

Exhibit A

GENERAL TERMS AND CONDITIONS FOR PURCHASE

1. ACCEPTANCE

- 1.1 THIS PURCHASE ORDER IS PURCHASER'S OFFER TO SELLER AND DOES NOT CONSTITUTE AN ACCEPTANCE BY PURCHASER OF ANY OFFER TO SELL, QUOTATION OR PROPOSAL OF SELLER. ANY REFERENCE TO ANY SUCH OFFER TO SELL, QUOTATION OR PROPOSAL IS MADE A PART OF THIS PURCHASE ORDER ONLY TO THE EXTENT THAT IT SPECIFIES THE NATURE AND DESCRIPTION OF THE GOODS AND SERVICES ORDERED, AND THEN ONLY TO THE EXTENT SUCH AN INCLUSION DOES NOT CONFLICT WITH ANY OTHER TERMS OF THIS PURCHASE ORDER. THIS OFFER IS EXPRESSLY LIMITED TO AND MADE CONDITIONAL UPON ACCEPTANCE BY SELLER OF THE EXACT TERMS AND CONDITIONS SET FORTH HEREIN AND ANY AMENDMENTS, DRAWINGS, SPECIFICATIONS OR OTHER DOCUMENTS EXPRESSLY INCORPORATED HEREIN BY REFERENCE, EXCEPT AS PROVIDED ABOVE.
- 1.2 SELLER'S COMMENCEMENT OF PERFORMANCE OF SERVICES (THE "SERVICES") OR SHIPMENT OF THE GOODS (THE "GOODS") OR ANY OTHER ACKNOWLEDGMENT OF THIS PURCHASE ORDER IN ANY OTHER FORM SHALL BE DEEMED TO BE ACCEPTANCE OF THIS PURCHASE ORDER UPON THE TERMS CONTAINED HEREIN. PURCHASER MAY IN ITS SOLE DISCRETION REJECT ANY SUCH DEEMED ACCEPTANCE BY COMMUNICATING SUCH REJECTION TO SELLER PROMPTLY AFTER PURCHASER BECOMES AWARE OF SUCH DEEMED ACCEPTANCE BY SELLER. AN ACKNOWLEDGMENT TO THIS PURCHASE ORDER CONTAINING ANY CONFLICTING OR ADDITIONAL TERMS TO THOSE CONTAINED HEREIN, WHETHER SUCH TERMS MATERIALLY ALTER THE PURCHASE ORDER OR NOT AND EVEN IF SELLER'S ACCEPTANCE IS EXPRESSLY CONDITIONED ON THE PURCHASER'S ACCEPTANCE OF SUCH CONFLICTING OR ADDITIONAL TERMS, SHALL CONSTITUTE AN ACCEPTANCE OF THIS PURCHASE ORDER EXCLUSIVELY UPON THE TERMS CONTAINED HEREIN. ANY CONFLICTING OR ADDITIONAL TERMS SO OFFERED ARE HEREBY OBJECTED TO BY PURCHASER WITHOUT NEED OF FURTHER NOTICE OF OBJECTION AND ARE OF NO EFFECT AND THEY SHALL NOT BE, IN ANY CIRCUMSTANCE BINDING UPON THE PURCHASER UNLESS EXPRESSLY ACCEPTED BY THE PURCHASER IN WRITING.

2. PAYMENT

- 2.1 Payments shall become due, and cash discount periods shall be determined, from the date Purchaser receives an acceptable invoice or the date Purchaser accepts delivery of conforming Goods or Services at the destination, whichever is later. In the event complete performance of the Seller includes furnishing technical data such as indicated in Section 27, Acceptance Data Package Checklist, drawings, operation and maintenance manuals, etc., and/or the Goods or Services are subject to acceptance testing after installation or performance at the destination, the Purchaser may elect to withhold an appropriate amount of the total price of this Purchase Order until such time as all requirements are met.

3. SET OFF AND PERFORMANCE GUARANTEE

- 3.1 Purchaser reserves the right at all times to set off any amount owed to the Purchaser or any of its affiliated companies by the Seller in connection with any transaction or occurrence against any amount owed to the Seller under this Purchase Order.

3.2 Seller is not entitled to set off any claim that it might have with Purchaser against sums owing to the Seller, unless such Seller claim is undisputed by the Purchaser or has been decided in the Seller's favor finally and conclusively pursuant to Section 24, Dispute Resolution. Purchaser is entitled to withhold payment from Seller until Seller has performed all obligations hereunder.

3.3 For Purchase Orders with value equal or higher than one million two hundred thousand dollars (\$1,200,000) Seller must provide an irrevocable and unconditional bank guarantee issued by a bank, reasonably acceptable to the Purchaser, payable on demand, to serve as a performance guarantee, as follows:

- (i) the amount of the guarantee must be at least twenty per cent (20%) of the Purchase Order Price, unless stated otherwise;
- (ii) the terms of the guarantee must be acceptable to Purchaser;
- (iii) the bank guarantee must be issued to Purchaser within twenty (20) days after the date when the Purchase Order becomes effective;
- (iv) the Purchaser must be entitled to call and make multiple draws under this unconditional bank guarantee for Seller's breach of the Purchase Order; and
- (v) the unconditional bank guarantee must remain valid until that date which is sixty (60) days after the last of the warranty periods expires, as such warranty period may be extended from time to time, in respect to all Goods delivered and Services provided under this Purchase Order.

3.4 The costs of issuing and maintaining the unconditional bank guarantee are to be borne solely by the Seller. The delivery of the unconditional bank guarantee, in accordance with the Purchase Order, is a condition precedent to any payment required from the Purchaser under the referenced Purchase Order.

4. **TAXES**

4.1 Goods purchased on this Purchase Order qualify for sales and use tax exemption under the laws of the State of Florida. Any sales or use tax, if applicable, shall be paid by the Purchaser.

4.2 Purchaser shall prepay and add all actual freight and transportation charges to the FCA (INCOTERMS 2010) point of delivery designated on this Purchase Order, unless requested otherwise, and such freight charges shall not be stated on the invoice so as not to impose any tax burden upon the Purchaser.

5. **ASSIGNMENT**

5.1 Seller shall not assign the performance hereunder, or any interest herein, or any payment due or to become due hereunder without the prior written consent of the Purchaser.

