TELEDYNE ENERGY SYSTEMS

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. DEFINITIONS

"Buyer" means Teledyne Energy Systems, Inc. "Seller" means the entity from which Buyer is purchasing Goods and/or Services. "Goods" means the products, materials, and/or equipment purchased by Buyer under Buyer's Order. "Services" means services performed by Seller. "Offer" means any quotation, bid, or proposal for Goods and/or Services made by Seller to Buyer. "Order" means Buyer's purchase order or similar instrument. "Statement of Work" means the specification(s), requirements, and details related to the Goods and/or Services. All references to "terms and conditions" herein mean and include (a) these "General Terms and Conditions of Purchase", (b) Buyer's Special Terms and Conditions of Purchase, as applicable, and (c) any other terms and conditions mutually agreed by the Parties in writing in accordance with Section 2 herein. Buyer and Seller are referred to herein individually as a "Party" and collectively as the "Parties".

2. ACCEPTANCE OF ORDER

These terms and conditions apply to Buyer's Order. Seller's acceptance of Buyer's Order, and any changes or amendments thereto, is strictly limited to Seller's assent to Buyer's terms and conditions. Unless agreed otherwise in writing by a duly authorized representative of Buyer, Buyer objects to and shall not be bound by any terms or conditions that differ from, add to, or modify these terms and conditions. Buyer's failure to object to any other terms and conditions contained in any communication from Seller does not waive any of the terms and conditions specified herein. Buyer's Order shall be binding upon the Parties upon the earlier of Seller (i) executing and returning an Order acknowledgement to Buyer, (ii) commencing performance pursuant to Buyer's Order, or (iii) delivering to Buyer any of the Goods and/or Services under Buyer's Order.

3. SCOPE OF WORK AND PERFORMANCE

(a) Seller is responsible for delivery of Goods and/or performance of Services under Buyer's Order, as applicable.

(b) If Buyer's Order includes a Statement of Work, (i) Seller is responsible for meeting all requirements specified therein, and (ii) Seller is strictly prohibited from subcontracting any part of the Statement of Work to third parties without Buyer's prior written authorization.

(c) Seller shall give Buyer not less than ninety (90) days prior written notice in the event of any changes which may affect the performance of Buyer's Order, including, but not limit to, any (i) organizational, operational, or other changes which may affect Seller's performance of Buyer's Order; (ii) relocation of any of Seller's facility involved in performance of Buyer's Order; (iii); transfer of any significant part of the relevant process or manufacturing operations from one facility to another; (iv) significant changes to Seller's workforce; or (v) refusal, suspension, withdrawal, or revocation of a relevant quality or capabilities, systems, or approvals.

(d) Seller shall promptly notify Buyer in writing of any changes that (i) affect, or have the potential to affect, the form, fit, or function of Goods, or (ii) affect the processes and operations used to manufacture the Goods. Seller shall ensure that any such changes are accepted by Buyer in writing prior to delivery of the affected Goods. In the event of such a change, Buyer reserves the right to inspect a representative item from the first production run of the affected Goods to verify that the production processes, documentation, and tooling are capable of producing Goods that meet the requirements of Buyer's Order.

4. PRICES

Unless otherwise agreed in writing by a duly authorized representative of Buyer, all prices are firm and are stated in United States Dollars, and all invoices issued by Seller, and payments made by Buyer, shall be in United States Dollars. Seller shall not charge Buyer prices higher than those stated in Buyer's Order, unless authorized by a written change order or notice signed by a duly authorized representative of Buyer.

5. INVOICES AND PAYMENT

(a) Unless otherwise provided in Buyer's Order, Seller shall not submit invoices and Buyer shall make no payments prior to physical delivery of Goods or completion of Services. Seller shall issue individual invoices showing Buyer's Order number, line item number(s), part number(s), description(s), and quantity invoiced. Shipping charges and all applicable taxes, or any other charges for which Buyer has agreed to pay and has not furnished an exemption certificate, shall be itemized separately on Seller's invoices. Unless such charges are itemized, Buyer may take the applicable discount on the full amount of each invoice. Seller agrees that its books and records, or such parts thereof as may relate to the performance hereunder, shall at all reasonable times be subject to inspection and audit by Buyer's employees or representatives.

(b) Buyer shall make payment to Seller in accordance with the payment terms specified on the face Buyer's Order upon receipt of correct invoices from Buyer. Any payment discount offered by Seller shall be computed from the later of (a) the date of delivery, or (b) the date a correct invoice is received by Buyer. For purposes of earning the discount, payment shall be deemed to have been made on the date Buyer's check is mailed or the date funds are electronically transferred to Seller's account.

(c) Seller shall certify, at the time of submitting invoices, that all Goods and Services have been manufactured or performed in compliance with the Fair Labor Standards Act.

6. TAXES

Except as otherwise specified in Buyer's Order, or unless prohibited by law, Seller shall pay all federal, state, and local sales, use, excise, or other taxes that may be levied upon any of the Goods and/or Services or the Parties hereto, by reason of the sale, delivery, or use of the Goods and/or Services. All taxes of any nature invoiced to Buyer shall be specifically identified and separately itemized. If any tax or portion thereof is included in or added to the price paid by Buyer to Seller is subsequently refunded to Seller, Seller shall promptly pay to Buyer the amount of such refund.

7. PACKAGING AND MARKING

If specified in Buyer's Order, Seller shall comply with any special packaging and marking requirements; otherwise, Seller shall package and mark all Goods in accordance with best commercial practices to adequately protect Goods against damage and deterioration during transit. No charges shall be allowed for packing or marking unless specifically authorized in Buyer's Order. Seller's packing list shall include, at a minimum, Buyer's Order number, line item number(s), part number(s), description(s), and quantity shipped.

