

Novanta Purchasing Terms and Conditions

DEFINITIONS:

"**Novanta**" means the Novanta legal entity that is an affiliate or subsidiary at any tier of Novanta Inc. which is or shall be purchasing the "Product(s)" covered by the Novanta Purchasing Terms and Conditions (the "Terms") set forth in this document.

The term "**Purchaser**" means the Novanta legal entity which submits a written order (a "Purchase Order" or "PO") or which receives and accepts in writing a quotation from a Seller. Unless otherwise explicitly specified, electronic form, including but not limited to e-mail or similar forms of communication, shall always be acceptable in addition to the written form.

The term "**Seller**" means a person or company that accepts from Novanta a written Purchase Order or PO, or that submits to Novanta a quotation that Novanta receives and accepts with a written acknowledgement.

The terms "**Product**" and "**Products**" mean the Product or Products proposed for sale by the Seller. The Seller's acceptance of a PO from Novanta and/or Novanta's written acceptance of a price quotation are both referred to as an "Acceptance" when they are subject to these Terms.

Purchaser and Seller are sometimes referred to in these Terms jointly as the "Parties" and severally as a "Party."

"**Incoterms® 2020**" means the 2020 edition of the International Commercial Terms published by the International Chamber of Commerce.

1. Formation of Contract, Purchase Order, and Acceptance. A binding, non-cancellable contract for the sale of Products (an "**Accepted Order**") is formed when the following two (2) events both occur:

(1) the Seller issues a quotation in response to an inquiry from Novanta or Novanta submits a PO (which may be referred to as a Release under an existing Blanket Order, as described below in this section) to the Seller; and

(2) the Seller accepts the Purchaser's PO or the Purchaser accepts the Seller's quotation in a written acknowledgement or the Seller ships a Product in response to the Release.

The Purchaser's agreement to buy the Products specified in the Accepted Order is expressly conditioned upon acceptance of these Terms. The Purchaser hereby objects to any additional or different terms and conditions contained in the Seller's sales documents, none of which shall be binding upon the Purchaser unless specifically agreed to in writing signed by an authorized representative of the Purchaser. Failure by the Purchaser to object to any provision contained in the Seller's sales documents shall not in any way be deemed an alteration to or waiver of any one of these Terms. The Purchaser's acceptance of the Seller's sales documents can be made only by written acknowledgement. In the event of a conflict between a provision of these Terms and the Accepted Order, the provision of these Terms shall take precedence.

Additional terms and conditions may apply if Purchaser classifies a PO as a "**Blanket Order**"; or if Purchaser and Seller commit to Purchaser's "**Vendor Managed Inventory**" program. In either case Purchaser and Seller will sign applicable terms prior to the Purchaser issuing the purchase order.

2. Prices & Shipments. Delivery shall be DDP the Purchaser's reception point, Incoterms® 2020 ("**Delivery**"). Title and risk of loss shall pass to the Purchaser upon Delivery. The Purchaser reserves the right to reschedule date(s) of delivery of Products by the Seller at any time prior to shipment without incurring any additional charge. Delivery will be deemed to be on time if it is made no more than five (5) business days before and not after the scheduled Delivery Date (as defined in Section 5 below). Products delivered more than five (5) business days before or at any time after the Delivery Date may, at the Purchaser's option, be refused and returned to the Seller at Seller's expense. The Purchase Order number must appear on all invoices, packing slips, waybills, shipping labels, Certificates of Compliance, inspection documents, and all other documents required by the Accepted Order or otherwise provided by the Seller. The delivery must be accompanied by a delivery note stating the date (of issue and of shipping), contents of the delivery (article number and quantity with units), as well as the Purchaser's delivery address, billing address and batch/lot numbers. Product prices do not include VAT, sales, use or any other taxes normally accruing to a buyer. Seller is responsible for all taxes on its income. Unless otherwise agreed, Product prices include packing, packaging, freight, customs, tariffs and insurance to the Delivery address specified in the Purchase Order. Product prices also include any training, assembly, installation and other ancillary services of the Seller specified in the Purchase Order. The Seller's prices are valid for thirty (30) days from the date of a quotation unless otherwise stated on the face of the quotation.

