

**SUPPLIER STANDARD TERMS AND CONDITIONS**  
**QPC FIBER OPTIC, LLC. PURCHASE ORDERS**

**ACKNOWLEDGEMENT.** This purchase order is the offer from QPC FIBER OPTIC, LLC ("Buyer") to purchase from Seller. It does not constitute an acceptance by Buyer of any quotation, proposal, or offer to sell. Any reference to such quotation, proposal, or offer to sell is solely for the purpose of incorporating the description and specifications of the goods and services contained therein, to the extent they do not conflict with those of this order. Seller agrees to these terms and conditions of sale ("terms") by communicating an acknowledgement or acceptance of this order (in any form), by commencing performance, or by accepting any payment. **Buyer hereby expressly objects to any deletions, modifications, alterations of or additions to these terms and conditions; such deviations shall not be binding unless they are in writing and signed by the authorized representative of Buyer.**

**PRICE WARRANTY.** Seller warrants that the prices of the goods and/or services delivered under this order do not exceed those charged by Seller to any other customer purchasing the same goods or services in like or similar quantities. Buyer encourages Seller to invoice promptly for goods and/or services.

**PAYMENT TERMS.** Payment to Seller is due and payable sixty (60) days after actual receipt of a proper invoice. Disputed amounts and/or payment for disputed supplies and/or services will be held by Buyer pending resolution of such dispute.

**TIME.** Seller understands that a failure to meet any schedule set forth in this order will delay Buyer's performance to its customer. Such delay could cause loss of reputation, loss of business, penalties, increased costs, or other injury to Buyer; therefore, time of performance by Seller is of the essence. Buyer reserves the right to refuse any shipment made in advance of the specified delivery schedule.

**TITLE AND RISK OF LOSS.** All risk of loss or damage and title to any goods furnished under this order shall pass to Buyer only upon acceptance at Buyer's specified destination, regardless of FOB point. Seller shall also bear the cost of shipping and the risk of loss of returned and redelivered items.

**TERMINATION.** Buyer may at any time terminate this order, in whole or in part, for its convenience, upon written notice to Seller. Seller shall then be entitled to no more than reasonable termination charges consisting only of the actual cost of work performed prior to termination and the reasonable actual direct costs resulting from termination, less any returned goods. In no event shall Seller be entitled to lost opportunity costs, unabsorbed overhead, or anticipated profits as a result of such termination. In no event shall the termination costs exceed the purchase order price. Seller shall continue performance of this order to the extent it is not terminated.

**DEFAULT.** In addition to any other rights and remedies it may have at law or in equity, (including, but not limited to, direct, special, or consequential damages and/or specific performance) Buyer shall have the right to immediately cancel all or any part of the undelivered portion of this order in the event Seller fails to perform any of the order provisions, or (in the judgment of Buyer) so fails to make progress as to endanger performance of the order in accordance with its terms, or if deliveries are not made at specified times. Buyer shall also have the right to cancel all or any part of this order if Seller becomes insolvent, or a bankruptcy petition is filed which is not vacated within thirty (30) days from the date of filing. In the event of such cancellation, Buyer shall have no further obligation arising out of this agreement.

**PROPRIETARY INFORMATION.** Specifications, drawings, designs, manufacturing data, and any other information transmitted by Buyer to Seller are the sole property of Buyer and are disclosed in confidence on condition that they shall not be reproduced or copied or used for furnishing information or products to others, or for any other purpose Buyer deems detrimental to its interest. Seller agrees that such information constitutes the exceptionally valuable trade secrets of Buyer and agrees to protect the information from unauthorized disclosure or misuse.

**ITAR COMPLIANCE.** Purchase orders may contain technical data, services, and/or technology within the definition of the International Traffic in Arms Regulations (ITAR) and is subject to the export control laws of the U. S. Government. Transfer of these items by any means to a foreign person, whether in the U.S. or abroad, without an export license or other approval from the U.S. Department of State, is prohibited.

