



## ISO GROUP, INC. PURCHASE ORDER TERMS AND CONDITIONS

### 1. TERMS OF AGREEMENT

The purchase order, together with these terms and conditions, and any attachments and exhibits, specifications, drawings, notes, instructions and other information, whether physically attached or incorporated by reference (collectively, the "Purchase Order"), constitutes the entire and exclusive agreement between the ISO Group, Inc. ("ISO Group") and the supplier (the "Supplier") identified in the Purchase Order. ISO Group's submission of the Purchase Order is conditioned on Supplier's agreement that any terms different from or in addition to the terms of the Purchase Order, whether communicated orally or contained in any purchase order confirmation, invoice, acknowledgement, release, acceptance or other written correspondence, irrespective of the timing, shall not form a part of the Purchase Order, even if Supplier purports to condition its acceptance of the Purchase Order on ISO Group's agreement to such different or additional terms. Supplier's electronic acceptance or acknowledgement of this Purchase Order, its acceptance of any full or partial payment, or its commencement of performance constitutes Supplier's acceptance of these terms and conditions. The Purchase Order does not constitute a firm offer and may be revoked at any time prior to acceptance. Notwithstanding the foregoing, if a master agreement covering procurement of the Product or Product or Work described in the Purchase Order exists between Supplier and ISO Group, the terms of such master agreement shall prevail over any inconsistent terms herein.

### 2. DEFINITIONS

- 2.1. "Deliverables" means the deliverables specified in the Purchase Order (and any "Statement of Work") to be delivered on or before the Delivery Date, including, but not limited to, Products and Work.
- 2.2. "Delivery Date" means the date or dates specified in the Purchase Order by which the Supplier is required to deliver the Product or Work.
- 2.3. "Harmful Code" means any software designed or intended to
  - 2.3.1. disrupt, disable, harm, or impede operation,
  - 2.3.2. impair operation based on the lapse of time, including but not limited to viruses, worms, time bombs, time locks, drop-dead devices, access codes, security keys, back doors, trap door devices, Trojan horses, or self-help code,
  - 2.3.3. damage, destroy, alter or take any software or hardware,
  - 2.3.4. reveal, take, damage, destroy, or alter any data, or
  - 2.3.5. permit any unauthorized access to any data, software or hardware.
- 2.4. "Intellectual Property Rights" means any and all tangible and intangible
  - 2.4.1. copyrights and other rights associated with works of authorship throughout the world, including but not limited to copyrights, neighboring rights, and moral rights, and all derivative works thereof;
  - 2.4.2. trademark and trade name rights and similar rights;
  - 2.4.3. trade secret rights;
  - 2.4.4. patents, designs, algorithms, utility models, and other industrial property rights, and all improvements thereto;
  - 2.4.5. all other intellectual and industrial property rights (of every kind and nature throughout the world and however designated) whether arising by operation of law, contract, license, or otherwise; and
  - 2.4.6. all registrations, applications, renewals, extensions, continuations, divisions, or reissues thereof now or hereafter in force (including any rights in any of the foregoing).
- 2.5. "Preexisting Materials" means any Intellectual Property Rights or tangible personal property of Supplier or ISO Group created before the date of this Purchase Order or outside the scope of this Purchase Order.
- 2.6. "Product or Work", "Product", or "Work" means the deliverables, products and Services specified in the Purchase Order, including any SOW, to be delivered on or before the Delivery Date. "Product" further means tangible goods specified in the Purchase Order to be delivered on or before the Delivery Date.
- 2.7. "Services" means the services that Supplier is to perform for ISO Group specified in the Purchase Order.
- 2.8. "Statement of Work" or "SOW" means the document specifying, without limitation, the scope, objective, and time frame of the Product Supplier will provide to ISO Group or Work that Supplier will perform for ISO Group.
- 2.9. "Subcontractor" means a third party providing Product or performing Work under an agreement (a "Subcontract") with Supplier.
- 2.10. "Supplier Personnel" mean Supplier's employees, consultants, agents, independent contractors and Subcontractors.
- 2.11. "Third Party Intellectual Property" means the Intellectual Property Rights of a third party which Supplier uses or incorporates into the Product or Work.



