. Seller warrants that it complies with DFAR 252.204-7012 *Safeguarding covered defense information and cyber incident reporting* and DFAR 252.204.7020 *NIST SP800-171 DoD Assessment Requirements*. If any part of this order shall be subcontracted, the contractor shall also insert the substance of this clause, including paragraph (g), in all subcontracts and other contractual instruments, including subcontracts for the acquisition of commercial items (excluding COTS items). If not compliant, Seller shall immediately return all controlled unclassified information or if electronic delete it and notify Buyer.

**Assignment.** This purchase order may not be assigned without the prior written consent of HCI.

**Entire Agreement and Modifications.** This purchase order constitutes the entire agreement between HCI and Seller with respect to the subject matter hereof, and may not be amended by any trade usage or prior course of dealing between the parties. Any alterations to this purchase order including changes to the quantity, description, price and/or delivery date requirements set forth on the face of this order must be documented and approved by both parties in writing.

**Warranty.** Seller shall warranty its products are fit for a particular purpose. Seller's product(s) shall be free from defects in materials and workmanship. Seller shall warranty its product(s) for a period of twelve months from receipt. HCI shall reserve the right to return defective product, rather than replace, for a full refund of the purchase price and any applicable transportation charges.

**Indemnification.** Seller shall protect HCI against any and all liability arising out of or in connection to Seller's products or services. Seller will indemnify and hold HCI harmless against damages, liability, claims, losses, costs, and expenses arising out of or resulting from any defect in the goods or services provided and any act or omission of the seller, its agents, employees, or subcontractors.

**Patent Infringement.** Seller shall indemnify HCI, its officers, employees and agents against liability, including costs, for actual or alleged direct or contributory infringement of any U.S. or foreign patent, trademark or copyright arising out of this purchase order.

**Independent Contractor/Insurance.** Where Seller's employees, agents or assigns enter HCI's premises to perform work, such personnel are doing so as independent contractors. Seller is required to provide proof of general liability insurance with coverage of no less than \$1,000,000 per occurrence, including workers' compensation and comprehensive automobile liability coverage. Sellers insurance shall indicate HCI as the certificate holder/loss payee.

**Force Majeure.** Neither HCI nor Seller shall be responsible for acts outside of their control including but not limited to a strike, natural disaster, riot or other unanticipated event.

**Waiver.** HCI's waiver of any breach of any of the terms and conditions set forth herein or on the face of the purchase order, or the waiver of any right, shall not act as a waiver of any other breaches or rights.

**Price.** Seller warrants that the price being charged to HCI is at least as low as the price being charged to others for comparable goods in comparable quantities. The price specified on the face of this order is the price to be paid. Taxes, shipping, packaging or other charges may not be added unless specifically agreed to in writing by HCI.

**Inspection.** HCI reserves the right to inspect, test, and reject the goods at any time, even after the goods have been received and paid for. HCI will return non-conforming and/or defective goods at Seller's expense.

**Age Sensitive Materials with Shelf Life Requirements.** Age sensitive items must be marked with an accompanying effective date of manufacture or date of expiration. All materials that have a limited shelf life shall have, at the time of receipt at HCI, a minimum of seventy-five percent (75%) of the shelf life remaining.

**Non-Conforming Product Notification.** In the event supplier suspects, or is made aware of, a potential non-conformance in HCI product or product already shipped to HCI, supplier shall issue a quality alert to HCI through HCI's Purchasing Department. Supplier will work with HCI to immediately remove and replace, as warranted, such material.

**Counterfeit Parts / Traceability.** Hughes Circuits Inc. will only accept materials from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM) or through authorized distributors with traceability to the original manufacturer.

Independent distributors, brokers, or other secondary sources, even if they have traceability to the original manufacturer shall not be used for items on this purchase order, without written approval.

**Process Change Notification.** Supplier shall notify HCI, in writing, of any changes to supplier's product and/or process that may have a potential impact on the quality of HCI's finished product, including but not limited to, changes in facilities, equipment and material suppliers.

**Right of Access.** When requested by HCI, HCI's customer or a regulatory agency, and when provided with reasonable written notice, supplier shall grant right of access to facilities and applicable records pertaining to HCI's purchase orders.

**Retention and Disposition of Quality Records.** The seller shall maintain and make available to the buyer (or buyers representative) for review all quality records associated with inspection, test and reviews associated with the seller's Quality Management System (QMS).

Seller shall have a procedure for the retention, identification, storage and retrieval of quality records for a minimum period of 7 years from the date of the last shipment of purchase order or as required per contract or regulatory requirements.

Upon expiration of the required retention period, the destruction methods employed for the records shall be commensurate with the sensitivity classification of the records.

**Flow Down Requirement.** Supplier will require all of its subcontractors and sub-tier suppliers to comply with HCI's requirements as outlined in the purchase order, these terms and conditions and other applicable documents.

**Non-Discrimination.** During the performance of this contract (or purchase order), the contractor/vendor agrees to comply with all Federal, state and local laws respecting non-discrimination in employment and non-segregation of facilities including, but not limited to, requirements set out at 41 CFR 60-1.4, 60-250.4 and 60-741.4, and FAR 52.222-21 and 52.222-26, which equal opportunity clauses are hereby incorporated by reference. Notification is hereby given that compliance with these clauses may require the contractor/vendor to annually file certain reports (e.g. EEO-1 Report and VETS-100 Report) with the Federal government and may require the contractor/vendor to develop written Affirmative Action Programs for Women and Minorities, covered Veterans and/or Persons with Disabilities.

**Remedies; Governing Law and Venue; Attorney's Fees.** All remedies are cumulative and any remedies stated are in addition to and do not exclude any remedies allowed by law. This agreement shall be construed and enforced under the laws of the State of California without regard to the conflict of laws principles of that State. Any litigation arising from this agreement shall be instituted in either State or Federal Court located within San Diego County, California. In any legal action commenced to enforce the terms and conditions herein, the prevailing party shall be entitled to recover costs and expenses of such litigation, including, without limitation, its attorney's fees.

**Employee Contributions.** Supplier shall provide their employees with awareness of how their actions contribute to product or service conformity, product safety and the importance of ethical behavior. The supplier shall ensure employees are competent on the basis of appropriate education, training, qualification or experience to the extent that affects the ability to achieve the intended results of work being performed.

**Supplier Performance.** Suppliers of HCI will be monitored for on-time delivery and their ability to provide products and/or services in accordance with purchase requirements. Failure to maintain acceptable on-time delivery or quality rating can result in supplier disqualification.