

**For Hardware see Pages 1 through 5 for U.S. customers and Pages 6 through 9 for non-US customers. For Services see Pages 10 through 14.**

**TeleCommunication Systems, Inc. Terms and Conditions for the Sale of Hardware  
U.S. Customers**

**1. ACCEPTANCE:** This order may be construed as an acceptance, or a confirmation of an Order. If this Order is construed as a confirmation of an existing order, such confirmation is expressly conditioned on the terms and conditions contained herein. Any terms and conditions on the Buyer's Purchase Order will not be applicable.

All sections of the Uniform Commercial Code which expressly or implicitly protect the purchase are hereby incorporated by reference in this form, whether it is constructed as an acceptance or confirmation.

Upon receipt of this Order, Seller will acknowledge the Purchase Order no later than seven (7) days after receipt. Acceptance constitutes agreement on price, delivery schedule, payment schedule, and these terms and conditions. The Order and its terms and conditions may not be altered in any manner without a written amendment signed by authorized representatives from both parties.

**2. DELIVERY:** The Seller agrees to deliver the items described on the face of the Order in the quantity, within the time, and at the price(s) specified therein. All products delivered to Buyer shall be packaged in accordance with standard commercial practice. The ability of TeleCommunication Systems, Inc. to deliver Hardware and equipment under this contract, will be contingent on the current US Export and Trade restrictions at the time of delivery

**3. WARRANTY:** The Seller expressly warrants that all materials and work covered by this Order: (a) shall be of good quality and workmanship and (b) shall conform to the drawings, designs, specifications, descriptions, and samples furnished to Buyer for a period of twelve (12) months after acceptance. In the event the materials and/or work are not in conformance with the foregoing warranty, the Seller shall promptly, repair or replace the defective item(s), at its option.

**4. ACCEPTANCE/TITLE:** Items purchased hereunder are considered accepted upon shipment. Title and risk of loss or damage to deliverable items shall pass to Buyer upon shipment. Items not in conformity with the requirement of this Order may, upon Seller's written authorization, be returned to Seller, at Buyer's risk and expense, for repair or replacement, at Seller's option. Alternatively, Buyer may retain the nonconforming items and shall be entitled to an equitable adjustment in the price, to be reasonably and mutually agreed to between the Parties. If items are damaged in transit back to Seller, the Seller shall promptly, upon receipt of such items, (1) notify Buyer of the damage, (2) cause prompt inspection by the carrier, and (3) furnish Buyer with a copy of the carrier's inspection report. Buyer will be responsible for pursuing claims for damage to inbound freight.

**5. INDEMNIFICATION BY SELLER:** Seller shall defend, indemnify and hold harmless Buyer and its officers and directors (each, an "Indemnified Party" and, collectively, the "Indemnified Parties") from and against any loss, damage, or liability assessed against Buyer in a final judgment by a court of competent jurisdiction or any settlement that Seller

has agreed upon with such third party including reasonable costs and attorney fees, to the extent that such loss, damage or liability arises out of any specific third-party claim, suit, or allegation that a product or service provided by Seller under this Agreement specifically causes an infringement of an United States patent, trademark, copyright or other proprietary right of such third party (collectively the "IP Claim"). Seller shall be obligated to pay these costs only if Buyer (i) notifies Seller promptly in writing of any such claim; (ii) gives Seller full information and assistance in settling and/or defending the claim; and (iii) gives Seller full authority and control of the defense and/or settlement of any such claim. Seller shall not be liable for: (iv) any costs or expenses incurred by Buyer without Seller's prior written authorization; (v) designs, instructions, specifications, data, materials, content or any other intellectual property provided by Buyer; (vi) infringement caused from use of other than the latest available version of the Seller's products or services made available to Buyer; (vii) infringement caused from unauthorized modifications to the Seller's products or services; (viii) Buyer's combination of Seller's products or services with other products or services and the infringement would have been avoided but for such combination, or (x) Seller's implementation of a Buyer originated design or modification where infringement is due to such Buyer specified design or modification.