3. Ethics, Legal Compliance, Taxes & Other Charges. The Purchaser is committed to uncompromising ethical

standards, strict adherence to laws and regulations, and customer satisfaction. The Parties agree to comply with all applicable laws, rules, and regulations (including but without limitation International Traffic in Arms Regulations ("ITAR"), European Union and UK export control law and customs regulations, European Union and UK Anti-Corruption Laws, the United States Export Administration Regulations ("EAR"), and Foreign Corrupt Practices Act ("FCPA"). Unless otherwise stated in the Accepted Order, the Seller is responsible for the ultimate payment of all federal, state, local, foreign or provincial, present or future, sales, revenue, or excise tax, value added tax, turnover tax, import duty (including brokerage fees) or other tax, however characterized, applicable to the manufacture or sale of any Product ("Sales Taxes"). The Parties commit to comply with applicable national and international standards of conduct.

3.1. Conflict Minerals. The Seller warrants that, to its knowledge after reasonable inquiry, no Conflict Mineral (cassiterite (also known as tin), columbite-tantalite (also known as tantalum), wolframite (also known as tungsten) and gold or their derivatives) contained in any Product supplied under this Purchase Order/Supply Agreement originated from any Covered Country (the Democratic Republic of Congo, Angola, Burundi, the Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia), unless the Conflict Mineral was processed by a facility listed as compliant pursuant to the Electronic Industry Citizenship Coalition Global e-Sustainability Initiative Conflict-Free Smelter Program. The Seller commits to have in place supply chain policies and processes to undertake: (1) a reasonable inquiry into the country of origin of Conflict Minerals incorporated into Products it provides to the Purchaser; (2) due diligence of its supply chain, as necessary, to determine if Conflict Minerals are sourced from the Covered Countries directly or indirectly; (3) the conduct of any risk assessment and mitigation actions necessary to implement these country of origin inquiry and due diligence procedures, providing to the Purchaser upon request, the results on the industry standard Conflict Materials Reporting Template ("CMRT"); and, (4) timely disclosure to the Purchaser regarding Conflict Minerals, in an industry accepted format, on all its Purchase Orders/Subcontracts for products containing Conflict Minerals.

3.2. RoHS and REACH. The Seller hereby confirms it has reviewed and is familiar with the most current requirements of law, including a) Directive 2011/65/EU of the European Parliament and of the Council of the European Union ("EU") on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS), b) EU legislation No. 1907/2006 ("REACH"), and c) California Proposition 65, all concerning chemicals dangerous to human health and the environment, and that Products to be supplied to the Purchaser will be in accordance with RoHS, REACH, and California Proposition 65, as well as any other legal requirements regarding hazardous materials.

3.3. Human Trafficking and Slavery. The Seller will at all times comply with and the Seller hereby represents that it does comply with all applicable United Nations and national laws, statutes, ordinances, rules, regulations, orders, and other requirements, regarding child labor, slavery and/or human trafficking.

3.4. Supplier Code of Conduct. The Seller will review and comply with Purchaser's Supplier Code of Conduct, available at [www.novanta.com](https://www.novanta.com/wp-content/uploads/Supplier-Code-of-Conduct.pdf) (<https://www.novanta.com/wp-content/uploads/Supplier-Code-of-Conduct.pdf>).

4. Changes. No less than ten (10) business days prior to the scheduled Delivery date (a) the Purchaser may, in writing, direct changes within the general scope of an Accepted Order in any of the following: (i) technical requirements and descriptions, specifications, statement of work, drawings or designs; (ii) shipment or packing methods; (iii) place of delivery, inspection or acceptance; (iv) reasonable adjustments in quantities or delivery schedules or both; (v) amount of Purchaser-furnished property, and, if an Accepted Order includes services, (vi) description of services to be performed, (vii) time of performance (e.g. hour of the day, days of the week); and (viii) place of performance. The directed change shall not become effective unless and until the Purchaser issues a Purchase Order recording the change and the Seller has confirmed its acceptance in writing.

