

Teledyne Oil & Gas Innovation and Subsea Reliability



Quote 28682 - 2 to

**Monterey Bay Aquarium Research
Institute (MBARI)**

for

MARS refurbishment

20 September 2016

Quotation # **28682 - 2**

Teledyne Oil & Gas (TOG), a member of Teledyne Marine, is pleased to offer the following quotation:

Date:	20 September 2016
To:	Monterey Bay Aquarium Research Institute (MBARI)
Attn:	Craig Dawe
Re:	MARS refurbishment
	Revision 2: added item 2

The following pricing includes TOG's standard Factory Acceptance Testing (FAT) in accordance with our latest FAT procedures listed below (available upon request):

PRODUCT	FAT PROCEDURE D/N (Reference)
Nautilus Connectors	10685 (ATP-015-40)
Electrical Jumper/ Harnesses	10719-1 (ATP-017-40-1)
Optical/ Hybrid Connectors	10824 (ATP-018-40)
Optical/ Hybrid Jumpers/ Harnesses	10786 (ATP-025-40)

Item	Qty	Unit	TOG Part Number (Type Designation)	Conn/Assy Qtys		MBARI	
				Qty Per Line	Total	Item Unit Price	Item Total Price
1	2	12-Way Harness Assembly Consisting Of:	new part no. reqd similar to 1058650			\$14,886	\$29,772
1.1	2	12-Way ROV Cable End Plug (Pins) w/45Deg JIC Hose Termination - Shell Ti CP GR2	1020839 (ROV-399-01)	1	2		
1.2	2	10m x 12-Way 4x14AWG 1000V & 8xCAT5E Fluid Filled Hose Assembly	Various	1	2		
1.3	2	12-Way Fixed Penetrator w/Straight JIC Termination & 1.5m 1xCAT5E and 4x14AWG TP Pigtails - Shell Ti 6AL-4V GR23	1036563 (AHT-131-01-12-2)	1	2		
2	1	Refurbishment of High-Power Jumper Assembly Consisting of:	1041033 (OPM-196-01-2)			\$26,008	\$26,008
2.1	1	Receive 1033241 (serial no. TBD) at the Daytona Beach, FL facility as Customer-Returned Material (CRM)		1	1		
		Teledyne assumes that the CRM consists of 3-way high-power connector 1049501 and 8'-1" x 20AWG, 25kVDC (pins 1 & 2) hose assembly					
		Teledyne assumes that all components of the CRM are fit for purpose					
		Price & delivery are subject to change if the above are not true					
2.2	1	Performing incoming tests and inspection on the CRM		1	1		
2.3	1	Generate and submit the disposition for RMA processing		1	1		
2.4	1	Manufacture and integrate high-power bulkhead penetrator 1044250 to the CRM per customer request		1	1		
2.5	1	Apply FAT per applicable documents		1	1		

Item	Qty	Unit	TOG Part Number (Type Designation)	Conn/Assy Qtys		MBARI	
				Qty Per Line	Total	Item Unit Price	Item Total Price
2.6	1	Package the repaired jumper for return shipment to the customer		1	1		
TOTALS							\$55,780

Delivery

ITEM 1 - 16 weeks estimated from TOG acceptance of order based on the following:

- *4 weeks from TOG order acceptance*
Product documentation (general arrangement drawings, ITP's, FAT procedures, etc. as required by order) submission for customer plus end-user review.
- *3 weeks after submission of product documentation*
Customer plus end-user approval of product documentation.
- *9 weeks after approval of product documentation*
Manufacturing and FAT.

ITEM 2 - 14 weeks estimated from receipt of CRMs and TOG acceptance of order, provided within 5 working days from receipt of purchase order

TOG order acceptance will be provided within 5 working days from receipt of purchase order.

The estimated delivery is preliminary and is subject to confirmation at time of order acceptance.

Delivery Assumptions

- TOG standard mechanical interfaces unless otherwise stated

Customer Returned Material

- CRMs must be delivered to the TOG location under DDP (INCOTERMS® 2010) delivery terms.
- In accordance with DDP delivery terms, the customer is responsible for carriage, insurance and importation clearance.
- Packaging shall be marked with the quotation number, RMA number or purchase order number.
- Customer to send notification to ODI_Logistics@Teledyne.com upon shipment.

Point of Delivery

FCA, TOG, Daytona Beach, FL USA INCOTERMS® 2010

Payment Terms

Discount 2%-10, Net 30 Days From Date of Invoice

Prices include Certificate of Conformity. Standard QC documentation is provided in electronic format. Paper copies are subject to an additional charge.