**6. PAYMENT:** Standard Terms of Payment: Payment terms net thirty (30) days from the date of the invoice. All payments shall be in United States dollars. All amounts past due shall bear interest at three percentage points (3%) above the Citibank N.A. prime rate in effect at the time. All payments to Seller under this Purchase Order shall be made in full without any withholding or deduction or right of offset whatsoever. Seller may change its credit terms and/or suspend performance hereunder when, in the opinion of Seller, Buyer's financial condition or record of payment so warrants. Buyer agrees to pay any third-party collection expenses, including attorney's fees, incurred by Seller to effect collection of any unpaid amounts.

**7. TAXES:** The prices herein stated do not include federal, state and local sales, and use taxes imposed on the Seller or to be collected by the Seller on items furnished hereunder. The Seller shall set forth all applicable taxes as separate line items on invoices to be paid by Buyer. If applicable, Buyer shall furnish the Seller with tax exemption certificates.

**8. PERFORMANCE OF WORK NOT ASSIGNABLE:** Buyer may not assign or otherwise transfer its rights or obligations hereunder without the prior written consent of Seller. No attempt to assign or transfer in violation of this provision shall be valid or binding upon Seller. Seller may subcontract work and procure component parts and materials without limitation.

**9. COMPLIANCE WITH LAWS:** Seller warrants that the items purchased under this Order shall be produced in compliance with all applicable Federal, State and local laws.

**10. APPLICABLE LAW:** The rights of the parties hereto shall be subject to and determined by the laws of the State of Maryland, and to this end this agreement shall be construed and considered as a contract made and to be performed in the State of Maryland.

**11. CHANGES:** No change, amendment, or modification of the Order or any provision of these Terms and Conditions will be valid unless set forth in a written instrument signed by both parties.

**12. FORCE MAJEURE:** Neither party shall be held responsible for any delay or failure in performance of any part of this agreement to the extent of such delay or failure is caused by fire, flood, strike, civil, governmental or military authority, acts of God, terrorism or other similar causes beyond its reasonable control. Such delay shall entitle Seller to a reasonable extension of time for performance.

**13. EXPORT SALES:** The products and or technology that Buyer obtains from Seller may be subject to the jurisdiction of U.S. export control laws and regulations, which include the Export Administration Regulation (EAR), International Traffic in Arms Regulations (ITAR) and Office of Foreign Assets Control (OFAC). The re-export or re-transfer of Seller's equipment and or technology to other countries or parties may require a U.S. export license or other approval. Buyer will not transfer the products and or technology in violation of any U.S. export control law, including by making any exports or re-exports of Seller's Equipment to the U.S. embargoed countries of North Korea, Iran, Cuba, and Syria or to other restricted destinations or parties that may be added to the restricted export list by the U.S. Government. Buyer acknowledges that the products and technology will not be used in, or for any nuclear, chemical, biological weapons or applications. In the event of an alleged breach of export controls, the Buyer shall furnish to Seller all information requested to establish compliance with U.S. export regulations. Export compliance guidelines and classification information for Seller's equipment and technology are available upon Buyer's request to Seller.

**14. FOREIGN CORRUPT PRACTICES ACT:** The U.S. Foreign Corrupt Practices Act and similar anti-corruption and anti-bribery laws in other countries generally prohibit making, promising, or offering payments or gifts to government officials to obtain or retain business or to secure any improper business advantage. Buyer will not offer or make any payments or provide anything of value to a government official to influence an official action that awards business, retains business or secures an improper business advantage in connection with the products. In the event of an alleged breach of the anti-corruption obligations, the Buyer shall cooperate in good faith with Seller to determine whether an alleged breach occurred. In such case, the Buyer shall furnish to Seller all information requested to establish compliance with the Buyer's anti-corruption obligations.

**15. INFORMATION DISCLOSED:** Unless expressly agreed to in writing by, both parties, no information or knowledge disclosed by either party in the performance of or in connection with this Order shall be deemed to be confidential or proprietary.

**16. EFFECT OF INVALIDITY:** The invalidity in whole or in part of any provision hereof shall not affect the validity of the entire agreement.

**17. NO WAIVER:** The failure of either party to enforce any provision of these terms and conditions shall not be construed as a waiver of such provision or the right thereafter to enforce each and every provision. No waiver by either party, express or implied, of any breach of these terms and conditions shall be construed as a waiver of any other breach of such term or condition.