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### 3. DELIVERY

- 3.1. Time is of the essence in Supplier's performance of its obligations under Section 3 of the Purchase Order. Supplier shall strictly adhere to the shipment or Delivery Date schedules specified in the Purchase Order. Supplier shall not deliver Product or Work prior to a Delivery Date without written authorization from ISO Group. Supplier will immediately notify ISO Group in writing upon Supplier becoming aware that Supplier's timely performance under the Purchase Order will be delayed or is likely to be delayed for any reason and provide ISO Group a written plan to minimize the delay and propose a revised schedule for delivery. ISO Group's acceptance of Supplier's notice will not constitute a waiver or release of any of Supplier's obligations under the Purchase Order. Supplier shall, if requested by ISO Group, ship via air or other expedited routing at Supplier's expense and at no additional cost to ISO Group.
- 3.2. If Supplier delivers Product or Work after the Delivery Date, ISO Group may reject such Product or Work.
- 3.3. ISO Group will hold any Product or Work rejected under this Purchase Order at Supplier's risk and expense, including storage charges, while awaiting Supplier's return shipping instructions. Supplier will bear all return shipping charges, including without limitation, insurance charges ISO Group incurs on Supplier's behalf. ISO Group may, in its sole discretion, destroy or sell at a public or private sale any rejected Product or Work for which ISO Group does not receive return shipping instructions within a reasonable time, and apply the proceeds, if any, first toward any storage charges.
- 3.4. Supplier will include with each delivery of Products a packing list identifying the Purchase Order number, line item number, part number, size (if applicable) ISO Group part number for each of the Products (if applicable), a description and the quantity of each of the Products, the date of shipment, and evidence of inspection. Supplier shall label each shipping container with the purchase order number, and will label multiple cartons on the same shipper sequentially. (e.g., box 1 of 2; box 2 of 2). The total number of shipping containers will be referenced on all shipping documents.
- 3.5. Supplier will include copies of documentation supporting prepaid freight charges (e.g., carrier invoices or UPS shipping log or manifest), if any, with its invoices. ISO Group will select the carrier and mode of transportation for all shipments where freight costs will be charged to ISO group. If Supplier is unable to comply with the shipping instructions, Supplier will obtain a written waiver from ISO Group.
- 3.6. Supplier will preserve, pack, package and handle the Deliverables and Products so as to protect the Deliverables and Products from deterioration, loss or damage and in accordance with best commercial practices in the absence of any specifications ISO Group may provide. ISO Group may charge Supplier for any deterioration, loss or damage due to improper packing, packaging or handling. Non-conforming shipments are subject to rejection and repackaging at Supplier's expense. ISO Group will not accept any damaged metal container.
- 3.7. A shipment containing hazardous and non-hazardous materials must have separate packing sheets for the hazardous and non-hazardous materials. All hazardous materials shall be accompanied by the manufacturer's Material Safety Data Sheet ("MSDS"). Supplier shall not include vermiculite or other hazardous Substance in any packing material included with the Product. Without limiting the foregoing, Supplier shall observe and comply with the requirements of all foreign, federal, state and local laws, regulations and ordinances relating to hazardous materials, including, without limitation, with respect to its accompanying information, packing, labeling, reporting, carriage and disposal.
- 3.8. Unless ISO Group expressly instructs otherwise, Supplier will deliver all Product or Work to ISO Group's plant at the address set forth in the Purchase Order. Supplier assumes responsibility for all shipping and delivery charges including, without limitation, customs, duties, costs, taxes and insurance. Risk of loss for the Deliverables and Products does not pass to ISO Group until acceptance in accordance with Section 7.
- 3.9. ISO Group shall, at no additional cost, retain Product or Work furnished in excess of the specified quantity or in excess of any allowable overage unless, within 10 days of the Delivery Date, Supplier requests return of such excess Product or Work provided such Product or Work can be reasonably separated. In the event of such request for return Supplier shall first reimburse ISO Group for reasonable associated costs, including but not limited to storage, insurance, handling and shipping.
- 3.10. Notwithstanding anything else provided herein, Supplier shall observe and comply with the requirements of all foreign, federal, state and local laws, regulations and ordinances in delivering Products or Work under the Purchase Order, including, without limitation, with respect to its accompanying information, packing, packaging, labeling, reporting, carriage and disposal.

### 4. CERTIFICATE OF CONFORMANCE

- 4.1. Supplier shall include, when indicated, with each shipment a certificate that states that the parts and materials used in the manufacture of the goods furnished under this Purchase Order or contract were tested, inspected, and found to be in compliance with the applicable parts and material specifications. The certificate shall also include the following information:



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- 4.1.1. Part number, including revision number or letter, of the item being furnished.
- 4.1.2. Manufacturer's lot identification number of the item being furnished.
- 4.1.3. Name of the manufacturer of the material.
- 4.1.4. Raw material heat, lot and batch number.
- 4.1.5. Material specification, including revision letter or number.
- 4.1.6. ISO Group purchase order number.
- 4.1.7. Raw Material Test Results.
- 4.2. Supplier shall also include Test reports and Airworthiness certificates (if applicable).

## 5. PRICE AND PAYMENT

- 5.1. Unless otherwise specified in the Purchase Order, the price for the Product or Work includes all taxes and other charges such as shipping and delivery charges, duties, customs, tariffs, imposts and government-imposed surcharges. Supplier will, at ISO Group's request, break-out from the price all such taxes and other charges, in its invoices. Supplier shall use its best efforts to assist ISO Group in all legal efforts to minimize the taxes and other charges resulting from the performance of this Purchase Order.
- 5.2. ISO Group will pay Supplier the price in accordance with the payment terms set forth in the Purchase Order following the later of:
  - 5.2.1. the Delivery Date;
  - 5.2.2. the date of ISO Group's acceptance of all of the Product or Work; or
  - 5.2.3. ISO Group's receipt of a properly prepared invoice. A properly prepared invoice must include the Purchase Order number and, if required in the Purchase Order, Supplier's certification of conformance of the Product or Work to the requirements. Payment will be in United States Dollars unless otherwise specified in the Purchase Order. ISO Group may, at any time, set-off any amounts Supplier owes ISO Group against any amounts ISO Group owes to Supplier or any of its affiliated companies.
- 5.3. Payment shall be deemed made on the date ISO Group's check is mailed or payment is otherwise tendered. ISO Group may take any offered discount on the full amount of the invoice.
- 5.4. Supplier shall promptly repay ISO Group any amounts paid in excess of amounts due to Supplier without demand from ISO Group.

