MASTER TERMS AND CONDITIONS OF SALE (SUPPLIER-PROVIDED GOODS)

CAREFULLY READ THE FOLLOWING LEGAL AGREEMENT BETWEEN YOUR COMPANY ("You" or "Your") AND UNITED ELECTRONIC INDUSTRIES, INC. ("UEI"). By shipping any of your products (each a "Product") described in any UEI purchase order, you are agreeing that these Master Terms and Conditions of Sale (the "Agreement") shall be the only terms and conditions applicable to all orders UEI submits to you. UEI's purchase orders can be accepted only on these terms and conditions. If you do not agree to the terms of this Agreement, you shall not proceed with shipping any Products, or if you have already shipped the Products, issue a refund of the fees paid by UEI for the Products. UEI shall not be bound by any additional, inconsistent and/or conflicting provisions in any purchase order, release, acceptance or other written correspondence from you unless expressly agreed to in writing by UEI. Orders for Products shall each be deemed separate contracts for the purpose of these terms and conditions.

1. <u>Order Acceptance</u>. All orders shall be subject to acceptance by you. Such acceptance shall be deemed to occur if you (a) you confirm acceptance of such order in writing; (b) fail to reject UEI's purchase order within five (5) days of receipt or (c) you ship the Products.

2. <u>Prices</u>. Unless mutually agreed otherwise by the parties, the price of the Products shall be that set forth in UEI's purchase order in effect at the time you accept UEI's order. All prices are in U.S. dollars. Prices do not include freight, insurance or other similar charges. Any such charges will be added to the price or separately invoiced to UEI. Throughout the term of this Agreement, you warrant to UEI that the prices set forth in this Agreement, in conjunction with the discounts offered herein for any similar item or equivalent service, reflect your lowest price charged any of your customer for that Product regardless of any special terms, conditions, rebates or allowances of any nature. If you sell any similar Product to any other customer at a price lower than the price set forth in this Agreement, you shall adjust UEI's price to achieve and maintain the lower price for all future invoices for such Product. In addition, UEI may adjust the prices for any Product invoiced by you and unpaid by UEI to achieve the lower price. In the event you offer a lower price for any similar Product either as a general price drop or to specific customer(s) for any reason, you shall immediately notify UEI of price change(s) and adjust UEI's price to meet the new pricing structure.

3. Shipment of Products. You agree that timely delivery of conforming Products, in full quantities specified in UEI's purchase order, is of the essence to UEI. As such, You agree to exert every reasonable effort, including overtime and premium shipment at your expense, to meet the promised delivery date, provided, that failure to achieve timely delivery, despite use of such efforts, shall not relieve you of liability for failure to meet the designated delivery date. You agree to notify UEI immediately if at any time it appears that the delivery schedule set forth in a purchase order may not be met. Such notification shall include the reasons for possible delays, steps being taken to remedy such problems and a proposed new delivery date.

4. <u>Delivery Terms</u>. Delivery of Products shall be EX WORKS destination. Unless expressly stated otherwise in the purchase order, you may, in your reasonable discretion, select which carrier you will use to transport the Products to UEI via the most cost effective carrier based upon UEI's required delivery date. UEI may revise shipping instructions as to any unshipped Products upon written notice to you. You shall maintain insurance against loss or damage in transit to the delivery destination, and UEI shall not be required to assert any claims against common carriers for any such loss or damage. Title to the Products and the risk of loss of or damage to the Products ordered by UEI will pass to UEI upon UEI's receipt of the applicable Products.

5. <u>Packaging Requirements</u>. You shall pack and ship all Products in compliance with the instructions set forth on UEI's drawings for such Products and all applicable transportation regulations, good commercial practice and in a manner adequate to ensure the safe arrival of the Products to the named destination. You shall mark all containers with necessary lifting, handling, unpacking and shipping information, UEI purchase order number, and an itemized packaging list for all contents contained in the applicable package.

