

TERMS AND CONDITIONS FOR THE SALE OF GOODS AND SERVICES

1. Applicability. These terms and conditions of sale (“Terms”) and the accompanying proposal for services or proposal for goods, as applicable, (“Proposal”) are the only terms which govern the sale of the goods (“Goods”) and services (“Services”) by Plasma Ruggedized Solutions, Inc. (“Seller”) to the buyer named in the Proposal (“Buyer”). The Proposal and these Terms (collectively, the “Agreement”) comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. This Agreement prevails over any of Buyer’s general terms and conditions of purchase regardless whether or when Buyer has submitted such terms, whether by request for quote, purchase order or otherwise. Fulfillment of Buyer’s order does not constitute acceptance of any of Buyer’s terms and conditions and does not serve to modify or amend this Agreement.

2. Delivery of Goods and Performance of Services.

(a) Goods will be delivered within a reasonable time after the receipt of the Proposal signed by Buyer, subject to availability. Seller shall not be liable for any delays, loss or damage in transit. Unless otherwise set forth in the Proposal, Seller shall deliver the Goods to Buyer at Seller’s manufacturing facility (the “Delivery Point”) using Seller’s standard methods for packaging and shipping such Goods. Seller may, in its sole discretion, without liability or penalty, make partial shipments of Goods to Buyer. Each shipment will constitute a separate sale, and Buyer shall pay for the units shipped whether such shipment is in whole or partial fulfillment of the Proposal.

(b) Unless otherwise set forth in the Proposal, if the Services require the delivery of Buyer owned materials (“CFM”) to Seller for the performance of the Services, such CFM, after the coating, potting and encapsulation or other Services have been performed thereon, (the “Materials”) will be returned to Buyer by Seller’s delivery at the Delivery Point using Seller’s standard methods of packaging and shipping such Materials. Seller shall use reasonable efforts to meet any performance dates specified in the Proposal for rendering the Services. Buyer’s CFM will be returned upon Buyer’s written request, at Buyer’s expense. If Seller determines that any CFM is defective, Seller will notify Buyer in writing of such defective CFM. Within 48 hours of receipt of such notice, Buyer will provide Seller with written instruction as to its desired disposition of such defective CFM, which disposition shall be at Buyer’s expense. If Buyer does not respond to Seller’s notice with such disposition instructions within 48 hours, the defective CFM will be returned to Buyer at Buyer’s expense.

(c) With respect to the Goods and Services, Buyer shall (i) respond promptly to any Seller request to provide direction, information, approvals, authorizations, or decisions that are reasonably necessary for Seller to perform the Services or deliver the Goods and Materials in accordance with the requirements of this Agreement and (ii) provide such CFM or information as Seller may reasonably request to carry out the Services or deliver the Goods and Materials in a timely manner and ensure that such CFM or information is complete and accurate in all material respects.

3. Quantity. If Seller delivers to Buyer a quantity of Goods or Materials of up to 5% more or less than the quantity set forth in the Proposal, Buyer shall not be entitled to object to or reject the Goods or Materials or any portion of them by reason of the surplus or shortfall and shall pay for such Goods or Materials the price set forth in the Proposal adjusted pro rata.

4. Shipping Terms; Title and Risk of Loss. Delivery of Goods and Materials shall be made FOB Seller’s manufacturing facility. Title and risk of loss passes to Buyer upon delivery of the Goods and Materials at the Delivery Point.

5. Buyer’s Acts or Omissions. If Seller’s performance of its obligations under this Agreement is prevented or delayed by any act or omission of Buyer or its agents, subcontractors, consultants, or employees, Seller shall not be deemed in breach of its obligations under this Agreement or otherwise liable for any costs, charges, or losses sustained or incurred by Buyer, in each case, to the extent arising directly or indirectly from such prevention or delay.

6. Inspection and Rejection of Nonconforming Goods or Materials.

(a) Buyer shall inspect the Goods and Materials within 30 days of receipt ("Inspection Period"). Buyer will be deemed to have accepted the Goods and Materials unless it notifies Seller in writing of any Nonconforming Goods or Nonconforming Materials during the Inspection Period and furnishes such written evidence or other documentation as reasonably required by Seller. "Nonconforming Goods" means only the following: (i) the Goods shipped by Seller do not meet the requirements specified in the Proposal; or (ii) the label or packaging of the Goods incorrectly identifies its contents. "Nonconforming Materials" means only that the Services identified in the Proposal have not been performed in compliance with IPC 610 Class II or the Alternative Specifications (defined below), as applicable.

(b) If Buyer timely notifies Seller of any Nonconforming Goods, Seller shall, in its sole discretion, (i) repair or replace such Nonconforming Goods with conforming Goods, or (ii) credit or refund the Price for such Nonconforming Goods at the pro rata contract rate, together with any reasonable shipping and handling expenses incurred by Buyer in connection therewith. Buyer shall ship the Nonconforming Goods to Seller's facility. If Seller exercises its option to replace Nonconforming Goods, Seller shall, after receiving Buyer's shipment of Nonconforming Goods, ship to Buyer the replaced Goods to the Delivery Point.