## 6. OWNERSHIP AND LICENSE

- 6.1. Unless otherwise specified in the Purchase Order or SOW and except as provided in Section 6.2, ISO Group is the sole and exclusive owner of all Deliverables and Supplier hereby irrevocably assigns and transfers to ISO Group all of its worldwide right and title to, and interest in, the Deliverables, including all associated Intellectual Property Rights. Any invention or intellectual property that Supplier first makes or conceives in the performance of the Purchase Order, or which is derived from or based on the use of information supplied by ISO Group, shall be considered a "work made for hire" and shall also be ISO Group's property, which ISO Group
- 6.2. shall own solely and exclusively. Supplier shall execute any document and take all appropriate measures, as ISO Group deems necessary, to perfect ISO Group's title to the same.
- 6.3. Unless otherwise specified in the Purchase Order or SOW, each party owns all right, title, and interest in and to any of its Preexisting Materials. Supplier hereby grants ISO Group a perpetual, irrevocable, worldwide, transferable, royalty-free, nonexclusive license, with the right to sublicense and authorize the granting of sublicenses (each on equivalent terms to the license held by ISO Group), to use and reproduce Supplier's Preexisting Materials in the Deliverables to the extent necessary for ISO Group's, and any sublicensee's, exercise, use and exploitation of the Deliverables.
- 6.4. Unless otherwise specified in the Purchase Order or SOW, Supplier will obtain and assign to ISO Group a nonexclusive, royalty-free, worldwide, perpetual, irrevocable, transferable, sub-licensable license to use all Third Party Intellectual Property Rights incorporated into, required to use, or delivered with the Product or Work. Supplier will deliver copies of the above releases and licenses to ISO Group at no additional cost upon ISO Group's request.
- 6.5. Supplier hereby designates ISO Group as an authorized reseller of Supplier and grants it a perpetual, irrevocable, and worldwide license to resell all Deliverables delivered under the Purchase Order and any other products or work at any time delivered to ISO Group by Supplier (whether delivered under the Purchase Order or any other agreement existing between the parties from time to time) without any further action required on the part of either Supplier or ISO Group.

## 7. INSPECTION, ACCEPTANCE AND WARRANTY OF PRODUCT OR WORK



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- 7.1. ISO Group may reject any or all of the Product or Work which does not conform to the applicable requirements of the Product or Work. At ISO Group's option, ISO Group may:
  - 7.1.1. return the nonconforming Product or Work to Supplier for a full refund or credit without paying a restocking charge or return freight charges;
  - 7.1.2. require Supplier to replace the non-conforming Product or Work;
  - 7.1.3. repair the non-conforming Product or Work so that it meets the requirements, or
  - 7.1.4. obtain replacement Product or Work from another source. As an alternative to 7.1.1 through 7.1.3.
  - 7.1.5. ISO Group may accept the non-conforming Product or Work conditioned on Supplier providing a refund or credit in an amount ISO Group reasonably determines to represent the diminished value of the non-conforming Product or Work. ISO Group's payment to Supplier for Product or Work prior to ISO Group's timely rejection of such Product or Work as nonconforming will not be deemed as acceptance by ISO Group. Supplier shall not deliver corrected or rejected Product or Work without disclosing the rejected Product or Work by item and disclose the corrective action taken. Supplier shall provide all appropriate design, test results, inspection results, verification, and statistical techniques or parameters to ISO Group performed by Supplier.
- 7.2. Final inspection and acceptance by ISO Group shall be at destination unless otherwise specified in the Purchase Order. Such inspection shall be in accordance with the stated requirements of these terms and conditions. If rejection of a shipment would result from ISO Group's normal inspection level under such procedures, ISO Group may, at its option, conduct an above-normal level of inspection, up to 100% inspection, and charge Supplier the reasonable costs thereof. If a lot is rejected, ISO Group may screen the lot at Supplier's expense.
- 7.3. No inspection (including source inspection), tests, approval (including design approval) or acceptance of Products shall relieve Supplier from responsibility for any defects in the Products or other failures to meet the requirements of these terms and conditions, or for latent defects, fraud, such gross mistakes as amount to fraud, and Supplier's warranty obligations. ISO Group's failure to inspect, accept or reject Products or failure to detect any nonconformity by inspection shall not relieve Supplier from its obligations or any liability, nor impose liabilities on ISO Group, its agents or customers.
- 7.4. Unless otherwise specified in the Purchase Order, Supplier warrants for a period of one (1) year, , to begin upon ISO Group's final acceptance of the Product or Work, that the Product or Work delivered under the Purchase Order shall conform to the requirements of the Purchase Order (including all applicable descriptions, performance criteria, specifications and drawings), shall be free from defects in material and workmanship, and shall, to the extent not manufactured pursuant to detailed designs furnished by ISO Group, be free from defects in design and fit for the intended purposes. The warranty specified in the preceding sentence shall survive inspection, test and payment for the Product or Work. ISO Group shall give Supplier prompt notice after discovery of a defect or nonconformance in the Product or Work. The warranty provided herein shall accrue to the benefit of ISO Group and its successors, assigns, subsidiaries, clients and customers. In the event of any defect or nonconformance in the Product or Work, ISO Group may, at its option and at Supplier's expense:
  - 7.4.1. require prompt correction or replacement of the Product or Work, or
  - 7.4.2. return the Product or Work for credit or refund. Product or Work to be corrected or replaced shall be subject to the requirements of the Purchase Order in the same manner and to the same extent as Product or Work originally delivered under the Purchase Order. If the ISO Group and Supplier disagree about the existence of a warranty claim, Supplier shall promptly comply with ISO Group's direction to:
    - 7.4.2.1. repair, rework or replace the Product or Work, or
    - 7.4.2.2. furnish any materials or parts and installation instructions required to successfully correct the defect or nonconformance. If it is later determined that ISO Group did not have a valid warranty claim, ISO Group shall equitably adjust the Purchase Order pricing.
- 7.5. Supplier warrants to ISO Group that all Products and Work sold hereunder shall be free and clear of any claim or encumbrance of any nature by any third person, party or entity, and that Supplier shall convey clear and marketable title to ISO Group. Supplier shall furnish, upon ISO Group's request, waivers by Supplier and all other persons entitled to assert any lien rights in connection with the performance of the Purchase Order.

