

TERMS OF PURCHASE

1. Entire Agreement; Conflicting Terms

This Purchase Order, including these Purchase Order Terms and Conditions and any referenced specifications or items, contain the complete, final and exclusive agreement between Buyer and Seller regarding the goods and/or services ordered hereunder ("Goods/Services"). Except as otherwise explicitly agreed by Buyer in writing, conflicting, different or additional terms are expressly rejected and acceptance of this offer is expressly limited to the terms stated in this Purchase Order. No course of dealing or usage of trade or actual course of performance shall be relevant to explain or supplement any terms used herein. Any shipment or delivery of Goods/Services (including licenses for software, copyrighted items, etc.) or performance of Services shall constitute acceptance of the terms and conditions of this Purchase Order regardless of any purported substitution or addition of terms and conditions by Seller. Acceptance by Buyer of any shipment from Seller shall not constitute acceptance of any such different or additional terms and conditions.

2. Shipping and Billing

All material shall be suitably packed, marked and shipped in accordance with the requirements of common charges, and no additional charge shall be made to the Buyer therefore unless otherwise stated herein. No charge shall be made by Seller for drayage or storage, unless otherwise stated herein. Unless otherwise specified herein, Seller shall properly mark each package with Buyer's order number, factory, plant and/or dock number, and where multiple packages comprise a single shipment each package shall also be consecutively numbered. Purchase order number and package numbers shall be shown on packing slips, bills of lading and invoices. Packing slips must accompany each shipment. Original bill of lading, or other shipping receipt, for each shipment shall be promptly forwarded by Seller in accordance with instruction issued by the Buyer. Seller agrees to describe material on bill of lading or other shipping receipt and to route shipment in accordance with instructions issued by Buyer. Seller will submit an invoice for the Goods/Services provided hereunder within ninety (90) days of receipt of this Purchase Order. Any invoice not submitted in a timely fashion may not be paid. Unless otherwise agreed or set forth on the face of this Purchase Order, payment terms shall be net sixty (60) days from (a) the date of delivery, or (b) the date of receipt by Buyer of correct invoice, whichever date is later.

3. No Changes; Acceptance

No changes or modifications are to be made in terms and conditions, price and deliveries without the written consent of the Buyer's authorized representative. Payment for nonconforming Goods/Services shall not constitute acceptance.

4. Taxes

Except for state sales and use taxes, the price for the Goods/Services includes all taxes, fees, and charges that may be imposed with respect to the purchase of the Goods/Services.

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5. Delivery

Time is of the essence in the performance of this Purchase Order, and any delay in delivery shall constitute a material breach. Title shall transfer to Buyer upon delivery of the Goods/Services to Buyer. Unless otherwise agreed or stated on the front of the Purchase Order, shipment of the Goods/Services shall be FOB destination for shipments in the United States and CIP destination for shipments outside the United States with Seller bearing the cost of insurance, freight, delivery and risk of loss.

6. Intellectual Property Protection and Rights

Seller warrants that the Goods/Services (including but not limited to software) do not infringe upon any third party's intellectual property, including patents, copyrights, trademarks or trade secrets, and that Seller has all necessary rights to sell or license the Goods/Services. Seller agrees to indemnify, defend and hold harmless Buyer, its successors, assigns, customers and users of the Goods/Services from and against all claims, costs, damages, judgments, losses and expenses (including attorneys' fees) arising from the infringement or alleged infringement of any such intellectual property in connection with such Goods/Services. All ideas, inventions, copyrightable subject matter (including computer or other electronic data files, drawings, and other materials), and other items prepared by Seller, or arising, specifically in connection with Buyer's drawings, samples, descriptions or designs for the Goods/Services ordered under this Purchase Order, and all items furnished by Buyer including, without limitation, all designs, tools, jigs, dies, gauges, fixtures, molds, patterns, drawings and any other information or equipment supplied by Buyer to Seller relating to or for use in the manufacture of Goods/Services shall be the property of Buyer and no reproductions or property interest shall be retained by Seller. To the extent allowed by law, copyrightable subject matter created by Seller shall be deemed "work made for hire" and, to the extent that the works do not qualify as works made for hire, Seller hereby assigns to Buyer all right, title and interest in all copyrights and moral rights therein. In all cases, Seller agrees to assign and hereby assigns its rights in all such ideas, inventions, copyrightable subject matter and items to Buyer. Such items shall only be used for the benefit of Buyer and shall not be disclosed to any other party. Such property while in Seller's custody shall be at Seller's risk and shall be returned to Buyer in the same condition as received, ordinary wear and tear accepted.

