



Purchase Order Terms and Conditions

March 6th, 2019

1. DEFINITIONS. West Coast Magnetics Referred to as the “The Buyer” in this document. The Vendor referred to as “The Supplier” in this document.

2. GENERAL PROVISIONS. This contract is subject to all applicable federal, state, and local laws, as well as the Uniform Commercial Code of California. The Buyer reserves the right to specific stipulations of performance, price, quality, delivery, and warranties. This form will contain the details of agreed upon terms and conditions between the Buyer and the stipulated Supplier. The Buyer reserves the right to modify, change or cancel any agreement between the Buyer and the Supplier.

3. ACCEPTANCE AND COMPLETE AGREEMENT. This order is Buyer's offer to Supplier and is not an acceptance by Buyer of any offer to sell by Supplier or of any terms and conditions contained in any such offer. Acceptance of this offer by Supplier should be made by (a) executing and returning the acknowledgement copy, or (b) delivering any of the goods ordered herein or (c) rendering any of the services ordered herein. Any additional or different terms proposed by Supplier are objected to and rejected unless expressly assented to in writing by Buyer. This order is a complete and exclusive statement of the terms and conditions of the agreement between Supplier and Buyer.

4. PACKING AND DELIVERY. The Supplier must provide the Buyer a proof of shipment in the form of a packing slip followed by an invoice. The Suppliers packing slip must state: (1) Suppliers name and address, (2) Buyer’s purchase order number. (3) dates (4) Quantities (5) A list of part numbers, revisions and quantities when applicable. On or contained within the packaging the Supplier must have a packing slip attached or enclosed. When a packing slip is enclosed in a box or a container, the Supplier must mark on the outside of the package the Supplier’s name, the purchase order number and any other agreed upon marking. The Supplier must provide an invoice for each shipment. The Invoice must match up to each packing slip.

Parts shall be packed adequately to prevent damage during shipment. Supplier shall bear risk of loss or damage to goods purchased hereunder due to damage during shipment.

Delivery must be made in compliance with the schedule contained in this order and will be made by Supplier at such times and places and of such items and quantities as specified by Buyer. If Supplier fails to meet its scheduled delivery dates and buyer calls for expedited shipment, Supplier will pay the difference between the method of shipping specified and the actual expedited rate incurred. If Supplier encounters difficulty in meeting the delivery schedule, Supplier shall immediately notify Buyer in writing. Parts fabricated in excess or in advance of Buyer’s release are at Supplier’s risk. Goods shall not be supplied in excess of quantities ordered without acceptance and acknowledgment of Buyer.

5. CANCELLATION. Time is of the essence in this order. Buyer reserves the right to cancel this order, or any portion of this order, without liability, if; (a) delivery is not made when and as specified; (b) Supplier fails to meet contract commitments as to exact time, price, quality or quantity; (c) Supplier ceases to conduct its operation in the normal course of business; (d) Supplier is unable to meet its obligations as they mature; (e) proceedings are instituted against Supplier under the bankruptcy laws or any other laws relating to the relief of creditors; (f) a receiver is appointed or applied for by Supplier; or (g) any assignment is made by Supplier for the benefit of creditors. Buyer also reserves the right to cancel for any other reason permitted by the Uniform Commercial Code then in effect in the state where Buyer has issued this order.

Buyer may at any time by written notice cancel all or any part of this order for Buyer's convenience. If this order is terminated, in whole or in part, for Buyer's convenience, Supplier shall be paid an amount to be mutually agreed upon, which shall be adequate to cover the reasonable cost of the Supplier's of work under this order until the effective date of termination.

6. INVOICE AND PAYMENT. A separate invoice shall be issued for each shipment. Unless otherwise specified on this order, no invoice shall be issued prior to shipment of the goods and no payment shall be made prior to receipt of both the goods and a correct invoice. Applicable discount periods shall be computed from the date of receipt of the goods and a correct invoice to the date Buyer's check is mailed. Unless freight and other charges are itemized, discount may be taken on the full amount of invoice. Any adjustments in Supplier's invoice due to shortages, rejection or other failure to comply with the provisions of this order or under any other order or contract between Buyer and Supplier may be made by Buyer before payment.

7. WARRANTIES. Supplier warrants that: a. Price. The prices for the goods sold to Buyer under this order are not less favorable than those currently extended to any other customer for the same or like articles in comparable or less quantities. b. Quality. All goods delivered under this order will conform to the requirements of this order (including all applicable descriptions, specifications, and drawings), will be free from defects in material and workmanship and will, to the extent not manufactured pursuant to detailed designs furnished by Buyer, be free from defect in design and fit for the intended purposes, and Supplier's warranties and any more favorable warranties, service policies, or similar undertakings of Supplier shall be enforceable by Buyer's customers and the users of Buyer's goods, as well as by Buyer; c. Compliance with Laws. In the performance of this order, Supplier will comply with all applicable Federal, State, and local laws and ordinances and all lawful orders pertaining to such.

8. INDEMNITY AND INSURANCE. A. Insurance. Supplier shall maintain comprehensive liability, property damage, automobile, and employee insurance, including products liability, completed operations, contractor's liability and protective liability, automobile liability insurance (including non-owned automobile liability) and Workmen's Compensation, and employer's liability insurance as will adequately protect Buyer against such damage, liabilities, claims, losses and expenses including attorney's fees. Supplier agrees to submit certificates of insurance evidencing its insurance coverage when requested by Buyer.

B. Indemnity. Supplier, at its expense, shall indemnify Buyer and hold Buyer harmless from any and all liability, demands, causes of action or claims, whether well founded or otherwise, including the cost of defending the same, for bodily injury to any person or damage to property, either real or personal, of any person whomsoever in any way arising out of, in the course of, or in connection with the goods or

services purchased hereunder or the operations of the Supplier in carrying out the provisions and terms of this Agreement.