8. DELIVERY, SHIPPING TERMS, TITLE, AND RISK OF LOSS

(a) Buyer's production schedules and warranties to its customers are dependent upon the Goods purchased under Buyer's Order being delivered by Seller to Buyer in accordance with the required delivery dates delineated in Buyer's Order. Accordingly, time is of the essence. Seller shall be responsible for all damages of any kind incurred or suffered by Buyer that are caused by any delay of Seller in making deliveries of acceptable Goods. Seller agrees to notify Buyer in writing immediately if at any time it appears that Seller may not be able to meet the Order's delivery schedule. Such notification shall include the reasons for the delay (actual or potential), the actions being taken to remedy the delay, and the anticipated revised delivery schedule. Such notice, and any assistance furnished by Buyer to overcome delays, shall not waive Buyer's remedies for default, including termination rights, if Seller fails to meet the Order's delivery schedule.

(b) All shipments originating in the United States shall be delivered F.O.B. at the point of delivery specified in Buyer's Order in accordance with the Uniform Commercial Code (UCC). All shipments originating outside of the United States shall be delivered DDP at the point of delivery delineated in Buyer's Order in accordance with the version of Incoterms in effect as of the date of the Order. Identification of the Goods shall occur at the moment Seller accepts Buyer's Order. For the avoidance of any doubt, under no circumstance shall Buyer be the importer of record for any shipment.

(c) Seller shall not be excused from performing its obligations hereunder if the Goods identified are destroyed prior to delivery. Delivery shall not be deemed complete until the Goods have been actually received by Buyer at the delivery location identified on Buyer's Order. Seller shall bear risk of loss or damage to Goods during transit, and title to Goods shall not pass to Buyer until received at Buyer's designated location in accordance with the terms of Buyer's Order.

(d) Unauthorized advance shipments and shipments of excess quantities may be returned at Buyer's option and Seller's expense.

9. FORCE MAJEURE

Any delay or failure of either Party to perform its obligations under Buyer's Order shall be excused if such delay or failure is the result of an unforeseeable event or occurrence beyond the reasonable control of such Party, and without such Party's fault or negligence, including, but not limited to, acts of God, actions by any governmental authority (whether valid or invalid), terrorism, fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes, and slowdowns), inability to obtain power, utilities, materials, equipment, transportation, or court injunction. If such delays exceeds thirty (30) calendar days, Buyer shall be entitled to terminate the Order without further liability, except for Goods already delivered by Seller and accepted by Buyer prior to the date of such termination.

10. INSPECTION

Buyer reserves the right to inspect all Goods prior to shipment by Seller, and in furtherance thereof, Seller shall permit employees and/or representatives of Buyer and Buyer's customer, and regulatory authorities to have access to Seller's facilities at all reasonable hours. Where work is subcontracted to third parties, Seller shall secure rights for Buyer to inspect, test and review work at subcontractors premises. Notwithstanding such inspection, all Goods shall be subject to final inspection and approval by Buyer upon receipt. Buyer's inspection, or its lack of inspection, shall not affect any express or implied warranties. If Buyer's Order specifies that Goods shall be subject to inspection at Seller's facilities, Seller shall provide reasonable space and assistance for the safety and convenience of Buyer's employees and/or representatives and Buyer's customer's employees, and/or representatives. At the time of inspection, Seller shall make available to such representatives copies of all specifications, drawings, and other technical data applicable to the Goods ordered. No inspection, test, delay or failure to inspect or test, or failure to discover any defect or other nonconformance shall relieve Seller of any obligations under Buyer's Order or impair any rights or remedies of Buyer, including revocation of acceptance. Seller shall provide a Certificate of Conformity with all deliveries certifying that Goods delivered and/or Services performed meet all requirements of Buyer's Order and any Statement of Work thereunder. All nonconforming Goods and materials designated as scrap shall be permanently marked and controlled as such until physically rendered unusable.

11. ACCEPTANCE

Payment for any Goods and Services under Buyer's Order shall not constitute acceptance thereof. Buyer reserves the right to reject and refuse acceptance of Goods that are not in accordance with the requirements, instructions, specifications, drawings, data, or warranties referenced in Buyer's Order. Goods rejected by Buyer shall be returned to Seller for full credit, repair, or replacement at Seller's sole risk and

expense, including transportation charges. No replacement of rejected Goods shall be made unless authorized in writing by a duly authorized representative of Buyer. Acceptance of all or any part of the Goods shall not be deemed to be a waiver of Buyer's right to either cancel or return all or any portion of the Goods due to failure to conform to Buyer's Order, or by reason of defect, patent or latent, or other breach of warranty, or to make claim for damages, including manufacturing costs, damage to material or articles caused by improper boxing, crating, or packing, or other damages occasioned Buyer. Such rights shall be in addition to any other remedies provided by law.

12. WARRANTIES

(a) All warranties of Seller, whether created expressly by law or in fact, are incorporated herein by reference, and shall include and are supplemented by the following express warranties. For a period of twelve (12) months from receipt or acceptance, or such other period as may be agreed by the Parties in writing, the Goods and/or Services shall (i) comply with any and all specifications, drawings, samples, or other descriptions referenced in and/or furnished with Buyer's Order, and (ii) be merchantable, of good design, material, and workmanship, free from defects, and suitable for their intended purpose.

(b) Seller warrants that all Goods and Services (i) do not infringe upon or violate the legal or equitable rights of any person, corporation, or partnership arising out of any license or franchise, or out of any patent, trademark, or other proprietary right, now or hereafter in effect (except in the case of Goods for which Buyer furnishes detailed manufacturing drawings), and (ii) shall be free from any and all liens or other encumbrances.

(c) All obligations of Seller hereunder shall survive acceptance of and/or payment for the Goods. Seller shall indemnify and hold Buyer harmless from and against all liability, loss, consequential and incidental damages, and expenses resulting from the breach of any warranty, or resulting from any other act or omission by Seller, its agents, or employees, while in the performance hereof.

(d) If Buyer determines there is a defect in the Goods at any time during the warranty period, Seller shall, at its sole expense and without delay, repair or replace the defective Goods or refund to Buyer the price of the defective Goods. Any and all repaired or replaced Goods shall be covered by this warranty for a period equal to the original warranty period.

(e) In addition, if required by Buyer, Seller shall provide Buyer a report identifying the cause of failure and any additional Goods that may be affected by the defect and/or the repair action to be taken.

