

PURCHASE ORDER/CONTRACT GENERAL TERMS AND CONDITIONS

1 DEFINITIONS

In these Conditions:

"Agreement or Purchase Order" means this Agreement, or Purchase Order/Contract in its entirety, including any written amendment thereto, for the delivery of Goods and/or provision of Services as set out together with these Conditions, all exhibits, appendices, attachments, schedules and supplements hereto (each of which is hereby incorporated herein by reference);

"Buyer" means TAE, and its subsidiaries and affiliates;

"Defect" means Work, Services, Goods, or Equipment that do not comply with the requirements established by this Purchase Order/Contract;

"Delivery" means delivery of the Work, Services, Goods, or Equipment to Buyer's designated location;

"Effective Date" means the Effective Date shown on the Purchase Order/Contract cover page;

"Equipment" means the goods, materials, articles, supplies, drawings, data, work, reports, processes and all other property and services, including design, fabrication, assembly, expediting, inspection, testing, delivery, installation, site acceptance testing, technical advisory services and training services, specified or required to furnish the items ordered hereunder;

"Facility" means the Buyer's Facility in Foothill Ranch, California to where the experimental Projects or Systems for which the Goods and/or Services under this Purchase Order/Contract will be delivered.

"Goods" and "Services" means respectively the goods and/or services including equipment as described in the Purchase Order/Contract;

"Price" means the total sum of the amounts payable to the Seller for the Goods and/or Services as set out in the Purchase Order/Contract, as adjusted pursuant to the terms of this Purchase Order/Contract;

"Project" means the Buyer's Experimental Projects or Systems for which the Goods and/or Services under this Purchase Order/Contract will be supplied.

"Seller" means the person, firm or company named as such in the Purchase Order/Contract as responsible for supplying the Goods and/or Services and includes the Seller's subsidiaries, affiliates, legal representatives, successors and permitted assigns; and

"Work" means all the stated or implied activities associated with the Goods and/or Services to be supplied by Seller as required by the Purchase Order/Contract Documents.

2 QUALIFICATIONS; SELLER AND/OR PERSONNEL

Seller represents that it is fully experienced, properly qualified, registered, licensed, equipped, organized, and financed to provide and perform the Goods and/or Services under this Purchase Order/Contract. Seller shall act as an independent contractor and not as the agent of Buyer in performing this Purchase Order/Contract, shall maintain complete control over its employees and all of its lower-tier suppliers and subcontractors, and shall at all times be solely responsible for their work quality. Seller shall supply the Goods and/or Services using its own methods subject to compliance with the Purchase Order/Contract. Buyer may request the removal of individual employees, lower tier supplier personnel and/or subcontractor personnel for cause at any time and Seller agrees to comply and to promptly provide acceptable replacement personnel.

3 ACCEPTANCE OF PURCHASE ORDER/CONTRACT

The accompanying Purchase Order/Contract is subject to the following terms and conditions ("Conditions") and any specifications, drawings and additional terms and conditions referenced therein. Any specific acceptance criteria and/or procedures made a part of the Purchase Order/Contract shall prevail in the event of an inconsistency with these terms and conditions. The Terms and Conditions are the exclusive binding agreement between the parties with respect to the Purchase Order/Contract. The following actions constitute acceptance of the Purchase Order/Contract by the Seller on these Conditions: (a) execution and return by the Seller of the acknowledgement copy of the Purchase Order/Contract, (b) execution or commencement of performance or delivery of the Goods and/or Services, as applicable, pursuant to the Purchase Order/Contract. By accepting the Purchase Order/Contract or any part thereof, the Seller agrees to and accepts all terms and conditions and reference documents. The acceptance of the Purchase Order/Contract is limited to and conditional upon acceptance by the Seller of these Terms and Conditions. Additional or different terms proposed in the Seller's acceptance of the Purchase Order/Contract, acknowledgement, invoice, statement of terms or conditions, purchase order, contract, writing or other communication of Seller, which are inconsistent with, or purport to be supplemental to the Purchase Order/Contract, these terms and conditions and the other documents referenced in the Purchase Order/Contract, are hereby rejected and superseded by these terms and conditions, and shall apply only if and insofar as those terms have been expressly accepted in writing by Buyer. Acceptance of Goods or Services delivered under this Purchase Order/Contract shall not constitute acceptance of Seller's terms and conditions. Buyer is not bound by the Purchase Order/Contract unless the Purchase Order/Contract has been placed by or on behalf of Buyer by one of its duly authorized representatives. This Purchase Order/Contract may not be modified, superseded, added to or otherwise altered, except in writing signed by an authorized representative of Buyer. To the extent that the Purchase Order/Contract or assent to these terms and conditions might be treated as an acceptance of Seller's prior offer, such acceptance is expressly made on condition of assent by Seller to only the provisions of the Purchase Order/Contract, including these terms and conditions, and rejection of any other terms or conditions.

4 GOODS AND SERVICES

It is a condition of the Purchase Order/Contract that: (a) the Goods and/or Services meet the specifications referred to in the Purchase Order/Contract as to quantity, quality, description, and other information or instructions specified or made known to the Seller and all applicable safety standards, and (b) the Goods and/or Services are provided in accordance with the terms of the Purchase Order/Contract. Any forecast or other information the Purchase Order/Contract may provide will not bind Buyer to the Seller, and any expenditures and commitments by the Seller in anticipation of Buyer's requirements shall be at the Seller's sole risk and expense. The Seller shall be able to produce and supply to Buyer the Goods ordered by Buyer hereunder for a period of at least five (5) years from the last delivery of such Goods.

Seller understands that Buyer makes no commitments or guarantees as to the total amount or value of the Goods and/or Services to be supplied. Payment under the Contract shall be made on the basis of the actual amount of Goods and/or Services satisfactorily supplied in accordance with the Purchase Order/Contract terms. Seller acknowledges that only a portion of the anticipated Goods and/or Services may be supplied and shall make no claim for payment for Work specified in this Contract, but not performed.

5 BUYER - FURNISHED DRAWINGS, SPECIFICATIONS AND DATA

As applicable, Buyer will furnish design criteria, specifications, and engineering design interface drawings for the Goods and/or Services under this Purchase Order/Contract. Such drawings will give information required for the preparation of detail design and/or shop/manufacturing detail drawings by Seller. Seller shall, immediately upon receipt thereof, check all specifications and drawings furnished and shall promptly notify Buyer of any omissions or discrepancies in such specifications or drawings. Drawings will be furnished to Seller in PDF and native electronic format.

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6 SELLER - DRAWINGS AND DATA

Seller's design, drawings, specifications, certificates, data, and deliverables shall be submitted as set forth below or in accordance with the Purchase Order/Contract requirements and the requirements included in the Purchase Order Deliverables/Document Submittal Requirements.

Review and permission to proceed by Buyer of Seller's drawings and data does not constitute acceptance or approval of the materials and documents developed or selected by Seller and any approval by Buyer shall only constitute permission to proceed and shall not relieve the Seller from its obligations under the Purchase Order/Contract nor shall such approval create any Buyer responsibility for the accuracy of such materials and documents.

In accordance with the Condition titled "RIGHTS TO WORK TOOLS AND WORK PRODUCT" Buyer shall have the right to use all materials and documents developed by Seller without any obligation of any kind to Seller or its suppliers, subcontractors, or licensor(s) for the purpose of the installation, training, operation, maintenance, repair, or revision.

