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PURCHASE ORDER TERMS AND CONDITIONS

1. DEFINITIONS

As used throughout the Purchase Order, the following terms shall have the meanings set forth below:

- A) The terms Aydin Displays and Buyer are used interchangeably and mean Sparton Aydin LLC, dba Aydin Displays, acting through its duly authorized representative. "Duly Authorized Representative" in this application means the Aydin Displays Purchasing Agent or members of Aydin Display's Staff authorized to act in his behalf.
- B) The terms Seller and Contractor are used interchangeably and mean the individual, corporation, or organization furnishing those items, which are the subject of this Purchase Order.
- C) The terms "Order" and "Subcontract" are used interchangeably with the term Purchase Order, unless otherwise specifically defined.
- D) The term Government means the United States Government.

2. ACCEPTANCE OF PURCHASE ORDER

This Purchase Order constitutes AYDIN DISPLAYS' offer to seller and when accepted either by acknowledgement or performance, becomes a binding contract subject to the terms and conditions specified herein, and represents the entire agreement between AYDIN DISPLAYS and SELLER, superseding all prior agreements relating to the subject matter of this order. No addition, alteration, modification or deletion to the terms and conditions or other provisions of this Purchase Order proposed by the SELLER in accepting this Purchase Order shall be binding on AYDIN DISPLAYS unless accepted in writing by AYDIN DISPLAYS.

3. CHANGES

AYDIN DISPLAYS may at any time, by written order, make changes within this general scope of this Purchase Order, in any one or more of the following: (I) Drawings, designs or specifications (II) Methods of shipping or packing, (III) Place of inspection, delivery or acceptance, (IV) Quantities, and (V) Delivery schedule. If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this Purchase Order, an equitable adjustment shall be made in the price or delivery or both, and this Purchase Order shall be modified in writing accordingly. Any claim by SELLER for adjustment under this clause must be asserted within fifteen (15) days from date of the notification of the change or with such further period as agreed upon in writing by the parties provided, however, that AYDIN DISPLAYS, if it decides the facts justify such action, may receive and act upon such claim at any time prior to final payment under this Purchase Order. Failure to agree upon any adjustment to be made under the terms of this clause shall not excuse the SELLER from proceeding with Purchase Order as changed.

4. DELIVERY

- A) Time is of the essence in the performance of this Purchase Order.
- B) AYDIN DISPLAYS may, by written notice of default to the SELLER, terminate the whole or any part of this Purchase Order in any one of the following circumstances: (I) If the SELLER fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof, or (II) If the SELLER fails to perform any of the other provisions of this order, to make progress as to endanger the performance of this order in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of ten (10) days (or such longer period as AYDIN DISPLAYS Purchasing Agent may authorize in writing) after receipt of notice from AYDIN DISPLAYS specifying such failure.
- C) If AYDIN DISPLAYS terminates, in whole or part, this order for default, AYDIN DISPLAYS may procure, upon such terms and in such manner, as AYDIN DISPLAYS may deem appropriate, supplies similar to those so terminated, and the SELLER shall be liable to AYDIN DISPLAYS for any excess costs for such similar supplies or services.

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- D) Failure by AYDIN DISPLAYS to enforce any right under this clause shall not constitute a waiver of such right.
- E) Rights under this clause are in addition to any other rights and remedies provided by law or under this Purchase Order.

5. WARRANTIES

SELLER warrants that all items delivered under this Purchase Order will be free from defects in material and workmanship, that all items will conform to applicable specifications and drawings, and that all items are free from defects in design and suitable for the intended use. This warranty shall be in addition to that offered by the SELLER. All warranties and guarantees together with service warranties shall revert to BUYER and its customer.

6. INSPECTION

- A) All items under this Purchase Order are subject to First Article Inspection Requirements as defined in the buyer's documentation system and to meet the reporting requirements of AS9102.
- B) All items under this Purchase Order are subject to final inspection and acceptance by AYDIN DISPLAYS after delivery.
- C) AYDIN DISPLAYS and representatives of AYDIN DISPLAYS' customers shall have the right to inspect and test all material and workmanship at all times and places, before, during, or after manufacture or completion of Purchase Order items. If any such inspection or test is made on the SELLER'S premises, SELLER shall furnish without additional charge all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties.
- D) No preliminary inspection prior to final inspection shall relieve SELLER from responsibility for defects or other failure to meet the requirements of this Purchase Order. Acceptance of items by AYDIN DISPLAYS shall not alter SELLER'S obligation or BUYER'S rights under the warranties clause of this Purchase Order.
- E) In the event AYDIN DISPLAYS determines any items to be defective or otherwise not in compliance with the requirements of this Purchase Order, AYDIN DISPLAYS shall have the right (I) to reject the item, (II) require its correction, or (III) accept it with an equitable adjustment in price. If after AYDIN DISPLAYS request the SELLER fails to remove and/or correct such defective items at SELLER'S expense, AYDIN DISPLAYS may (I) as it deems appropriate replace or correct such item and charge SELLER the costs thereby incurred, or (II) without further notice terminate this order for default.

