

LCR EMBEDDED SYSTEMS, LLC

VENDOR/SUPPLIER PURCHASE ORDER (“PO”) TERMS AND CONDITIONS

1. ACCEPTANCE OF CONTRACT:

- 1.1. This offer may be deemed accepted only upon receipt by LCR Embedded Systems, LLC (hereinafter, “LCR” or “Buyer”) of the attached Purchase Order (sometimes referred to herein as “PO”) acknowledgement, signed by an authorized agent of the Supplier or Seller (hereinafter “Seller”) or upon receipt by Buyer of any of the ‘Goods or Services’ ordered under this PO (the ‘Goods or Services’ ordered under the PO are collectively referred to herein as either “Goods,” the “Product” or “Custom Products”) (the Buyer/Seller transaction is sometimes referred to herein as the “Agreement”). Dispatch of Seller’s sales acknowledgment is also an acceptance of this PO and its terms, if the acknowledgement agrees with the PO as to the description of goods, quantity, and price and delivery schedules. Any terms contained in Seller’s sales acknowledgment that conflict with Buyer’s Terms & Conditions will be void because this order expressly limits acceptance to the terms stated herein; therefore, any additional or different terms proposed by Seller are rejected unless Buyer expressly agrees to the additional/different terms in writing.
- 1.2. Seller agrees to manufacture, assemble, procure, test, package, ship, and sell to LCR and LCR agrees to purchase from Seller the Products in the manner specified.
- 1.3. All Products will conform to the standards and specifications set forth in the applicable PO. All purchases of Products by LCR from Seller will be made by LCR’s issuance of a PO to Seller. LCR’s procurement organization will be the only department within LCR which is authorized to issue purchase orders hereunder. All purchases of Products will be solely pursuant to: (i) this Agreement; and (ii) the terms regarding the types, revision level, LCR part number, quantities, special packaging instructions, if any, delivery dates, and delivery destinations set forth in each such purchase order.

2. INTELLECTUAL PROPERTY:

- 2.1. Non-Competition. Seller will not develop another product similar to the Custom Products specified by LCR and will not use the code or specific customizations developed for LCR in any other product or project or for any other customer at any time.
- 2.2. Indemnification. For Products provided under this PO, Seller will, at its expense, defend and indemnify LCR and its customers (collectively “Indemnitee”) from and against any and all loss, cost, damage, claim, or liability, including reasonable attorney and professional fees and costs, and the cost of settlement, compromise, judgment, or verdict incurred by or demanded from Indemnitee arising out of, or relating to any alleged or actual: (a) patent, copyright, or trademark infringement; (b) unlawful disclosure, use, or misappropriation of a trade secret; or (c) violation of any other third-party intellectual property right. Seller will further indemnify Indemnitee from expenses incurred by Indemnitee in defense of such lawsuits described above in this Section 2.2, claim, or proceeding if Seller does not undertake the defense thereof. Seller will not enter any settlement related to such matters without LCR’s prior written consent which will not be unreasonably withheld. Indemnitee may participate in the defense of negotiations to protect its interests. If any injunction or restraining order is issued, Seller will—at LCR’s option and Seller’s expense—obtain for Indemnitee either the right to continue using and selling the Products or replace or modify the Products to make them non-infringing without any loss of functionality.