13. COUNTERFEIT PARTS

(a) As used herein, "Part" means any material, product, component, device, module, assembly, subassembly, or the like sold or delivered by Seller to Buyer either as Goods or as a constituent part of a Goods. "Counterfeit Part" means a Part that is (i) an unauthorized copy or substitute that has been identified, marked, and/or altered by a source other than the Part's legally authorized source and has been misrepresented to be an authorized item of the legally authorized source, and/or (ii) previously used parts provided or represented as "new." A Part is a "Suspect Counterfeit Part" if visual inspection, testing, or other information provides reason to believe that the Part may be a Counterfeit Part. As used herein, "authentic" means (i) genuine, (ii) from the legitimate source claimed or implied by the marking and design of the Part offered, and (c) manufactured by, or at the behest and to the standards of, the manufacturer that has lawfully applied its name and trademark for that model/version of the Part.

(b) Seller represents and warrants that only new and authentic Parts and materials are used in Goods required to be delivered to Buyer and that such Goods contain no Counterfeit Parts. No other Part other than a new and authentic Part shall be used unless approved in advance in writing by Buyer's duly authorized representative. To further mitigate the possibility of the inadvertent use of Counterfeit Parts, Seller shall only purchase authentic parts/components directly from original equipment manufacturers ("OEMs") and original component manufacturers ("OCMs") or through the OEM's/OCM's authorized distributors. Seller shall make available to Buyer, at Buyer's request, OEM/OCM documentation that authenticates traceability of the Parts to the applicable OEM/OCM. Purchase of Parts from independent distributors is not authorized unless first approved in writing by Buyer's duly authorized representative.

(c) Seller shall maintain a documented system (policy, procedure, or other documented approach) that provides for prior notification to Buyer and Buyer's written approval before Parts are procured from sources other than OEMs/OCMs or through the OEM's/OCM's authorized distributors. Seller shall provide copies of such documentation for its system for Buyer's inspection upon Buyer's request. Seller's system shall be consistent with applicable industry standards including, as a minimum, AS5553 for the detection and avoidance of Counterfeit Parts and Suspect Counterfeit Parts, including policies and procedures for training personnel, designing and maintaining systems to mitigate risks associated with parts obsolescence, making sourcing decisions, prioritizing mission critical and sensitive components, ensuring traceability of Parts, developing lists of trusted and non-trusted suppliers, flowing down requirements to subcontractors and suppliers, inspecting and testing parts, reporting and quarantining Counterfeit Parts and Suspect Counterfeit Parts, and taking corrective action.

(d) Acceptance of Buyer's Order constitutes confirmation by Seller that it is the OEM, OCM, or a franchised or authorized distributor of the OEM/OCM for the Goods procured under Buyer's Order. Seller further warrants that OEM/OCM acquisition documentation that authenticates traceability of the Parts is available upon request.

(e) Seller shall flow the requirements of this Section to its subcontractors and suppliers at any tier for the performance of Buyer's Order.

(f) Should Seller become aware of a confirmed or suspect Counterfeit Part that, by any means, has been delivered to Buyer, or acquired for Buyer's Order whether or not delivered to Buyer, Seller shall notify Buyer in writing as soon as possible but not later than five (5) days of such discovery. Seller shall verify receipt of this notification by Buyer. This requirement shall survive expiration or completion of Buyer's Order.

(g) Seller shall be liable for cost of Counterfeit Parts and Suspect Counterfeit Parts and the cost of rework or corrective action that may be required by Buyer to remedy the use or inclusion of such Parts.

(h) Seller shall quarantine suspect counterfeit electronic parts and counterfeit electronic parts, and make them available for investigation by appropriate government authorities.

14. CHANGES

(a) Buyer may at any time, by a written change order or similar instrument issued by a duly authorized representative of Buyer, make changes within the general scope of Buyer's Order including changes to (i) specifications, drawings, designs, or description of Services, (ii) method of shipment or packaging, (iii) reasonable adjustments in quantities or delivery schedules or both, and (iii) place of delivery. Seller shall comply promptly with such direction.

(b) If Buyer's change order causes an increase or decrease in the cost of performance or in the time required for performance, an equitable adjustment shall be made to the Order price and/or delivery schedule and Buyer's Order shall be modified in writing accordingly. Any claim for adjustment under this Section shall be deemed waived unless asserted in writing within twenty (20) days from the date of receipt by Seller of the change order, provided, however, that Buyer, if it decides that the facts justify such action, may receive and act upon such claim submitted at any time prior to final payment under Buyer's Order. Any such claim must set forth the amount of any increase or decrease in the cost of performance resulting from the change in the format and detail reasonably specified by Buyer. Failure to agree upon an equitable adjustment shall not relieve Seller from proceeding without any delay in performance of Buyer's Order as changed.

(c) Buyer's engineering and technical personnel may from time to time render assistance, give technical advice, or exchange information with Seller's personnel in relation to Buyer's Order. Such assistance, advice, and/or exchange of information shall not be construed as Buyer's consent or authority to effect any changes to Buyer's Order or the Goods and/or Services provided thereunder. Under no circumstances shall any resulting change in Goods and/or Services or provisions of Buyer's Order be binding upon Buyer unless incorporated as a change in accordance with paragraph (a), above.

(d) Where the cost of property made obsolete or excess as a result of a change order is included in Seller's claim for adjustment pursuant to this Section, Buyer shall have the right to prescribe the manner of disposition of such property.

(e) Seller shall provide Buyer not less than ninety (90) days prior written notice of any organizational, operational, or other changes that may affect the Seller's performance of Buyer's Order, including, but not limited to (a) the relocation of any of Seller's facilities involved in the manufacture Goods under Buyer's Order, (b) any significant changes in Seller's processes or manufacturing operations affecting the Goods, (c) any changes of suppliers and subcontractors, (d) any significant changes to Seller's workforce that impacts Buyer's Order, and (e) the refusal, suspension, withdrawal, or revocation of a relevant quality or manufacturing approvals or certifications.