7. CANCELLATION

On termination for BUYER'S convenience, SELLER at the time of termination may have in stock or on firm order completed or uncompleted items or raw, semi-processed or completed material for use in fulfilling this order (a) For completed items or material, BUYER shall either require delivery of all or part of the completed goods and make payment at the order price, or (without taking delivery) pay SELLER the difference, if any, between the order price and the market price (if lower) at the time of termination. (b) For uncompleted items or raw or semi-processed material, BUYER shall either require SELLER to deliver all or part of such goods at the portion of the order price representing the stage of completion, or (without taking delivery) pay SELLER for such goods which are properly allocable to this order a portion of the order price representing the stage of completion. (c) For goods, which SELLER has on firm order, BUYER may at its option either take an assignment of SELLER'S right under the order or pay the default. Payments to SELLER hereunder shall be the sole remedy available to SELLER in the event of a termination by BUYER.

8. PATENT INDEMITY

SELLER shall at its expense hold harmless and defend AYDIN DISPLAYS, its agents, customers, and users of its products against any action, loss, damage, or liability arising from any claim for infringement of any patent, copyright, or trademark related to items furnished by

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SELLER under this Purchase Order. BUYER shall promptly notify SELLER of any claim, suit, or act on SELLER'S indemnity hereunder shall be limited to the use and sale of items under this Purchase Order for the purpose for which such items were designed.

9. DISCLOSURE

SELLER shall treat as confidential all designs, data, drawings, features, specifications and other technical or proprietary information furnished or disposed by AYDIN DISPLAYS in connection with this Purchase Order and shall restrict use of such information to performance of this Purchase Order unless otherwise authorized in writing by AYDIN DISPLAYS. Upon completion, termination or cancellation of this order all such information shall be returned or disposed of in accordance with AYDIN DISPLAY's written instruction.

10. SUBCONTRACTING

SELLER shall not subcontract for any completed or substantially completed item of this Purchase Order without the written approval of AYDIN DISPLAYS. When approved, all requirements appearing on the SELLER Purchase Order will be flowed down to the SELLER'S subcontractor, including key characteristics when applicable.

11. COMPLIANCE WITH LAW

This Purchase Order shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania. SELLER warrants that in the performance of this Purchase Order it has complied and will comply with all applicable Federal, State, and local laws. SELLER shall submit all certifications required by law in the performance of this Purchase Order.

12. NOTICE OF LABOR DISPUTE

Whenever SELLER has knowledge of an actual or potential labor dispute which delays or threatens to delay performance of this Purchase Order, SELLER shall immediately notify AYDIN DISPLAYS in writing giving full details. SELLER shall insert the substance of this clause including this sentence in any subcontracts hereunder as to which a labor dispute may delay the timely performance of this order, except that any subcontractor need give the required notice and information to its next higher-tier subcontractor.

13. SHIPMENT

A complete Packing List shall accompany all shipments under this Purchase Order and packing shall be to best commercial practice for most economical transportation rates unless otherwise specified. Shipping container and Packing List must show this Purchase Order Number. Packing, crating, cartage, and related charges will not be paid by AYDIN DISPLAYS unless otherwise stated in this Purchase Order. Items delivered more than fifteen (15) days prior to the specified delivery date may be returned by AYDIN DISPLAYS to Seller unless AYDIN DISPLAYS has given written approval for early shipment.

14. ASSIGNMENT

No assignment of this Purchase Order or any obligations due or to become due hereunder shall be made by SELLER without the written consent of AYDIN DISPLAYS to such assignment.

15. PUBLIC RELEASE

SELLER shall not release any public announcement advertisement, or public comment concerning this Purchase Order or facts related thereto without specific written consent from AYDIN DISPLAYS.