3. DELIVERY:

- 3.1. Forecasts. LCR may from time to time provide Seller with a forecast of LCR’s estimated supply requirements for each Product. The forecast is nonbinding. LCR does not guarantee that it will purchase such estimated quantities of Products, and LCR will have no liability for changes to the forecast.
- 3.2. Delivery. Seller’s shipments will strictly conform to the quantities and delivery schedules on each applicable purchase order. Time is of the essence, and Seller will accept and deliver all Products within the delivery lead time for such Product as specified on the PO. Products delivered within a time frame of five (5) days early and zero (0) days late will be deemed on time deliveries. LCR may refuse acceptance of any quantity of Products in excess of ordered quantities and any deliveries outside of the on-time delivery window.
- 3.3. Late Shipments. If Seller is not able to meet the delivery date for the Products specified on the PO, due to factors under the Seller’s direct control, Seller will immediately notify LCR in writing and include the reason(s) therefore. In such event, Seller will either ship the Products on an expedited basis or offer and deliver a substitute product which must be acceptable to LCR. Seller will pay all reasonably substantiated costs in excess of those that would have been incurred by LCR had Seller performed according to the instructions from LCR regarding Seller’s expedited shipments or substitute products. If LCR must use alternate sources to satisfy its supply requirements because of Seller’s failure to perform in accordance with this Agreement, then Supplier will be responsible for all reasonably substantiated costs in excess of those LCR would have otherwise incurred had Seller performed and may be subject to liquidated damages of one percent (1%) of the PO amount per calendar day of delay (up to the Agreement value).
- 3.4. Rescheduling. All purchase orders may be rescheduled by LCR at any time upon written notice to Seller. LCR may have unlimited reschedules. LCR may reschedule delivery dates and/or quantities for any purchase order line item, provided any rescheduled delivery date falls within 270 days of the original scheduled delivery date.
- 3.5. Cancellation. LCR may cancel any purchase orders for a specific Product or Products, in whole/or in part, by written notice to Seller. In the event of cancellation, LCR will be liable for the products cancelled to the extent provided in Section 3.6 (below).
- 3.6. Cancellation Obligation. Upon any cancellation pursuant to Section 3.5 (above), LCR’s liability for cancelled products shall be limited to: the quantity of finished goods, work in process and raw material needed to support six weeks of forecast or backlog (but only to the extent of such items were purchased at lead time), plus any excess materials purchased due to minimum order quantity requirements imposed by the part Seller. LCR’s liability for such finished goods, work in process, and raw materials will be the sum of the Product purchase price actually paid by the Supplier plus 4%. As a condition precedent to LCR’s obligation to the Seller under this Section 3.6, Seller shall provide documentation of LCR’s cancellation obligation liability satisfactory to LCR, which may include an excess inventory spreadsheet,

last purchase orders to part sellers, invoices and payment records, *etc.* Seller shall ship the finished goods, work in process, and raw materials that LCR is liable for pursuant to this Section 3.6, on a purchase order provided by LCR.

