

TERMS AND CONDITIONS OF SALE

North Atlantic Industries, Inc.
and its subsidiaries and divisions
Instruments • Apex Signal • Logitek, Inc • Astrosystems

1. Sale

As used herein, the term "Seller" shall mean North Atlantic Industries, Inc. and term "Buyer" shall mean the person, firm or corporation executing a purchase order for goods supplied by North Atlantic Industries, Inc. (hereinafter "Products").

The terms and conditions of sale contained herein apply to all quotations made and purchase orders entered into by the Seller. The said terms and conditions may in some instances conflict with the terms and conditions of Buyer's purchase order or other document that orders the Products. Therefore, acceptance of the Buyer's order is made only on the expressed understanding and condition that insofar as these terms and conditions conflict with any terms and conditions of the Buyer's order, these terms and conditions shall govern. Seller's failure to object to provisions contained in any communications from Buyer shall not be deemed a waiver of the provisions of these terms and condition. Additional terms and conditions and any changes to these terms and conditions must specifically be agreed to in writing by the authorized representative of the Seller before becoming binding on the Seller.

2. Price

All prices are exclusive of any federal, state or municipal sales, use or export/import duties, customs fees or brokerage fees which Seller may be required to collect or pay upon sale or delivery of its products to Buyer. Buyer shall be responsible for payment of such taxes, duties or fees.

3. Terms

The terms of sale are as specified on the face of Seller's invoice. Seller reserves the right to suspend or terminate at any time and for any reason whatsoever any credit terms previously extended to Buyer.

4. Delivery

Delivery terms are FOB Seller's plant unless otherwise specified by Seller. Delivery shall be deemed to have been made when Products purchased by Buyer have been delivered to a carrier, specified by Buyer in writing. In the event that Buyer does not specify the carrier in writing, the carrier may be at Seller's option.

5. Title

Title to and risk of loss of the products sold hereunder shall pass to Buyer upon delivery by Seller. However, Buyer hereby agrees that Seller shall retain a purchase money security interest in all Products sold to Buyer, and to any proceeds from the disposition of such Products until the purchase price and other charges due Seller shall have been paid in full. Buyer agrees to execute any financing statements or other documents as Seller may request in order to protect Seller's security interest. Upon any default by Buyer hereunder, Seller shall have all rights and remedies of secured party under the Uniformed Commercial Code which rights and remedies shall be cumulative.

6. Warranty

(a) Seller's Products are warranted to be free from defects in material and workmanship for a period of one (1) year after delivery of same. Any Products purchased from Seller by Buyer which become defective during this period shall be repaired or replaced at Seller's plant, such determination being at Seller's exclusive discretion. Return of defective Products shall be pursuant to Section 12 below.

(b) All warranties hereunder are made subject to the proper use by Buyer in the application for which such Products were intended. The warranties do not cover any Products which have been misused, modified, have been subjected to unusual stress, have not been properly operated or maintained or on which any original serial numbers or other identification marks have been removed or destroyed.

(c) THE EXPRESS WARRANTIES SET FORTH ABOVE ARE THE ONLY WARRANTIES APPLICABLE TO THE PRODUCTS. BUYER ACKNOWLEDGES THAT NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE GRANTED BY SELLER.

(d) Inbound shipping charges to Seller, including associated taxes, duties, tariffs, etc., shall be paid by the Buyer. Return (outbound) warranty repair shipping charges shall be paid by Seller to the Buyer's original destination.

7. Limitations of Liability

The specific rights and remedies described in these terms and conditions are the exclusive rights and remedies of the respective parties and are in lieu of all other rights and remedies available at law or in equity. Neither party will be liable to the other for any special, incidental or consequential damages, notwithstanding notice of the possibility thereof and the maximum liability of either party to the other whether arising in contract, tort, or otherwise, shall not exceed the purchase price of the Products governed by these terms and conditions.

8. Export

The export of the Products hereunder may be controlled by various laws and regulations. If Buyer exports (or reexports), directly or indirectly, any Products or technical data supplied hereunder or any portion thereof, it is Buyer's responsibility to assure compliance with U.S. and other applicable export control laws and regulations including securing any required licenses or approvals in its own name. The Seller shall rely upon and Buyer will be responsible for the accuracy and completeness of any information or certification provided by Buyer.

9. Inspection

Seller's quality control and inspection system conforms to applicable parts of MIL-I-45208A and is acceptable to Buyer.

10. Quality

Seller's quality management system is certified to AS9100D and ISO9001:2015 and is acceptable to Buyer.

11. Acceptance

All Products sold by Seller hereunder shall be deemed accepted by Buyer unless within thirty (30) days from Seller's invoice date, Buyer shall notify Seller in writing that such Products are defective. Any claims for shortages must be made to Seller in writing within ten (10) days from Seller's invoice date.

12. Return

All returns must be authorized by Seller. An R.M.A. (Return Material Authorization) number issued by Seller must accompany all returned material. An RMA number can be obtained by logging on to our website: www.naii.com/rma.

13. Default

In the event of Buyer's default in payment for the Products purchased hereunder, upon the terms and conditions agreed upon with Seller, Buyer shall be responsible for all reasonable costs and expenses incurred by Seller in collection of any sums owed by Buyer, and Seller shall not be obligated to make any further deliveries to Buyer. Such reasonable costs and expenses of Seller shall include, but not be limited to, reasonable attorney's fees.