**18. LIMITATION OF LIABILITY:** THE WARRANTY, OBLIGATIONS AND LIABILITIES OF SELLER AND THE RIGHTS AND REMEDIES OF BUYER SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, OBLIGATIONS, OR LIABILITIES EXPRESS OR IMPLIED ARISING BY LAW, IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR

OTHERWISE, INCLUDING BUT NOT LIMITED TO (i) ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, WORKMANLIKE SERVICE OR ANY WARRANTY IMPLIED THROUGH COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE OR (ii) CLAIMS ARISING OUT OF THE NEGLIGENCE OF SELLER OR SELLER'S SUPPLIERS OR (iii) ANY OTHER CLAIM ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM THE DESIGN, MANUFACTURE, SALE, OR USE OF THE PARTS, ANY COMPONENT THEREOF, AND SERVICES DELIVERED OR RENDERED HEREUNDER OR OTHERWISE.

NEITHER BUYER NOR SELLER SHALL BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES OF ANY KIND OR, WITHOUT LIMITING THE FOREGOING, FOR ANY LOST PROFITS OR ANY OTHER LOSSES OR DAMAGES FOR OR ARISING OUT OF ANY LACK OR LOSS OF USE OF THE PARTS OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE GOODS, FACILITIES, SERVICES OR DOWNTIME COSTS OR INCREASED COSTS OF ANY KIND.

In no event shall the liability of Seller arising hereunder exceed the total price of the item that gives rise to the claim.

**19. ENTIRE AGREEMENT:** These terms and conditions supersede all prior agreements, arrangements and understandings between the parties and constitutes the entire agreement between the parties relating to the subject matter hereof. Buyer warrants to Seller that it has not been induced to enter into this Purchase Order by any prior oral representation (whether innocently or negligently made) except as specifically contained herein.

**FAR Flowdowns (If Under a U.S. Government Prime Contract):**

Clause	Description
52.203-13	Contractor Code of Business Ethics and Conduct (Apr 2010) (41 U.S.C. 3509).
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards (Jul 2013)
52.219-8	Utilization of Small Business Concerns (Oct 2014)
52.222-17	Nondisplacement of Qualified Workers (May 2014)
52.222-21	Prohibition of Segregated Facilities (Apr 2015).
52.222-26	Equal Opportunity (Mar 2007)
52.222-35	Equal Opportunity for Veterans (Jul 2014)
52.222-36	Equal Opportunity for Workers with Disabilities (Jul 2014)
52.222-37	Employment Reports on Veterans (Jul 2014)
52.222-40	Notification of Employee Rights Under the National Labor Relations Act (Dec 2010)
52.222-41	Service Contract Labor Standards (May 2014)
52.222-50	Combating Trafficking in Persons (Mar 2015)
52.222-51	Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment--Requirements (May 2014)
52.222-53	Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services--Requirements (May 2014)
52.222-54	Employment Eligibility Verification (Aug 2013)
52.222-55	Minimum Wages Under Executive Order 13658 (Dec 2014)
52.225-26	Contractors Performing Private Security Functions Outside the United States (Jul 2013)
52.226-6	Promoting Excess Food Donation to Nonprofit Organizations. (May 2014)
52.247-64	Preference for Privately-Owned U.S. Flag Commercial Vessels (Feb 2006)

## **TeleCommunication Systems, Inc. Terms and Conditions for the Sale of Hardware Non-US Customers**

**1. ACCEPTANCE:** Seller's acceptance of Buyer's order is expressly conditioned on the terms and conditions contained herein. Any terms and conditions on the Buyer's Purchase Order will not be applicable. Seller's acknowledgement constitutes agreement on price, delivery schedule, payment schedule, and these terms and conditions. The Order and its terms and conditions may not be altered in any manner without a written amendment signed by authorized representatives from both parties. Buyer's acceptance of Seller's items delivered under the order is deemed acceptance of Seller's terms and conditions.