- 3.7. **Packing and Shipping.** Seller will package, pack, mark, and ship the Products for delivery in accordance with LCR's packaging, marking, and preferred carrier routing instructions, and otherwise in a manner designed to withstand transportation without damage. A complete packing list, including the LCR order number, the type of Product, the LCR part number, the quantity shipped, the remaining quantity to be shipped under the referenced order, and the version or revision level, will be enclosed with each shipment.
- 3.8. **Title and Risk of Loss.** Unless otherwise specified on LCR's PO, Products will be delivered Free Carrier (FCA) (Inco terms 2000) Seller's facility, and title to and risk of loss of the Products will pass to LCR upon delivery of the Products to the carrier.
4. **NORTH AMERICAN FREE TRADE AGREEMENT ("NAFTA") AND DUTY DRAWBACK:**
 - 4.1. **General.** Seller will have knowledge of and comply with government laws, regulations, and requirements on importing and exporting. LCR will not be responsible for fines, penalties, or damages resulting from action taken by a government or private party against LCR because of the failure of Seller to comply with laws, regulations, or requirements. Seller will indemnify LCR for: (1) fines, penalties, damages, and any other costs (including attorney's fees) incurred by LCR that are associated with Seller's failure to comply with laws, regulations, or requirements; and (2) LCR's payments made voluntarily to or pursuant to an agreement with any government or private party associated with Seller's failure to comply with laws, regulations, or requirements, or with LCR's reliance on Seller's representations concerning, among other issues, NAFTA and duty drawback agreement with any government or private party associated with Seller's failure to comply with laws, regulations, or requirements, or with LCR's reliance on Seller's representations concerning, among other issues, NAFTA and duty drawback.
 - 4.2. **NAFTA:** Seller will provide LCR, upon request, complete and properly executed NAFTA Certificates of Origin for Products subject to this Agreement which qualify under the NAFTA preference rules of origin. Seller will maintain and provide within ten (10) business days of LCR's request all records necessary to support the NAFTA status of the Products included in the Certificates. Seller will notify LCR within five (5) business days of any change that could affect the accuracy or validity of the NAFTA Certificates.
 - 4.3. **Duty Drawback:** Seller will provide within ten (10) business days of LCR's request all documents necessary to file and complete drawback claims, including, but not limited to, entry summaries, liquidation/reliquidation notices, certificates of delivery, and certificates of manufacture and delivery. Seller will maintain all drawback documents provided to LCR. Seller will also maintain and provide within twenty (20) days of LCR's request any other records or documents required pursuant to the U.S. Customs regulations to support drawback claims. Seller will notify LCR within five (5) business days of any change that could affect the accuracy or validity of drawback documents previously provided to LCR.
5. **PRODUCT AND MANUFACTURING CHANGES:**
 - 5.1. **Standard Products:** Seller may change Products that have not been customized for LCR (see also Section 6 below for product discontinuance). Seller will give LCR ninety (90) days written notice prior to implementing the change. If LCR does not want to purchase the changed Product, LCR may elect to either: (i) make a last time purchase of the unchanged Product and schedule deliveries of the last time purchase quantity over twelve (12) months after the last time purchase date; or (ii) discuss with Seller the possibility of Seller continuing to manufacture the existing Product as an LCR Custom Product, subject to mutually agreeable terms.
 - 5.2. **Custom Products:** For Custom Products, Seller will not change the Custom Products without prior written authorization from LCR. In the event Seller requests a change to such Custom Product, Seller will submit a written request to LCR. LCR will review the request and respond with a notice of approval or disapproval within thirty (30) days of receipt of Seller's requested change. LCR will not unreasonably disapprove of a change requested to comply with safety or regulatory requirements. Changes will not be implemented until the parties have agreed upon and documented the cost allocation and the impact on Custom Product price, if any. If the Seller requested change results in a cost reduction, the Custom Product price will be adjusted such that the parties share the benefit of such cost reduction.
 - 5.3. **Changes Initiated by LCR:** Buyer reserves the right at any time to make changes within the general scope of this PO, including, but not limited to: (a) Methods of shipment or packing; (b) Place of delivery; and/or (c) Terms of delivery. If any Buyer directed change affects the cost or the time required for Seller's performance, Seller must provide written notice to Buyer within 30-days regarding the cost impact of the change at issue and an equitable adjustment shall be made in the Agreement price or delivery schedule. LCR may request a change to any Product by giving written notice to Seller. Seller will review the requested change to determine the technical feasibility, to estimate the cost of implementing the change, and to understand the impact of the change on Product price, delivery schedule, and existing inventory quantities. Seller will provide this information and an implementation schedule to LCR within five (5) business days after receiving LCR's change request. Changes will not be implemented until the parties have agreed upon and documented the cost allocation and impact on Product price, if any.
 - 5.4. **Manufacturing Changes:** Seller may modify the Product manufacturing process at its discretion and will notify LCR of any major changes to the manufacturing process. Seller must obtain LCR's written approval prior to changing the Product manufacturing location.
6. **PRODUCT DISCONTINUANCE (END OF LIFE):** Seller will give LCR at least twelve (12) months' notice of discontinuance and the opportunity to make a last time purchase of the Product prior to discontinuing manufacture. LCR may schedule deliveries of the last time buy quantity over the twelve (12) month period after the date Seller discontinues manufacturing the Product.
7. **INSPECTION AND ACCEPTANCE:**
 - 7.1. All Products may be inspected and tested by LCR, its customers, higher-tier contractors, and end user(s) at all reasonable times and places. If an inspection or testing is made on Seller's premises, Seller will provide, without additional charge, all reasonable facilities and assistance required for the inspection and tests. In its standard inspection and testing of the Products, Seller will use an inspection system approved by LCR in writing. Seller will maintain all inspection records, including sub-tier supplier records relating to the Products and make available to LCR during the performance of this PO, and for such longer periods as may be specified by LCR.

