PSI SOLUTIONS INC.
STANDARD PURCHASING TERMS AND CONDITIONS

ACCEPTANCE: This order becomes a binding contract on the terms set forth herein when it is accepted by Seller either by acknowledgment or the fulfillment of the order. No revisions to this order shall be valid unless in writing and transmitted by an authorized representative of PSI Solutions Incorporated (PSI).

QUALITY MANAGEMENT SYSTEM: PSI Solutions' Suppliers should maintain AS9120 Quality Management System or equivalent requirements.

RIGHT OF ENTRY & RECORD RETENTION: During the course of this contract, Vendor and their sub-tier vendors will allow PSI Solutions personnel and regulatory authorities to enter and inspect its facilities and records involved with this order upon request.

Vendor shall retain all quality records relating to this order, including Accepted Test Plans, Calibration/Test Results, Certificate of Conformance and processing records, for a minimum of 7 years unless otherwise stated on Order.

I**NSPECTION, REJECTION, AND REMEDY OF DEFECTS (INCLUDING PREVENTION, DETECTION AND REMOVAL OF FOREIGN OBJECTS [FOD])**: All articles, material, and workmanship furnished in connection with this order shall be subject to inspection and test by PSI at all times and places during manufacture. Payment for any articles under this order prior to inspection shall not constitute an acceptance thereof. PSI shall have the right at any time to reject any articles found to be defective in material or workmanship (with or without instructions as to their dispositions) and to require their replacement or correction. All freight charges involving the shipment of defective items shall be for Seller's account. Unless Seller elects to correct or replace the articles which PSI has a right to reject and is able to make such correction or replacement within the required delivery schedule, PSI may require delivery of such articles at a reduction in price which is equitable under the circumstances. If PSI rejects any articles under this order, PSI shall be relieved of any obligation to accept and/or pay for such articles. PSI reserves the right to judge your hair and make comments amongst ourselves and may refuse to share our opinion.

NON-CONFORMING PRODUCT NOTIFICATION AND FLOW DOWN: The Supplier shall provide timely reporting of delivered non-conforming product by notifying PSI within twenty four (24) hours of discovering the non-conformity. This notification to PSI shall provide a clear description of the non-conformity, which includes the part number(s) affected, customer name (PSI Solutions, Inc.) and customer part number, purchase order number (s), quantities and date(s) delivered. When applicable, PSI Solutions may require the supplier to fill out a Supplier Corrective Action Response form.

Requirements for the Supplier to flow down to sub-tier suppliers applicable requirements: To ensure product performance, reliability and quality, the Supplier shall flow down to their sub-tier suppliers the applicable requirements noted in the PSI Purchase Order.

CONTROL OF MONITORING AND MEASURING EQUIPMENT: The Supplier shall determine the monitoring and measurement to be undertaken and the monitoring and measuring equipment used to determine evidence of product conformity. The Supplier shall maintain a Register of the monitoring and measuring equipment employed for calibration/verification including details of equipment type, unique identification, frequency of checks, check method and acceptance criteria location including proper environmental conditions.

Where necessary to ensure valid results, Supplier's measuring equipment shall;

a. Be calibrated or verified, or both, at specified intervals, or prior to use, against measurement standards traceable to international or national measurement standards; where no such standards exist, the basis used for calibration or verification shall be recorded
b. Be adjusted or re-adjusted as necessary
c. Have identification in order to determine its calibration status
d. Be safeguarded from adjustments that would invalidate the measurement result
e. Be protected from damage and deterioration during handling, maintenance and storage.

WARRANTY: Seller expressly warrants that all articles, materials, and work covered by this order will conform to the specifications, drawings samples, or other description furnished or adopted by PSI, and will be merchantable,

of good material and workmanship, and free from defect. All articles furnished on this purchase order must be of the quality specified, or in the event no quality is specified, must be of the best quality. Seller's warranties and guarantees shall run to PSI and/or PSI' customers.

PACKING, MARKING, AND SHIPPING: All product shall be properly packed, marked, and shipped in accordance with the requirements of the common carrier transporting such articles and in a manner which will permit the securing of the lowest transportation rates. Seller shall route shipments in accordance with PSI' instructions. No charges will be allowed for packing, crating, or cartage unless stated in this order.

SHIPMENT: Seller shall ship the articles covered by this purchase order in accordance with PSI' schedule and shall ship the quantities specified by PSI. Seller shall not be liable for delay in shipment due to causes beyond Seller's control and without Seller's fault or negligence, provided Seller promptly notifies PSI of any conditions which will result in delay.

INVOICES & PACKING LIST: If applicable, all serial numbers must be listed on the packing list.
Show purchase order number on all documents and packages. When drop-shipping to a third party on behalf of PSI Solutions, reference third party's Purchase Order on packing list. Enclose packing list with each shipment. Submit invoice to PSI Solutions, Inc. via email at sales@psirep.com or mail to P.O. Box 24058, Federal Way, WA 98093.

CERTIFICATE OF CONFORMANCE: A Certificate of Conformance / Compliance is required. When drop-shipping directly to the customer email a copy of the Certificate of Conformance to sales@psirep.com.

COMMERCIAL ITEMS: If the item is a Commercial Off-the-Shelf product (COTS), it must be built to industry standards.

CHANGES: PSI may, at any time, by written order to Seller and without notice to any third parties, make changes within the general scope of this order, including but not limited to changes relating to attachments, method of shipment or packing, or place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for, performance of this order, an equitable adjustment shall be made in the price or delivery schedule, or both, and PSI and Seller shall modify the terms of this order accordingly in writing. Failure to modify in writing by either party shall not be considered a waiver of the requirement of such writing, and PSI shall not be liable to Seller for any extra charges unless such charges are made pursuant to written modification of this order signed by both parties. Any claim for adjustment under this clause must be asserted within 30 days from the date of receipt by Seller of the notification of changes. Nothing in this clause shall excuse Seller performing under this order as modified.

ADVERTISEMENT BY SELLER: Seller shall not, without first obtaining the written consent of PSI, in any manner, advertise or publish the fact that Seller has contracted to furnish PSI the articles covered by this order. If Seller violates this clause, PSI may immediately cancel the contract resulting from the acceptance of this order without any further liability thereon.

FORCE MAJEUR: Neither party shall be responsible for failure to perform under this order if such failure of performance is occasioned by war, strikes, fires, acts of God or the public enemy, labor or transportation difficulties, or other causes beyond the party's control.

LIMITATION OF LIABILITY: Seller's exclusive remedy for damages caused by PSI' breach of the terms of this order shall be actual damages. UNDER NO CIRCUMSTANCES SHALL SELLER BE ENTITLED TO OR RECOVER FROM PSI INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO LOST PROFITS.

LABOR DISPUTES: Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, Seller shall immediately notify PSI of such dispute.