**2. DELIVERY:** The Seller agrees to deliver the items described on the face of the Order in the quantity, within the time, and at the price(s) specified therein. All products delivered to Buyer shall be packaged in accordance with standard commercial practice. The ability of TeleCommunication Systems, Inc. to deliver Hardware and equipment under this contract, will be contingent on the current US Export and Trade restrictions at the time of delivery

**3. WARRANTY:** The Seller expressly warrants that all materials and work covered by this Order: (a) shall be of good quality and workmanship and (b) shall conform to the drawings, designs, specifications, descriptions, and samples furnished to Buyer for a period of twelve (12) months after acceptance. In the event the materials and/or work are not in conformance with the foregoing warranty, the Seller shall promptly, repair or replace the defective item(s), at its option.

**4. ACCEPTANCE/TITLE:** Items purchased hereunder are considered accepted upon shipment. Title and risk of loss or damage to deliverable items shall pass to Buyer upon shipment. Items not in conformity with the requirement of this Order may, upon Seller's written authorization, be returned to Seller, at Buyer's risk and expense, for repair or replacement, at Seller's option. Alternatively, Buyer may retain the nonconforming items and shall be entitled to an equitable adjustment in the price, to be reasonably and mutually agreed to between the Parties. If items are damaged in transit back to Seller, the Seller shall promptly, upon receipt of such items, (1) notify Buyer of the damage, (2) cause prompt inspection by the carrier, and (3) furnish Buyer with a copy of the carrier's inspection report. Buyer will be responsible for pursuing claims for damage to inbound freight.

**5. INDEMNIFICATION BY SELLER:** Seller shall defend, indemnify and hold harmless Buyer and its officers and directors (each, an "Indemnified Party" and, collectively, the "Indemnified Parties") from and against any loss, damage, or liability assessed against Buyer in a final judgment by a court of competent jurisdiction or any settlement that Seller has agreed upon with such third party including reasonable costs and attorney fees, to the extent that such loss, damage or liability arises out of any specific third-party claim, suit, or allegation that a product or service provided by Seller under this Agreement specifically causes an infringement of an United States patent, trademark, copyright or other proprietary right of such third party (collectively the "IP Claim"). Seller shall be obligated to pay these costs only if Buyer (i) notifies Seller promptly in writing of any such claim; (ii) gives Seller full information and assistance in settling and/or defending the claim; and (iii) gives Seller full authority and control of the defense and/or settlement of any such claim. Seller shall not be liable for: (iv) any costs or expenses incurred by Buyer without Seller's

prior written authorization; (v) designs, instructions, specifications, data, materials, content or any other intellectual property provided by Buyer; (vi) infringement caused from use of other than the latest available version of the Seller's products or services made available to Buyer; (vii) infringement caused from unauthorized modifications to the Seller's products or services; (viii) Buyer's combination of Seller's products or services with other products or services and the infringement would have been avoided but for such combination, or (x) Seller's implementation of a Buyer originated design or modification where infringement is due to such Buyer specified design or modification.

**6. PAYMENT:** Payment terms net thirty (30) days from the date of the invoice. All payments shall be in United States dollars. All amounts past due shall bear interest at three percentage points (3%) above the Citibank N.A. prime rate in effect at the time. All payments to Seller under this Purchase Order shall be made in full without any withholding or deduction or right of offset whatsoever. Seller may change its credit terms and/or suspend performance hereunder when, in the opinion of Seller, Buyer's financial condition or record of payment so warrants. Buyer agrees to pay any third-party collection expenses, including attorney's fees, incurred by Seller to effect collection of any unpaid amounts.

**7. TAXES:** Seller's prices do not include any foreign taxes or duties of any kind, however they are assessed. Buyer is responsible for any and all of these types of costs.

**8. PERFORMANCE OF WORK NOT ASSIGNABLE:** Buyer may not assign or otherwise transfer its rights or obligations hereunder without the prior written consent of Seller. No attempt to assign or transfer in violation of this provision shall be valid or binding upon Seller. Seller may subcontract work and procure component parts and materials without limitation.

**9. COMPLIANCE WITH LAWS:** Seller warrants that the items purchased under this Order shall be produced in compliance with all applicable Federal, State and local laws of the U.S.A.

**10. APPLICABLE LAW:** This contract shall be interpreted, and the rights, duties, and obligations of the parties determined, by the laws of the State of Maryland, U.S.A. without regard to its conflict of laws provisions.

