

APTIS INC STANDARD TERMS AND CONDITIONS OF PURCHASE

(Form F2015-1)

1. DEFINITIONS As used herein, "Buyer," means Apttis, Inc. (Apttis), "Seller" means the party identified on the face of this Order, "Subcontract" means either purchase order or subcontract, "Supplies" means all articles, materials, work or services to be furnished by Seller. "Buyer's Authorized Representative" means person or persons authorized by Buyer to alter, modify, or change the provisions of this Order.

2. ACCEPTANCE This Order becomes the exclusive agreement between the parties for the Supplies, subject to the terms and conditions herein. Any of the following shall constitute Seller's unqualified acceptance of this Order: (a) acknowledgment of this Order, (b) commencement of performance, (c) furnishing any Supplies, or (d) acceptance of any payment for the Supplies. Additional or different terms or conditions proposed by Seller shall be void and of no effect unless accepted in writing by Buyer. No change in, modification of, or revision to, this Order shall be valid unless in writing and signed by Buyer's authorized representative. Any terms and conditions proposed by Seller in acknowledging or accepting Buyer's offer which are different from or in addition to the terms set forth in this purchase order shall not be binding upon Buyer and shall be void and of no effect, except to the extent expressly accepted in writing by Buyer's authorized procurement representative(s). Seller acknowledges that it has in its possession all applicable specifications, drawings and documents (including, without limitation, statements of work) necessary to perform its obligations under this purchase order at the price and schedule stated on this purchase order or its attachments. All such documentation shall be deemed to be a part of this purchase order.

3. PRICES, TAXES AND NEW MATERIALS Seller warrants each price for Supplies sold to Buyer under this Order is no less favorable than that extended during the term of this Order to any other customer for the same or like Supplies in equal or less quantities on similar terms and conditions. Unless otherwise provided on the face of this Order, prices appearing herein include all packaging, crating and federal, state, local taxes. Seller further warrants that none of the Supplies furnished are government or commercial surplus, used, remanufactured or reconditioned or of such age or so deteriorated as to impair the usefulness or safety thereof, unless otherwise stated on the face of this Order.

4. WARRANTY Seller warrants all Supplies will be free from defects in material and workmanship, conform to applicable specifications, drawings, samples and descriptions or other requirements of this Order, be fit for its intended use, and will not violate nor infringe upon any patent, copyright, trade secret or other property right of any other person and, unless of Buyer's detailed design, be free from design defects. If there is a breach of warranty, Buyer may return such Supplies, at Seller's expense, for correction, replacement or credit as Buyer may direct. If Buyer is purchasing for resale, Seller's warranty period will begin upon acceptance by Buyer's Client and Buyer's Client may return defective Supplies directly to Seller. Seller will indemnify and hold Buyer harmless from and against any loss, cost, liability and expense (including counsel fees) arising out of any breach or claimed breach of this warranty.

5. PACKING AND SHIPMENT

Time is of the essence of this Order.

(a) Unless otherwise specified, all packing and packaging shall comply with good commercial practice and applicable carriers' tariffs. Supplies shall be prepared for shipment and packed to prevent damage or deterioration and to give optimum protection during shipment and in-plant handling and storage. The packaging, labeling and shipping of all HAZARDOUS SUBSTANCES, including DANGEROUS MATERIALS, must conform with all applicable international, federal, and state laws and regulations. The price includes all charges for packing and packaging and for transportation to the F.O.B. point.

(b) If the terms of this Order require delivery F.O.B. source, Seller must at such place: (i) bear the expense and risk of putting the Supplies into the possession of carrier, and (ii) at its risk and expense, load Supplies on board.

(c) If the terms of this Order require delivery F.O.B. destination, Seller must at its own expense and risk, transport the Supplies to such place and tender delivery to Buyer.

6. RESPONSIBILITY FOR PROPERTY Unless otherwise specified, Seller shall be liable for any loss, destruction, or damage to Buyer or Government property furnished to Seller and shall be responsible for returning any such property in as good condition as when received except for reasonable wear and tear or for the utilization of it in accordance with the provisions of this Order. Seller's prices shall not include damage insurance premiums on property of the Government or Buyer. Buyer's title thereto shall not be affected by the incorporation of, or attachment to, any property not owned by Buyer or the Government, nor shall any such property, or any part thereof, be or become a fixture or lose its identity as personality by reason of affixation to any realty. Buyer shall have the right to enter Seller's premises at all reasonable times to inspect property and Seller's records with respect thereto.