A. Drawing Submittals

- 1) All drawings shall be submitted by and at the expense of Seller before each design phase, fabrication, or further work performance is commenced, allowing at least five (5) calendar days for review by Buyer unless otherwise shown on the Purchase Order/Contract Schedule or as agreed.
- 2) All drawings submitted by Seller shall be certified by Seller to be correct, shall show the Purchase Order or Contract number and shall be furnished in accordance with the Purchase Order/Contract and the Deliverables/Document Submittal Requirements. Buyer will conduct a review of Seller's drawings and provide Seller with comments and/or approval to proceed.

B. Design, Drawings, Calculations and Specifications

- 1) Seller shall prepare its design, drawings, calculations and specifications using the technical specifications and documents and drawings listed as part of the Purchase Order/Contract Documents as a basis. Seller shall complete its design in phases as indicated in the Purchase Order/Contract Schedule submitted in accordance with the Condition titled "SCHEDULE".
- 2) When required by Buyer, Seller shall, provide qualified technical personnel to participate in on-site design reviews or Buyer shall attend on-site design reviews at Seller's Facility.
- 3) Buyer will review the design as it is completed and shall transmit comments to the Seller. Seller shall promptly resolve these comments and resubmit the documents. On resubmittal, Seller shall direct specific attention, in writing, to revisions other than those proposed by Buyer on the previous submittal.
- 4) When the drawings and specifications have been satisfactorily completed, Seller shall carry out fabrication, manufacture, or construction in accordance therewith and shall make no further changes therein except upon review by and written approval from Buyer.
- 5) Fabrication drawings shall be complete and detailed. For the purpose of this clause, fabrication drawings shall include but not be limited to detail design, assembly and/or fabrication drawings, schedule drawings, manufacturer's scale drawings, cuts or entire catalogs, pamphlets, descriptive literature, and performance and test data.
- 6) Fabrication drawings shall be checked and coordinated by the Seller with the work of all disciplines involved before they are submitted to Buyer and Seller's approval seal or signature shall provide evidence of such checking and coordination.
- 7) Drawings of a specific piece of equipment shall identify components with the manufacturer's part number or reference drawing number clearly indicated. If reference drawing numbers are used, the review data of such drawings shall be included. Drawings shall indicate design dimensions, maximum and minimum allowable operating tolerances on all major wear fits, i.e., rotating, reciprocating or intermittent sliding fits between shafts or stems and seals, guides, and pivot pins. The sequence of submission of all drawings shall be such that all information is available for reviewing each drawing when it is received.

C. Certificates and Data

- 1) Where certificates are required, two (2) copies of each such certificate shall be submitted by Seller. Certificates shall be subject to review and material represented by such certificates shall not be fabricated, delivered to the Buyer's Facility or incorporated into the Goods and/or Services supplied without such review.
- 2) Certificates shall clearly identify the material being certified and shall include but not be limited to providing the following information: Buyer's name, Project name, Purchase Order/Contract number, name of the item, manufacturer's name, and reference to the appropriate drawing, technical specification section and paragraph number, all as applicable.
- 3) All other data shall be submitted as required by the Purchase Order/Contract Documents.
- 4) Seller furnished Manuals and Spare Parts Lists
- 5) The Seller shall prepare and submit to Buyer Final Report/Document Package in accordance with the requirements of the Purchase Order/Contract Documents.

D. Final As-Built Drawings and Specifications

- 1) Seller shall submit a complete set of signed marked-up final as-built reproducible drawings with "AS-BUILT" clearly printed on each sheet as a requirement for Final Acceptance.
- 2) Seller shall submit a complete set of signed marked-up final as-built specifications with "AS-BUILT" clearly printed on the cover as a requirement for Final Acceptance.
- 3) Endorsement: Seller shall sign each final as-built drawing and the cover of the as-built specifications and shall note thereon that the recording of deviations and annotations is complete and accurate.

7 SCHEDULE COMMENCEMENT, PROGRESS AND COMPLETION OF THE WORK

As requested by Buyer, Seller shall submit to Buyer for its approval a Plan and Schedule showing durations and dependencies for providing the Goods and/or Services, including but not limited to the design, engineering, project management, procurement, fabrication, testing, inspection, shipping, delivery, site installation supervision and acceptance testing services, and warranty of the contracted Goods and/or Services in accordance with the Purchase Order/Contract documents.

If at any time, Seller's actual progress is inadequate to meet the requirements of this Purchase Order/Contract, Seller shall immediately notify Buyer and Buyer may notify Seller to take such steps as may be necessary to improve its progress, and require Seller to submit a written recovery plan that will ensure Seller's compliance with the requirements of this Purchase Order/Contract. If, within a reasonable period as determined by Buyer, Seller does not improve performance to meet the Purchase Order/Contract Milestones set forth above, Buyer may require an increase in Seller's labor force, the number of shifts, overtime operations, additional days of work per week, expedited shipment(s) of equipment and materials, and an increase in the amount of plant and equipment, all without additional cost to Buyer. Neither such notice nor Buyer's failure to issue such notice shall relieve Seller of its obligation to achieve the quality of work and rate of progress required by this Purchase Order/Contract. Noncompliance with Buyer's instructions shall be grounds for Buyer's determination that Seller is not prosecuting the Work with such diligence as will assure completion within the times specified. Upon such determination, Buyer may terminate this Purchase Order/Contract pursuant to the Condition titled "TERMINATION".

8 EXPEDITING

The Goods and/or Services supplied under this Purchase Order/Contract shall be subject to expediting by Buyer or its representatives who shall be afforded, on a most favorite nation basis with any of Seller's other customers, full and free access to the shops, factories, and other places of business of Seller and its suppliers

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and subcontractors of any tier for expediting purposes. As requested by Buyer, Seller shall provide detailed schedules, progress reports, and copies of un-priced purchase orders or contracts for use in expediting and shall cooperate with Buyer in expediting activities. Seller shall notify Buyer in writing of any actual or anticipated delays immediately upon discovery. Such notice shall include an estimated period of delay, cause, and corrective actions being taken. Slippage in Seller's schedule may be deemed to be reasonable grounds for insecurity in which event Buyer may demand in writing that Seller provide adequate assurances that Seller will perform on time.

9 ENVIRONMENTAL, HEALTH AND SAFETY

Seller shall be solely responsible for Environment, Health and Safety (EH&S) requirements, implementing plans and procedures and at all times conducting operations under this Purchase Order to avoid risk of endangerment to the health, bodily harm, safety of persons and damage to property for the duration of this Purchase Order. Seller shall, in accordance with Seller's established practices, have sole responsibility for implementing its environmental, safety and health program, taking all safety and health precautions necessary and continuously inspecting all equipment, materials and work to discover, determine, and correct any conditions which might result in any of the aforementioned risks. If requested by Buyer, Seller shall furnish all safety equipment and instructions required for the Work under this Purchase Order and shall maintain and furnish accident, injury and any other records and reports required by applicable laws and regulations.

10 QUALITY ASSURANCE PROGRAM

If requested by Buyer, within an agreed period after Purchase Order/Contract award, Seller shall submit a Quality Assurance Program for review by Buyer, consisting of the following documents or their Buyer determined equivalent:

- A. Valid ISO Certification or Quality Assurance Manual detailing Seller's corporate quality management system.
- B. Project specific Quality Assurance/Quality Control Plan.