**11. CHANGES:** No change, amendment, or modification of the Order or any provision of these Terms and Conditions will be valid unless set forth in a written instrument signed by both parties.

**12. FORCE MAJEURE:** Neither party shall be held responsible for any delay or failure in performance of any part of this agreement to the extent of such delay or failure is caused by fire, flood, strike, civil, governmental or military authority, acts of God, terrorism failure of a supplier to perform which is beyond Seller's control and without the fault or negligence of Seller, or other similar causes beyond its reasonable control. Such delay shall entitle Seller to a reasonable extension of time for performance.

**13. EXPORT SALES:** The products and or technology that Buyer obtains from Seller may be subject to the jurisdiction of U.S. export control laws and regulations, which include the Export Administration Regulation (EAR), International Traffic in Arms Regulations (ITAR) and Office of Foreign Assets Control (OFAC). The re-export or re-

transfer of Seller's equipment and or technology to other countries or parties may require a U.S. export license or other approval. Buyer will not transfer the products and or technology in violation of any U.S. export control law, including by making any exports or re-exports of Seller's Equipment to the U.S. embargoed countries of North Korea, Iran, Cuba, and Syria or to other restricted destinations or parties that may be added to the restricted export list by the U.S. Government. Buyer acknowledges that the products and technology will not be used in, or for any nuclear, chemical, biological weapons or applications. In the event of an alleged breach of export controls, the Buyer shall furnish to Seller all information requested to establish compliance with U.S. export regulations. Export compliance guidelines and classification information for Seller's equipment and technology are available upon Buyer's request to Seller.

**14. FOREIGN CORRUPT PRACTICES ACT:** The U.S. Foreign Corrupt Practices Act and similar anti-corruption and anti-bribery laws in other countries generally prohibit making, promising, or offering payments or gifts to government officials to obtain or retain business or to secure any improper business advantage. Buyer will not offer or make any payments or provide anything of value to a government official to influence an official action that awards business, retains business or secures an improper business advantage in connection with the products. In the event of an alleged breach of the anti-corruption obligations, the Buyer shall cooperate in good faith with Seller to determine whether an alleged breach occurred. In such case, the Buyer shall furnish to Seller all information requested to establish compliance with the Buyer's anti-corruption obligations.

**15. ARBITRATION:** Any disputes arising out of the interpretation of execution of an Order which cannot be settled amicably between the parties shall at the request of either party be submitted to arbitration which shall be conducted in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce. The arbitration proceedings shall take place in Annapolis, Maryland, U.S.A and be executed in accordance with the laws of the State of Maryland. Results of the arbitration shall be recorded in any court having jurisdiction.

**16. INFORMATION DISCLOSED:** Unless expressly agreed to in writing by, both parties, no information or knowledge disclosed by either party in the performance of or in connection with this Order shall be deemed to be confidential or proprietary.

**17. EFFECT OF INVALIDITY:** The invalidity in whole or in part of any provision hereof shall not affect the validity of the entire agreement.

**18. NO WAIVER:** The failure of either party to enforce any provision of these terms and conditions shall not be construed as a waiver of such provision or the right thereafter to enforce each and every provision. No waiver by either party, express or implied, of any breach of these terms and conditions shall be construed as a waiver of any other breach of such term or condition.

**19. LIMITATION OF LIABILITY:** THE WARRANTY, OBLIGATIONS AND LIABILITIES OF SELLER AND THE RIGHTS AND REMEDIES OF BUYER SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, OBLIGATIONS, OR LIABILITIES EXPRESS OR IMPLIED ARISING BY LAW, IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, INCLUDING BUT NOT LIMITED TO (i) ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, WORKMANLIKE



SERVICE OR ANY WARRANTY IMPLIED THROUGH COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE OR (ii) CLAIMS ARISING OUT OF THE NEGLIGENCE OF SELLER OR SELLER'S SUPPLIERS OR (iii) ANY OTHER CLAIM ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM THE DESIGN, MANUFACTURE, SALE, OR USE OF THE PARTS, ANY COMPONENT THEREOF, AND SERVICES DELIVERED OR RENDERED HEREUNDER OR OTHERWISE.