6. Acceptance of Products. UEI shall advise you as soon as commercially practicable if a Product fails to substantially conform with the applicable specifications for such Product (whether such specifications are mutually agreed to by the parties in writing or, in the alternative, are your standard end user documentation for such Product) (the "Product Acceptance Criteria"). If UEI determines, in good faith, that a Product fails to substantially conform with the Product Acceptance Criteria, then UEI agrees to provide you with written notice thereof and such notice shall include a reasonably detailed description of the nature of the problem. You will correct the problem as soon as commercially practicable and promptly notify UEI when the problem has been corrected and UEI shall advise you as soon as commercially practicable whether the Product now substantially conforms with the Product Acceptance Criteria. The parties shall continue this process until such time that UEI accepts the Product in accordance with this Section. UEI shall be deemed to accept a Product only if it (a) confirms in writing its acceptance of such Product or (b) fails to notify you of a problem with such Product within sixty (60) days of receipt of the same. Notwithstanding the foregoing, if, due to no fault of UEI, a Product does not pass Product Acceptance Criteria within one hundred twenty (120) days of delivery, UEI may give written notice to you of failure to meet such acceptance criteria on time. If the Product does not meet the Product Acceptance Criteria within fourteen (14) days of such notice, UEI may, at UEI's option; (a) return the Product to you (at your expense) for full credit or (b) have the Product replaced with a new Product within one hundred twenty (120) days of UEI's written election of such option. Acceptance by UEI shall in no event apply to latent defects and/or constitute a waiver of UEI's rights and remedies with regard to any subsequently discovered defect or nonconformity. Printed Circuit Board (PCB) suppliers: UEI will have one hundred and twenty days (120) to accept and test any printed circuit board products. In the event UEI finds any PCB defects, and is able to prove that the source of the defect is the PCB, you will be responsible for reimbursing UEI the cost of the PCB, raw materials, assembly costs and test/ calibration costs for these defective products.

7. <u>License</u>. You hereby grant and agree to grant to UEI a royalty-free, irrevocable, worldwide, fully paid-up license to practice all applicable patent, copyright, moral right, mask work, trade secret and other intellectual property rights embodied in any Products. UEI shall also be entitled to license UEI's customers to use all such intellectual property rights during the operation of UEI's products. UEI agrees that it will not attempt to decompile, reverse engineer or disassemble, the Products, in whole or in part.

8. Limited Warranty on Products. You warrant to UEI that each Product will (a) perform without Product Defects (as defined below); (b) be free from defects in material and workmanship; and (c) be new, of the grade and quality specified. You further warrant that the Products will not infringe any third party's intellectual property rights. If a Product has a Product Defect and UEI reports such Product Defect to you prior to the expiration of the warranty period, then you shall, repair (which may include a workaround for the Product Defect) or replace the Product or, in the event you determine in your good faith that neither of the foregoing are commercially feasible, refund the fees paid by UEI for such Product. Seller shall perform required repairs until such time as the Product meets Product Acceptance Criteria. "Product Defect," as used in this Agreement, means a failure of a Product to operate in conformance with the Product Acceptance Criteria. All of the warranties

set forth in this Agreement, and all rights associated therewith, shall survive any delivery, inspection, acceptance, payment, relocation, resale, lease, or other transfer or reuse of the Products for the duration of the applicable warranty.

9. Exceptions and Exclusions. The warranties set forth in Section 8 exclude any coverage for Products that are defective because of: (a) any use not in material conformance with the user manual and/or any accident, disaster, abuse, misuse, negligence, transportation damage, alteration, or repairs or activities caused by any party other than you; (b) failure of an Product caused by a product which you did not recommend, provide or otherwise authorize in Product Acceptance Criteria or applicable end user documentation or for which you are not responsible under this Agreement; provided, however, in no event shall you be responsible for the proper operation, use and/or failure of a recommended product itself; or (c) failure to provide a suitable installation or operating environment, as such environment is set forth in the applicable Purchase Specification. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, NEITHER PARTY MAKES ANY OTHER WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, REGARDING THE PRODUCTS. ALL IMPLIED WARRANTIES AS TO SATISFACTORY QUALITY, PERFORMANCE, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS ARE EXPRESSLY DISCLAIMED.

