

## Project Proposal

Mack Technologies, Inc.  
27 Carlisle Road  
Westford, MA 01886



Michelle Williams  
Sig Sauer  
18 Industrial Drive  
Exeter, NH, 03833

Dear Michelle Williams:

Mack Technologies, Inc. is pleased to provide Sig Sauer with a quote to procure parts, assemble, package and deliver assemblies per your request for quote on project: Gen II Expansion.

This project proposal contains an executive summary, costed Bills of Material, a list of excess material, a list of substitute components quoted, component NRE charges (if applicable), additional comments for components (if applicable), a list of BOM components that either do not have pricing or were awarded to a supplier for a reason other than best price, and Mack Technologies, Inc. Standard Terms and Conditions.

We hope that our proposal meets your expectations. If you have any questions, or need any additional information regarding this quotation, please contact me.

Thank you for the opportunity to quote.

Sincerely,

Jody Smith  
Director Of Business Development  
Mack Technologies, Inc.  
978-392-5521

## Project Proposal

Mack Technologies, Inc.  
27 Carlisle Road  
Westford, MA 01886



### Executive Summary:

..The following Executive Summary section includes the cost roll-ups by Top Level assembly for this quote. The detail information for each of the cost items can be found in the later sections of this quote package.

Bom Number: 7404337--03	Revision:
Description: CD	

	QTY #1	QTY #2	QTY #3	QTY #4	QTY #5
Purchase Order Quantity:	1000	1300	3000	150000	0
Material	\$25.82	\$25.81	\$25.60	\$14.93	
Freight	\$.52	\$.52	\$.51	\$.30	
Landed Material	\$26.34	\$26.33	\$26.11	\$15.23	
Material Overhead	\$1.58	\$1.58	\$1.57	\$.91	
Labor	\$7.51	\$5.46	\$4.89	\$3.14	
Test	\$.17	\$.17	\$.17	\$.17	
SG&A	\$1.78	\$1.68	\$1.64	\$.97	
Profit	\$2.85	\$2.68	\$2.62	\$1.56	
Sell Price	\$40.22	\$37.90	\$36.99	\$21.98	

NRE Cost	\$4460.00	\$4460.00	\$4460.00	\$4460.00	
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Bom Number: 7404337-01	Revision:
Description: 3 MOA	

	QTY #1	QTY #2	QTY #3	QTY #4	QTY #5
Purchase Order Quantity:	1000	1500	3000	150000	0
Material	\$11.26	\$11.25	\$11.07	\$9.55	
Freight	\$.23	\$.23	\$.22	\$.19	
Landed Material	\$11.49	\$11.48	\$11.29	\$9.74	
Material Overhead	\$.69	\$.69	\$.68	\$.58	
Labor	\$7.41	\$5.39	\$4.83	\$3.10	
Test	\$.17	\$.17	\$.17	\$.17	
SG&A	\$.99	\$.89	\$.85	\$.68	
Profit	\$1.58	\$1.42	\$1.36	\$1.09	
Sell Price	\$22.32	\$20.03	\$19.17	\$15.36	

NRE Cost	\$4460.00	\$4460.00	\$4460.00	\$4460.00	
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## Project Proposal

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Bom Number: 7404337-02

Revision:

Description: 6 MOA

	QTY #1	QTY #2	QTY #3	QTY #4	QTY #5
Purchase Order Quantity:	1000	1500	3000	150000	0
Material	\$11.26	\$11.25	\$11.07	\$9.55	
Freight	\$.23	\$.23	\$.22	\$.19	
Landed Material	\$11.49	\$11.48	\$11.29	\$9.74	
Material Overhead	\$.69	\$.69	\$.68	\$.58	
Labor	\$7.41	\$5.39	\$4.83	\$3.10	
Test	\$.17	\$.17	\$.17	\$.17	
SG&A	\$.99	\$.89	\$.85	\$.68	
Profit	\$1.58	\$1.42	\$1.36	\$1.09	
Sell Price	\$22.32	\$20.03	\$19.17	\$15.36	