Seller shall notify Purchaser in writing prior to making any temporary or permanent change to materials, process (including manufacturing process), sub-tier suppliers, or tooling.

5. Delivery Dates. The date of Delivery shall be the date specified in the applicable PO ("Delivery Date"). Time is of the essence in the delivery of Products to the Purchaser on the Delivery Date. The Seller shall immediately inform the Purchaser if it is or will be unable to deliver Products on the Delivery Date. The Purchaser reserves the right to collect from Seller any charges or additional costs that it may incur as a result of Seller's failure to deliver Products on the Delivery Date. If the Seller needs information, sample material, or documentation from the Purchaser in order to manufacture the Products, then all delivery dates are predicated upon prompt and timely notice from the Seller of what is needed and prompt and timely receipt from the Purchaser of the necessary information and sample material. If the Seller intends to stop the production of a Product that has been ordered and supplied to Purchaser, the Seller shall immediately notify Purchaser after the decision to cease production has been made. This notice must be made at least (12) months prior to the cessation of production and must be communicated to Purchaser in writing. Such notice will provide to Purchaser the right to submit a last time buy purchase order based on the terms current at the time of the notice. Unless otherwise specified in writing, the Seller is obliged to stock replacement parts or ensure availability of replacement parts of the Product for a period of at least 5 years after the last shipment.

6. Credit & Payment Terms. Unless otherwise specified on the PO, payment terms are as agreed in writing between Purchaser and Seller. The Seller shall provide a separate, original invoice for each shipment. The Seller shall send electronic invoices to the Purchaser separately but shall include a copy of the invoice with each Product shipment. The invoice for each delivery shall include the Purchaser's Purchase Order number, line number, the Purchaser article number, delivery quantity, delivery address, billing address and contract number (if any). Seller shall forward its invoices to the address specified in the PO. Unless freight or other charges are itemized, the Purchaser may take any offered discount on the full amount of the invoice. Payment due date, including discount periods, shall be computed from the latest of: a) the scheduled Delivery date, b) the actual Delivery date or c) the date of receipt of a correct invoice. Payment shall be deemed made on the date the Purchaser's check is mailed or payment is otherwise tendered.

7. Labeling, Packaging and Shipping. The Seller shall label all Products (and where applicable, the container) containing a health, poison, fire, explosion or other hazard in accordance with all applicable Federal, State/Provincial and local labeling laws. The Seller shall (i) ship all of the Products covered by the applicable PO in accordance with the instructions appearing on the face of the Purchase Order or as otherwise specified, and (ii) place the applicable PO number on all packaging and shipping documents. Each delivered container must be labeled to identify the contents without opening it, and packages must contain packing sheets listing contents. The Seller shall provide suitable protective packing to permit safe transportation and handling at no additional charge and shall bear full responsibility for damage due to improper packing of the Products. In furtherance of Novanta's sustainability goals, Purchaser requests that Seller minimize packaging and waste and use recycled packaging materials, wherever such changes will not impact Product fit, function, form or quality.

8. Acceptance Criteria, Documentation, and Rejection. The Seller shall verify that all Products meet all Specifications before Delivery. The Purchaser's acceptance of Products shall be contingent upon final inspection and testing, by the Purchaser that the Products conform to the Specifications provided by the Purchaser and that all required supporting documentation for the Products have been delivered. In no event shall payment be deemed to constitute acceptance. The Purchaser has the right, within fifteen (15) business days following Delivery of Products to the Purchaser, to reject, by written notice to the Seller, any Products that do not comply with the PO, including the Specifications, or have obvious physical defects, and to notify the Seller of shortages or overages in quantity, in which case the Seller shall promptly repair or replace, at its own discretion, Products that are not consistent with the Purchase Order, make up any shortage in the shipment or accept the return of any overage, making arrangements with the Purchaser for the shipment of any defective or excess Products to the Seller's facilities at the Seller's expense.

