



DOMESTIC USA EQUIPMENT SALES TERMS AND CONDITIONS

- 1. PRICES.** Prices for all Leidos Security Detection & Automation, Inc. ("Leidos SD&A") supplied products (including Software as defined below) ("Products") and services are current as of the date of the Leidos SD&A Quotation, but are subject to change if Buyer requests changes or Delivery is delayed due to Buyer's delay in furnishing needed information. Prices are exclusive of all Taxes, which for the purpose of these terms includes all taxes, assessments, import duties or other charges imposed by any government except for taxes based on Leidos SD&A's net income, all of which shall be paid directly by Buyer. If for any reason Leidos SD&A is required to pay taxes on behalf of the Buyer, the Buyer shall reimburse Leidos SD&A upon invoice for any Taxes which Leidos SD&A pays.
- 2. ORDER, TERMS OF PAYMENT & CONFIRMATION.** Unless otherwise stated in the Quotation, Buyer shall provide with its Order, (A) an irrevocable Letter of Credit satisfactory to Leidos SD&A for the total purchase price, payable in full upon Leidos SD&A's notification to its advising bank of Product shipment, or (B) a deposit of twenty percent (20%) of the total purchase price payable upon confirmation of order and the remaining balance due thirty (30) days following Delivery (as hereinafter defined), or (C) cash with order, or (D) payment through an approved credit account. Orders are subject to Leidos SD&A's written confirmation and approval by Leidos SD&A's credit department. Invoices not paid when due are subject to a finance charge of 1.5% per month or the maximum rate permitted by law, whichever is less.
- 3. DELIVERY & RISK OF LOSS.** Unless otherwise stated in the Quotation, delivery shall occur ex-works (Incoterms 2000) on carrier's equipment at Leidos SD&A's factory, ("Delivery"). Risk of loss shall pass to Buyer upon Delivery. Transportation shall be at Buyer's sole risk and expense, and any claims for loss or damage in transit shall be against the carrier only. Delivery Dates are approximate, and are subject to delays caused by civil insurrection, war, fire, strikes, labor stoppages, acts of God, shortage of fuel, energy or materials, failure of suppliers or contractors to satisfactorily meet schedules, establishment of any priority systems by the U.S. or any of its agencies, or any other cause beyond Leidos SD&A's control. Leidos SD&A shall use reasonable commercial efforts to meet Delivery Dates but shall not be liable for failure to do so.
- 4. INSTALLATION, COMMISSIONING & ACCEPTANCE.** Unless otherwise stated in the Quotation, Buyer shall be responsible for unloading and uncrating Products, for movement to and placement into the desired location, and for all mechanical, electrical, and other connections, (including materials) in accord with Leidos SD&A's specifications and procedures ("Installation"). Leidos SD&A shall provide consulting and advice in connection therewith. Upon Installation, Leidos SD&A shall provide final commissioning testing in accord with its then current Commissioning Verification Procedure (a copy of which is available to Buyer) ("Commissioning"). Buyer shall be provided with reasonable opportunity to observe and sign-off on said Commissioning. "Acceptance" shall be complete upon the earlier of (a) Leidos SD&A's certification that Commissioning has been successfully completed, or (b) thirty (30) days following Delivery.
- 5. STORAGE & CANCELLATION.** If Buyer fails to take Delivery on any Delivery Date, Leidos SD&A may invoice and Buyer shall immediately pay any remaining balance of the total purchase price as if Delivery, Commissioning and Acceptance had occurred. If Leidos SD&A stores such items, Buyer will pay Leidos SD&A's reasonable insurance, handling and storage charges; alternatively, Leidos SD&A is authorized to arrange handling and storage in a bonded warehouse at Buyer's sole risk and expense; and Buyer shall notify Leidos SD&A when Delivery is requested. Buyer may cancel any order prior to Delivery Date upon written notice, subject to payment in full for (a) all Products and services completed to the date of cancellation; and (b) Leidos SD&A's cost of all work in process (including but not limited to materials on order and in inventory, and associated cancellation, direct and overhead costs) plus reasonable profit thereon; but no more than the purchase price, and no less than the amount deposited therefore.
- 6. LIMITED WARRANTY.** All Products are warranted to perform substantially in accord with their Leidos SD&A-published Product Specifications in effect as of the Quotation date, and to be free from defects in material and workmanship (i.e., assembly) for a period of twelve (12) months from Leidos SD&A sign-off upon Commissioning or thirteen (13) months from Delivery, whichever period is shorter ("Warranty Term"). Any replacement and spare parts, components and subcomponents ("Replacement Parts") provided pursuant to this warranty are so warranted for the remainder of the Warranty Term. Replacement Parts otherwise provided are warranted for ninety (90) days from Delivery. Leidos SD&A supplied services (including any warranty service to the extent specifically agreed to in the Quotation) will be supplied in a workman-like manner. Leidos SD&A does not warrant that use of Products will be uninterrupted or error-free. These warranties shall not apply to any Products or services that are: (a) repaired, moved or modified other than by Leidos SD&A's authorized service personnel; or (b) subjected to physical or electrical abuse, stress, or misuse; or (c) stored, operated, modified, or maintained in any manner inconsistent with applicable Leidos SD&A's instructions and specifications (and Buyer warrants that it shall comply with all such instructions and specifications); or (d) designated on Leidos SD&A's price list or quotation as being provided (I) without warranty (in which case, said item is provided "AS-IS" and without warranty of any sort), or (II) with a Leidos SD&A's third-party warranty (in which case said third-party warranty shall be the sole warranty applicable). Leidos SD&A's entire liability, and Buyer's exclusive remedy for breach of this warranty, is Leidos SD&A's replacement (but not installation unless specifically agreed to in the Quotation) of parts or components of the Products or services not complying with this warranty or, at Leidos SD&A's election, repayment of or crediting Buyer for an amount equal to the purchase price of such Product or service. EXCEPT AS SPECIFICALLY PROVIDED HEREIN, AND EXCEPT FOR THE WARRANTY OF TITLE, LEIDOS SD&A MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND EXPRESSLY EXCLUDES ALL OTHER WARRANTIES INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- 7. WARRANTY CLAIMS.** All warranty claims shall be initiated by contacting Leidos SD&A in writing. Leidos SD&A shall not be liable on any such claim unless it is provided with written notice within the Warranty Term and within thirty (30) days after discovery of the defect or cause of action, and is afforded reasonable access and opportunity to inspect all associated materials. Except where Leidos SD&A has separately agreed to provide parts-return service, Buyer must obtain a return material authorization number, and ship defective items to Leidos SD&A's designated facility, freight prepaid (DDP), all in accord with Leidos SD&A's then-current Returned Material Authorization Procedure, a copy of which is available upon request. Leidos SD&A shall bear the cost of returning to Buyer (DDU Buyer's site) items replaced or repaired,