15. TERMINATION FOR CONVENIENCE; CANCELLATION

(a) Buyer may terminate or cancel performance or work under Buyer's Order, in whole or in part, for any reason, by written notice to Seller. Upon receipt of such notice, Seller shall (i) stop work on the date, and to the extent, specified in the notice, (ii) terminate all lower-tier purchase orders and subcontracts to the extent they relate to the terminated work, (iii) promptly advise Buyer of the quantities of materials and work-in-process on hand or purchased prior to termination, and the most favorable disposition that Seller can make thereof, (iv) comply with Buyer's instructions regarding transfer and disposition of title to the possession of such material and work-in-process, and (v) submit all its claims resulting from such termination within sixty (60) days of the notice of termination.

(b) Buyer shall have the right to check such claims at any reasonable time or times by inspecting and auditing the records, facilities, work-in-process, and materials of Seller relating to Buyer's Order. Buyer shall pay Seller the Order price for finished work accepted by Buyer and the substantiated cost to Seller of raw materials and work-in-process allocable to the terminated work, based on any audit Buyer may conduct under generally accepted accounting principles, less however (i) the reasonable value or cost (whichever is higher) of any items used or sold by Seller without Buyer's consent, (ii) the agreed value of any items used or sold by Seller with Buyer's consent, and (iii) the cost of any defective, damaged, or destroyed work or material.

(c) Buyer shall make no payment for finished work, work in process, or raw material fabricated or procured by Seller in excess of Buyer's Order. Notwithstanding the above, payments made under this Section shall not exceed the aggregate price specified in Buyer's Order, less payments otherwise made or to be made, and adjustments shall be made reducing the payments hereunder for costs of raw materials and work-in-process to reflect on a pro rata basis any indicated loss on the entire Order had it been completed. Payment made under this Section constitutes Buyer's only liability in the event Buyer's Order is terminated hereunder.

16. TERMINATION FOR DEFAULT

(a) Buyer may, by written notice to Seller and subject to paragraphs (c) and (d) below, terminate Buyer's Order in whole or in part if: (i) Seller fails to deliver the Goods or to perform the Services within the time specified in Buyer's Order, or any extension authorized by Buyer, (ii) Seller fails to make progress so as to endanger performance of Buyer's Order; (iii) Seller fails to perform any of the other provisions of Buyer's Order, or (iv) Seller is adjudicated bankrupt, files a petition for bankruptcy, makes an assignment for the benefit of creditors, or if an action under any law for the relief of debtors is taken.

(b) Buyer's right to terminate Buyer's Order under subparagraphs (a)(ii) and (a)(iii) above may be exercised if Seller does not cure such failure within ten (10) days (or more if authorized in writing by Buyer) after receipt of Buyer's notice specifying the failure.

(c) If Buyer terminates Buyer's Order for default in whole or in part, Buyer may acquire Goods or Services from third parties similar to those terminated, and Seller shall be liable to Buyer for any excess costs for such Goods or Services. However, Seller shall continue performing the portion of the work not terminated.

(d) Except for defaults of vendors or subcontractors at any tier, Seller shall not be liable for any excess costs if the failure to perform the Order arises as a result of Force Majeure, as defined herein.

(e) If the failure to perform is caused by the default of a vendor or subcontractor at any tier, and if the cause of the default is beyond the control of both Seller and its vendor(s) or subcontractor(s), and without the fault or negligence of either, Seller shall not be liable for any excess costs for failure to perform unless the purchased Goods or Services were obtainable from other sources in sufficient time for Seller to meet the Order's required delivery schedule.

(f) If Buyer's Order is terminated for default, Buyer may require Seller to transfer title and deliver to Buyer, as directed by Buyer, any completed Goods, partially completed Goods, and materials, parts, tools, dies, fixtures, plans, drawing, information, and contract rights (collectively referred to as "Manufacturing Materials" in this Section) that Seller has specifically produced or acquired for the terminated portion of Buyer's Order. Upon direction of Buyer, Seller shall also protect and preserve property in its possession in which Buyer has an interest.

(g) Buyer shall pay the Order price for completed Goods delivered and accepted. Seller and Buyer shall agree on the amount of payment for the Manufacturing Materials delivered and accepted and for the protection and preservation of the property. Buyer may withhold from these amounts any sum that Buyer determines to be necessary to protect Buyer against loss because of outstanding liens or claims of former lien holders.

(h) If, after termination, it is determined that Seller was not in default, or that the default was excusable, the rights and obligations of the Parties shall be the same as if the termination had been issued for the convenience of Buyer.

(i) The rights and remedies of Buyer in this Section are in addition to any other rights and remedies provided by law, or under Buyer's Order.

17. CONFIDENTIALITY

(a) Buyer may disclose to Seller certain Confidential Information, as defined herein, to facilitate Seller's performance of Buyer's Order. Seller hereby agrees that any Confidential Information disclosed by Buyer (i) shall be maintained in a secure location, (ii) shall not be copied without the prior written approval of Buyer, (iii) shall be used by Seller solely to facilitate performance of Buyer's Order; and (iv) shall only be disclosed to Seller's employees on a need-to-know basis.

(b) Seller shall not disclose Buyer's Confidential Information to any third-parties, including, but not limited to, Seller's agents, consultants, vendors, suppliers, or subcontractors, without the prior written approval of Buyer. In the event Buyer provides Seller with written approval to disclose Confidential Information to a third-party, Seller shall ensure such third-party is bound by terms and conditions consistent with this Section prior to receiving such information.

(c) If it becomes necessary for Seller to disclose Buyer's Confidential Information to a third-party as a result of a requirement of law or regulation, such Confidential Information may be disclosed only to the extent required by law or regulation and, if so permitted, no earlier than five (5) business days after Seller provides Buyer with written notification of the requirement for such disclosure.

(d) The obligations of confidentiality and restrictions on the use and disclosure of Confidential Information specified in this Agreement do not apply to any information that (i) is lawfully and rightfully already in the possession of Seller without obligation of confidentiality at the time of receipt from Buyer, (ii) is independently developed by Seller without use or reference to the Confidential Information as evidenced by tangible evidence, (iii) appears in any printed publication or patent, or is in the public domain, except as a result of a breach of this Agreement by Seller, or (iv) is lawfully and rightfully received, free of restrictions, by Seller from a third-party not known by Seller to be under any nondisclosure or confidentiality obligation or to have misappropriated or otherwise unlawfully obtained such information.