**PATENTS.** Seller agrees to defend at its sole expense any suit or action against Buyer or against those selling or using the goods or services covered by this order for alleged infringement of patent or invention rights, arising out of the sale or use of such goods or services, and to indemnify and to save Buyer harmless from any damages, liabilities, claims, losses and expenses (including, but not limited to, attorneys' fees) paid or incurred by Buyer in connection with any such suit or action, whether against Buyer or against those selling or using the goods or services covered by this order; provided, however, that this indemnity shall not apply to the extent that any such damages or claims arise out of compliance by Seller with specifications furnished by Buyer.

**CHANGES.** Buyer may at any time, by written purchase order revisions and without notice to any surety, make changes within the scope of the work to be provided hereunder, including but not limited to: (a) changes to the drawings, designs, specifications or data, (b) method of shipment or packing, (c) place of inspection, delivery or acceptance, (d) reasonable changes in quantity, (e) reasonable changes in delivery schedules, and (f) the amount, nature, or condition of Buyer-furnished property or tooling. If such change will affect the price or delivery date for such services, Buyer and Seller shall mutually agree in writing on an equitable adjustment to price and/or schedule, and the purchase order shall be modified accordingly. All claims by Seller under this clause must be asserted within 15 calendar days from the date the change is directed by Buyer. Seller shall diligently continue performance of this purchase order as changed while Buyer and Seller are in the process of making such changes and any related

adjustments, even if a dispute arises between the parties. The Parties agree that there shall be no adjustment in the price or schedule for this order unless an authorized representative of Buyer shall have directed a change and adjustment by issuing a written and executed purchase order revision. Oral orders shall not be valid.

**WARRANTY.** Seller specifically warrants that all goods and/or services to be supplied under this order shall conform to all specifications, designs, drawings, samples, or other descriptions contained herein, shall be fit and sufficient for the purposes intended, merchantable, of good material and workmanship and free from defect, and that goods and services of Seller's design will be free from defect in design. The period of this warranty shall be one (1) year from installation or eighteen (18) months after delivery, whichever occurs later. This warranty shall survive any inspection, test, acceptance and use by Buyer or its customer. This warranty shall run to Buyer, its successor, assigns, customers, and the user of its products. Seller shall promptly replace nonconforming goods or correct defects (including labor and transportation) in any goods or services not conforming to this warranty, at Seller's sole expense, when notified of such nonconformity. In the event that Seller fails to correct defects or to replace nonconforming goods or services promptly, and after reasonable notice to Seller, Buyer may make such corrections or may replace such goods or services and charge Seller for the costs incurred by doing so.

**TAXES.** The order price includes any current and future federal, state, local or other taxes, duties, fees, and other charges levied against the Seller and applicable to this order and the material, equipment or services covered under this order.

**INDEPENDENT CONTRACTOR.** Seller, its employees, agents, and subcontractors shall be an independent contractor with respect to any goods or services provided under this order. Seller shall determine the method, details, and means of performing the work required by this order. Seller's agents, employees, and subcontractors shall remain under the supervision and control of Seller.

**COMPLIANCE WITH LAW AND TERMS.** Before and during performance of this order, Seller shall comply with all applicable federal, state and local laws, rules, and regulations. If this order is placed under a prime contract, the terms of that contract shall apply to this order. Seller agrees to hold Buyer harmless from any claim or proceeding resulting from any failure to comply therewith.

**INDEMNITY AND INSURANCE.** Seller shall defend and indemnify Buyer against all damages, liabilities, claims, losses, costs and expenses (including, but not limited to, attorneys' fees) arising out of or resulting in any way from any defect in the goods or services purchased under this order or from any act or omission of Seller, its agents, employees, or subcontractors. Seller shall maintain appropriate public liability insurance, automobile liability insurance (including non-owned automobile liability), workers' compensation insurance, employers' liability insurance, and professional liability insurance as will adequately protect Buyer against such damages, liabilities, claims, losses, costs and expenses (including attorneys' fees). Seller agrees to submit certificates of insurance, showing its insurance coverage, and to name Buyer as an additional covered party, upon Buyer's request.