7. Indemnities

Seller shall indemnify, defend and hold harmless the Buyer from and against any and all liabilities, damages, loss, cost or expense which may accrue to or be sustained by the Buyer on account of damages or injury to any person (including death) or property which may be caused by an act or omission of the Seller, its agents, employees or contractors. Seller further agrees to furnish a certificate showing that it carries adequate Workers' Compensation, public liability and property damage insurance coverage. Seller further agrees that it will maintain all such

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coverage in force during the performance of this Purchase Order. The Seller shall have responsibility for providing information to the facility regarding all chemicals and hazardous materials that such contractor brings onto the premises, and shall remove and properly dispose of all such chemicals and materials. The Seller shall have direct responsibility for protecting its employees from the risk of exposure to all chemicals and hazardous materials at this facility. The Seller shall ensure that its employees adhere to all health and safety regulations at this facility, along with all applicable local, state, and federal environmental, health and safety regulations. Each facility will cooperate with Seller, and will share information known to it with respect to environmental, health and safety; however, Seller should not rely solely on the facility for such information, but should take whatever steps are necessary to protect their employees, as is their typical, primary responsibility.

8. Independent Parties

Agents, employees, or other persons selected or directed by Seller to perform this Purchase Order shall not be agents or employees of Buyer, whether or not a separate charge is made for their services. Seller agrees to indemnify, defend and hold harmless Buyer from and against any claims arising out of the acts or omissions of Seller, its employees, agents or contractors and against liability for taxes in connection with the Services performed by Seller, its employees, agents or contractors.

9. Insurance

Any insurance purchased by Seller to cover loss or damage to the Goods/Services in transit shall be solely at Seller's expense. If Seller is performing Services, Seller shall maintain a reasonable amount of insurance covering the risks associated with such Services and, upon request, name Buyer as an additional insured and provide evidence of such to Buyer.

10. Specification Changes

Buyer is entitled, at any time, to change the specifications for Goods/Services or any other matters relating to performance of this Purchase Order; provided that the price and/or delivery schedule may be equitably adjusted with Buyer's prior written consent to reflect additional costs and/or schedule adjustments required by the changes. Any claim for adjustment by Seller is waived unless made in writing within thirty (30) days after receipt of Buyer's written change order. Seller shall not make any change or deviation to Goods/Services covered by this Purchase Order, except with Buyer's prior written consent. Upon approval by Buyer of the initial design, as applicable, any process changes, design changes or deviations considered by Seller must be submitted to Buyer in writing for review. If changes are submitted for approval, the information submitted must include a complete description of the change and the effect the change will have on all characteristics of the Goods/Services. Upon request, Seller shall submit samples of the proposed Goods/Services for evaluation and approval by Buyer.

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11. Warranty

In addition to any other warranties of Seller, Seller warrants that Goods/Services ordered to specifications will conform thereto and to any drawings, samples, or other description furnished or adopted by Buyer, and will be fit and sufficient for the purpose intended; and that all Goods/Services are merchantable, of good material and workmanship, and free from defect. Seller warrants that it has good and marketable title to the Goods/Services. Such warranties, together with Seller's other warranties and guarantees, if any, shall survive and not be waived by Buyer's inspection, test, acceptance of, and payment for the Goods/Services and shall run to Buyer, its successors, assigns, customers at any tier, and ultimate user and joint users. The rights and remedies of the Buyer concerning latent defects shall exist indefinitely and shall not be affected in any way by any terms and conditions of this Purchase Order, including this clause. Buyer may, at its option, and in addition to other remedies available at law, either (i) return for credit, (ii) require prompt correction or replacement of the defective or nonconforming Goods/Services, or (iii) have the defective items corrected or replaced at Seller's expense and deduct the cost thereof from any monies due Seller. The return to Seller of any defective or nonconforming Goods/Services and delivery to Buyer of any corrected or replaced Goods/Services shall be at Seller's expense.

