



ARTICLE 1. GENERAL STATEMENT OF WORK

Seller agrees to furnish all labor, materials, supplies, equipment and services, and perform all work necessary to provide and deliver to Buyer at the specified place of delivery the Contract Products (including any repair parts, special tools, plans, technical manuals, other data and services, specified in this Purchase Order) in strict accordance with the Specifications referred to herein and to do all things required of Seller by this Purchase Order. Except for those portions of this Purchase Order that are expressly identified as cost reimbursable, Seller is obligated to furnish the Contract Products entirely at its own risk and expense. Seller agrees that in the performance of this Purchase Order, all material terms of any prime contract or government contract for which Buyer is supplying the goods purchased from Seller by this Order (the "Prime Contract"), including all product specifications, warranty terms and obligations, compliance guidelines, Statements of Work ("SOWs"), applicable Federal Acquisition Regulations ("FARs"), Defense Federal Acquisition Regulations ("DFARS") that apply to or are incorporated by reference or by law into the Prime Contract (all of which shall be included in the "Prime Contract Documents") that are applicable to or binding upon Buyer shall apply to and "flow down" from Buyer to Seller, and Seller agrees to perform all material obligations that Buyer is bound to perform, pursuant to the Prime Contract, a copy of which is either attached hereto or separately available to Seller, and which is incorporated herein and integrated by reference. No contrary terms in any Seller-generated purchase orders, confirmations, or correspondence shall operate to modify or revise any terms of any Buyer documentation, the Prime Contract Documents, or of this Agreement. In the event of any conflict, Buyer's documentation, the Prime Contract Documents and this Agreement will supercede and control any contrary documentation, and Seller agrees that it will not rely on any contrary representations in conflict with this rule of interpretation. Seller agrees to defend and indemnify Buyer, its officers, directors, employees, agents and customers from any claim or demand of any nature asserted against Buyer in the event of Seller's failure to comply with the aforesaid requirements. Seller's obligation to defend and indemnify Buyer under this paragraph shall include any claims asserted against Buyer arising from Seller's violation, or alleged violation, of the Federal Civil False Claims Act 31 U.S.C. §§3729- 3733, as amended. Seller further agrees that its work shall be performed to the complete satisfaction of the Government.

ARTICLE 2. DEFINITIONS

Except where some other meaning is obviously required by the context:

- (a) The term "Buyer" shall mean TECH GLOBAL, INC., an Illinois corporation.
- (b) The term "Contracting Officer" shall mean Buyer and/or the Government Contracting Officer as the term is defined in FAR 2.101, as appropriate.
- (c) The term "Contract Products" shall mean all items to be furnished by Seller under this Purchase Order, including services.

- (d) The term “DFARS” shall mean the Department of Defense Supplement to the Federal Acquisition Regulation.
- (e) The term “FAR” shall mean the Federal Acquisition Regulation.
- (f) The term “Government” shall mean the United States Government and includes, without limitation, the Department of Defense and any units within or affiliated with the Department of Defense, its representatives and designees.
- (g) The term “Prime Contract” shall mean the agreement between Buyer and the Government Contract pursuant to which this Purchase Order is issued.
- (h) The term “Prime Contract Items” means the items Buyer will be furnishing to the Government under the Prime Contract inclusive of both goods and services.
- (i) The term “this Purchase Order,” “this Subcontract,” or “this Contract” shall mean this agreement between Buyer and Seller, which is composed of Buyer’s Purchase Order, these Standard Terms and Conditions, and, if applicable, Specifications and any other agreements between Buyer and Seller pertaining to this Purchase Order whether incorporated by reference or otherwise, if such agreements are listed on Buyer’s Purchase Order as being applicable to this Purchase Order.
- (j) The term “Seller” shall mean the person, firm, or other entity responsible for providing the goods, services or both required by this Purchase Order.
- (i) The term “Specifications” includes the drawings, technical requirements, specifications, samples, product descriptions, and all other technical data provided by Buyer to Seller describing the Contract Products. In the event of a conflict between the drawings and the specifications, the specifications shall govern.

ARTICLE 3. PROCEDURES GOVERNING THIS PURCHASE ORDER

- (a) Formal acceptance of this Purchase Order is required by signing the acceptance copy of the Purchase Order and promptly returning same to Buyer. However, notwithstanding Seller’s failure to sign this Purchase Order, any commencement of work, including preparations for the performance of work, by Seller under this Purchase Order shall constitute Seller’s acceptance.
- (b) If this Purchase Order is construed to be an offer, this offer expressly limits acceptance to the terms of the offer and notification of objection is hereby given to any additional or different terms. If this Purchase Order is construed to be an acceptance, this acceptance is expressly conditioned on Seller’s assent to any additional or different terms.
- (c) Identification marking of individual parts within the systems, equipment, assemblies, subassemblies, components, groups, sets, or kits, and of spare and repair parts shall be done in accordance with applicable Specifications.
- (d) The parts of this Purchase Order are intended to explain each other and anything contained

in one part shall be deemed to be contained in the entire Purchase Order. Seller shall immediately notify Buyer if any discrepancy, difference, or conflict exists between the provisions or the parts of this Purchase Order. Silence of one part relative to any details shown in another part or failure of one part to depict all details covered by another part shall not be considered an inconsistency. In resolving any inconsistency between any parts of this Purchase Order, the order of precedence shall be as follows:

- (i) Typed provisions on the face of this Purchase Order;
 - (ii) These Standard Terms and Conditions to Purchase Order;
 - (iii) Specifications that are made a part of this Purchase Order; and
 - (iv) Any other agreements between Buyer and Seller pertaining to this Purchase Order whether incorporated by reference or otherwise, if such are listed on the Purchase Order as being applicable to this Purchase Order.
- (e) This Purchase Order contains the entire agreement of the parties and integrates, merges and supersedes all prior offers, discussions, negotiations and agreements concerning the subject matter hereof and shall not be amended except in a writing signed by both parties.
- (f) If this Purchase Order references any Specification or other document that was not provided to Seller by Buyer for whatever reason, then if said Specification or other document is not available through open source or other commercially available means, it is Seller's responsibility to request same from Buyer in writing and Buyer shall provide either same or the means to obtain same to Seller within ten (10) business days from receipt of such request. Seller's initiation of work without said Specification or other document shall constitute a waiver of any defense Seller may have to assert it was not bound by said Specification or other document.

