

**ADVANCED INPUT DEVICES/MEMTRON INPUT COMPONENTS  
GENERAL PURCHASE ORDER TERMS AND CONDITIONS and for HaptX Products  
January 09, 2020**

**Clause 1. Definitions**

The term "Buyer" as used herein refers to Advanced Input Devices and/or Memtron Input Components, both are Delaware corporations. The term "Seller" refers to the vendor specified on the Purchase Order. The term "Seller" as used herein also includes all other suppliers, vendors, subcontractors, independent contractors, and all other classes of person performing any type of work under this Purchase Order number, whether or not specified on the Purchase Order.

**Clause 2. Purchase Order Issuance and Acceptance**

This Purchase Order constitutes Buyer's offer to purchase the goods and services described in this Purchase Order (hereinafter, "Product") in accordance with the provisions set forth on the face hereof, the provisions hereto, and the provisions incorporated herein by reference. Buyer shall not be bound by this Purchase Order unless and until an authorized representative of Seller returns to Buyer the acknowledgement within five (5) working days after receipt. Seller's acceptance of the Purchase Order is limited to the terms contained herein and no additional or different terms shall be binding on Buyer unless expressly agreed to by Buyer in writing. If access to, or use of a Product requires the acceptance of any invoice, bid, proposal, quotation, offer shrink-wrap terms, click wrap terms, online terms, links, URL's, or other terms and conditions in any form or media, it is expressly understood and agreed that any terms that purport to limit or restrict the rights granted hereunder, or impose additional obligations on Buyer or any users hereunder (including but not limited to scope of use, limits of liability, indemnities, audit rights, etc.) shall have no force or effect.

**Clause 3. Delivery, Transfer of Title, and Risk of Loss**

Seller will deliver all Products to Buyer FCA (Seller's Plant) in accordance with Incoterms 2020. Title and risk of loss to the Products will pass to Buyer upon delivery to carrier. Unless otherwise agreed in writing, Buyer will be responsible for all shipping charges, premiums for freight insurance, and other transportation costs.

The delivery dates indicated by Buyer for the Product to be supplied under this Purchase Order shall be considered to be of equal importance as the quality and the price, and Supplier will make best efforts to fulfill the requirements this Purchase Order. Failure to meet agreed upon delivery shall be considered a breach of the contract and shall subject this Purchase Order to termination by Buyer without liability effective upon written notice to Seller if such failure to deliver is not cured as mutually agreed.

Furthermore, Seller agrees to pay to Buyer any penalty and damages imposed upon or incurred by Buyer for failure of Seller to deliver Product on such delivery dates. Buyer may reject shipments sent C.O.D. without Buyer's prior consent and such shipments will be at Seller's risk. Buyer may return or store at Seller's expense any Product delivered more than fourteen (14) days in advance of the delivery date specified in this Purchase Order for such Product. If at any time during the term of this purchase order, Seller anticipates a shortfall in production of the goods and services to be provided, which shortfall is reasonably likely to result in Seller's inability to meet Buyer's requirements as set forth in this purchase order, then Seller shall (a) promptly notify Buyer in writing and in advance of the shortage stating reasons for and estimated duration of the shortage condition), (b) take all commercially reasonable steps to avoid the shortfall (to include documenting corrective action, paying expedite fees, using premium transportation, and overtime at the Seller's expense). If there is a shortfall or Products ordered by Buyer are not available for delivery on the dates requested by Buyer, Seller will provide Buyer with the option for partial shipments and a schedule to remedy.

#### **Clause 4. Invoicing and Payment Terms**

Invoices should be rendered by Seller to Buyer promptly after each shipment or unit of work is performed under this Purchase Order. The Purchase Order number, Buyer's part number, and revision level, quantity and unit price, discount, if any, shall be clearly shown on such invoices. If the invoices specify discount terms for prompt payment within a specified period of time, the time specified thereon shall be deemed to run from the time of receipt of the Product by Buyer, or date of invoice, whichever is later, notwithstanding any terms of the invoice to the contrary. If no terms of payment are shown on the invoice, they will be deemed Net 60 days after receipt of the Product or the date of invoice whichever is later.