14. Cancellation

Should Buyer elect to cancel its order, in whole or in part, Buyer shall be liable to Seller for the purchase price of completed Products and, without duplication, all other reasonable cancellation charges which shall include but not be limited to all costs and expenses incurred by Seller in connection with procuring materials, labor costs, overhead costs. Orders for unmodified COTs products canceled by buyer 30 days or less from due date will be subject to a 25% restocking fee. Orders canceled by customer within 90 days to 31 days from due date will be

subject to a 10% restocking fee. On any canceled order for legacy, modified, or custom products, the buyer shall be liable to Seller for the purchase price of completed products and without duplication, all other reasonable cancellation charges which shall include but not limited to all costs and expenses incurred by the Seller in connection with procuring materials, labor costs and overhead costs.

15. Governing Law

A binding contract with Buyer shall arise upon the occurrence of any of the following:

- (a) A purchase order or other acceptance is received from Buyer in response to Seller's verbal or written presentation or quotation or
- (b) Written acceptance of a purchase order of Buyer, subject to these terms and conditions, is delivered to Buyer by Seller. This Agreement shall be construed in accordance with the laws of the State of New York, except for choice of law provisions. The terms and conditions set forth above shall not be modified, rescinded or waived notwithstanding any varying or conflicting terms or conditions included in any purchase order submitted by Buyer for any products sold by Seller hereunder. Any variations from the terms and conditions hereunder shall only be effective and binding upon Seller if agreed to in writing by a duly authorized officer of Seller.

16. Entire Agreement

The terms and conditions contained herein coupled with the associated purchase order (that is subject to these terms and conditions) constitute the entire agreement between Seller and Buyer and supersede any prior or contemporaneous agreements, promises or representations.

17. Force Majeure

Seller shall not be liable for any damages or penalty for delay in delivery or for failure to give notice of delay when such delay is due to the elements, acts of God, acts of the Buyer, acts of civil or military authority priorities, fires or floods, epidemics, quarantine, restrictions, war, riots, strikes, differences with workmen, accidents to machinery, material shortages, labor shortages, delays in transportation, delays in delivery by Seller's vendors, or any other causes beyond the reasonable control of the Seller. The delivery date shall be deemed extended for a period of time equal to the time lost due to any delay excusable under this clause.

18. Government Contracts

(a) Seller asserts that the Product is a Commercial Item or a Commercial Off the Shelf ("COTS") Item as defined in Federal Acquisition Regulations ("FAR") Subpart 2.101. Seller shall comply with the FAR clauses as required by FAR 212-5 (e)(1). Any additional FAR or DFARS clauses that must be flowed down to Seller shall be identified by Buyer and expressly agreed to by Seller in an addendum to these terms and conditions.

(b) Unless specifically otherwise agreed in writing by Seller, this order does not involve any type of experiment, development or research work as one of its purposes.

(c) As a supplier of proprietary COTS products funded, designed, manufactured and qualified at Seller's private expense, Seller shall agree to only those Federal Acquisition Regulation clauses that are by their terms required to be imposed upon a supplier of the size and at the tier as Seller

(d) Vendors and subcontractors are notified that they may be subject to the requirements of Executive Order 11246, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. 4212 and Section 503 of the Rehabilitation Act of 1973, as amended, and their implementing regulations, all of which are specifically incorporated by reference in this Purchase Order. Where applicable, **this contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a), and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or**

national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.”

19. Intellectual Property Rights. Notwithstanding any other provision in the agreement between the parties, the parties agree that Buyer shall not acquire any rights in Seller intellectual property. For intellectual property first created in the performance of the agreement between the parties, Buyer shall acquire rights in expressly deliverable intellectual property for which both the cost of development was funded solely by Buyer with private (nongovernment sourced) funds and a line-item price appears for such intellectual property. Seller offers certain software to its customers. Buyer may secure rights to use this software pursuant to Seller’s current End User Licensing Statement.

20. Intellectual Property Indemnity. Seller shall indemnify Buyer and its officers, employees and agents against liability and expenses, including legal costs (provided that Seller shall reimburse only reasonable attorney fees), for actual direct infringement of any United States patent, trademark or copyright, arising out of the use of the Product delivered hereunder. Buyer agrees to provide Seller prompt written notice of any claim of infringement for which Buyer intends to seek indemnification. Seller’s obligation to indemnify and hold Buyer harmless for infringement is contingent upon timely receipt of this notice. Buyer agrees to provide to Seller absolute authority and reasonable assistance, at Seller’s expense, in the defense and/or settlement of any such claims. In the event that the Product is found to be infringing, Seller shall procure the right for Buyer to use the Product, or provide a non-infringing substitute, or will refund to Buyer the purchase price. Seller’s obligation shall not extend to claims that arise from compliance by Seller with instructions issued by Buyer, which arise from modification of the Product by someone other than Seller, or arise from combination of the Product delivered hereunder with materials/goods or supplies manufactured or delivered by someone other than Seller. Buyer hereby agrees to indemnify and hold harmless Seller, to the same extent that Seller is obligated to indemnify Buyer, from any claims of infringement brought against Seller from events described in the previous sentence. The above constitutes Buyer’s and Seller’s exclusive rights and remedies regarding infringement of intellectual property rights.

21. Product Configuration. Seller is continuously refining and improving its products. This process may entail any combination of different components, modified manufacturing and testing techniques, software, altered performance parameters and features. Seller will deliver Product ordered under this Agreement. However, Buyer acknowledges that the availability of exactly the same Product in future is not assured. Buyer and Seller may agree on maintenance of the current version of Product. Such agreement must be evidenced in an addendum to the agreement between the parties.