16. FAIR LABOR STANDARDS ACT OF 1938 AS AMENDED

SELLER represents that all articles manufactured and delivered under this order will be manufactured in accordance with all applicable standards, provisions and stipulations of the Fair Labor Standards Act of 1938, as amended in 1961 (29 USC 201-219). As evidence of such compliance, the SELLER shall cause to be placed upon each invoice submitted hereunder the

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following statement: "SELLER certifies that the goods represented by this invoice were produced in compliance with the requirements of the Fair Labor Standards Act of 1938 as amended."

17. INSOLVENCY

BUYER may, without any liability whatsoever, except for articles previously delivered and accepted, terminate this order by notice in writing in the event that SELLER makes an assignment for the benefit of creditors, or admits in writing inability to pay its debts as they mature, or trustee or receiver of all or a substantial part of SELLER'S is appointed by any court, or a proceeding is instituted under any provision of the Federal Bankruptcy Act by or against SELLER and is acquiesced in or is not dismissed within sixty (60) days or results in an adjudication in bankruptcy.

18. COUNTERFEIT PARTS: PREVENTION AND NOTIFICATION

- A) SELLER represents and warrants that only new and authentic materials are used in products required to be delivered to AYDIN DISPLAYS and that the Work delivered contains no Counterfeit Parts. No other material, part, or component other than a new and authentic part shall be used unless approved in advance in writing by the AYDIN DISPLAYS Procurement Representative. To further mitigate the possibility of the inadvertent use of Counterfeit Parts, SELLER shall only purchase authentic parts/components directly from the OEMs/OCMs or through the OEM's/OCM's authorized distribution chain. SELLER must make available to AYDIN DISPLAYS, at AYDIN DISPLAYS' request, OEM/OCM documentation that authenticates tractability of the components to that applicable OEM/OCM. Purchase of parts/components from Independent Distributors is not authorized unless first approved in writing by AYDIN DISPLAYS Procurement Representative. SELLER must present complete and compelling support for its request and include in its request all actions to ensure the parts/components thus procured are legitimate parts. AYDIN DISPLAYS, in most cases, will additionally need to get its customer's approval of SELLER'S request. Processing of such requests shall not constitute an excusable delay on part of the SELLER. AYDIN DISPLAYS' approval of SELLER request(s) does not relieve SELLER'S responsibility to comply with all Contract requirements, including the representations and warranties in this provision.
- B) SELLER shall maintain a documented system (policy, procedure, or other documented approach) that provides for prior notification to the AYDIN DISPLAYS Procurement Representative and his/her written approval before parts/components are procured from sources other than OEMs/OCMs or through the OEM's/OCM's authorized distribution chain. SELLER shall provide copies of such documentation for its system for AYDIN DISPLAYS' inspection upon AYDIN DISPLAYS' request. SELLER'S system shall be consistent with applicable industry standards, AS5553 as minimum, for the detection and avoidance of counterfeit electronic parts and suspect counterfeit electronic parts, including policies and procedures for training personnel, designing and maintaining systems to mitigate risks associated with parts obsolescence, making sourcing decisions, prioritizing mission critical and sensitive components, ensuring traceability of parts, developing lists of trusted and non-trusted suppliers, flowing down requirements to subcontractors, inspecting and testing parts, reporting and quarantining suspect counterfeit electronic parts and counterfeit electronic parts, and taking corrective action.
- C) If the SELLER is providing electronic components/devices only, the following certification applies:

Certification of Origin of Product:

Acceptance of this Contract constitutes confirmation by the SELLER, that it is the Original Equipment Manufacturer (OEM)/Original Component Manufacturer (OCM), or a franchisee or authorized distributor of the OEM/OCM for the product herein procured. SELLER further warrants that OEM/OCM acquisition documentation that authenticates traceability of the components to that applicable OEM/OCM is available upon request. If the SELLER is not the

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OEM/OCM or a franchised or authorized distributor, the SELLER confirms by acceptance of this Contract that it has been authorized in writing by AYDIN DISPLAYS to act on AYDIN DISPLAYS behalf to procure from the OCM or a franchised or authorized distributor of the OEM/OCM. The SELLER further warrants that OEM/OCM acquisition traceability documentation is accurate and available to AYDIN DISPLAYS upon AYDIN DISPLAYS' request.

