

Purchase Order Standard Terms and Conditions

Scope of Terms and Conditions:

All contracts entered into by Tricor Systems Inc. (TSI) as purchaser shall be subject to the then-current TSI Terms and Conditions, unless expressly otherwise agreed in writing. Any and all terms and conditions of the Seller are hereby rejected and shall not be deemed to be a part of any contract between TSI and the supplier, even if TSI fails to expressly contradict such conditions.

All future transactions with the Seller shall likewise be subject to TSI's Terms and Conditions. No order issued by TSI shall be legally binding unless confirmed in writing.

Unless expressly otherwise agreed in writing, failure on the part of TSI to respond or agree to modifications, demands or documents submitted by the Seller, shall on no account be deemed to constitute consent.

Pricing:

The prices on this order are fixed and cannot be increased without prior written consent from the authorized Buyer for TSI. All prices are CIF to applicable manufacturing plant or warehouse, in Elgin, Illinois or such other of TSI's locations to which TSI may designate on its purchase order.

Schedules/Deliveries:

Sellers promised delivery schedule shown represents Seller's contractual obligation. Should the schedule deviate from the TSI required delivery shown the Seller will immediately contact TSI for further instructions (i.e., authorization to initiate expedited shipping, etc.) and will use its best efforts to meet the TSI required delivery schedule. If shipment is made earlier than specified on the order, TSI reserves the right to refuse delivery or return the shipment.

Shipping:

Containers must be properly packed as stated in suggested guidelines of the shipper.

Tricor Systems purchase order number MUST appear on the outside of all packages.

A packing list AND Certificate of Compliance must accompany each shipment.

Delay in providing these documents will result in delay of payment.

Seller must ship and bill per the address shown on the purchase order, unless otherwise specified.

Warranties:

Seller warrants that the goods sold are merchantable, are free from defects in materials and workmanship, and are fit for their intended use. Nothing herein shall constitute a waiver of any warranties accorded to TSI by law (statutory or otherwise), including, without limitation the implied warranties of merchantability fitness and infringement.

Product Liability and Insurance:

If product liability, infringement or any other product-related claims are brought against TSI resulting from goods purchased from Seller, Seller shall fully indemnify for all related costs and fees, including but not limited to legal fees. To the extent that the Seller is responsible, Seller shall reimburse TSI according to the proportion of its contributory negligence for the costs of any precautionary or recall operations which may prove necessary. Seller shall carry product liability and recall insurance and at all times have provided TSI with evidence of such insurance.

Specialty Metals Clause:

DoD's interpretation of this specialty metals clause is that it prohibits the contractor (including its suppliers at every tier) from incorporating into military parts, components, and/or end item deliverables "specialty metals" (identified in the clause, including titanium and stainless steel) which have been melted outside the United States, its possessions, or Puerto Rico, unless certain limited exceptions set forth in the clause or DFARS Subpart 225.7002-2 apply. One such exception is for specialty metals melted in a qualifying country or incorporated into an article manufactured in a qualifying country. Those countries are listed at DFARS 225.872-1(a) or (b). Since the United States is not listed as a qualifying country, DoD does not consider it to be qualifying country. Even if a qualifying country exception applies, the source for specialty metals melted outside the United States may also have to be listed in an applicable Qualified Products List (QPL), such as that set forth in Douglas Material Specification (DMS) 2201, "Procurement From Foreign Sources — Metallic Raw Material".

Please provide certification that you are providing only specialty metals (such as titanium or stainless steel) that have been smelted within the United States or a qualifying country, and if required, proper certifications are issued.

Quality Assurance:

Access to the Sellers facility must be granted upon request by TSI before, during or after manufacture of TSI ordered parts, as required for inspection of parts ordered.

Invoices:

All invoices must reference Tricor Systems purchase order number, parts ordered (including revision if applicable), and price. TSI will only make payment for the qty of parts received using purchase order unit price and unit of measure. If shipment is made earlier than specified on the order, TSI reserves the right to withhold payment until the actual due date.