(c) If Buyer timely notifies Seller of any Nonconforming Materials, Seller shall, in its sole discretion, (i) repair or re-perform the Services, or (ii) credit or refund the Price for such Nonconforming Materials at the pro rata contract rate, together with any reasonable shipping and handling expenses incurred by Buyer in connection therewith. If Seller exercises its option to repair or re-perform the Services with respect to such Materials, Buyer shall ship the Nonconforming Materials to Seller's facility and Seller shall, after receiving Buyer's shipment of Nonconforming Materials, ship to Buyer the Materials with respect to which it has repaired or re-performed the Services to the Delivery Point.

(d) Buyer acknowledges and agrees that the remedies set forth in Sections 8(b) and 8(c) are Buyer's exclusive remedies for the delivery of Nonconforming Goods and Nonconforming Materials. Except as provided under Sections 8(b) or (c), all sales of Goods and Services to Buyer are made on a one-way basis and Buyer has no right to return Goods purchased or Materials with respect to which Services have been performed under this Agreement to Seller.

7. Price. Buyer shall purchase the Goods and Services from Seller at the price(s) (the "Price(s)") set forth in the Proposal. All Prices are exclusive of all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any governmental authority on any amounts payable by Buyer. Buyer shall be responsible for all such charges, costs and taxes; provided, that, Buyer shall not be responsible for any taxes imposed on, or with respect to, Seller's income, revenues, gross receipts, personal or real property, or other assets.

8. Payment Terms.

Unless otherwise agreed to in writing by the parties, Buyer shall pay all invoiced amounts due to Seller within 30 days from the date of Seller's invoice, subject to a 2% discount on the invoiced amount if payment is made within 10 days from the date of Seller's invoice. Buyer shall make all payments hereunder in US dollars. Buyer shall pay interest on all late payments at the lesser of the rate of 1.5% per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Buyer shall reimburse Seller for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees. Buyer shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Seller, whether relating to Seller's breach, bankruptcy or otherwise.

9. Limited Warranty.

(a) Seller warrants to Buyer that at the time of delivery of the Goods to Buyer, such Goods meet the certification requirements specified in the Proposal (e.g. they comply with IPC 610 Class II, or, if the signed Proposal provides for different written technical standards and specifications, including drawings, ("Alternative Specifications") they comply with the Alternative Specifications).

(b) Seller warrants to Buyer that (i) it shall perform the Services using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services, (ii) to the extent the Services include the conformal coating or potting and encapsulation of CFM, such coating or potting and encapsulation, as applicable, complies with IPC 610 Class II, or if the signed Proposal provides for Alternative Specifications, such Services comply with the Alternative Specifications. Buyer is responsible for providing all pertinent technical information with respect to the Services, including, where appropriate and necessary to product configuration, references in design records and print/drawing levels. Such technical information will be provided to Seller by the Buyer on or prior to the time the Proposal is signed by Buyer. If Buyer desires to modify such technical information after the Proposal is signed, it will provide such proposed revised technical information to Seller in writing. Seller will not be required to comply with such revised technical information unless and until it has provided Buyer with a written acknowledgement that it has received and accepted such revised technical information, along with any resulting change in the Proposal (e.g. price increase, delivery time change, etc.). Seller will perform the Services based on the technical information provided at the time the Proposal is signed by Buyer unless it has provided Buyer written acceptance of revised technical information, in which event Seller will perform the Services in compliance with such revised technical information and subject to any other changes in the Proposal set forth in the acceptance. Seller assumes no liability or penalty for failing to perform the Services in compliance with revised technical information provided after Buyer's signing of the Proposal, unless such revised technical information has been accepted in writing by Seller.

(c) EXCEPT FOR THE WARRANTIES SET FORTH IN SECTIONS 9(a) AND (b), SELLER MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS OR SERVICES (INCLUDING MATERIALS), INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; OR (c) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE.

(d) Seller shall not be liable for a breach of the warranties set forth in Section 9(a) or Section 9(b) unless: (i) Buyer gives written notice of the defective Goods or Services, as the case may be, reasonably described, to Seller within 30 days of the time when Buyer receives such Goods or Services (including Materials) from Seller; (ii) if applicable, Seller is given a reasonable opportunity after receiving the notice of breach of the warranty to examine such Goods or Materials and Buyer (if requested to do so by Seller) returns such Goods or Materials to Seller's place of business at Seller's cost for the examination to take place there; and (iii) Seller reasonably verifies Buyer's claim that the Goods or Services are defective.

(e) The Seller shall not be liable for a breach of the warranty set forth in Section 9(a) or Section 9(b) if: (i) Buyer makes any further use of such Goods or Materials after giving such notice; (ii) the defect arises because Buyer failed to follow Seller's oral or written instructions as to the storage, installation, commissioning, use or maintenance of the Goods or Materials; or (iii) Buyer alters or repairs such Goods or Materials without the prior written consent of Seller.