and items replaced shall become Leidos SD&A's property. If Leidos SD&A in its discretion provides any replacement part without receipt of an assertedly defective part, or if Leidos SD&A determines that an assertedly defective part does not breach the warranty, Buyer shall pay for said replacement part at Leidos SD&A's then-current list price, ex-works Leidos SD&A's factory. Buyer shall be responsible for assuring duty-free importation of such exchanged parts or for any duty accessed. If Leidos SD&A and Buyer are unable to settle any claim, Buyer must institute legal action against Leidos SD&A within one year after such claim arises; thereafter all such claims shall be barred notwithstanding any statutory period of limitation.

8. PATENT INFRINGEMENT CLAIMS. Leidos SD&A will defend and hold harmless Buyer from any third-party claim that Buyer's use of Leidos SD&A's manufactured products infringes any patent issued by the United States or the country of initial Commissioning, provided that (1) Products are used in the manner approved by Leidos SD&A and are not used in combination with items not manufactured or approved by Leidos SD&A, (2) Products have not been repaired or modified other than by Leidos SD&A's authorized service personnel, (3) Buyer promptly notifies Leidos SD&A of such claim and does not have any interest in or license to any right asserted in the claim, and (4) Leidos SD&A has sole control of the defense, and settlement or compromise thereof. Each party shall cooperate with the other and furnish all aid, information, and assistance necessary to defend such claim.

9. LIMITATION OF LIABILITY. REGARDLESS OF THE LEGAL OR EQUITABLE BASIS OF ANY CLAIM, IN NO EVENT WILL SELLER BE LIABLE FOR (i) ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, ANY DAMAGES RESULTING FROM INACCURATE OR LOST DATA, LOSS OF USE OR LOSS OF REVENUES OR PROFITS, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY ORDER, THE FURNISHING OF PRODUCTS AND SERVICES OR THE USE OR PERFORMANCE OF PRODUCTS OR SERVICES, EVEN IF INFORMED OF SUCH DAMAGES, OR (ii) FOR ANY THIRD PARTY CLAIMS AGAINST CUSTOMER. SELLER'S MAXIMUM LIABILITY UNDER ANY ORDER, INCLUDING LIABILITY ARISING OUT OF PRODUCTS DELIVERED, SERVICES PERFORMED OR FROM SELLER'S NEGLIGENCE OR OTHER ACTS OR OMISSIONS, WILL BE LIMITED TO THE AMOUNT PAID TO SELLER FOR THE PRODUCTS AND/OR SERVICES GIVING RISE TO THE CLAIM.

10. CONFIDENTIAL INFORMATION. Buyer acknowledges that all drawings, diagrams, specifications, devices, information, documents and other materials (except as established to be in the public domain) furnished by Leidos SD&A and identified as "Confidential" or "Proprietary Information – Leidos SD&A" or the like, including but not limited to manuals provided by Leidos SD&A ("Confidential Information"), contain valuable proprietary information or trade secrets developed at great expense by Leidos SD&A. Buyer agrees to hold Confidential Information in confidence, and not to use, reproduce, distribute, or make available Confidential Information except to Buyer's employees (and agents who agree to these terms) who may use it as part of their duties. Buyer agrees to report promptly to Leidos SD&A any unauthorized disclosure of any Confidential Information.

