



PURCHASE ORDER TERMS

1. **ACCEPTANCE OF THIS ORDER:** This order is an offer by PTEC Solutions, Inc., to purchase goods and/or services from you ("Seller" or "Supplier") on the terms and conditions stated herein. If this order is not accepted, Seller is requested to communicate its rejection promptly, confirming any oral rejection in writing. This order may be accepted by a written notice delivered to Purchaser. If this order specifies (1) the performance of services, and/or (2) the supply of goods to be specifically manufactured for Purchaser, this order must be acknowledged and accepted by Seller in writing within seven (7) calendar days of receipt by Seller or Purchaser may, at its option, cancel this order without notice.
2. **TITLE:** Title to goods covered by this order shall pass to Purchaser at Purchaser's receiving dock (F.O.B. or FCA Purchaser's dock) unless otherwise shown on the face of this order hereof or otherwise agreed in writing by the parties hereto. Passage of title under this provision shall not limit Purchaser's full right of inspection or constitute final acceptance and title to items returned by Purchaser for failure to correspond in any respect with this order shall repass to Seller on delivery of said items or the part thereof being returned, to a carrier.
3. **PACKAGING:** All goods covered by this order shall be suitably packaged or otherwise prepared for shipment so as to secure the lowest transportation rates and to meet the carrier's requirements no charges will be allowed for packaging or crating unless stated in this order. Each container must be clearly marked to show quantity, contents, Seller's name, and the number of this order number. In addition, each container shall be marked with the release order number when requested by Purchaser.
4. **CHANGES:** If the goods or services covered by this purchase order have changed between the time of this order and the last time such goods and services were purchased by Purchaser or if the goods and services covered by this purchase order change or vary during the performance of this purchase order, Seller agrees to notify Purchaser of any material changes or variations in the goods or services so that Purchaser may determine whether the changes may affect the safety and quality of its own goods and services. Unless Seller notifies Purchaser in writing, Seller warrants that each good and service provided to Purchaser is identical in all material aspects.
5. **PRICE:** If no price is stated in this order, the price charged by Seller for goods and services covered hereby shall be the lowest prevailing market price on the date hereof, provided that the price charged by Seller shall not, without the prior written consent of Purchaser, exceed the last quotation received by Purchaser from Seller or the price at which Purchaser last purchased such goods or services from Seller.
6. **RIGHT OF REJECTION:** Purchaser reserves the right to return to Seller, at Seller's expense, goods delivered hereunder which do not meet the terms of this order. Alternately Purchaser may accept the portion of the goods delivered hereunder that conforms and return the balance to Seller at Seller's expense. In such event Purchaser shall pay only the proportionate amount of the total price stated herein that corresponds to the portion accepted regardless of whether such lesser quantity is ordinarily sold at higher price.
7. **DELIVERY:** Time is of the essence for this order and Purchaser may reject goods and services not delivered or furnished on the dates herein specified.
8. **CONTINGENCIES:** If Purchaser fails to take one or more shipments hereunder because of fire, explosions, earthquake, war, flood, accident, interruption or delay in transportation, labor trouble, or any other circumstances of like or different character beyond Purchaser's reasonable control, or partial or complete suspension of operations, then the total quantity covered by this order may be reduced by the extent of the omitted shipment(s) or the specified delivery period extended by a time equal to that during which shipment shall be so omitted.
9. **CANCELLATION:** Purchaser may cancel work under this order in whole or in part at any time on return or telephonic notice. Cancellation shall be without prejudice to any claims which one party may have against the other for work performed or materials supplied up to the date of cancellation.

10. INTELLECTUAL PROPERTY: Seller will exonerate, indemnify, and hold harmless Purchaser from and against any and all liability, damage, cost, or expense (including reasonable attorney fees) which may accrue to or be sustained by Purchaser on account of any claim, suit, or action made or threatened to be brought against Purchaser, Purchaser's affiliates, or Purchaser's customer(s) for actual or alleged infringement or misappropriation of any patent, trade secret, or copyright by reason of the manufacture of goods or provision of service covered by this order by Seller or the resale thereof for a reason known to Seller, and Seller, at Purchaser's request, will defend, at Seller's expense, any such claim, suit, or action. Purchaser shall own and retain all right, title, and interest in and to any intellectual property (including right of priority) or technology conceived, created, or reduced to practice by either party jointly or separately in the course of the performance of this order, and Seller agrees to assign any and all rights to such intellectual property or technology to Purchaser.

11. LAWS AND REGULATIONS: Seller warrants that all commodities delivered pursuant to this order will be produced, sold, and delivered to Purchaser in compliance with all applicable laws and regulations, and Seller particularly warrants to Purchaser that the goods delivered against this order will be produced in strict compliance with the Fair Labor Standards Act, 1983, as amended.

12. NO AGENCY: This order is solely for the purchase of materials and/or services and does not constitute Seller the agent or subcontractor of Purchaser for any purpose. Seller assumes all obligations under all "social security" legislation (e.g., unemployment insurance, old age benefits, or workers' compensation laws) of the United States or any state or other governmental authority with respect to persons employed in the performance of services and/or production of merchandise or material under this order and will indemnify Purchaser against any liability thereof.