- D) SELLER shall flow the requirements of this provision to its subcontractors and suppliers at any tier for the performance of this Contract,
- E) Notifications: Should SELLER become aware of a confirmed or suspect counterfeit part that, by any means, has been delivered to AYDIN DISPLAYS, or acquired for this Contract whether or not delivered to AYDIN DISPLAYS, notification will be made as soon as possible but not later than 7 days of discovery to AYDIN DISPLAYS' Buyer. SELLER will verify receipt of this notification by AYDIN DISPLAYS. Additionally, for confirmed Counterfeit Electronic Parts, notification will also be made not later than 60 days after discovery to the Government-Industry Data Exchange Program (GIDEP). This requirement will survive this contract.
- F) SELLER shall be liable for cost of counterfeit parts and suspect counterfeit parts and the cost of rework or corrective action that may be required to remedy the use or inclusion of such parts.
- G) SELLER shall quarantine suspect counterfeit electronic parts and counterfeit electronic parts, and make them available for investigation by appropriate government authorities.

19. CONFLICTS MINERALS COMPLIANCE ACT 2012:

Supplier agrees to assist AYDIN DISPLAYS in the determination of the source of any potential conflict minerals used in manufacturing. Supplier also agrees to comply with Customer's conflict minerals due diligence practices and policies.

AYDIN DISPLAYS' acceptance of supplier material is based on provided documentation certifying the source of any potential conflict minerals used in the manufacture of the supplier's products are to be considered conflict minerals compliant.

20. NONCONFORMING MATERIAL

When the SELLER determines material is nonconforming to AYDIN DISPLAYS' requirements, but might be usable the SELLER is to process a waiver/deviation request on AYDIN DISPLAYS' documentation. Approval will occur at AYDIN DISPLAYS. Product awaiting AYDIN DISPLAYS' approval is not to ship without written authorization by the BUYER.

21. PRODUCT, PROCESS, FACILITIES AND ORGANIZATIONAL CHANGES

Seller will notify AYDIN DISPLAYS of any organizational or process changes that may affect the product to be delivered to AYDIN DISPLAYS. Changes to processes or product controlled by AYDIN DISPLAYS' Engineering Documentation must be approved by AYDIN DISPLAYS' engineering department prior to production and delivery. Major changes to the manufacturing facility or a relocation must be reported to AYDIN DISPLAYS.

22. RECORDS

- A. Seller shall maintain all records for a minimum of 7 years.

23. ENGINEERING CHANGES

- A. Seller shall not make any engineering changes without notifying Buyer.

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24. PERTAINING TO ORDERS UNDER GOVERNMENT CONTRACTS

- A) If the face of this Purchase Order indicates issuance of this order pursuant to a Government Contract, the following paragraphs of the Federal Acquisition Regulation (FAR) in effect on the date of this Purchase Order are incorporated herein by reference and made a part hereof. Where necessary to make the context of the following clauses applicable to this Purchase Order, the terms "Government" and "Contracting Officer" and equivalent phrases mean "Buyer", the term "Contractor" shall mean "Seller", and the term "Contract" shall mean this Purchase Order.

1.	Contractor Code of Business Ethics and Conducts.	52.203-13
2.	Security Requirements	52.204-2
3.	Material Requirements	52.211-5
4.	Defense Priority and Allocation Requirements	52.211-15
5.	Contract Terms and Conditions Required to Implement Statutes or Executive Orders – Commercial Items	52.212.5
6.	Small Business Program Representations	52.219-1
7.	Notice of Small Business Set-Aside	52.219-6
8.	Notice of partial Small business Set-Aside	52.219-7
9.	Notice to the Government of Labor Disputes	52.222-1
10.	Service Contract Act of 1965, as Amended	52.222-41
11.	Hazardous Material Identification and Material Safety Data	52.223-3
12.	Notice of Radioactive Materials	52.223-7
13.	Ozone Depleting Substances	52.223-11
14.	Privacy Act	52.224-2
15.	Buy American Act- Balance of Payments Program – Supplies	52.225-1
16.	Buy American Act Certificate	52.225-2
17.	Trade Agreements	52.225-5
18.	Trade Agreements – Certificate	52.225-6
19.	Duty-Free Entry	52.225-8
20.	Restrictions on Certain Foreign Purchases	52.225-13
21.	Authorization and Consent – Alternate I	52.227-1
22.	Royalty Information	52.227-6