10. <u>Return Procedures</u>. Products shall be non-returnable except as expressly provided in this Agreement. If returnable, UEI shall obtain a return material authorization ("RMA") from you prior to any return of a Product. UEI shall return the Products with the RMA form to your designated repair facility, with a written statement describing the Product Defect or other non-conformity. You will be responsible for all shipping costs (which shall include payment by UEI of all duties, taxes and customs clearance) of repaired or replacement units of Product to UEI and will bear the risk of loss of such Products while in transit and any other costs reasonably associated with the non-conforming Product, such as, the cost to de-install the Product. Replacement Products will be warranted for the remaining warranty period of the original Product. Products returned to you may be repaired or replacement of such Product authorized by UEI shall be deemed a Service and only subject to the Services terms and conditions set forth in this Agreement.

11. <u>Payment Terms</u>. UEI shall pay all invoices issued under this Agreement within sixty (60) days from date of invoice. UEI may at any time set off any amount owed by UEI to you against any amount owed by you or any of your affiliated companies to UEI. If UEI is entitled to discount on fees owed based and such discount will be calculated from (i) the scheduled delivery date; (ii) the date of actual delivery or (iii) the date an acceptable invoice is received, whichever is the latest. For purposes of earning such advance payment discount, payment shall be deemed to be made on the date of mailing of UEI's check.

12. <u>Taxes</u>. All prices under this Agreement shall include all applicable taxes, including but not limited to sales/use taxes, transaction privilege taxes, gross receipts taxes, and other charges such as duties, customs, tariffs, imposts, and government imposed surcharges shall be stated separately on your invoice. You shall remit all such charges to the appropriate tax authority unless UEI provides sufficient proof of tax exemption. If any applicable law requires UEI to withhold amounts from any payments to you under this Agreement, (i) UEI shall effect such withholding, remit such amounts to the appropriate taxing authorities; and (ii) the sum payable by UEI upon which the deduction or withholding is based shall be reduced by an amount equal to the amounts so withheld.

13. <u>Rescheduling of Orders</u>. Prior to shipment by you, UEI may request a change in the shipment date for Products under an order by submitting a written reschedule request to you at no charge to UEI.

14. <u>Cancellation of Standard Products</u>. UEI may, at no charge and for any reason, cancel an order or portion thereof, for standard Products, upon written notice to you. Upon your receipt of such notice, you shall, unless otherwise specified in such notice, immediately stop all work hereunder, give prompt written notice to and cause all of your vendors or subcontractors to cease all related work and, at the request of UEI. Except in the case of a Product or Custom Product (as defined below) includes UEI intellectual property, you shall, wherever possible, place such products in process in your inventory and sell it to other customers.

15. <u>Cancellation of Customized Products</u>. Notwithstanding anything to the contrary in Section 14, if the order is for Products which are custom engineered, non-standard or customer-specified (each a "Custom Product"), then the cancellation charge shall be equal to the fees and expenses you actually incur in reliance on such order, where the applicable Products or parts for which you have paid cannot be diverted to your other customers. If the Custom Product includes UEI intellectual property, the parties shall mutually determine if the Custom Product can be modified, disassembled, or otherwise rendered so as to remove UEI's intellectual property in a commercially reasonable manner. If removal of UEI's intellectual property is determined to be commercially reasonable, you shall perform such removal and place the remaining work in process in your inventory for sale to your other customers. All portions of a Custom Product embodying UEI's intellectual property shall be provided to UEI and the parties shall mutually agree on compensation to be paid to you for such portions.

16. Payment of Cancellation Charges. Any claim for cancellation charges much be submitted to UEI in writing (where such writing includes reasonable documentation supporting the fees and expenses you seek recovery of along with a summary of all mitigation efforts) within fifteen (15) days after receipt of UEI's cancellation notice. You acknowledge and agree the cancellation charge shall be your sole and exclusive remedy with respect to any cancelled purchase order. Upon payment of the applicable cancellation fee, UEI shall (at its option) be entitled to all work in progress and materials for which the cancellation charge applies. Notwithstanding anything to the contrary, you shall not be compensated in any way for any work done after receipt of UEI's cancellation notice, nor for any costs incurred by your vendors or subcontractors after you receive such notice, nor for any costs you could reasonably have avoided, nor for any of your indirect overhead and administrative charges or profit. In no event shall such claim exceed the original purchase price of the Product.

