

KLH INDUSTRIES, INC.

TERMS & CONDITIONS OF PURCHASE FOR GOODS AND SERVICES

DEFINITIONS

In these Conditions:

"KLH" means KLH Industries, Inc.

the "Goods and/or Services" means respectively the goods and the services or any of them described in the Order.

the "Order" means the order, including any written amendment thereto, for the delivery of Goods and/or the provision of Services as set out overleaf together with these Conditions.

the "Price" means the price of the Goods and/or Services as set out in the Order; and

the "Supplier" means the person, firm or company named as such in the Order as responsible for supplying the Goods and/or Services and includes the Supplier's legal representatives, successors and permitted assigns.

ACCEPTANCE OF ORDER

The Conditions of this Order become the exclusive binding agreement between the parties. The following constitute acceptance of the Order by the Supplier on these Conditions:

(a) execution and return by the Supplier of an acknowledgement of the Order, (b) the Supplier's failure to react to the Order within one (1) day after receipt thereof or (c) the execution or commencement of performance or the commencement of delivery pursuant to the Order. The acceptance of the Order is limited to and conditional upon acceptance by the Supplier of these Conditions. Additional or different terms proposed in the Supplier's acceptance of the Offer are hereby objected to and rejected and shall apply only if and insofar as these have been expressly accepted in writing by KLH. Acceptance of Goods and/or Services delivered under this Order shall not constitute acceptance of Supplier's terms and conditions. These Conditions shall also apply to any orders made by KLH online, over the Internet or by any other electronic means. KLH is not bound by the Order unless the Order has been placed on behalf of KLH by a duly authorized agent.

GOODS AND SERVICES

It is a condition of the Order that: (a) the Goods meet the specifications referred to in the Order as to quantity, quality and description and other information or instructions specified or made, known to the Supplier and all applicable safety standards, and (b) the Services are provided in accordance with the terms of the Order. Any forecast or other information it may provide will not bind KLH to the Supplier, and any expenditures and commitments by the Supplier in anticipation of KLH's requirements shall be at the Supplier's sole risk and expense. If the Supplier submits any documents for approval by KLH, KLH's approval, however, shall not release the Supplier from any of its obligations under the Order.

KLH does not allow its suppliers to subcontract any product or process to a sub-tier supplier without KLH Industries, Inc. expressed written consent. KLH's Quality standard requires that all applicable customer/regulatory/quality requirements for the supplier flow-down to sub-tier suppliers (includes requirements in the purchasing documents and key characteristics where required).

COUNTERFEIT WORK

"Counterfeit Work" means product or material that is or contains unlawful or unauthorized reproductions, substitutions, or alterations that have been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used work represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics. "Suspect Counterfeit Work" means product or material for which credible evidence (including but not limited to, visual inspection or testing) provides reasonable doubt that the work part is authentic.

a. Seller shall not deliver Counterfeit Work or Suspect Counterfeit Work under this Order.

b. Seller shall only purchase products to be delivered or incorporated as material to Buyer from an Original Manufacturer (OM), or through an OM authorized distribution chain. Products shall not be acquired from an independent distributor or broker unless Buyer has provided prior written approval.

c. Seller shall maintain processes to provide Buyer, upon request, the supply chain traceability from the OM, including mills and foundries. If traceability is not maintained or not obtainable, Seller shall include records of evidentiary tests and/or inspections to authenticate product to applicable standards.

d. Seller shall immediately notify Buyer with the pertinent facts if Seller becomes aware or suspects that it has furnished Counterfeit Work or Suspected Counterfeit Work.

e. If Counterfeit Work or Suspected Counterfeit Work is delivered under this Order, Seller shall at its own expense, promptly replace such Counterfeit Work or Suspected Counterfeit Work with genuine work conforming to the requirements of this Order. Notwithstanding any other provision in this Order, Seller shall be liable for all costs relating to the removal and replacement of Counterfeit Works or Suspected Counterfeit Works including, without limitation, Buyer's costs of removing Counterfeit Work, of installing replacement products or materials, of any testing necessitated by the reinstallation of products or materials after replacement, and any fines or penalties assessed to Buyer as a result of the Counterfeit Work.

