

NAC Group Inc. Purchase Order Terms & Conditions

Any purchase order shall constitute a binding contract between the parties, subject to the conditions hereof and shall constitute the entire agreement between NAC Group, Inc., and seller. This order shall supersede any other agreements or understanding prior to this date of the order. The acceptance of this Purchase Order shall, by acknowledgement, shipment of products, performance of services, or commencement of work on supplies constitute acceptance of the terms and conditions set forth in the Purchase Order. These terms and conditions may only be modified with buyer's express written consent.

Confidentiality: Seller agrees to keep confidential from third parties all information obtained from Buyer while performing obligations pursuant to this Purchase Order. Seller shall use the same care in protecting Buyer confidentiality, as the Seller uses in protecting its own confidential information. Any information provided to the Seller shall be distributed internally on a need-to-know basis and shall not be used except to perform obligations pursuant to this purchase order. Seller shall not disclose the existence of this purchase order to any third party.

Responsibility for Property: Seller shall be responsible for loss or damage to property of NAC Group, Inc. caused by negligence or wrongful acts or omissions of Seller, representatives, or employees. Seller shall include nothing in its prices for direct damage insurance in property of NAC Group, Inc.

Pricing: Seller shall sell to Buyer the products or services shown on the face of this Purchase Order at the price specified. All prices are exclusive of applicable freight charges and duties unless otherwise agreed to by Buyer. Seller warrants that the prices charged for the products are not higher than those charged to any other customer for products of like grade and quality in similar quantities or for smaller services performed. If seller fails to extend Buyer such pricing, Buyer may, in addition to any other remedies available at law or equity, invoice Seller for the difference between Buyer's price and such lower price for all products already received and immediately changes the price on this Purchase Order to reflect such lower price. Seller shall pay such invoice within 30 days from the date of the invoice. Orders totaling \$5,000 USD, or greater, must have authorized manager's signature.

Limitation of Quantities and Fabrication: NAC Group, Inc. will not accept nor assume responsibility or liability for material or quantities in excess of the amounts necessary to meet the release quantities set forth in the Purchase Order.

Delivery: Delivery shall be strictly in accordance with the delivery schedule set out or referred to in this order. Delivery Date shall mean the date the Purchase Order line item is required to arrive at Buyer's facility. Seller shall ship all line quantities complete unless approved in writing. Seller shall ship all line items on PO with common dock date together unless otherwise agreed in writing by NAC Group, Inc. Incomplete or unauthorized shipments may result in delayed payment of invoices.

All shipments by the seller shall be shipped on the carrier, account number, and method indicated on the purchase order. NAC reserves the right to refuse any charges resulting from a deviation from the shipping terms on the PO. Packages with shipping charges > \$50.00 USD will be refused without prior notification and approval. NAC Group, Inc. reserves the right to refuse payment for non-authorized shipping insurance charges.

If the seller fails to meet the scheduled delivery date, Buyer may at its option cancel this purchase order, or any part of this order without incurring any liability. If Buyer requests expedited shipment of any late deliveries, Seller shall pay any additional cost of expedited shipment. Seller shall not ship ahead of the scheduled Delivery Date unless authorized by Buyer. Buyer may return at its option all unauthorized early shipments to Seller at Seller's expense. When the Seller has reason to believe that deliveries will not be made as scheduled, Seller shall immediately notify the Buyer. Seller shall be liable for Buyer's additional expenses in the event that Seller fails to provide such notice.

Packing: All packages shall, at no additional cost to NAC Group, Inc., be properly packaged or otherwise prepared in a manner satisfactorily to NAC Group, Inc., in accordance with the requirements of any carrier. Seller shall be liable for any loss or damage due to its failure to properly preserve, package, handle, or pack any shipment. No charges shall be allowed for handling, crating, returnable containers, import duties, transportation, documentation, or media unless previously agreed in writing and such agreement is referenced on the face of the Purchase Order.