6. **SHIPPING, PACKING, AND MARKING**

6.1 All Goods shall be identified, packaged and packed adequately to ensure undamaged delivery to the destination stated in the Purchase Order and subsequent short-term storage. All shipping documents and shipping containers shall be plainly marked with the complete shipping address, Purchase Order number, Purchase Order item number, appropriate Purchaser item-code, quantity and description of Goods and any other markings designated on the face of this Purchase Order. In addition, the shipping documents must indicate partial or complete shipment. All Goods including components and sub-assemblies shipped without shipping containers must be adequately protected from damage and tagged with all required information. Individual items are to be legibly and securely tagged with the appropriate Purchaser item-code with tags being firmly affixed. Purchaser shall not be charged for packing, carting, crating, marking, tagging or storage unless specifically stated herein.

6.2 Normal Purchaser Material Receiving hours are 7:30 A.M. to 4:00 P.M. Monday through Friday. Emergency or rush deliveries requiring delivery outside of the above hours can be authorized by contacting Material Receiving at (561) 354 -1181. Goods being shipped to locations other than Purchaser's Jupiter, Florida address must be coordinated individually.

7. TITLE AND RISK OF LOSS OF GOODS

7.1 The Goods sold and furnished hereunder shall become the property of the Purchaser upon delivery at the F.O.B. Point of Delivery set forth in the Purchase Order, unless otherwise decided by Purchaser, provided, however, that the Purchaser or its assigns, within the period for which the Goods are guaranteed, may reject or revoke acceptance of any Goods which do not comply (i) with the specifications attached hereto and made a part hereof or (ii) with the guarantees of the Seller and, if applicable, the manufacturer. Upon any such rejection or revocation of acceptance, the Seller shall, at Purchaser's option, either repair or replace such defective Goods or refund the total purchase price thereof and reimburse Purchaser's related freight and similar charges. In the event of failure of the Seller to do so, the Purchaser may obtain repair or replacement of such Goods and the cost and expense thereof shall be paid by, and recoverable from, the Seller.

7.2 Title and risk of loss shall transfer to Purchaser upon delivery at the F.O.B. Point of Delivery stated in the Purchase Order.

7.3 The title and right of possession of Goods supplied by Purchaser to be subject to Services provided by Seller under this Purchase Order (hereinafter the "Purchaser's Goods") shall remain with Purchaser at all times and shall not be subject to any liens rights of Seller. Seller shall bear risk of loss for such Purchaser's Goods while such Purchaser's Goods are on Seller's premises. Purchaser's Goods to be sent to Seller's facility shall be F.O.B. Point of Delivery set forth in the Purchase Order, unless otherwise decided by Purchaser.

8. WARRANTY

8.1 Seller warrants and guarantees that all Goods and Services furnished hereunder shall conform in all respects with the terms of this Purchase Order, including but not limited to, any drawings, specifications, data sheets or other documents or standards attached hereto or incorporated herein by reference; that they are free of all defects in design (unless designed by the Purchaser or a third party under contract to Purchaser), materials, workmanship and title; that they are suitable for the purposes for which they were designed (to the extent their design is the responsibility of the Seller, its agents or subcontractors), fabricated or manufactured to be suitable for such other purposes as stated herein; and that they will perform efficiently and satisfactorily under such conditions as may be described herein. This warranty is in addition to all statutory warranties and other warranties either express or implied including, but not limited to, those implied through course of dealing or usage of trade. Any attempted exclusion of such express or implied warranties, and any attempted limitation of Purchaser's remedies for breach thereof by the Seller shall be of no effect.

8.2 Purchaser shall give Seller notice of any defect or lack of conformity to requirements of this Purchase Order promptly after discovery. Seller shall thereafter (without cost to Purchaser) promptly correct or replace such defective or non-conforming items or components thereof, or re-perform non-conforming services, and correct or replace all appropriate drawings, procedures and manuals. If Seller fails to proceed with reasonable promptness to make any correction or replacement in accordance with the provisions of this paragraph, Purchaser reserves the right to cause such correction, reperformance or replacement to be made and Seller agrees to reimburse Purchaser for the costs incurred thereby. As mutually determined by Purchaser and Seller, Seller shall correct or replace the defective or non-conforming item or component, and be responsible for the cost of removal and replacement of materials and equipment as necessary to gain access for repair or replacement of such non-conforming item or component. Seller shall be responsible for all packing, crating, handling, or shipping costs associated with the repair or replacement of non-conforming or defective items or components.

8.3 At Purchaser's option, when repaired or replaced non-conforming items or components or reperfomed services fail to meet performance requirements or otherwise conform to the warranties set forth above, (i) the Seller may be required to make further repairs or replacements and/or reperform Services until the warranties set forth above are satisfied, or (ii) Purchaser may make such repairs or replacements or reperformance itself or contract with a third party to make such repairs or replacements or reperformance, and Seller shall promptly reimburse Purchaser for any costs and expenses incurred by Purchaser in effecting such repairs, replacements or reperformance.

8.4 The warranty with respect to corrected or replaced items or components thereof or reperfomed services shall be one (1) year from the time of repair or replacement or reperformance or one (1) year from use of the Goods in commercial operation, whichever occurs later.

8.5 The above warranty shall remain in effect for a period of twelve (12) months after delivery of the Goods or, in the case of Services, one (1) year after performance. This warranty period extends to all Goods and Services furnished under this Purchase Order, whether manufactured or performed by the Seller or not. All provisions of this warranty shall inure to the Purchaser and to the Purchaser's assigns and successors in interest.

9. INSPECTION, TESTING AND EXPEDITING

9.1 Goods and Services to be furnished hereunder are subject to inspection, testing and expediting at all times and in all places, including the premises of the Seller and its suppliers (regardless of tier). Such inspection, testing, and expediting may take place at any stage of manufacture and maybe performed or required by the Purchaser, or Purchaser's independent engineer. The exercise, or failure to exercise, rights to inspect, test or expedite by the Purchaser or such other person or any comments, direction or approvals given thereunder shall not relieve the Seller of its obligation to provide Goods and Services in strict conformance with all the terms herein.

9.2 If inspection and testing are to be performed on the Seller's, or its suppliers' premises, Seller shall furnish, at no additional charge, all reasonable facilities and assistance required by the Purchaser's representatives to perform their duties safely and effectively. In such cases, hold points for inspections and testing will be established and the Seller shall be responsible for notifying the Purchaser at least ten (10) days in advance of all established inspection and test dates. Failure of the Purchaser to respond with less than ten (10) days prior notice shall not constitute grounds for relief from the required shipping or delivery dates specified herein. Failure of the Seller to be in all aspects ready for inspection or testing on the date(s) notified together with failure to notify the Purchaser in time to avoid incurring additional costs, such as travel, for its representatives shall constitute grounds for recovery of all such costs by the Purchaser from the Seller.