7. INSPECTION All materials and supplies shall be received subject to Buyer's inspection and rejection. Defective material will be held at Seller's risk and Buyer, at its option and without waiving any rights it may have against Seller, may (i) require Seller to repair or replace at its own expense any item which fails to meet the requirements of this Order; (ii) require Seller to refund the price of any such item; or (iii) elect to retain and repair any such items with an appropriate reduction from the price otherwise due Seller. Neither final inspection, payment nor any limitations in the warranty clause relieve Seller from responsibility for the correction or replacement of defective items.

8. TERMINATION Buyer reserves the right to terminate this Order in whole or in part for default: (i) if Seller fails to perform in accordance with any of the requirements of this Order or to make progress so as to endanger performance hereunder, or (ii) if Seller becomes insolvent or suspends any of its operations or if any petition is filed or proceeding commenced by or against Seller under any state or federal law relating to bankruptcy, arrangement, reorganization, receivership or assignment for the benefit of creditors. Any such termination will be without liability to Buyer except for completed items delivered and accepted by Buyer, payment for which can be set off against any damages to Buyer. Buyer may require Seller to transfer title and deliver to Buyer any or all property produced or procured by Seller for performance of the work terminated

and Seller shall be credited with the reasonable value thereof not to exceed Seller's cost. Seller will be liable for damages caused by or resulting from its default including but not limited to excess costs of procurement.

9. EXCUSABLE DELAYS Neither party shall be in default for any delay nor failure to perform hereunder due to causes beyond its control and without its fault or negligence; including defaults by Seller's suppliers. In the event of default by Seller's suppliers, Seller will be in default only to the extent the Supplies to be furnished by said supplier are obtainable from other sources in sufficient time to permit Seller to meet the delivery schedule; and provided further, Seller furnishes prompt written notice to Buyer of the occurrence of any such cause which will or may delay Seller's performance.

10. INDEMNIFICATION AND INSURANCE Seller agrees at its expense to indemnify, defend, and hold harmless Buyer, its directors, officers, employees, affiliates, subsidiaries, agents, customers and end users from any and all loss, claims and liability, including, without limitation, reasonable legal fees and costs, for death, injury or disability of any person or damage to or destruction of property (including, without limitation, the loss of use of any property or the presence of hazardous substances at any property) caused by or resulting from the acts or omissions of Seller, its agents, suppliers or employees in connection with the performance of this purchase order. During the performance of this purchase order, Seller shall maintain in full force and effect, at its sole cost and expense, the minimum insurance coverage stated below, written on an "occurrence basis" and not "claims-made" basis (unless otherwise stated), covering activities performed under this purchase order, including without limitation, coverage of all automobile exposure, all property liability exposure and all contractual liability exposure. All insurance shall be placed with reputable insurance companies acceptable to Buyer with a current rating in A.M. Best's Insurance Rating guide of at least A-X and licensed to do business in the country(ies), state(s) or province(s) where the purchase order is being performed. Seller shall maintain insurance with the following minimum policy limits:

- A) *Workers' Compensation:* Coverage for statutory obligations imposed by laws of any State in which the work is to be performed including the coverage required by a Monopolistic State i.e.) North Dakota, Ohio, Washington, West Virginia, and Wyoming, including where applicable, coverage under the United States Longshoremen's and Harbor Workers' Act (USL&H), the Jones Act, and the Defense Base Act (DBA). In addition, the policy shall be endorsed to waive the insurer's rights of subrogation in favor of Apttis Holdings, Inc, and
- B) *Employer's Liability:* Coverage for injuries to employees not covered by workers' compensation with limits of at least \$1,000,000 each accident, \$1,000,000 each employee by disease, and \$1,000,000 policy limit by disease, and
- C) *Commercial General Liability:* Coverage for third party bodily injury and property damage, personal injury, products and completed operations, contractual liability, and independent contractors' liability with limits not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Apttis Holdings, Inc., its officers, employees, and customer, where required by agreement, shall be named as Additional Insured, and
- D) *Business Automobile Liability:* Coverage for use of all owned, non-owned, and hired vehicles with limits of not less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage liability. Apttis Holdings, Inc., its officers, employees, and customer, where required by agreement, shall be named as Additional Insured, and
- E) Excess Umbrella liability at limits of \$1,000,000 per occurrence, \$1,000,000 annual aggregate. Apttis Holdings, Inc., its officers, employees, and customer, where required by agreement, shall be named as Additional Insured, and
- F) Aircraft public and passenger liability insurance (as applicable). Coverage shall be at least \$200,000 per person and \$500,000 per occurrence for bodily injury, other than passenger liability, and \$200,000 per occurrence for property damage. Coverage for passenger liability bodily injury shall be at least \$200,000 multiplied by the number of seats or passengers, whichever is greater; and