Customer Witness/Third Party Inspection may be subject to additional delivery time and charges at time of order. Please contact TOG for information.

This quotation is valid for 30 days from the date of submission.

This quotation and any purchase order issued by the Buyer to TOG for the goods and/or services specified herein, is strictly limited to TOG's Terms and Conditions of Sale, found at <http://teledynemarine.com/about-us/terms-and-conditions/>.

Please forward any purchase orders arising from this quotation to 'ODIOrders@Teledyne.com' for processing. Please reference this quotation number in your purchase order.

Sincerely,
Teledyne Oil & Gas (TOG),
LeeRoy Baniqued, Quotations Specialist



 TELEDYNE OIL & GAS	PER CO # 33281	Approved By: B. Kwetkus	Release Date: 7/8/14	Document #: 190514	Revision: B
	Originator: A. Foch	Checked By: D. Ingraham	Page: 1 of 1	Reference:	Class: CPM

TITLE: Customer Part Marking Requirement Sheet**Customer Instructions:**

This form must be completed and returned with the purchase order. If this form is not returned, then the most recent form on file with ODI shall be used.

Select Yes or No for all items under marking requirements, then sign and date below.

ODI will always mark an ODI serial number and any additional marking specified on the assembly drawing, in conjunction with the following:

Marking Requirements:

	Yes	No
Customer Name:	☐	☐
If YES, mark name as:		
Customer Part Number:	☐	☐
Customer Revision Level:	☐	☐
Customer PO Number:	☐	☐
Customer PO Line Number:	☐	☐
Customer Serial Number: (In Addition to the ODI Serial Number)	☐	☐

Additional Marking:

Approved By: _____ Date: _____

(This section to be completed by ODI)

Customer Order #: _____

Project Manager: _____

Marking Instructions:

The above information is to be labeled or engraved on all deliverable assemblies where shown on the assembly drawings. The specific information is to be retrieved from the documentation attached to the customer order at the time of labeling.