9.3 All Goods and Services shall be subject to Purchaser's receiving inspection upon arrival at the Point of Delivery. Acceptance of Seller's tender of delivery, with or without Purchaser's having inspected the Goods or the Services, shall not relieve Seller of the obligation to furnish Goods and Services which meet the requirements of this Purchase Order.

10. IDENTIFIED GOODS: SECURITY CONTRACT

10.1 All materials which Seller obtains for incorporation into the Goods, and all portions of the Goods whether or not completed, shall at all times be clearly marked and identified in a manner satisfactory to Purchaser as being Goods which are to be sold to Purchaser under this Purchase Order (the "Identified Goods") and as being subject to Purchaser's special property interest and its security interest, and Purchaser shall have access to Seller's premises at any time to verify Seller's compliance with this Section 10.

10.2 Seller hereby grants to Purchaser a security interest in the Identified Goods to secure Seller's performance under this Purchase Order and to secure Purchaser's special property interest in the Identified Goods, and Seller shall promptly execute and deliver to Purchaser financing statements and other documents which Purchaser deems necessary or desirable to protect Purchaser's security interest, whether by filing, recording or otherwise.

10.3 Seller shall at all times protect the Identified Goods and/or the Purchaser's Goods from fire, theft, vandalism, weather damage, or other loss or damage, and Seller shall insure the Identified Goods and/or the Purchaser's Goods for full value against all loss or damage from fire, theft, vandalism, weather damage, and any other cause with insurance policies issued by insurers satisfactory to Purchaser, and Purchaser shall be named as a loss payee on said policies. Such insurance shall be primary without right of contribution from any other insurance which Purchaser may carry. Seller shall provide Purchaser with the insurers' Certificates of Insurance evidencing such coverage and stating that the insurance can be canceled only upon giving thirty (30) days prior written notice to all interested parties, including Purchaser.

10.4 In the event of Seller's default under this Purchase Order, Purchaser shall have all rights of a secured party under the Uniform Commercial Code and other laws, in addition to all rights under this Purchase Order.

10.5 Upon the Purchaser's request, including in case of termination for whatever reason, the Seller, without delay, agrees to allow the Purchaser, and/or any third party designated by the Purchaser, to enter any premises or worksites of the Seller to repossess any such Identified Goods and/or the Purchaser's Goods or any part thereof, including as applicable severing any such Identified Goods and/or the Purchaser's Goods or parts thereof from other property. Purchaser is entitled to have access to Seller's premises, at any time, to verify Seller's compliance with this Section 10.

11. LIABILITY

11.1 Neither Party will be liable to the other, whether in contract, tort, strict liability or otherwise, for loss of production, loss of use, loss of goodwill or reputation, loss of savings or profit, loss of revenue, loss of contract, or for any indirect, incidental, or consequential loss or damage suffered by the other Party. For the avoidance of doubt, the foregoing is without prejudice to the Seller's liability to pay pre-agreed liquidated damages and the foregoing exclusion of liability will not apply to and therefore not serve as an exclusion or limitation of liability (i) in relation to any indemnity or insurance obligations of the Seller, (ii) in the event of gross negligence or willful misconduct; and (iii) for claims relating to non-compliance with applicable laws as provided in Section 19 herein.

12. TERMINATION AND TERMINATION FOR CONVENIENCE

12.1 This Purchase Order may be terminated by the Purchaser without liability except for Goods and Services previously delivered and accepted if (i) the Seller institutes or becomes the subject of any proceedings under the laws of bankruptcy or insolvency, (ii) if a receiver is appointed for, or applied for by the Seller, (iii) if an assignment for the benefit of creditors is made by Seller, (iv) Seller is in breach of the obligations assumed herein.

12.2 Purchaser may withhold payment if Seller is in breach of its obligations, pending determination of Purchaser's damages resulting from such breach.

12.3 In addition to Purchaser's rights to terminate pursuant to Section 12.1, upon Notice to Seller, Purchaser may at its sole discretion and without prejudice to any other right or remedy, terminate the whole or any part of this Purchase Order for its convenience. Such termination shall be effective in the manner specified in the Notice. Should Purchaser elect to terminate this Purchase Order under this Section 12, complete settlement of all claims of Seller arising thereunder shall be made as follows:

- (i) Purchaser shall compensate Seller for such Services performed after the date Notice is given only as approved in advance by Purchaser.
- (ii) Purchaser shall pay Seller for that portion of each Service actually completed in accordance with the terms of this Purchase Order.
- (iii) Such payment shall be Purchaser's sole obligation and Seller's exclusive remedy for termination for convenience.

12.4 In the event of termination for convenience by Purchaser, Seller shall:

- (i) Immediately stop all Services hereunder;
- (ii) Issue no further subcontracts or purchase orders except with the prior written consent of Purchaser;
- (iii) Assign to Purchaser, to the extent requested by Purchaser, all rights of Seller under subcontracts or outstanding purchase orders related to this Purchase Order;
- (iv) Terminate, to the extent requested by Purchaser, outstanding subcontracts or purchase orders;
- (v) Fully cooperate and refrain from hindering or interfering in any manner any other persons or parties currently or prospectively performing activities related to the Purchase Order;
- (vi) Take any other action toward termination, or toward preservation of Services, that Purchaser may direct;
- (vii) Exercise best efforts to minimize cost or expenses arising out of termination; and
- (viii) Maintain books and records supporting all costs charged to the termination.

12.5 Prior to final settlement, Seller shall furnish a complete general release of all claims by Seller against Purchaser.

13. DELAYS NOTICE OF DELAYS & LIQUIDATED DAMAGES

13.1 All shipping, performance or delivery dates herein are firm, and time is of the essence of this Purchase Order.

13.2 Whenever any actual or potential cause delays or threatens to delay the performance of the Service hereunder or the delivery of any Goods hereunder, Seller shall immediately notify Purchaser in writing. Such notice shall include all relevant information concerning such delay. Seller shall also advise the Purchaser of the actual or potential effect of the delay on the schedule of Service and delivery of the Goods and measures being taken to remove the cause of the delay and reduce or eliminate its effect on the delivery of the Goods or the performance of Service.

13.3 Whenever Seller has knowledge of any actual or potential labor dispute delaying or threatening to delay the timely performance of this Purchase Order, Seller shall immediately give Purchaser notice thereof in writing including all relevant information thereto, including, but not limited to, the cause of dispute, schedules for negotiations of dispute, and progress made in settlement of dispute.