12. Compliance with Laws

Seller represents and warrants that the Goods/Services were not manufactured or performed and is not being sold or priced, in violation of any federal, state, or local law, executive order, or administrative ruling. Without limiting the generality of the foregoing, Seller represents and warrants that it is in full compliance with the following provisions of federal law which are hereby incorporated by reference into this Purchase Order: (1) the Civil Rights Act of 1964, as amended, and all applicable regulations and Executive Orders issued thereunder; (2) the Fair Labor Standards Act, as amended, and all applicable regulations and Executive Orders issued thereunder; (3) 48 Code of Federal Regulations (C.F.R.) 52.222-26 and 41 C.F.R. 60-1.4, relating to Equal Opportunity; (4) 48 C.F.R. 52.222-35 and 41 C.F.R. 60-250.5, relating to Affirmative Action for Disabled Veterans and Vietnam Veterans; (5) 48 C.F.R. 52.222-36 and 41 C.F.R. 60-741.5, relating to Workers with Disabilities; and (6) FAR 52.222-41, relating to the Service Contract Act, as amended. Seller agrees to indemnify, defend, and hold harmless Buyer from and against any and all claims, costs, damages, judgments, losses and expenses (including attorneys' fees) incurred or resulting directly or indirectly by or to Buyer as a direct or indirect result of the breach of any representation or warranty made by Seller herein. Buyer is a party to U.S. Government contracts and is subject to certain additional statutory, regulatory, and contract requirements by virtue thereof. The EEO clause/affirmative action clauses are hereby incorporated as required by specific reference to Executive Order 11246, As Amended; 41 C.F.R. § 60-1.4; 41 C.F.R. § 60-250.5; 41 C.F.R. § 60-300; 41 C.F.R. § 60-741.5; and Executive Order 13496, 29 C.F.R. Part 471 Appendix A; and Executive Order 13665, 79 FR 42971.

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If this Purchase Order is issued under a U.S. Government prime contract or a subcontract under a U.S. Government prime contract, Seller agrees to comply with all statutory, regulatory, and contract requirements applicable to the prime contract or subcontract, copies of which may be furnished to Seller upon Seller's request. Seller shall ensure that any items or materials forming part of the supplies have been purchased from legitimate and responsible sources which are in compliance with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. If requested by the Buyer, Seller shall provide to Buyer all relevant information showing the source of such items and materials.

13. Liens and Assignments

All articles and service furnished hereunder shall be free and clear of any and all liens and encumbrances, including but not limited to mechanics and materialmen's liens. This contract may not be assigned without the written consent of the Buyer.

14. Engineering Information, Tools, Etc.

All designs, tools, patterns, drawings and any other information or equipment supplied by the Buyer to the Seller relating to or for use in manufacture of the articles, materials or services contracted for herein are to be considered as the sole property of the Buyer. By accepting this order, Seller expressly agrees that it will not use any of them in the production, manufacture or design of any other article or materials or services for any other purchases, nor for the production or manufacture of larger quantities than those specified herein, without first obtaining the express consent and license in writing of the Buyer. At the termination of this contract, they shall be returned to the Buyer, unless the Buyer shall otherwise direct. Unless otherwise agreed in writing, Seller at its own expense shall supply any special dies, tools, patterns, gauges and equipment used in the manufacture of said articles and shall keep them in good condition and replace the same when necessary. Where materials are furnished by Buyer, title to and the right to immediate possession of such materials in such states of construction shall be and remain in Buyer.

15. Requirements Flow Down

Seller is responsible for compliance with all stated Quality Clauses referenced on this Purchase Order. Seller shall have a process for identifying and reviewing all Diamond USA requirements, including the Purchase Order, all related purchasing specifications and drawings, and all associated subordinate documents. This includes approved sources for raw materials, processes and requirements for delivery. Seller shall be responsible for ensuring that all appropriate requirements flow down to sub-tier suppliers.