TERMS AND CONDITIONS OF SALE

1. **DEFINITIONS.** "Seller" means Teledyne Marine, a business unit of Teledyne Instruments, Inc. "Buyer" means the entity to which Seller's Offer is made, or the entity purchasing Goods and/or Services from Seller. "Teledyne Manufacturer" means Seller's designated affiliate where the Goods are manufactured and/or shipped from. "Goods" means the products, parts, materials, and/or equipment included in Seller's Offer and/or Buyer's Order. "Services" means services offered or rendered by Seller. "Offer" means any quotation, bid, or proposal for Goods and/or Services made by Seller to Buyer. "Order" means Buyer's purchase order issued to Seller, or similar instrument. All references to "Seller's terms and conditions" herein mean and include (i) these "Terms and Conditions of Sale", (ii) Seller's Special Terms and Conditions, if applicable, and (iii) any other terms and conditions mutually agreed by the Parties in writing in accordance with Section 3. Seller and Buyer are sometimes referred to herein individually as a "Party" and jointly as the "Parties".
2. **SELLER'S AFFILIATES.** Seller's Goods may be manufactured by and shipped from different Teledyne affiliates as designated by Seller.
3. **OFFERS.** Unless stated otherwise in writing by Seller, all Offers made by Seller shall be valid for a period of thirty (30) days from the date of such Offer. Unless accepted by Buyer within the Offer validity period, Seller reserves the right to withdraw and/or revise the Offer. The prices offered by Seller apply only to the specific quantities, specifications, statement of work, delivery schedules, and Seller's terms and conditions set forth in Seller's Offer.
4. **ACCEPTANCE OF BUYER'S ORDER.** Seller's terms and conditions herein apply to all Offers made, and all Orders accepted, by Seller. Seller's acceptance of Buyer's Order, and any changes or amendments thereto, is strictly limited to and conditioned upon Seller's terms and conditions. Unless otherwise agreed in writing by a duly authorized representative of Seller, Seller objects to and is not bound by any terms or conditions that differ from, add to, or modify Seller's terms and conditions. Seller's failure to object to any terms and conditions or any other provisions contained in any communication from Buyer, including, but not limited to, Buyer's Order and any changes or amendments thereto, does not waive any of Seller's terms and conditions specified herein. Unless Seller agrees otherwise, Buyer's issuance of an Order in response to Seller's Offer shall conclusively evidence Buyer's unconditional acceptance of Seller's terms and conditions irrespective of any different terms and conditions Buyer may offer or include in its Order. Seller's terms and conditions shall be applicable whether or not they are attached to or enclosed with Goods and/or Services sold or to be sold hereunder.
5. **PRICES.** Unless otherwise agreed in writing by a duly authorized representative of Seller, all prices are stated in United States Dollars, and all invoices issued by Seller and payments made by Buyer, shall be in United States Dollars. A minimum Order amount may apply to Buyer's Order pursuant to Seller's Offer.
6. **PAYMENT TERMS.** Subject to Seller approval of Buyer's credit, payment terms for domestic Orders are net thirty (30) days from date of Seller's invoice. Unless otherwise agreed in writing by a duly authorized representative of Seller, payment terms for international Orders shall be either cash in advance by wire transfer, or by an irrevocable letter of credit confirmed with Seller's bank. Orders paid by letter of credit are subject to a processing fee of \$500.00. Buyer hereby waives any right of setoff against amounts due Buyer from Seller. All amounts due to Seller but not paid by Buyer on the due date bear interest payable at a rate equal to the lesser of (i) one and one-half percent (1.5%) of the outstanding balance per month, or (ii) the maximum interest rate permitted under applicable law. Interest accrues on past due amounts as of the date on which such amounts become due until the date Seller receives payment from Buyer. Buyer shall also be liable to Seller for any expenses incidental to collection of past due amounts, including reasonable attorneys' fees and court costs.
7. **TAXES.** The amount of any present or future sales, use, excise, import duty, or other tax applicable to the manufacture, sale, or lease of Goods, or the provision of Services, shall be added to Seller's invoice and shall be the sole responsibility of Buyer, unless Buyer provides Seller a valid tax exemption certificate acceptable to the applicable taxing authority.
8. **INSPECTION AND TESTS.** All Goods manufactured by Seller are subject to Seller's standard inspection and quality assurance processes and, if applicable, acceptance testing at Seller's facility. Any additional requirements mutually agreed by the Parties, including, without limitation, Buyer's source inspection or additional testing required by Buyer, shall be at Buyer's sole expense. If Buyer requires inspection by Buyer or Buyer's representative at Seller's place of manufacture, such inspection shall not unreasonably interfere with Seller's operations. Seller shall give Buyer at least two (2) business days advance notice of availability of Goods for Buyer's inspection. If Buyer fails to perform such inspection within three (3) business days after said notice is received, or such other period as agreed by Seller, Buyer's inspection shall be deemed to have been waived by Buyer.
9. **PACKING AND PACKAGING.** All Goods shall be packed and packaged in accordance with Seller's standard commercial packing and packaging methods. Any nonstandard or special packing or packaging requested by Buyer shall be at Buyer's sole expense.
10. **SHIPPING TERMS, TITLE, AND RISK OF LOSS.** Unless agreed otherwise by Seller in writing, shipping terms shall be as expressly stated in Seller's Offer. If Seller's Offer does not specify shipping terms, all domestic shipments shall be delivered F.O.B. origin at Seller's shipping dock, and all shipments to locations outside the United States shall be delivered FCA Seller's shipping dock to Buyer's designated carrier in accordance with the version of Incoterms in effect as of the date of the Order. Risk of loss and title to Goods shall pass upon such delivery. If Seller prepays shipping, insurance, or other related charges, Buyer agrees to reimburse Seller promptly for such charges.
11. **EXPORT COMPLIANCE.** All Goods, Services, and technical information provided by Seller to Buyer are subject to the export control laws and regulations of the United States of America, including, without limitation, the International Traffic in Arms Regulation (ITAR) (22 C.F.R. 120 et seq.) or the Export Administration Regulations, 15 C.F.R. 730-774, and may be subject to export or import regulations in other countries. All Goods, Services, and technical information manufactured by or shipping from Seller's facilities in the United Kingdom are subject to the export control laws and regulations of the United Kingdom, including, without limitation, the U.K. Export Control Organisation (ECO) of the Department for Business, Innovations and Skills. Buyer agrees that it will not export or re-export Goods to any restricted/embargoed country as may be designated from time to time by the U.S. Government and/or the U.K. Government unless otherwise authorized by the U.S. Government and/or U.K. Government as applicable. Buyer further agrees that it will not sell, transfer, export or re-export Goods for use in activities that involve the development, production, use or stockpiling of nuclear, chemical, biological weapons or missiles, nor use such Goods in any facilities that are engaged in activities related to such weapons or their delivery systems (e.g., ballistic missile systems, space launch vehicles, etc.). Buyer acknowledges that U.S. law prohibits the sale, transfer, export, re-export to, or participation in any export transaction involving Goods with individuals or companies listed in the U.S. Department of Commerce's Denied Persons List, Entity List, or Unverified List; the U.S. Department of Treasury's Specially Designated Nationals and Blocked Persons Lists; or the U.S. Department of State's Debarred Persons List. Buyer agrees to indemnify and hold Seller harmless from any claims or liability arising from Buyer's failure to comply with all such export control laws and regulations. The Parties each agree to provide to the other in a timely manner such information and assistance as may reasonably be required in connection with securing any required authorizations or licenses. The delivery schedules delineated in Seller's Offer and/or Buyer's Order are calculated from the date of receipt of any required export license(s). Seller shall commence work only after receipt of a valid export license(s) from the appropriate U.S. Government and/or U.K. Government agencies, or other applicable governmental agencies, provided, however, Buyer may, at its sole risk, authorize Seller to commence work under Buyer's Order prior to receipt of an export license. In such case, Buyer agrees that it is fully liable to Seller for all costs incurred by Seller in the performance of Buyer's Order and will reimburse Seller for such costs in the event any required export license or authorization is denied or cancelled, or if any restrictions imposed by the issuing agency render continued performance of Buyer's Order impossible or impracticable. Any Order accepted by Seller which cannot be fulfilled due to law or regulations or Seller's inability to obtain any required export license(s), may be cancelled by Seller. In such case, Seller shall have no liability or obligations to Buyer.
12. **DELIVERY SCHEDULES AND FORCE MAJEURE.** Shipping dates are approximate, and require prompt receipt of all necessary Buyer-furnished information and materials, if applicable. Any delay or failure of Seller to perform its obligations under Buyer's Order shall be excused if such delay or failure is the result of an unforeseeable event or occurrence beyond the reasonable control of Seller, and without its fault or negligence, including, but not limited to, acts of God, actions by any governmental authority, terrorism, fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes, and slowdowns), inability to obtain power, utilities, materials, labor, equipment, transportation, or court injunction.
13. **CHANGES.** Buyer may request changes to the general scope of Buyer's Order by a written notice to Seller, provided, however, such changes shall not be effective unless and until Seller consents to such changes in writing. If any such changes cause an increase or decrease in the cost of, or the time required for, the performance of any part of Buyer's Order, an equitable adjustment shall be made to the price and/or delivery schedule, and Buyer's Order shall be modified to reflect such change and adjustment in writing.
14. **TERMINATION FOR CONVENIENCE.** Buyer may request cancellation or termination of Buyer's Order for Buyer's convenience, in whole or in part, by providing prior written notice to Seller. Seller agrees to cooperate with Buyer in attempting to effect such cancellation or termination conditioned upon Buyer paying Seller for all Goods delivered and/or