- 7.2. Final inspection and acceptance by LCR will be at destination unless otherwise specified in this PO. LCR may inspect 100% or a sample of Products, at LCR's option, within 180 days of delivery and may reject all or any portion of the Products or lot of Products if LCR determines the Products to be defective or nonconforming. If LCR performs any additional inspections after discovering defective or nonconforming Products, the additional inspection costs will be paid by Seller. No inspection, tests, approval, design approval, or acceptance of the Products relieves Seller from liability for warranty, latent defects, fraud, or negligence.
- 7.3. LCR may reject, refuse acceptance, or revoke acceptance of any Products or any tender thereof which does not strictly comply with the requirements of this Agreement and the applicable PO. LCR will notify Seller of such rejection, refusal, or revocation. Seller shall correct the noncompliance within the reasonable time prescribed by LCR. If Seller fails, refuses, or indicates its inability or unwillingness to so correct the noncompliance, LCR may: (i) retain any or all such Products; or (ii) return any or all such Products with or without direction to Seller for reimbursement, credit, or replacement, at LCR's option. Seller agrees to pay or reimburse LCR for invoice costs, delivery costs, the cost of return shipment, labor, and other expenses incurred in sorting, inspecting, and packing Products for return.
8. **PURCHASE PRICE:** The purchase price for each of the Products is specified in the PO. Unless otherwise specifically set forth in the PO, prices are stated in United States dollars and do not include shipping charges. If shipping charges are applicable, they will be separately stated on Seller's invoice. Seller agrees to charge the lowest prevailing market price for the items covered by this PO. Seller warrants that the prices charged for these items covered by this order are the lowest prices charged by Seller to buyers of a similar class under similar conditions. If Supplier offers prices to any other customer more favorable than those set forth herein, Seller at the same time will offer the more favorable prices to LCR. Any increases to the purchase price of the Products must be mutually agreed upon and will be documented in a writing signed by both parties. Seller agrees that any price reduction made or offered will be applied to this order. Any increases to the purchase price of the Products must be mutually agreed upon and will be documented in writing and signed by both parties.
9. **INVOICING AND PAYMENT:** After each shipment made or service provided, Seller will submit an invoice describing the Products provided and, as applicable, part numbers, quantity, unit of measure, hours, and the unit and total prices. Any incidental charges such as taxes, custom duties, royalties, selling commissions, non-recurring engineering, or other incidental charges must be separately itemized and identified on the invoice. The invoice must also include the following information in English, or in the destination country's official language if required: (a) name and address of Seller and the LCR entity purchasing the Products; (b) name of shipper (if different from Seller); (c) LCR's PO number(s); (d) line item number(s); (e) country of export; (f) detailed description of the Products; (g) Harmonized Tariff Schedule number; (h) country of origin (manufacture) of the Products, or if multiple countries of origin, the country of origin of each part shipped; (i) weights of the Products shipped; (j) currency in which the sale was made; (k) payment terms; (l) shipment terms used; and (m) all rebates or discounts. The invoice will be accompanied (if applicable) by a signed bill of lading or express receipt evidencing shipment. Payment of an invoice does not constitute acceptance of the Products and is subject to appropriate adjustment should Seller fail to meet the requirements of the PO. Payment terms are net sixty (60) days from receipt of invoice and conforming Products. Payment will be scheduled for the first payment cycle following expiration of the net terms period.
10. **TOOLING:** Seller at its own expense shall furnish, maintain, and replace, when necessary, all dies, tools, gauges, fixtures and patterns, mold equipment, original artwork, original printing plates and production printing plates for the production of the material ordered. If LCR provides or pays for tooling needed to manufacture the Products the Seller will use the tooling only for the purposes of manufacturing Products for LCR under this Agreement.
11. **QUALITY:**
- 11.1. Seller will maintain a comprehensive process and quality control program. The quality control program will be part of a quality management system that supports the ISO 9000 or similar standard. Seller will maintain quality records in accordance with such standard. LCR and/or LCR's agent may conduct audits of Seller's facility, records, and operations to verify compliance with such quality management system.
- 11.2. Seller will control its processes and will inspect the Products as necessary to ensure that all Products conform to the agreed upon specifications and are free from defects in material and workmanship. LCR and Seller will agree on quality metrics for functional and visual mechanical defects on delivered Products to LCR and/or LCR's representative may perform reasonable inspection of the Products at Seller's source site.
- 11.3. LCR may inspect the Products upon receipt and may notify Seller of any defects detected. If LCR rejects Products, LCR will have the remedies set forth in Section 7.2 (Inspection & Acceptance). Acceptance of Products not meeting quality specifications will not constitute a waiver of Seller's obligations nor preclude LCR from exercising any of its rights.
- 11.4. If LCR returns defective any defective Product(s), Seller will, within ten (10) business days of receiving the returned Product, provide LCR with a failure analysis report for Product found to be defective.
- 11.5. Seller will have a detailed archive and disaster recovery plan, which will define the actions the Seller will take to archive documents and to resume production of the Products as soon as possible after damage to or destruction of Seller's factory or other facilities, or machinery, personnel, software, documentation, and/or supply management. The disaster recovery plan will also include alternative processes for resuming production of the Products by opening an alternative facility or setting up the necessary equipment and assembly lines in an existing factory of Seller. Should a disaster occur, Seller agrees to promptly implement the steps detailed in the disaster recovery plan to the full extent and to take all other necessary measures to resume its performance under this Agreement in the shortest time possible.
12. **WARRANTY:**
- 12.1. Seller warrants that all assembly elements (*e.g.*, mechanical, electrical, *etc.*) will be free from defects in design, material, and workmanship and strictly conform to the applicable specifications, designs, drawings, samples or other descriptions exchanged by the Parties relating to the Products and to all other requirements of this Agreement ("Product Warranty"). The Product Warranty for all assembly elements will run for a period of one (1) year. This warranty shall survive any inspection, delivery, acceptance, payment, and expiration or early termination of this Agreement, and such warranty shall run to LCR, its customers, its successors, and assigns. In the

