

## **SYNOPSIS STANDARD TERMS AND CONDITIONS**

Note: Individual contract terms may supersede terms shown below

1. **ACCEPTANCE:** Written acceptance by Seller or commencement of any work or performance of services called for hereunder shall constitute acceptance of this Order and its terms and conditions by Seller. Any additional or different terms proposed by Seller are objected to and hereby rejected unless such additional or different terms are specified herein.

2. **PRICES AND TAXES:** Acceptance of this Order constitutes a warranty that the price to be charged for products or services does not exceed the lowest price charged to any other customer for similar delivery requirements. Unless otherwise specified, the prices in this Order may not include applicable federal, state, and local taxes.

3. **INVOICES:** Seller shall submit invoices in duplicate, showing the Order number, line item number, description of product/service, quantity, unit prices, tax, extended totals, and any other information elsewhere specified. Bill of Lading or express receipt must accompany each invoice. Payment of invoice(s) will not constitute acceptance of products/services and will be subject to adjustment for errors, shortages, defects in products/services or other failure of Seller to meet Order requirements. Buyer may at any time set off any amount owed by Buyer to Seller against any amount owed by Seller or any of its affiliated companies to Buyer.

4. **DISCOUNT:** Time in connection with any discount offered by Seller will be computed from the latest of (i) scheduled delivery date; (ii) date of actual delivery; or (iii) date that an acceptable invoice is received. For the purpose of earning discounts, payment will be deemed to have been made on the date of mailing of Buyer's check.

5. **OVERSHIPMENTS:** Buyer will pay only for quantities ordered. Overshipments will be held by Buyer at Seller's risk and expense for a reasonable time. Return shipping charges for excess quantities will be at Seller's expense.

6. **PACKING AND SHIPPING:** Unless otherwise specified, when the price of this Order is based on weight of ordered goods, such price is to cover only net weight of material ordered. No charges are allowed for packing, handling, transportation, storage or other packing requirements. Seller will package all products (i) in accordance with good commercial practice, (ii) acceptable to common carriers for shipment at the lowest rate for particular products, (iii) in accordance with I.C.C. regulations, and (iv) adequate to insure safe arrival of goods at named destination. Seller will mark all containers with necessary lifting, handling, and shipping information and with Order number, date of shipment, and names of consignee and consignor. Itemized packing list must accompany each shipment. No delivery will be made prior to due date shown unless Buyer has given prior consent.

7. **F.O.B. POINT:** Unless otherwise specified, the products ordered hereunder will be delivered on an F.O.B. Origin basis.

8. **WARRANTY:** (a) Seller warrants that all products delivered (i) will be free from defects in design, workmanship, material, and manufacture, (ii) will comply with requirements of this Order, including any drawings/specifications referenced herein. Seller further warrants that all goods purchased hereunder will be of merchantable quality and will be fit in the purposes intended by Buyer. The foregoing warranty are in addition to all other warranties express or implied, and will survive any delivery, inspection, acceptance or payment by Buyer. All warranties run to the benefit of Buyer and its customers. (b) Buyer's approval of Seller's materials or designs will not relieve Seller of any warranties. (c) If goods delivered do not meet the warranties specified herein or otherwise applicable, Buyer may, at its option (i) require Seller to correct any defective or nonconforming product(s) by repair or replacement at no cost to Buyer, or (ii) return such defective or nonconforming product(s) to Seller at Seller's expense and recover from Seller the Order price thereof, or (iii) correct the defective or nonconforming product(s) itself and charge Seller with the cost of such correction.

9. **INSPECTION AND ACCEPTANCE:** Notwithstanding any prior payments, all products/services will be subject to final inspection and acceptance at Buyer's plant within a reasonable time after delivery. In case any item is defective in material or workmanship, or otherwise not in conformity with the requirements of this Order, Buyer shall have the right to reject it, to require its correction, or to accept it with an adjustment in price. If Seller fails to promptly replace or correct any defective item, then Buyer may exercise its rights pursuant to the Termination for Default Article.

10. **CHANGE ORDERS:** (a) Buyer may from time to time, by written order, make changes within the general scope of this Order in any one or more of the following: (i) Increase or decrease ordered quantities; (ii) change drawings, designs, or specifications; (iii) change method of shipping or packing; (iv) change place of delivery; (v) change scope of work and/or services. (b) If any such change(s) cause an increase or decrease in cost of, or time required for performance of any part of the work under this Order, Buyer shall make an equitable adjustment in the Order price, delivery schedule, or both, and shall modify the Order accordingly. (c) Seller must assert its right to an adjustment under this clause within thirty (30) days from the date of receipt of the written Change Order. (d) Failure to agree to any adjustment shall be a dispute under the Disputes provisions of this Order. However, nothing in this clause shall excuse Seller from proceeding with the Order as changed.