Services performed, and for all work in process, including all applicable direct and indirect costs, normal profit on such costs, settlements with suppliers, and related termination expenses.

15. **TERMINATION FOR DEFAULT.** In the event that a Party (the "Breaching Party") is in material breach of a material provision of Buyer's Order, the other Party (the "Non-Breaching Party") shall submit a written cure notice to the Breaching Party advising of such breach. The Breaching Party shall have thirty (30) days from receipt of such notice to cure the breach. If the Breaching Party does not cure the breach within the thirty (30) day cure period, the Non-Breaching Party may terminate Buyer's Order. Either Party may immediately terminate Buyer's Order if the other Party is adjudicated bankrupt, files a petition for bankruptcy, makes an assignment for the benefit of creditors, or if an action under any law for the relief of debtors is taken.

16. **LIMITED WARRANTY.** Seller warrants that all Goods delivered under Buyer's Order shall be free from defects in material and workmanship, and conform to Seller's specifications for the applicable periods indicated for the Teledyne Manufacturer set forth in Table 1, Product Warranty Periods, below. The warranty period shall commence on the date of original shipment. Seller warrants all Services for ninety (90) days after completion unless otherwise mutually agreed under a separate Service contract. This warranty does not apply to any Goods that, upon examination by Seller, are found to have been (i) mishandled, misused, abused, or damaged by Buyer or Buyer's customer, (ii) altered from their original state, (iii) repaired by a party other than Seller without Seller's prior written approval, or (iv) improperly stored, installed, operated, or maintained in a manner inconsistent with Seller's instructions. This warranty does not apply to defects attributed to normal wear and tear. Seller, at its sole option, shall either repair or replace defective Goods, or issue Buyer a credit for the original price of the defective Goods. In the case of defective Services, Seller shall re-perform such Services. Such repair, replacement, credit, and re-performance by Seller shall be Buyer's sole remedy for defective Goods and Services. Under no circumstances is Seller liable for recall, retrieval, removal, dismantling, re-installation, redeployment, or re-commissioning of any defective Goods or any costs associated therewith including, but not limited to, any subsea work performed below the waterline, heavy lift operations, or the transportation to or from offshore locations. Consumables obtained from third parties shall bear the warranty of their manufacturer. The warranty period for repaired or replaced Goods or re-performed Services shall be the unexpired portion of the original warranty period. THESE EXPRESS WARRANTIES, INCLUDING THE REMEDIES SET FORTH HEREIN, ARE EXCLUSIVE AND ARE IN LIEU OF ANY AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IS INTENDED OR GIVEN. IN THE CASE OF GOODS OTHER THAN THOSE OF SELLER'S OWN MANUFACTURE, SELLER MAKES NO WARRANTIES, EXPRESS, STATUTORY, OR IMPLIED.