## 8. CHANGES

- 8.1. As used in this Section 8, "Change" means a change ISO Group directs or causes within the general scope of the Purchase Order, the applicable SOW or both.



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- 8.2. ISO Group, by written order ("Change Order"), may make Changes in accordance with this Section 8. ISO Group's engineering and/or technical personnel are not authorized to change any provisions, Deliverables or terms and conditions of the Purchase Order. No Change Order will be binding on ISO Group unless issued by an authorized representative of ISO Group's procurement department.
- 8.3. If Supplier asserts that ISO Group has directed or caused a Change to the cost of or schedule for performance for which ISO Group has not issued a Change Order, Supplier will promptly notify ISO Group in writing of the Change, providing
  - 8.3.1. a description of the action or inaction asserted to have caused the Change;
  - 8.3.2. an estimate of the equitable adjustment that would be required for Supplier to perform the Changed Product or Work; and
  - 8.3.3. a date no less than 30 days from the date of notice by which ISO Group must respond to Supplier's notice so that Supplier may proceed with the Product or Work unchanged. ISO Group will evaluate Supplier's notice of Change in good faith, and if ISO Group agrees that it has made a constructive change, ISO Group will negotiate an adjustment to price or schedule or both in good faith, and issue a Change Order to Supplier.
- 8.4. Supplier shall, as promptly as practicable, after receiving notice from ISO Group of a Change, or within 10 days of receiving a Change Order, submit a request for equitable adjustment specifying the adjustment in the price or time for performance resulting from the Change. ISO Group will negotiate an adjustment to price or schedule or both, to reflect the increase or decrease, in good faith, and issue a Change Order to Supplier.
- 8.5. Supplier has the burden to support the amount of Supplier's claim for equitable adjustment. ISO Group shall have the right to verify the amount of Supplier's claim.
- 8.6. Except as provided in this Section 8 or as otherwise agreed to in writing between the parties, a Change shall not cause or permit any modification or amendment to these terms and conditions.

## **9. REPRESENTATIONS AND WARRANTIES**

- 9.1. Supplier represents and warrants that:
  - 9.1.1. Supplier has the full power to enter into the Purchase Order and to perform its obligations under the Purchase Order;
  - 9.1.2. Supplier has the right and unrestricted ability to assign the Product or Work to ISO Group including, without limitation, the right to assign any Product or Work performed by Supplier Personnel and Subcontractors;
  - 9.1.3. the Product or Work, and ISO Group's use of the Product or Work, do not and will not infringe upon any Third Party Intellectual Property Rights or any third party's right of publicity or privacy, or any other proprietary rights, whether contractual, statutory or common law;
  - 9.1.4. Supplier will not disclose to ISO Group, bring onto ISO Group's premises, or induce ISO Group to use any confidential or proprietary information that belongs to anyone other than ISO Group or Supplier which is not covered by a non-disclosure agreement between ISO Group and Supplier;
  - 9.1.5. Software supplied by Supplier does not contain any Harmful Code;
  - 9.1.6. The Product or Work does not contain any third-party software, including software that may be considered free software or open source software that:
    - 9.1.6.1. may require any software to be published, accessed or otherwise made available without the consent of ISO Group, or
    - 9.1.6.2. may require distribution, copying, or modification of any software free of charge.
  - 9.1.7. Supplier's Product or Work conforms to ISO Group's specifications, Supplier's quotation or proposal, and Supplier's brochures or catalogs, and if none of the foregoing is applicable, then such Product or Work is suitable for the intended use. Supplier's Product and Work shall be free from defects in materials and workmanship, and specifically:
    - 9.1.7.1. Supplier has established and maintains a quality control system suitable to perform the Work and deliver the Products. Supplier shall permit ISO Group to review and audit procedures, practices, processes and related documents to determine applicability. Supplier must maintain a calibration system for test and measurement equipment that complies or meets the intent of the requirements for one or more of the following: ANSI-501-1, ISO 9001, AS 9100, or ISO 17025. ISO Group may, in ISO Group's sole discretion, terminate the Purchase Order or SOW under Section 11.5 if ISO Group finds that the quality control system is inadequate.
    - 9.1.7.2. Supplier will promptly notify ISO Group in writing of any discrepancy in Supplier's Product or Work, process, or quality system.