Such policies, with the exception of the Professional Liability policy(ies), shall name Buyer, its directors, officers, employees and agents as additional insureds covering activities performed under this purchase order. All policies shall provide that coverage may not be materially changed, canceled or non-renewed without thirty (30) days prior written notice to Buyer. The insurance requirements set forth in this purchase order are not intended and shall not be construed to modify, limit or reduce the indemnifications made in this purchase order by Seller to Buyer or to limit Seller's liability under this purchase order to the limits of the policies required to be maintained by Seller under this purchase order or in any other manner. Seller shall furnish Buyer with certificates of insurance for the coverages required under this purchase order prior to performance under this purchase order. Such insurance shall be primary to, not contributing with, and not in excess of, coverage which Buyer may carry. Seller's insurance shall contain a severability of interest provision. The insurance afforded by these policies applies separately to each insured against whom claim is made or suit is brought, in the same manner as such insured would be covered if the policy insured only such party. The inclusion of such additional insureds shall not increase the policy limits.

11. PATENT, COPYRIGHT AND TRADEMARK INFRINGEMENT Seller shall save, hold harmless Buyer and defend or settle any claim, proceeding or suit brought against Buyer based on a claim that the goods infringe upon [a] patent, copyright or trademark of the United States and Seller shall pay any damages and cost awarded against Buyer, provided Seller is duly notified of any infringement or alleged infringement. Seller shall defend all claims, suits and actions at its own expense.

12. DESIGN CHANGES During performance of this Order, Seller shall not make any changes in the design of Supplies without advance notification to, and approval of, Buyer. Seller agrees to make any changes to this Order which might be directed by Buyer. Any claim for adjustment must be made within twenty days from the date the change is ordered together with cost or pricing data sufficient to permit evaluation of such claim.

13. ASSIGNMENT Any assignment of this Order, performance of work hereunder in whole or in part, or monies due or to become due hereunder shall be void unless consented to by Buyer in writing and Buyer shall have no obligations to any assignees of Seller under any assignment not consented to in writing by Buyer.

14. SUBCONTRACTING Seller agrees not to subcontract for any complete or substantially complete Supplies without the prior written approval of Buyer.

15. RELEASE OF INFORMATION TO PUBLIC Seller shall not, without prior consent of Buyer, make any release of information concerning this Order (other than to Seller's employees and subcontractors which is required for performance of their duties) nor use the name of Buyer in any advertising or publicity.

16. REMEDIES The rights and remedies of Buyer provided herein shall be cumulative and in addition to any other rights and remedies provided by law or equity. The UCC applies as adopted in the Commonwealth of Virginia

17. TITLE. Title to and the right of immediate possession of all articles, tooling, equipment, software, or materials furnished to Seller or paid for by Buyer directly or indirectly for use by Seller in connection with this purchase order shall be and remain in Buyer. Seller shall be (a) responsible on a replacement cost basis for all loss or damage to such articles, tooling, equipment, software or materials while in its possession and insure its risk in this respect with adequate all risk property insurance; (b) clearly mark the same as belonging to Buyer, keep it segregated in Seller's facility and treat it confidentially as provided in this purchase order; (c) keep the same in good operating condition; and (d) use the same exclusively in connection with the delivery of the Deliverables for this purchase order and not for any production of larger quantities than specified or in advance of normal production schedules, except with Buyer's prior written consent. Articles, tooling, equipment, software, or materials furnished to Seller shall not include government-furnished items of this sort. Upon completion of this purchase order, all articles, tooling, equipment, software, or materials furnished to Seller or paid for by Buyer shall be disposed of by Seller at Seller's expense as Buyer directs in writing. With the exception of software not specifically developed for Buyer under this purchase order, (i) all Deliverables shall be the sole and exclusive property of the Buyer, and where applicable, shall be considered "works made for hire" under the U.S. Copyright Act (Title 17, United States Code), and all intellectual property, proprietary and industrial rights associated with Deliverables shall be owned exclusively by Buyer; (ii) by this purchase order, Seller assigns to Buyer for no additional consideration all such rights to the Deliverables, including the right to any extensions and renewals of such rights; and (iii) if requested by Buyer, Seller shall, without additional consideration, sign a separate written assignment of such rights to Buyer or any other document necessary for Buyer to establish, maintain or enforce such rights in the Deliverables.

18. WAIVER The failure of Buyer in any one or more instances to insist on performance of any of the provisions of this Order shall in no way be construed to be a waiver of such provisions in the future.

19. ATTORNEY'S FEES In the event it becomes necessary to bring suit to enforce any provision of this Agreement, the prevailing party shall be entitled to recover, in addition to any other amounts awarded, reasonable legal costs included in court costs and attorney's fees.