9. Inspection. The Purchaser, or its representative, may inspect any Seller's location engaged in the performance of an Accepted Order and may inspect or test Products to be delivered hereunder during manufacture, processing, or storage. If Purchaser, or a representative of Purchaser, makes any inspection or test on the premises of the Seller, The Seller shall provide all reasonable facilities and assistance for the safety and convenience of such personnel. If, as a result of any testing, Purchaser finds that the Products do not comply with the Accepted Order or are unlikely to comply upon completion, Purchaser shall inform Seller in writing and Seller shall take action to ensure compliance.

10. Specifications. "Specifications" shall mean the specifications provided by Purchaser or Specifications as modified by mutual written agreement. The Specifications will be the only specifications applicable to the Accepted Order. If the Parties have agreed in the Accepted Order to modify the Specifications to meet the Purchaser's particular application, then the Specifications will be deemed the Specifications as so modified.

11. Warranty. Seller expressly warrants that all Products delivered hereunder will: conform strictly to the Specifications and/or designs, specifications, drawings, performance standards, samples or other requirements set forth in the applicable Purchase Order, will be of new material, free from defects in material and workmanship; be merchantable; and, be fit and sufficient for the purposes intended. Such warranties shall survive any inspection, delivery, acceptance, or payment by Purchaser of, or for, the Products, for a period of twenty-four (24) months following date of Delivery. The Purchaser's remedies under these warranties shall include at Seller's election (a) return and full refund of the purchase price paid by Purchaser for such Products, (b) repair by Seller or persons designated by Seller and accepted by Purchaser of any Products found to be defective in violation of these warranties, without charge, or (c) replacement of Products with new products that conform to the Purchase Order. Seller shall be responsible for all shipping and other costs and expenses in connection with return and/or replacement of defective Products. Supplier shall not object to warranty claims on the grounds of delayed notification (§§ 377, 381, (2) German Commercial Code (HGB)) for all other than obvious defects. Obvious defects shall mean only externally apparent defects or externally apparent deviations in identity or volume.

12. Recalls. The Purchaser shall have the sole authority to declare a recall or withdrawal of any Products, as standalone products or as contained within the Purchaser's products (any such action referred to as a "Recall"), if the Purchaser believes that there is a potential significant health hazard, non-conformity to specifications which interferes with fit, form or function or non-compliance with applicable government regulations, unless the Seller is obliged by law to declare a recall. In the event the

Seller is obliged to declare a recall, the Seller must before initiating the recall consult with the Purchaser with respect to such matter. The Seller agrees to reimburse the Purchaser for all damages and expenses related to any Recall provided that such recall is attributable to the negligence, willful misconduct or breach of any of the Seller's obligations or warranties under these Terms. The parties will work together in good faith to minimize the parties' financial exposure as part of the Recall.

13. Manufacturer Liability and Product Liability Insurance. If the Seller is responsible for a product defect, the Seller must indemnify Purchaser and its subsidiaries from any third party claims insofar as the cause is within the Seller's sphere of control. As part of Seller's indemnification obligation, the Seller must reimburse all expenses of Purchaser, which arise out of or in connection with any claims by third parties. The Seller shall obtain product liability insurance with a lump sum coverage amounting to at least 5 million US dollars (or the equivalent in currency agreed to by the parties) for each case of personal or property damage. The Seller shall send Purchaser upon request at any time an Insurance Certificate showing the required coverage.

14. Seller Competence and Training. The Seller will maintain a system where personnel performing work affecting conformity to product requirements will be competent based on appropriate education, training, skills and experience. Appropriate records will be maintained.