13.4 If Seller, for any reason whatsoever, fails to ship or deliver Goods or Services within the times specified herein, Purchaser may terminate this Purchase Order or any part hereof without liability except for Goods or Services previously provided and accepted. If at any time reasonable grounds for insecurity arise regarding the Seller's performance of this Purchase Order in accordance with its terms and the Purchaser notifies the Seller of its concern, the Seller must provide adequate assurance of due performance within ten (10) days after receipt of such notice. If adequate assurance is not provided within the prescribed period, Purchaser may terminate this Purchase Order or any part hereof without liability except for Goods or Services previously provided and accepted.

13.5 Seller shall be liable to Purchaser (1) for damages for non-delivery, including, but not limited to, the excess cost of cover over the Purchase Order price, for any portion of the Purchase Order terminated by the Purchaser as a

result of actual or potential delays or (2) for damages due to late delivery unless the Purchaser provides written relief from timely delivery due to conditions beyond the reasonable control and without the negligence of the Seller such as Acts of God, the Government, or a public enemy, floods, fires, epidemics, quarantine, freight embargoes or unusually severe weather. Any such excused delay shall extend the shipping or delivery dates, if the Purchaser has not terminated this Purchase Order, by a period equal to the exact duration of the delay.

13.6 The following events shall not constitute conditions beyond Seller's reasonable control:

- (i) Seller's economic hardship;
- (ii) Labor disputes;
- (iii) Non-availability of a natural resource; or
- (iv) Failure to obtain any permit, license, consent, or other approval from a governmental authority.

13.7 If Seller, for any reason whatsoever not due to Purchaser, fails to deliver Products ordered pursuant to this Purchase Order within the times specified herein, Seller shall be obligated to pay Purchaser as liquidated damages and not as a penalty two percent (2.0%) of the total price of such undelivered Goods or Services specified in the Purchase Order per each week of delay after a grace period of one (1) week.

13.8 Upon Seller's liability for liquidated damages reaching the maximum liquidated damage cap of ten percent (10%), Purchaser may terminate this Purchase Order or any part thereof without liability except for Goods or Services previously provided and accepted. Upon payment of the maximum liquidated damage cap by Seller, Purchaser may terminate this Purchase Order without liability except for Goods or Services previously provided and accepted, unless Seller agrees to assume all additional damages incurred by Purchaser as a consequence of such delays.

14. CHANGES AND SUSPENSION

14.1 The general scope of this Purchase Order may be changed at any time before complete delivery is made by written notice from the Purchaser's procurement group only. Performance of all or any part of this Purchase Order may be suspended for a period necessary or desirable to the Purchaser upon notice from the Purchaser's procurement group only. If changes or suspensions cause a material increase or decrease in the cost, or the time required to perform the Service or supply the Goods, or both, the Seller shall notify the Purchaser, in writing, within thirty (30) days of receipt of notice from Purchaser of such change or suspension, of any claims for adjustment to price or shipping or delivery dates. No such adjustment or any other change to the terms of this Purchase Order is authorized except by written amendment to this Purchase Order executed by both parties. Seller shall proceed with the supply of Goods and performance of Service as changed without interruption while the cost and scheduling of such changes are negotiated.

15. GENERAL INDEMNITY

15.1 To the fullest extent permitted by Law, Seller shall protect, defend (by counsel reasonably acceptable to the Indemnitee), indemnify and hold Purchaser, and the affiliates, employees, directors and officers of each of them (collectively "Indemnitees"), free and harmless from all losses, claims, liabilities, liens, demands and causes of action and costs thereof including, without limitation, judgments, penalties, interest, court costs and legal fees incurred by Indemnitees, or any of them, on account of (i) claims, liens, demands, debts, personal injuries, death, damage to property (including property of Indemnitees) and all other claims to the extent caused by the negligent acts or omissions or willful misconduct of Seller or any of its subcontractors, vendors, officers, employees, directors or agents, or the failure of any of them to observe any applicable Law or (ii) the failure of Seller to comply with any of the terms or provisions of this Purchase Order.

15.2 The indemnification provided in Section 15.1 shall not extend to liability to the extent caused by the sole negligence or willful misconduct of the Indemnitee seeking indemnification.

15.3 In connection with any claim by an Indemnitee against the Seller or any of its subcontractors or by anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation stated in Section 15.1 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Seller or any of its subcontractors or vendors under any applicable workers' compensation Law, disability Law, or other employee benefit Law.

15.4 Seller will only be entitled to make a claim under the circumstances expressly set forth in this Purchase Order. As a condition precedent to any claim, the Seller must (i) give notice to Purchaser of any circumstance which in the Seller's view might give rise to a claim within three (3) days of the occurrence and (ii) submit any claim in writing to Purchaser including all such substantiation and evidence as reasonably practicable within ten (10) days of the occurrence giving rise to the claim.

15.5 Seller shall defend, indemnify and hold harmless each Indemnitee from and against all claims by any governmental or taxing authority claiming taxes for which Seller is responsible under this Purchase Order, including taxes based on gross receipts or on income of Seller or any of its subcontractors or vendors, or any of their respective agents or employees with respect to any payment for the Service made to or earned by Seller or any of its subcontractors or vendors, or any of their respective agents or employees under this Purchase Order.

15.6 Except with respect to any process, invention, technology or other intellectual property specifically designated or required by Purchaser to be incorporated into the Service, Seller shall indemnify, defend (by counsel reasonably acceptable to the Indemnitee), and hold harmless each Indemnitee from all losses, claims, liens, demands and causes of action of any kind and costs thereof, including judgments, penalties, interest, court costs and legal fees incurred by or assessed against any Indemnitee, on account of any claim of infringement of any patent, copyrighted or uncopyrighted Service, secret process, trade secret, unpatented invention, or other intellectual property right used by Seller in Seller's performance under this Purchase Order. In addition, and in all such cases where the continued use of any item for the purpose intended is forbidden by any court of competent jurisdiction, Seller shall at its option and expense either (i) procure for Purchaser, or reimburse Purchaser for procuring, the right to continue using the infringing item, (ii) modify, or cause the modification of, the infringing item so that it becomes non-infringing, or (iii) replace, or cause the replacement of, the infringing item with a non-infringing item; provided that in no such case shall Seller take any action which materially adversely affects Purchaser's continued use and deployment of the item without the prior written consent of Purchaser. As regards intellectual property specifically designated or required by Purchaser to be incorporated into the Service, the Purchaser's obligation to the Seller shall be pari passu to that owed by the Seller to the Indemnified Parties.

