

## PEI-GENESIS, INC. US TERMS AND CONDITIONS OF SALE

**THESE TERMS AND CONDITIONS GOVERN THE SALE OF ALL PRODUCTS AND SERVICES ("PRODUCTS") BY PEI-GENESIS, INC. AND ITS DIVISIONS AND SUBSIDIARIES ("SELLER") AND APPLY NOTWITHSTANDING ANY CONFLICTING, CONTRARY OR ADDITIONAL TERMS AND CONDITIONS IN ANY PURCHASE ORDER OR OTHER DOCUMENT OR COMMUNICATION ("PURCHASE ORDER") FROM BUYER. THESE TERMS AND CONDITIONS MAY ONLY BE WAIVED OR MODIFIED IN A WRITTEN AGREEMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF SELLER. NEITHER SELLER'S ACKNOWLEDGMENT OF A PURCHASE ORDER NOR SELLER'S FAILURE TO OBJECT TO CONFLICTING, CONTRARY OR ADDITIONAL TERMS AND CONDITIONS IN A PURCHASE ORDER SHALL BE DEEMED AN ACCEPTANCE OF SUCH TERMS AND CONDITIONS OR A WAIVER OF THE PROVISIONS HEREOF.**

**1. ORDERS.** Orders shall be initiated by Buyer issuing a Purchase Order or otherwise placing an order by electronic means acceptable to Seller. Orders shall identify the Products, unit quantities, part numbers, descriptions, applicable prices and requested delivery dates. All orders are subject to acceptance by Seller. No orders for standard products ("Standard Products") may be cancelled or rescheduled without Seller's consent, which consent may be given by Seller in its sole discretion. Seller reserves the right to allocate sales of Products among its customers in its sole discretion. Notwithstanding any provision of these Terms and Conditions to the contrary, orders for special, custom, value-added and other non-standard products, including products to be assembled in kit form, products of manufacturers which do not appear on Seller's line card, work-in-process and products otherwise identified by Seller as "NCNR" or "Non-Cancelable and Non-Returnable" (individually and collectively, "Non-Standard Products") shall be non-cancelable and non-returnable.

If Buyer's order is placed under a contract with the United States Government, Seller agrees to comply only with those contract provisions and regulations with which, pursuant to law, it must comply and of which Buyer has, at the time of order placement, placed Seller on written notice. Seller is a distributor of "Commercial Items" as defined in FAR 2.101. Seller agrees only to the clauses in the Federal Acquisition Regulation ("FAR") and Defense Federal Acquisition Regulation ("DFAR") that are required to be inserted in subcontracts for commercial items, and Seller agrees only to be subject to the "mandatory flow down" provisions found in FAR Section 52.244-6.

If for any reason Buyer fails to return to Seller the signed acknowledgment copy of any Purchase Order, any conduct by Buyer that recognizes the existence of a contract pertaining to the subject matter thereof will constitute unqualified acceptance by Buyer of the Purchase Order and all of its terms and conditions. Seller's delivery of Products will not be deemed or construed to be acceptance of Buyer's terms or conditions.

**2. PRICES.** Prices shall be as specified by Seller and shall be applicable for the period specified in Seller's quote. If no period is specified, prices shall remain valid for thirty (30) days from the date of the quote. Notwithstanding the foregoing, prices shall be subject to increase in the event of an increase in Seller's costs or other circumstances beyond Seller's reasonable control. Typographical errors are subject to correction by Seller. Prices are exclusive of taxes, impositions and other charges, including: sales, use, excise, value added and similar taxes or charges imposed by any government authority, international shipping charges, forwarding agent's and broker's fees, consular fees, document fees, import duties and expenses for expedited raw materials, processes or components. If Seller shall be liable for or shall pay any of the foregoing, the same shall be paid by Buyer to Seller in addition to the price of the Products. All prices are quoted and must be paid in U.S. dollars unless Seller agrees in writing to another currency.

**3. TERMS OF PAYMENT.** Payment shall be net thirty (30) days from date of invoice or as otherwise specified by Seller in writing. Buyer agrees to pay the entire net amount of each invoice from Seller pursuant to the terms of each such invoice without offset or deduction. Orders are subject to credit approval by Seller, which may in its sole discretion at any time change the terms of Buyer's credit, require payment in cash, by bank wire transfer or by official bank check, and/or require payment of any or all amounts due or to become due for Buyer's order before shipment of any or all of the Products. If Seller believes in good faith that Buyer's ability to make payments may be impaired or if Buyer shall fail to pay any invoice when due, Seller may suspend delivery of any order or any remaining balance thereof until such payment is made or cancel any order or any remaining balance thereof, and Buyer shall remain liable to pay for any Products already shipped and all Non-Standard Products ordered by Buyer. Buyer agrees to provide Seller with such financial information from time to time as may be reasonably requested by Seller for the establishment and/or continuation of credit terms. Checks are accepted subject to collection and the date of collection shall be deemed the date of payment. Any check received from Buyer may be applied by Seller against any obligation owing from Buyer to Seller, regardless of any statement appearing on or referring to such check, without discharging Buyer's liability for any additional amounts owing from Buyer to Seller, and the acceptance by Seller of such check shall not constitute a waiver of Seller's right to pursue the collection of any remaining balance. Buyer shall pay interest on any invoice not paid when due from the due date to the date of payment at the rate of one and one-half percent (1-1/2%) per month or such lower rate as may be the maximum allowable by law. If Buyer fails to make payment when due, Seller may pursue any legal or equitable remedies, in which event Seller shall be entitled to reimbursement for costs of collection and reasonable attorneys fees.