**DISPUTES.** If a dispute arises between the parties, Seller will diligently continue with performance, pending a final decision. If a decision relating to a prime contract is made by Buyer's customer, and such decision is also related to this order, the decision (if binding on Buyer) shall be binding on the Seller with respect to the subject matter of the decision; provided, however, if Seller disagrees with such decision and Buyer elects not to make an appeal, Seller shall have any right of Buyer to prosecute a timely appeal in the name of Buyer as may be permitted in the prime contract, by regulation or by law, with Seller to bear all legal and other costs and attorneys' fees. Buyer will provide assistance as may be necessary to Seller in such an appeal. If Buyer elects to appeal such decision itself, Seller will provide to Buyer assistance as may be necessary, with each party to bear its own costs. Any decision on appeal, if binding on Buyer, shall also be binding on Seller. Buyer's liability to Seller shall in no event exceed the amount of recovery from Buyer's customer applicable to this order. If, as a result of a decision that is binding on Buyer and Seller, Buyer is unable to obtain payment or reimbursement, or is required to make a refund or credit to its customer, for any amount which Buyer has paid, reimbursed, or otherwise credited to Seller, then Seller shall, on demand, promptly repay such amount to Buyer. In addition, Buyer shall have a right of set-off against any sums owing to Seller under this or any other order or obligation. Jurisdiction over and the venue of any dispute arising out of such rights and duties shall be exclusively in the Superior Courts of California, County of Orange. Buyer and Seller hereby agree and consent to such personal jurisdiction and waive any and all objections thereto.

**WAIVER.** The right of Buyer to require strict performance of the terms shall not be affected by any prior waiver or course of dealing. Waiver by either party of any breach hereof shall not constitute a waiver of any subsequent breach.

**ASSIGNMENT.** Assignment by Seller of this order or of monies payable hereunder, in whole or in part, shall be void unless Buyer consents thereto in writing.

**VALIDITY; INTERPRETATION.** The validity, interpretation, and performance of this contract shall be governed by the laws of the State of California. The invalidity or unenforceability, in whole or in part, of any term or provision of this contract shall not affect the validity or enforceability of any other term or provision. Captions are for reference only and shall not be used to interpret these terms.

**ENTIRE AGREEMENT.** These terms, including the terms on the face of this order and any Supplemental Terms (e.g., Supplier Quality Assurance Requirements), if attached, constitute the entire agreement between the parties with regard to this purchase and supersede any and all previous or other oral or written arrangements or correspondence between the parties.

**THESE TERMS APPLY TO ALL QPC PURCHASE ORDERS**

## SUPPLIER QUALITY ASSURANCE REQUIREMENTS QPC FIBER OPTIC, LLC PURCHASE ORDERS

*This form establishes specific QPC Fiber Optic, LLC (QPC) quality requirements. These requirements are in addition to those set forth in any other contracted document. The provisions indicated herein are an integral part of each purchase order.*

*Compliance with the requirements of these clauses does not reduce supplier responsibility for furnishing materials and services that fully comply with all applicable drawings and specifications requirements, nor does it guarantee acceptance of materials or services by QPC. In the event that materials or services are found to be defective and cannot be demonstrated by the supplier to be in conformance with purchase order requirements, QPC shall have the right to reject them.*

### REQUIREMENTS

#### 1) Certification of Compliance

The supplier provides, with each shipment, a Certificate of Compliance traceable to the responsible supplier contact by signature or printed name, which shows QPC's purchase order (PO), QPC'S part number and, as applicable, the supplier reference number. This document certifies that material or parts furnished have been manufactured and verified in accordance with all applicable specifications as stated in QPC's PO. This document also certifies that objective evidence of inspection and testing verifications is on file and available for review.

#### 2) Changes

The supplier does not substitute "equivalent" items in place of those items on the PO. If an equivalent item to a specified material is to be supplied, it is offered with supporting documentation prior to the shipment. All changes relating to part number, drawing specification, process specifications, or delivery or price must be agreed to by QPC's Purchasing Dept. and confirmed by a change to the PO.

#### 3) Packaging

The supplier ensures that all items are efficiently and economically packaged for the method of transportation and type of handling involved. Unit and intermediate packaging shall be employed as necessary to prevent damage or deterioration.

#### 4) Limited Shelf Life Items

The supplier identifies all materials and articles that have definite characteristics of quality degradation with age or environment. When environment is a factor in determining useful life, the identification shall include the storage conditions required to achieve the stated life. (e.g., temperature, humidity). A minimum of 75% of the applicable material/article shelf life remains upon receipt of the material by QPC.