(f) Subject to Section 9(d) and Section 9(e) above, with respect to any such Goods, Seller shall, in its sole discretion, either: (i) repair or replace such Goods or (ii) credit or refund the Price for such Goods at the pro rata contract rate, together with any reasonable shipping and handling expenses incurred by Buyer in connection therewith, provided that, if Seller so requests, Buyer shall, at Seller's expense, return such Goods to Seller.

(g) Subject to Section 9(d) and Section 9(e) above, with respect to any Services subject to a claim under the warranty set forth in Section 9(b)(i) or (ii), Seller shall, in its sole discretion, (i) repair or re-perform the applicable Services or (ii) credit or refund the Price for such Services at the pro rata contract rate, together with any reasonable shipping and handling expenses incurred by Buyer in connection therewith.

(h) THE REMEDIES SET FORTH IN SECTION 9(f) AND (g) SHALL BE THE BUYER'S SOLE AND EXCLUSIVE REMEDY AND SELLER'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTIES SET FORTH IN SECTIONS 9(a) AND (b), RESPECTIVELY.

10. Ownership of Processing Technologies. Notwithstanding the fact that Buyer is compensating Seller for its Services, any process, fixturing, tooling or intellectual property developed by Seller in connection with, or for

the purpose of, performing the Services (e.g. the application of coating, potting and plasma) shall be the sole property of Seller. Buyer agrees that Seller's Services provided to Buyer and Buyer's payments to Seller for such Services shall not create or imply any license or other right in or to any process, fixturing, tooling or intellectual property developed by Seller and Buyer may not use or employ any such process, fixturing, tooling or intellectual property in any patent or patent application or invention disclosure or in any other manner.

11. Limitation of Liability.

(a) IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE OR PROFIT, OR FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

(b) IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SELLER FOR THE GOODS AND SERVICES SOLD UNDER THE APPLICABLE PROPOSAL.

12. Compliance with Law. Buyer shall comply with all applicable laws, regulations and ordinances. Buyer shall maintain in effect all the licenses, permissions, authorizations, consents, and permits that it needs to carry out its obligations under this Agreement. Buyer shall comply with all export and import laws of all countries involved in the sale of the Goods or Services under this Agreement or any resale of the Goods or Materials by Buyer. Buyer assumes all responsibility for shipments of Goods or Materials requiring any government import clearance.

13. Termination. In addition to any remedies that may be provided under these Terms, Seller may terminate this Agreement with immediate effect upon written notice to Buyer, if Buyer: (a) fails to pay any amount when due under this Agreement and such failure continues for 60 days after Buyer's receipt of written notice of nonpayment; (b) has not otherwise performed or complied with any of the material terms of this Agreement, in whole or in part; or (c) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors.

14. Waiver. No waiver by Seller of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Seller. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

15. Confidential Information. All non-public, confidential or proprietary information of a party, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts, or rebates, disclosed by one party to another, whether disclosed orally, through observation or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated, or otherwise identified as "confidential" in connection with this Agreement is confidential, solely for the use of performing this Agreement and may not be disclosed or copied unless authorized in advance by the disclosing party in writing. The terms of the sale of Goods or Services to Buyer shall be considered confidential and subject to the foregoing restrictions. Upon the disclosing party's request, the receiving party shall promptly return all documents and other materials received from the disclosing party. The disclosing party shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to the receiving party at the time of disclosure; or (c) rightfully obtained by the receiving party on a non-confidential basis from a third party.

16. Force Majeure. The Seller shall not be liable or responsible to Buyer, nor be deemed to have defaulted or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of Seller including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion, or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national emergency, revolution, insurrection, epidemic, lockouts, strikes or other labor disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, materials or telecommunication breakdown or power outage.

17. Assignment. Neither party shall assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves a party of any of its obligations under this Agreement.

18. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

19. Governing Law. All matters arising out of or relating to this Agreement are governed by and construed in accordance with the internal laws of the State of California, United States of America without giving effect to any choice or conflict of law provision or rule (whether of the State of California or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of California. The U.N. Convention on Contracts for the International Sale of Goods does not apply to sales under this Agreement.

20. Submission to Jurisdiction. Any legal suit, action, or proceeding arising out of or relating to this Agreement shall be instituted in the federal courts of the United States of America or the courts of the State of California in each case located in the City of San Francisco and County of San Francisco, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding.

21. Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of the Proposal or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmission), or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

22. Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

23. Survival. Provisions of these Terms which by their nature should apply beyond their terms will remain in force after any termination or expiration including, but not limited to, the following provisions: Compliance with Laws, Confidential Information, Governing Law, Submission to Jurisdiction and Survival.

24. Amendment and Modification. These Terms may only be amended or modified in a writing stating specifically that it amends these Terms and is signed by an authorized representative of each party.