**4. DELIVERY AND TITLE.** All shipments by Seller are F.O.B. point of origin (INCOTerms 2010) and all transportation charges shall be paid by Buyer in addition to the price of the Products. Subject to Seller's right of stoppage in transit, delivery of the Products to the carrier shall constitute delivery to Buyer and title and risk of loss shall thereupon pass to Buyer. Neither confiscation nor destruction of, nor damage to any Products will release, reduce or in any way affect Buyer's liability to Seller under these Terms and Conditions. Selection of the carrier and delivery route shall be made by Seller

unless specified by Buyer in writing in advance. Seller shall use reasonable efforts to initiate shipment and schedule delivery as close as possible to Buyer's requested delivery dates. Buyer acknowledges that delivery dates provided by Seller are estimates only and that Seller is not liable for failure to deliver on such dates. Seller reserves the right to make deliveries in installments. Delivery of a quantity which varies from the quantity specified shall not relieve Buyer of the obligation to accept delivery and pay for the Products delivered. Delay in delivery of one installment shall not entitle Buyer to cancel other installments.

**5. ACCEPTANCE OF PRODUCTS AND PRODUCT RETURNS.** Inspection and acceptance of the Products shall be Buyer's responsibility. Buyer is deemed to have accepted the Products unless written notice of rejection is received by Seller within ten (10) days after delivery of the Products. Notwithstanding the foregoing, any use of any Products by Buyer, its officers, employees, agents or contractors, will constitute acceptance of those Products by Buyer. Buyer waives any right to revoke acceptance thereafter. Buyer shall report any discrepancy in shipment quantity or damage, and any claim for defective or non-compliant materials within ten (10) days after delivery. No return of Products shall be accepted by Seller without a Return Material Authorization ("RMA") Number, which may be issued by Seller in its sole discretion. When a Buyer returns Product to Seller, the Buyer certifies that the Products were purchased from Seller and there has been no substitution in whole or part of same product from another supplier, distributor or any other source of the product. Only Products originally shipped from Seller or from a supplier at Seller's direction (drop-ship) may be returned to Seller. Returned Products must be in original manufacturer's shipping cartons complete with all packing materials. All Products for return shall be returned freight prepaid in the manner specified in the RMA. If returned Products are claimed to be defective, a complete description of the nature of the defect must be included with the returned Products. Notwithstanding the foregoing, Buyer must include all applicable portions from any applicable military specification and/or all applicable portions from any previously agreed upon specification that provides objective evidence as to the claim for rejected Product. Any agreement to a specification must be evidenced by prior written approval from Seller's Manager of Quality. Products not eligible for return shall be returned to Buyer, freight collect.

**6. FORCE MAJEURE.** Seller shall not be liable for any failure to fulfill its obligations herein or for delays in delivery due to causes beyond its reasonable control, including, but not limited to, acts of God, natural disasters, acts or omissions of other parties, acts or omissions of civil or military authority, Government priorities, changes in law, material shortages, fire, strikes, floods, epidemics, quarantine restrictions, riots, war, acts of terrorism, delays in transportation or inability to obtain labor or materials through its regular sources. Seller's time for performance of any such obligation shall be extended for the time period of such delay or Seller may, at its option, cancel any order or remaining part thereof without liability by giving notice of such cancellation to Buyer. No penalty of any kind will be effective against Seller for any such delays in performance.