16. PROPRIETARY INFORMATION

16.1 "Proprietary Information" means information provided under this Purchase Order to further the Goods and Services, which Purchaser or Seller reasonably believes to be confidential, proprietary or legally privileged. Proprietary Information must be marked in a fashion to alert a reasonable individual to its privileged, proprietary or confidential status. All copies, summaries, diagrams, notes, calculations, recommendations, evaluations, opinions, reports and/or conclusions or other similar materials prepared from or based upon the Proprietary Information will also be considered Confidential Information. Proprietary Information may be transmitted in electronic, written, visual, verbal or audio form and the markings must be applied in a fashion consistent with generally accepted practices related to the transmission method used. Proprietary Information will not include information which: a) was rightfully in the possession or was rightfully know to the other party without disclosure restrictions prior to its receipt from the disclosing party, b) is or becomes a public document or general knowledge by acts other than those of the receiving party, or c) is developed by or for a party independent of, and

without reference to, the Confidential Information. Proprietary Information will not be deemed to be in the public domain merely because any part of such information is embodied in general disclosures by a party or because individual features, components or combinations are now or become known to the public. Further, since Purchaser and Seller are working together on the Goods and Services, it is their intent that any legally privileged Proprietary Information which is disclosed between them does not lose its legally privileged status.

16.2 Unless otherwise agreed to in writing by one of the other party's authorized officers, Proprietary Information provided by a party must: a) be used solely for the purpose of the Goods and Services; b) not be used in any way adverse to or in competition with the party disclosing or its affiliates; c) be restricted to only those individuals within its own organization or who have been retained by that party specifically for providing Services pertaining to the Goods and Services and who have been informed of, and agree to abide by, the terms and conditions of this Purchase Order; d) be held in strict confidence by the receiving party and not be disclosed to any third party at any time without the prior written consent of the other party; and e) be immediately returned or destroyed (as certified by a company officer) upon completion of the Goods and Services. With regard to the obligation set forth in subsection e) above, a party may keep for its confidential files one archival copy of summaries, diagrams, notes, calculations, recommendations, evaluations, opinions, reports and/or conclusions or other similar materials which that party generated in the course of providing Services relating to the Goods and Services. If the release of the Proprietary Information is pursuant to a requirement imposed by a governmental or judicial body of competent jurisdiction, the receiving party will immediately notify the other party and the parties will reasonably cooperate with each other in the exercise of any applicable rights to oppose the disclosure of the Confidential Information.

16.3 Seller agrees to retain in strict confidence and not to use (except in connection with the performance of this Purchase Order) or disclose any technical or economic information which is furnished by the Purchaser, without the prior written consent of the Purchaser. Seller shall not distribute any such information to any employee who does not have a need to know such information in order for Seller to perform this Purchase Order. Seller shall make no public or trade announcement or release of information concerning this Purchase Order unless such release has been submitted to, and approved in writing by, Purchaser.

16.4 With respect to any data gathered by Seller pursuant to this Purchase Order on behalf of Purchaser, such data shall be Proprietary Information of Purchaser, and shall be used by Seller only to the extent necessary to complete Seller's obligations under this Purchase Order. Purchaser's intellectual property rights with respect to data gathered in performance of this Purchase Order shall be exclusive, and Seller shall not use such data for the benefit of itself or a third party without the prior written consent of Purchaser.

17. QUALITY ASSURANCE AND COMPLIANCE WITH SPECIFICATIONS

17.1 All materials and equipment furnished hereunder shall be of a grade equal to or better than that called for herein, and unless specifically stated, shall be new. Where this order specifies a specific manufacturer, Purchaser approved process, part number, catalog number, etc., no substitutions shall be made without Purchaser's prior written approval.

17.2 Purchaser's specification(s) may references any of the following standards; American National Standards Institute ("ANSI"), Aerospace Materials Specification ("AMS"), American Standards of Testing and Material ("ASTM") or American Welding Society ("AWS") (each independently or collectively "Standards"). Seller shall perform the Services in accordance with the latest Purchaser specified Standard published at time of award of the Purchase Order unless otherwise directed by this Purchase Order or drawing.

17.3 Seller shall have implemented an appropriate and recognized quality assurance program for the Goods and Services to be furnished hereunder. Seller must perform all tests and inspections and/or provide all reports and certificates as required under this Purchase Order and/or as the Purchaser may reasonably require.

18. INTELLECTUAL PROPERTY

18.1 It is a formal policy of Purchaser to respect the legitimate intellectual property rights of all third parties. Purchaser strives to adhere to and obey all patent, trademark, copyright and trade secret laws. Purchaser does not and shall not knowingly engage in the infringement, violation or misappropriation of the intellectual property of any entity. Purchaser expects that its customers, vendors and business partners will conduct themselves in similar fashion. Nothing herein shall be construed as a request for information protected by any intellectual property right of any other entity. Nothing herein shall be construed as an inducement for any party to infringe or violate any legitimate intellectual property right. Seller agrees to abide by all applicable intellectual property laws and to respect the legitimate intellectual property rights of all third parties. In the event Seller is under any obligation with respect to any third party that would be violated by this Purchase Order, Seller is to contact Purchaser immediately so that corrective action may be taken. Failure to comply with this obligation shall constitute a material breach of this Purchase Order.

18.2 Should Seller or its employees, officers, agents, subcontractors of any tier, or anyone of a like nature originate or develop any writings, trade secret, discovery, improvement, idea, formula, process, procedures or invention (collectively "Invention") in performance of the Service under this Purchase Order, such Invention, whether or not patentable and whether or not reduced to practice, shall be disclosed to and shall be the property of Purchaser; and Seller hereby assigns to Purchaser all of its right, title, and interest in such Invention and agrees to aid and assist Purchaser in order that Purchaser or its nominee properly can prepare and present all applications for copyrights or Letters Patent thereof, can secure such copyright or Letters Patents wherever possible, as well as reissues, renewals, and extension thereof, and can obtain the record title to such copyright or patents so that Purchaser or its nominee shall be the sole and absolute owner thereof in all countries in which it may desire to have copyright or patent protection. It is understood and agreed that Seller shall not be entitled to any additional or special compensation or reimbursement in regard to any and all such writings, inventions, improvements, processes, systems, procedures and techniques, provided; however, that it is understood and agreed that Purchaser shall bear all expenses relating to the preparation, nomination, securing, renewing, extending, obtaining copyright or patent protection, including compensation for Seller's aid and assistance therewith.