NEITHER BUYER NOR SELLER SHALL BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES OF ANY KIND OR, WITHOUT LIMITING THE FOREGOING, FOR ANY LOST PROFITS OR ANY OTHER LOSSES OR DAMAGES FOR OR ARISING OUT OF ANY LACK OR LOSS OF USE OF THE PARTS OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE GOODS, FACILITIES, SERVICES OR DOWNTIME COSTS OR INCREASED COSTS OF ANY KIND.

In no event shall the liability of Seller arising hereunder exceed the total price of the item that gives rise to the claim.

**20. ENTIRE AGREEMENT:** These terms and conditions supersede all prior agreements, arrangements and understandings between the parties and constitutes the entire agreement between the parties relating to the subject matter hereof. Buyer warrants to Seller that it has not been induced to enter into this Purchase Order by any prior oral representation (whether innocently or negligently made) except as specifically contained herein.

**TeleCommunication Systems, Inc. Terms and Conditions for Services  
U.S. and Non-US Customers**

These general terms and conditions and those set forth in Seller's quotation ("Conditions") shall, unless otherwise agreed in writing, apply to all sales of technical personnel services and shop work by TeleCommunication Systems, Inc (Seller) to Buyer.

**1. SCOPE OF WORK:** Seller agrees to provide the Buyer with qualified technical personnel ("Personnel") to provide technical support, repair, maintenance, installation, and start-up services, including instruction, consultation and direct liaison with the Buyer, in connection with the installation, start-up, trials, operation, maintenance, repair or overhaul of Seller's equipment, or equipment supplied by another manufacturer, at the Buyer's site (the "Work") as specified in the Purchase Order and in accordance with the Conditions.

**2. WARRANTY:** Seller warrants that the Work will be performed in a competent, diligent manner and in accordance with agreed upon Performance Work Scope. Should the Work performed by the Seller be inadequate due to defective workmanship, the Seller, at its cost, will re-perform such Work, provided the defective workmanship appears within one (1) month from completion of the Work. Seller will consider only written claims under this warranty.

**3. BUYER'S RESPONSIBILITIES:** Unless otherwise agreed in writing, Buyer shall comply with the following at no cost to Seller:

(a) Technical Information

Buyer shall make available to the Personnel all technical information such as drawings, technical manuals and interface specifications regarding the equipment as are available to Buyer.

**4. PAYMENT:** Standard Terms of Payment: Payment terms net thirty (30) days from the date of the invoice. All payments shall be in United States dollars. All amounts past due shall bear interest at three percentage points (3%) above the Citibank N.A. prime rate in effect at the time. All payments to Seller under this Purchase Order shall be made in full without any withholding or deduction or right of offset whatsoever. Seller may change its credit terms and/or suspend performance hereunder when, in the opinion of Seller, Buyer's financial condition or record of payment so warrants. Buyer agrees to pay any third-party collection expenses, including attorney's fees, incurred by Seller to effect collection of any unpaid amounts.

**5. TAXES:** Any and all state and local sales, use, excise, privilege, and similar taxes imposed on Seller, or which Seller has a duty to collect, in connection with the sale, delivery, or use of any Parts will appear as separate items on the invoice. If sales to Buyer are exempt from such taxes, Buyer shall furnish to Seller a certificate of exemption.

**6. RESCHEDULING AND CANCELLATION:** All requests to reschedule or cancel the Work are subject to the written consent of Seller. For rescheduled or cancelled Work, Buyer shall reimburse the Seller for any time and travel and living expenses incurred as a result of the rescheduling or cancellation.

**7. EXCUSABLE DELAY:** Seller shall not be liable for any delay in performance caused by circumstances beyond its reasonable control or which would cause Seller to incur unreasonable expense to avoid, including, but not limited to, acts of God, accidents, strikes, fire, government controls, inability or delays in obtaining suitable labor or material for the services to be performed, illness or injury to the Personnel, actions or inactions of Buyer personnel, and completion of prior commitments of assigned Personnel. In the event of such a delay, Seller shall be entitled to a reasonable extension of time for performance. When delays in the Work are caused by Buyer, the Seller shall be reimbursed for the time and expenses caused by such delay.