Change Order Notification:

Tricor Systems, Inc (TSI) manufactures regulated medical devices for specific customers that fall under the purview of the Food and Drug Administration (FDA). These devices require various levels of approval and review by the FDA. For the sake of patient safety and compliance to FDA regulations, TSI must be notified prior to process and material changes by our suppliers and sub-tier suppliers. Written approval from TSI is required *before* changes can be implemented. At a minimum, prior notification and written acceptance is required in the following cases:

- Modification of material grade, quality, or characteristics, whether in the raw or finished state.
- Change in material supplier.
- A change in process specification(s) outside previously validated process parameters.
- Obsolescence/End of Life
- Part number change

Any risk arising from changes made by suppliers or sub-tier suppliers without TSI written approval is solely the responsibility of the supplier or sub-tier supplier. The most effective method to limit or eliminate risk is to contact TSI and receive written approval of the change *prior to implementation*.

U.S. Export Controls:

"TRICOR Systems, Inc. fully complies with all U.S. export control laws and regulations ("U.S. Export Controls"), including without limitation the International Traffic in Arms Regulations (ITAR), the Export Administration Regulations (EAR), and the foreign asset control and specially designated nationals regulations administered by the Office of Foreign Assets Control (OFAC) in the Department of the Treasury. All products, technical data, software or technology to be exchanged between TRICOR Systems, Inc. and your company must be handled in compliance with U.S. Export Controls."

"As a Term and Condition of Purchase, it is the suppliers' responsibility to provide TRICOR Systems, Inc. with export classification data (USML category and sub category — ITAR) or (ECCN — EAR) on the Items procured from the supplier to enable TRICOR Systems, Inc. to control such Items in compliance with U.S. Export Control requirements. Furthermore, TRICOR Systems, Inc. requires its suppliers to use at least reasonable efforts to cooperate with and assist TRICOR Systems, Inc. in the correct identification and classification of Items provided by the supplier or manufactured to supplier's requirements, designs and/or specifications, which may be subject to U.S. export control regulations. If the supplier does not or otherwise fails to make reasonable efforts to provide classification information and assist TRICOR Systems, Inc. and/or its related companies, as the case may be, to correctly identify or classify supplier Items subject to U.S. export control regulations, then TRICOR Systems, Inc. shall have the option, at TRICOR Systems, Inc.'s sole discretion, to (a) return all Items not classified due to your breach of obligations hereunder for a refund in full without penalty, fee or cost to TRICOR Systems, Inc. and you shall further reimburse TRICOR Systems, Inc. for any additional costs or damages suffered by TRICOR Systems, Inc. as a result of procuring replacements, including without limitation delay penalties paid by TRICOR Systems, Inc. to its customers, and/or costs of replacement Items over and above the cost of the Items returned to you; or (b) keep the Items not classified due to your breach of obligations hereunder and you shall (i) reimburse TRICOR Systems, Inc. for all costs and fees incurred by TRICOR Systems, Inc. in classifying the Item(s) for itself (including without limitation) attorneys' or consultant fees and/or costs associated with preparing, submitting and obtaining a response to a Commodity Jurisdiction request (provided however TRICOR Systems, Inc. has no obligation to submit such a Commodity Jurisdiction request); and (ii) indemnify and hold harmless TRICOR Systems, Inc. from any violation and/or penalties incurred by TRICOR Systems, Inc. and/or its related companies which result or arise from inaccurate classification of Items during the process of exporting the Items from the U.S. and/or during the import process at the country of destination."

"The items, goods, technology and services covered hereunder ("Restricted Items") do not refer only to physical products and tangible items but also includes technical data, software, technology, know-how or other intangibles and services which are subject to the U.S. Export Controls."

"The supplier will also ensure that all company personnel who represent the supplier in a visit to TRICOR Systems, Inc. will identify their citizenship/nationality. In the event TRICOR Systems, Inc. informs Seller that restricted items will be involved or accessible on a site visit to TRICOR Systems, Inc.'s facility or Seller



otherwise knows that restricted items will be involved or accessible on a site visit to TRICOR Systems, Inc.'s facility, Seller will only send personnel on such a site visit who are authorized by the U.S. export regulations to receive and work with restricted items."

Conflict Minerals Rule and Counterfeit Parts Prevention

Unless Seller provides TSI written notice prior to shipment, Seller warrants to TSI that such shipment does not contain (a) Conflict Minerals from any Covered Country, as defined by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly known as the Conflicts Mineral Rule or (b) any inauthentic or counterfeit parts.