18.3 Any Invention provided by the Purchaser in connection with this Purchase Order as well as any documents or data that include, are derived from or are based on such Invention, is to remain at all times the property of the Purchaser, and may be used by the Seller only for the purpose of the performance of its obligations under this Purchase Order, and shall be returned to Purchaser upon Purchaser's request.

19. COMPLIANCE WITH LAWS

19.1 Seller warrants that the Goods and Services provided under this Purchase Order are in strict compliance with all applicable codes, laws, rules, regulations, orders and standards of federal, state, regional, local and municipal governmental agencies, and all standards, rules, regulations and orders issued by such agencies, at the place of origin and at the final destination, always meeting the most stringent standard.

19.2 To the extent that Seller is deemed to manufacture or to contract to manufacture Goods for Purchaser, if requested Seller shall provide in an acceptable form to Purchaser, information on the content and origin of such Goods that utilize or contain "conflict minerals" that are necessary to the functionality or production of such Goods, in accordance with Section 1502 of the Dodd-Frank Act (the U.S. Conflict Minerals Law). Conflict minerals are wolframite, cassiterite, columbite-tantalite (coltan), gold and their derivative metals; tantalum, tin and tungsten.

19.3 Seller shall comply with Federal Acquisition Regulation (“FAR”) 52.222-54 Employment Eligibility Verification requirements (<http://www.dhs.gov/e-verify>) for all commercial or noncommercial services (except for commercial services that are part of the purchase of a Commercial Off The Shelf (“COTS”) item or an item that be a COTS item, but for minor modifications), performed by the COTS provider and are normally for that COTS item and/or construction which has value of more than \$3,000 and is performed in the United States. Seller shall provide the information required under 52.222-54 to Purchaser within (60) days of the issuance of this Purchase Order. Seller’s failure to comply with 52.222-54 shall be grounds for termination for cause under this Purchase Order. Seller hereby agrees to indemnify and hold Purchaser, and the affiliates, employees, directors and officers of each of them (collectively “Indemnitees”), free and harmless from and against any and all claims, liabilities, damages, losses, causes of action and judgments brought by any person, corporation, governmental entity or other entity not a party to this Purchase Order (collectively “Third Party Claims”), and pay for reasonable attorneys’ fees and costs and expenses incident thereto to the extent such Third Party Claims arise from: (i) non-compliance with 52.222-54; and/or (ii) any fraudulent information provided to Purchaser regarding Seller’s employees and/or contract workers.

19.4 In performing this Purchase Order, Seller agrees to comply with Executive Order 11246, as amended, the Rehabilitation Act of 1973, and the Vietnam Era Veterans Readjustment Assistance Act of 1974, and the equal opportunity clauses contained therein, hereby incorporated into this Purchase Order by reference and, as well as:

Seller and its subcontractor(s) shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 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, sexual orientation, gender identity 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, sexual orientation, gender identity, national origin, disability or veteran status.

19.5 If Seller observes that any part of the Purchase Order is at variance with this Section 19, in any respect, it shall immediately notify Purchaser in writing and any necessary changes shall be made by Purchase Order change. If Seller performs any Service contrary to the applicable codes, laws, rules, regulations, and/or orders, Seller shall assume full responsibility therefore and shall bear all costs attributable thereto.

19.6 Seller acknowledges that the sole responsibility for compliance with the foregoing laws rests with Seller and warrants that each and every substance, including but not limited to arsenic, asbestos, lead or any other hazardous and/or contaminated substances, elements or waste contained in any Goods sold or Service delivered, or otherwise transferred to the Purchaser, Purchaser employees or any third party under this Purchase Order is in compliance with the Toxic Substances Control Act and other applicable federal, state and local laws and regulations at the place of origin and at the final destination, always meeting the most stringent standard.

19.7 Seller shall, at its own expense, defend, indemnify and save harmless Purchaser from and against all liability, loss or damages (including attorneys’ fees and other defense costs) assessed against or suffered by Purchaser as a result of an allegation or claim of noncompliance by Seller with this Section 19.

19.8 Seller hereby acknowledges having read and having full knowledge of the Code of Ethics, which most recently updated version is available on PSM web site at the following address: www.psm.com as of the date of this Purchase Order, and undertakes to comply with their provisions, and to ensure, when applicable, that each entity of the group it belongs to and any Subcontractors comply with such provisions.

19.9 Seller warrants that it has not directly or indirectly paid any commission, fees or granted any rebates to any third party, employees of the Purchaser or the Purchaser’s customer, or made any gifts, entertainment or any other non-monetary favors or other arrangements to Purchaser.

19.10 Goods and/or Services which do not comply with all of the requirements of this Section 19 will be considered to be defective and any breach of this Section will constitute a material breach of this Purchase Order terms and conditions.

19.11 Seller is required to furnish two (2) copies of MSDS documents for all applicable items on this Purchase Order, pursuant to the code of federal regulations (29CFR 1910 1200). Documents must include Purchase Order number and "Ship To Address". Payments under this Purchase Order will not be released until these documents have been received by both of the following methods:

- (i) One copy of MSDS documents must accompany shipment (shipment will not be received without documents).
- (ii) One copy of MSDS document must be mailed to the "Correspondence Address" shown on the Purchase Order.

19.12 Seller represents and warrants that Seller is not a Specially Designated National, and that Seller is not otherwise listed as a restricted person, on any OFAC screening list ("Targeted Person") and that the transaction will not be directly or indirectly for the benefit of a Targeted Person or a national or resident of any country embargoed by the U.S. government (Cuba, Iran, Syria, Sudan, North Korea and the Crimea region of Ukraine). Seller shall comply with all applicable export and import control laws and regulations. Seller will provide Purchaser with all Export Classification Control Numbers applicable to the Goods or Services (and if applicable copies of any applicable export licenses). Seller shall inform Purchaser if any Goods or Services contain dual use items or technology as defined under U.S. export law.

20. PROTECTION OF PROPERTY AND TOOLING

20.1 Seller shall take all actions reasonable necessary to limit damage to real and personal property of Purchaser, including but not limited to Purchaser's Goods, at Seller's site from damage as a result of its performance of the Service hereunder. In the event that such property is damaged or destroyed by Seller, its subvendors, or their agents or employees, in the course of the performance of the Service hereunder, Seller shall, at its own expense, rebuild, restore or replace such damaged or destroyed property, provided that seller shall not bear such expenses if such property damage is the result of subsurface conditions of which Seller had no knowledge or would not have been expected to discover prior to such damage in the exercise of reasonable care.