15. Patents, Indemnification, and Insurance.

15.1. The Seller shall indemnify, defend and hold the Purchaser and its affiliates and their respective directors, officers, employees and agents harmless from and against any and all actions, claims, liabilities, costs, damages and expenses (including reasonable attorneys' fees) arising out of, resulting from or caused by any negligent act or willful misconduct of Seller in the design or supply of the Products, or from any defect or alleged defect resulting from the manufacture or labeling of the Products. This indemnification shall be in addition to the warranty obligations of the Seller. The Seller shall maintain adequate Workers Compensation, Employer's Liability, Product Liability, and General Commercial Liability insurance to cover its obligations set forth herein. The Seller will, upon written request, furnish a certificate of insurance to Purchaser with respect thereto upon request. Seller agrees that said insurance policies shall not be canceled without thirty (30) days prior written notice to Purchaser. If Seller or its representative performs work on Purchaser's premises, the Seller agrees that both shall be bound by Purchaser's security and safety policies.

15.2. The Seller warrants that the Products and the sale, lease, or use of the Products will not infringe any Letters Patent, trademarks, or copyrights, from any country. The Seller agrees to defend, indemnify and save harmless Purchaser, its successors, assigns, customers and users of its products from and against, all suits, at law or in equity, and any and all costs and expenses (including reasonable attorneys' fees), liabilities or other losses arising from, or by reason of, any actual or claimed infringement of such patents, trademarks, or copyrights, except to the extent that the Products furnished hereunder by the Seller are manufactured in accordance with designs, drawings or specifications furnished by Purchaser. The Seller shall give Purchaser prompt written notice of any infringement claim.

16. Confidentiality. Both Purchaser and the Seller agree not to disclose to any party not having a legitimate need to know in connection with the implementation of the Purchase Order any information of the other party, respectively, that is identified in writing at the time of initial disclosure as "confidential," "proprietary," "company private," or other words of similar meaning or that a reasonable person in the industry would understand to be confidential ("Confidential Information"). Both the Purchaser and the Seller further agree to use Confidential Information solely for purposes in connection with the implementation of the Accepted Order and for no other purpose.

17. Authority to Export. The Seller hereby certifies that neither it nor any of its affiliates, officers, directors, or employees, have been previously or are currently, included in any list of sanctioned or restricted entities, groups, organizations or individuals, as such lists may be maintained and updated by any "Governmental Authority" (including without limitation any agency, department or government of the United States, the European Union, the United Kingdom, the United Nations, and any other jurisdiction where Purchaser is currently established and/or engaged in business operations) or owned or controlled by, or affiliated with any such entities, groups, organizations or individuals. The Purchaser may periodically screen the name of the Seller and its known affiliates, officers, directors, or employees against the above-mentioned lists. The Seller shall not supply to Purchaser any parts, materials, components, assemblies or other items that originate in or have been imported, directly or indirectly, from any country under trade embargo or sanction. The Seller shall comply with all applicable legal and regulatory requirements relating to the importation and/or exportation of the Products and provide Purchaser with all required and/or requested information and documentation, including but not limited to, the country of origin, the applicable Harmonized Tariff Code, and the Export Control Classification Number of each Product. In the event of any change in the above-mentioned information, the Seller shall immediately notify Purchaser of such change in writing and provide Purchaser with revised and updated information and documentation.

18. Continuity of Supply. (a) Upon Purchaser's request, Seller shall provide to Purchaser a written plan for continuity of

supply to cover production interruptions caused by unforeseen circumstances, including but not limited to, fire, natural disaster, loss of power, pandemic, or machine breakdowns. Seller shall provide Purchaser written notification at least six (6) months in advance of its intention to discontinue any Product. **(b)** Seller agrees to maintain or transfer at Novanta's request, the tooling, facilities, gauges, fixtures, and equipment required to manufacture the Product for at least (7) seven years following the end of production of the Product. **(c)** Upon any default or breach by Seller, Purchaser shall have the right without prior notice to Seller, to immediately cover by making any purchase of goods or entering into a contract to purchase. Seller shall pay and be liable for any and all costs, expenses or damage, including without limitation incidental and consequential expenses or damages, arising out of Purchaser in connection with such action without regard to any expenses Purchaser saved or may have saved in consequence of Seller's default or breach. The price of each Product purchased by Purchaser under this Section shall be no more than the price paid by Purchaser just prior to the date notice is given under this Section to Purchaser.