**8. LIMITATION OF LIABILITY:** THE WARRANTY, OBLIGATIONS AND LIABILITIES OF SELLER AND THE RIGHTS AND REMEDIES OF BUYER SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, OBLIGATIONS, OR LIABILITIES EXPRESS OR IMPLIED ARISING BY LAW, IN CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, INCLUDING BUT NOT LIMITED TO (i) **ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, WORKMANLIKE SERVICE OR ANY WARRANTY IMPLIED THROUGH COURSE OF PERFORMANCE, COURSE OF DEALING, OR USAGE OF TRADE** OR (ii) CLAIMS ARISING OUT OF THE NEGLIGENCE OF SELLER OR SELLER'S SUPPLIERS OR (iii) ANY OTHER CLAIM ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM THE SERVICES RENDERED HEREUNDER OR OTHERWISE.

NEITHER BUYER NOR SELLER SHALL BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES OF ANY KIND OR, WITHOUT LIMITING THE FOREGOING, FOR ANY LOST PROFITS OR ANY OTHER LOSSES OR DAMAGES FOR OR ARISING OUT OF ANY LACK OR LOSS OF USE OF THE PARTS OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE GOODS, FACILITIES, SERVICES OR DOWNTIME COSTS OR INCREASED COSTS OF ANY KIND.

Seller shall not be liable for any work carried out by the Buyer or by any third party, even though carried out with assistance of Seller's Personnel. The Buyer carries the risk for its tools (including proper calibration), or other equipment or materials used in connection with the Work, even if the equipment or goods are provided by the Seller under a separate contract and warranty.

In no event shall the liability of Seller arising hereunder exceed the twenty percent (20%) of the total price of the Purchase Order that gives rise to the claim.

**9. INSURANCE:** The Seller and the Buyer shall at their own cost provide for and maintain comprehensive insurance coverage to protect their own property and personnel.

**10. NO WAIVER:** The failure of either party to enforce any provision of these terms and conditions shall not be construed as a waiver of such provision or the right thereafter to enforce each and every provision. No waiver by either party, express or implied, of any breach of these terms and conditions shall be construed as a waiver of any other breach of such term or condition.

**11. SALE OF HARDWARE:** The sale of any spare parts purchased from Seller by Buyer for use in connection with the Work shall be subject to Seller's General Terms and Conditions for Sale of Hardware and those set forth in Seller's quotation.

**12. ASSIGNMENT AND SUB-CONTRACTING:** Buyer may not assign or otherwise transfer its rights or obligations hereunder without the prior written consent of Seller. No attempt to assign or transfer in violation of this provision shall be valid or binding upon Seller. Seller may sub-contract all or any part of its obligations hereunder to a competent third party and may assign this Purchase Order to an affiliate at any time or to a non-affiliate as part of the sale of Seller's business.

**13. GOVERNING LAW:** The Purchase Order and these Conditions shall be governed by and interpreted in accordance with the laws of the State of Maryland, excluding its conflict of law rules.

**14. SEVERABILITY:** If any provision of this Purchase Order is held by any competent authority to be invalid or unenforceable in whole or in part, the validity of the other provisions of this Purchase Order and the remainder of the provisions in question shall not be affected and shall be enforced to the fullest extent permitted by law.

**15. CONFIDENTIALITY; OWNERSHIP OF INFORMATION:** All drawings, specifications, data, memoranda, calculations, notes and other material or documents created under, arising out of, or furnished under this Purchase Order are the property and copyright of the creating or furnishing party and shall unless otherwise provided in this Purchase Order, be delivered to the creating or furnishing party at the completion or termination of this Agreement.

All rights of title to copyright and ownership in any reports, drawings, specifications, calculations and other documents or materials developed by Seller outside this Purchase Order shall remain solely with Seller.

Each party shall take reasonable security precautions, at least as great as the precautions it takes to protect its own confidential information, but no less than reasonable care, to keep confidential all information obtained from the other pursuant to this Purchase Order which is marked "confidential" or the equivalent or is delivered in circumstances of confidence.