(e) All Confidential Information and any other technical information provided by Buyer to Seller shall at all times be and remain the property of Buyer and shall only be used by Seller in connection with Seller's performance of Buyer's Order. Unless agreed otherwise, Seller shall return all copies of Confidential Information provided by Buyer upon completion of Buyer's Order or at any time upon Buyer's request.

(f) "Confidential Information", as used herein, includes, but is not limited to, specifications, drawings, designs, technical data, data sheets, schematics, diagrams, configurations, business, financial, statistical, and commercial information, formulae, analyses, trade secrets, ideas, methods, processes, know-how, software, and computer programs.

18. PATENT INDEMNITY

Seller agrees, upon receipt of notification, to promptly assume full responsibility for the defense of any suit or proceeding which may be brought against Buyer, or any of its subsidiaries, constituent companies, agents, customers, subcontractors, or suppliers for alleged infringement of any United States, or foreign patent, copyright, or trademark, as well as for the alleged unfair competition resulting from similarity in design, trademark, or appearance of Goods, by reason of the use or sale of any Goods or processes furnished under Buyer's Order, except for Goods manufactured or processes developed entirely to Buyer's specifications. Seller further agrees to indemnify Buyer against any and all losses and damages, including court costs and attorney's fees, resulting from the bringing of such suit or proceeding, including any settlement or decree of judgment entered therein. Buyer may be represented by and actively participate through its own counsel in any such suit or proceeding, if it so desires. Seller's obligation hereunder shall survive acceptance of the Goods or processes and payment by Buyer.

19. PROPRIETARY RIGHTS

(a) Unless otherwise agreed in writing, all tangible and intangible property, including, but not limited to, information or data of any description, drawings, computer software, know-how, documents, trademarks, or copyrights ("Buyer's Intellectual Property") provided by Buyer to Seller, or paid for by Buyer under Buyer's Order, shall be and remain Buyer's personal property. Buyer hereby grants a license to Seller to use any such Buyer's Intellectual Property solely for the purposes of performing Buyer's Order. This license is non-assignable, and may be terminated with or without cause by Buyer at any time.

(b) Seller agrees to assign to Buyer any invention, improvement, discovery, ideas, works of authorship, or data, whether or not patentable, conceived or reduced to practice in the performance Buyer's Order by any person employed by or working under the direction of Seller, and Buyer shall own exclusively all rights thereto, including all patent rights, copyrights, moral rights, rights in proprietary information, trademark rights, and other intellectual property rights. All such intellectual property that is protectable by copyright (a) shall be considered work(s) made for hire for Buyer, or b) Seller shall grant Buyer "first owner" status related to the work(s) under local copyright law where the work(s) was created, or (c) if the Governing Law, as defined herein, does not allow Buyer to gain ownership of such intellectual property, Seller agrees to grant to Buyer an exclusive, perpetual, royalty-free, transferable license for such intellectual property.

(c) Buyer recognizes and agrees that, unless otherwise agreed in writing between the Parties, the above rights and ownership of such rights shall not extend to or encompass any intellectual property owned, developed, or conceived by Seller prior to, or not in connection with, Buyer's Order.

20. BUYER-OWNED MATERIALS AND PROPERTY

All materials, tools, designs, dies, fixtures, materials, and other property owned or paid for, or agreed to be paid for, by Buyer ("Buyer-Owned Materials"), whether directly noted on the face of Buyer's Order or included by Seller in the prices of Goods, shall be and remain the property of Buyer. All Buyer-Owned Materials (a) shall be used only for performance of Buyer's Order, (b) shall at all times be properly protected and maintained by Seller, (c) shall be covered, at Seller's expense, by adequate liability, damage, and fire insurance for the replacement cost, (d) shall not be commingled with the property of Seller or others, (e) shall not be moved from Seller's premises without prior written authorization of Buyer, and (f) shall, upon Buyer's request, be immediately returned to Buyer in good condition, reasonable wear and tear excepted. Seller shall assume all risk of loss or damage to Buyer-Owned Materials while such are in the custody of Seller.

21. PUBLIC RELEASES

Except as required by law or regulation, no news releases, public announcements, or advertising materials regarding Buyer's Order shall be issued by Seller without the prior written consent of Buyer. Seller shall extend this restriction to all lower-tier vendors and subcontractors involved in the performance of Buyer's Order.

22. INDEMNIFICATION

Each Party (the "Indemnifying Party") agrees to indemnify, defend, and hold harmless the other Party, its officers, directors, and employees (the "Indemnified Parties") from and against any and all liabilities, losses, expenses, liens, claims, demands, and causes of action ("Claims") for death, personal injury, or property damage arising out of any negligent act or omission of the Indemnifying Parties in the performance of Buyer's Order, except to the extent such losses are contributed to by (a) the negligence or willful misconduct of the Indemnified Party, or (b) the negligence or willful misconduct of any third-parties related to the Indemnified Party, Buyer's indemnification of Seller does not apply unless Seller (a) notifies Buyer in writing of any such Claim as soon as reasonably practicable, and (b) allows Buyer to control, and reasonably cooperates with Buyer, in the defense of any such Claim and related settlement negotiations.

23. INSURANCE

(a) If Buyer's Order provides for Services or work to be performed by Seller, or if Seller's employees, representatives, agents, vendors, or subcontractors, are required to perform work on property owned and controlled by Buyer, or on property of third-parties, Seller shall procure and maintain insurance coverage with carriers satisfactory reasonably satisfactory to Buyer, including (i) Workers Compensation insurance with statutory limits, as required by the state in which the Services or work are to be performed, (ii) Employer's Liability insurance with limits of no less than one million dollars ($1,000,000.00) per occurrence, (iii) Commercial General Liability insurance with limits of no less than one million dollars ($1,000,000.00) per occurrence covering liability for bodily injury and property damage, (iv) Automobile Liability insurance coverage with a limit of no less than one million dollars ($1,000,000.00) per accident, and (v) Excess or Umbrella Liability insurance coverage with a limit of no less than two million dollars ($2,000,000.00) per occurrence in excess of each of the above mentioned policies.