event of a breach of warranty, Seller shall be liable for the purchase price of the goods, plus any special or consequential damages which Buyer may incur, plus the Buyer's loss of prospective profits.

- 12.2. If any Product fails to satisfy the Product Warranty, whether or not resold or delivered by LCR to a customer, LCR will give written notice of such defective Product to Seller and will return the defective Product to Seller. At LCR's option, Seller will either promptly repair or replace the defective Product. Alternatively, LCR may set off that portion of the purchase price attributable to the defective Product against current or future amounts owing to Seller, or LCR may require Seller to credit any amounts owing from LCR for that portion of the purchase price attributable to the defective Product. Costs associated with the return of Product to Seller will be at the Buyer's expense and the redelivery of conforming Product to the Buyer for Product Warranty will be at Seller's expense.
- 12.3. At LCR's election, LCR may notify Seller of nonconforming Products and LCR may conduct rework of such nonconforming Products. In such event, Seller will pay to LCR the negotiated cost for all labor and material attributable to LCR's rework.
- 12.4. If it is necessary to recall or perform replacement in the field of any Products resold by LCR due to Seller's failure to comply with the Product Warranty, Seller will bear the negotiated costs and expenses of such recall or replacement in the field.
13. **CONFIDENTIALITY & NON-PUBLICITY:**
 - 13.1. Confidential Information of LCR under this PO shall mean all Products and information, including without limitation to inventions, discoveries, specifications, samples, drawings, materials, know-how, designs, processes, and other information whether patentable or not, related to technical, business, financial, trade secret, or engineering, including information LCR could reasonably expect to remain confidential, that: (a) has been or will be provided to Seller by or on behalf of LCR or which Seller otherwise acquires under this PO; (b) Seller will design, develop or otherwise create in furtherance of this PO whether or not completed; and (c) relate to the existence, negotiations, terms and performance of this PO. Seller shall take all reasonable steps necessary to protect the Confidential Information of LCR, including, but not limited to, the following: (i) promptly and fully disclose to LCR any potential disclosure to a third-party of Confidential Information related to this PO; (ii) waiver and hereby assign to LCR all rights Seller may have with respect to LCR's Confidential Information; and (iii) assist LCR in every proper way (at LCR's expense) to obtain for LCR's own benefit patents, copyrights and/or other rights of protection in any and all countries on all of LCR's Confidential Information. All Confidential Information under this PO shall be "work for hire" and the ownership and copyright therein vests in LCR and shall be the exclusive property of LCR. To the extent that exclusive title or ownership rights in such Confidential Information may not originally vest in LCR, Seller hereby irrevocably assigns, transfers, and conveys to LCR all right, title and interest therein.
 - 13.2. LCR's Confidential Information will remain the property of LCR and will not be used by Seller for any purpose other than for performing this PO, may not be disclosed to any third party, and will be returned to LCR upon the earlier of LCR's written request or completion of the PO. If, with LCR's prior written approval, Seller furnishes Confidential Information to a sub-tier supplier, Seller will bind the sub-tier supplier in writing to the obligations set forth in this Section 13 and Seller will remain responsible to LCR for any breach of this provision by its sub-tier suppliers.
 - 13.3. Seller will not make any advertisement, news release, public announcement, denial, or confirmation regarding any aspect of this Agreement, the Products, or the program to which they pertain without LCR's prior written approval.
14. **PATENTS:** Seller guarantees that the items ordered and the sale or use of these items will not infringe any United States or foreign Letters Patent, and Seller agrees to defend, and save harmless Buyer, its successors, assigns, customers, and users of its products, against any liability arising from any claim of infringement of any patent, trademark, copyright, or other proprietary right, by reason of the sale or use of the item ordered.