f. Sellers eligible for utilization of the Government-Industry Data Exchange Program ("GIDEP") shall utilize the GIDEP process to alert the industry of encountered counterfeit product.

g. Seller shall include this clause in all lower tier subcontracts for the delivery of items that will be included or furnished as product or material to Buyer

ACCEPTANCE OF GOODS AND SERVICES

The Goods are subject to inspection and testing by KLH. In any case where the Goods (whether or not inspected or tested by KLH) do not comply with the requirements of the Order, KLH has the right to repair such Goods at the expense of the Supplier or to reject such Goods. KLH Industries Inc. requires that Goods and/or Services provided by its suppliers be correct and free of defect per the supplied Order. When rejecting or repairing Goods, KLH shall give notice of repair or rejection to the Supplier specifying the reasons for the repair or rejection and shall return the rejected Goods to the Supplier at the Supplier's risk and expense if not repaired. In that case the Supplier 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 Order. The Services are subject to inspection and evaluation by KLH. In any case where the Services (whether or not inspected or evaluated by KLH) do not comply with the requirements of the Order, KLH has the right to reject such Services. If KLH rejects the provision of one or more Services, KLH shall give notice of rejection to the Supplier specifying the reasons for the rejection. In that case the Supplier shall, within a reasonable time, provide Services which are in all respects in accordance with the Order. If the Supplier fails to replace any rejected Goods and/or Services with Goods and/or Services which are in accordance with the Order within a reasonable time as specified by KLH has the right to purchase replacement goods and/or services from another source. Any money paid by KLH to the Supplier in respect of the rejected Goods and/or Services together with any additional expenditure over and above the price reasonably incurred by KLH in obtaining replacement goods or services shall be paid by the Supplier to KLH within thirty (30) days after receipt of the relevant invoice.

Receiving inspections (of supplier products / services / documents) may be / are performed by a designated employee. KLH verifies the authenticity of the appropriate certificate of conformity, material certificates, etc. and other accompanying documentation by review and comparison (as is appropriate) to the drawing and/or industry specifications or by other means. When necessary, KLH Industries, Inc. may inspect or audit at the supplier's facility.

When appropriate, KLH Industries, Inc. may delegate the inspection authority to one of its approved suppliers. KLH Industries, Inc. will communicate the inspection requirements (including approved monitoring and measurement equipment/methods) and KLH Industries, Inc. will maintain a record of those approved to carry out such inspections.

KLH Industries, Inc. is to be contacted (by the supplier) in the event of nonconforming product/material. Arrangements for the approval of supplier nonconforming product/material must be as directed by a KLH Industries, Inc.'s representative.

Notwithstanding any other provision, in addition to the foregoing, Supplier shall be liable for KLH's actual costs, expenses and damages related to or arising from nonconforming Goods and/or Services, including but not limited to labor, material and other costs related to transportation of Goods and/or Services, expediting, removal, disassembly, failure analysis, fault isolation, assembly, reinstallation, reinspection, retrofit, and any and all other such corrective action costs incurred by KLH or KLH's customers.

RESCHEDULING, CHANGES AND CANCELLATIONS

KLH reserves the right at any time to suspend any delivery or deliveries or any acceptance of delivery covered by these Conditions without any charge and to the extent and for such period as considered necessary by KLH. In addition, KLH may make other changes (including in designs and specifications) with respect to the Order, in whole or in part, by notice to the Supplier. KLH will be liable for any additional or unauthorized work performed by supplier not approved in writing by KLH.

KLH may terminate the Order in whole or in part. If KLH cancels the Order at least thirty (30) days prior to the delivery date (the "Modification Date"), KLH will have no liability to Supplier with respect to the cancellation. If the Order is terminated after the Modification Date the same will not constitute a default by KLH. KLH's sole liability with respect to the same will be: (a) for standard Goods and/or Services, a restocking charge equal to two and a half percent of the purchase price for the good or service cancelled, and (b) for non-standard product, KLH shall be responsible for the actual, reasonable and substantiated costs incurred for raw materials and work in process plus a reasonable profit on work completed on the terminated portion but no anticipatory profit or cover of fixed costs on the work terminated shall be allowed. No settlement agreed upon may exceed the total Order price as reduced by (1) the amount previously paid, and (2) the Order price of work not terminated.