11. **TERMINATION FOR CONVENIENCE:** (a) At any time, Buyer may terminate work under this Order for convenience, in whole or in part, by written or telegraphic notice. (b) Upon such termination Seller will, to the extent and at times specified by Buyer, stop all work under this Order, place no further orders for materials to complete the work, assign to Buyer all Seller's interests under terminated subcontracts and orders, settle all claims thereunder after obtaining Buyer's approval, protect all property in which Buyer has or may acquire an interest in, and transfer title and make delivery to Buyer of all articles, products, materials work in process, and other items held or acquired by Seller in connection with the terminated portion of this Order. Seller will proceed promptly to comply with Buyer's instructions respecting each of the foregoing without awaiting settlement or payment of its termination. (c) The parties may agree upon amount to be paid Seller for such termination if they fail to agree. Buyer will pay Seller the following amounts: (i) Contract price for all items completed or services rendered in accordance with this Order and not previously paid for; (ii) Actual costs incurred by Seller which are properly allocable under recognized commercial accounting practices to the terminated portion of this Order, plus a mutually agreed to profit on such costs. If it appears Seller would have sustained a loss on the Order, no profit will be allowed, and an adjustment will be made reducing amount of settlement to reflect the indicated rate of loss; (iii) reasonable costs incurred by Seller in making settlement hereunder and in protecting property in which Buyer has or may acquire an interest. (d) Payment made under paragraph (c), subparagraphs (i) and (ii) above may not exceed the aggregate price specified in this Order, less payments otherwise made or to be made. Any amounts payable for property lost, damaged, stolen, or destroyed prior to delivery to Buyer will be excluded from amounts otherwise payable to Seller.

12. **TERMINATION FOR DEFAULT:** Buyer may by written notice of default to Seller, terminate this Order in whole or in part in any one of the following circumstances: (a) Failure to deliver Products, or perform services within time specified herein, or (b) Breaches any provision of this Order, or fails to make progress so as to endanger performance of this Order in accordance with its terms, and in either of these two circumstances, does not cure such failure within a period of ten (10) days (or such longer period as Buyer may authorize in writing) after receipt of said notice from Buyer. In the event Buyer terminates this Order for default, Buyer may take over such terminated work and prosecute same to completion by contract or otherwise, and Seller shall be liable to Buyer for any excess costs for such work. Seller shall continue performance of this Order to extent not terminated. Buyer may require Seller to transfer title and deliver to the extent directed by Buyer (i) any completed Products and (ii) such partially completed Products as Seller has specifically produced or specifically acquired for performance of such part of this Order as has been terminated. Seller shall, upon direction of Buyer, protect and preserve property in possession of Seller in which Buyer has an interest. Payment for completed Products delivered to and accepted by Buyer shall not exceed the Order price. If, after said notice of termination, it is determined that Seller was not in default, or, if in the case of an excusable delay in delivery, consistent with the Article entitled "Force Majeure", the rights and obligations of the parties hereto shall be the same as if notice of termination had not been issued.

13. **DISPUTES:** Buyer and Seller will endeavor to resolve all disputes through their respective organizations. Should dispute remain unresolved, and except as otherwise provided in this Order, Buyer and Seller shall have the right to redress any dispute arising under or related to this Order, which is not disposed of by agreement, by pursuing any right or remedy which Buyer or Seller, as the case may be, may have at law, or in equity, or under this Order in any United States court of competent jurisdiction. Pending resolution of any dispute, Seller shall proceed diligently with the performance of work, including the delivery of purchased products and/or services in accordance with Buyer's direction.

14. **FORCE MAJEURE:** Seller shall be excused for any delay(s) in the delivery of product or services procured for hereunder as a result of Force Majeure. Said Force Majeure shall include, but not be limited to any act of God, acts of a public enemy, acts of Government(s) in their sovereign capacity, natural disasters, fire, war and insurrection, epidemics, quarantine restrictions, strikes, lockouts, or other industrial disputes, sabotage, breakdowns, embargoes, and energy crisis; which in every case, are beyond the reasonable control, and without fault, or negligence of the Seller, and/or its subcontractors.

15. **RISK OF LOSS OR DAMAGE:** Notwithstanding any prior inspection and irrespective of the F.O.B point named herein, Seller will bear all risk of loss, damage or destruction to ordered Products until final acceptance of Products by Buyer at destination. Seller will bear the same risk with respect to any goods rejected by Buyer. Buyer however will be responsible for any loss occasioned by gross negligence of its employees.

