

Terms and Conditions of Purchase

1. **CONTRACT:** Unless otherwise mutually agreed to in an executed written agreement, the terms and conditions stated herein shall govern and constitute the entire contract for the purchase of products and/or services (collectively "Products") between the seller of the Product's ("Seller") and DAC International, Inc. ("DAC" or "Buyer"). DAC and the Seller may be referred to herein as a "party" or collectively as the "parties." Except as expressly set forth herein, Seller's other commercial terms shall have no force and effect. Seller's commencement of any work on the Products subject to this purchase or repair order ("Order", "PO", "RO"), including without limitation, Seller and/or its agents or licensors shipment of materials, performances of services, or acceptance of this Order, shall be deemed to be Seller's acceptance of the terms and conditions. These terms shall apply for all Product Order(s) irrespective of whether they are specifically referenced in any invoice, or any other document provided by a party, or whether Seller has acknowledged these Order terms. Unless agreed to in writing by Buyer, any additional or inconsistent terms or conditions in Seller's acknowledgement are not binding on Buyer. The terms and conditions of this Order may be accepted by Seller only on the exact terms and conditions set forth herein. No modification, termination or attempted waiver or release claimed by either party shall be valid unless in writing signed by the other party. DAC reserves a right-of entry access to Seller's plant during normal business hours to collect any Products paid for by the Buyer as part of this Order or Buyer Property provided by the Buyer and to inspect and audit any materials and/or Products included in this Order. Additionally, the Seller agrees that a right of access during normal business hours to Seller's plant to inspect and audit any materials and/or Products is extended to regulatory agencies and Buyer's customer(s).
2. **CONTACT:** All communication regarding the purchasing of products from the Seller shall be communicated by the Seller to Buyer via email to dacorders@dacint.com.
3. **INSPECTION:** Buyer, Buyer's customer(s) and/or any applicable regulatory authorities shall have the right, at Buyer's option, to inspect the Product and any materials included in the Product packaging at Seller's plant or at Buyer's designated ship-to location. Buyer may reject Products or any materials included with them which do not conform to Buyer's specifications or, if no specifications are specified, that do not conform to industry standard design specifications for the Products. All costs incurred and damages sustained by Buyer as a result of such rejections shall be the responsibility of the Seller, and Buyer may return such materials at Seller's sole cost and expense. Materials are subject to Buyer's inspection and acceptance notwithstanding any prior payment(s) by Buyer.
4. **WARRANTY:** All materials sold shall conform to the description set forth herein and shall be (i) merchantable and fit for the particular purpose or use for which the materials are required by Buyer or its customer, (ii) be free and clear of all liens, security interest or other encumbrances, and (iii) the use and resale of any Products do not infringe or misappropriate any third party's patent or other intellectual property rights. Seller warrants that the Products furnished and/or installed by it are new and not used or reconditioned and free from defects in materials or workmanship for a period of the greater of (i) one year from the date of delivery or completion of installation, whichever is later, or (ii) the minimum warranty period required by law in the territory that an applicable Buyer customer for the Product is located. Repairs or replacements of any defective materials shall be made by Seller without cost to Buyer at any time within the warranty period. Upon the Seller's failure to address Buyer's warranty claims, the Buyer may do so at Seller's expense provided no less than -five- (5) days prior written notice is given to the Seller.
5. **PRODUCT PACKAGING:** All Products shall be packed for shipment according to Buyer's instructions or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition. Seller must provide Buyer prior written notice if it requires Buyer to return any packaging material. Any return of such packaging material shall be made at Seller's expense.
6. **INDEMNIFICATION:** Seller shall indemnify and hold harmless Buyer, its employees, officers, agents, and customer(s) (collectively the "Buyer Indemnitees") against any and all losses, liabilities, damages, fines, penalties and expenses, including reasonable attorneys' fees, arising in any way out of the purchase of the Products by Buyer or the use thereof by Buyer or its customer, including, without limitation, a claim, action or proceeding for (i) injury to or death of any person or damage to any property, (ii) a breach of any warranty or other provision of this Order and (iii) a violation or alleged violation of any federal, state, or local laws or regulations resulting from the existence of any pollutant contaminant chemical or toxic or hazardous substance or waste in the materials. Seller shall maintain primary product liability insurance with such limits as shall be reasonably satisfactory to Buyer.