KLH shall be liable only for payment if the Supplier strictly complies with the following:

- (a) After receipt of a Notice of Termination, the Supplier shall comply with the instructions by KLH in the Notice of Termination and any subsequent written instructions.
- (b) After termination, the Supplier shall submit a final termination settlement proposal within sixty days of the Notice of Termination. Such settlement proposal shall be on the form and with the certifications prescribed by KLH.
- (c) If the Supplier fails to submit the termination settlement proposal within the time provided in paragraph (b) above, the determination of an equitable adjustment by KLH shall be conclusive.

DELIVERY OF GOODS AND PROVISION OF SERVICES

TIME IS OF THE ESSENCE UNDER THE ORDER. The time and place of delivery of the Goods and/or Services are as specified in the Order. If Goods and/or Services are not delivered in accordance with the Order, KLH reserves the right, without liability, in addition to its other rights and remedies, to cancel the entire Order or that part of the Order not delivered. The Supplier may be responsible for additional expenses to handle and deliver the Goods and/or Services in an expedited manner or in the manner requested by KLH. Early execution of the Order or any part thereof as well as partial deliveries shall not be permitted unless approved in writing by KLH. The terms of delivery shall be F.O.B. KLH, unless other delivery terms are on the order. Any changes to the delivery of the Goods must be agreed in writing by KLH. Supplier's obligation to deliver shall not have been met until the Goods and/or Services and the documentation as required per the Order, including any certificates, inspection reports, maintenance instructions and manuals, have been delivered. Unless expressly accepted in the Order by KLH, the delivery of Goods and/or provision of Services shall be non-recurrent. If the Goods and/or Services are agreed to be delivered/provided in installments, then the Order is deemed not to be severable. The Supplier shall immediately notify KLH of any delay or potential delay in the execution of the Order and state the events causing such delay. Upon KLH's request, KLH shall be given reasonable assistance and access to all relevant records of the Supplier related to the progress made or to be made in the execution of the Order. KLH, their customers, and regulatory authorities retain the right of access to all supplier facilities involved in the order and to all applicable records.

RECORD RETENTION

Records are available for review by customers and regulatory authorities in accordance with contract or regulatory requirements. Required record retention minimum 7 years.

EMPLOYEE AWARENESS

External providers shall ensure that their employees are aware of their contribution to product or service conformity, their contribution to product safety and the importance of ethical behavior.

PERFORMANCE OF SERVICE ON KLH'S PROPERTY

If this Order requires Supplier to perform any service upon property (whether real, personal, or mixed) owned or controlled by KLH, Supplier agrees:

Release of Liens: to furnish to KLH as a condition precedent to final payment, a complete release of all liens, together with a certificate by Supplier that the release contains the signatures of all those who performed services or furnished materials under this Order.

Hold Harmless: to indemnify KLH and save it harmless against all liability, claims, loss, damage and expense, including reasonable attorneys' fees, on account of personal injury (including death) or damage to property arising out of or in any way connected with the performance of this Order, including any such injury received or sustained by the Supplier, any of its subcontractors or any employee, agent, or invitee of the Supplier or any of its subcontractors by reason of any act or omission, whether or not the negligence of KLH or any employee, agent, or invitee thereof or the condition of the KLH's premises or other property of KLH was a contributing cause of such personal injury or damage;