19. Miscellaneous.

19.1. Applicable law and Jurisdiction. The Accepted Order shall be deemed to have been placed and completed in the country where Purchaser is located as shown on the Accepted Order and shall be governed by and interpreted in accordance with the laws, rules and regulations of such country. The jurisdiction of any dispute between the parties that may be brought in connection with the breach or interpretation of an Accepted Order lies with the competent court of the district where Purchaser is located as shown on the Accepted Order. Application of the UN Sales Convention referring thereto shall be expressly excluded.

19.2. Computer Software License. Computer software provided with Products, including any subsequent improvements or updates, is furnished to the Purchaser in object code only under a nonexclusive, nontransferable license solely for the Purchaser's own use and the use of its End Users of devices or systems into which the Products are integrated. The software may be copied only as may be necessary and incidental for use on such systems, for archival and backup purposes, or to replace a worn or defective copy; provided that all such copies always include the Seller's copyright and other proprietary notices on the software. The Purchaser shall not (a) market, commercialize, sublicense, or otherwise provide or make available the software or any part thereof in any standalone form to any third party other than its End Users; or (b) reverse engineer, reverse compile, or reverse assemble the software in whole or in part or do anything to produce the source code.

19.3. Proprietary Rights. The Purchaser retains for itself all proprietary rights in and to all of the Purchaser's designs, engineering details, and other data and materials pertaining to all Products supplied under any Accepted Order. The Seller warrants that it will not divulge, disclose or in any way distribute or make use of such information, and that it will not manufacture or engage to have manufactured such Products other than to fulfill an Accepted Order. The Seller warrants that it has all right, title and interest in all products, drawings, designs, documents and specifications that it provides to the Purchaser and its parent, subsidiaries and affiliates for use, further manufacturing, resale or distribution. The preservation of the Purchaser's proprietary rights shall apply to substances and materials as well as tools, equipment, templates, samples, and other items that the Purchaser provides to the Seller for production. Such objects shall be kept separately at the expense of the Seller until processing and must be insured on an adequate scale against destruction and loss.

19.4. Retention of Title. The transfer of ownership of a Product to the Purchaser shall be made unconditionally and without regard to the payment of the price. The Purchaser remains entitled to resell a Product during the ordinary course of business even before paying the purchase price under anticipatory assignment of any resulting claim. This means all other forms of retention of title are excluded, especially the expanded, the assigned, and the extended retention of title applied to further processing.

19.5. Tool Manufacturing. Equipment, tools, devices, and models that the Purchaser makes available to the Seller or those made for contractual purposes, and for which the Purchaser is charged separately by the Seller, shall become the property of the Purchaser with the payment of the costs. These must be identified and labeled by the Seller as the property of the Purchaser, and they must be carefully maintained, insured against any damages, and used only for purposes related to Purchaser's orders. The cost of maintenance and repair of these items are carried by Purchaser and Seller at 50% each unless otherwise agreed. However, where these costs are due to shortcomings or defects of such goods manufactured by the Seller or the improper use by the Seller, its employees or other agents, these costs shall be the sole responsibility of the Seller. Upon request, the Seller is obliged to deliver these items to the Purchaser in proper condition if the Seller no longer needs them for fulfilling Accepted Orders. The terms of this section apply to all accessories including: Equipment certificate or report, manufacturing documentation, maintenance and operating manuals and associated data such as machine parameters.

19.6. Force Majeure. Neither Party shall be responsible for any failure to perform the Accepted Order due to causes beyond its reasonable control, including, but not limited to, acts of God, labor disputes or shortages, acts of government or judicial action, or inability or delay in securing parts or components, pandemic or other public health crisis, all whether foreseen or unforeseen.

19.7. Assignment. None of the rights, duties, or obligations set forth in the Accepted Order may be assigned, transferred, or delegated by Seller without the prior written consent of Purchaser.

19.8. Non-waiver. A Party's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege that such Party has under these Terms shall not be considered a waiver of that or any other terms, conditions or privileges, whether of the same or similar type.