Table 1 – Product Warranty Periods

Product Category	Teledyne Manufacturer	Standard Warranty Period – Goods	Standard Warranty Period - Spares
Vehicles	Teledyne Benthos	12 months	90 days
	Teledyne Gavia	12 months	90 days
	Teledyne Oceanscience	12 months	90 days
	Teledyne SeaBotix	24 months	90 days
	Teledyne Webb Research	12 months (Gliders) 6 months (All Other Goods)	90 days
		6 months	90 days
Seismic Products	Teledyne A-G Geophysical	12 months	90 days
	Teledyne Bolt	12 months	90 days
	Teledyne Geophysical Instruments	12 months	90 days
	Teledyne Real Time Systems	12 months	90 days
Instruments	Teledyne Benthos	12 months	90 days
	Teledyne CDL	12 months	90 days
	Teledyne Cormon	12 months	90 days
	Teledyne Oceanscience	12 months	90 days
	Teledyne RD Instruments	12 months	90 days
	Teledyne TSS	12 months	90 days
Imaging Products	Teledyne BlueView	12 months	90 days
	Teledyne Odom	12 months	90 days
	Teledyne RESON	12 months	12 months
Interconnect Products	Teledyne A-G Geophysical	12 months	30 days
	Teledyne Cable Solutions	6 months	90 days
	Teledyne D.G. O'Brien	12 months	90 days
	Teledyne Impulse	6 months	90 days
	Teledyne Impulse-PDM	6 months	90 days
	Teledyne ODI	Lesser of 24 months from shipment or 12 months after installation	90 days
	Teledyne Storm Cable	12 months	90 days

17. **RETURN AUTHORIZATIONS.** Buyer's return of defective Goods to Seller is subject to the applicable Teledyne Manufacturer's then current return authorization process and procedures. Buyer shall promptly notify Seller of any non-conformance or defects in Goods, and provide Seller a reasonable opportunity to inspect such Goods. Goods shall not be returned without the applicable Teledyne Manufacturer's prior authorization, as evidenced by a Return Material Authorization (RMA) number issued by Seller. Once a RMA number is obtained, Buyer shall return Goods transportation and insurance prepaid in accordance with instructions issued by Seller. Failure to follow Seller's return authorization procedures may result in lost Goods, delays, additional service, restocking charges, warranty denial, or refusal of a return shipment. The RMA number must appear on the shipping label and all paperwork associated with the return. Buyer shall identify the model or part number, description, and serial number, if applicable, for each of the Goods returned along with an explanation of the non-conformance or defect. Issuance of a RMA number by Seller does not necessarily mean Seller agrees that returned Goods are defective or covered under warranty, or that Goods will be repaired or replaced at no cost to Buyer. Goods repaired or replaced under warranty shall be returned to Buyer at Seller's expense. If any Goods returned by Buyer are found not to be defective, Buyer shall be so notified and such Goods shall be returned to Buyer at Buyer's expense. If the repair or replacement of Goods is not covered by this warranty, such repair or replacement shall not be performed until and unless Buyer issues an Order to Seller authorizing such repair or replacement at Seller's then-

current repair or replacement price. In addition, Seller may charge Buyer for any testing or inspection costs. In no event shall Seller retain or store returned Goods for more than six (6) months.

18. **TOOLING.** Unless agreed otherwise by Seller in writing, all tooling, fixtures, equipment, tools, software, and designs produced, acquired, or used by Seller for the purposes of fulfilling Buyer's Order shall remain the property of Seller.