15. **NOTICE OF LABOR DISPUTES:** Whenever Seller has knowledge that a labor dispute is delaying or threatens to delay its performance, Seller will immediately give written notice to Buyer.
16. **COMPLIANCE WITH LAWS:** Seller represents that it has and will, while performing this order, continue to comply with the provisions of any applicable laws and regulations the violation of which might damage Buyer.
17. **EXPORT CONTROLS:** LCR and Seller agree to comply with all applicable U.S. export control laws and regulations, specifically including but not limited to the requirements of the Arms Export Control Act (22 U.S.C. §§ 2751-2794), the International Traffic in Arms Regulations (ITAR) (22 C.F.R. Parts 120-130), and the Export Administration Regulations (EAR) (15 C.F.R. Parts 730-774); including the requirement for obtaining any export authorizations (if applicable). Without limiting the foregoing, LCR and Seller agree that it will not transfer any export-controlled item, data/technology, or services, to include transfer to foreign persons employed by or associated with, or under contract to LCR, Seller or Seller's lower-tier suppliers, without legal authority, including an export license, authorization agreement, or applicable exemption or exception. Further, Seller agrees to notify LCR in writing of the specific export control jurisdiction and classification determination for any deliverable under this PO controlled for export. If Seller becomes aware of any potential violations of the U.S. export laws or regulations, including, but not limited to, those listed in this Section 17, Seller will immediately notify LCR in writing of such potential violation.
18. **INSURANCE:** Seller agrees to defend and hold harmless Buyer and any of its affiliates and subsidiaries from any claims against them arising from or growing out of the supplying by Seller of the items under this PO. Seller will provide its certificate of insurance indicating public, product, automobile liability, and property damage coverage with minimum limits of \$250,000/\$500,000 and statutory limits for workman's compensation. The certificate must state the policy number, limits, and expiration date.
19. **FORCE MAJEURE:** 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, Seller will immediately notify LCR in writing, and LCR may either: (i) extend time of performance; or (ii) terminate all or part of the uncompleted portion of the affected purchase orders at no cost to LCR.
20. **LCR CUSTOMER FURNISHED PROPERTY** (*applicable only where LCR's Customer acts as a "Supplier" of tools/materials for a Customer Order*): All tools or other materials (collectively referred to as "Customer Furnished Property") furnished to LCR for use in the performance of a Customer Order ("Order") shall remain the property of the LCR Customer (or of the Government, as the case may be), shall be

used by LCR in the performance of the Customer Order only, in accordance with the requirements of the Customer Order relating to such use, and shall be returned to the LCR Customer when requested upon the completion or termination of the Order to the extent not previously delivered to the LCR Customer. LCR's Customer agrees to warrant that any materials or tools furnished under this clause shall be suitable for its intended use and timely delivered to LCR. If the Customer Furnished Property is not delivered to LCR by the dates stated in the Customer Order, LCR's Customer shall, upon LCR's timely written request, make an equitable adjustment to the Order and/or delivery dates. Further, in the event LCR's Customer Furnished Property is not in a condition suitable for its intended use, LCR's Customer shall, upon LCR's timely written request, advise LCR on a course of action to remedy the problem. Such action may include repairing, replacing, modifying, returning, or otherwise disposing of the LCR Customer Furnished Property at the Customer's expense. Upon completion of the required action(s), the LCR Customer shall make an equitable adjustment to the Order for all costs incurred by LCR because the Customer Furnished Property was not suitable for its intended use. LCR agrees to exercise reasonable care in the safeguarding and preservation of all LCR Customer Furnished Property and assumes all responsibility for loss, damage, or destruction while such property is within its possession or control.