Changes: NAC Group, Inc. may at any time by written notice make changes to the specifications, shipping instructions, quantities, and delivery schedule. Should any such change increase or decrease the cost of or the time required for performance of the order, an equitable adjustment in the price and/or delivery schedule will be made. Any claims for adjustment by Seller must be made within thirty (30) days from the date the change is ordered or within a period of time approved by NAC Group, Inc. Nothing in this clause shall excuse the Seller from proceeding with order as charged.

Inspection and Acceptance Status: All items ordered are subject to final inspection and acceptance at destination by NAC Group, Inc. despite prior payments or inspection at source. Payments shall not constitute final acceptance of the product. NAC Group, Inc. may reject any item which contains defective material or workmanship or does not conform to specifications, samples or is not as ordered. Rejected items may be returned at Seller's expense at the full invoice price plus incoming transportation charges, if any, and no replacement of defective items shall be made unless specified by NAC Group, Inc. If requested, Seller shall provide a complete inspection system satisfactory to NAC Group, Inc. covering the inspection of all materials and/or fabricating methods. NAC Group, Inc., our customer, and relevant regulatory authorities shall also reserve the right to inspect the Seller's facilities and all applicable records related to the performance of this order. The Seller must also notify NAC Group, Inc. of nonconforming product, any changes in product and/or process definition, changes of suppliers, change of manufacturing facility location and, where required, obtain organization approval. The Seller shall also flow down the supply chain any applicable requirements including customer requirements. The Seller will provide NAC Group, Inc. with a signed Certificate of Conformity for each order, including certifications of the proper handling, storage, or other environmental factors, and whether or not the part was obtained from a government entity or the military services. When requested, the Seller agrees to provide test reports, and/or inspection certifications. The Seller also agrees to maintain a record of parts scrapped out related to orders by NAC Group, Inc. and this record shall contain a description of the part, its part number and serial number, if applicable, and the date the part was scrapped. The Seller shall retain all records related to the performance of this purchase order for a period of at least seven years.

Counterfeit Parts & Suspect Parts Policy: To avoid the reintroduction of counterfeit parts into the open market, NAC Group, Inc. reserves the right to seize and quarantine any suspected counterfeit products it receives from the seller on this purchase order. Any suspect counterfeit products may be forwarded to the OEM and/or the appropriate authorities for analysis, possible confiscation, and/or destruction. If products furnished by the Seller are determined to be counterfeit, Seller agrees to reimburse NAC Group, Inc. the full price paid as well as any 3rd party testing charges and shipping fees incurred by NAC Group, Inc.

NAC Group, Inc. Defines Counterfeit and Suspect Electronic Parts as Follows:

- I. Substitutes or unauthorized copies of a product.
- II. A product as defined by the manufacturers' part number identification, date code, and manufacturers' identification (logo, trademark) in which the materials used, or the performance of the product has changed without notice by someone other than the OEM of the product.
- III. A substandard component misrepresented by the supplier.
- IV. Products that have been re-topped (black-topped), remarked, or otherwise fraudulently altered and/or misrepresented by a 3rd party.

Default: NAC Group, Inc. may terminate this contract whole or in part for default if (1) the seller fails to make delivery of the supplies or fails to perform the services within the time specified herein or (2) the seller fails to perform any other material provisions of this contract or so fails to make progress as to endanger performance and does not cure such failure within a period of ten (10) days after receipt of notice from NAC Group, Inc. that specifies the failure.

In the event NAC Group, Inc. terminates this contract for default as provided in the above paragraph, Seller shall be responsible for any excess procurement costs and any other damages incurred by NAC Group, Inc. that are a consequence of such a failure.

Cancellation: Buyer may cancel the Purchase Order in whole or in part without any liability, at any time upon the occurrence of certain events, including but not limited to:

- Default by Seller with respect to delivery, quality, or other obligations under this Purchase Order.
- Insolvency of Seller, filing by Seller of a voluntary petition in bankruptcy.
- NAC Group, Inc. agrees with Seller in writing that purchased product is non-cancellable or non-returnable.