13. EXECUTIVE ORDER 11246: The provisions of executive order 11246, as amended, along with the rules and regulations of the Office of Federal Contract Compliance Programs (OFCCP), as well as the Small Business Act, as amended, shall be applicable to this purchase order unless exempted under the orders and regulations issued thereunder.

14. TAXES: The purchase price herein is inclusive of any and all taxes and other governmental charges now imposed or hereafter becoming effective upon the production, sale, shipment or use of the materials specified in this order and Seller agrees to indemnify Purchaser against and reimburse Purchaser for any expenditures Purchaser may be required to make on account of Seller's failure to pay such taxes and other governmental charges.

15. DRAWINGS, PRINTS, AND SPECIFICATIONS: Seller agrees that it will hold all photographs, specifications, drawings, blueprints, or designs (together "Purchaser Designs") or the like supplied by or paid for by Purchaser in confidence and shall not use them for any purpose except the fulfillment of this order without Purchaser's written consent and shall return all copies to Purchaser if so requested. Seller agrees that the Purchaser Designs and any inventions or trade secrets contained therein are the property of Purchaser.

16. TOOLS, DIES, MOLDS, TEST FIXTURES, ETC.: All tools, dies, molds, fixtures, photographs, proofs, printing plates, etc. (together "Purchase Items") supplied for use with this order or paid for by Purchaser shall be the property of Purchaser, and Purchaser may withdraw them from Seller's premises upon demand in writing. Seller agrees to carefully preserve and maintain, in good operating condition, such Purchase Items at all times.

17. INVOICE AND DISCOUNTS: All invoices must be rendered to Purchaser and issued in duplicate, unless otherwise specified. Each invoice must be mailed on the date appearing on the invoice. Invoice must be rendered by the person or business entity, firm, or corporation to which this order is issued. Discount date will be established from the date on which Seller has complied with all terms of this order and delivered an invoice to Purchaser.

18. WARRANTIES: In addition to all warranties, expressed or implied, established by statutes or common law, or elsewhere set forth in this order, Seller hereby expressly warrants that all goods and/or services covered by this order will conform to all specification, drawings, samples, and any other description furnished or adopted by Purchaser, and will be of the best quality and will be fit and sufficient for the purpose intended, merchantable, of good material and workmanship, and free from all patent or latent defects. Purchaser's failure to give notice to Seller of any breach of any warranty shall not discharge Seller's liability for any such breach. The warranties of Seller together with its services warranties and guarantees, if any, shall run to Purchaser and Purchaser's customer(s).

19. INDEMNITY: Seller agrees to assume full liability for and to indemnify, protect, and hold Purchaser harmless against any and all loss or damage to persons (including death) or to property (including attorney fees) resulting from or arising in connection with the goods and/or services furnished hereunder.

20. WAIVERS: Any failure by Purchaser to enforce or require strict performance by Seller of any term or condition of this order shall not constitute a waiver thereof by Purchaser, and Purchaser may at any time avail itself of the remedies Purchaser may have for any breach of the terms hereof.

21. ASSIGNMENT: This order may not be assigned by Seller without the prior written approval of Purchaser.

22. CHOICE OF LAW, JURISDICTION, VENUE: The terms of this purchase order shall be governed by and interpreted in accordance with the law of the State of California, excluding conflict of laws rules. United Nations Convention on Contracts for International Sale of Goods shall not apply. The federal and state courts located in the County of Santa Clara, California, shall have exclusive jurisdiction of any action arising out of or relating to this order, except that Purchaser shall have the right to seek injunctive relief or other equitable remedies, and file the underlying suit, in a court of competent jurisdiction throughout the world.

23. ENTIRE AGREEMENT: The terms and conditions stated on the front and backside of this order constitute the entire agreement between Seller and Purchaser regarding the sale and purchase of the goods or services specified herein, and no modification hereof shall be effective unless made in writing signed by both parties.

24. If required, the Seller shall comply with Federal Acquisition Regulation (FAR) clause 52.219-8 "Utilization of Small Business Concerns", which is hereby incorporated by reference.

PURCHASER'S ORDER AND PURCHASER'S STOCK NUMBERS MUST APPEAR ON ALL INVOICES, PACKING SLIPS, BILLS OF LADING, AND CORRESPONDENCE (IF PURCHASER'S STOCK NUMBER IS NOT LISTED IN THE ORDER, USE SELLER'S STOCK NUMBER INSTEAD). DUPLICATE PACKING SLIPS MUST ACCOMPANY EACH SHIPMENT. CONFIRM DELIVERY DATE AT TIME OF ACCEPTANCE. IN ACCEPTING THIS ORDER SELLER AGREES TO ALL THE TERMS STATED ON BOTH SIDES AND ACCEPTANCE IS EXPRESSLY LIMITED TO THE TERMS OF THIS ORDER. SELLER FURTHER AGREES THAT THE TERMS STATED ON THIS ORDER SUPERSEDE ANY CONFLICTING, ADDITIONAL, OR VARYING TERMS IN SELLER'S ACKNOWLEDGEMENT, INVOICE, QUOTE, OR SIMILAR FORMS. THIS ORDER IS NOT VALID UNLESS IT IS SIGNED BY THE PURCHASER.