#### 5) Right of Entry

QPC, QPC's customers, and/or representatives of involved regulatory agencies are allowed to inspect any and all of the material and/or records related to the parts included on QPC's PO at the supplier's, manufacturer's, and/or sub-supplier's facilities.

#### 6) Traceability Documentation

When the Certification of Compliance from the supplier is based on Certifications of Tests and Inspections received from the manufacturer or another supplier, the supplier ensures that these Certifications are received and retained, and that adequate traceability exists to the manufacturer of the products.

#### 7) Records

QPC requires the supplier and/or sub-supplier to maintain records of all operations and procedures. Such records shall be legible and stored in such a manner as to retain legibility. Records shall be retained for a minimum of ten (10) years and will be made available for review by QPC authorized personnel at any time. All obsolete records are to be destroyed by shredding, burning, or any other like method to render them unusable

#### 8) Specifications

Any use of QPC's drawings or specifications other than for manufacture of the ordered items is expressly prohibited.

#### 9) First Article Inspection

Purchase Orders marked with "First Articles Required" indicate the supplier shall make an initial lot of sample parts for First Article Approval. Lot size will be negotiated between QPC's Purchasing Dept. and the supplier, and subsequent deliveries shall not be shipped until QPC approves the First Article samples. QPC disclaims responsibility for any parts shipped prior to approval of first articles. QPC's Purchasing Dept. may request supplier to provide a First Article Inspection Report (FAIR), to accompany First Article delivery. FAIR should denote the actual dimensional measurements of all drawing dimensions specified on QPC's drawing. In the case of a supplier-provided FAIR, QPC's Inspection Dept. shall verify the report, before any shipment of subsequent parts will be authorized. Approval of sample part(s) does not guarantee acceptance of subsequent parts.

#### 10) Measurement Equipment Calibration

All certifications and test measurements are made with equipment that has been calibrated and certified to the manufacturer's specifications and by suitable methods to ensure traceability to the National Institute of Standards and Technology or equivalent government agency. Records regarding equipment calibration must be maintained.

#### 11) Quality System Requirements

Supplier and/or sub-supplier maintains a documented system of procedures designed to ensure compliance with PO requirements and provide for the monitoring and improvement of company operations relating to product quality (Quality System). The top management of the supplier facility is responsible for organizing the Quality function within the company in an effective manner. QPC is notified whenever significant changes to the supplier's Quality System are implemented.

#### 12) Foreign Object Debris/ Damage (FOD)

Supplier shall maintain good housekeeping and where applicable a Foreign Object Debris/Damage (FOD) prevention program to preclude introduction of foreign objects into any deliverable item. Supplier shall employ appropriate housekeeping practices to ensure timely removal of residue/debris generated during manufacturing operations or tasks. Supplier shall determine if sensitive areas that have a high probability for introduction of foreign objects should have special emphasis controls in place for the manufacturing environment.

#### 13) Notification of Nonconforming or Unsafe Product

The supplier and/or sub-supplier notifies QPC in writing of any occurrences of nonconforming product, processes or other anomalies in the product. The supplier and/or sub-supplier immediately notifies QPC of any material defect or condition (within their knowledge), including counterfeit parts, that may have been shipped to QPC and that could result in an unsafe condition.

#### 14) Product or Process Changes

The supplier notifies QPC of any changes that affect form, fit or function of any supplied part(s) or significant changes in the process(es) or tools (mold, etc.) involved in the manufacture of the supplied part(s). This includes notifying QPC where the supplier changes its production methods, sub-suppliers or location.

#### 15) Part Obsolescence

The supplier notifies QPC of impending part obsolescence at least 6 months prior to the "end of life" date.

#### 16) Supplier Flow Down of Requirements

As applicable, QPC requires that suppliers must flow down applicable quality standards to sub-tier suppliers, including key characteristics, customer-approved special process sources, counterfeit parts avoidance, test specimen requirements, or corrective actions where applicable. Both supplier and/or sub-supplier must retain all records and documentation pertaining to the QPC PO for a minimum of ten (10) years from the shipment date.

#### 17) Other Requirements

The supplier shall ensure that its personnel and any sub-tier suppliers are aware of their contribution to product conformity, their contribution to product safety and the importance of ethical behavior.