20.2 All tools, models, patterns, prototypes, drawings and similar items provided by the Purchaser, or procured and/or produced specially for the Purchaser by the Seller for the purposes of the Seller's performance of this Purchase Order ("Tooling") shall be the property of the Purchaser. The Seller shall identify the Tooling as being the Purchaser's property. Tooling shall be delivered to the Purchaser unencumbered immediately upon the Purchaser's demand. Upon the Purchaser's request, the Seller shall, without delay, allow the Purchaser, and/or any third party mandated by the Purchaser, to enter any premises or worksites of the Seller to repossess any Tooling or any part thereof.

As long as the Tooling is in the Seller's possession, the Seller remains solely responsible for the maintenance and repair of the Tooling, including all costs relating thereto. The Seller shall insure, at its sole costs, the Tooling against damage and loss, in accordance with the provision relating to insurance herein.

Tooling modifications made as a result of a change in the Goods design and/or specification initiated or requested by the Purchaser will be funded by the Purchaser. The costs connected with all other Tooling modifications will be borne by the Seller.

The Seller commits not to use any Tooling for any deliveries other than for the Purchaser.

21. INSURANCE

21.1 Without limiting Seller's liability under this Purchase Order, Seller shall maintain in full force and effect during the term of this Purchase Order (and for the longer term described in clause (e) below), at its sole cost and expense, with insurance companies having a Best's Insurance Guide rating of "A-/IX" or better (or otherwise satisfactory to Purchaser), the insurance described below, with coverage at levels normal in the ordinary course of its business, but at levels no less than the minimums indicated, and shall provide to Purchaser certificates evidencing such coverages, or, if requested by Purchaser, copies of applicable policies:

- (a) Commercial general liability insurance, applicable solely to Seller's operations under this Purchase Order, on an "occurrence basis," including the operations of subcontractors of any tier, including bodily injury, property damage, independent contractors liability, products/completed operations, contractual liability and personal injury liability with a limit of \$1,000,000 per each occurrence and \$2,000,000 in the annual aggregate. For two (2) years following the completion of the Project, Seller shall maintain products/completed operations insurance applicable to its operations under this Purchase Order including the completed operations of its subcontractors of any tier.
- (b) business automobile liability insurance covering owned, non-owned and hired automobiles for a limit of \$1,000,000 per each accident.
- (c) workers' compensation insurance with statutory limits and employers liability insurance with limits of not less than \$1,000,000 per claim.
- (d) umbrella/excess liability coverage providing excess general liability, automobile liability and employers liability with a limit of \$5,000,000 per each occurrence, over and above the limits shown in Paragraphs 21.1(a), 21.1(b), and 21.1(c) and an annual aggregate limit of \$5,000,000.
- (e) professional liability insurance with limits of \$6,000,000 per occurrence for liability arising out of any negligent act, error, mistake or omission resulting from Seller's design and engineering Services. Such coverage shall remain in effect for not less than three years following Completion of this Purchase Order and it being understood that, in the event Service is determined to be defective and/or contains an error, mistake or omission, for which Seller is found to be liable, the insurance coverage under this Section 21.1(e) will remain in effect to cover such error, mistake or omission.
- (f) Any parts or components in Seller's care, custody and control, for the services to be performed herein, shall be insured against physical loss or damage from any external cause, on a replacement cost basis, by:
 - 1) Marine Cargo Insurance, while such parts or components are in transit to or from a Seller's facility; and
 - 2) Property Insurance, while such parts or components are at a Seller's facility.

Seller shall cause the Marine Cargo Insurance policy and the Property Insurance policy, referenced in (f)1 and (f)2, above, to include:

 - i) endorsements identifying Purchaser as an additional insured, as its interest may appear; and
 - ii) endorsements waiving all rights of subrogation the insurers may have against Purchaser.

21.2 In the event any of the above insurance coverage limits are exhausted, Seller shall immediately replace, replenish or extend the coverage. Failure or inability of the Seller to restore insurance coverage to the specified limits shall be grounds for termination in accordance with Section 12.

21.3 Policies. The insurance policies required by Section 21.1 shall be endorsed to provide that:

- (i) All insureds and additional insureds be given thirty (30) Days' advance notice of cancellation, non-renewal or material change.
- (ii) for insurance required in clauses (a), (b) and (d) of Section 21.1, Purchaser and each of its constituent partners, employees, directors, officers, agents and representatives are to the extent of Seller's obligations hereunder additional insureds, by endorsement in a form satisfactory to Purchaser as Seller shall provide, and such coverage is primary to any insurance carried by the additional insureds.
- (iii) there is a waiver of subrogation clause on each of the policies described in (a), (b), (c) and (d) of Section 21.1 in favor of Purchaser, and each of its constituent partners, employees, directors, officers, agents and representatives.
- (iv) coverage for the benefit of the Additional Insureds shall not be affected by any act or omission of Seller.
- (v) No payments shall be due from Purchaser to Seller under this Purchase Order at any time when Seller is not in full compliance with this Section 21.

21.4 Certificates, Copies. On the Effective Date, and on each date as of which a change of insurance coverage (including a renewal) required under this Section 21 is made, Seller shall provide to Purchaser a certificate of insurance evidencing the coverage required under this Section 21.

22. GOVERNING LAW AND ENTIRE AGREEMENT

22.1 The agreement or sale resulting from acceptance of this Purchase Order shall be governed by and construed in accordance with the internal laws of the State of Florida, without regard for choice of law considerations. Seller specifically consents to non-exclusive jurisdiction and venue in Palm Beach County, Florida. The parties also agree that the 1980 United Nations Convention on Contracts for the international sale of goods shall not apply to this Purchase Order.

22.2 This Purchase Order incorporates the entire agreement and understanding between the Parties in relation to all matters contained herein, and supersedes all previous oral and written representations whether made negligently or innocently (but expressly excluding fraudulent representations) at any time prior to the execution of the Purchase Order and which are not expressly incorporated herein. It is hereby acknowledged and confirmed that neither Party has agreed to this Purchase Order in reliance on any representation by the other Party, whether oral or written, made prior to the signing of the Purchase Order and not expressly incorporated herein.

22.3 Neither Party's rights will be prejudiced or restricted by any indulgence or forbearance extended by such Party or by any delay in exercising or failure to exercise any right, and no waiver by either Party of any breach will operate as a waiver of any other or further breach, whether of a like or different character. No waiver by either Party of any provision of this Purchase Order will be effective unless in writing and duly executed by an authorized representative of the Party.

23. REMEDIES

23.1 In addition to Purchaser's remedies expressly provided for herein, Purchaser reserves the right to all other remedies available at law and in equity in the event of Seller's breach of any provisions of this Purchase Order. Seller will reimburse Purchaser for all costs and expenses, including reasonable attorney fees which Purchaser incurs in enforcing the provisions of this Purchase Order.