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23.	Refund of Royalties	52.227-9
24.	Filing of Patent Applications – Classified Subject Matter	52.227-10
25.	Patent Rights – Retention by the Contractor (Short Form)	52.227-11
26.	Patent Rights – Retention by the Contractor (Long Form)	52.227-12
27.	Rights in Data – General	52.227-14
28.	Commercial Computer Software – Restricted Rights	52.227-19
29.	Insurance – Work on a Government Installation	52.228-5
30.	Progress Payments	52.232-16
31.	Performance-based Payments	52.232-32
32.	Protest After Award	52.233-3
33.	Industrial Resources Developed Under Defense Production Act Title III	52.234-1
34.	Accident Prevention	52.236-13
35.	Protection of Government Buildings, Equipment, and Vegetation	52.237-2
36.	Stop Work Order	52-242-15
37.	Government Delay of Work	52.242-17
38.	Changes – Fixed Price Contracts	52-243-1
39.	Competition in Subcontracting	52.244-5
40.	Subcontracts for Commercial Items and Commercial Components	52.244-6
41.	Government Property (Fixed-Price Contracts)	52.245-2
42.	Special Tooling	52.245-17
43.	Special Test Equipment	52.245-18
44.	Government Property Furnished “As Is”	52.245-19
45.	Preference for Privately Owned U.S. – Flag Commercial Vessels	52.247-64
46.	Termination for Convenience of the Government (Fixed Price) (Short Form)	52.249-1
47.	Contractor Counterfeit Part Detection and Avoidance System	252.246-7007

B) Orders Over \$10,000 Also Include the Following:

1.	Employment Reports on Disabled Veterans and Veterans of the Vietnam Era (Over \$25,000)	52.222-37
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2.	Walsh-Healy Public Contracts Act	52.222-20
3.	Prohibition of Segregated Facilities	52.222-21
4.	Equal Opportunity	52.222-26(b)
5.	Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era (Over \$25,000)	52.222-35
6.	Affirmative Action for Workers with Disabilities	52.222-36
7.	Buy American Act – North American Free Trade Agreement – Israeli Trade Act (Over \$ 25,000)	52.225-3
8.	Buy American Act – North American Free Trade Agreement – Israeli Trade Act Certificate (Over \$25,000)	52.225-4

C) Orders Over \$100,000 Also Include the Following:

1.	Certificate of Independent Price Determination	52.203-2
2.	Restrictions on Subcontractor Sales to the Government	52.203-6
3.	Anti-Kickback Procedures (less paragraph (c) (1))	52.203.7
4.	Price or Fee Adjustment for Illegal or Improper Activities	52.203-10
5.	Limitations on Payments to Influence Certain Federal Transactions	52.203-12
6.	Audit and Records – Negotiation	52.215-2
7.	Integrity of Units Prices	52.215-14
8.	Utilization of Small Business Concerns	52.219-8
9.	Contract Work Hours and Safety Standards Act – Overtime Compensation	52.222-4
10.	Notification of Employee Rights Concerning Payment of Union Dues or Fees	52.222-39
11.	Drug-Free Workspace	52.223-6
12.	Certification of Toxic Chemical Release Reporting	52.223-13
13.	Toxic Chemical Release Reporting (Less paragraph (e))	52.223-14
14.	Notice and Assistance Regarding Patent and Copyright Infringement	52.227-2
15.	Federal, State, and Local Taxes	52.229-3
16.	Bankruptcy	52.242-13
17.	Change Order Accounting	52.243-6

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18.	Subcontracts (paragraphs (h) and (l) only apply)	52.244-2
19.	Inspection of Supplies, Fixed Price Contracts	52.246-2
20.	Inspection of Services, Fixed Price Contracts	52.246-4
21.	Responsibility for Supplies	52.246-16
22.	Preference for U.S. – Flag Air Carriers	52.247-63
23.	Value Engineering	52.248-1
24.	Termination for the Convenience of the Government (Fixed Price)	52.249-2
25.	Default	52-249-8

D) Orders Over \$500,000 Also Include the Following:

1.	Small Business Subcontracting Plan	52.219-9
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E) Orders Over \$550,000 Also Include the Following:

1.	Pension Adjustment and Asset Reversions	52.215-15
2.	Reversion or Adjustment of Plans for Postretirement Benefits (PRB) other than Pensions	52.215-18
3.	Notification of Ownership Changes	52.215-19
4.	Preaward On-Site Equal Opportunity Compliance Evaluation	52.222-24