



PURCHASE TERMS AND CONDITIONS PACIFIC INSTRUMENTS, INC.

1. **ACCEPTANCE AND GOVERNING CONDITIONS.** This order is not an acceptance of any offer to sell but is an offer by Pacific Instruments, Inc. (the "Buyer") to purchase. Acceptance of this order and assent to these terms and conditions shall be deemed given by the supplier to whom it is addressed ("Seller") unless Seller gives specific written notice to the contrary to the Buyer at its address on the face of the purchase order prior to any performance of the order and in no event more than 10 days after the date of purchase order issuance. Upon acceptance, this order shall constitute the entire agreement between the parties (except for any additional warranties given by the Seller); superseding any and all previous communications and negotiations. Unless specifically agreed to in writing by Buyer, signed by duly authorized personnel of Buyer, no additional or different term or provision (except additional warranties given by the Seller) of any quotation, acknowledgment, invoice or other form supplied by Seller shall become part of the contract notwithstanding Buyer's failure to specifically object to such term or provision. Buyer agrees to purchase the goods described on the face of the purchase order only upon Seller's complete acceptance of all the terms and conditions of this order, without modifications or additions thereto. The agreement or sale resulting from the acceptance of this order shall be construed and interpreted in accordance with the internal laws of the State of California.
2. **PRICE – DELIVERY – PAYMENT TERMS.** Seller shall furnish the items ordered in accordance with the prices and delivery schedule stated on the face of the purchase order. Seller warrants that the prices charged for the items covered by this order will be as low as the lowest prices charged by the Seller to any of its customers purchasing similar items in the same quantity and under like circumstances. Except as may be otherwise provided in this order, prices include all applicable Federal, State and local taxes in effect on the date of shipment. Seller agrees to pay any taxes imposed by law upon or on account of the material ordered hereunder. The payment terms stated on the face of the purchase order shall be calculated from the date of receipt of items conforming to the order of the date of a correct invoice, whichever occurs first.
3. **PACKING AND SHIPPING.** Seller will comply with Buyer's routing and shipping instructions on the face of the order. No charges for packing or crating will be paid by the Buyer, unless otherwise stated in the order. All items shall be packaged, marked and otherwise prepared in accordance with good commercial practices to obtain the lowest transportation rates. Each container or package must be marked with the order number and must contain an itemized packing list also showing the order number and Buyer item number(s).
4. **DELIVERY. TIME AND DATE OF DELIVERIES ARE THE ESSENCE OF THIS ORDER.** Delivery shall not be deemed complete until the goods are received and subsequently accepted by Buyer, notwithstanding any agreement to pay freight or other transportation charges. The risk of loss or damage in the course of delivery shall be upon the Seller unless otherwise provided herein. Whenever any delay (or any threatened delay) in delivery is foreseeable, the Seller shall immediately notify Buyer of such delay but no such notice shall affect the rights of the Buyer hereunder. Seller shall not make material commitments or production arrangements in anticipation of Buyer's requirements except at Seller's own risk. Buyer reserves the right to refuse shipments made in advance of the schedule of deliveries appearing on the face of the purchase order.
5. **DEFAULT.** If (i) Seller fails to make any delivery or perform any services in accordance with the specified delivery dates, Buyer reserves the right by written notice to cancel this order or if Seller otherwise fails to comply with this order and does not remedy such failure within ten (10) days after receipt of written notice thereof, (ii) Seller fails to make progress to such an extent that performance of this order is endangered, or (iii) any proceeding is filed by or against Seller in bankruptcy or insolvency, or for appointment of a receiver or trustee, Buyer may terminate all or any part of this order by written notice or telegraphic notice to Seller without liability and may purchase substitute items elsewhere and Seller shall be liable to Buyer for any excess cost occasioned Buyer thereby. If this order is terminated as provided in this clause, the Buyer may require the Seller to transfer title and deliver to the Buyer (i) any completed supplies, and (ii) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights as the Seller has specifically produced or specifically acquired for the performance of such part of this contract has been terminated. The rights and remedies of Buyer provided in this order shall not be exclusive and are in addition to any other rights and remedies provided by law. Except with respect to defaults of subcontractors, Seller shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Seller. If the failure to perform is caused by the default of a subcontractor at any tier, and if such default arises out of causes beyond the control of both the Seller and subcontractor, and without the fault or negligence of either of them, the Seller shall not be liable for any excess costs unless the supplies or services to be furnished by the subcontractor were obtained from other sources in sufficient time to permit the Seller to meet the required delivery schedule.