The Project specific Quality Assurance/Quality Control Plan shall address all activities relevant to the Goods and/or Services supplied by Seller and demonstrate how they will conform to the applicable quality and Purchase Order/Contract requirements. The plan shall define the documented quality system to be applied by Seller with regard to the Goods and/or Services supplied, in accordance with the ISO requirements and make reference to all relevant Seller procedures and manuals. The plan shall address the interfaces between Seller, Buyer, and other relevant organizational entities. The plan shall include an organization chart showing Seller's corporate and Project organization responsible for managing, performing and verifying the Goods and/or Services supplied. The organization chart shall be supported with a reporting and functional description of Seller's Project organization and identification of the quality related responsibilities of key positions. The plan shall be updated as necessary throughout the Purchase Order/Contract to reflect any changes to Seller's documented quality system. Seller's documented quality system shall provide for the issuance of a "Stop Work" order by Seller or Buyer at any time during the Work, when significant adverse quality trends and/or deviations from the reviewed Quality Assurance Program are found. Buyer reserves the right to perform Quality Assurance Audits of Seller's reviewed Quality Assurance Program, including suppliers and subcontractors of any tier, at any stage of the Work.

11 INSPECTION, TESTING AND QUALITY SURVEILLANCE

Inspection at Seller's Facility: All Goods and/or Services supplied shall be properly inspected and tested by Seller at its expense, in accordance with the Purchase Order/Contract requirements, and shall at all times be subject to quality surveillance and quality audit by Buyer, or its authorized representatives who, upon reasonable notice, shall be afforded full and free access to the shops, factories, or other places of business of Seller and its suppliers and subcontractors of any tier for such quality surveillance or audit. Should tests in addition to those required by this Purchase Order/Contract be desired by Buyer, Seller will be given reasonable notice to permit such testing. Such additional tests will be requested in writing and will be at Buyer's expense. If Buyer incurs any additional costs due to delays in Seller performing any test or due to re-testing of equipment or material that failed prior testing, then Buyer may, at Buyer's sole option, backcharge Seller such additional costs.

Inspection at Buyer's Facility: The Goods and/or Services are subject to inspection, testing, and evaluation by Buyer. Buyer shall have thirty (30) days after receipt of the Goods and/or Service deliverables and before payment to inspect them for conformity with the Purchase Order/Contract, and goods received prior to inspection shall not be deemed accepted until Buyer has determined whether the goods and/or Services conform or the expiration of thirty (30) days. Buyer shall have the right to reject nonconforming goods, which will be returned to Seller, freight collect, and risk of loss will pass to Seller upon Buyer's delivery to the common carrier. In any case where the Goods and/or Services (whether or not inspected or tested by Buyer) do not comply with the requirements of the Purchase Order/Contract, Buyer has the right to repair such Goods and/or Services at the expense of the Seller or to reject such Goods and/or Services. When rejecting such Goods and/or Services, Buyer shall give notice of rejection to the Seller specifying the reasons for the rejection and shall return the rejected Goods to the Seller at the Seller's risk and expense. In that case the Seller shall, without being granted an extension of the delivery period, replace the rejected Goods with Goods which are in all respects in accordance with the Purchase Order/Contract.

If any Goods and/or Services are determined by Buyer personnel to be defective or not in conformance with this Contract the defect shall be repaired by Seller. In such case where time is of the essence and the Product continues to fail or does not meet the specification of this Purchase Order or Contract, Buyer reserves the right to proceed with alternate suppliers and backcharge Seller for reasonable incurred expenses. Seller shall provide safe and adequate facilities, drawings, documents, and samples as requested, and shall provide assistance and cooperation including stoppage of work to perform such inspection, testing, and quality surveillance as may be necessary to determine compliance with the requirements of this Purchase Order/Contract. Failure of Buyer to perform quality surveillance or to discover defective design, equipment, materials or workmanship shall not relieve Seller of its obligations under this Purchase Order or Contract nor prejudice the rights of Buyer thereafter to reject or require the correction of defective work in accordance with the provisions of this Purchase Order/Contract. If any work is determined by Buyer to be defective or not in conformance with this Purchase Order/Contract, the provisions of the applicable Conditions titled "WARRANTY", and "REMEDIES" shall apply.

If the Seller fails to replace any rejected Goods and/or Services with Goods and/or Services which are in accordance with the Purchase Order or Contract within thirty (30) days and/or such other reasonable period of time that is agreed between Seller and Buyer, Buyer shall have the right to cover non-performance and purchase replacement Goods and/or Services from another source. Any payments by Buyer to the Seller in respect of the rejected Goods and/or Services, together with any additional expenditure over and above such payments reasonably incurred by Buyer in obtaining replacement Goods or Services may be deducted by Buyer from such monies as may be due or thereafter become due to Seller, or shall be paid by the Seller to Buyer within thirty (30) days after receipt of the relevant invoice.

When the Goods and/or Services under this Purchase Order or Contract are deemed accepted in accordance with the Purchase Order or Contract, Buyer may provide Seller a written Notice of Final Acceptance of the Goods and/or Services which shall be conclusive except for latent defects, fraud, or Buyer's rights under the Conditions titled "WARRANTY", and "REMEDIES".

12 PACKAGING, CRATING, AND SHIPPING

The Seller shall package, crate, and label the Goods in a manner suitable for transit and storage at the Seller's expense in accordance with the Purchase Order/Contract. Shipments shall be pre-assembled and palletized to the maximum extent practicable. All packaging other than returnable packing shall become Buyer's property unless Buyer indicates otherwise, in which case the Seller shall be obliged to dispose of the packaging at its own risk and expense.

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Packaging and crating shall protect the equipment during shipment and in storage against all environmental conditions such as adverse weather conditions, including precipitation and protection against freezing or extreme heat (if applicable), corrosion, damage, and deformity.

13 DELIVERY OF GOODS/SERVICES

The time and place of delivery of the Goods are as specified in the Purchase Order/Contract. The terms of delivery shall be interpreted in accordance with INCOTERMS 2010. Seller's obligation to deliver shall not have been met until the Goods and the documentation as required per the Purchase Order/Contract, including any certificates, maintenance instructions and final documents, have been delivered. The Seller shall immediately notify Buyer of any delay or potential delay in the execution of the Purchase Order/Contract, and will state the events causing such delay. Upon Buyer's request, Buyer shall be given reasonable assistance and access to all relevant records of the Seller related to the progress made or to be made in the execution of the Purchase Order/Contract. If Goods are not delivered in accordance with the Purchase Order/Contract, Buyer reserves the right, without liability, in addition to its other rights and remedies, to cancel that part of the Purchase Order/Contract not delivered. The Seller shall be responsible for additional expenses to handle and deliver the Goods in an expedited manner or in a manner requested by Buyer if Goods are not delivered in accordance with the Purchase Order/Contract.

14 BUYER PROPERTY/ASSET(S) OWNERSHIP

The Seller shall also transfer to Buyer the ownership of all items such as models, dies, molds, jigs, gauges, tools, and drawings specifically acquired or manufactured by the Seller for the Seller's execution of a Purchase Order/Contract immediately upon such items having been supplied to the Seller or when the manufacture of such items has been completed by the Seller. All items including all material and components that have been transferred to the Seller for the execution of a Purchase Order or Contract shall remain property of Buyer. The Seller shall store such materials and components separately and shall clearly mark these items as the property of TAE and include TAE's Purchase Order/Contract number. Buyer is at all times entitled to regain possession of such items. The Seller shall not use such items on behalf of third parties nor will the Seller allow third parties to use such items in connection with any purpose other than the execution of a Purchase Order/Contract for Buyer on Seller's behalf unless otherwise approved by Buyer. Upon receipt of any of the items referred to above, the Seller shall check them for damage, defects and fitness for the purpose for which they have been supplied and report its findings to Buyer. Any damages and defects not reported to Buyer immediately after receipt of the item shall be for the Seller's account.