11. SOFTWARE LICENSE. As part of this transaction, computer software, firmware and associated documentation ("Software") may be delivered in printed or machine-readable form. Under this Agreement, Buyer is granted a non-exclusive, non-transferable, royalty-free license to use Software solely on the Product designated in the Quotation in the normal course of Buyer's business, and for no other purpose or business; no source code will be supplied. Title to Software shall at all times remain with Leidos SD&A. Software is agreed to contain, and shall be treated as, Confidential Information. Buyer shall maintain all copyright, proprietary and other notices on Software, and shall not decompile, disassemble or reverse engineer Software (All information necessary to achieve interoperability with independent computer programs is available from Leidos SD&A in accord with applicable provisions of the United States of America and other government directives concerning software interoperability).

12. GOVERNMENTAL AUTHORIZATIONS. Buyer shall be responsible for the timely obtaining of and payment for any license, permit or other governmental authorization required in connection with this transaction, including but not limited to any export or import license, exchange permit, or the like, even if any such authorization is applied for by Leidos SD&A. Buyer and Leidos SD&A shall provide reasonable assistance to each other in securing such authorizations. Leidos SD&A shall not be liable and Buyer shall not be relieved of its obligations hereunder if any such authorization is delayed, denied, revoked, restricted or not renewed. Buyer represents and agrees that it will deal with all items purchased hereunder and all technical data and technology relating thereto in conformity with all applicable laws and regulations of the U.S., including the U.S. Foreign Corrupt Practices Act and all U.S. export licensing laws. Buyer agrees that it shall not trans-ship, divert, re-export or otherwise dispose of any U.S.-origin goods or technology obtained from Leidos SD&A except as said laws and regulations may expressly permit.

13. DISPUTES, WAIVER & SEVERABILITY. Upon execution, this Agreement is deemed to be entered into in Massachusetts and to be a Massachusetts contract and shall be governed and construed in accordance with the laws of the Commonwealth of Massachusetts without reference to its conflict of laws provisions or the UN Convention for the International Sale of Goods. Buyer and Leidos SD&A specifically agree that any controversy, claim, or action relating to the relationship between the parties, this Agreement, or Products or services purchased or licensed hereunder, shall be brought and tried in Massachusetts. All objections to venue are hereby waived by Buyer, and Buyer consents to service or process by certified mail or courier service addressed to the Buyer address on the front of the Quotation. Any failure of either party to require performance by the other party of any obligation shall not affect said party's full right to require such performance at any other time. The waiver by any party of any remedy for breach of any provision hereof shall not be taken as a waiver of any remedy with respect to any other breach of such provision or any other provision. Each provision of this Agreement shall be treated as separate and independent, and the unenforceability of any one provision shall not impair the enforceability of any other. To the extent any provision is held to be excessively broad or unenforceable, it shall be construed by limiting and reducing it to be enforceable to the full extent possible.

14. FCC COMPLIANCE. For all Leidos Security Detection & Automation, Inc. ("Leidos SD&A") supplied products. Buyer acknowledges Leidos SD&A's equipment cannot be resold by the end-user without Leidos SD&A approval. Leidos SD&A equipment shall only be serviced, repaired, or moved only by professional designated authorized service personnel technicians that are trained by Leidos SD&A. Any modification of Leidos SD&A equipment by Buyer (or any other party other than Leidos SD&A or a party expressly authorized by Leidos SD&A under Federal Communications Commission ("FCC") regulations) could void Buyer's authority to operate the equipment and result in Buyer becoming responsible for the equipment's compliance with FCC regulations. Buyer agrees to report promptly to Leidos SD&A any unauthorized technicians serving any Leidos equipment. This condition is applicable throughout the life of the product.

15. ENTIRE AGREEMENT & MODIFICATIONS. The Quotation and these Terms comprise the complete and exclusive statement of the agreement ("Agreement") between Leidos SD&A and Buyer, supersede all other quotations, agreements, understandings, warranties and representations (whether written or oral) between the parties, and may be accepted only in accordance with their terms. Any conflict between the Quotation and these Terms shall be resolved in favor of the Quotation. Any provision of Buyer's purchase order, terms or other documentation which is inconsistent with or in addition to this Agreement is hereby rejected and shall be of no force and effect unless specifically agreed to by Leidos SD&A in the manner set forth herein, excepting only that Buyer's purchase documentation shall be valid for the sole purpose of confirming quantities ordered. This Agreement may be modified only by a subsequent written agreement which purports to do so, which refers specifically here to, and which is signed by duly authorized officers of both parties.