Waiver of Worker's Compensation Bar: with respect to any and all claims brought against the KLH, its employees, parent, affiliated entities, successors and assigns (hereinafter referred to in this paragraph as "KLH") by an employee of Supplier, Supplier for itself, its successors and assigns, hereby expressly agrees to waive any provision of the applicable laws related to Workers' Compensation whereby Supplier could otherwise preclude its joinder as an additional defendant, or avoid liability in any action at law or in equity or otherwise, where Supplier's employees, their heirs, assigns or anyone otherwise entitled to receive damages by reason of injury or death, brings an action against the KLH. The indemnification obligations accepted by Supplier under this paragraph shall not be limited in any way by any limitation on the amount of or type of damages, compensation or benefits payable by Supplier pursuant to the applicable Workers' Compensation laws or other disability benefit laws or any other employee benefit law, rule or regulation. Supplier agrees and acknowledges that by undertaking to indemnify the KLH under this paragraph, Supplier is expressly undertaking indemnification liability by written contract within the meaning of the applicable Workers Compensation laws; and Insurance: (1) to provide, at its sole expense, statutory Workers Compensation limits and Employer's Liability Insurance with limits no less than \$1,000,000 per person, and \$1,000,000 per accident/disease for all of its employees engaged in the performance of this Order; and (2) to procure and maintain in force at all times during the performance of this Purchase Order general liability and automobile liability (owned/hired/any auto) insurance covering bodily injury, death and property damage and each having minimum limits of \$1,000,000 per occurrence. On all liability and auto insurance policies, Supplier shall include KLH as an additional insured by endorsement. KLH's insurance policies are excess only after all of Supplier's applicable policies are exhausted. Certificate(s) evidencing such insurance listed above shall be submitted to KLH prior to the commencement of the work hereunder.

OWNERSHIP, TITLE AND RISK

The title to and risk pertaining to the Goods passes to KLH on acceptance of the Goods by KLH on delivery of the Goods in accordance with the Order, without prejudice to any right of rejection which may accrue to KLH under these conditions or otherwise. The Supplier shall transfer to KLH the ownership of all items such as models, dies, molds, jigs, gauges, tools and drawings specifically acquired or manufactured by the Supplier for the execution of an Order immediately upon such items having been supplied to the Supplier or the completion of the Order by the Supplier. All items, including all material and components that have been transferred to the Supplier for the execution of an Order, shall remain property of KLH. The Supplier shall store such materials and components separately and shall clearly mark these items as the property of KLH is at all times entitled to regain possession of such items. The Supplier shall not use such items on behalf of third parties nor will the Supplier allow third parties to use such items in connection with any purpose other than the execution of an Order. Upon receipt of any of the items referred to above, the Supplier shall check those for damage, defects and fitness for the purpose for which they have been supplied and report its findings to KLH. Any damages and defects not reported to KLH immediately after receipt of the item shall be for the Supplier's account.

INTELLECTUAL PROPERTY

If the Supplier manufactures Goods and/or provides Services pursuant to specific instructions of KLH, the Supplier shall hereby assign and transfer to KLH, as a work-for-hire, all rights, title and interest in and to any and all intellectual property rights related to such Goods and/or Services or any other item (software, inventions, drawings, designs, other copyrightable materials, feasibility studies, improvements, developments and discoveries etc.) (collectively the "Ideas") made, conceived, reduced to practice, or originated as a result of KLH ordering any Goods and/or Services. The Ideas will be the sole property of KLH, and the Supplier shall cooperate in the execution of any formalities necessary to effectuate the transfer of the ownership of such intellectual property rights and to enable KLH to obtain, perfect, defend and enforce its rights in and to all such ideas. If pursuant to the Order any Goods which are protected by one or more Intellectual property rights owned by KLH are provided by KLH to the Supplier, the Supplier shall be licensed to use these intellectual property rights for the execution of the concerned Order only and the Supplier shall not in any way by implication or otherwise claim any title or other rights to such Intellectual property rights.

LIMITATION OF LIABILITY

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

INSURANCE

The Supplier and any subcontractor engaged by the Supplier shall at all times insure and keep himself insured with a reputable insurance company against all insurable liability under the Order and in respect of the Goods and/or the Services including, without limitation, against all the Supplier's liabilities under Condition 10 (Indemnities). Such insurance policy shall name KLH as an additional Insured. In the event of KLH sustaining damage as a result of an event insured by the Supplier, KLH shall exclusively be entitled to receive the insurance money for the total amount of the damage suffered. KLH is authorized to inform the insurer on Supplier's behalf that payment must be made to KLH to be released from its payment obligation. If KLH considers such to be necessary, the Supplier shall conduct any additional act necessary to assign its right to the Insurance money to KLH.