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- 9.1.7.3. Supplier maintains an effective export and import compliance program in accordance with all applicable Trade Control Laws as defined in Section 16.
- 9.1.7.4. Supplier is not now or at any point during the performance of the Purchase Order listed in any Denied Parties List or otherwise is denied, suspended from or revoked from export privileges by any governmental entity.
- 9.1.7.5. Supplier has trained all employees involved with this Purchase Order or SOW to the Supplier's quality systems, Trade Control Laws and familiarized the employees involved with these Terms and Conditions.
- 9.1.7.6. Supplier will not make any changes in Product, process, process definition, change of suppliers or change of manufacturing facility location without notifying ISO Group and obtaining written permission, such permission to be not unreasonably withheld.
- 9.1.7.7. in performing its obligations under this Purchase Order Supplier will apply the Code of Ethics found at <https://www.iso-group.com/Resources/SupplierCodeOfConduct.pdf>;
- 9.1.7.8. Suppliers are to ensure that they have a process in place to make persons aware of:
  - i. Their contribution to product or service conformity
  - ii. Their contribution to product safety
- 9.1.7.9. except to the extent Supplier is providing: (A) Products only; (B) Services from a Supplier location; or (C) Services in relation to marketing, educational, or a sales related event at a third party site, they have read and comply with the ISO Group Supplier Environmental Health and Safety Requirements located at: <https://www.iso-group.com/Resources/SEHSR.pdf> ;
- 9.1.7.10. Supplier will not use or disclose any information that may identify an individual ("Personal Data") that is processed for or on behalf of ISO Group, except to the extent necessary to perform under this Purchase Order;
- 9.1.7.11. only to the extent that Supplier actually processes Personal Data it will:
  - i. implement and maintain appropriate technical and organizational measures and other protections for Personal Data (including, without limitation, not loading any Personal Data provided to Supplier on:
    - a. any laptop computers or
    - b. any portable storage media that can be removed from Supplier's premises unless in each case
      - i. such data has been encrypted and
      - ii. such data is loaded onto portable storage media solely for the purpose of moving such data to off-site storage),
    - c. report to ISO Group any breaches of security of Personal Data immediately after discovery ("Security Incident"),
    - d. cooperate fully with ISO Group in investigating any Security Incidents ,
    - e. cooperate fully with ISO Group's requests for access to, correction of, and destruction of Personal Data in Supplier's possession,
    - f. comply with all instructions or other requirements provided or issued by ISO Group from time to time relating to Personal Data, and
    - g. permit ISO Group and/or its duly authorized representatives, on reasonable prior notice, to inspect and audit Supplier's business premises and computer systems to enable ISO Group to verify that Supplier is in full compliance with its processing obligations under this Purchase Order;
- 9.1.7.12. Supplier will not transfer Personal Data across any country border unless it is:
  - a. strictly unavoidable for the proper performance under this Purchase Order, and
  - b. notified to ISO Group in writing prior to any such transfer. Upon ISO Group's request,
  - c. Supplier shall enter into such other arrangements with ISO Group as ISO Group considers appropriate (e.g. the EU Model Clauses) in order to ensure that Supplier's transfers are lawful.
- 9.1.7.13. Supplier will not provide ISO Group with Personal Data of any third party or its own employees. Notwithstanding the foregoing, if Supplier does provide ISO Group with any Personal Data, Supplier represents and warrants that it has obtained the necessary consent to provide that Personal Data to ISO Group and to allow ISO Group to use, disclose, and



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transmit such Personal Data on a worldwide basis among ISO Group and its affiliates in connection with this Purchase Order; and

- 9.1.7.14. No Products contain or include components (a) containing PCB (polychlorinated biphenyls) chemical substances, (b) manufactured using a cadmium plating process or contain a chemical substance or mixture that is or becomes subject to a reporting requirement under Section 8(e) of the Toxic Substances Control Act, 15 U.S.C. Section 2607(e), as in effect at time of shipment, (c) that is not RoHS compliant, or (d) containing any Conflict Materials as defined by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 as in effect at time of shipment.
- 9.2. ISO Group warrants and represents to Supplier that it has the full power to enter into the Purchase Order and to perform its obligations under the Purchase Order.
- 9.3. TO THE EXTENT ALLOWED BY APPLICABLE LAW, NO OTHER WARRANTIES ARE MADE, EITHER EXPRESSED OR IMPLIED.

## **10. ASSIGNMENT AND SUBCONTRACTING**

- 10.1. Supplier may not assign any of its rights or delegate any of its obligations under the Purchase Order without ISO Group's prior written consent, which ISO Group will not unreasonably withhold. ISO Group may, at its option, void any attempted assignment or delegation undertaken without ISO Group's prior written consent.
- 10.2. Supplier may not subcontract any of its rights or obligations under the Purchase Order without ISO Group's prior written consent. If ISO Group consents to the use of a Subcontractor, Supplier will:
  - 10.2.1. guarantee and will remain liable for the performance of all subcontracted obligations;
  - 10.2.2. indemnify ISO Group for all damages and costs of any kind, subject to the limitations in Section 12 (Indemnification), incurred by ISO Group or any third party and caused by the acts and omissions of Supplier's Subcontractors; and
  - 10.2.3. make all payments to its Subcontractors. If Supplier fails to timely pay a Subcontractor for Product or Work performed, ISO Group will have the right, but not the obligation, to pay the Subcontractor and offset any amount due to Supplier by any amount paid to the Subcontractor. Supplier will defend, indemnify and hold ISO Group harmless for all damages and costs of any kind, without limitation, incurred by ISO Group and caused by Supplier's failure to pay a Subcontractor.
- 10.3. Except as expressly provided herein, there are no intended third party beneficiaries of the Purchase Order. To the extent allowed by applicable law, no person or entity who is not a party to the Purchase Order shall be entitled to enforce or take the benefit of any of its terms whether as a result of applicable legislation, custom or otherwise.