16. **LOSS OR DAMAGE CAUSED BY SELLER:** In the event Seller, its employees, agents and/or subcontractors enter premises of Buyer, or utilizes property furnished by Buyer, whether on or off said premises, in performance of this Order, Seller shall indemnify and hold harmless Buyer, its officers and employees from any damage, expense or liability by reason of property damage, personal injury or death arising out of or in connection with negligent actions or omissions of Seller and also from any claim against Buyer as a third party for death of or injury to Seller or Seller's subcontractor employee arising out of and in

the course of employee's employment. Without in any way limiting the foregoing undertakings, Seller and its subcontractors at all tiers shall maintain public liability and property damage insurance in reasonable limits covering the obligations set forth under this Order and shall maintain proper workmen's compensation insurance covering all employees performing work in accordance with this Order, and, upon request, shall furnish Certificates of Insurance evidencing such coverage and listing Buyer as an Additional Insured".

17. **REMEDIES:** Remedies stated herein are in addition to all other remedies at law or equity.

18. **INDEMNIFICATION:** (a) Seller agrees to indemnify Buyer, its agents, customers, successors, and assigns against any loss, damage, and liability (including costs and expenses) for actual or alleged infringement of any patent, copyright or trademark arising out of use or sale of Products, and/or services procured for hereunder. Provided however, Buyer must notify Seller of any suit, claim or demand involving such infringement and permit Seller to defend against or settle the same. (b) Seller agrees to indemnify Buyer against any and all liability and expense resulting from any alleged defects in goods, whether latent or patent, including allegedly improper construction and design, or from failure of goods to comply with any drawings and/or specifications. (c) Said indemnification criteria is in addition to all other rights or indemnification of Buyer against Seller.

19. **NON-DISCLOSURE OF INFORMATION:** Except as otherwise provided herein, neither Buyer, Seller, nor employees thereof, will disclose to any third party, information which is considered proprietary in nature, without receipt of either party's prior written consent. In the event that either party requires proprietary data, a separate Proprietary Information Agreement shall be issued by Buyer, and agreed-to between the parties hereto, prior to delivery of such data. All confidential/proprietary information shall be clearly marked with a restrictive legend, prior to delivery.

20. **ASSIGNMENTS:** No right or obligation under this Order (including the right to receive monies due) may be assigned by Seller without the prior written consent of Buyer, and any purported assignment without such consent will be void. Buyer may assign this Order at any time if such assignment is considered necessary by Buyer in connection with a sale of Buyer's assets or a transfer of its obligation.

21. **NOTICE OF DELAYS:** When any event delays or threatens to delay the timely performance of this Order, Seller will immediately notify Buyer of such event and furnish all relevant details. Receipt by Buyer of such notice will not constitute a waiver of the due dates hereunder.

22. **PATENT LICENSE:** Seller, as part consideration for this Order and without further cost to Buyer, hereby grants to Buyer an irrevocable, non-exclusive, royalty-free license to use, sell, manufacture, and cause to be manufactured products embodying any inventions and discoveries made, conceived, or actually reduced to practice in connection with the performance of this Order.

23. **GOVERNMENT CONTRACTS:** If this Order is issued for any purpose that is either directly or indirectly connected with the performance of a prime contract with the U.S. Government, or a subcontract thereunder, the applicable terms of the Federal Acquisition Regulations (FAR) and/or Defense Federal Acquisition Regulation Supplement (DFARS) shall be incorporated herein and made a part hereof.

24. **APPLICABLE LAW:** This Order shall be governed by the laws of the State of California.

25. **EQUAL OPPORTUNITY:** The "Equal Opportunity Clause" set forth in 41 CFR 60-1.4(a), the clause labeled "Affirmative Action of Disabled Veterans and Veterans of the Vietnam Era" set forth in 41 CFR 60-250.4 and the clause labeled "Affirmative Action for Handicapped Workers" set forth in 41 CFR 60-741.4 are hereby incorporated by reference and all references in such clauses to "the Contractor" shall mean "Seller", as used herein.

26. **EXPORT LAW COMPLIANCE:** Synopsis products such as software and other materials that may be made available to Seller from time to time ("Technical Data") are of U.S. origin and, as such, may be subject to export controls pursuant to the U.S. Export Administration Act of 1979 as amended, and the regulations promulgated thereunder. Seller acknowledges this and will comply with all applicable restrictions on exports and re-exports, including obtaining any required US Government licenses, authorizations and/or approvals. The provisions of this clause shall include the export or import laws or regulations of any country or countries controlling or having jurisdiction over imports or exports covered or contemplated hereunder. Seller shall indemnify and hold Synopsis harmless for all claims, demands, damages, costs, fines, penalties, attorney's fees and other expenses arising from Seller's failure to comply with this clause.