#### **Clause 5. Price**

Seller represents that the prices charged for the Products covered by this Purchase Order are the lowest prices net of discounts charged by Seller and on terms no less favorable than accorded by Seller to its other customers purchasing in quantities and under circumstances comparable to those specified in the Purchase Order. Buyer shall be entitled to a retroactive reduction in price hereunder to reflect such lowest prices and most favorable terms. Seller agrees that any price reduction applicable to any Product covered by this Purchase Order subsequent to the placement of this Purchase Order and until delivery of the last installment hereunder will be automatically applicable hereto. Seller is bound by the terms of this agreement to notify Buyer at the time of the purchase regarding any price differential.

#### **Clause 6. Changes**

Buyer shall have the right to change from time to time any of the drawings, specifications or instructions for work covered by this Purchase Order and Seller agrees to use commercially reasonable efforts to comply with such changes. If such changes result in a change in Seller's cost or in the time of performance an adjustment in price and time for performance will be made by the parties in writing, provided however that Seller shall notify Buyer of the request for such adjustments within thirty (30) days after receipt by Seller of the notice of such change. Seller's writing shall detail the reasons for the price adjustment to the Buyer. Seller agrees not to make any changes to drawings or documents that affect this purchase order without the prior written approval of the Buyer except with regard to Seller components incorporated therein.

#### **Clause 7. Packaging and Shipping Instructions**

A. PACKAGING – All Products shall be prepared and packed in a commercially reasonable manner and so as to secure the lowest transportation rates and to meet carrier's requirements. No charges will be allowed for packing, crating, or carriage unless stated in this Purchase Order.

B. MARKING – Each shipping container must be marked to show Buyer's Purchase Order number, Buyer's part number and the quantity contained therein. A packing list showing Purchase Order number must be included with each shipment and the container in which the packing list is contained shall be clearly and appropriately marked.

C. SPECIAL PACKAGING REQUIREMENTS – Certain Products may require special packaging to facilitate compliance with safety and other agency rating standards. Cost for special packaging requirements will be negotiated independent of costs for the Product which they contain. Special packaging requirements may include, but not be limited to: ISPM-15 standards for wooden packaging, Box Maker's Certificates or equivalent for boxes, and other international standards as applicable (e.g. ASTM, ISO 21067, etc.). Buyer agrees to notify Seller of special packaging requirements when need for such is determined.

#### **Clause 8. Inspection, Warranty, and Rejection**

A. Warranty - Seller warrants that all Products supplied by Seller under this Purchase Order shall conform to the Product description, specifications, drawings, samples, or other characteristics specified by Buyer on the face of this Purchase Order, that Seller has provided the number of Products specified on the Purchase Order, and that they are of good material and workmanship, free from defects, liens, and encumbrances, merchantable and fit for Buyer's particular purpose if

Buyer shall have made known to Seller the purpose and application for which the Product is purchased. Such warranty shall be in effect for a period of one (1) year after date of receipt of Product by Buyer and shall in addition to any other warranties and guarantees given Buyer by Seller shall survive inspection, test, acceptance and payment, and shall run to Buyer, its successors, assigns, and customers. The Product shall be subject to inspection and test by Buyer at all times and places, including the period of manufacture for hardware, the period of development for software, and the period of performance of services. Unless otherwise specified final inspection and acceptance of Product by Buyer will be at Buyer's facility from which the Purchase Order originates, Buyer reserves the right to reject Product which does not conform to the volumes, descriptions, specifications, drawings, samples or other characteristics specified in this Purchase Order. Buyer may, at this option, either return defective or nonconforming Product for full credit of the purchase price plus any transportation charges paid by the Buyer, or require prompt correction or replacement of defective or nonconforming Product, which rights shall be in addition to such other rights as Buyer may have by law or under any other Agreement. Return to the Seller of any defective or non-conforming Product shall be at the Seller's expense and no replacements shall be made unless specified by Buyer. Product required to be corrected or replaced shall be subject to the inspection and warranty provisions of this Clause 8 to the same extent as product originally delivered under this Purchase Order. In addition, Buyer may, at Buyer's discretion, charge Seller for costs of any above normal levels of inspection if rejection of a shipment endangers production schedules.

