



PURCHASE ORDER TERMS

The terms of this purchase order ("**Purchase Order**") govern the purchase by **OS2 CORP.** ("**OS2**") from [**CORRECT LEGAL NAME OF SUPPLIER**] ("**Supplier**") of the materials and products described in this Purchase Order (collectively, "**Products**"). All Products provided under this Purchase Order must fully conform with the provisions of any quote ("**Quote**") provided by Supplier. Supplier may accept this Purchase Order by its execution hereof as provided below where mutually executed by OS2, or where Supplier did not provide any written exceptions to this Purchase Order as presented by OS2 in its corresponding Request for Quotation, by shipment of corresponding Products hereunder to OS2.

1. PURCHASE ORDER. This Purchase Order is the complete agreement between OS2 and Supplier with respect to this subject matter, and supersedes all prior and contemporaneous negotiations, communications and agreements with respect thereto. No modification, alteration or amendment of this Purchase Order shall be effective unless in writing and duly signed by both parties. OS2's resale certificate is available on its website. The prices in this Purchase Order include all changes for proper presentment of all Products under this Purchase Order.

2. INVOICE. Supplier shall submit electronic payment invoices in a form and format reasonably required by OS2 no sooner than delivery of the corresponding Products. OS2 shall pay accepted invoices within sixty (60) days of receipt or as otherwise agreed by the parties. OS2 agrees that Supplier may, solely as a matter of administrative convenience, use Supplier's standard form or invoice, which may contain pre-printed or other terms. Notwithstanding anything to the contrary herein, the parties understand and agree that such invoice terms shall be without any effect whatsoever, and both parties hereby

reject such terms.

3. DELIVERY, SCHEDULE AND CANCELLATION.

(a) Delivery and Delays. Time is of the essence. Supplier shall deliver to OS2 the Products described in **EXHIBIT A ("PRODUCTS AND PRICES")** to this Purchase Order by the dates required by OS2. Supplier will report any delivery delays to OS2 immediately and in writing. Receipt of such report shall not operate as a waiver of any of OS2's rights hereunder.

(b) Cancellation and Rescheduling. OS2 may cancel or reschedule deliveries of Products upon no less than five (5) days' notice. Any partial cancellation shall not affect Supplier's obligations with respect to any uncanceled portions of this Purchase Order. In the event of any cancellation of this Purchase Order, in whole or in part, Supplier agrees to stop all affected work immediately, and shall take all steps reasonably necessary to minimize any liability with respect to Products to be delivered by Supplier hereunder, and to protect OS2's rights therein.

4. PACKING AND SHIPMENT. All Products shall be prepared for shipment according to OS2's requirements as set forth on OS2's website, in a manner which follows good commercial practice and conforms to any corresponding Quote, is acceptable to common carriers for shipment at the lowest rate, and is adequate to ensure safe arrival. Supplier shall clearly mark all containers with necessary lifting, handling and shipping information, purchase order numbers, date of shipment, the names of OS2 and Supplier, and all other Government requirements. All shipments shall be accompanied by an itemized packing list. Supplier shall not make, and OS2 shall have no obligation to accept, any partial shipments, unless approved beforehand and in writing by OS2. Unless otherwise specified herein, all shipments shall be *Ex Works (Incoterms, 2010)* Supplier's facility; provided, however, that Supplier shall cooperate and coordinate with OS2's shipper to ensure proper pickup and delivery of such Products.

5. QUANTITIES AND CHANGES. Subject to OS2's obligations described in **SECTION 3 ("DELIVERY, SCHEDULE AND CANCELLATION")**, OS2 may at any time and based on Government requirements, upon written notice, increase or decrease Product quantities, change any delivery dates, or make changes with respect to Product drawings, designs or specifications, or the method of Product shipment or packing. In the event any such change causes an increase in Supplier's documented out-of-pocket cost or the time required by Supplier for performance of this Purchase Order, and Supplier so notifies OS2 in writing within ten (10) days, then the parties shall work together to seek and obtain a reasonable adjustment from the

Government in the Product price or delivery schedule, or both, and this Purchase Order shall be deemed modified in writing to reflect such changes.