Buyer shall have the option to cancel this order at its discretion. If the cancellation occurs, Buyer's liability shall not exceed the full price of the products already available to meet the due date. Such liability is limited to deliveries that Buyer has ordered with Dock Dates of no more than thirty (30) calendar days from the date of notification of such cancellation. Upon cancellation of software or service orders, Buyer shall only be liable for the price of the work that has been completed as of the date of cancellation notice. At no time shall the buyer pay cancellation charges exceeding the value of the unpaid balance of the purchase order. Upon notification of Buyer's cancellation of a Purchase Order, Seller shall immediately stop all work on the Purchase Order. Buyer will not be responsible for excess material purchased or manufactured that is attributed to Seller's poor material management practices.

Invoices: Mail invoices to the address stated on the Purchase Order for each shipment. Freight and additional charges shall be shown on the invoice as well as any discounts to be taken. Seller must show the method of transportation and whether the articles are prepaid or collect. Payment terms are set forth on the face of the Purchase Order and are payable from the date Buyer receives a correct invoice or approves product, whichever occurs last. All invoices, packing list, and bill of lading must reference the Purchase Order number.

Guarantees and Warranties: Seller warrants that it is authorized to sell the products to the buyer. Seller hereby expressly warrants for a period of eighteen months after acceptance that all material or services covered by this order shall conform to all specifications, drawing, samples, and any other description furnished or adopted by NAC Group, Inc. Product shall be new, of the best quality and fit, sufficient for the purpose intended, merchantable, and free of defects. Seller hereby agrees to be responsible for all defects in design, materials, and workmanship. Any breach of warranty, goods, or material, which are not as warranted may, at the option of NAC Group, Inc., be returned at Seller's expense for either credit or replacement. Replacement products shall be new and subject to full original warranty. All warranties shall run to NAC Group, Inc., and its successors.

Non-Transferable: This contract shall not, nor shall any interest herein be transferred or assigned by the seller without the consent in writing from NAC Group, Inc.

Intellectual Property Indemnify: Seller shall defend, indemnify, and hold harmless Buyer and its affiliates, subsidiaries, assigns from any claims, losses, demands, fees and damages or liability incurred of any kind or nature arising from any actual or claimed infringement of any patents, trademarks, service marks, trade secrets, mask work rights, or copyrights with respect to any products or services furnished under this purchase order.

Compliance with Applicable Laws and Regulations: Seller certifies that all the products to be furnished to the Buyer to fulfill this Purchase Order shall be manufactured and supplied in accordance with all currently applicable federal, state, and local laws, rules, regulations, and orders. Seller shall furnish Buyer with specific certifications of legal compliance.

Defense Priorities and Allocations System (DPAS): This order may contain DPAS rated quantities that are certified for national defense use. If applicable, the DPAS rating will be identified for each line item and the supplier shall follow all the requirements of the DPAS regulation (15 CFR 700) only as it pertains to the rated quantities. Acknowledgment for any DPAS rated order is due within five (5) business days. Whether or not a DPAS priority rating applies, the delivery dates set forth in this order are critical to NAC. SUPPLIER shall notify the NAC representative immediately if it cannot meet stated delivery dates.

ITAR-Controlled Products: If the Seller has been informed or have reason to know that the subject item(s) are ITAR-controlled, Seller shall notify NAC Group, Inc. prior to formal acceptance of this purchase order.

Notices: Any notices to the Buyer shall be directed to Buyer's Authorized Representative whose initials appear under the issue date on the face of the Purchase Order.

Miscellaneous: Failure by Buyer to insist upon strict compliance to the terms and conditions of the Purchase Order is not a waiver of the term or condition. If any provisions herein shall be held to be invalid or unforeseeable for any reason, such provision shall, to the extent of such invalidity or unenforceable, be reformed or, if necessary, served to the minimum extent necessary to render this Purchase Order to be valid or enforceable, but without in any way affecting the remainder of such provision or any other provision contained herein, all of which shall continue in full force and effect.

This Purchase Order shall be construed in accordance with and governed by the laws of the State of Florida. Seller shall hereby consent to submit any disputes arising hereunder to the Florida courts with jurisdiction over Pinellas County, Florida.