**7. SELLER'S LIMITED WARRANTY.** Seller warrants to Buyer that the Products purchased hereunder shall conform to the applicable manufacturer's specifications for such Products and that any value-added work performed by Seller on such Products shall conform to applicable Buyer's specifications relating to such work for 90 days after delivery. Notwithstanding the foregoing, Seller's acceptance of any "Buyer's Specification(s)" must be evidenced by prior written approval from Seller's Quality Representative. Seller makes no other warranty, express or implied, with respect to the Products. THE WARRANTIES SET FORTH IN THESE TERMS AND CONDITIONS ARE IN LIEU OF AND EXCLUDE ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY, SUITABILITY, FITNESS FOR A PARTICULAR PURPOSE, USE OR APPLICATION, OR NON-INFRINGEMENT. With respect to Products which do not meet applicable manufacturer's specifications and with respect to value-added work by Seller which does not meet applicable Buyer's specifications, Seller's SOLE AND EXCLUSIVE liability, and Buyer's SOLE AND EXCLUSIVE REMEDY, will be limited, at Seller's election, to (1) refund of Buyer's purchase price for such Products (without interest), (2) repair of such Products, or (3) replacement of such Products; provided, however, that such Products must be returned to Seller, along with acceptable evidence of purchase, within ninety (90) days from date of delivery, transportation charges prepaid. All replaced Products will become the property of Seller. Seller shall transfer to Buyer whatever transferable warranties and indemnities Seller receives from the manufacturer of the Products, including any transferable warranties and indemnities respecting patent infringement.

**8. LIMITATION OF LIABILITIES. BUYER SHALL NOT IN ANY EVENT BE ENTITLED TO, AND SELLER SHALL NOT BE LIABLE FOR, ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE, HOWSOEVER CAUSED, INCLUDING, WITHOUT LIMITATION, BUSINESS INTERRUPTION COSTS, REMOVAL AND/OR REINSTALLATION COSTS, REPROCUREMENT COSTS, LOSS OF PROFIT OR REVENUE, LOSS OF DATA, PROMOTIONAL OR MANUFACTURING EXPENSES, OVERHEAD, INJURY TO REPUTATION OR LOSS OF CUSTOMERS, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER ANY LIMITATION ON REMEDIES IS DEEMED TO HAVE FAILED OF ITS ESSENTIAL PURPOSE. BUYER'S RECOVERY FROM SELLER FOR ANY CLAIM SHALL IN NO EVENT EXCEED BUYER'S PURCHASE PRICE FOR THE PRODUCT GIVING RISE TO SUCH CLAIM, IRRESPECTIVE OF THE NATURE OF THE CLAIM, WHETHER IN CONTRACT, TORT, WARRANTY, OR OTHERWISE. SELLER SHALL NOT BE LIABLE FOR AND BUYER SHALL INDEMNIFY, DEFEND AND HOLD SELLER HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, COSTS, EXPENSES AND LIABILITIES BASED ON OR ARISING OUT OF SELLER'S COMPLIANCE OR ATTEMPTED COMPLIANCE WITH BUYER'S DESIGNS, SPECIFICATIONS OR INSTRUCTIONS, OR ANY MODIFICATION OF ANY PRODUCTS BY PARTIES OTHER THAN SELLER, OR ANY USE OF THE PRODUCTS IN**

**COMBINATION WITH OTHER PRODUCTS OR SERVICES NOT PROVIDED BY SELLER.** No action, regardless of form, arising out of, or in any way connected with any Products furnished by Seller may be brought by Buyer more than one (1) year after the cause of action accrued.

**9. USE OF PRODUCTS IN LIFE SUPPORT, NUCLEAR AND CERTAIN OTHER APPLICATIONS.** Products sold by Seller are not designed, intended or authorized for use in life support, life sustaining, nuclear, or other applications in which the failure of such Products could reasonably be expected to result in personal injury, loss of life or catastrophic property damage. If Buyer uses or sells any Products for use in any such applications: (1) Buyer acknowledges that such use or sale is at Buyer's sole risk; (2) Buyer agrees that Seller and the manufacturer of the Products are not liable, in whole or in part, for any claim or damage based on or arising from any such use; and (3) Buyer agrees to indemnify, defend and hold Seller and the manufacturer of the Products harmless from and against any and all claims, damages, losses, costs, expenses and liabilities based on or arising out of or in connection with any such use or sale.

**10. EXPORT CONTROL.** Certain PEI Products and related technology, services, and documentation sold by Seller may be subject to foreign countries export control laws and U.S. laws and regulations including the Export Administration Regulations (15 C.F.R. § 730 - 799), the International Traffic in Arms Regulations (22 C.F.R. § 120-130), and the Foreign Asset Control Regulations, 31 C.F.R. Part 500 et. Seq. ("Export Laws"). Buyer shall comply with all such Export Laws and obtain any license, permit or authorization that may be required to transfer, sell, export, re-export or import any Products and/or any related technology and documentation.

Buyer will not transfer, export or re-export any Products and/or related technology and documentation to any country or entity to which such export or re-export is prohibited, including any country or entity under sanction or embargoes administered by the United Nations, U.S. Department of Treasury, U.S. Department of Commerce or U.S. Department of State. Buyer will not export any military items to countries subject to U.S. arms embargoes or restrictions, including Russia, Venezuela or China. Buyer will not use any Products and/or any related technology and documentation in connection with any nuclear, biological or chemical weapons or missile systems capable of delivering same, or in the development of any weapons of mass destruction.