#### **Clause 9. Patents and Copyrights**

Seller agrees to indemnify and to save harmless Buyer, its officers, agents, employees and vendees (mediate and immediate) from any and all loss, expense, damage, liability, claims or demands either at law or in equity for actual or alleged infringement of any patent, invention, design, trademark, or copyright arising from the purchase use or sale of Product required by this Purchase Order, except where such infringement or alleged infringement arises by reason of designs for such Product originally furnished to Seller by Buyer. Seller further agrees to indemnify and hold harmless Buyer and the above-recited related person and entities against any injunction or restraining order issued pursuant to such claim or demand at law or in equity.

#### **Clause 10. Counterfeit Parts**

For Sellers of Electronic, Electrical, Electromechanical (EEE) parts, materials, mechanical parts, commodity Parts, and non-sub assembly products, the Seller shall be one of the following: original source manufacturers, franchised distributors or authorized aftermarket manufacturers as defined in AS5553. Seller shall notify the Buyer of any exceptions to the foregoing requirement and ensure approval prior to delivery.

For Sellers of sub-assemblies and system level products, the Seller shall purchase parts directly from one of the following: original source manufacturers, franchised distributors or authorized aftermarket manufacturers as defined in AS5553. Seller shall notify the Buyer of any related exceptions to the foregoing requirement and ensure approval prior to incorporating into sub-assemblies intended for delivery to Buyer.

Seller shall not deliver to Buyer any work, components or material purchased either directly or indirectly through brokers, independent distributors or 3rd party distributors as defined in AS5553, without prior approval from the Buyer's Purchasing Representative. This approval to use brokers, et al, will require the submittal of a comprehensive risk mitigation test plan to screen procured parts for counterfeit sources. Seller shall implement systems that assure complete traceability (i.e. Supply Chain Traceability as defined in AS5553) to the original source of manufacture. This requirement applies to all work delivered to Buyer either directly or indirectly as components or included in assemblies. Traceability methods shall clearly identify the name and location of all of the supply chain intermediaries from the original manufacturer including build identification such as date codes, lot codes, melt and heat treatment lot, serialization or other batch identification. Seller shall not deliver work that contains counterfeit items including, but not limited to, software, material and electrical/mechanical parts /assemblies. Seller and its sub-tiers shall comply with the requirements of AS5553. The Seller shall ensure that only new and authentic materials are

incorporated into work delivered under this contract. (For repair contracts, this #new material only# clause applies to the new material required for the repair. No counterfeit material is allowed to be introduced as part of the repair).

**Clause 11. Assignments**

This Purchase Order and any payments to be made hereunder shall not be assigned or transferred without prior written approval by Buyer. Seller shall not further subcontract any substantial portion of the work to be performed by it under this Purchase Order without the prior written consent of the Buyer. Under this agreement, when the Buyer is notified of assignments or transfers, Seller shall maintain the responsibility for ownership for inspection and warranties as detailed in the Inspection and Warranty paragraph of this agreement.

**Clause 12. Termination**

Buyer may terminate the work to be performed under this Purchase Order in whole or in part at any time by written notice to Seller. Such notice shall state the extent and effective date of such termination and upon the receipt thereof Seller shall:

- A. Terminate work to be performed by Seller under this Purchase Order until otherwise instructed by Buyer
- B. Promptly notify Buyer in writing of any cancellation charges, and
- C. Incur no further charges.

Buyer shall not be responsible for any cancellation charges for which written notice is not received within ten (10) days of Buyer's notice of termination.

**Clause 13. Force Majeure**

Neither party shall be liable for damages for any delay arising out of causes beyond its reasonable control including, but not limited to, acts of God, acts of civil or military authority, fire, or shortage or power. If any such delay is caused by the delay of a subcontractor and is beyond the control and without the fault or negligence of the Seller and such subcontractor, Seller shall incur no liability for such delay unless Seller could have reasonably obtained the services and materials to be provided by such subcontractor from other sources in sufficient time to meet the schedule for delivery required hereunder. Seller shall notify Buyer immediately upon learning of any event which may result in any such delay. Any reduction in supply to Buyer pursuant to this Clause 15 shall be in proportion to the reduction in Seller's total production capacity during each month in which such reduction to Buyer occurs and Seller shall accordingly reduce all other customer's supplies proportionately and in an equitable manner.