6. **CHANGES – ADDITIONS – DELETIONS.** Buyer shall have the right, by written notice, to make changes to this order as to packing, packaging, testing, specifications, quantities, designs, delivery schedules or any other phase of the work to be performed. If such changes cause an increase or decrease in the amount due under this order or in the time required for its performance, an equitable adjustment shall be made, provided however, that any claim by the Seller therefor must be asserted in writing within ten (10) days from the date of the notice of the change, and said claim is approved and authorized by Buyer in writing. Seller shall not substitute other materials or revise specifications for those specified in the order without



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- the prior written consent of Buyer. Changes made by Seller without an authorized change notice shall be made at the sole risk of Seller, there being no financial recourse against Buyer.
7. **TERMINATION FOR CONVENIENCE.** Buyer may terminate for its convenience all or any part of this order at any time by written notice to Seller. In such event, Buyer shall be liable for reasonable cancellation charges based on direct damages suffered by Seller thereby with respect to work in process at time of notification. Seller must notify Buyer in writing of the amount and basis of such damages within ten (10) days after notice and offer Buyer reasonable opportunity to verify such calculations. No cancellation charges or other damages will be payable for goods terminated hereunder which are past due delivery, unless Buyer has agreed in writing to accept late delivery, or for work in process which exceed quantities necessary to effect delivery within normal lead times for such goods. Seller shall take all reasonable steps to mitigate its damages. In no event will Buyer be liable for special, indirect, or consequential damages, or lost profits on account of such termination, nor for damages in excess of the contract price for the items so terminated. Seller agrees that the foregoing shall be its exclusive remedy for such termination.
 8. **INSPECTION.** All items ordered are subject to “in-process” inspection by Buyer or its designees at any place where work thereon is being performed. Seller agrees to provide, and to require its vendors to provide all reasonable facilities and assistance for such inspection. Notwithstanding any such preliminary or “in-process” inspection, or any F.O.B. point specified, all items are subject to final inspection at the “ship to” point specified in the order and will not be deemed accepted by the Buyer until so inspected whether or not payment therefor has been made. Acceptance will be made at time of final inspection and will be conclusive except as regards latent defects, breach of any warranties, fraud or such gross mistakes as amount to fraud. Buyer may, at his sole discretion, deal with items not fully complying with applicable drawings, specifications, samples, or other requirements as follows: return to Seller at Seller expense; hold, at Seller’s expense, subject to Seller’s disposition instructions; or accept such items at an equitable reduction in price. Seller shall refund any payments made for items not accepted under this clause immediately upon receipt of notice thereof. If items not fully complying with this order are rejected by Buyer and Seller does not replace them with complying items within the delivery schedule, Buyer may terminate this order for default and Seller shall provide return authorization numbers to enable Buyer to return rejected items.
 9. **WARRANTY.** A. In addition to any other express or implied warranties; Seller warrants that only new materials will be used in items delivered under this order and that such items will be (i) free from defects in workmanship and materials, (ii) free from defects in design, except to the extent that such items comply with detailed designs furnished by Buyer, (iii) suitable for Buyer’s intended purpose and (iv) in conformity with all applicable drawings, specifications, samples, or other descriptions. All rights under this warranty shall survive acceptance and shall inure to the benefit of and be enforceable by the Buyer or its customers. B. Seller’s obligation under this warranty shall be limited to defects of which Seller is notified with twelve (12) months from date of acceptance of Buyer, and may include at the option of the Buyer, (i) refunding of the purchase price of the defective item, material, work or service (in which case, Buyer shall, wherever feasible request and follow any reasonable instructions from Seller for disposition of same at Seller’s expense) plus any transportation charges incurred by Buyer as a result of the breach, (ii) replacing or repairing such defective items or correcting any defective work or services and paying any transportation charges or other incidental damages incurred by Buyer as a result of the breach, and (iii) any other legal remedies available to Buyer. C. Failure by Seller to replace a defective item within a reasonable time after request by Buyer shall be considered a default and Buyer shall be entitled to purchase substitute items with Seller liable for any excess cost occasioned Buyer thereby. Replacement time not to exceed 30 days without further notification to Buyer of any delays.
 10. **FAIR LABOR STANDARDS CERTIFICATE; CONFLICT MINERALS.** Seller hereby certifies that all goods furnished hereunder shall have been produced in compliance with all applicable requirements of Section 6, 7 and 12 of the Fair Labor Standards Act of 1938, as amended, and of regulations and orders of the Administrator of the Wage and Hour Division issued under Section 14 thereof, and in accordance with all applicable state and federal laws and regulations governing general conditions for labor employed in the production of such goods. Seller shall comply with applicable requirements with respect to conflict minerals (see <https://vpgsensors.com/ehs/conflict-minerals>).
 11. **TAXES.** Buyer shall not be liable for any taxes, duties, customs or assessments in connection with the purchase and/or delivery of goods ordered hereunder, except such as are expressly set forth on the face of the purchase order.