9. INSPECTION AND REJECTION. All goods are subject to final inspection and acceptance by Buyer at destination notwithstanding any payment or prior inspection at source. Such inspection will be made within a reasonable time after receipt of goods. Buyer shall notify Supplier if any goods delivered hereunder are rejected, and at Buyer's election and Supplier's risk and expense, such goods shall be held by Buyer or returned to Supplier.

10. CHANGES AND DISCREPANCIES. Any discrepancies, omissions or lack of clarity in drawings, specifications, or purchase orders, shall be referred to the Buyer for written interpretation before this order is processed. Buyer shall have the right at any time before completion of the order, to make changes in quantities, in drawings and specifications, in delivery schedules, and in methods of shipment and packaging. If such changes cause an increase or decrease in price or in the time required for performance, Supplier shall promptly notify Buyer thereof in writing and equitable adjustment shall be made. Changes shall not be binding upon Buyer unless agreed to in writing by Supplier.

11. FORCE MAJEURE. Supplier shall not be liable for any delay or failure to deliver any or all of the goods covered by this purchase order in the event of delay or failure caused by governmental regulations, labor disputes, strikes, war, riots, insurrection, civil commotion, mobilization, explosion, fire, flood, accident, storm or any act of God, failure of crops or supplies, delays of common carriers, embargoes, or other causes beyond Supplier's reasonable control. Similarly, Buyer shall not be liable for failure to take delivery of the goods for any of the above causes, or other causes beyond Buyer's reasonable control if they render it commercially impracticable for Buyer to receive or use the goods on a timely basis. Where either Supplier or Buyer claims an excuse of nonperformance under this paragraph, it must give notice in writing to the other party. Supplier shall not be obligated to sell nor Buyer obligated to purchase at a later date that portion of the goods that Supplier is unable to deliver or Buyer is unable to receive or use because of any of the aforementioned causes. No goods are to be tendered by Supplier after expiration of the terms specified in this purchase order without consent of Buyer.

12. REQUIREMENTS FOR FEDERAL SUBCONTRACTORS. Supplier shall comply with all Federal requirements applicable to Federal subcontractors, including without limitation those requirements relating to equal employment opportunity, minority business subcontracting, small business subcontracting, labor surplus area subcontracting and clean air and water, and at the request of Buyer, Supplier shall execute and shall be bound by any certifications or agreements incorporating such requirements in forms approved by Buyer.

13. ASSIGNMENTS. No assignment of any rights, including rights to money due or to become due hereunder, or delegation of any duties under this order shall be binding upon Buyer until its written consent has been obtained.

14. TOOLS, PARTS, ETC. All tools, dies, molds fixtures, patents, trademarks, drawings, prints, patterns and the like if furnished or specifically paid for by the Buyer shall be the property of the Buyer. Such property shall be subject to removal at any time without additional demand or request by the Buyer. All the above-mentioned items will be kept separate and identified from other items in the possession of the Supplier. The above mentioned may only be used for the purpose of filling orders for the Buyer. The Supplier assumes complete responsibility for loss or damage (except for normal wear and tear in filling

out the Buyer's orders only) of such property. The Supplier agrees at the Supplier's sole cost and expense to fully insure such property in satisfactory working condition. Supplied drawings, prints, patterns, and the like of the Buyer's or the Buyer's customers to the Supplier are to be held in confidence. This confidence also extends to any of the Supplier's subcontractors, employees or agents. Supplied drawings, tools, and the like may not be used for other purposes than authorized work issued to the Supplier from to the buyer. The Supplier is responsible for any legal fees, criminal or civil prosecution, penalties, etc. that may arise from unauthorized usage of the Buyer's or the Buyer's Customers, drawings, tools, patterns, and the like.

15. DECLINE IN PRICE. Buyer shall be protected against declining prices on the undelivered portion of this order. Supplier may elect to meet price reductions of other vendors or its own lower prices to other purchasers, but if Supplier should refuse to do so Buyer shall have the right to cancel any or all of the balance due on this order without cost to Buyer.

16. NOTICE OF LABOR DISPUTE. Whenever Supplier has knowledge that any actual or potential labor dispute may delay this order, Supplier shall immediately notify and submit all relevant information to Buyer. Supplier shall insert the substance of this entire clause, in any subcontract hereunder as to which a labor dispute may delay this order. However, any subcontractor need give notice and information only to its next higher tier contractor.

17. CLEARANCE OF MATERIALS INTENDED FOR PUBLIC RELEASE. No news release, including photographs and film, advertisements, public announcement, denial or confirmation of same or any part of the subject matter of this order or any phase of any program thereunder shall be made without prior written approval of Buyer.

18. REACH, ROHS AND TSCA (Toxic Substances Control Act): Upon request of Buyer, Supplier will supply certification to Buyer that certain products supplied by Supplier, as requested by Buyer, are compliant with REACH, RoHS and TSCA directives.

19. CONFLICT MINERALS. Supplier is hereby notified that in accordance with Section 1502 of the Dodd-Frank Wall Street and Consumer Protection Act certification shall be provided to the Buyer that products supplied to Buyer are DRC (Democratic Republic of Congo) conflict free.

20. COUNTERFEIT COMPONENTS AND PARTS: To prevent the supply of counterfeit components and parts Supplier agrees to provide only components and parts that are procured from the original equipment manufacturer (OEM) through the OEM's authorized distributor chain or from the OEM, when the Supplier is not the OEM.

21. APPLICABLE LAW. This order shall be governed by the laws of the State of California.

22. WAIVER. The right of Buyer to require strict performance of this order shall not be affected by any prior waiver of course of performance.