**Clause 14. Indemnification and Insurance**

Seller agrees to protect, defend, indemnify and save Buyer harmless from all sums, costs and expenses which Buyer may incur or be obligated to pay as a result of any and all loss, expense, damage, liability, claims, demands, either at law or equity, of every nature whatsoever, in favor of any person, including both Seller's and Buyer's employees, resulting from any personal injury or death or damages to property incident to or resulting directly or indirectly from the performance of Seller or the Product hereunder.

Seller shall maintain at its expense a policy of products liability insurance with contractual liability endorsement, in such amounts and containing such other provisions as shall be satisfactory to Buyer, covering Product sold to Buyer hereunder. All such policies shall provide that the coverage thereunder shall not be terminable without at least thirty (30) days prior notice to Buyer. Seller shall promptly supply Buyer, upon demand, evidence satisfactory to Buyer of this existence of said policy or policies.

**Clause 15. Over Shipments**

Seller is instructed to ship only the quantity of Product specified in this Purchase Order. Buyer reserves the right to return at Seller's expense any shipment in excess of the quantity stated in this Purchase Order.

**Clause 16. Proprietary Information**

All written or oral information obtained by Seller from Buyer in connection with this Purchase Order which is identified as proprietary is received in confidence and shall remain the property of Buyer, such proprietary information shall be used and disclosed by Seller only to the extent necessary for the performance of this Purchase Order and as agreed to by Buyer. Seller, may on occasion, be required to execute a non-disclosure agreement.

**Clause 17. Rights in Development**

This clause shall apply if the Product is (a) a service that will produce work product or deliverables; or (b) if the Product is hardware or software that is designed or developed for Buyer and is paid for by Buyer, whether itemized separately or included in the price for the Product to be furnished under this Purchase Order. Seller shall disclose and does hereby assign to Buyer any and all inventions, improvements, or developments, which it may make or assist in making in the course of such development, Seller assigns all patents, applications for patents in connection with any such invention, improvement or development to Buyer. Seller will take the necessary steps and cause its personnel to execute the necessary documents to vest and register copyrights to all works of authorship (including but not limited to software, drawings, and integrated circuit artwork) in Buyer. All such works shall be legibly marked with the following legend: "Copyright Advanced Input Devices 20XX (year of first fixing of the work in a tangible medium)). In addition, all information, works of authorship, ideas, results and data developed by Seller as a result of developmental work contemplated by this clause shall be transmitted by Seller only to Buyer and shall become the exclusive property of Buyer.

**Clause 18. Materials and Tools**

If Buyer furnishes Seller material or equipment or pays for such material or equipment, title thereto shall remain or vest in Buyer and Seller shall identify, maintain, insure and preserve such material and equipment in accordance with Buyer's direction. All special drawings, dies, tools, patterns or other items supplied by Buyer shall be the property of Buyer and shall be preserved in good condition, utilized for Buyer's product only, and if requested by Buyer returned when the work on this Purchase Order has been completed or terminated. Seller shall pack and ship all special tooling and prepare same for shipment pursuant to Buyer's written notification. If material, equipment, special drawings, dies, tools, patterns and/or other items are furnished by Buyer for performance of this Purchase Order, all risk of loss thereof or damage thereto shall be upon Seller until such items have been redelivered to Buyer in the same condition as delivered to Seller, ordinary wear and tear excepted.

**Clause 19. Cessation of production**

If production of Product covered by this Purchase Order is to be permanently discontinued at any time within one (1) year after final delivery under this Purchase Order, Seller shall give Buyer at least 180 days' prior written notice of such discontinuance during which time Seller shall accept and supply Product pursuant to Purchase Orders from Buyer for reasonable quantities of such Product. If such product or service is proprietary to Seller, Seller shall release the proprietary information to Buyer for Buyer to resource or produce product beyond Seller's Cessation of the product obsoletes.

**Clause 20. Publicity**

Seller shall not make or authorize any news release, advertisement, or other disclosure, which shall deny or confirm the existence of this Purchase Order without prior written consent of Buyer.

**Clause 21. Waiver**

The failure of Buyer to insist upon the performance of any provision of this Purchase Order shall not constitute or be construed as a waiver of any such provision.