INDEMNITIES

The Supplier shall defend, indemnify and hold harmless KLH, its agents, employees, officers, subsidiaries, customers, associated companies and assigns from and against any and all claims, demands, damages, losses, liabilities and costs (including settlement costs and attorneys' fees) arising from or with respect to: (a) any violation or alleged violation of any laws, (b) any infringement or alleged infringement of a patent, registered design, copyright, trademark 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, or the Supplier's performance of, or failure to perform, any of the Supplier's obligations, (d) any other third party claims resulting from the execution of the Order, (e) any damage to or loss of KLH'S property In the Supplier's possession or (f) any act or omission in the performance of or in connection with the obligations undertaken by the Supplier pursuant to the Order. The foregoing obligation will apply regardless of whether the loss in question arises in part from any negligent act or omission of KLH, from strict liability of KLH, or otherwise.

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

PACKAGING

The Supplier shall package and label the Goods in a manner suitable for transit and storage at the Supplier's expense in accordance with the Order. All packaging other than returnable packaging shall become KLH's property unless KLH indicates otherwise, in which case the Supplier shall be obligated to dispose of the packaging at its own risk and expense.

PRICE

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 Value Added Tax the amount legally due shall be specified as a separate item of account. If the Order is placed on a "price to be agreed" basis, then Supplier shall obtain KLH's confirmation of the price to be paid before the Supplier invoices KLH for the Goods and/or Services.

INVOICES

Individual invoices must be issued for each shipment against this Order. Invoices shall be payable within thirty (30) calendar days after receipt, inspection and acceptance of goods by Buyer unless a later payment date is provided for in the Order or in Supplier's invoice, in which case the later date shall control. Buyer reserves the right to reject and refuse payment on any invoices issued more than one hundred twenty (120) days after delivery of the relevant shipment.

TERMINATION

Notwithstanding anything else to the contrary herein, KLH may terminate the whole or part of the Order at no liability or obligation to the Supplier at any time by written notice to the Supplier if the Supplier: (a) fails to comply with any of the terms and conditions of the Order (b) passes a resolution for its winding up or a court of competent jurisdiction makes an order for the Supplier's winding up or dissolution or an administration order is made in relation to the Supplier or a receiver is appointed over or an encumbrancer takes possession of or sells an asset of the Supplier or the Supplier makes an arrangement or composition with its creditors generally or makes an application to a court of competent Jurisdiction for protection from its creditors generally or (c) is acquired by or merged with any third party.

For the purpose of subclauses (a) up to and including (c), "the Supplier" shall include the Suppliers, subcontractors and suppliers. If any of the events described in sub clauses

(a) up to and including (c) occurs or is about to occur, the Supplier shall notify KLH immediately. If any of these events occur, KLH may, at its discretion and in addition to any of its other rights, return at the Supplier's risk and expense any Goods delivered which are no longer usable and claim a refund of the payments made for these Goods, or, after a written notification to the Supplier, complete the Order itself or engage a third party to do so.

The rights or remedies of KLH hereunder are not exclusive, and KLH shall be entitled alternatively or cumulatively, subject to the other provisions of this Order, to damages for breach, to an order requiring specific performance or to any other remedy available at law or in equity. Termination of the Order will not affect the rights and obligations that are intended by the parties to survive the termination.

GOVERNMENT CONTRACTS

If this Order is a subcontract under a Government Contract, Supplier agrees that all terms and conditions required by the Government Contract or by law, including but not limited to Federal Acquisition Regulations (FARs) 52.203-13 Contractor Code of Business Ethics and Conduct, 52.203-15 Whistleblower Protections Under the American Recovery and Reinvestment Act of 2009, 52.222-26 Equal Opportunity, 52.222-35 Equal Opportunity for Veterans, 52.222-36 Affirmative Action for Workers with Disabilities, 52.222-50 Combating Trafficking in Persons, and 52.247-64 Preference for Privately Owned U.S.-Flag Commercial Vessels, are incorporated herein and are deemed to be a part of this Order. The parties hereby incorporate the requirements of 29 C.F.R. Part 471, Appendix A to Subpart A, if applicable under federal law.