24. DISPUTE RESOLUTION

24.1 In the event a dispute arises between Seller and Purchaser regarding the application or interpretation of any provision of this Purchase Order, the aggrieved Party shall promptly declare a dispute by notifying the other Party to this Purchase Order of the dispute within thirty (30) days after such dispute arises. If the Parties shall have failed to resolve the dispute within sixty (60) days after such dispute is declared, each Party shall appoint a representative who shall have full authority to negotiate a settlement. If within ninety (90) days of their appointments such representatives fail to resolve the dispute to their mutual satisfaction after a good faith effort at resolution, either Party may request that the dispute be resolved by binding arbitration under the applicable Arbitration Rules of the American Arbitration Association. The place of the arbitration shall be Jupiter, FL and the proceedings shall be conducted in English.

24.2 Unless the Purchase Order has already been suspended and/or terminated pursuant to the appropriate provisions contained herein, Seller will proceed with the performance of all of its obligations under this Purchase Order, during and notwithstanding any dispute resolution and/or arbitration proceedings or litigation.

25. NON-CONFORMANCE REPORT

25.1 When Seller has a nonconformance associated with Goods or Services authorized under this Purchase Order, a copy of Purchaser's Non-Conformance Report ("NCR") must be submitted. This form is required in order to authorize said deviation and maintain accurate records for Goods. The NCR is to be promptly filled out, signed by Seller's company representative, and faxed to Purchaser's Quality Manager for approval. A Purchaser representative will complete the disposition section. Any Good with an NCR and Purchaser approval to ship with conforming Goods shall have the NCR referenced in, or an NCR copy included in, the Acceptance Data Package. Original NCR's will be kept on file with Purchaser. Seller is required to keep a logbook of NCR's written to insure all are recognized and closed in a timely manner.

26. DRAWINGS-WARNING

26.1 Purchaser has provided final product drawing(s) via transmitted prints or electronic IGES or DXF files. These drawings/documents are the property of Purchaser. Recipients may not use, copy or disclose these documents or any information in it, for any purpose, without Purchaser's written permission. Possession, use, copying or disclosure by anyone without Purchaser's express written permission is not authorized and may result in criminal and/or civil liability. All paper copies and electronic media are to be returned to Purchaser's Documentation Manager upon delivery of the Goods and/or completion of the Services.

27. ACCEPTANCE DATA PACKAGE CHECKLIST

27.1 The Acceptance Data Package ("ADP") check off list (when provided) identifies information required for submittal for final acceptance. This information is required before the final invoice can be processed, and must be returned to Purchaser's Quality Manager on or before shipment of the Goods.

28. DIMENSIONAL INSPECTION

28.1 Dimensional Inspection Records are required to be in accordance with the Dimensional Inspection Data Sheet when provided with this Purchase Order, and must be returned to Purchaser's Quality Manager on or before shipment of the Goods.

29. SERIAL NUMBERS

29.1 When the Acceptance Data Package Checklist requires a Serialization Number List, it will be provided electronically to Seller indicating the format to be used. Seller, if a raw material supplier, will report actual serial numbers assigned to each Seller-manufactured part and provide the completed Serialization Number List electronically to Purchaser as part of the Acceptance Data Package submittal. Serial numbers shall use the next available sequential number following the format provided by Purchaser. Any questions pertaining to serial number usage or the Serialization Number List should be directed to Purchaser's Configuration Manager.

29.2 When Purchaser provides serialized items to Seller, Seller shall report the serial numbers of all items received. Seller must maintain a listing of current status for each unique part by serial number while in their possession.

30. DOCUMENTATION AND ORDER OF PRECEDENCE

30.1 All applicable documentation submittals as referenced in this Purchase Order and these Terms and Conditions must be submitted by Seller on or before shipment of Goods. ALL DOCUMENTATION SUBMITTALS (NONCONFORMANCE REPORTS, ACCEPTANCE DATA PACKAGE, SERIALIZATION REPORTING AND ETC.) ARE PREFERRED IN ELECTRONIC FORMAT.

30.2 All applicable documentation associated with this Purchase Order shall be retained by Seller, at Sellers premises, for a period not less than seven (7) years.

30.3 In the event of a conflict between any provision of this Purchase Order and other documents, the following order of precedence shall apply:

- (i) This Purchase Order;
- (ii) Engineering Drawings;
- (iii) Specifications; and
- (iv) Process Approval Plans ("PAP").

31. APPROVAL OF SUBCONTRACTORS

31.1 Nothing contained in this Purchase Order shall create any contractual relationship between Purchaser and any subcontractor. In awarding any contract to a subcontractor or supplier, Seller shall give due consideration to the Purchaser's preferences, if any, among potential subcontractors or Sellers recognizing Purchaser's interest in securing the highest quality design and Services and equipment of good quality.

31.2 Seller shall not subcontract its obligations under this Purchase Order, in whole or part, without first obtaining Purchaser's written authorization.

31.3 When requested by Purchaser, Seller shall submit a list of the potential subcontractors proposed for all portions of the Service. Purchaser shall notify Seller of any objection or non-acceptance of any potential subcontractor at any time. Seller shall then take immediate steps to replace such subcontractor with an acceptable subcontractor. The rejection or approval by the Purchaser of any subcontractor or the termination of a subcontractor shall not relieve Seller of any of its responsibilities under the Purchase Order, nor be the basis for additional charges to the Purchaser.

31.4 Seller shall not contract with any subcontractor disallowed by Purchaser. Seller shall not be required to contract with any subcontractor against whom Seller has a reasonable objection.

31.5 Seller shall not make any substitution for any subcontractor who has been accepted by Purchaser unless the substitution is accepted in writing by Purchaser.

31.6 Seller shall not make any substitution for any subcontractor who has been accepted by Purchaser to perform Service included in an approved fixed process unless the substitution is accepted in writing by Purchaser. Said acceptance may require re-approval of the fixed process and shall not be the basis for additional charges to the Purchaser.

32. SUBCONTRACTUAL RELATIONS

32.1 All Service performed for Supplier by a subcontractor shall be pursuant to an appropriate agreement between Supplier and subcontractor which agreement shall:

- (i) Preserve and protect the rights of Purchaser under this Purchase Order with respect to the Service to be performed under the subcontract so that the subcontracting hereof will not prejudice such rights; and
- (ii) Obligate each subcontractor specifically to consent to the applicable provisions of this Purchase Order.