## **11. TERM AND TERMINATION**

- 11.1. The Purchase Order will remain in effect with respect to any SOW already issued prior to expiration of the term of the Purchase Order until such SOW is either terminated or the Product or Work is completed and accepted.
- 11.2. ISO Group may terminate this Purchase Order, any SOW, or both at any time, for no reason or for any reason, upon 15 days written notice to Supplier. Upon receipt of notice of such termination, Supplier will inform ISO Group of the extent to which it has completed performance as of the date of the notice, and Supplier will collect and deliver to ISO Group whatever Product or Work then exists. ISO Group will pay Supplier for all Products or Work performed and accepted through the effective date of the termination, provided that ISO Group will not be obligated to pay any more than the payment that would have become due had Supplier completed and ISO Group had accepted the Product or Work. In the event of termination, Supplier shall immediately stop all work and shall immediately cause any and all of Supplier's suppliers and Subcontractors to stop work. Supplier shall not be paid for any work or costs that could reasonably be avoided. In no event shall ISO be obligated to pay for lost profits, anticipated profits, and unabsorbed indirect costs or unabsorbed overhead. ISO Group will have no further payment obligation in connection with any termination.
- 11.3. Either party may terminate the Purchase Order, any SOW or both, immediately by delivering written notice to the other party upon the occurrence of any of the following events:
  - 11.3.1. a receiver is appointed for either party or its property;
  - 11.3.2. either makes a general assignment for the benefit of its creditors;
  - 11.3.3. either party commences, or has commenced against it, proceedings under any bankruptcy, insolvency or debtor's relief law, if such proceedings are not dismissed within 60 days; or
  - 11.3.4. either party is liquidating, dissolving, or ceasing to do business in the ordinary course.



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- 11.4. ISO Group may immediately terminate the Purchase Order upon written notice to Supplier if there is a change in ownership representing 20 percent or more of the equity ownership of Supplier.
- 11.5. Either party may terminate this Purchase Order, any SOW or both, immediately by delivering written notice to the other party for any material breach not cured within 30 days of receipt of notice of the breach. ISO Group shall have no further payment obligation to Supplier under any terminated Purchase Order or SOW if ISO Group terminates the Purchase Order or SOW under this Section 11.5.
- 11.6. ISO Group may terminate the Purchase Order for default in the event ISO Group determines that Supplier or any of its officers, directors, employees or agents offered or gave a gratuity or thing of value to any officer, employee or agent of ISO Group. The rights and remedies of ISO Group under this Section 11.6 shall not be exclusive and/or in addition to any rights and remedies provided by law or herein.
- 11.7. Any obligations or duties which, by their nature, extend beyond the expiration or termination of the Purchase Order shall survive the expiration or termination of the Purchase Order.

## 12. CONFIDENTIAL INFORMATION AND PUBLICITY

- 12.1. If ISO Group and Supplier have entered into a Non-Disclosure Agreement ("NDA") which covers disclosure of confidential information under the Purchase Order, and if the term of the NDA expires before the expiration or termination of the Purchase Order, then the term of the NDA shall be automatically extended to match the term of the Purchase Order.
- 12.2. The parties shall treat the terms, conditions, and existence of the Purchase Order as Confidential Information as defined in the NDA.
- 12.3. Supplier shall obtain ISO Group's written consent prior to any publication, presentation, public announcement, press release, or other disclosure concerning its relationship as a supplier to ISO Group.

## 13. INDEMNIFICATION

- 13.1. As used in this Section 13, a "Claim" is any claim, demand, loss, damage, liability, cost or expense (including professional fees and costs as incurred) for which one party (the "Indemnifying Party") may be obligated to defend, indemnify and hold the other party (the "Indemnified Party") harmless. The Indemnified Party shall include all subsidiaries, directors, officers, employees and agents.
- 13.2. Supplier shall defend, indemnify and hold ISO Group harmless from and against any and all Claims as incurred, arising out of or in connection with any
  - 13.2.1. act or omission of Supplier (including its Subcontractors) in the delivery of the Product or performance of the Work;
  - 13.2.2. any breach of any representation, warranty or covenant hereunder; or
  - 13.2.3. any infringement of a third party's Intellectual Property Rights or any other rights.
- 13.3. ISO Group shall indemnify and hold Supplier harmless from and against any and all Claims as incurred, arising out of or in connection with:
  - 13.3.1. Supplier's use of ISO Group's products or services in connection with the Product or Work;
  - 13.3.2. Supplier's use of information or materials provided to Supplier by ISO Group; or
  - 13.3.3. Infringement a third party's Intellectual Property Rights or any other rights resulting from Supplier's adherence to ISO Group's written instructions.
- 13.4. Each party will indemnify and hold the other party harmless from and against any and all Claims, as incurred, arising out of any negligent or willful acts or omissions of the Indemnifying Party which results in personal injury (including death) or damage to tangible property (not including lost or damaged data).
- 13.5. The Indemnified Party will provide the Indemnifying Party with prompt written notice of the Claim and permit the Indemnifying Party to control the defense, settlement, adjustment, or compromise of any Claim. The Indemnified Party may employ counsel at its own expense to assist it with respect to any Claim. The Indemnified Party will have no authority to settle any Claim on the Indemnified Party's behalf.
- 13.6. If a third party enjoins or interferes with ISO Group's use of any Product or Work, then in addition to Supplier's obligations under Section 13.2, Supplier will use its best efforts to:
  - 13.6.1. obtain any licenses necessary to permit ISO Group to continue to use the Product or Work;
  - 13.6.2. replace or modify the Product or Work as necessary to permit ISO Group to continue to use of the Product or Work; or if 13.6.1 and 13.6.2 are not commercially reasonable, then
  - 13.6.3. promptly refund to ISO Group the amount paid for any Product or Work for which a third party enjoins or interferes with ISO Group's use of the Product or Work.
- 13.7. Nothing in this Section shall limit any other remedy of ISO Group or Supplier. In no event shall Supplier's obligations hereunder be limited to the extent of any insurance available to or provided by Supplier or any subcontractor of the Supplier. Supplier expressly waives any