(b) All liability insurance policies shall name Buyer, its officers, directors, employees, affiliates, successors, and assigns, as additional insureds. Seller shall provide evidence of the required insurance coverages and file with Buyer a Certificate of Insurance reasonably acceptable to Buyer prior to commencement of Services or work. The insurance policies and coverages required by this Section shall contain a provision that coverages afforded under the policies shall not be cancelled, allowed to expire, or the reduce the coverages and limits in any manner until at least thirty (30) days prior written notice has been given to Buyer. Seller shall waive all rights of subrogation against Buyer under the foregoing policies. All insurance coverages shall be provided by insurance companies having ratings of A-/VII or better in the Best's Key Rating Insurance Guide (latest edition in effect at the latest date stated in the Certificate of Insurance referred to herein).

(c) Failure to obtain and maintain the required insurance shall constitute a breach of Buyer's Order and Seller shall be liable for any and all costs, liabilities, damages, and penalties (including attorneys' fees, court, and settlement expenses) resulting to Buyer from such breach, unless a written waiver of the specific insurance requirement is provided to Seller by Buyer.

24. LIMITATION OF LIABILITY

Except for (a) infringement of third party patents and intellectual property, (b) noncompliance with the Counterfeit Parts section herein, and (c) violations of law, under no circumstances shall either Party be liable for any consequential, special, incidental, indirect, multiple, administrative, or punitive damages, or any damage of an indirect or consequential nature arising out of or related to its performance under Buyer's Order, including, without limitation, loss of use, loss of revenues, loss of anticipated profits, and cost of capital, whether based upon breach of Buyer's Order, warranty, negligence, or any other type of Claim, and whether grounded in tort, contract, civil law, or other theories of liability, including strict liability, even if advised in advance of the possibility of such damages. Buyer's total liability arising from or related to Buyer's

Order, including, but not limited to, its liability for indemnity, defense, and hold harmless obligations under Buyer's Order, is limited to no more than the amount paid by Buyer to Seller under Buyer's Order, and Seller agrees to indemnify Buyer for any excess amounts. To the extent that this limitation of liability conflicts with any other Section or provision herein, such provision shall be regarded as amended to whatever extent required to make such provision consistent with this Section.

25. NOTICE TO BUYER OF LABOR DISPUTES

Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of Buyer's Order, Seller shall immediately give notice to Buyer thereof, including all relevant information with respect thereto.

26. ETHICS AND VALUES

Buyer is committed to uncompromising ethical standards, strict adherence to laws and regulations, and customer satisfaction. Seller is encouraged to communicate any concerns or questions regarding the ethics and values of Buyer via the Teledyne Corporate Ethics Website at www.teledyne.ethicspoint.com.

27. ORDER OF PRECEDENCE

The following order of precedence shall apply in the event of an inconsistency within Buyer's Order and its related documents, as applicable:

(a) Buyer's Order
(b) Buyer's Special Terms and Conditions of Purchase
(c) Buyer's General Terms and Conditions of Purchase
(d) Specification
(e) Statement of Work or Scope of Services

28. COMPLIANCE WITH LAW

(a) In performance of Buyer's Order, the provision of Services, and/or the shipment of Goods covered by Buyer's Order, as applicable, Seller agrees to comply with (and to bear all expense required for compliance) all other applicable federal, state, and local laws, rules, regulations, and orders.

(i) the Fair Labor Standards Act of 1938, as amended;
(ii) the California Transparency in Supply Chain Act of 2010;
(iii) the Walsh-Healy Act;
(iv) the Buy American Act;
(v) the Occupational Safety and Health Act;
(vi) the Equal Employment Act of 1972 and regulations thereunder; and
(vii) all other applicable federal, state, and local laws, rules, regulations, and orders.

(b) Sellers that furnish materials listed on California Industrial Relations Director's List of Hazardous Substances must furnish a Material Safety Data Sheet (MSDS) with the delivery of the material. Such MSDS must conform to the provisions of the California Hazardous Substance Training and Information Act (SB 1874).

(c) Buyer is a United States Government contractor and is subject to all provisions of:

(i) Executive Order 11246, as amended;
(ii) Section 503 of the Rehabilitation Act of 1973, as amended;
(iii) the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; and
(iv) 38 U.S.C. 4212, (formerly 2012) and the implementing regulations at 41 CFR Chapter 60.

(d) Seller shall not offer or give a kickback or gratuity (in the form of entertainment, gifts, or otherwise) to any employee of Buyer for the purpose of obtaining or rewarding favorable treatment. By accepting Buyer's Order, Seller warrants and represents that it has not made or solicited, and shall not make or solicit, kickbacks in violation of the United States Foreign Corrupt Practices Act (FCPA), 15 U.S.C. §§ 78dd1 through 78dd3, as amended, and the Anti-Kickback Act of 1986 (41 USC 51-58).

(e) Seller represents and warrants to Buyer that it does not and will not knowingly engage in any forced labor, slavery, or human trafficking.

(f) All of the provisions delineated in subparagraphs (a) through (e) of this Section are incorporated by reference as part of Buyer's Order. Seller further agrees to indemnify Buyer against any loss, cost, liability, or damage whatsoever, including attorney's fees, which may result from Seller's violation of this Section.

29. CONFLICT MINERALS

Buyer is committed to responsible sourcing from its suppliers, and Seller warrants that it has policies and procedures in place to determine whether parts and products supplied to Buyer are DRC conflict free (i.e., do not contain metals derived from "conflict minerals"). Conflict minerals include columbite-tantalite (tantalum), cassiterite (tin), gold, wolframite (tungsten), or their derivatives that directly or indirectly finance or benefit armed groups through mining or mineral trading in the Democratic Republic of the Congo or an adjoining country. Seller further warrants that it has established policies, due diligence frameworks, and management systems consistent with the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas that are designed to accomplish this goal. Seller agrees to provide information to Buyer necessary for Buyer to comply with its conflict minerals reporting requirements.