15 RESCHEDULING, SUSPENSION, AND CHANGES

Buyer may, at any time, by written notice to Seller, require Seller to stop all or part of the work including deliveries called for by the Purchase Order/Contract for a period of thirty (30) days after notice is delivered to Seller. Upon receipt of such notice, Seller shall discontinue work to the extent specified in the notice, continue to protect and maintain the Work, take any other steps to minimize costs associated with such suspension, and provide Buyer with the potential suspension costs. Within such thirty (30) days or any extension to which the parties have agreed in writing, Buyer shall either: (i) cancel the "Stop Work Order" and direct Seller to resume work, or (ii) terminate the Purchase Order or Contract, either in part or in its entirety, according to the conditions for Termination for Convenience as provided in the Condition TERMINATION.

Upon receipt of notice to resume suspended work, Seller shall immediately resume performance under this Purchase Order/Contract to the extent required in the notice. Seller shall proceed diligently with performance of the work as changed, pending final resolution of any request for adjustment, dispute, claim, appeal, or action arising under the Purchase Order/Contract, and comply with any decision of Buyer.

16 TERMINATION

A. **Termination for Cause:** Buyer may terminate the whole or any part of the Purchase Order/Contract upon written notice ("Notice of Termination") to Seller (provided that Seller has been given a commercially reasonable amount of time to cure any alleged default) if Seller fails to perform its obligations or comply with the Terms and Conditions or otherwise breaches this Agreement, files a petition in bankruptcy, becomes insolvent, dissolves, is acquired by or merged with any third party, or fails to make progress and endangers performance, becomes the subject of voluntary or involuntary bankruptcy proceedings, makes an admission of inability to pay debts as due, or makes an assignment for the benefit of creditors without obtaining Buyer's prior written consent. If the termination is attributable to the default of Seller, Buyer shall have the right to complete such Work by whatever means Buyer may deem expedient. Seller shall cooperate with Buyer and any others involved in completion of any remaining Work under this Purchase Order/Contract. An equitable adjustment in the compensation shall be made based upon the cost for accepted Work. No amount shall be allowed for Work in progress, termination costs or anticipated profit on unperformed Work. However, Seller and its sureties, if any, shall be liable for all costs in excess of the Purchase Order/Contract Price reasonably and necessarily incurred in completion of the Work, including cost of administration of any purchase order or subcontract awarded to others for completion of the Work. Such costs may be deducted by Buyer from such monies as may be due or thereafter become due to Seller. If any of the events described above occurs or is about to occur, the Seller shall notify Buyer immediately.

Notice of termination shall be in writing from Buyer. In the event of such termination, Buyer shall pay Seller for the portion of the conforming Goods and/or Services satisfactorily supplied delivered to Buyer (through the date of termination) or in inventory, less appropriate offsets, including any additional costs to be incurred by Buyer in re-procuring the Goods and/or Services. No labor costs shall be charged after the date specified in the termination notice.

B. **Termination for Convenience:** Buyer may terminate this Purchase Order/Contract for any other reason upon written notice to Seller. Seller shall cease to provide Goods and/or Services under the Purchase Order/Contract on the date of termination specified in such notice. In the event of such termination, Buyer shall also be liable to Seller for those conforming Goods and/or Services delivered to Buyer and all inventory procured by Seller for the purpose of fulfilling the Purchase Order/Contract and all work-in-progress, less appropriate offsets, if any. An equitable adjustment in the compensation to be paid Seller shall be made based upon the cost for completed and accepted work, work in progress, and the costs associated with termination. No amount shall be allowed for anticipated profit on unperformed work. However no labor costs shall be charged after the date specified in the termination notice.

If the Purchase Order/Contract is terminated either for cause or for convenience, the following shall apply:

For non-standard Goods and/or Services, Buyer shall be responsible for the actual, reasonable and substantiated costs incurred by Seller for raw materials and work in process, plus a reasonable profit on work completed on the terminated portion of the Purchase Order/Contract (excluding any anticipatory profit or cover of fixed costs on the work terminated). The total amount of any payments made by Buyer pursuant to the foregoing may not exceed the total Purchase Order/Contract price as reduced by (1) the amount previously paid, and (2) the Purchase Order/Contract price of work not terminated.

Buyer shall be liable only for payment if the Seller complies with the following:

- 1) After receipt of a Notice of Termination, the Seller shall comply with the instructions by Buyer in such notice and any subsequent written instructions.
- 2) After termination, the Seller shall submit a final termination settlement proposal within thirty (30) days of the Notice of Termination. Such settlement proposal shall be in the form prescribed by Buyer.
- 3) If the Seller fails to submit the termination settlement proposal within the time provided in paragraph (b) above, the determination of an equitable adjustment by Buyer shall be conclusive.

Seller shall provide a Buy-Back policy for Buyer to return normal stock material to inventory at the purchase price minus any restocking charges and return of other major components as can be negotiated with suppliers or subcontractors. This policy is to remain in effect from Purchase Order/Contract award until thirty (30) days after Final Acceptance of the Goods and/or Services.

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Upon termination of this Purchase Order/Contract, all data, plans, specifications, reports, estimates, summaries, lower-tier purchase orders and subcontracts, completed Goods and/or Services, and Goods or Work in progress, and other information and materials as may have been accumulated by Seller in performing this Purchase Order/Contract shall become the property of and be delivered to Buyer. Upon the expiration or termination of this Purchase Order/Contract for any reason, each party will be released from all obligations to the other arising after the date of expiration or termination, except for those, which by their terms survive such termination or expiration.

17 NON-DISCLOSURE

In accordance with the confidentiality obligations under the Non-Disclosure Agreement between Buyer and Seller, Seller shall keep all information, whether written or oral, in any form, including without limitation, obtained from or through Buyer in connection with the performance of this Purchase Order/Contract strictly confidential and agrees not to divulge to third parties, without the written consent of Buyer. Seller further agrees to require its subcontractors, sub-suppliers and sub-consultants to execute appropriate non-disclosure agreements with Buyer relative to such confidential information.

All Work Product shall at all times be and remain the sole and exclusive property of Buyer. Seller hereby agrees to irrevocably assign and transfer to Buyer and does hereby assign and transfer to Buyer all of its worldwide right, title, and interest in and to the Work Product including all associated intellectual property rights as further defined in Condition titled "INTELLECTUAL PROPERTY". These obligations to disclose, assist, execute, and keep confidential survive the expiration or termination of this Agreement. Seller irrevocably agrees not to assert against Buyer or its direct or indirect customers, assignees, or licensees, any claim or any intellectual property rights of Seller affecting the Work Product.

18 INTELLECTUAL PROPERTY

Any concept, discovery, creation, invention, product, process, service deliverables, improvements, developments, works (patentable or otherwise), copyrightable material (including without limitation documents, specifications, calculations, maps, sketches, notes, reports, data, masks, models, samples, devices, procedures, drawings, designs, computer programs and electronic code or software, material made, work in progress, or confidential information (1) conceived, developed, produced or reduced to practice by Seller, alone or with others, or any of its employees or Seller's lower-tier subcontractors and suppliers, or any of their employees as defined herein, in the performance of this Purchase Order/Contract (collectively, "Work Product") or embody the Work Product, or (2) developed at any time, in whole or in part, using Buyer's equipment, supplies, facilities, proprietary information, trade secrets, or confidential information, or (3) both during the term of this Purchase Order/Contract and for six (6) months thereafter, relate at the time of conception or reduction to practice to Buyer's actual or contemplated business or actual or demonstrably anticipated research or development shall be the sole property of Buyer upon creation, whether or not delivered to Buyer at the time of creation, and shall upon request by Buyer (but in no event later than Final Acceptance of the Work when conceived or reduced to practice during the term of this Purchase Order/Contract) be delivered to Buyer. Seller hereby assigns and will assign, without further consideration, all right, title and interest Seller may have or may acquire in such Work Product to Buyer. Upon request by Buyer from time to time, Seller agrees to do all things reasonably necessary, at Buyer's expense and as Buyer directs, to obtain patents or copyrights on any portion of such Work Product, to the extent the same may be patentable or copyrightable. Seller further agrees to execute and deliver, or cause to be executed and delivered such documents, including in particular instruments of assignment, as Buyer may in its discretion deem necessary or desirable to assign and transfer title to such Work Product as Buyer may direct and to carry out the provisions of this clause.