EXPORT CONTROL CLAUSE FOR RESTRICTED ITEMS

KLH fully complies with all U.S. export control laws and regulations ("US 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 KLH Industries 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 KLH Industries Inc with export classification data (USML category and sub category – ITAR) or (ECCN – EAR) on the Items procured from the supplier to enable KLH Industries Inc to control such Items in compliance with U.S. Export Control requirements. Furthermore, KLH Industries Inc requires its suppliers to use at least reasonable efforts to cooperate with and assist KLH Industries 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 KLH Industries 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 KLH Industries Inc shall have the option, at KLH Industries 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 KLH Industries Inc and you shall further reimburse KLH Industries Inc for any additional costs or damages suffered by KLH Industries Inc as a result of procuring replacements, including without limitation delay penalties paid by KLH Industries 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 KLH Industries Inc for all costs and fees incurred by KLH Industries 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 KLH Industries Inc has no obligation to submit such a Commodity Jurisdiction request); and (ii) indemnify and hold harmless KLH Industries Inc from any violation and/or penalties incurred by KLH Industries 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 KLH Industries Inc will identify their citizenship/nationality. In the event KLH Industries Inc informs Supplier that restricted items will be involved or accessible on a site visit to KLH Industries Inc.'s facility or Supplier otherwise knows that restricted items will be involved or accessible on a site visit to KLH Industries Inc.'s facility, Supplier 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."

WARRANTY

The Supplier represents, warrants, and covenants that: (a) the Goods and 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 and other requirements; (c) the Goods and Services shall be merchantable, fit for a particular purpose and sufficient for the use intended by KLH; (d) the Goods and 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 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 KLH. KLH's approval of the Supplier's material or design shall not relieve the Supplier of the warranties set forth herein. The Supplier's warranty shall be effective for a period of one (1) year from the date of KLH's final acceptance of the Goods or Services. This warranty shall run to KLH's customers and users of its Goods and/or Services. The warranty period shall be extended by the time the Goods cannot be used due to a defect covered by this warranty.

If any Goods and/or Services does not conform to the foregoing warranty or the other requirements of this Order (the "non-complying Product"), KLH may, at its sole discretion, (i) require the Supplier to deliver a replacement or repair the Good or provide a conforming Service to KLH no later than ten (10) days after KLH's notice of non-compliance, (ii) repair or replace the non-conforming Goods and/or Services and recover from the Supplier, KLH's reasonable expenses of same or (iii) return such non-conforming Goods and/or Services, at the Supplier's expense to the Supplier, and recover from the Supplier the price thereof. The foregoing remedies are in addition to all other remedies at law or in equity or under this Order, for damages or otherwise, and shall not be deemed to be exclusive.

ASSIGNMENT AND SUB-CONTRACTING

The Supplier may not assign or transfer or purport to assign or transfer a right or obligation under the *Order* without the prior written consent of KLH. The Supplier may not subcontract the performance of the whole or any part of the Order without the prior written consent of KLH. Such consent shall not release the Supplier from any obligation or liability arising from an Order. The Supplier shall impose these Conditions and the relevant part of the Order upon each third party engaged in the performance of the Order. If a contract between the Supplier and a third party is terminated on the grounds identified in Condition 14.1, the Supplier's rights under such contract shall pass to KLH on KLH's specific written demand.

PAYMENT

The term of payment period and the cash discount period shall commence on the date of receipt by KLH of a correct invoice or the Goods to which the invoice relates, whichever is later. Payment for material in this Order shall not constitute acceptance thereof. All material shall be received subject to KLH's inspection and rejection. Defective material or material not in accordance with KLH's specification will be held as Supplier's property, at Supplier's risk and subject to Supplier's disposition for a reasonable time. Thereafter, such material may be returned to Supplier freight collect. Material returned as defective shall be returned for full credit and shall not be replaced without an Order from KLH. The Supplier shall ensure that the invoice relating to the Order is received by KLH within seven (7) working days from the date of delivery of the Goods and/or provision of the Services and shall state the Order number, and the address to which Goods were delivered and/or Services provided. Any invoice which bears a date which precedes the delivery date or is otherwise incorrect or incomplete shall not be paid. KLH Industries, Inc. may also require specific actions where timely and/or effective corrective actions to a supplier issue(s) are not achieved. These actions may include but are not limited to any or all of the following: withholding payment until the issue is resolved, removal of the supplier from KLH Industries, Inc.'s Approved Supplier List, and/or legal action.