30. SUPPLY CHAIN SECURITY

Buyer supports internationally recognized initiatives to secure the commercial supply chain (e.g., C-TPAT, WCO SAFE Framework of Standards, etc.) so as to assure freight and/or merchandise is not compromised contrary to applicable laws. Upon Buyer's request, Seller agrees to inform Buyer of Seller's status regarding any such initiatives. Seller shall use reasonable commercial efforts to:

(a) implement reasonable security control standards to ensure the integrity and correctness of merchandise and accompanying commercial documentation related to relative to Buyer's Order;
(b) implement procedures to protect against un-manifested material being introduced into the supply chain;
(c) implement safeguards to resist unlawful entry to Seller's facilities and to protect against outside intrusion;
(d) implement measures for positively identifying employees, visitors, and vendors and to prevent unauthorized access to information technology systems;
(e) to the extent required by applicable laws, conduct employment screening of prospective employees to include periodic background checks and application verifications;
(f) provide security awareness education and training for employees covering cargo integrity and determining and addressing unauthorized access and communications protocols for notifying policing agencies when suspected or known illegal activities are present; and
(g) implement reasonable steps to protect against the introduction of unauthorized personnel and material in conveyance (e.g., containers, trucks, drums, etc.) destined to Buyer.

If, as a result of facilitating a shipment to Buyer, Seller suspects a supply chain security breach or concern after dispatch from its facility, Seller is obligated to notify Buyer immediately. Buyer shall cooperate with Seller's assessment of its supply chain security and review of pertinent security measures.

31. EXPORT COMPLIANCE

(a) Shipment of Goods, provision of Services, and delivery and use of technical information under Buyer's Order is subject to all decrees, statutes, laws, rules, and regulations which govern export, re-export, or otherwise pertain to export controls of the United States, including, but not limited to, the United States Department of Commerce Export Administration Regulations (EAR), and the United States Department of State International Traffic in Arms Regulations (ITAR). Seller hereby agrees to indemnify Buyer for all liabilities, penalties, losses, damages, costs, or expenses that may be imposed on or incurred by Buyer in connection with any violations of such laws and regulations by Seller.

(b) Information furnished to Seller under Buyer's Order may contain technical data, as defined in ITAR Section 120.10. Seller is advised and hereby acknowledges that such technical data, relating to export controlled items appearing on the U.S. Munitions List (USML) at ITAR Section 121, may not be exported, disclosed, or transferred, as defined in ITAR Section 120.17, to any foreign person (whether in the United States or abroad), as defined in ITAR Section 120.16, without first complying with all relevant requirements of ITAR Sections 120-130 (22 CFR 120-130), including the requirement for obtaining any written export authorization from the United States Department of State, Directorate of Defense Trade Controls (DTC), or otherwise make and document the determination that an ITAR licensing exemption applies, as the case may be. A downloadable copy of the ITAR is accessible at the DTC web site at www.pmddtc.state.gov.

(c) If performance under Buyer's Order requires Seller to export, as defined in ITAR Section 120.17, temporarily import into the United States, as defined in ITAR Section 120.18, or re-export or retransfer, as defined in ITAR Section 120.19, defense articles, as defined in ITAR Section 120.6, or to export defense services, as defined in ITAR Section 120.9, relating to items appearing on the USML in ITAR Section 121, to a foreign person (whether in the United States or abroad), as defined in ITAR Section 120.16, Seller is advised and hereby acknowledges that such defense articles may not be exported, temporarily imported, re-exported, or retransferred, and such defense services may not be exported to a foreign person in the United States or abroad, without complying with all relevant requirements of ITAR Sections 120-130, including the requirements to obtain any written export, temporary import, or re-export or retransfer authorization from the DTC, or otherwise make and document the determination that an ITAR licensing exemption applies, as the case may be.

(d) Seller is further advised that if it engages in the United States in the business of either manufacturing or exporting defense articles as defined in ITAR Section 120.6 or defense services as defined in ITAR Section 120.9, then Seller is required by ITAR Section 122 to register with the DTC using forms accessible at the DTC website at www.pmddtc.state.gov. Manufacturers of defense articles who do not engage in exporting of same must nevertheless register with the DTC. Registration does not by itself confer export rights or privileges, but is generally a precondition to the issuance of any license or other approval by the DTC.

(e) Information furnished to Seller under Buyer's Order, if not regulated by the ITAR, may contain technical data, as defined in the United States Department of Commerce, Bureau of Industry and Security (BIS), Export Administration Regulations (EAR) Part 772 (15 CFR 772) relating to export controlled items appearing on the Commerce Control List (CCL) at EAR Part 774 (15 CFR 774). Seller is advised and acknowledges that such technical data may not be exported out of the United States, or to a foreign person in the United States, as defined in EAR Part 772, without complying with all relevant requirements of EAR Parts 730-774 (15 CFR 730-774), including the requirement to obtain any written export authorization from BIS, or to otherwise make and document the determination that a license exception applies, as the case may be. A downloadable copy of the EAR is accessible at the BIS website at www.bis.doc.gov.

(f) If performance under Buyer's Order requires Seller to export or re-export, as defined in EAR Part 772, commodities, technology, or software as defined in EAR Part 772, that do not relate to items appearing on the USML, but do relate to items appearing on the CCL, Seller is advised and hereby acknowledges that such commodities, technology, or software may not be exported out of the United States, re-exported from one foreign country to another foreign country, or to a foreign person outside of the United States without complying with all relevant requirements of EAR Parts 730-774, including the requirement to obtain any written export authorization from BIS, or to otherwise make and document the determination that a license exception applies, as the case may be.

(g) Seller agrees to provide Buyer with applicable Export Control Classification Number(s) (ECCN) for any Goods to be exported by Seller.