If, pursuant to the Purchase Order/Contract, any ideas, information, designs, developments, discoveries, inventions, goods or services, which are protected by one or more intellectual property rights owned by Buyer, are provided by Buyer to the Seller, the Seller shall be licensed to use these intellectual property rights, as well as intellectual property rights in the Work Product, for the execution of the concerned Purchase Order/Contract only and the Seller shall not in any way by implication or otherwise claim any title or other rights to such intellectual property rights.

19 RIGHTS TO WORK TOOLS AND WORK PRODUCTS

TAE shall have, and Seller hereby grants TAE, at no additional charge, a permanent, assignable, non-exclusive, worldwide royalty free, fully paid, sublicenseable license to use any concept, product, process (patentable or otherwise), copyrighted material (including without limitation documents, specifications, calculations, maps, sketches, notes, reports, data, models, samples, drawings, designs, and electronic code or software) and confidential information used by Seller or furnished or supplied to TAE by Seller in the course of performance under this Contract, as well as the right to develop derivative works in the same and receive all updates to the same, with the right to incorporate such goods or services into Buyer's products and services at no additional charge. Seller hereby represents and warrants that it owns all rights and has all authority necessary to make the conveyance set forth above. Seller further represents and warrants that neither Seller nor the license granted to Buyer in above infringe, violate or conflict with any intellectual property or other rights of any third party.

Under such license TAE may copy or reproduce any and all documents and information furnished by Seller in connection with the Contract and distribute such copies or reproductions to others as deemed appropriate by TAE notwithstanding any proprietary legends or copyright notices to the contrary. Seller shall obtain necessary permission and releases from any third parties placing proprietary legends or copyright notices on such documents or information and upon request, Seller may be granted a nonexclusive, irrevocable license to reuse selective designs developed by Seller that are of a general nature. Such approval of external reuse of selective designs is at the sole discretion of Buyer and may be granted and authorized on a case-by-case basis and in writing by an officer of Buyer.

20 PATENT AND INTELLECTUAL PROPERTY INDEMNITY

Seller hereby indemnifies and shall defend and hold harmless Buyer, and their representatives from and against any and all claims, actions, losses, damages, and expenses, including attorney's fees, arising from any claim, whether rightful or otherwise, that any concept, product, design, equipment, material, process, copyrighted material, or confidential information, or any part thereof, furnished by Seller under this Purchase Order/Contract constitutes an infringement of any patent or copyrighted material or a theft of trade secrets. If use of any part of such concept, product, design, equipment, material, process, copyrighted material, or confidential information is limited or prohibited, Seller shall, at its sole expense, procure the necessary licenses to use the infringing or a modified but non-infringing concept, product, design, equipment, material, process, copyrighted material, or confidential information or, with Buyer's prior written approval, replace it with substantially equal but non infringing concepts, products, designs, equipment, materials, processes, copyrighted material, or confidential information; provided, however,

A. That any such substituted or modified concepts, products, designs, equipment, material, processes, copyrighted material or confidential information shall meet all the requirements and be subject to all the provisions of this Purchase Order/Contract, and

B. That such replacement or modification shall not modify or relieve Seller of its obligations under this Purchase Order/Contract. The foregoing obligation shall not apply to any concept, product, design, equipment, material, process, copyrighted material, or confidential information the detailed design of which (excluding rating and/or performance specifications) has been furnished in writing by Buyer to Seller.

21 NON-WAIVER AND NO PERMANENT WAIVER

None of the following shall operate as, or be deemed to be, a waiver or release of Seller's obligations under this Purchase Order/Contract:

- A. Failure by Buyer to insist upon strict performance of any terms or conditions of this Purchase Order/Contract,
- B. Failure or delay to exercise any rights or remedies provided herein or by law,
- C. Failure to properly notify Seller in the event of breach of an obligation,
- D. The acceptance of or payment for any goods or services hereunder,
- E. The review or failure to review Seller submissions,
- F. The inspection and test by Buyer or the failure to inspect and test the Goods and/or Services, and

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G. The termination either in whole or in part of the Goods and/or Services under this Purchase Order/Contract.

Buyer reserves the right to insist upon strict performance hereof and to exercise any of its rights or remedies as to any prior or subsequent default hereunder. Any waiver by Buyer under this Purchase Order/Contract must be in writing to be effective. The remedies provided to Buyer are not mutually exclusive and Buyer's exercise of any remedy or remedies will not prevent Buyer from exercising any other respective remedy or remedies they have under the Purchase Order/Contract or at law.

22 LIMITATION OF BUYER'S LIABILITY

IN NO EVENT SHALL BUYER BE LIABLE FOR ANTICIPATED OR LOST PROFITS OR FOR SPECIAL, PUNITIVE, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH OR RESULTING FROM THESE CONDITIONS AND/OR A PURCHASE ORDER/CONTRACT. BUYER'S TOTAL LIABILITY ON ANY CLAIM OF ANY KIND FOR ANY LOSS OR DAMAGE ARISING OUT OF OR IN CONNECTION WITH OR RESULTING FROM THESE CONDITIONS AND/OR A PURCHASE ORDER/CONTRACT OR FROM THE PERFORMANCE OR BREACH THEREOF SHALL IN NO CASE EXCEED THAT PORTION OF THE PRICE ALLOCABLE TO THE GOODS OR THE SERVICES OR UNIT THEREOF WHICH GIVES RISE TO THE CLAIM. BUYER EXPLICITLY REJECTS, AND SHALL NOT BE LIABLE FOR ANY CANCELLATION CHARGES, LATE FEES, PENALTIES, OR LIQUIDATED DAMAGES.

23 LIMIT OF SELLER'S LIABILITY

Seller shall be liable to Buyer, and Buyer's employees, subcontractors and agents, and any third party for any incidental, indirect, special, or consequential damages arising out of, and in connection with the Purchase Order/Contract, except those arising by reason of the negligent or willful act of Buyer, its officers, agents, affiliates, or employees which act was not induced by the negligence or other misconduct by the Seller. In no event shall Seller be liable to Buyer, or Buyer's employees, subcontractors and agents or any third party for any remedies except as provided by the California Uniform Business Code.

The total aggregate liability of Seller to Buyer shall not exceed one times the total Purchase Order/Contract value; provided, however, that such limitation of liability shall not apply to: (i) Seller's indemnification obligations hereunder; (ii) warranty work for Work originally performed by a lower-tier subcontractor; provided, however, that if a lower-tier subcontractor fails to perform this Work, and Buyer directs Seller to cure the default of the lower-tier subcontractor by performing this Work, then Seller's limitation on liability shall be reduced to the extent of Seller's cost to perform this Work, less any amount collected by Seller from the lower-tier subcontractor; or (iii) any loss or damage arising from or related to any fraudulent or criminal acts of any of the following: (a) Key Personnel, (b) officers and/or directors, (c) others within Seller's organization with at least equivalent authority and/or responsibility as Key Personnel or (d) others directed or instigated to take any fraudulent or criminal act by anyone who is identified in subparts (a), (b) or (c) of this sentence.