ARTICLE 4. STANDARDIZATION

All Contract Products provided by Seller in multiples, on this and subsequent Purchase Orders for additional shipsets, shall be identical in every way except as may be agreed in writing and in advance by Buyer. Any changes in the configuration of the Contract Products shall be the subject of a change and the Purchase Order shall be modified accordingly. Seller shall not provide Contract Products that are not identical without prior written approval of Buyer. Seller shall use sound procurement practices in furtherance of this standardization objective and shall include the substance of this Article in its lower-tier subcontracts.

ARTICLE 5. INSPECTION BY BUYER OR GOVERNMENT

- (a) All supplies (which term throughout this Article includes without limitation raw material, components, intermediate assemblies, and Contract Products) shall be subject to inspection and test by Buyer and/or the Government to the extent practicable at all times and places including the period of manufacture or construction, and in any event, prior to expiration of the Warranty Period.
- (b) If any supplies (or lots of supplies) are defective in material or workmanship or otherwise not in conformity with the requirements of this Purchase Order, Buyer and/or the Government shall have the right to reject them (with or without the instructions as to their disposition) or to require their correction. Supplies rejected prior to delivery as not conforming to this Purchase Order and

any defects which develop after delivery or during the Warranty Period shall, at the election of Buyer and/or the Government, and at Seller's expense, be replaced or corrected either by Buyer and/or the Government or by Seller at the location where the supplies are at time of failure. Buyer and/or the Government will, whenever practicable, afford Seller an opportunity to examine the defective supplies before they are replaced or corrected.

(c) Supplies or lots of supplies which have been rejected or required to be corrected shall be removed, if permitted or required by Buyer and/or the Government, or corrected in place by, and at the expense of, Seller promptly after notice and shall not thereafter be tendered for acceptance unless the former rejection or requirement of correction is disclosed. All replacements or corrections made by Seller shall be accomplished at no increase in Purchase Order price. If Seller fails either promptly to remove such supplies or lots of supplies which are required to be removed or promptly to replace or correct such supplies Buyer may (i) by contract or otherwise replace or correct such supplies and equitably reduce the Purchase Order price; or (ii) terminate this Purchase Order for default as provided in the Article of this Purchase Order entitled "Default." Unless Seller corrects or replaces such supplies within the required delivery schedule, Buyer and/or the Government may require delivery of such supplies and equitably reduce the Purchase Order price.

(d) If any inspection or test is made by Buyer and/or the Government on the premises of Seller, then Seller, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. If inspection or test is made at a point other than the premises of Seller or of Seller's subcontractor, Buyer's cost of inspection shall be at Buyer's expense except as otherwise provided in this Purchase Order; provided, that in the case of rejection Buyer shall not be liable for any reduction in the value of samples used in connection with such inspection or test. All inspections and test by Buyer shall be performed in such a manner as not to unduly delay the work. Buyer reserves the right to charge Seller any reasonable additional cost of Buyer's inspection and test when supplies are not ready at the established time for such inspection or test or when re-inspection or re-test is necessitated by prior rejection. Acceptance or rejection of the supplies shall be made as promptly as practicable after delivery, except as otherwise provided in the Purchase Order; provided, however, that any failure to inspect and accept or reject supplies shall neither relieve Seller from responsibility for such supplies that are not in accordance with the Purchase Order requirements nor impose liability on Buyer therefore.

(e) The inspection and test by Buyer of any supplies or lots thereof does not relieve Seller from any responsibility regarding defects or other failures to meet any Purchase Order requirements, which may be discovered prior to expiration of the Warranty Period.

(f) Seller shall provide an inspection system acceptable to Buyer prior to start of fabrication and maintain such inspection system throughout fabrication. This system shall be in effect at the start of each phase of the fabrication of each shipset of supplies. Records of all inspection work by Seller shall be kept complete and available to Buyer during the performance of this Purchase Order and until expiration of the Warranty Period or for such longer period as may be specified elsewhere in this Purchase Order. Seller shall tender to Buyer for acceptance only supplies that have been inspected in accordance with the inspection system and have been found by Seller to be in conformity with Purchase Order requirements. Seller shall provide Buyer copies of inspection records within ten (10) business days of receiving Buyer's written request for same.

(g) Acceptance shall not be final with respect to any Contract Products that contain latent defects.

ARTICLE 6. EFFECT OF APPROVAL BY BUYER

Approval of drawings, other technical data, and substitute materials by Buyer shall not relieve Seller of its responsibility to furnish the Contract Products in strict accordance with the Specifications and provisions of the Purchase Order. No waiver by Buyer of any breach by Seller shall constitute a waiver of any subsequent breach of the same or of any other obligation. No payment made by Buyer shall constitute an acceptance or approval of any defective or unsatisfactory material or workmanship by Seller, nor shall it affect the rights of Buyer or the Government later to reject the same or enforce its rights under the Warranty clause.