6. ACCURACY.

(a) Requirements. The parties understand and agree that it is a material term of this Purchase Order that Supplier's performance hereunder be timely and entirely accurate. Without limiting the generality of the foregoing, any failure to deliver Products correctly and with the following characteristics may be deemed a material breach of this Purchase Order by OS2, and shall, if not so deemed, be subject to the provisions of **Subsection 6(b) ("Remedies")**:

- i. Correct part number;
- ii. Correct description;
- iii. Correct cage code;
- iv. Correct condition (which shall mean new, unused, and provided directly from the corresponding manufacturing facility);
- v. Correct count; and
- vi. Correct quantity.
- vii. Alternate Part Numbers (which shall mean the part offered is the same in fit form and function (F,F,F) as the original requested part);

(b) Remedies. Where Supplier has failed to carry out its obligations as set forth in **Subsection 6(a) ("Requirements")**, and OS2 has elected not to treat such failure as a material breach of this Purchase

Order, then OS2 shall have the right to do either of the following:

i. Allow Supplier a commercially reasonable period to correct any such non-conforming Products, and to deliver conforming Products to OS2 at Supplier's expense;

ii. Return any non-conforming Products to Supplier, at Supplier's cost and risk, and obtain an immediate and full refund of any amounts paid for such Products; or

iii. Seek from the Government acceptance of any variation from the requirements of this Purchase Order, and the corresponding acceptance of the associated Products.

7. ACCEPTANCE. Payment for Products ordered hereunder shall not constitute acceptance. All Products are subject to OS2's and the Government's inspection and test before acceptance at OS2's premises. If any inspection or test is made on Supplier's premises, Supplier shall provide OS2's inspectors with reasonable facilities and assistance at no additional charge. No Product shall be deemed accepted by OS2 until OS2 or the Government has given written notice of such acceptance to Supplier. OS2 shall have the right to reject or require the correction of any Products found to be defective which Products shall be promptly replaced or corrected by Supplier, or to accept such Products with a reasonable reduction in price; or to return any such Products to Supplier, at Supplier's cost and risk, and obtain an immediate and

full refund of any amounts paid for such Products.

8. FALSE PRODUCTS. Subject to **SECTION 6 ("ACCURACY")**, in no event shall any Product be counterfeit, falsely labeled, commercial surplus, government surplus (traceable to a valid contract or lot number), used, damaged or otherwise presented in a manner likely to confuse or deceive including but not limited to supplying alternate part numbers that are not the same in fit form and function (F,F,F) and a direct drop in replacement. Any such Product shall be deemed a "**False Product**" under this Purchase Order. Any shipment of any False Product shall be a material breach of this Purchase Order.

9. WARRANTY AND INDEMNITY.

(a) Warranty. Supplier hereby warrants that all Products provided hereunder shall be new, merchantable, of satisfactory quality, free from defects in workmanship, materials and design (except where such design has been provided solely by OS2 or the Government), fit for the purposes to which Supplier reasonably knows or should know such Products shall be put, shall not be False Products, shall conform to this Purchase Order, their published specifications and samples, and shall be free from claims or liens of third parties.

(b) Indemnity. Supplier hereby agrees to indemnify, defend and hold harmless OS2, its officers, directors, customers (including the Government), agents and affiliates from and against any losses and liabilities, including any associated claims, demands, threats, suits or proceedings, arising from or in

connection with any breach of this Purchase Order, including any warranty obligations, or other failure to perform Supplier's obligations hereunder, including without limitation any shipment of False Products.

10. TERM AND TERMINATION.

(a) Term. The term of this Purchase Order shall commence on the Effective Day, and shall continue until successful completion by Supplier of all Product deliveries hereunder, but subject to termination as provided in **Subsection 10(b) ("Termination")**.

(b) Termination. Either party may terminate this Purchase Order upon notice for the material breach of the other party which breach has remained uncured for thirty (30) days after written notice of such breach to the breaching party.