19. **BUYER'S OBLIGATION OF ASSISTANCE (APPLICABLE TO SERVICES).** To the extent Seller is required to perform Services for Buyer, Buyer shall provide Seller all information reasonably necessary for Seller to perform Services, including any plans, plant layouts, wiring instructions, and operational information. This includes previous studies, reports, or other information relative to the design, installation, and selection of equipment. Buyer shall grant Seller access to its property and other public and private lands, as reasonably required for performance of Services, and facilitate such access. Buyer shall also provide safe storage of Seller's equipment, materials, and tools during the performance of Services at Buyer or Buyer's customer's worksite. Buyer agrees to cooperate as necessary to facilitate Seller's performance of Services. Buyer covenants that it has fully and accurately disclosed to Seller all general and local conditions that may affect Seller's performance of Services. Buyer acknowledges that Seller is entitled to rely on information furnished by Buyer in developing its specifications, equipment selection, price, and in performing Services.

20. **PROPRIETARY RIGHTS.** Seller shall retain all right, title, and interest in and to any data, information, software programs, tools, specifications, templates, scripts, ideas, concepts, inventions, works of authorship, products, know-how, processes, techniques, and the like used or developed by Seller, its employees, and its subcontractors in connection with Buyer's Order. Buyer agrees that Seller retains all proprietary rights in and to all products, specifications, designs, discoveries, inventions, patents, copyrights, trademarks, trade secrets, and other proprietary rights relating to Goods or Services. Unless otherwise identified in writing to Seller, no information or knowledge heretofore or hereafter disclosed to Seller in the performance of, or in connection with, the terms hereof, shall be deemed to be confidential or proprietary and any such information or knowledge shall be free from restrictions, other than a claim for patent infringement, as part of the consideration hereof. Unless otherwise agreed in writing, Seller shall retain title to all software delivered by Seller, or embedded in Seller's Goods, if applicable, and use of such software by Buyer or third parties shall be conditioned upon execution of a license agreement or confidentiality agreement between Seller and Buyer.

21. **PATENT, COPYRIGHT, AND TRADEMARK INDEMNIFICATION.** Seller shall hold harmless and indemnify Buyer against all third party claims, judgments, costs, and fees, including attorney fees, relating to infringement of any patent, copyright, trademark, or design to the extent that (i) the infringing Goods are manufactured, sold, or used, in whole or in part, pursuant to Seller's specifications, designs, drawings, or other technical data, and (ii) provided that Buyer notifies Seller in writing of any such claim as soon as reasonably practicable, and allows Seller to control, and reasonably cooperates with Seller in the defense of any such claim and related settlement negotiations. To the extent that any Goods are held by a court of competent jurisdiction or are believed by Seller to infringe or otherwise violate a third party's proprietary rights, Seller may, at its option and expense, either (i) modify the affected Goods to be non-infringing, or (ii) obtain for Buyer a license to continue using such Goods on substantially the same terms set forth herein, or, if neither of the foregoing alternatives is reasonably available to Seller, (iii) Seller may require Buyer to return the infringing Goods and all rights thereto, and refund to Buyer the price paid to Seller by Buyer for the infringing Goods. Seller shall have no obligation under this provision to the extent any claim is based on (i) modifications of Goods or deliverables by a party other than Seller or Seller's authorized representative, (ii) the combination, operation, or use of Goods with equipment, devices, software, or data not supplied by Seller, (iii) the use or installation of Goods in an environment for which Goods were not intended, (iv) Buyer's failure to use updated or modified versions of Goods provided by Seller, or (v) the negligent acts or omissions or willful misconduct of Buyer, its employees, representatives, or affiliates. This Section, and the indemnification provided herein, does not apply to any Goods manufactured, sold, or used, in whole or in part, pursuant to Buyer's specifications, designs, drawings, or other technical data. THE FOREGOING CONSTITUTES THE ENTIRE LIABILITY OF SELLER AND BUYER'S SOLE AND EXCLUSIVE REMEDY WITH RESPECT TO ANY CLAIMS OF INFRINGEMENT OF ANY THIRD PARTY INTELLECTUAL PROPERTY RIGHTS.

22. **CONFIDENTIALITY.** Each Party (the "Receiving Party") shall keep confidential and not directly or indirectly disclose to any third party any Confidential Information, as defined herein, furnished to it by the other Party (the "Disclosing Party") in connection with Seller's Offer and/or Buyer's Order without the Disclosing Party's prior written consent. "Confidential Information" includes, but is not limited to, business, financial, statistical, and commercial information, pricing, technical data and information, formulae, analyses, trade secrets, ideas, methods, processes, know how, computer programs, designs, data sheets, schematics, configurations, and drawings. Confidential Information does not include information that (i) is or becomes generally available to the public other than as a result of disclosure by Receiving Party, (ii) was available on a non-confidential basis prior to its disclosure by Disclosing Party, (iii) is or becomes available to Receiving Party on a non-confidential basis from a source other than Disclosing Party when such source is not, to the best of Receiving Party's knowledge, subject to a confidentiality obligation with Disclosing Party, or (iv) was independently developed by Receiving Party without reference to the Confidential Information, and Receiving Party can verify development of such information by written documentation.