The limitations of liability shall not relieve the insurers' or guarantors' obligations for any insured risks covered by the insurance provided pursuant to Insurance requirements as specified in the Purchase Order/Contract, and any proceeds paid by an insurer with respect to the insurance provided under Insurance requirements as specified in the Purchase Order/Contract shall not be counted against the limitation of liability set forth in this clause.

24 RELEASE OF CONSEQUENTIAL DAMAGES

Neither party shall be liable to the other for consequential damages resulting from or arising out of this Purchase Order/Contract, including without limitation, loss of profit, loss of business opportunity, idle facilities or resources (including equipment), loss of property or property rights, cost of capital or business interruption whether such liability arises in contract, negligence or otherwise. Buyer and Seller agree that the following items are excluded from the above release: (i) costs recoverable under the Conditions titled "WARRANTY" and "PATENT AND INTELLECTUAL PROPERTY INDEMNITY", (ii) damages claimed by third parties for whom Seller has a duty to indemnify and (iii) any liquidated damages set forth in the Purchase Order/Contract.

25 INDEMNITIES

The Seller shall defend, indemnify, and hold harmless Buyer, its agents, employees, officers, subsidiaries, customers, associated companies, and assigns from and against any and all claims, demands, actions, suits, damages, losses, liabilities and costs (including settlement costs and attorneys' fees) ("Claims") arising from or with respect to: (a) any violation or alleged violation by Seller of any laws, (b) any infringement or alleged infringement of a patent, registered design, copyright, trade mark or other proprietary or intellectual property rights, in connection with the Goods or the Services, (c) any actual or alleged loss, damage to or destruction of property and/or death, illness or injury to any person arising out of any defects or hazards in the Goods and/or Services, or the Seller's performance of, or failure to perform, any of the Seller's obligations, including any Services, (d) any other third party claims resulting from the execution of the Purchase Order/Contract, (e) any damage to or loss of Buyer's property in the Seller's possession, or (f) any act or omission by Seller in the performance of or in connection with Seller's obligations pursuant to the Purchase Order/Contract. The foregoing obligation will apply regardless of whether the loss in question arises in part from any negligent act or omission of Buyer, from strict liability of Buyer, or otherwise.

The Seller shall defend any Claims utilizing counsel approved by Buyer. Buyer may participate in the defence without relieving the Seller of its obligations and the Seller will at all times consult with and update Buyer regarding any Claims. The Seller will not settle any Claim without the written consent of Buyer. In the event of an infringement Claim, the Seller, at its own expense, shall: (a) immediately obtain the right for Buyer to continue to sell, use, and distribute the Goods or the Services, or (b) modify the Goods or the Services so as to relieve the purported infringement while still complying with all the requirements of the Purchase Order/Contract.

26 FORCE MAJEURE

Neither Buyer nor Seller shall be liable for any failure or delay in performing its obligations under the Purchase Order/Contract, or for any loss or damage resulting therefrom, due to: acts of God, war, riot, embargos, acts of civil or military authorities, fire, flood, accidents, strikes, epidemics, or unusually severe weather affecting either party (excusable delays). The delivery schedule for the delayed item(s) will be extended by a period of time equal to the duration of the excusable delay.

27 PRICE AND PARTIAL TAX EXEMPTION

The Price shall include all royalties, license fees, taxes, excise duties and costs, both direct and indirect, of supplying the Goods and/or Services except that, where the Goods and/or Services are subject to Sales and Use Tax, the amount legally due shall be specified as a separate item of account.

Effective July 1, 2014, Buyer will be claiming a partial exemption from Sales and Use Tax on qualified tangible personal property used in research and development (pursuant to Cal. Rev. & Tax Code Section 6377.1). Therefore, the Sales or Use Tax rate on these purchases is to be reduced by the current 3.9375% exemption (as of January 01, 2017). For example, Seller's sales of qualified property used in research and development purchased by Buyer and shipped to Buyer's Facility in California, USA would have a sales tax rate applied not to exceed 3.8125% (7.75% - 3.9375%). Buyer agrees to supply exemption certificates to Seller as needed to claim the exemption, such as form BOE-230-M documenting that the purchase is qualified tangible personal property and will be used primarily in research and development under California sales and use tax law. Seller shall work with Buyer to support this Tax exemption of behalf of Buyer. Invoices from Seller received by Buyer with an incorrect California sales tax rate not in conformance with the above shall be short-paid per Buyer-provided Partial Exemption Certificate for Manufacturing, Research and Development Equipment (BOE-230-M).

28 INVOICING AND PAYMENT

Buyer shall pay only the Price for the Goods and/or Services per the Milestone Payments as specified in the Purchase Order/Contract. If the Goods and/or Services have been accepted by Buyer in accordance with the Purchase Order/Contract, Buyer shall pay the invoiced amount within thirty (30) days from receipt of a correct

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invoice with supporting documentation and/or shipping documentation confirming the completion of the milestone or delivery of the Goods and/or Services, respectively, as approved by Buyer. The Seller shall ensure that the invoice relating to the Purchase Order/Contract is received by Buyer following completion of the milestone or the date of delivery of the Goods and/or provision of the Services and shall state the Purchase Order/Contract number, and the address to which Milestone was complete or Goods were delivered and/or Services provided. Any invoice which bears a date which precedes the delivery date or completion of the Milestone or is otherwise incorrect or incomplete shall not be paid.

Seller shall submit a scanned copy of the original invoice, in form and format directed by Buyer, to:

E-mail Address
ap_tps@tae.com
Please reference Purchase Order/Contract Number on your invoice.

29 RELEASE AGAINST LIENS OR CLAIMS

Seller shall promptly pay all claims of persons or firms furnishing labor, equipment or materials used in performing the Work hereunder. Buyer may, as a condition precedent to any payment hereunder, require Seller to submit satisfactory evidence of payment and releases of all such claims. If there is any evidence of any such unpaid claim, Buyer may withhold any payment until Seller has furnished such evidence of payment and release and shall indemnify and defend Buyer against any liability or loss from any such claim.

30 WARRANTY

Seller represents and warrants that: (a) the Goods and/or Services shall be new and free from defects in workmanship, material, manufacture, and design and shall be free and clear of any liens, claims, encumbrances and other restrictions; (b) the Goods and Services shall conform to specifications, drawings, and other requirements; (c) the Goods and/or Services shall be merchantable, fit for a particular purpose and sufficient for the use intended by Buyer; (d) the Goods and/or Services shall comply in all respects with any statutes, laws, rules or regulations; and (e) the purchase, sale, use, and license of the Goods and/or Services shall in no way constitute an infringement or other violation of any copyright, trade secret, trademark, patent, or other proprietary right of any third party. The foregoing warranties are in addition to all other warranties, expressed or implied, and shall survive any delivery, inspection, acceptance, and payment by Buyer. Buyer's approval of the Seller's material or design shall not relieve the Seller of the warranties set forth herein.

Any equipment and materials furnished under this Contract shall be OEM (Original Equipment Manufacturer) genuine and original and shall include only OEM genuine and original components, with no counterfeit items or suspect items. Seller shall obtain or provide, for the benefit of TAE and their successors in interest, warranties or guarantees for the equipment, materials and work furnished by suppliers and subcontractors of any tier. Such warranties or guarantees are to run for the period set forth in the applicable specification of this Purchase Order/Contract or, when not specified, that period customarily provided by the supplier.