17. <u>Discontinuation of Product</u>. You will notify UEI in writing of the planned obsolescence of any Product or Product revision and will make that Product available to UEI for a minimum of one (1) year after the notice. During that time, UEI will have the option to place a final order for such Product for delivery after the notice. UEI may return unused, obsolete Products within one-hundred eighty (180) days after written notification of revision or obsolescence, at no cost. You shall credit UEI the full purchase price within thirty (30) days of receipt of the returned Products. If any warranty return claim is made for such discontinued Products, then such claims will be subject to the same warranty obligations for non-discontinued Products.

18. <u>Right to Sell Products</u>. You warrant that you have the necessary right, title, and interest to provide the Products to UEI free of liens and encumbrances and otherwise in accordance with this Agreement, including without limitation, free from liability of royalties, mechanics' liens or other encumbrances. You further warrant that no law, rule or ordinance of the United

States, a state or any other governmental agency has been or will be violated in supplying the Products ordered under this Agreement

19. <u>Hazardous Materials</u>. If Products provided hereunder include hazardous materials, you represent and warrant that you shall provide written notice to UEI, where such notice contains sufficient details to ensure UEI understands the nature of and hazards associated with the handling, transportation, and use of such hazardous materials.

20. <u>Ownership of UEI-Supplied Materials</u>. Any specifications, drawings, schematics, technical information, data, tools, dies, patterns, masks, gauges, test Product and other materials furnished to you by UEI shall (i) remain or become UEI's property, (ii) be used by you exclusively for UEI's orders, (iii) be clearly marked as UEI's property, (iv) be segregated when not in use, (v) be kept in good working condition at your expense, and (vi) be shipped to UEI promptly on UEI's demand or upon termination or expiration of this Agreement, whichever occurs first. You will treat any such property furnished by UEI to you that is marked or otherwise noted by UEI as being confidential information in accordance with this Agreement. You shall be liable for any loss of, or damage to, UEI's property while in your possession or control, ordinary wear and tear excepted.

21. <u>Ownership of Products</u>. Except with respect to title to the tangible Products and any UEI intellectual property embodied therein, you shall retain all rights, title and interest in the Products, including all intellectual property embodied therein. Products purchased hereunder with UEI's specifications or drawings shall not be quoted for sale to third parties without UEI's prior written consent.

22. Confidentiality Obligations. Each party may be exposed to certain information concerning the other party's products and/or services which are confidential and proprietary information of such party (herein "Confidential Information"). Each party agrees to exercise at least reasonable care with respect to the other party's Confidential Information. Each party agrees not to disclose to any third party any Confidential Information of the other party. You further agree not to use UEI's Confidential Information for any purpose not specified in this Agreement. The obligations of the parties hereunder shall not apply to any materials or information which the receiving party can demonstrate, through documented evidence: (i) is now, or hereafter becomes, through no act or failure to act on the part of the receiving party, generally known or available; (ii) is known by the receiving party at the time of receiving such information as evidenced by its records; (iii) is hereafter furnished to the receiving party by a third party, as a matter of right and without restriction on disclosure; (iv) is independently developed by the receiving party without use of any of the other party's Confidential Information; or (v) is the subject of a written permission to disclose provided by the disclosing party. Disclosures of Confidential Information shall not be precluded if such disclosure is (a) in response to a valid order of a court or other governmental body of the United States or any political subdivision thereof; provided, however, that the responding party shall first have given notice to the other party hereto in order that such other party may obtain a protective order requiring that the Confidential Information so disclosed be used only for which the order was issued and the responding party uses reasonable efforts to have such information be treated as confidential and under seal; (b) is otherwise required by law; or (c) is otherwise necessary to establish rights or enforce obligations under this Agreement, but only to the extent that any such disclosure is necessary.