23. **INDEMNIFICATION.** Each Party (the "Indemnifying Party") agrees to indemnify, defend, and hold harmless the other Party, its officers, directors, and employees (the "Indemnified Party") from and against any and all liabilities, losses, expenses, liens, claims, demands, and causes of action ("Claims") for death, personal injury, or property damage arising out of any negligent act or omission of the Indemnifying Party in the performance of Buyer's Order, except to the extent such Claims are contributed to by the negligence or willful misconduct of the Indemnified Party or of any third parties. Buyer agrees to indemnify, defend, and hold harmless Seller, its officers, directors, and employees for any and all Claims, including Claims asserted by third parties, related to any Goods manufactured or Services performed in whole or in part to Buyer's designs or attributed to equipment, information, or materials furnished by Buyer to Seller. The Indemnified Party agrees to (i) notify the Indemnifying Party in writing of any Claims as soon as reasonably practicable, (ii) allow the Indemnifying Party to control the defense of any such Claim and related settlement negotiations, and (iii) reasonably cooperate with the Indemnifying Party in such defense.

24. **LIMITATION OF LIABILITY.** Notwithstanding any other provision herein, under no circumstances shall either Party be liable to the other for any consequential, special, incidental, indirect, multiple, administrative, or punitive damages, or any damage of an indirect or consequential nature arising out of or related to its performance under Buyer's Order, including, without limitation, loss of use, loss of revenues, loss of anticipated profits, and cost of capital, whether based upon breach of Buyer's Order, warranty, negligence, or any other type of claim, and whether grounded in tort, contract, civil law, or other theories of liability, including strict liability, even if advised in advance of the possibility of such damages. Each Party's total liability to the other Party arising from or related to Buyer's Order, including, but not limited to, its liability for indemnity, defense, and hold harmless obligations, is limited to no more than the amount paid by Buyer to Seller under Buyer's Order. To the extent that this limitation of liability conflicts with any other Section or provision herein, such provision shall be regarded as amended to whatever extent required to make such provision consistent with this clause.

25. **ETHICS AND VALUES.** Seller is committed to uncompromising ethical standards, strict adherence to laws and regulations, and customer satisfaction. Buyer is encouraged to communicate any concerns or questions regarding the ethics and values of Seller via the Teledyne Corporate Ethics Website at www.teledyne.ethicspoint.com.

26. **ORDER OF PRECEDENCE.** Any inconsistency between Seller's terms and conditions, Buyer's Order, or any other documents related thereto, shall be resolved by giving precedence in the following order: (i) Seller's Special Terms and Conditions, (ii) Seller's Terms and Conditions of Sale, (iii) applicable Seller's Specifications, (iv) Statement of Work or Scope of Services, and (v) Form of Buyer's Order.

27. **GOVERNING LAW AND VENUE.** The performance of the Parties, and any judicial or arbitration proceedings, shall be construed and governed in accordance with the laws of the State of California, United States of America, excepting its laws and rules relating to conflict of law. Neither (i) the United Nations Convention on Contracts for the International Sale of Goods, (ii) the 1974 Convention on the Limitation Period in Contracts for the International Sale of Goods (hereinafter referred to as the "1974 Convention"), nor (iii) the Protocol Amending the 1974 Convention held at Vienna, Austria, on April 11, 1980, apply in any manner to the interpretation or enforcement of Seller's Offer, or Buyer's Order.

28. **DISPUTES AND ARBITRATION.** The Parties shall attempt to resolve any dispute, controversy, or claim arising under or relating to Seller's Offer or Buyer's Order, or to a material breach, including its interpretation, performance, or termination. If the Parties are unable to resolve such dispute, either Party may refer the dispute to arbitration. The arbitration shall be conducted in English and in accordance with the Commercial Rules of the American Arbitration Association, which shall administer the arbitration and act as appointing authority. The arbitration, including the rendering of the decision and/or award, shall take place in Ventura County, California, United States of America, and shall be the exclusive forum for resolving the dispute, controversy, or claim. The arbitrator shall make the final determination as to any discovery disputes between the Parties. Examination of witnesses by the Parties and by the arbitrator shall be permitted. A written transcript of the hearing shall be made and furnished to the Parties. The cost of this transcript shall be borne equally by the Parties. The award or decision of the arbitrator shall state the reasons upon which the award or decision is based, and shall be final and binding upon the Parties. The prevailing Party shall be

entitled to compensation for the expense of the arbitration, including, but not limited to, the award of attorneys' fees, at the discretion of the arbitrator. Both Parties waive their right to any appeal under any system of law. The award shall be enforceable before any court of competent jurisdiction upon the application to such court by either Party. The arbitrator shall have no authority to award any of the types of damages excluded hereunder, and shall be so instructed by the Parties.