If any Good or Service does not conform to the foregoing warranty or the other requirements of this Purchase Order/Contract, Buyer may, at its sole discretion, (i) require the Seller to deliver a replacement or repair the Good or provide a conforming Service to Buyer after Buyer's notice of non-compliance, (ii) repair or replace the non-complying Good and or Service itself and recover its reasonable expenses related thereto from the Seller, or (iii) return such non-complying Good to Seller, at the Seller's expense, and recover from the Seller the Price thereof. The foregoing remedies are in addition to all other remedies allowed by law or in equity or under this Purchase Order/Contract, for damages or otherwise, and shall not be deemed to be exclusive.

31 REMEDIES

If Buyer identifies a warranty problem with any Goods and/or Services during the warranty period, Buyer will promptly notify Seller of such problems. In the case of Goods, Buyer will have the right to return the Goods to Seller, at Seller's sole expense. Seller shall, as soon as practicable either repair such goods, replace such goods, or if agreed by Buyer, credit Buyer's account for the same. Replacement and repaired Goods and/or Services shall be warranted for the remainder of the warranty period, which shall be extended by the time the Goods cannot be used due to a defect. If Seller breaches the Purchase Order/Contract, Buyer shall have all remedies available in accordance with the California Uniform Commercial Code.

32 ASSIGNMENT AND SUB-CONTRACTING

Seller may not assign or subcontract the performance of the whole or any part under the Purchase Order/Contract without the prior written consent of Buyer in its sole discretion. Such consent shall not release the Seller from any obligation or liability arising from a Purchase Order/Contract. The Seller shall impose these Conditions and the relevant part of the Purchase Order/Contract upon each third party engaged in the performance of the Purchase Order/Contract. If a contract between the Seller and a third party is terminated on the grounds identified in the Condition titled "TERMINATION" of this Purchase Order/Contract, the Seller's rights under such contract shall pass automatically to Buyer on Buyer's specific written demand. Seller's duties, obligations, and liabilities under this Purchase Order/Contract shall apply in full force to all activities of each lower-tier subcontractor and supplier. Seller's liability to Buyer for acts and omissions of lower-tier subcontractors and suppliers shall be the same as Seller's liability for its own acts and omissions.

Copies of all purchase orders and subcontracts are to be provided to Buyer upon request. Pricing may be deleted unless the compensation to be paid thereunder is reimbursable under this Purchase Order/Contract. No assignment, delegation or subcontract will be approved which would relieve Seller or its sureties, if any, of their responsibilities under this Purchase Order/Contract.

33 EXPORT CONTROLS, GOVERNMENT RESTRICTED PARTIES, AND COMMODITIES

Seller acknowledges that all applicable export laws, rules, and regulations of the origin countries shall apply to the exports of commodities, software and technology (technical data and assistance) under this Purchase Order/Contract. Seller also acknowledges that other laws, rules, and regulations may restrict the use of certain parties under this Purchase Order/Contract. Such laws, rules, and regulations are generally described below.

A. Restricted Parties Lists: The U.S. Government, country governments and international organizations publish Restricted Parties Lists ("Lists") that identify parties (such as known or suspected terrorists, money launderers and drug traffickers) restricted from certain or all types of transactions. Seller shall review all applicable Lists prior to initiating transactions with any third party for the performance of all or any portion of the Work to ensure such third party is not identified on any applicable Lists. Seller shall not enter into any transactions with any third party identified on any applicable Lists.

B. Licensing Requirements: Each country has export regulations that control commodities, software, and technology for various reasons, such as national security, foreign policy, anti-terrorism, and to avoid the proliferation of conventional weapons of mass destruction, e.g. certain nuclear, chemical, or biological agents. Numerous countries have export regulations that specifically address dual-use items, meaning commercial items with the potential to be applied to military and/or weapon proliferation uses. Seller shall ensure that all necessary export licenses are obtained, or license exceptions confirmed, prior to the export of any commodity, software or technology.

C. United States of America (USA) Export Licensing Requirements: Seller is solely responsible for obtaining any required USA export licenses for all commodities, software, and technology being supplied in the performance of the Work, except for any commodity, software, or technology supplied by Buyer. A copy of the export license, or rationale as to why a license is not required, shall be provided to Buyer upon request.

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Seller shall be responsible for any delay resulting from Seller's failure to comply fully and timely with any such law, rule, or regulation described above. Seller hereby agrees to indemnify, defend and hold Buyer, each of their respective affiliates and the respective directors, officers, employees, and representatives of each harmless from and against any and all claims, legal or regulatory actions, final judgments, reasonable attorneys' fees, civil fines and any other losses which any of them may incur as a result of Seller's failure to comply with applicable export or import laws and regulations, or to comply with its export or import obligations set forth in the Purchase Order/Contract. Seller further understands and agrees that Buyer Confidential Information is U.S. origin technology. In the event Seller chooses to export, re-transfer or re-export any part of Buyer Confidential Information, including any transfer to persons who are not U.S. citizens or permanent residents, Seller shall be responsible for complying with and accordingly agrees to comply with the United States Export Administration Act, as amended, the Export Administration Regulations ("EAR") promulgated thereunder, as amended, the International Emergency Economic Powers Act, as amended, and all other export laws and regulations of the United States and all amendments, modifications, or additions thereto, including, without limitation, all laws and regulations relating to re-export (hereinafter "U.S. Export Control and Sanctions Laws"). Buyer agrees that all Confidential Information disclosed to Seller shall be treated as EAR99 technology, as defined under the EAR, unless Buyer notifies Seller, in writing, of a different export control classification for the Confidential Information. Seller shall execute any documents reasonably requested by Buyer (including, without limitation, written assurances of non-re-exportation) for the purpose of complying with all such laws and regulations. Seller shall indemnify and hold Buyer harmless from any liabilities, damages, costs, and expenses arising from or connected with a breach of this paragraph, unless such liabilities, damages, costs, and expenses resulted from Buyer's provision to Seller of inaccurate information concerning the export control classification of the Confidential Information, including Buyer's failure to notify Seller of an export control classification for the Confidential Information of other than EAR99.

Seller shall furnish to Buyer all necessary export compliance information required by U.S. Export Controls as established by the U.S. Department of Commerce Bureau of Industry and Security on a timely basis to provide all necessary compliance assistance to Buyer and its agents.

34 STANDARDS OF CONDUCT

Seller shall comply with all applicable national, federal, state, and local laws, ordinances, and regulations of the United States of America and of all other jurisdictions regarding bribery of public officials and private sector employees, including without limitation, all provisions of the United States Foreign Corrupt Practices Act and any amendments thereto (the "Act"). In addition Seller shall:

A. Comply with the principles of the World Economic Forum's Partnering Against Corruption Principles for Countering Bribery ("PACI Principles") set out in the World Economic Forum's 2005 publication Partnering Against Corruption Principles for Countering Bribery;

B. Advise each of its lower-tier subcontractors regarding the purposes and provisions of the Act and the PACI Principles; and

C. Ensure its subcontractors at any tier also comply with the Act and the PACI Principles and that Seller and its subcontractors at any tier refrain from taking any action that would cause Buyer to be in violation of the Act.

Seller shall immediately notify Buyer of any violation of this Condition. Seller understands that any violation of this Condition could result in the termination of this Purchase Order/Contract and any other agreement between Seller or any of its affiliated companies, and Buyer or any of its affiliated companies.