32. GOVERNING LAW

The performance of the Parties, and any judicial or arbitration proceedings, shall be construed and governed in accordance with the laws of the State of Maryland, United States of America, excepting its laws and rules relating to conflict of law. Neither (a) the United Nations Convention on Contracts for the International Sale of Goods, (b) the 1974 Convention on the Limitation Period in Contracts for the International Sale of Goods (hereinafter referred to as the "1974 Convention"), nor (c) the Protocol Amending the 1974 Convention held at Vienna, Austria, on April 11, 1980, apply in any manner to the interpretation or enforcement of, Buyer's Order.

33. DISPUTES AND ARBITRATION

The Parties shall attempt to resolve any dispute, controversy, or claim arising under or relating to Buyer's Order, or to a material breach, including its interpretation, performance, or termination. If the Parties are unable to resolve such dispute, either Party may refer the dispute to arbitration. The arbitration shall be conducted in English, and in accordance with the Commercial Rules of the American Arbitration Association, which shall administer the arbitration and act as appointing authority. The arbitration, including the rendering of the decision and/or award, shall take place in Hunt Valley, Maryland, United States of America, and shall be the exclusive forum for resolving the dispute, controversy, or claim. The arbitrator shall make the final determination as to any discovery disputes between the Parties. Examination of witnesses by the Parties and by the arbitrator shall be permitted. A written transcript of the hearing shall be made and furnished to the Parties. The cost of this transcript shall be borne equally by the Parties. The award or decision of the arbitrator shall state the reasons upon which the award or decision is based, and shall be final and binding upon the Parties. The prevailing Party shall be entitled to compensation for the expense of the arbitration, including, but not limited to, the award of attorneys' fees, at the discretion of the arbitrator. Both Parties waive their right to any appeal under any system of law. The award shall be enforceable before any court of competent jurisdiction upon the application to such court by either Party. The arbitrator shall have no authority to award any of the types of damages excluded by hereunder, and shall be so instructed by the Parties.

34. RELATIONSHIP OF THE PARTIES

Each Party is an independent contractor. Neither Party shall have authority to bind the other except to the extent authorized herein. This Agreement is not intended by the Parties to constitute or create a joint venture, partnership, or formal business organization of any kind. The Parties shall act as independent contractors at all times, and neither Party shall act as the agent for the other, and the employees of one shall not be deemed to be employees of the other.

35. MODIFICATIONS TO ORDER

Buyer's Order may only be modified by written instrument, signed by a duly authorized representative of Buyer.

36. NOTICES

All notices given by the Parties shall be made in writing, and delivered personally or sent by prepaid mail, facsimile, cable, or email, addressed to the intended recipient at its address, or at its electronic address. Regardless of the method of transmittal, the sending Party is responsible for obtaining a return receipt for the notice.

37. ASSIGNMENT

Neither Party may assign, delegate, sublicense, or transfer, whether by operation of law or otherwise, their obligations or rights hereunder without the other Party's written consent, and any assignment, delegation, sublicense, or transfer (a) without such written consent is void and of no effect, and (b) if consent is given, shall be binding upon, and inure to the benefit of the successors and assigns of the Parties. Notwithstanding any provision of these terms and conditions, Buyer may, without Seller's consent, assign Buyer's Order to a parent, subsidiary, or affiliate company of Buyer. In addition, without securing such prior consent, Buyer shall have the right to assign Buyer's Order to any successor, by way of merger or consolidation, or the acquisition of substantially all of the entire business and assets of Buyer relating to the subject matter of Buyer's Order, provided that such successor shall expressly assume all of Buyer's obligations and liabilities under Buyer's Order.

38. REMEDIES

The remedies herein reserved shall be cumulative and in addition to any other or further remedies provided by law or equity. The failure of Buyer to insist upon, in any one or more instances, the performance of any of the terms, covenants, or conditions of Buyer's Order, or to exercise any right hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such item, covenant, or condition or the future exercise of such right, and the obligation of Seller, with respect to such future performance, shall continue in full force and effect. None of the Sections, terms, conditions, or provisions herein shall be waived by any act or knowledge on the part of Buyer, except by written instrument signed by a duly authorized representative of Buyer. The waiver by Buyer of any term, condition, provision, or right hereunder, or the failure to enforce at any time any of the terms and conditions herein, or any rights with respect thereto, is not a continuing waiver or a waiver of any other rights, or of any material breach or failure of performance of Seller. The remedies herein reserved or created for Buyer shall be cumulative, and additional to any other or further remedies provided at law or in equity. Buyer may remedy any breach of the terms or conditions hereof without waiving the breach remedied, or without waiving any other prior or subsequent breach. Seller shall pay all Buyer's costs and expenses, including attorney's fees, incurred by Buyer in exercising any of its rights or remedies hereunder, or enforcing any of the terms or conditions hereof.

39. SEVERABILITY

If any term, condition, or provision herein is invalid, ineffective, or unenforceable under present or future laws, then the remainder of the terms, conditions, and provisions shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.

40. PARTIES

The Parties to any Offer, Order, or associated transaction, are Buyer and Seller as identified above and unless expressly stated otherwise, no other persons, parties, or entities have any rights, or receive any benefits hereunder. Buyer is an independently functioning subsidiary or business unit of Teledyne Technologies Incorporated. Neither Teledyne Technologies Incorporated, nor any of its subsidiaries, affiliates, or business units, other than Buyer, have any obligations or duties hereunder and are unrelated third-parties for all purposes.

41. HEADINGS

The headings used herein are for reference purposes only, and shall not affect the meaning or interpretation of any term, condition, or provision herein.

42. ENTIRE AGREEMENT

These terms and conditions (including Buyer's Special Terms and Conditions, as applicable) and Buyer's Order, including any applicable specifications, statement of work, or other applicable documents, constitute the entire agreement between the Parties, and supersede any prior oral or written agreements, commitments, understandings, or communications with respect to the subject matter of Buyer's Order.

43. SURVIVAL

Any Section or provision herein which contemplates performance or observance subsequent to any termination or expiration of this Agreement, or which by its nature should survive, shall survive any termination or expiration of Buyer's Order and continue in full force and effect.

- End of Document -