29. **RELATIONSHIP OF THE PARTIES.** Each Party is an independent contractor. Neither Party shall have authority to bind the other except to the extent authorized herein. This Agreement is not intended by the Parties to constitute or create a joint venture, pooling arrangement, partnership, or formal business organization of any kind. The Parties shall act as independent contractors at all times, and neither Party shall act as an agent for the other, and the employees of one Party shall not be deemed employees of the other Party.

30. **MODIFICATIONS TO ORDER.** Buyer's Order may only be modified by written instrument signed by duly authorized representatives of the Parties.

31. **NOTICES.** All notices given by the Parties shall be made in writing, and delivered personally or sent by prepaid mail (by air-mail if the notice is being communicated internationally), or by facsimile, cable, or email addressed to the intended recipient at its address or at its electronic address.

32. **ASSIGNMENT.** Neither Party may assign, delegate, sublicense, or transfer, whether by operation of law or otherwise, their obligations or rights hereunder without the other Party's written consent and any assignment, delegation, sublicense, or transfer (i) without such written consent is void and of no effect and, (ii) if consent is given, shall be binding upon, and inure to the benefit of the successors and assigns of the Parties. Notwithstanding this provision, Seller may, without Buyer's consent, subcontract work to be performed under Buyer's Order or assign Buyer's Order to a parent, subsidiary, or affiliate company of Seller. In addition, without securing such prior consent, Seller shall have the right to assign Buyer's Order to any successor, by way of merger or consolidation, or the acquisition of substantially all of the entire business and assets of Seller relating to the subject matter of Buyer's Order, provided that such successor shall expressly assume all of the assignor's obligations and liabilities under Buyer's Order, and provided further that Seller shall remain liable and responsible to Buyer for the performance and observance of all such obligations.

33. **WAIVER; REMEDIES; COSTS.** None of the Sections, terms, conditions, or provisions herein shall be waived by any act or knowledge on the part of Seller, except by written instrument signed by a duly authorized representative of Seller. The waiver by Seller of any term, condition, provision, or right hereunder or the failure to enforce at any time any of Seller's terms and conditions, or any rights with respect thereto, is not a continuing waiver or a waiver of any other rights, or of any material breach or failure of performance of Buyer. The remedies herein reserved or created for Seller shall be cumulative, and additional to any other or further remedies provided at law or in equity. Seller may remedy any breach of the terms or conditions hereof without waiving the breach remedied, or without waiving any other prior or subsequent breach. Buyer shall pay all Seller's costs and expenses, including attorney's fees, incurred by Seller in exercising any of its rights or remedies hereunder or enforcing any of the terms or conditions hereof.

34. **SEVERABILITY.** If any term, condition, or provision herein is invalid, ineffective, or unenforceable under present or future laws, then the remainder of the terms, conditions, and provisions shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.

35. **PARTIES.** The Parties to any Offer, Order, or associated transaction are Seller and Buyer as identified above and unless expressly stated otherwise herein, no other persons, parties, or entities have any rights, or receive any benefits hereunder. No other Teledyne subsidiaries, affiliates, or business units, other than Seller, have any obligations or duties hereunder and are unrelated third parties for all purposes.

36. **HEADINGS.** The headings used herein are for reference purposes only and shall not affect the meaning or interpretation of any term, condition, or provision herein.

37. **SURVIVAL.** Any Section or provision herein which contemplates performance or observance subsequent to any termination or expiration of this Agreement, or which by its nature should survive, shall survive any termination or expiration of Buyer's Order and continue in full force and effect.

38. **ENTIRE AGREEMENT.** Seller's terms and conditions (including Seller's Special Terms and Conditions, if applicable) and Buyer's Order (as accepted by Seller in accordance with the terms herein), including any applicable specifications, statement of work, or other applicable documents, constitute the entire agreement between the Parties and supersede any prior oral or written agreements, commitments, understandings, or communications with respect to the subject matter of Buyer's Order.

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