ARTICLE 7. LIABILITY OF SELLER WITH RESPECT TO CONTRACT PRODUCTS

IN CONSIDERATION OF THE AWARD OF THIS CONTRACT AND/OR THE PAYMENT OF THE FIRST ONE HUNDRED DOLLARS (\$100.00) IN COMPENSATION, SELLER AGREES TO THE FULLEST EXTENT PERMITTED BY LAW, TO DEFEND, INDEMNIFY, AND HOLD HARMLESS BUYER, THE GOVERNMENT, AND THEIR AGENTS, DIRECTORS, OFFICERS, SERVANTS, AND EMPLOYEES (INDIVIDUALLY AND COLLECTIVELY REFERRED TO AS AN "INDEMNIFIED PARTY"), AGAINST ALL ALLEGATIONS, COMPLAINTS, LIABILITY, LAWSUITS, ARBITRATIONS, FINES, ADMINISTRATIVE ACTIONS, CLAIMS, DEMANDS, OR JUDGMENTS (ALL OF WHICH HEREINAFTER ARE REFERRED TO AS "CLAIMS") FOR DAMAGES OF ANY SORT INCLUDING, WITHOUT LIMITATION, CLAIMS FOR PERSONAL INJURY, WRONGFUL DEATH, DEFECTIVE WORK, LOSS OF OR DAMAGE TO PROPERTY, NON-PAYMENT, BREACH OF CONTRACT, AND ANY OTHER CLAIMS MADE THAT ARISE OUT OF, RESULT FROM, OR ARE IN CONNECTION WITH THE PERFORMANCE OR NON-PERFORMANCE OF ANY OF THE WORK DONE OR MATERIALS OR EQUIPMENT PROVIDED BY SELLER OR ITS EMPLOYEES OR ITS VENDORS OR SUBCONTRACTORS OR THEIR EMPLOYEES. SELLER SHALL NOT BE OBLIGATED TO DEFEND OR INDEMNIFY THE INDEMNIFIED PARTY WITH RESPECT TO THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE INDEMNIFIED PARTY FOR ANY CLAIMS THAT DO NOT IN ANY WAY RELATE TO THE PERFORMANCE OR NON-PERFORMANCE OF ANY WORK BY SELLER. THIS DEFENSE AND INDEMNITY OBLIGATION SHALL REQUIRE SELLER TO DEFEND AND INDEMNIFY AN INDEMNIFIED PARTY EVEN IF A CLAIM AGAINST THE INDEMNIFIED PARTY ARISES OUT OF INJURIES TO EMPLOYEES OF SELLER OR SELLER'S VENDORS OR SUBCONTRACTORS.

ARTICLE 8. CHANGES

- (a) Buyer may, at any time, by a written order, and without notice to the sureties, make changes within the general scope of this Purchase Order in any one or more of the following:
 - (i) description of services to be performed;
 - (ii) time of performance (i.e., hours of the day, duration, days of the week, etc.);

- (iii) place of performance of the services;
- (iv) drawings, designs, or specifications where the supplies to be furnished are to be specifically manufactured for Buyer;
- (v) method of shipment or packing; and
- (vi) place of delivery.

If any such change causes a contractually allowable increase or decrease in the cost of, or the time required for the performance of any part of the work under this Purchase Order, whether changed or not changed by written order, equitable adjustment shall be made in the Purchase Order price or delivery schedule, or both, and the Purchase Order shall be modified in writing accordingly. Any claim by Seller for adjustment, including an adjustment under this Article or an equitable adjustment, must be asserted in a signed writing to Buyer within thirty (30) days from the date of receipt by Seller of the notification of change. Seller acknowledges that failure to provide Buyer with such notice within this 30-day period shall in and of itself be deemed to prejudice Buyer and shall constitute a waiver of same. However, Buyer, if it decides in its sole discretion that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this Purchase Order. Where the cost of property made obsolete or excess of a change is included in Seller's claim for adjustment, Buyer shall have the right to prescribe the manner of disposition of such property. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this Purchase Order entitled "Disputes Between Buyer and Seller." However, nothing in this Article shall excuse Seller from proceeding diligently with performance of the Purchase Order as changed.

In the event that Seller makes a claim for adjustment, Seller must submit all documentation justifying both entitlement and amount of compensation increase within ten (10) business days after submission of any such request by Seller. Seller shall substantiate its claim with payroll documents, paid invoices, receipts, contemporaneous cost reports, original estimate calculations, records of performance and other documents satisfactory to Buyer and the Government and subject to Buyer's verification.

Buyer shall not be liable for, and Seller hereby waives, any potential claim for adjustment. Buyer shall not be bound to any adjustment in the contract amount or scheduled time unless expressly agreed to by Buyer in writing.

(b) In addition to issuing changes pursuant to (a) above, Buyer, may, from time to time, request Seller to evaluate the technical and cost effect of proposed changes. Within twenty (20) days from the date of receipt of any such request, Seller shall submit the proposed scope of work, plans, sketches, and a firm proposal, good for at least one hundred twenty (120) days, of (i) the cost, (ii) configuration, weight, mechanical and electrical characteristic changes to the products, (iii) effect on delivery or other Purchase Order terms, (iv) status of work on the products as projected for a one hundred twenty (120) day period, and (v) the cost, including profit, of preparing the estimate. If a separate proposal for preparing the estimate for a change is not provided by Seller concurrently with the change proposal, Seller shall waive all rights to compensation for this effort. Within one hundred twenty (120) days, or such further period as may be mutually agreed, Seller agrees to enter into a supplemental agreement covering the estimate as submitted, or, at Buyer's opinion, enter into good faith negotiations leading to the execution of a supplemental agreement, or reject the proposal. In any case, Seller shall be entitled to equitable adjustment in the Purchase Order price, including

profit, for the effort required to prepare the estimate subject to the above limitation. Pending execution of supplemental agreement, or direction pursuant to (a) above, Seller shall proceed diligently with performance without regard to the proposed change. Seller shall not be entitled to delay in delivery or amendment of any terms of this Purchase Order as a consequence of preparing proposals which are subsequently rejected.