16. Inspection

Buyer is entitled to inspect the Goods/Services (including the performance of tests) before or after receipt and reject them for failure to conform to this Purchase Order, regardless of wheth

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er any payment has been made by Buyer, whether the nonconformity substantially impairs the value of the Goods/Services, or whether the nonconformity may be cured by Seller. Buyer has the right upon reasonable notice to enter Seller's facilities to inspect the production of Goods/Services, without precluding subsequent inspection and rejection of Goods/Services. If the inspection discloses, in Buyer's good faith opinion, that Seller's ability to meet the requirements of this Purchase Order is questionable, Buyer may treat such circumstance as a material breach and terminate this Purchase Order without liability to Seller. If Goods/Services tendered pursuant to this Purchase Order are nonconforming, Buyer may return all of the Goods/Services to Seller, at Seller's expense, for first priority repair, replacement or a refund at the election of Buyer. This right to inspect shall be extended to the Buyer's customer or customer's representative and to any regulatory authority or agency.

17. Termination

Buyer reserves the right to terminate this Purchase Order, or any part hereof, for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder and shall immediately cause any and all of its suppliers and subcontractors to cease work. Subject to the terms of this Purchase Order, Seller shall be paid a percentage of the Purchase Order price reflecting the percentage of the work performed prior to the notice of termination, plus reasonable charges Seller can demonstrate, to the satisfaction of Buyer using Seller's standard record keeping system, have resulted from the termination. Seller shall not be paid for any work performed or costs incurred which reasonably could have been avoided. Buyer may terminate this Purchase Order, or any part hereof, for cause in the event of any default by Seller, or if Seller fails to comply with any Purchase Order terms and conditions, or fails to provide Buyer, upon request, with adequate assurances of future performance. In the event of termination for cause, Buyer shall not be liable to Seller for any amount for supplies or services not accepted, and Seller shall be liable to Buyer for any and all rights and remedies provided by law. If it is determined that Buyer improperly terminated this Purchase Order for default, such termination shall be deemed a termination for convenience.

18. Confidentiality

Seller may not disclose to any third party, or use to the detriment of Buyer, the existence or details of this Purchase Order or any agreement or arrangement with Buyer, or any information Seller receives or learns about Buyer in connection with or as a result this Purchase Order, except as is necessary to perform this Purchase Order.

19. Waiver

Buyer's rights hereunder may not be waived except by written instrument, signed by an authorized officer of Buyer. Buyer's waiver of a breach of this Purchase Order in one instance shall not be deemed a waiver with respect to any other breach.

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20. Force Majeure

Subject to Seller's obligations to provide notice and assist the Buyer procuring cover, as provided below, any delay or failure of either party to perform its obligations shall be excused if, and to the extent that, it is caused by an event or occurrence beyond the reasonable control of the party and without its fault or negligence, including, but not limited to, acts of God, fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage; provided that written notice of such delay (including the anticipated duration of the delay) shall be given by the affected party to the other party as soon as possible after the event or occurrence (but in no event more than ten (10) days thereafter). During the period of such delay or failure to perform by Seller, Buyer, at its option, may purchase Goods/Services from other sources and reduce its purchases from Seller by such quantities, without liability to Seller, or have Seller provide the Goods/Services from other sources in quantities and at times requested by Buyer, and at the best available market price.

21. Successors; Assigns

This Purchase Order shall be binding upon the representatives, successors and assigns of the parties; provided that Seller may not assign this Purchase Order in whole or in part without the prior written consent of Buyer and any such purported assignment shall be void.

22. Applicable Law; Jurisdiction

The terms and conditions of this Purchase Order and the resolution of any disputes arising out of it shall be governed by and interpreted in accordance with the laws (without giving effect to conflicts of law principles) of the Commonwealth of Massachusetts. The parties agree to submit to the jurisdiction of the courts of Massachusetts for all matters relating to this Agreement. The parties expressly exclude the application of the United Nations Convention on Contracts for the International Sale of Goods/Services.