20. CHANGES Aaptis may, at any time by written order, make changes, within the general scope of this Agreement. If any such change causes and increase or decrease in the estimated cost of, or the time required for, an equitable adjustment may be made:

- a. in the cost or delivery schedule or both; and
- b. in such other provisions of the Agreement as may be so effected;

Any claim by Seller for adjustment under this clause must be asserted within thirty (30) days from the receipt by the Seller of the notification of change. Failure to agree to any adjustment shall be a dispute which shall be resolved according to the procedure set forth herein; but pending such resolution, nothing in this clause shall excuse Seller from proceeding with the Agreement as changed.

21. APPLICABLE LAW AND DISPUTES This Order shall be construed, interpreted and enforced in accordance with the laws of the Commonwealth of Virginia without giving effect to the principles of conflicts of laws thereof. Where necessary or appropriate, federal procurement law, as set forth in applicable statutes and regulations and enunciated by courts and administrative tribunals having jurisdiction over contract disputes with the United States, may be applied for purposes of resolving any dispute related to this Order. Any disputes arising under this Agreement solely between Aaptis and Seller shall be governed by the laws of the Commonwealth of Virginia. However, if the issue in dispute is not covered by Virginia law or if there is a conflict between Virginia law and the Federal law, e.g., decisions of Federal courts, boards of contract appeals, regulations and statutes, the Virginia court shall apply the Federal law. Any litigation under this Agreement, if commenced by Seller shall be brought in a Court of competent jurisdiction in the Commonwealth of Virginia.

2. If a decision is issued by a contracting officer under the Prime Contract "Disputes" clause (if applicable) and the decision relates to this Agreement, said decision, being binding on Aaptis under the Prime Contract, shall also be binding upon Aaptis and Seller with respect to this Agreement. If Seller is affected by such decision, Aaptis shall notify Seller promptly. After receipt of such notice, if Seller submits a timely request to Aaptis to appeal such decision, Aaptis may elect to file an appeal upon such terms and conditions as the parties mutually agree. Any decision upon such appeal, if binding upon Aaptis under the Prime Contract, shall be binding upon Seller as it relates to this Subcontract. All claims shall be certified by Seller in the form required by Aaptis.

22. TERMINATION FOR CONVENIENCE Buyer, by written notice, may terminate this Agreement, in whole or part, when it is in the Buyer's interest, subject to Seller's right to be paid its reasonable costs allocable to the performance, if any, of this Agreement.

23. PAYMENT AND PRICES. Unless different payment terms are expressly stated on this purchase order, payment terms shall be forty-five (45) days from Buyer's receipt of Seller's correctly presented and Buyer accepted invoice. A "correctly presented" invoice will contain this purchase order number sent to the billing address on this purchase order. Seller represents that prices quoted to or paid by Buyer shall not exceed current prices charged to any other customer of Seller for deliverables which are the same or substantially similar to, and in the same or substantially similar quantities as the Deliverables. Seller shall refund or Buyer may set off against subsequent invoices any amounts paid by Buyer in excess of such price(s).

24. CONFIDENTIAL INFORMATION. Seller shall not disclose to any third party or use any confidential information of Buyer's concerning this purchase order or other material intended for use in connection with this purchase order without Buyer's prior written consent. Any knowledge or information which Seller may disclose to Buyer in connection with the purchase of any of the Deliverables shall not, unless Buyer otherwise specifically agrees in writing, be deemed to be confidential information and shall be acquired free from any restriction as part of the consideration for this purchase order. For purposes of this Section 24 (Confidential Information), any Personal Data supplied or provided by Buyer shall be deemed confidential information of Buyer and Seller shall treat it in accordance with the provisions of this section.

25. COMPLIANCE WITH LAW 1. Seller shall observe and abide by all Federal, State, and local laws, rules and regulations applicable to the work performed hereunder. 2. Each Party represents that it is eligible to hold and perform government contracts and has reviewed the statutory and regulatory provisions of the RFP and warrants that it will comply with the relevant portions of those statutes and regulations as they apply to each Party's respective obligations and duties under this Order. If, during the term of this Order either Party becomes ineligible to bid on or perform a government contract, it shall promptly notify the other Party. 3.

Unless an exception to or exemption from the requirements of 29 C.F.R. § 471.3 apply to this Order Seller shall comply with 29 C.F.R. Part 471, including the employee notice clause requirement at Appendix A to Subpart A of 29 C.F.R. Part 471.

26. SUPPLEMENTARY PROVISIONS TO GOVERNMENT CONTRACTS. For Deliverables involving or subject to a government contract, the applicable provisions are contained in the [attached supplement](#) and made a part of this purchase order