21. TERMINATION:

21.1. In the event of a material breach, the non-breaching party may terminate this PO if the other party commits a material breach and fails to remedy the breach within thirty (30) calendar days following receipt of written notice specifying the grounds for the breach. A material breach includes, but is not limited to, late delivery or delivery of nonconforming Products. Further, in the event of insolvency, the solvent party may terminate this PO upon written notice if the other party becomes insolvent or if any petition is filed or proceedings commenced by or against that party relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors.

21.2. Notwithstanding any firm time period or quantity on the face of the PO, LCR may terminate this PO in whole or in part at any time with or without cause for undelivered Products or unperformed services upon ten (10) days prior written notice.

21.3. If LCR terminates this PO under either Section 21.1 or 21.2 (above), LCR's sole liability to Seller, and Seller's sole and exclusive remedy, is payment for Products received and accepted by LCR before the termination. The payment can be offset against any damages to LCR based on Seller's performance under this PO. Upon termination, LCR may require Seller to transfer title and deliver to LCR any completed Products and LCR will pay the PO price for those Products subject to offset against any damages to LCR based on Seller's performance. LCR may also require Seller to transfer title and deliver to LCR any or all property produced or procured by Seller to perform this PO. LCR will credit Seller with the reasonable value of the property, but not more than Seller's actual cost or the PO value, whichever is less.

21.4. To the extent that any portion of this PO is not terminated under Section 21.1 or 21.2 (above), Seller will continue performing that portion in accordance with all applicable Terms & Conditions.

22. TAXES: Unless prohibited by statute, Seller agrees to pay any tax which may be imposed upon the items ordered or by reason of their sale, use or delivery.

23. WAIVER: The failure of either party to enforce at any time any of the provisions of this PO will not be construed to be a continuing waiver of any provisions hereunder, nor will any such failure prejudice the right of such party to take any action in the future to enforce an provisions hereunder.

24. SEVERABILITY: If any provision of this PO is held to be illegal, invalid, or unenforceable by a court of competent jurisdiction, that provision will be severed from this PO; the remaining provisions will remain in full force and effect; and a similar legal, valid and enforceable provision will be substituted in lieu of the severed provision.

25. NOTICES: All Notices relating to this PO must be in writing. Notices to the parties will be sent to their respective addresses appearing on the face of this PO (e.g., the LCR Purchasing Manager). Notices must be delivered personally, by recognized overnight courier, mailed certified first-class mail postage prepaid, by facsimile transmission to the facsimile number provided by LCR or Seller respectively (with delivery verification); or sent by electronic transmission (email) with proof of delivery. A Notice will be deemed given on the date delivered if delivered personally; three business days after being placed in the mail as specified; or upon confirmation receipt that it was transmitted satisfactorily if transmitted by facsimile or electronic transmission.

26. REMEDIES: All LCR remedies set forth in this PO are in addition to, and will in no way limit, any other rights and remedies that may be available to LCR at law or in equity.

27. ASSIGNMENT & SUBCONTRACTING:

27.1. Assignment. Seller will not assign this PO or any rights or obligations or subcontract all or any material aspect of the work called for without the prior written approval of LCR. Any assignment without LCR's written approval will be voidable at the option of LCR.

27.2. Subcontracting. Seller will provide LCR a list of all subcontractors involved in the manufacture of the Products. Seller will not transfer the manufacture of the Products or any part thereof to another subcontractor without LCR prior written consent. Seller will always remain responsible and liable for the performance of its subcontractors and sub-tier suppliers.

28. APPLICABLE LAW AND DISPUTES: This PO, and all applicable terms & conditions of this Agreement, shall be governed by laws of the Commonwealth of Pennsylvania and the United States of America. Further, any suit, action or proceeding that seeks to enforce any provision of this PO or based on any matter arising out of or in connection with this PO—including the transactions contemplated by this PO—may be brought in any federal or state court of competent jurisdiction in the State of Pennsylvania.

29. HEADINGS & CAPTIONS: Headings and captions are for convenience of reference only and do not alter the meaning or interpretation of any provision of this PO.