23. Indemnity Obligations.

23.1 <u>Your Indemnification Obligations</u>. You shall indemnify and hold UEI harmless from any and all costs, expenses (including reasonable attorneys' fees), losses, damages or liabilities actually incurred in any suit or proceeding brought against UEI or its customers by a third

party insofar as such suit or proceeding is based on (i) a claim that any Product infringes on any patent, copyright, trademark, maskwork or other intellectual property right of a third

party or that you misappropriated any third-party trade secrets in the development thereof; (ii) a claim, which if true, would constitute a breach of Section 18; (iii) resulting in the death or bodily injury to any person, destruction or damage to any property, (iv) contamination of or adverse effects on the environment and any clean up costs in connection therewith; or (v) any violation of governmental law, regulation, or orders, to the extent that a claim covered by sub-sections (i), (ii) and/or (iii) results from (a) your breach of any term or provision of this Agreement, or (b) dangerously defective Products.

23.2 <u>Additional Obligations</u>. If an injunction issues as a result of any claim or action, you agree, at its sole cost and expense, either: (i) procure for UEI the right to continue using Products; (ii) replace the Products with non-infringing Products; or (iii) modify the Products so they become non-infringing. If, you determine that the foregoing are neither commercially practicable or feasible, UEI may at its option return the Product at your sole cost and expense, and you shall refund to UEI the purchase price of the Product.

23.3 <u>Exceptions</u>. Your obligations pursuant to this Section 23.1 shall not apply where: (i) Custom Items are manufactured to UEI's detailed design and such design is the cause of the claim; or (ii) there is an addition to or modification of the Products by any party other than you after delivery of such Product to UEI, where such addition or modification is the cause of the claim.

23.4 <u>UEI's Indemnification Obligations</u>. UEI shall indemnify and hold you harmless from any and all costs, expenses (including reasonable attorneys' fees), losses, damages or liabilities actually incurred in any suit or proceeding brought against you by a third party insofar as such suit or proceeding is based on a claim that (i) your compliance with or use of any designs, specifications and/or intellectual property UEI provides to you under this agreement; and (ii) items produced utilizing the Products furnished to you under this Agreement.

23.5 <u>Procedural Requirements</u>. Each party's indemnification obligations under this Section 23 shall be subject to the indemnitee: (i) promptly informing the indemnitor of such suit or proceeding, and furnishing to the indemnitor a copy of each communication, notice or other action relating thereto; (ii) giving the indemnitor the sole to control the defense of any such claim; (iii) giving the indemnitor's expense; and (iv) not settling, or agreeing to settle, any such suit or proceeding without the prior written consent of the indemnitor.

23.6 <u>Remedies</u>. The obligations set forth in this Section 23 state each party's sole and exclusive remedies, as an indemnitee, and each party's sole and exclusive liabilities, as an indemnitor, with respect to those the third party claims expressly set forth in this Section 23.

24. Limitation of Liability. Except in connection with a breach of Section 22 or fulfilling a party's obligations arising under Section 23, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR EXEMPLARY DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO ANY LOST PROFITS AND LOST SAVINGS, HOWEVER CAUSED, WHETHER FOR BREACH OF CONTRACT, TORT, NEGLIGENCE, OR OTHERWISE, WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES. UE'S TOTAL LIABILITY TO YOU ARISING FROM OR IN RELATION TO THIS AGREEMENT SHALL BE LIMITED TO THE TOTAL AMOUNTS PAID BY UEI TO YOU UNDER THIS AGREEMENT.

25. <u>Term and Termination</u>. The term of this Agreement shall continue unless terminated in accordance with this Section. Either party may terminate this Agreement at any time upon (i) the other party's bankruptcy, insolvency or receivership; or (ii) any material default by the other party of this Agreement not cured within thirty (30) days after such party receives written notice thereof.