7. **EXCUSABLE DELAYS:** Neither party shall be liable for any delay or failure of performance due solely to strikes, fires or other causes beyond its control (including a failure or delay of any purchaser of material from Buyer due to any of the above contingencies) provided that the party subject to such delay gives notice to the other party of any such cause for delay and anticipated delayed delivery date. Seller shall not discriminate against Buyer or favor to the detriment of the Buyer any other customer(s) in making deliveries of the Products and any materials included in the Product packaging. Seller shall use its best efforts to make deliveries as expeditiously as possible taking into account the cause of the delay. If Buyer believes that the delay or anticipated delay in Seller's deliveries may impair its ability to meet its production schedules or delivery schedule to its customers, Buyer may at its option, and without liability to Seller, cancel outstanding deliveries wholly or in part.
8. **TITLE & DELIVERY:** Title to, and risk of loss of, materials purchased under this Order shall rest upon Seller until such materials are delivered at the F.O.B. ship-to point specified in the Order (Incoterms, 2010), or, if no point is given, then to the Buyer's warehouse at 15501 SW 29th Street, Suite 101, Miramar, FL 33027 USA. Notwithstanding the foregoing, if Buyer has made an advanced payment for the Products (including any materials thereof) then title to such Products shall pass to Buyer upon Seller's receipt of payment. Notwithstanding the foregoing sentences, all Products are subject to Buyer's subsequent inspection, and acceptance. Seller shall provide Buyer all shipping documents, including the commercial invoice, packing list, air waybill, bill of lading and any other documents necessary to release the Products to Buyer after Seller delivers the Products to the transportation carrier.
9. **INFRINGEMENT:** If a claim is made or an action is brought or threatened for infringement on any patent, trademark, trade name, logo, or copyright or for the unauthorized use of any trade secret or any litigation arising out of the sale or use of the Products furnished pursuant to this Order, in whole or in part, Seller shall indemnify, defend, and hold harmless the Buyer Indemnitees against any and all losses, damages, liabilities and expenses, including reasonable attorneys' fees in connection with such claim(s) or action(s). In addition to the foregoing indemnification remedy to the extent Buyer and/or its customer(s) or end users are restricted from being able to use the Product as set forth in this Order, Seller shall, at its option and expense, either procure for Buyer, its customers and end users the right to continue to use the Products, replace the Product with a non-infringing Product, or modify the Product to make its use non-infringing while performing the same function without any degradation of performance. If within ninety (90) days after such a claim has been made, Seller has not procured such right, replaced the Product, or modified the Product so that it does not infringe, Seller shall accept a return of the Products, at the Seller's cost, from Buyer, and shall refund to Buyer the full amount of the price paid by Buyer for said returned Products and cover any differences in the costs of any replacement goods.
10. **LABOR INDEMNIFICATION AND INSURANCE:** If this Order covers the performance of labor on Buyer's premises, Seller agrees to indemnify and hold harmless the Buyer Indemnitees against any and all losses, liabilities, damages, fines, penalties and expenses, including reasonable attorneys' fees in any way out of Seller's, its agents, and/or licensors' performance of this Order, including, without limitation, a claim, action or proceeding for (i) damage to any property or injury to or death of any person, and (ii) violation or alleged violation of any federal, state or local law or regulation. Seller also agrees to furnish Buyer with a certificate from Seller's insurance carrier evidencing worker's compensation and primary comprehensive public liability, property damage and contractual liability insurance with such limits as shall be reasonable satisfactory to Buyer and including Buyer as an additional insured.
11. **FABRICATION:** Fabricating and processing of parts and/or assemblies is to be governed by the shipping schedule as noted on the Order. Seller is authorized to fabricate and assemble only such part of this Order and in the quantities as is necessary to meet Buyer's shipping schedules. Buyer assumes no liability for fabrication in excess of the amounts needed for Seller to fulfill the Product under this Order unless prior approval has been obtained in writing.
12. **TAXES AND PRICING:** Unless otherwise provided herein, prices shown on this Order are deemed to include all taxes, or other charges not expressly imposed by law on the Buyer of the materials ordered hereunder. The prices for the Products are the prices accepted on this Order, unless Seller has advised Buyer of a lower price for such Products, in which cases, Seller shall invoice Buyer based on such lower prices.
13. **COMPLIANCE WITH LAW:** In the performance of this Order Seller shall comply with all applicable federal, state and local laws, rules and regulations. Seller certifies to Buyer that the materials purchased by Buyer were produced in compliance with all applicable requirements of the Fair Labor Standards Act of 1938, as amended, and the regulations. The Equal employment Opportunity clause prescribed by executive Order No. 11246 of September 24, 1965, as amended, is incorporated herein, unless this transaction is exempt under applicable regulations.