**Clause 22. Gratuities**

Seller warrants that neither it or any of its employees, agents, or representatives has offered or given any gratuity to Buyer's employees, agents or representatives with a view towards securing favorable treatment with respect thereto.

**Clause 23. Applicable Law**

The validity, performance and construction of this Purchase Order shall be governed by the laws of the State shown in Buyer's address on the face of this Purchase Order. The invalidity in whole or in part of any provision hereof shall not affect the validity of any other provision.

The Seller and Buyer agree that they will fully comply with the Foreign Corrupt Practices Act, the Corruption of Foreign Public Officials Act, the United Kingdom Bribery Act, and other applicable anti-bribery laws and regulations. Without limiting the generality of the foregoing, the Seller and Buyer represent and agree that: (a) they have not and will not directly or indirectly offer, give, promise or authorize anything of value to any government official, United Nations official, political party, party official or candidate for office ("Public Official") for the purpose of directly or indirectly, from this Agreement; (b) they have not and will not directly or indirectly, offer, pay, promise to pay, or authorize the payment or giving of money, or anything of value to any individual to induce the individual to perform improperly any function or activity in the course of the individual's employment, business, trade, or profession or to reward an individual for the improper performance of any such function or activity; (c) they will ensure that illegal child labor is not used in the performance of work (the term "child" refers to any person under the minimum legal working ages defined by the International Labour Organization (ILO) or if older, under the minimum legal working age for employment in the country or jurisdiction where the work is effectively performed); (d) they will adhere to the regulations prohibiting human trafficking and comply with all applicable local laws in the countries in which they operate; and (e) they will cause their employees, directors and related entities to comply with the provisions of this Section.

**Clause 24. EEO / Affirmative Action**

Seller warrants that all goods and services sold hereunder shall have been produced, sold, delivered, and furnished in strict compliance with all applicable laws and regulations including EEO and affirmative action to which they are subject. Federal contractors are notified that they may be subject to the provisions of 41 CFR Section 60-1.40, 41 CFR Section 60-250.4, 41 CFR 60-300.5, 41 CFR Section 741.4 and 29 CFR part 471, appendix A to subpart A with respect to affirmative action program requirements.

**Clause 25. Trade Compliance/Export Requirements**

If this order involves Export Controlled products or technical data, Seller shall comply with all applicable U.S. export laws and regulations, including International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR"). The subject technology of this order (including data, services, software and hardware provided hereunder, defined as "Controlled Technology") may be controlled under these laws and regulations and may not be exported or re-exported without prior authorization in accordance with ITAR and EAR. Access to Controlled Technology by Foreign Persons, as defined by 22CFR 120.16, may require an export authorization. Seller shall have full responsibility for obtaining any export licenses or authorization required to fulfill its obligations under this Subcontract.

Seller warrants that the U.S. Department of Commerce, other U.S. government agencies, or other national governments have not denied the export privileges of the Seller. Seller agrees it will give immediate notice to Buyer in the event that export privileges of the Seller are denied or abridged.

Seller shall be fully responsible for the "screening" of its transactions and subcontractors, Sub-tier Suppliers, and all other third parties who may assist the Seller in fulfilling its responsibilities under this Agreement. Seller will exercise commercially reasonable care and due diligence to ensure such third parties are not knowingly identified as, or engaged in, prohibited nuclear, missile, chemical, or biological weapons of mass destruction end users or end uses. The Seller shall exercise commercially reasonable care and due diligence to ensure such third parties are not

knowingly engaged in activities associated with a “Red Flag” risk of illegal diversion, or included on any government denied, unverified or blocked parties lists. Third-parties to the Seller must not require the Seller to accept prohibited boycott terms or conditions, and must not be located in a restricted or embargoed country.

**Clause 26. Complete Agreement**

This Purchase Order, which includes any supplemental sheets and riders annexed by Buyer, contains the complete and entire agreement between the parties. No agreement or understanding to modify this contract shall be binding upon Buyer unless agreed to in writing by Buyer and any and all previous agreements or understandings, whether oral, written, inconsistent with any of the various terms and conditions set forth herein are hereby cancelled and rendered null and void.

**Clause 27. Conflict**

In case of conflict between the terms and conditions of Clause 1 through 25 and other provisions of this Purchase Order, such other provisions shall prevail.