ARTICLE 9. DEFAULT

(a) Buyer may, by written notice of default to Seller, terminate the whole or any part of this Purchase Order in any one of the following circumstances:

- (i) If Seller fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof.
- (ii) If Seller fails to perform any of the other provisions of this Purchase Order, or so fails to make progress as to endanger performance of this Purchase Order in accordance with its terms and in either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as Buyer may authorize in writing) after receipt of notice from Buyer specifying such failure.

(b) In the event Buyer terminates this Purchase Order, in whole or in part, as provided in paragraph (a) of this Article, Buyer may procure, upon such terms and in such manner as Buyer may deem appropriate, supplies or services similar to those so terminated and Seller shall be liable to Buyer for any excess costs for such similar supplies or services; provided, that Seller shall continue the performance for this Purchase Order to the extent not terminated under the provisions of this Article. In addition to its other remedies, Buyer may, with respect to work terminated as permitted in this Article, proceed with the completion of the Contract Products at such plant or plants, including that of Seller, as may be designated by Buyer. If the Contract Products are to be completed at Seller's plant, Buyer may use all tools, machinery, facilities and equipment of Seller determined by Buyer to be necessary for that purpose. In addition, Buyer shall have the right to remove its materials from Seller's facility and use Seller's tools and equipment to do so. If the cost to Buyer of the Contract Products therefore so procured or completed exceeds the price fixed for such Contract Products in the Purchase Order, Seller or its surety, if any, shall be liable to Buyer for such excess.

(c) If the Purchase Order is terminated as provided in paragraph (a) of this Article, Buyer, in addition to any other rights provided in this Article, may require Seller to transfer title and deliver to Buyer or the Government in the manner and to the extent directed by Buyer:

- (i) any completed supplies, and
- (ii) such partially completed supplies and material, parts, tool, dies, jigs, fixtures, plans, drawings, information and Purchase Order rights (hereinafter called "manufacturing materials") as Seller has specifically produced or specifically acquired for the performance of such part of this Purchase Order as has been terminated. In the event of any such termination, Seller shall, upon direction of Buyer, protect and preserve property in the possession of Seller in which Buyer has an interest. Payment for completed supplies

delivered to and accepted by Buyer shall be the Purchase Order price. Payment for manufacturing materials delivered to and accepted by Buyer and for the protection and preservation of property shall be in an amount agreed upon by Seller and Buyer. Buyer may withhold from amounts otherwise due Seller for such completed supplies or manufacturing material such sum as Buyer determines to be necessary to protect Buyer against loss because of outstanding liens or claims of former lien holders. Failure of the parties to agree to such amount shall be a dispute concerning a question of fact within the meaning of the Article of this Purchase Order entitled "Disputes Between Buyer and Seller."

(d) If, after notice of termination of this Purchase Order under the provisions of this Article, it is determined for any reason that Seller was not in default under the provisions of this Article, or that the default was excusable under the provisions of this Article, the rights and obligations of the parties shall be as follows:

If the Purchase Order contains an Article providing for termination for convenience of the Government or Buyer, such rights and obligations shall be governed by that Article as if the required notice of termination has been given; if the Purchase Order does not contain such an Article, the Purchase Order shall be equitably adjusted to compensate for such termination and the Purchase Order modified accordingly. Failure of the parties to agree to any such adjustment shall be a dispute concerning a question of fact within the meaning of the Article of this Purchase Order entitled "Disputes Between Buyer and Seller."

(e) The rights and remedies of Buyer provided in this Article shall not be exclusive, and are in addition to any other rights and remedies provided by law or under this Purchase Order.

(f) In the event of Termination of this Purchase Order for Default, all of Seller's subcontracts may, at the option and in the sole discretion of Buyer, be fully assignable to Buyer. Buyer has the right, but not the obligation, to accept any such assignment.

ARTICLE 10. TERMINATION FOR CONVENIENCE

Buyer, by written notice, may terminate this Contract, in whole or in part, for convenience when it is in Buyer's interest to do so. If this Contract is terminated for convenience, the rights, duties, and obligations of the parties, including compensation to Seller, shall be in accordance with FAR clause 52.249-2, Termination for Convenience of the Government, as well as Part 49 of the Federal Acquisition Regulation in effect on the date of this Purchase Order.

ARTICLE 11. EFFECT OF DISPUTES UNDER THE PRIME CONTRACT

(a) Any decision adverse to Seller by the Government under the Prime Contract relating to any portion of the Prime Contract that has been incorporated into this Purchase Order and that binds Buyer shall likewise bind Seller, provided:

(i) Buyer promptly notifies Seller of the decision; and

(ii) if requested by Seller, Buyer appeals the decision in accordance with the disputes provisions of the Prime Contract and takes whatever further action is required under that Article and is

requested by Seller.

(b) Any other decision of the Government under the Prime Contract concerning a provision of the Prime Contract that has been incorporated into this Purchase Order that is binding on Buyer and cannot be appealed under the disputes procedure noted in (a) above shall also bind Seller. A final judgment in any such proceeding shall be conclusive upon Seller.