14. **BUYER'S PROPERTY:** All equipment or materials furnished to Seller by Buyer, and all designs, drawings, blueprints, jigs, fixtures, printing plates, dies, tools, patterns or other special equipment, charged by Seller to Buyer ("Buyer's Property") shall (i) be the property of the Buyer, (ii) be used by Seller at its own risk, (iii) not be used by Seller in production of materials for any third party without the written consent of Buyer, and (iv) be delivered by Buyer at its written request upon completion or termination of this Order. Seller shall be responsible for all loss of damage to Buyer's Property while in Seller or its agent's care, custody and/or control. Buyer makes no warranties of any nature with respect to any such property it may furnish to Seller,

- and retains all title to such property, unless Buyer has agreed in writing otherwise. Buyer shall have the option during Seller's normal business hours to pick up or have its agents pick up any applicable Buyer Property. Seller shall indemnify the Buyer Indemnitees for its costs to remove any liens, claims, security interest, and other encumbrances attached by Seller and/or its creditors on any Buyer's Property."
15. **SET-OFF & PAYMENT TERMS:** Any monies due to Buyer from the Seller hereunder or otherwise may be applied by Buyer to any payment it owes the Seller. Seller shall issue an invoice to Buyer on or any time after the completion of delivery and only in accordance with these Terms. Buyer shall pay all properly invoiced amounts due in United States Dollars to Seller within 30 days after Buyer's receipt of such invoice, except for any amounts disputed by Buyer in good faith. In the event of a payment dispute, Buyer shall deliver a written statement to Seller providing a reasonably detailed description of each disputed item and the Seller shall respond within ten (10) calendar days of its receipt to such statement(s) to the Buyer. Amounts not so disputed are deemed accepted and must be paid, notwithstanding disputes on other items, within the period set forth in this Section. The parties shall seek to resolve all such disputes expeditiously and in good faith. Seller shall continue performing its obligations under this Agreement notwithstanding any such dispute.
 16. **ASSIGNMENT:** No assignment of this Order or of any monies due or to become due here under shall be made without prior written consent of Buyer.
 17. **TERMINATION FOR CAUSE:** Buyer may cancel this Order upon written notice to Seller by mail directed to the Seller's address set forth on the face of this Order, or by e-mail to Seller's designated purchase order contact, if the materials are not shipped within the time specified on the face of the Order, or do not conform with the description and warranties set forth herein, or if Seller files a voluntary petition under any federal or state bankruptcy or insolvency act, or becomes insolvent or is adjudicated bankrupt.
 18. **TERMINATION FOR CONVENIENCE:** Buyer may terminate this Order for its own convenience, in whole or in part, at any time during the term of this Order by giving written notice of termination to the Seller by regular mail directed to the address set forth on the face of this Order. In the event of such termination, Seller immediately shall stop all work and cause all of its suppliers and subcontractors to cease work. Buyer will pay Seller for finished work accepted by Buyer and, for orders released by Buyer under any blanket purchase orders, for the documented labor and material cost to Seller of work in process and raw materials allocable to the terminated work, less salvage value. IN NO EVENT SHALL THE BUYER BE LIABLE FOR LOSS OF PROFIT, ANY PUNITIVE, INDIRECT, CONSEQUENTIAL, EXEMPLARY, OR SPECIAL DAMAGES, UNLESS BUYER HAS EXPRESSLY AGREED IN WRITING TO PAY SUCH COSTS. For avoidance of doubt, the term of this Order shall last until conforming shipment(s) of all Products included in this Order that are not cancelled by the Buyer have been delivered to Buyer and Buyer has paid Seller for such Products. The indemnification, Product quality, and warranty terms set forth herein shall survive the term of this Order.
 19. **APPLICABLE LAWS:** This contract and the respective rights and obligations of the parties shall be governed by and construed according to the laws of California, USA. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Order or any transactions made pursuant to it. By acceptance of this Order, Seller agrees to submit to the exclusive jurisdiction of the federal and state courts located in Los Angeles, CA, USA to hear and decide any suits, actions, or proceedings and/or to settle disputes, which may arise out of or in connection with this Order. Both parties agree that any written notices to be sent to the other party under this Order can be sent to the other parties' principal address set forth on the face of the accepted Order or by email to the Seller's designated purchase order contact, unless a party has advised the other in writing of any alternate notice mailing or email address(es). All communications and notices to be made or given pursuant to this Order shall be made in the English language only. The parties irrevocably waive any objection that service of process must conform to The Hague Convention on Service of Process Abroad or other applicable law or treaty regarding service of process, in favor of the procedure for service of process set forth herein. The rights and remedies under this Order are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.
 20. **HAZARDOUS MATERIAL:** Seller shall provide Buyer with a "Material Safety Data Sheet" on all Product and any materials of a hazardous nature with each initial order of a Product.