**11. PRODUCTION PART APPROVAL PROCESS AND QUALITY/COMPLIANCE BASED BUYER REQUIREMENTS AND/OR SPECIFICATIONS.** Requests for Production Part Approvals Process ("PPAP") and other quality/compliance based Buyer requirements and/or specifications must be made in writing at the time of the order and will be provided at Seller's sole discretion. The acceptance of such requirements and/or specifications will be evidenced by prior written approval from Seller's Quality Representative provided to Buyer. Buyer shall be liable for all costs and expenses associated with obtaining such PPAP or other quality/compliance based customer requirements and/or specifications, including Seller's fees. Notwithstanding the foregoing, Seller will only provide Level 1 or Level 2 PPAP.

Any statement as to product country of origin, Export Control Classification Number, or compliance with applicable law (including, without limitation, that Products are lead-free or RoHS/REACH compliant) is as provided to Seller by its suppliers, and Seller does not warrant its accuracy and will not be liable for any error with regard to same. Buyer uses and re-uses such information at its own risk.

**12. STATEMENTS AND ADVICE.** If statements or advice, technical or otherwise, are offered or given to Buyer by employees or agents of Seller, such statements or advice shall be deemed to be given as an accommodation to Buyer and without charge, and Seller shall have no responsibility or liability for the content or use of any such statements or advice.

**13. INTELLECTUAL PROPERTY.** If an order includes software or other intellectual property, such software or other intellectual property is provided by Seller to Buyer subject to the copyright and user license, the terms and conditions of which are set forth in the license agreement accompanying such software or other intellectual property. Nothing herein shall be construed to grant any rights or license to use any software or other intellectual property in any manner or for any purpose not expressly permitted by such license agreement. All rights in and to the Products and any and all modifications, changes, enhancements, improvements and upgrades thereto will be and remain in Seller. To support the continuing product improvement of Products for the benefit of all of its customers, Seller reserves the right to incorporate into future versions of Products any and all modifications, changes, enhancements, improvements or upgrades to any hardware or software provided to Buyer under these Terms and Conditions, regardless of whether such modifications, changes, enhancements, improvements or upgrades are specifically developed for Buyer. In any such event, Seller will have no obligation to compensate Buyer in any manner. Buyer will not reverse engineer, decompile or disassemble any Products or related software or firmware provided to Buyer under these Terms and Conditions.

**14. PROTOTYPES AND OTHER ENGINEERED PRODUCTS.** Buyer's acceptance of prototypes, engineering verification samples, design verification samples and manufacturing verification samples shall be evidenced by the signature of Buyer's authorized representative on the appropriate documents, including engineering drawings. Such acceptance is absolute, and Buyer, by such acceptance, forever releases and discharges Seller and its officers, directors, employees and agents from any and all liability as to the performance, form, fit and function of such Product. Seller guarantees the material and workmanship of the finished product derived from such prototypes and other samples as described above for a period of twelve (12) months from date of shipment, such guarantee subject to Paragraph 8, Limitation of Liabilities, set out above.

**15. CONFIDENTIALITY.** Any information, data or materials provided by either party to the other and designated as proprietary or confidential will be treated by the receiving party as such and will at no time thereafter be used for any purpose other than in connection with the fulfillment of the receiving party's obligations under the Agreement, nor will any such proprietary or confidential information be communicated, disclosed or

revealed to any third party without the disclosing party's prior written consent. Each party will promptly return to the other party all such confidential information, data and materials, and all copies thereof, promptly upon the disclosing party's request.

**16. GENERAL.** As used herein, terms appearing in the singular shall include the plural and terms appearing in the plural shall include the singular. No rights, duties, agreements or obligations hereunder may be assigned or transferred by either party, by operation of law, merger or otherwise, without the prior written consent of the other. Any attempted or purported assignment shall be void and without force or effect. Notwithstanding the foregoing, Seller's obligations under these Terms and Conditions may be performed by divisions, subsidiaries or affiliates of Seller. The obligations, rights, terms and conditions hereof shall be binding on the parties hereto and their respective successors and assigns. The waiver of any provision hereof or of any breach or default hereunder shall not be deemed a waiver of any other provision hereof or breach or default hereunder. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction. These Terms and Conditions shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania excluding any law or principle which would apply the law of any other jurisdiction. The United Nations Convention for the International Sale of Goods shall not apply.

### Amendment Record

Date	Changed By	Approved By	Summary of Change
8 Jul 2015	N/A	Mike Owens	Initial release of existing June 2015 revision as controlled document. No change to document content.
30 Jul 2015	Erik Nguyen	Erik Nguyen	Updated section 10 to further clarify export regulations.