Seller agrees to include this clause in each of its lower-tier subcontracts and to require its lower-tier subcontractors to include this clause in their subcontracts.

35 APPLICABLE LAWS

This Purchase Order/Contract shall be governed by and construed in accordance with the laws of California, without regard to principles of conflict of laws which may apply the laws of any other jurisdiction, and each party hereto agrees not to assert as a defense in any proceeding that it is not subject to the laws of California.

The Seller shall at all times comply with all federal, state, local, and governmental agency laws, ordinances, rules and regulations, including any export control laws and regulations (collectively, the "laws"), applicable to the Goods and/or Services to be supplied by the Seller to Buyer. While the Seller is on Buyer's premises, the Seller shall comply with Buyer's site policies, procedures and programs relevant to the Seller's provision of goods and/or services.

36 GENERAL

These Conditions do not take away from Buyer's statutory and common law rights and are in addition to those rights, and not in substitution for them. A reference to a statutory provision includes a reference to the statutory provision as modified or re-enacted or both from time to time and any subordinate legislation made under the statutory provision. A failure or delay of Buyer to exercise a right or remedy provided by these Conditions or by law does not constitute a waiver of the right or remedy or a waiver of any other rights or remedies. No single or partial exercise by Buyer of a right or remedy provided by these Conditions or by law prevents further exercise of the right or remedy or the exercise of another right or remedy. The Seller and Buyer are independent contractors; neither is an agent or employee of the other, or has any authority to assume or create any obligation or liability of any kind on behalf of the other. Any provision of the Purchase Order/Contract that is invalid or unenforceable under applicable laws with respect to a particular party or circumstance will be severed from this Purchase Order with respect to such party or circumstances without invalidating the remainder of this Purchase Order/Contract or the application of such provision to other persons or circumstances.

37 PUBLICITY AND ADVERTISING

Seller, its employees, and Seller's lower-tier contractors and suppliers and their employees shall not make any announcement, release any photographs, or release any information concerning this Purchase order/Contract, or the Project, or TAE, or any part thereof to any member of the public, press, business entity, or any official body unless prior written consent is obtained from a TAE Officer, which consent may be withheld in its absolute discretion. The project and all activities of Seller under this Purchase Order/Contract, as well as the terms and conditions or other facts relating to this Contract, shall be kept strictly confidential by Seller and all of its personnel. Seller, its employees, and Seller lower-tier contractors, suppliers, and their employees, shall not identify, list, name or otherwise refer to TAE in any way on Social Media sites.

38 RECORDS AND AUDIT

Seller shall maintain records and accounts in connection with the performance of this Purchase Order/Contract which will accurately document incurred costs, both direct and indirect, of whatever nature for a period of three (3) years from the expiration of Seller's warranty unless a longer period is otherwise specified by applicable law. Seller shall maintain its records and accounts in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP) or with International Accounting Standards Committee (IASC) standards consistently applied, as applicable. Buyer, or its representatives, shall have the right to examine and copy, at all reasonable times and with advance notification, such records and accounts for the purposes of confirming compliance with contract provisions, verifying payments or requests for payment when costs are the basis of such payment and evaluating the reasonableness of proposed contract price adjustments and claims.

39 SEVERABILITY

The provisions of this Purchase Order/Contract are severable. If any term or provision shall be determined to be illegal or unenforceable, such determination shall have no effect on any other provision hereof, and the remainder of the Purchase Order shall continue in full force and effect so that the purpose and intent of this Purchase Order/Contract shall still be met and satisfied, but such illegal or unenforceable term or provision shall be deemed stricken.

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40 DISPUTES

Any dispute, controversy, or claim arising out of or relating in any way to the agreement/the relationship including without limitation any dispute concerning the design, engineering, procurement, manufacturing, construction, testing, inspection, validity, interpretation, enforceability, or breach of the agreement, shall be exclusively resolved by binding arbitration upon a Party's submission of the dispute to arbitration. In the event of a dispute, controversy or claim arising out of or relating in any way to the agreement/the relationship, the complaining Party shall notify the other Party in writing thereof. Within thirty (30) days of such notice, management level representatives of both Parties shall meet at an agreed location to attempt to resolve the dispute in good faith. Should the dispute not be resolved within thirty (30) days after such notice, the complaining Party shall seek remedies exclusively through arbitration in accordance with the JAMS International Rules. The demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen, and in no event shall it be made after one year from when the aggrieved party knew or should have known of the controversy, claim, dispute, or breach.

This agreement to arbitrate shall be specifically enforceable. A Party may apply to any court with jurisdiction for interim or conservatory relief, including without limitation a proceeding to compel arbitration.

The arbitration shall be conducted by three arbitrators. Each Party shall select an arbitrator within ten days of commencement of the arbitration who shall serve as a neutral arbitrator and the two designated arbitrators shall select a third neutral arbitrator within twenty days of their selection, and a decision of 2 of the 3 arbitrators shall be binding. The arbitration shall be conducted in accordance with the then existing Commercial Rules of the American Arbitration Association. Notwithstanding the above, each Party shall bear its own cost of arbitration. The arbitration shall be conducted in Foothill Ranch, California.

The laws of the State of California shall be applied in any arbitration proceedings, without regard to principles of conflict of laws.

It is the intent of the Parties that, barring extraordinary circumstances, arbitration proceedings will be concluded within one hundred and twenty days from the date the arbitrators are appointed. The arbitrators may extend this time limit in the interests of justice. Failure to adhere to this time limit shall not constitute a basis for challenging the award.

Except as may be required by law, neither a party nor its representatives may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

The Parties shall be entitled to discovery in the arbitration. Any Party shall be entitled to depose any expert who will testify in the arbitration proceeding but shall pay the regular hourly rate of such expert during such deposition. In addition to the foregoing, any Party shall be entitled to take the deposition of a witness who will testify at the arbitration but who is unavailable to testify at the hearing to preserve such witness' testimony for the arbitration hearing.

The Parties shall exchange a copy of all exhibits for the arbitration hearing and shall identify each witness who will testify at the arbitration, with a summary of the anticipated testimony of such witness ten days before the arbitration hearing.

The arbitrators shall have no authority to award punitive/consequential/special/indirect damages. The arbitrators shall be entitled to issue injunctive and other equitable relief.

The parties agree that any litigation under this agreement shall be resolved in the trial courts of Orange County, State of California.

41 MISCELLANEOUS

In the event of inconsistency between or among the various documents that are made a part of this Purchase Order/Contract, the following order of precedence shall apply: Purchase Order/Contract Form of Agreement, pricing, drawings, specifications, statement of work, acceptance criteria/procedures, these terms and conditions, other documents.

If Goods include hazardous materials, Seller represents and warrants that Seller understands the nature of any hazards associated with the manufacture, handling, and transportation of such hazardous materials.

42 BUYER RIGHT TO ASSIGN

Buyer has the right in its sole discretion to transfer the rights and obligations of all Purchase Order/Contract Documents to one of its subsidiaries without obtaining any consent from Seller. From and after any such transfer, Buyer may require Seller to re-execute all Purchase Order/Contract Documents with the applicable Buyer subsidiary name and with this clause modified accordingly.

43 AUTHORIZED REPRESENTATIVES AND NOTICES

Unless otherwise specified, all notices and communications in accordance with or related to this Contract shall be between authorized representatives designated in writing by the parties. Notices shall be in writing, effective upon receipt by the authorized representative of the receiving party, and shall be delivered either personally, electronically, by courier or express delivery, or by certified mail to the address shown on the face of this Contract or such address as directed by written notice.