 21. **QUALITY MANAGEMENT SYSTEM:** The Seller must maintain a Quality Management System, processes, and documentation that conforms to the applicable quality requirements and has been approved by DAC International, Inc. (the Buyer)
 - 21.1. Audit: Upon providing the appropriate notification, DAC reserves the right to review the Seller's processes and records associated with this Order at all Seller facilities. This audit right extends to our customers, applicable regulatory agencies, and any sub-tier suppliers used in the fulfillment of this order.
 - 21.2. **Quality Records:** Conformance records showing that the items listed above meet the required specifications are required on request. Seller must maintain conformance and traceability records regarding the product or service provided in regards to this Order. Record retention period of all quality records and documentation is the later of (i) 7 years or (ii) the time period specified in any Orders.
 - 21.3. **Reporting:** Any differences between what is listed above and what the Seller provides must be clearly identified, communicated, and approved prior to shipping.
 - 21.4. **Non-Conformance:** Detection of a non-conforming Product regarding any order (currently in work or previously shipped) must be promptly communicated to our quality department for risk assessment. It is the responsibility of the Seller to ensure that any and all material or special processes purchased by DAC are in accordance with all necessary and latest specifications.
 - 21.5. **Subcontracting:** If any part of this Order is outsourced or subcontracted by the Seller to any of its suppliers or vendors, all applicable requirements and specifications (including all applicable key characteristics) must be communicated to each sub-tier supplier or vendors used by the Seller.
 - 21.6. **Calibration Services:** If providing calibration services, all certificates must identify standards used and must be traceable to NIST (National Institute of Standards Technology).
 - 21.7. **Product Change Notification:** The Seller shall notify DAC of changes in products and/or process. Any Product modification that impact the Product's form, fit, and function (each a "Material Modification") must be pre-approved by DAC.
 - 21.8. **Parts Control Plan:** Seller shall have an effective and appropriate plan to ensure that Products furnished to the Buyer under this Order are not counterfeit, suspected or unapproved parts, and should comply with applicable counterfeit, suspected unapproved, or unapproved part prevention requirements of the Order.
 - 21.9. **Quality Standards:** Seller shall be responsible for ensuring that its applicable personnel are aware of:
 - Their contribution to product or service conformity;
 - Their contribution to product safety; and
 - The importance of ethical behavior.
 - 21.10. **End of Life:** Seller shall notify DAC of any changes or updates regarding part obsolescence. Upon request of DAC, the Seller shall provide written documentation of obsolescence with alternate solution if available.
 - 21.11. **At The Buyer,** at its discretion, may monitor and evaluate Seller's on-time delivery and overall quality performance for evaluation purposes.
 22. **ENTIRE AGREEMENT:** This Order, together with any documents incorporated herein by reference, constitutes the sole and entire agreement of the parties with respect to the Order, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, with respect to the subject matter of the Order. Unless Buyer has otherwise agreed in writing, these Terms prevail over any terms or conditions contained in any other documentation and, expressly exclude any of Seller's general terms and conditions of sale or any other document issued by Seller in connection with this Order.
 23. **CONFIDENTIAL INFORMATION:** All non-public, confidential or proprietary information of the Buyer, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with the Order is confidential, solely for the use of performing the Order and may not be disclosed or copied unless authorized by Buyer in writing. Upon Buyer's request, Seller shall promptly return all documents and other materials received from Buyer. Buyer shall be entitled to injunctive relief for any violation of this Section. This Section shall not apply to information that is: (a) in the public domain; (b) known to the Seller at the time of disclosure; or (c) rightfully obtained by the Seller on a non-confidential basis from a third party.
 24. **SURVIVE:** Provisions of this Order which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Order including, but not limited to, the following provisions: Warranty, Setoff and Payment Terms, Indemnification, Labor Indemnification and Insurance, Indemnification, Compliance with Laws, Confidential Information, Taxes and Prices, Applicable Laws, and Survival.
 25. **CONFLICT MINERALS:** DAC is committed to maintaining high standards of corporate responsibility and takes seriously reports that the violent conflict in the Democratic Republic of Congo (DRC) region is partially financed by

the exploitation and trade of “conflict minerals” – tantalum, tin, tungsten and gold (a/k/a “3TG”) – originating in the DRC region. Accordingly, DAC supports the underlying objective of legislation enacted to curb the illicit trade of 3TG. DAC is engaged in efforts to reduce the risk that minerals used in its products may contribute to the violence in the DRC region, including sponsorship of initiatives aimed at ridding global supply chains of 3TG that help finance violence. We require this commitment from our supply base as well.