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immunity under industrial insurance, whether arising out of statute or other source, to the extent of any indemnity set forth in this Section 13.

#### 14. LIABILITY

- 14.1. NOTWITHSTANDING ANYTHING ELSE IN THE PURCHASE ORDER OR OTHERWISE, ISO GROUP WILL NOT BE LIABLE TO SUPPLIER WITH RESPECT TO THE SUBJECT MATTER OF THE PURCHASE ORDER UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER LEGAL OR EQUITABLE THEORY FOR ANY AMOUNTS IN EXCESS OF THE AMOUNT ISO GROUP PAID TO SUPPLIER IN THE SIX MONTHS PRECEDING THE EVENT OR CIRCUMSTANCE GIVING RISE TO SUCH LIABILITY.
- 14.2. IN NO EVENT WILL ISO GROUP BE LIABLE TO SUPPLIER FOR ANY INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL DAMAGES OR LOSS OF PROFITS ARISING OUT OF, OR IN CONNECTION WITH, THE PURCHASE ORDER, WHETHER OR NOT ISO GROUP WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.
- 14.3. THE LIMITATIONS WILL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED HEREIN. NOTHING IN THE PURCHASE ORDER LIMITS EITHER PARTY'S LIABILITY FOR BODILY INJURY OF A PERSON, DEATH, OR PHYSICAL DAMAGE TO PROPERTY OR ANY LIABILITY WHICH CANNOT BE EXCLUDED UNDER APPLICABLE LAW.

#### 15. INSURANCE

- 15.1. Supplier will secure and maintain insurance, and will ensure Supplier's Subcontractors secure and maintain insurance coverage, providing coverage for liabilities to third parties for bodily injury (personal injury) and damage to property in amounts sufficient to protect ISO Group in the event of such injury or damage, and will be in compliance with any and all laws, regulations or orders addressing the liabilities of an employer to its employees for injuries and disease suffered in connection with employment. Supplier further will maintain such additional types and limits of insurance as is customary for a company of similar size and similar operations to Supplier in the jurisdiction or jurisdictions in which Supplier's operations take place.

#### 16. COMPLIANCE WITH LAWS

- 16.1. Supplier represents and warrants that it will comply with all applicable local, state, national and foreign laws, regulations, decrees, orders and policies pertaining to its performance of its obligations under this Purchase Order ("Laws"). In particular and without limitation, Supplier shall not act in any fashion or take any action that will render ISO Group liable for a violation of any applicable anti-bribery legislation (including without limitation, the U.S. Foreign Corrupt Practices Act and the UK Bribery Act 2010), which prohibits the offering, giving or promising to offer or give, or receiving, directly or indirectly, money or anything of value to any third party to assist it them or ISO Group in retaining or obtaining business or in performing the Product or Work, Export Administration Regulations ("EAR") of the U.S. Department of Commerce, the U.S. Department of State International Traffic in Arms Regulations ("ITAR"), the U.S. Customs and Border Regulations, the Harmonized Tariff Schedule, the anti-boycott and embargo regulations and guidelines as set forth in the EAR, and the U.S. Department of Treasury, Office of Foreign Assets Control, collectively, the "Trade Control Laws". Without limiting the foregoing, to the extent that Supplier is a US federal contractor or covered subcontractor as contemplated in accordance with the applicable laws and regulations, then Supplier agrees that this Purchase Order will be subject to the requirements of 41 CFR 60-1.4 and 29 CFR part 471, Appendix A to Subpart A, and the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a), which are incorporated herein by reference. **The latter two regulations prohibit discrimination against qualified individuals on the basis of protected veteran status and disability and require affirmative action to employ and advance in employment protected veterans and qualified individuals with disabilities and prohibit discrimination against all individual based on their race, color, religion, sex or national origin.** Supplier's failure to comply with this provision shall constitute a material breach of this Purchase Order.
- 16.2. Supplier shall promptly notify ISO Group of any actual or alleged violations of any applicable Laws as set forth in Section 16.1; any suits, actions, proceedings, notices, citations, inquiries or other communications from any government entity or third party regarding the Purchase Order and a violation or potential violation of any applicable Laws, or any event, action or occurrence that could reasonably impact Supplier's Representations and Warranties as specified in Section 9.1.