USE OF DATA AND INFORMATION, CONFIDENTIALITY AND ADVERTISEMENT

The existence and terms of the Order, any data, specification, drawing, technology or other information or material that are provided by or paid for by KLH with respect to this Order or that is related to the business, technology, prospects, financial condition or concerns other proprietary or confidential information of KLH which the Supplier may obtain from KLH or otherwise discover, or all Supplier information derived from or incorporating any of the foregoing, shall be maintained by the Supplier as confidential using the same degree of care that the Supplier uses to protect its own confidential information (but not less than reasonable care) and shall not be disclosed to third parties or used or copied other than to satisfy the requirements of the Order. The Supplier shall promptly return, when requested by KLH, all the foregoing items. The Supplier shall not without the prior written consent of KLH, advertise or publish in any way whatsoever the fact that the Supplier has contracted to supply the Goods and/or Services to KLH.

APPLICABLE LAWS

The Supplier 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"), relevant or applicable to the Goods and/or Services to be supplied by the Supplier to KLH. While the Supplier is on KLH's premises, the Supplier shall comply with KLH's site policies, procedures and programs relevant to the Supplier's provision of goods and/or services.

CONFLICT MINERALS

Supplier hereby certifies that no material delivered by Supplier to KLH under this Order contains any substance originating from the Democratic Republic of Congo or any adjoining country that would require disclosure by KLH under the conflict minerals provisions of the Dodd-Frank Wall Street Reform and Consumer

Protection Act, or any rule promulgated thereunder. Supplier represents and warrants that it has adopted all appropriate policies and procedures, and taken all necessary measures, in accordance with the conflict minerals provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and all rules promulgated thereunder, to grant the certification in the preceding sentence. The Supplier shall flow down the substance of this clause to its suppliers which perform work or provide goods or services under this Order. Such a flow down is subject to verification by KLH. If any external business partner has challenges in complying with our expectations, we'll attempt to work to address these challenges. If compliance cannot be achieved, we will terminate the relationship with the external business partner.

HUMAN TRAFFICKING POLICY

KLH strictly prohibits employees, subcontractors, subcontractor employees, and agents from engaging in human trafficking-related activities. These activities include engaging in sex trafficking, procuring commercial sex acts (even if this practice is legal in the jurisdiction where it transpires), using force, fraud, or coercion to subject a person to involuntary servitude, or obtaining labor from a person by threats of serious harm to that person or another person, among others.

GENERAL

These Conditions do not derogate from KLH'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 reenacted or both from time to time and any subordinate legislation made under the statutory provision. A failure by KLH to exercise or a delay in exercising 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 other rights or remedies. No single or partial exercise of a right or remedy provided by these Conditions or by law by KLH prevents further exercise of the right or remedy or the exercise of another right or remedy. The Supplier and KLH 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 Order that is invalid or unenforceable under applicable laws with respect to a particular party or circumstance will be severed from this Order with respect to such party or circumstances without invalidating the remainder of this Order or the application of such provision to other persons or circumstances.

GOVERNING LAW AND JURISDICTION

This Order is governed by and construed in accordance with the laws of the State of Wisconsin, USA, including the Wisconsin Uniform Commercial Code. To the extent this Order involves the performance of services, such services shall be deemed to be "Goods" within the meaning of the Wisconsin Uniform Commercial Code. KLH and the Supplier irrevocably consent to the exclusive jurisdiction of the courts of the State of Wisconsin and the federal courts situated in the State of Wisconsin, in connection with any action brought by either party to enforce the provisions of this Order, to recover damage or other relief for breach or default under this Order, or otherwise arising under or by reason of this Order. The Order constitutes the entire integrated agreement between the Supplier and KLH for the Goods and/or Services purchased hereunder and supersedes all prior written or oral understandings or agreements relating to the same. In the event of conflict between these Conditions and the terms on the face hereof, the terms on the face hereof shall govern. No modification of this Order will be binding on KLH unless set forth in an agreement specifically referencing this Order and signed by an authorized agent of KLH.