(c) In any claim, suit, or appeal prosecuted by Buyer under this Article, Seller shall be permitted to participate fully for the purpose of protecting its interest and, if requested by Buyer, shall assume the burden of carrying forward any claim, suit, or appeal initiated by Buyer at Seller's request. All costs and expenses incurred by Seller and Buyer in prosecuting any claim, suit, or appeal or proceeding of any kind initiated at Seller's request shall be at Seller's expense and Seller shall promptly reimburse Buyer of any costs it incurs in complying with Seller's requests under this Article.

(d) Pending any final decision, pursuant to this Article, Seller shall proceed diligently with performance of this Purchase Order.

(e) To the extent that the Government withholds from payments due Buyer a portion of the Prime Contract price because of delays or deficiencies in Buyer's performance of the Prime Contract that may be attributable to delays or deficiencies in Seller's performance of the Purchase Order, Buyer shall have the right to withhold or deduct from payments due Seller an equivalent portion or amount. Nothing in this subparagraph (e) is intended to preclude or curtail Seller's right to request, in good faith, Buyer to appeal or otherwise seek review of the Government's decision to withhold or deduct a portion of the Prime Contract price due to delays or deficiencies for which Seller may be responsible, and refusal of Buyer to appeal or otherwise seek review will be subject to resolution pursuant to the "Disputes Between Buyer and Seller" Article of this Purchase Order.

ARTICLE 12. DISPUTES BETWEEN BUYER AND SELLER

(a) The validity, interpretation, performance, and enforcement of this Purchase Order shall be governed by and construed in accordance with the laws of the State of Illinois without regard to its conflict of law provisions. This Purchase Order shall be construed as having been drafted and prepared by both parties. The parties hereby (i) submit to the sole and exclusive jurisdiction of the State Courts of Illinois and the Federal Courts of the United States of America for the Northern District of Illinois for the purpose of any action or proceeding arising out of or relating to this Purchase Order, (ii) agree that all claims in respect of any such action or proceeding shall be heard and determined in such courts. Each party hereby irrevocably waives any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Contract brought in any such court, and hereby further irrevocably waives any claim that any such suit, action or proceeding brought in such court has been in an inconvenient forum. The parties waive trial by jury with respect to any proceedings involving this Purchase Order. The prevailing party shall be entitled to its reasonable attorney fees and costs incurred from the non-prevailing party.

(b) Any claim by Seller must be submitted to Buyer in writing no later than ninety (90) days after the events which gives rise to the claim. Claims in excess of \$10,000 shall contain the

following certification signed by an officer or principal of Seller:

“I certify that the claim is made in good faith; that the supporting data are accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the contract adjustment for which both I and my employer believe Buyer is liable; and that I am duly authorized to certify the claim on behalf of my employer.”

(c) Failure to submit a claim within such time frame and with such certification if the claim exceeds \$10,000 shall constitute a waiver of such claim and Seller shall be forever barred from asserting said claim against Buyer in any court, provided, however, that Buyer may recognize an otherwise time-barred claim when the circumstances, in Buyer’s sole discretion, warrant it doing so.

ARTICLE 13. TAXES

Seller shall pay, as a cost to Seller, all federal, state, county, city, and other taxes, assessments, and duties lawfully assessed or levied on the Contract Products prior to delivery to Buyer.

ARTICLE 14. COMPLIANCE WITH ALL APPLICABLE LAWS

Seller shall comply with the provisions of the Fair Labor Standards Act of 1938, as amended, the Occupational Safety and Health Act of 1970, and all other applicable Federal, State and local laws, regulations, rules, and ordinances. Buyer is an Equal Opportunity Employer and in accordance with all applicable laws and Executive Orders does not discriminate against any employee or applicant for employment because of race, religion, sex, or national origin, with which Seller shall comply. Unless this Order is otherwise exempt, Seller must comply with the following regulations: Executive Order 11246; Section 503 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act (42 U.S.C. 12111 et seq.); and the Vietnam Era Veterans Readjustment Assistance Act (VEVRAA) of 1974 (38 U.S.C. 4212 et seq.). Further, Seller certifies by acceptance of this Order that to the extent applicable, Seller complies with the equal opportunity, affirmative action, and employee notice requirements specified in the Equal Opportunity Clauses at 41 CFR 60-1.4 and the Employee Notice Clause at 29 CFR 471 Appendix A to Subpart A, and all related regulations of the Secretary of Labor. Also to the extent applicable, Seller and any of Seller’s and subcontractors shall abide by the requirements of 41 CFR 60-1.4(a), 41 CFR 60-300.5(a) and 41CFR 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. Seller certifies that Seller and any person or firm in Seller’s supply chain is in full compliance with the California Transparency in Supply Chains Act. If Buyer or Buyer’s customer elects to sell Seller’s Contract Products (including supplies, software, documentations or services) to the Government or to a prime contractor selling to the Government, the Contract Products are “commercial items” as that term is defined at 48 C.F.R. 2.101. Seller will comply with provisions of FAR 52.244-6, Subcontracts for Commercial Items and Commercial Components. Should Government end users acquire Contract Products that consist of “commercial computer software” and “commercial computer software documentation” as such terms are used in 48 C.F.R. 12.212, their rights will be consistent with those rights set forth in 48 C.F.R. 12.212 which generally

limits their rights to the licenses customarily provided by Seller to the public. Seller will also comply with the provisions of DFARS 252.211.7003. Seller also certifies that any items subject to DFARS 252.225-7012, 7014 and 7015 (Alt 1), Preference for Domestic Specialty Metals, as well as DFARS 225.001 et seq. preference for fibers and yarns manufactured in a Qualified Country, and any other Berry Amendment (10 U.S.C. 2533a) provisions or other applicable federal statutes are in fact fully compliant with all such domestic sourcing regulations, and Seller agrees to defend, indemnify and hold harmless Buyer and any Buyer customer from any action, liability, penalty or damages relating in any way to Seller's Contract Products if not so compliant with all such laws and regulations referred to in this Article 19.