26. <u>Obligations Upon Termination</u>. Upon any expiration or termination of this Agreement, the following shall apply: (i) each party shall, within five (5) days, deliver to the other party all of that other party's Confidential Information and copies thereof in its possession, power, custody or control, or at the other party's option, destroy such and provide a certificate supporting such destruction. Notwithstanding the above, each party shall be permitted to retain a limited number of copies of the other party's Confidential Information as reasonably necessary to allow the other party to exercise or fulfill its rights set forth in this Section 25; (ii) UEI shall be entitled to (a) cancel all or part of any orders received from UEI after notice, but prior to the effective date of termination; (b) cancel the shipment of any Products ordered by UEI that have not yet been shipped at the time of such notice; and/or (c) require your performance of any outstanding the fact that delivery dates for such orders may extend beyond the effective date of termination; and (iii) any and all payment obligations, will immediately become due in accordance with the original payment terms set forth in this Agreement.

Sections 21, 22, 23, 24, 25, 26 and 27 shall survive any termination of this Agreement.

27. General Provisions.

27.1 <u>Import/Export Compliance</u>. You agree to comply strictly and fully with all import and export controls and regulations imposed on the Products by the US and any country or organization or nations within whose jurisdiction you operate or do business.

27.2 <u>Independent Contractor</u>. You are and at all times shall be an independent contractor in all matters relating to this Agreement. You shall not enter into any agreement, contract or arrangement with any government or government representative or with any other person, firm, corporation, entity or enterprise imposing any legal obligation or liability of any kind on UEI.

27.3 <u>Assignment</u>. You shall not assign this Agreement or transfer any of the rights or obligations arising under this Agreement without the prior written consent of UEI. This Agreement shall be binding upon, and inure to the benefit of, the successors and permitted assigns of the parties.

27.4 <u>Publicity</u>. You shall not make any public announcements related to the sale of the Products to UEI, without the prior written approval of UEI.

27.6 <u>Governing Law: Dispute Resolution</u>. This Agreement will be governed by the construed according to the laws of California, without regard to that body of law controlling conflicts of law. The parties agree that the United Nations Convention on Contracts for the International Sales of Goods is specifically excluded from application to this Agreement. Except as expressly agreed to otherwise by the parties in writing, in the event of any dispute or claim arising out of this Agreement, the parties hereby submit to the jurisdiction of the federal and state courts located in Boston, Massachusetts.

27.5 <u>Notices</u>. All notices or reports permitted or required under this Agreement shall be in writing and shall be delivered by personal delivery, telegram, telex, telecopier, facsimile transmission, or by certified or registered mail, return receipt requested, and shall be

deemed given upon personal delivery, five (5) days after deposit in the mail, or upon acknowledgment of receipt of electronic transmission. Notices to UEI shall be sent to: UNITED ELECTRONIC INDUSTRIES, Inc. 27 Renmar Avenue, Walpole, MA 02081, Attention: General Counsel, Fax: (781) 821-2891. Notices to you shall be sent to the "remit payment to" address set forth in your order confirmation. Either party may change its address by giving written notice of such change in the manner provided.

27.6 <u>Waiver</u>; Severability. No waiver will be implied from conduct or failure to enforce rights, and no waiver will be effective unless in writing signed on behalf of the party against whom the waiver is asserted. If any part of this Agreement is found invalid or unenforceable that part will be enforced to the maximum extent permitted by law and the remainder of this Agreement will remain in full force.

27.7 <u>Force Majeure</u>. Neither party shall be responsible for its failure to perform due to causes beyond its reasonable control such as acts of God, fire, theft, war, riot, embargoes or acts of civil or military authorities. If delivery of Products is to be delayed by such contingencies, you shall immediately notify UEI in writing. If the delay is greater than thirty (30) days from the date of the notice, UEI will have the option, in its sole discretion, to either (i) extend time of delivery or performance, or (ii) terminate the uncompleted portion of the order at no cost of any nature to UEI.

27.8 <u>Entire Agreement</u>. This Agreement represents the entire agreement between the parties relating to its subject matter and supersedes all prior or contemporaneous representations, discussions and agreements, whether written or oral. This Agreement may be amended or supplemented only by a writing that refers explicitly to this Agreement and that is signed on behalf of both parties.