Notwithstanding the foregoing, Buyer shall have the right to use information supplied by Seller for the operation, repair and maintenance by itself or its agents of equipment for which it is provided. Duplication or use of these manuals by Buyer for any other purpose, or duplication or use by any third party, is prohibited without written authorization from Seller.

Seller's drawings, specifications and other material or documents shall not be used by Buyer or others on other work, for additions to the work, or for completion of the work by others, unless by agreement in writing and with appropriate compensation to Seller.

**16. ANTI-CORRUPTION OBLIGATIONS:** The U.S. Foreign Corrupt Practices Act and similar anti-corruption and anti-bribery laws in other countries generally prohibit making, promising, or offering payments or gifts to government officials to obtain or retain business or to secure any improper business advantage. Buyer will not offer or make any

payments or provide anything of value to a government official to influence an official action that awards business, retains business or secures an improper business advantage in connection with the products. In the event of an alleged breach of the anti-corruption obligations, the Buyer shall cooperate in good faith with Seller to determine whether an alleged breach occurred. In such case, the Buyer shall furnish to Seller all information requested to establish compliance with the Buyer's anti-corruption obligations.

**17. EXPORT CONTROLS:** The products and or technology that Buyer obtains from Seller may be subject to the jurisdiction of U.S. export control laws and regulations, which include the Export Administration Regulation (EAR), International Traffic in Arms Regulations (ITAR) and Office of Foreign Assets Control (OFAC). The re-export or re-transfer of Seller's equipment and or technology to other countries or parties may require a U.S. export license or other approval. Buyer will not transfer the products and or technology in violation of any U.S. export control law, including by making any exports or re-exports of Seller's Equipment to the U.S. embargoed countries of North Korea, Iran, Cuba, and Syria or to other restricted destinations or parties that may be added to the restricted export list by the U.S. Government. Buyer acknowledges that the products and technology will not be used in, or for any nuclear, chemical, biological weapons or applications. In the event of an alleged breach of export controls, the Buyer shall furnish to Seller all information requested to establish compliance with U.S. export regulations. Export compliance guidelines and classification information for Seller's equipment and technology are available upon Buyer's request to Seller.

**18. ENTIRE AGREEMENT:** This Purchase Order supersedes all prior agreements, arrangements and understandings between the parties and constitutes the entire agreement between the parties relating to the subject matter hereof. Buyer warrants to Seller that it has not been induced to enter into this Purchase Order by any prior oral representation (whether innocently or negligently made) except as specifically contained herein.

The following FAR clauses apply to purchase orders issued under a US Government Prime Contract:

Clause	Description
52.203-13	Contractor Code of Business Ethics and Conduct (Apr 2010) (41 U.S.C. 3509).
52.204-10	Reporting Executive Compensation and First-Tier Subcontract Awards (Jul 2013)
52.219-8	Utilization of Small Business Concerns (Oct 2014)
52.222-17	Nondisplacement of Qualified Workers (May 2014)
52.222-21	Prohibition of Segregated Facilities (Apr 2015).
52.222-26	Equal Opportunity (Mar 2007)
52.222-35	Equal Opportunity for Veterans (Jul 2014)
52.222-36	Equal Opportunity for Workers with Disabilities (Jul 2014)
52.222-37	Employment Reports on Veterans (Jul 2014)
52.222-40	Notification of Employee Rights Under the National Labor Relations Act (Dec 2010)
52.222-41	Service Contract Labor Standards (May 2014)
52.222-50	Combating Trafficking in Persons (Mar 2015)
52.222-51	Exemption from Application of the Service Contract Labor Standards to Contracts for Maintenance, Calibration, or Repair of Certain Equipment--Requirements (May 2014)
52.222-53	Exemption from Application of the Service Contract Labor Standards to Contracts for Certain Services--Requirements (May 2014)
52.222-54	Employment Eligibility Verification (Aug 2013)
52.222-55	Minimum Wages Under Executive Order 13658 (Dec 2014)
52.225-26	Contractors Performing Private Security Functions Outside the United States (Jul 2013)
52.226-6	Promoting Excess Food Donation to Nonprofit Organizations. (May 2014)
52.247-64	Preference for Privately-Owned U.S. Flag Commercial Vessels (Feb 2006)