19.9. Entire Agreement. Except as provided in the directly following sentence, an Accepted Order supersedes any and all prior agreements, offers, quotations, written or verbal messages, and any other communications and sets forth the entire agreement and understanding of the Parties with respect to the purchase and sale of the Products covered by that Accepted Order. In the event of a conflict between a provision in the Accepted Order and the corresponding provision in these Terms or a written executed supply agreement in effect between the parties, the provision of the Accepted Order will control only if it makes specific reference to the corresponding provision in these Terms or such supply agreement. No modification, amendments, or supplements to an Accepted Order shall be effective for any purpose unless in writing and signed by both Parties. Whenever the permission or consent of either the Purchaser or the Seller is required or permitted under an Accepted Order, such permission or consent will be in writing and will not unreasonably be withheld, delayed, or made subject to any condition not specifically provided for in the Accepted Order. Titles and captions are used for convenience of reference only and may not be considered in the interpretation or construction of an Accepted Order.

19.10. Severability. Every provision of these Terms is intended to be severable. If any provision is determined by a court or agency of competent jurisdiction to be invalid or unenforceable, the Parties agree that such illegality or invalidity shall not affect the validity or legality of the remainder of these Terms. The Parties shall meet to discuss the issue and shall agree to revise these Terms by deleting the invalid or unenforceable provision and substituting in its place another provision of similar economic effect that would be valid and enforceable. The Terms, as amended by such deletion and revision, shall continue in full force and effect.

19.11. Purchases in Support of a Government Contract. The Parties agree that the products or services provided hereunder qualify as "commercial products or commercial services" under the United States' Federal Acquisition Regulation FAR 2.201 and are subject to the contract clauses contained in FAR 52.244-6 (Subcontracts for Commercial Products and Commercial Services), as required by each FAR 52.244-6 clause flowdown requirement. For purposes of hereof, with respect to these referenced clauses, the terms "Government" and "Contracting Officer" shall mean the Purchaser and the "Purchaser Subcontract Administrator" respectively; the terms "Contractor" and "Contract" shall mean the Seller and the Accepted Order respectively, where such substitution is allowable. In the event of a conflict between any of the clauses set forth in FAR 52.244-6 and the other provisions of the Accepted Order, then the provisions of FAR 52.244-6 shall prevail.

19.12. Consent to Advertising Required. The Seller shall not advertise, publish, or otherwise make any public announcements, denials, or confirmations concerning any aspect of an Accepted Order, without prior written consent of the Purchaser, which may be withheld by the Purchaser in its sole discretion. If the Seller fails to observe this provision, the Purchaser reserves the right to cancel an Accepted Order without obligation.

19.13. Termination for Convenience. The Purchaser may terminate work under an Accepted Order in whole or in part at any time by written notice. In no event shall the Purchaser be obligated for any amount in excess of the order price for terminated Products, or for any amount greater than the percentage of the order price reflecting the percentage of the work performed prior to notice of the termination, whichever is less.

19.14. Insolvency. The Purchaser shall be entitled to cancel any unfilled part of an Accepted Order without any liability whatsoever in the event of any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against the Seller, or in the event of the appointment, with or without the Seller's consent, of an assignee for the benefit of creditors or of a receiver.

19.15. Quality Assurance. The Seller shall document, implement, and maintain an acceptable quality system of ISO 9001 standard or an equivalent certification. Where appropriate, quality management systems such as ISO13485 may be required. When requested by the Purchaser, the Seller will execute a quality agreement in a form provided by the Purchaser. The Seller shall conduct all procedures and tests required by ISO and other standards applicable to the product ordered, unless Purchaser consents in writing to a specific test or procedure being omitted.

19.16. Set Off. All claims due or to become due from the Purchaser shall be subject to deduction by the Purchaser for any setoff or counterclaim arising out of this or any of the Purchaser's transactions with the Seller.

19.17. Written Notice. Any notice required hereunder to be in writing may be given in writing via electronic mail if sent to the email address on the receiving party's most recent purchase order or order acknowledgement or as otherwise provided by the receiving party.

END OF TERMS.