 12. **PATENTS.** Seller warrants that the items or any part thereof furnished under this order do not infringe any US or foreign patent and Seller agrees to defend at its own expense any claim or suit against Buyer and to pay all awards or damages arising out of such suits or claims respecting infringement of any US or foreign patents covering all or part of the items furnished under this order, their manufacture, maintenance, sale or use (along or in conjunction with other items or equipment), provided Buyer notifies Seller of any claim or suit for such infringement and grants Seller sole control of the defense of such claims. Buyer shall have the right to be represented in such action by its own counsel at its own expense. The foregoing does not apply to any infringement resulting from Seller’s compliance with detailed designs provided by Buyer. If any item or part thereof is held to constitute an infringement and the use thereof enjoined, Seller shall at its own expense, either procure for the Buyer the right to continue using the item or any part thereof, modify the item so that it becomes non-infringing, or grant Buyer a credit for the item and accept its return. The foregoing is in addition to any remedies Buyer has for



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- damages caused by infringement of the items.
13. **REPRODUCTION OF DOCUMENTATION.** Buyer shall have the right at no additional charge to use and/or reproduce Seller's applicable literature, such as operating and maintenance manuals, technical publications, prints, drawings, training manuals and other similar supporting documentation and sales literature. Seller agrees to advise Buyer of any updated information relative to the foregoing literature and documentation with timely written notice.
 14. **PROPRIETARY RIGHTS.** All written information obtained by Seller from Buyer in connection with this order which is identified as proprietary by appropriate legend is received in confidence and shall remain the property of Buyer, and shall be used and disclosed in confidence by Seller only to the extent necessary for the performance of this order. Such information shall be returned to Buyer promptly when it is no longer required for supplying the items to be purchased by Buyer.
 15. **LIABILITY FOR INJURY.** Seller shall indemnify Buyer against all loss and liability for personal injury and property damage caused by items furnished or services performed by Seller pursuant to this order, whether occurring on the premises of Seller or Buyer or elsewhere. Seller shall carry and maintain insurance coverage satisfactory to Buyer to cover the above and upon request shall furnish appropriate evidence of such insurance.
 16. **WORLDWIDE PROCUREMENT CLAUSE.** Seller shall offer the unit prices and appropriate terms of this order to any other segment of Buyer, including subsidiaries and affiliates, regardless of location, seeking to buy from Seller the same or equivalent items as purchased hereunder provided that such does not violate applicable laws.
 17. **TOOLING.** Seller assumes complete liability for any tooling, articles or material furnished by Buyer to Seller in conjunction with this order and Seller agrees to pay Buyer for all such tooling, articles or material damaged or spoiled by it or not otherwise accounted for to Buyer's satisfaction. The furnishing to Seller of any tooling, articles or material in connection with this order shall not, unless otherwise expressly provided, be construed to vest title thereto in Seller.
 18. **ADVERTISING.** Without the prior written consent of Buyer, Seller shall neither disclose to any person outside its employ, nor use for purposes other than performance of this order, any information pertaining to Buyer or Buyer's affairs (including all drawings, blueprints, descriptions, specifications and the contents of this order) and upon termination of this order will return to Buyer all such items which embody any such information. Without the prior written consent of Buyer, Seller shall not in any manner disclose, advertise or publish the fact that Seller has furnished or contracted to furnish Buyer the items ordered hereunder.
 19. **SUBCONTRACTING.** Seller agrees to obtain Buyer's approval before subcontracting this order or any substantial portion thereof; however, this limitation shall not apply to the purchase of standard commercial supplies or raw materials.
 20. **COMPLIANCE WITH LAWS.** Seller warrants that in performance of work under this order, it shall comply with all applicable Federal, State and local laws and ordinances, and all orders, rules and regulations thereunder for violation of which Buyer may be liable.
 21. **ASSIGNMENT.** Seller shall not assign this order or any part hereof without the prior written consent of Buyer and any such attempted assignment shall be void. Buyer may assign this order to the Government.
 22. **FOD Prevention.** Seller shall utilize effective FOD (Foreign Object Debris) prevention practices. Seller shall safeguard work is accomplished in a manner preventing foreign objects or material in deliverable items.
 23. **THIRD PARTY MANUFACTURING.** In the event Buyer engages a third party manufacturer in respect of this or any order (a "Contractor"), such Contractor assumes complete liability for any tooling, articles or material furnished by Buyer to such Contractor in conjunction with this or any order and such Contractor agrees to pay Buyer for all such tooling, articles or material damaged or spoiled by it or not otherwise accounted for to Buyer's satisfaction. The furnishing to such Contractor of any tooling, articles or material in connection with this or any order shall not, unless otherwise expressly provided, be construed to vest title thereto in such Contractor.