ARTICLE 15. WARRANTIES

(a) Notwithstanding inspection and acceptance by Buyer or any provision concerning the conclusiveness thereof, Seller warrants that all Contract Products will, at the time of acceptance, be free from defects in workmanship and conform to the requirements of this Contract. All warranties of Seller, whether created expressly by law or by the Uniform Commercial Code as adopted in Illinois, including without limitation the warranties of merchantability and fitness for a particular purpose, are incorporated herein by reference and shall include, but are not limited to, the following express warranties:

- (i) The Contract Products shall comply with any and all Specifications furnished to Seller by Buyer, and/or the Government; and
- (ii) The Contract Products shall be merchantable, of good material and workmanship, free from defects, and fit for the intended purpose of Buyer and/or the Government

(b) If Seller is required to correct or reperform, it shall be at no cost to Buyer, and any services corrected or reperformed by Seller shall be subject to this clause to the same extent as work initially performed. If Seller fails or refuses to correct or reperform, Buyer may, by contract or otherwise, correct or replace with similar services and charge to Seller the cost occasioned to Buyer thereby, or make an equitable adjustment in the contract price.

(c) If Buyer does not require correction or reperformance, Buyer shall make an equitable adjustment in the contract price.

(d) The Warranty Period for the Contract Products delivered under this warranty is the longer of (i) any Warranty Period set forth in the Specifications or in the Purchase Order; or (ii) twelve (12) months of unrestricted use by the Government of the Prime Contract Items in which the Contract Products are installed. The Warranty Period shall be extended for any period in which the Contract Products furnished are unavailable for unrestricted use due to failure or defect.

(e) If the Contract Products are software or design data the Warranty Period shall be thirty six (36) months from acceptance by the Government of the Prime Contract Items to which the Contract Products relate. If the Contract Products are spares or services, the Warranty Period shall be (i) any Warranty Period set forth in the Specifications or in the Purchase Order; or (ii) twelve (12) months from acceptance by the Government of the Prime Contract Items to which the Contract Products spares or services relate.

ARTICLE 16. DATA RIGHTS AND MARKINGS ASSERTED BY SELLER

(a) Seller agrees to provide the technical data for the Contract Product(s) as required by any laboratory that Buyer selects to inspect and/or test the Contract Product(s). Seller shall deliver the technical data to the laboratory within ten (10) days of receiving Buyer’s written request to make such delivery, subject to the laboratory entering into a nondisclosure agreement with Seller that contains reasonable terms as reflected by industry practice. In the event Seller delivers any technical data to Buyer with other than Unlimited Rights, Seller hereby authorizes Buyer to disclose such technical data as required by the laboratory to inspect and/or test the Contract Product(s), subject to the laboratory and Buyer executing Buyer’s standard nondisclosure agreement.

ARTICLE 17. MOST FAVORED CUSTOMER ASSURANCE

Seller agrees that the prices for the supplies or services furnished under this Purchase Order are as low or lower than those charged to Seller’s most favored customer for comparable quantities under similar terms and conditions, in addition to any discounts for prompt payment.

ARTICLE 18. INSURANCE/ENTRY ON BUYER PROPERTY

(a) In the event that Seller, or its employees, agents, or subcontractors, enters the premises of Buyer, for any reason in connection with this Purchase Order then Seller, and its subcontractors shall procure and maintain for the performance of this Purchase Order insurance as will protect Buyer from claims from Seller’s employees or its subcontractors or claims from third parties which may arise out of or as a result from Seller’s operations under this Purchase Order, whether such operations be by Seller or by any of its subcontractors or by anyone directly or indirectly employed by either of them, or by anyone for whose acts they may be liable. Said coverage shall include, but not be limited to any insurance required by State, Federal, and local laws and:

- (i) Statutory Workers’ Compensation Insurance and Employer’s Liability Insurance
 - (1) Coverage: Such insurance shall cover liability arising out of Seller’s employment of workers, subcontractors, and/or anyone for whom Seller may be liable for workers’ compensation claims. Workers’ compensation insurance is required, and no “alternative” forms of insurance shall be permitted.
 - (2) Amount of Insurance: Coverage shall be provided with limits of not less than:
 - Workers’ Compensation statutory limits
 - Employer’s Liability \$1,000,000 each accident
\$1,000,000 disease/each disease
\$1,000,000 disease/policy limit
 - Defense Base Act statutory limits
 - (3) Required Endorsements:
 - Waiver of Subrogation in favor of Buyer, its parent, subsidiaries, affiliated and interrelated companies and their officers, directors and employees;
 - Where applicable, Alternate Employer Endorsement in favor of Buyer, its

parent, subsidiaries, affiliated and interrelated companies and their officers, directors and employees; and

- Thirty (30) days advanced written notice of any coverage cancellation, suspension, non-renewal, or material changes.