#### 17. RIGHT TO PERFORM INSPECTION, SURVEILLANCE AND TESTING

- 17.1. ISO Group shall have the right to perform inspections, surveillance and tests to review procedures, practices, processes and documents related to quality assurance, quality control, flight safety and configuration control. This right shall extend to clients and customers of ISO



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Group that are agencies, departments, or other instrumentalities of the United States Government or of a foreign government equivalent. ISO Group will provide reasonable notice and perform such inspection, surveillance and testing during normal business hours. There shall be no additional charge to ISO Group in exercising this right. Nothing in this Section 17 shall limit access to Supplier's facilities pursuant to law or regulation.

## **18. RECORD RETENTION**

- 18.1. Product Traceability. Supplier shall maintain all records and traceability of all materials applicable to the Purchase Order in a systematic manner for a period of seven (7) years (or as otherwise required and agreed upon.) from ISO Group's acceptance of all Product or Work.
- 18.2. Supplier shall retain all financial records pertaining to the Product or Work for a period of not less than three (3) years after final payment. Such records shall include, without limitation, catalogs, price lists, invoices, underlying data and basis for cost estimates, and inventory records. If compelled by any government entity, domestic or foreign, ISO Group shall have the right to examine, reproduce and audit all Supplier records related to incurred costs, proposed costs, invoices, claims or pricing.

## **19. GOVERNING LAW**

- 19.1. The Purchase Order will be construed in accordance with, and all disputes will be governed by, the laws of the State of Florida, without regard to its conflict of laws rules. The parties specifically waive application of the UN Convention on Contracts for the International Sale of Goods. Supplier irrevocably consents to the exclusive personal jurisdiction of the state and federal courts in and for Brevard County, Florida, and irrevocably waives any claim it may have that any proceedings brought in such courts have been brought in an inconvenient forum.

## **20. GENERAL**

- 20.1. Any notice to be given under the Purchase Order will be in writing and addressed to the party at the address stated in the front of the Purchase Order. Notices will be deemed given and effective
  - 20.1.1. if personally delivered, upon delivery,
  - 20.1.2. if sent by an overnight service with tracking capabilities, upon receipt;
  - 20.1.3. if sent by fax or electronic mail, at such time as the party which sent the notice receives confirmation of receipt by the applicable method of transmittal; or
  - 20.1.4. if sent by certified or registered mail, within five days of deposit in the mail.
- 20.2. If there is a conflict between or among the Purchase Order and any documents attached to and incorporated by reference, the conflict will be resolved as follows:
  - 20.2.1.1. A conflict between the terms of the Purchase Order and those set forth in an exhibit or hyperlink will be resolved in favor of the Purchase Order.
  - 20.2.1.2. A conflict between the terms of the Purchase Order and those set forth in an SOW will be resolved in favor of the SOW.
  - 20.2.1.3. A conflict between the terms of an exhibit or hyperlink and those set forth in an SOW will be resolved in favor of the SOW.
- 20.3. If any court of competent jurisdiction holds that any provision of the Purchase Order is illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining provisions of the Purchase Order will not be affected or impaired, and all remaining terms of this Purchase Order remain in full force and effect, provided that this provision shall not be applied to defeat the intent of the parties.
- 20.4. A party's election not to insist on strict performance of any requirement of the Purchase Order or these Terms and Conditions will not operate or be construed to waive any future omission or breach, or any other provision of the Purchase Order or these Terms and Conditions except as expressly and affirmatively disclaimed in the Purchase Order, the rights and remedies set forth herein are cumulative and in addition to any other rights or remedies that ISO Group or Supplier may have at law or in equity.
- 20.5. If any provision of the Terms and Conditions is or becomes void or unenforceable by law, the remainder shall be valid and enforceable.
- 20.6. Supplier agrees that ISO Group approvals of Supplier's technical and quality specifications, drawings, plans, procedures, reports, and other submissions shall not relieve Supplier from its obligations to perform all requirements of these Terms and Conditions.
- 20.7. Supplier and ISO Group are independent entities. Nothing in the Purchase Order is intended to, nor shall it be deemed to, make one party the agent, legal representative or partner of the other for any purpose.
- 20.8. In the performance of the Purchase Order, Supplier agrees to comply with all applicable local, state and federal laws, executive orders and regulations. With respect to any Purchase Order pertaining to a government contract or subcontract, unless otherwise exempt, the following clauses are incorporated by reference: Equal Opportunity Clause, 41 CFR § 60-1.4; Disabled Veterans and Veterans of the Vietnam Era, 41



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CFR § 60-250.5; Individuals with Disabilities, 41 CFR § 60-741.5. In addition, unless exempt, Supplier shall comply with all affirmative action requirements and any other requirements set forth in 41 CFR Chapter 60 and all applicable Executive Orders pertaining to equal opportunity. Supplier also agrees to comply with Executive Order 13201 and its implementing regulation at 29 CFR Part 470. With respect to the performance of a Purchase Order pertaining to a government contract, Supplier agrees to assume toward ISO Group all obligations and responsibilities which ISO Group assumes toward a higher-tier contractor or a government customer. Further, Supplier agrees to comply with all flow down provisions required by the terms of any applicable government contract whether or not specifically identified by ISO Group.