11. LIMITATION OF LIABILITY. IN NO EVENT SHALL OS2 BE LIABLE FOR ANY INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS), REGARDLESS OF HOW ARISING, AND REGARDLESS OF WHETHER ADVISED BEFOREHAND OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL THE TOTAL LIABILITY OF OS2 HEREUNDER EXCEED THE TOTAL AMOUNT TO BE PAID FOR PRODUCTS AS DESCRIBED HEREIN.

12. ASSIGNMENT AND SUBCONTRACTING. Supplier shall not assign or otherwise transfer all or any of its rights or obligations under this Purchase Order, in whole or in part, without the prior written consent of OS2, and any such attempted assignment shall be void. OS2 may assign this Purchase Order, in whole or in part, upon written notice to Supplier.

13. SETOFF. All claims for monies due or to become due from OS2 hereunder shall be subject to deduction by OS2 for any setoff or counterclaim arising out of this Purchase Order or any other of OS2's or its affiliates' transactions with Supplier.

14. GOVERNMENT COMPLIANCE. Supplier will comply with all statutory requirements and regulations applicable to the performance of its obligations hereunder.

15. REMEDIES. The rights and remedies provided to OS2 herein shall be cumulative and in addition to any other rights and remedies provided by law or equity.

16. SEVERABILITY. If any provision of this Purchase Order is found invalid or unenforceable, that provision will be amended to achieve as nearly as possible the same economic effect as the original provision and the remainder of this Purchase Order will remain in full force and effect.

17. WAIVER. No part of this Purchase Order shall be deemed waived or modified except in writing and signed by both parties. A waiver on one (1) or more occasions of any of the provisions of this Purchase Order by either party shall not affect the right to enforce such or any other provision at a later time. No delay or omission by OS2 exercising any right or remedy shall constitute a waiver of such right or remedy, or prejudice the right of OS2 to enforce such right or remedy at any subsequent time.

18. NOTICES. Any notice required or permitted to be given pursuant to this Purchase Order shall be conveyed by hand delivery, sent by certified mail, return

receipt requested, or sent by reputable overnight delivery service, such as FedEx, to each party at such party's principal place of business, and to the attention of such party's CEO, or to another address or person as each party may specify for itself in writing.

19. LAW, JURISDICTION AND ARBITRATION.

(a) Law. This Purchase Order shall be governed and construed in accordance with the laws of the State of Florida without giving effect to principles of conflict of laws. Subject to **Subsection 19(b) ("Arbitration")**, the state and federal courts located in Ft. Lauderdale, Florida, shall have exclusive jurisdiction over any disputes arising hereunder and the parties hereby consent to the personal jurisdiction of such courts.

(b) Arbitration. Any dispute between the parties under this Purchase Order shall be subject to confidential, mandatory, binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association ("**AAA**"). Such arbitration shall take place in Ft. Lauderdale, Florida, before a single arbitrator selected pursuant to AAA rules, and the cost of the arbitrator shall be shared equally between the parties. The decision of the arbitrator shall be in writing, and shall be enforceable in any court of competent jurisdiction. The parties hereby agree to keep the results of any such arbitration confidential, other than as necessary to enforce the corresponding decision.

20. SURVIVAL. The provisions of **SECTION 9 ("WARRANTY AND INDEMNITY")**, **SECTION 11 ("LIMITATION OF LIABILITY")**, **SECTION 13 ("SETOFF")**, **SECTION 15 ("REMEDIES")**, **SECTION**

16 ("SEVERABILITY"), **SECTION 17 ("WAIVER")**, **SECTION 19 ("LAW, JURISDICTION AND ARBITRATION")** and **SECTION 20 ("SURVIVAL")** shall survive any expiration or termination of this Purchase Order.

PROPERTY OF OS2 CORP.

OS2 CORP
3026 SW 42nd St. Bay 2
Fort Lauderdale, FL 33312
www.os2corp.com
Tel: 954.367.2938
Fax: 866.470.5744

CAGE: 4QBJ8