(ii) Commercial General Liability Insurance

- (1) Coverage: Such insurance shall cover liability arising out of the operations of Seller, but not necessarily limited to liability assumed under this Contract. Damages to Rented Premises coverage is required if Seller leases space from Buyer, its parent, subsidiaries, and affiliated or interrelated companies. Defense shall be as an additional benefit and not included within the limits of liability.
- (2) Form: Commercial General Liability Occurrence form (at least as broad as an unmodified ISO Form CG 00 01 10 93 or its equivalent).
- (3) Amount of Insurance: Coverage shall be provided with limits of not less than:
 - Each Occurrence Limit \$1,000,000
 - General Aggregate Limit \$2,000,000
 - Products-Completed Operations Aggregate Limit \$2,000,000
 - Personal and Advertising Injury Limit each occurrence \$1,000,000
 - Damages to Rented Premises Limit each occurrence \$100,000
 - Medical Expense Limit for any one person \$5,000
- (4) Required Endorsements:
 - Naming as Additional Insured Buyer and its parent, subsidiaries, affiliated and interrelated companies and their officers, directors and employees;
 - Additional Insured status shall be provided on ISO Form 20 10 11 85 or its equivalent;
 - Waiver of Subrogation in favor of these parties such that the insurer and Seller waive any right to subrogation;
 - Contractual Liability, including Personal Injury;
 - Primary Liability: Coverage as respects the Additional Insureds shall be endorsed to be primary and non-contributory to any other insurance available to Buyer and Buyer's policy shall be considered excess and non-contributory to Seller's policy;
 - Contain a "Separation of Insured" provision, but shall not contain a "Cross-Suits Exclusion" Provision. The general aggregate limit shall be on a per ship basis (not a per policy basis); and
 - Thirty (30) days advanced written notice of any coverage cancellation, suspension, non-renewal, or material changes.
- (5) Continuing Products-Completed Operations Insurance: Seller shall maintain such insurance in identical coverage, form and amount, including required endorsements, for at least two (2) years following Date of Substantial Completion of the Work to be performed under this Contract.

- (b) All premiums, retentions, and/or deductibles shall be at the sole cost and expense of Seller. . All policies required under this Article must be written by carriers with A.M. Best rating of “A-, VII” or better and licensed to do business in the state where services are to be performed.
- (c) The insurance coverage afforded to the Additional Insureds shall be as broad as the coverage afforded to the named insured.
- (d) To the fullest extent allowed by law and contract, Seller’s insurance shall provide coverage to Buyer to the same level and extent as Seller’s indemnity obligations to Buyer as provided in this Contract.
- (e) The words “endeavor to” and “but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives” do not apply and/or have been struck from any certificate(s) of insurance.
- (f) No endorsement shall restrict or otherwise attempt to limit the protection afforded coverage under the Products-Completed Operations Coverage to the Additional Insureds.
- (g) Prior to performing the work, Seller shall furnish Buyer with a certificate or certificates on the standard ACORD Form evidencing the insurance coverage above required and, upon request, shall furnish Buyer certified copies of all such policies.
- (h) All certificates of insurance denoting the required coverage naming TECH GLOBAL, INC., and any of its affiliates, officers, directors and employees shall be mailed to:

TECH GLOBAL, INC.
2759 Pinnacle Drive
Elgin, IL 60124
Attn: Risk Manager

- (i) If access to Buyer’s facility is required on an emergent basis and Seller does not have a certificate of insurance on file with Buyer or Buyer’s agent, the individual requiring access to Buyer’s facility should bring a copy of the certificate of insurance for submittal to Buyer prior to access being granted.
- (j) Upon Buyer’s request, Seller shall provide Buyer with endorsement(s) and/or certificate(s) of insurance confirming the foregoing requirements.
- (k) In no event shall any failure of Buyer to receive endorsements and/or certificates of policies required under this Article or to demand receipt of such endorsements and/or certificates prior to Seller’s commencement of performance under the Purchase Order be construed as a waiver by Buyer of Seller’s obligations to obtain insurance pursuant to this Article. Failure by Seller to obtain insurance shall not relieve Seller of any duty of defense or indemnity provided by this Contract.
- (l) If Buyer is damaged by the failure of Seller to purchase or maintain insurance required under this Article, then Seller shall bear all reasonable costs (including attorney fees and court and settlement expenses) properly attributable to the failure.

(m) If a “claims-made” insurance policy is maintained, Seller shall maintain such policy for two (2) years after the expiration date of this Agreement or completion of all Work, whichever is later. The retroactive date must precede the commencement of the Work under this Agreement.

ARTICLE 19. ASSIGNMENT

This Purchase Order may not be assigned by Seller without the prior written consent of Buyer. Payments to Seller may be assigned to a financial institution provided Buyer is promptly furnished a signed copy of such assignment reasonably in advance of the due date for payment of such amounts.

ARTICLE 20. EXPORT CONTROLS

Seller agrees to comply with all applicable U.S. export control laws and regulations including, but not limited to, the Arms Export Control Act, 22 U.S.C. 2751-2794, the International Traffic in Arms Regulation, 22 CFR 120, et seq., and the Export Administration Regulations, 15 CFR 730-774. Seller shall notify Buyer if any deliverable under this Purchase Order is restricted by export control laws or regulations. Seller agrees to indemnify Buyer, its officers, directors, agents, employees or customers for all costs and expenses associated with Seller’s violation of this Article.

ARTICLE 21. SEVERABILITY

Each Article and provision of this Purchase Order is severable and if one or more Articles are declared invalid the remaining Articles or provisions in this Purchase Order shall remain in full force and effect.

ARTICLE 22. SURVIVABILITY

If this Purchase Order expires or is terminated, the following Articles shall survive: 1, 7, 11-16, 18, 20, 24-25, 27, 29, and those FAR/DFARS clauses which by their nature should survive.

ARTICLE 23. COMMUNICATION WITH DARLEY CUSTOMER

Buyer shall be solely responsible for all liaison and coordination with its customer, including the Government, as it affects the Prime Contract, this Contract, and any related contract.

Unless otherwise directed in writing by an authorized representative of Buyer, all documentation requiring submittal to, or action by, Buyer’s customer shall be routed to, or through, Buyer’s authorized representative, or as otherwise permitted by this Contract.

ARTICLE 24. COMPUTER SOFTWARE AND/OR COMPUTER DATABASE(S)

Unless otherwise agreed in writing, any license agreement governing the use of any computer software to be delivered as a result of this Purchase Order must be paid-up and perpetual, or so nearly perpetual as to allow the use of the computer software or computer data base with the equipment for which it is obtained, or any replacement equipment, for so long as such equipment is used. Otherwise the computer software or computer database does not meet the minimum functional

requirements of this Contract. In the event that there is any routine to disable the computer software or computer database after the software is developed for or delivered to Buyer and/or the Government, that routine shall not disable the computer software or computer database until at least twenty-five (25) calendar years after the delivery date of the affected computer software or computer database to the Government.

ARTICLE 25. SPARE PARTS AND LOGISTIC SUPPORT

(a) This requirement applies whenever the contract Specifications, by reference to a Military Specification or otherwise, specify repair parts or stock components (hereinafter called “repair parts”) for a component or item of equipment.

(b) With respect to components or equipment manufactured other than in the United States or Canada, Seller agrees that, in addition to any other data required by this Purchase Order, it will furnish under this Purchase Order sufficient data so that the repair parts can be reproduced in the United States or Canada unless the suppliers of the components or equipment shall have made arrangements satisfactory to Buyer and approved by the Government for the manufacturing of repair parts in the United States or Canada. For the purpose of this requirement, “sufficient data” shall mean detail drawings and other technical information sufficiently extensive in detail to show design, construction, dimensions, and operation or function, manufacturing methods or processes, treatment or chemical composition of materials, plant layout and tooling. All data shall be in the English language and according to the United States system of weights and measures, and drawings for components, assemblies, subassemblies and parts protected by U.S. patents shall contain a prominent notation to that effect fully identifying the patent or patents involved, and bearing the number of this Purchase Order.

(c) In order to satisfy the requirements of paragraph (b), above, unless Seller shall have made arrangements, satisfactory to Buyer and approved by the Government, for the manufacture of such repair parts in the United States or Canada, Seller shall include in all subcontracts for the purchase of components or equipment from foreign sources a clause, acceptable to the Government, granting to the Government for a period of seven (7) years, “Government Purpose Rights”, as defined in DFARS 252.227-7013(a)(12), in all technical data necessary to manufacture spare and repair parts for such components or equipment.

ARTICLE 26. TECHNOLOGY ENHANCEMENT

Seller shall implement a technology enhancement program to include technology upgrades, technology refreshment, and/or technology insertion to ensure that Seller furnished subsystems, equipment, and software are not technologically obsolete at delivery over the term of this Contract. Prior to the award of initial and option orders, Seller agrees to provide a certificate of identity and a certificate stating the Contract Products will not be obsolete as defined below. Technology shall be considered to be obsolete with current technology if any one of the following criteria is met:

- Products not in production or expected to be phased out of production by the original equipment manufacturer within two (2) years following delivery.
- Products no longer commercially supported or any component without a Seller documented plan to support for seven (7) years following delivery.

- Products whose maintenance costs exceed replacement costs with current technology.

When authorized by Buyer, Seller shall provide any software changes, technical upgrades or version updates produced after initial software introduction, and shall ensure those changes are installed in the applicable system/equipment before delivery. These changes shall also be reflected in Seller furnished applicable documentation or manuals.

ARTICLE 27. REFUNDS (SPARES AND SUPPORT EQUIPMENT)

(a) In the event that the price of a spare part or item of support equipment delivered under this Contract significantly exceeds its intrinsic value, Seller agrees to refund the difference. Refunds will only be made for the difference between the intrinsic value of the item at the time an agreement on price was reached and the contract price. Refunds will not be made to recoup the amount of cost decreases that occur over time due to productivity gains (beyond economic purchase quantity considerations) or changes in market conditions.

(b) At any time up to two (2) years after delivery of a spare part or item of support equipment, Buyer may notify Seller that based on all information available at the time of the notice the price of the part or item apparently exceeds its intrinsic value.

(c) If notified in accordance with paragraph (b) above, Seller agrees to enter into good faith negotiations with Buyer to determine if, and in what amount, Buyer is entitled to a refund.

ARTICLE 28. QUALITY MANAGEMENT SYSTEM REQUIREMENTS

Seller shall provide and maintain a quality management system that meets the requirements imposed by this Contract. The quality management system procedures, planning, and all other documentation and data that comprise the quality management system shall be made available to Buyer for review. Buyer may perform any necessary inspections, verifications, and evaluations to ascertain conformance to requirements and the adequacy of the implementing procedures. Seller shall require of subcontractors a quality management system achieving control of the quality of the services and/or supplies provided. Buyer reserves the right to disapprove the quality management system or portions thereof when it fails to meet the contractual requirements.

ARTICLE 29. APPLICABLE GOVERNMENT CONTRACT CLAUSES

In accepting this Purchase Order, Seller agrees to comply with all provisions of all applicable Government contract clauses, as modified herein. These clauses are contained in FAR or DFARS and are incorporated by reference into this Purchase Order with the same force and effect as if stated in full text, with the following general modifications where appropriate or as context may require:

- (a) The terms “Government” and “United States” shall mean “Buyer” except where the context makes clear, or where, by law or regulation, Seller’s obligation is directly to the Government or United States;
- (b) The term “Contracting Officer” shall mean “Buyer”;
- (c) The term “Contractor” or equivalent shall mean “Seller”; and

(d) The term “Offeror” or equivalent shall mean “Seller.”

Seller shall comply with all clauses under each heading applicable to this Purchase Order. FAR clauses may be accessed on-line at <http://farsite.hill.af.mil/vffara.htm>. DFARS clauses may be accessed on-line at <http://farsite.hill.af.mil/vdfar1.htm>.