NRE Cost	\$4460.00	\$4460.00	\$4460.00	\$4460.00	
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**Costed Bills of Material:**

Bom Number: 7404337--03			Revision:									
Description: CD												
			EAU #1		EAU #2		EAU #3		EAU #4		EAU #5	
Part Number	Description	Qty Per	Cost	Ext.	Cost	Ext.	Cost	Ext.	Cost	Ext.	Cost	Ext.
IF70-9155-001-615	Battery contact, Kyocera,	1	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.101	\$0.101	\$0.00	\$0.00
IF7404337PCB	PCB	1	\$0.81	\$0.81	\$0.80	\$0.80	\$0.75	\$0.75	\$0.55	\$0.55	\$0.00	\$0.00
IF7404338	Battery contact, custom	1	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.717	\$0.717	\$0.00	\$0.00
IFATTINY1616-MN	MCU 8BIT 16KB FLASH	1	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.70	\$0.70	\$0.00	\$0.00
IFCL05A106MP5N	CAP CER 10UF 10V 20% X5R	1	\$0.0215	\$0.0215	\$0.0215	\$0.0215	\$0.0205	\$0.0205	\$0.0175	\$0.0175	\$0.00	\$0.00
IFDMP21D0UFB4-	MOSFET P-CH 20V 770MA	4	\$0.0639	\$0.2556	\$0.0639	\$0.2556	\$0.05	\$0.20	\$0.05	\$0.20	\$0.00	\$0.00
IFELM-650-992-12	LED JENOPTIK CIRCLE-DOT	1	\$21.79	\$21.79	\$21.79	\$21.79	\$21.79	\$21.79	\$11.45	\$11.45	\$0.00	\$0.00
IFFW1	FW for circle dot board	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
IFGRM155R71C10	CAP CER 0.1UF 16V X7R 0402	2	\$0.0045	\$0.009	\$0.0045	\$0.009	\$0.0029	\$0.0058	\$0.0029	\$0.0058	\$0.00	\$0.00
IFGRM155R71E47	CAP CER 0.047UF 25V X7R	2	\$0.0047	\$0.0094	\$0.0047	\$0.0094	\$0.0027	\$0.0054	\$0.0027	\$0.0054	\$0.00	\$0.00
IFLIS2DE12TR	Accelerometer X, Y, Z Axis	1	\$0.7865	\$0.7865	\$0.7865	\$0.7865	\$0.70	\$0.70	\$0.70	\$0.70	\$0.00	\$0.00
IFProgramming	Programming	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
IFRC0402FR-071K	RES SMD 1.02K OHM 1%	1	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.00	\$0.00
IFRC0402FR-0720	RES SMD 20K OHM 1% 1/16W	1	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.00	\$0.00
IFRC0402FR-0780	RES SMD 806 OHM 1% 1/16W	1	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.00	\$0.00
IFRC0402FR-0780	80.6 kOhms 1% 0.063W, 1/16W	1	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.00	\$0.00
IFRC0402JR-071M	RES 1M OHM 5% 1/16W 0402	2	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.00	\$0.00
IFRC0402JR-073M	RES 3M OHM 5% 1/16W 0402	2	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.00	\$0.00
IFRC0402JR-074K	RES 4.7K OHM 1% 1/16W 0402	2	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.00	\$0.00
IFTL3340AF160Q	SWITCH TACTILE SPST-NO	1	\$0.24	\$0.24	\$0.24	\$0.24	\$0.232	\$0.232	\$0.232	\$0.232	\$0.00	\$0.00
IFTLV8542RUGR	IC CMOS 2 CIRCUIT 8X2QFN	1	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.00	\$0.00
			\$25.8184		\$25.8084		\$25.6001		\$14.9251		\$0.00	

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Bom Number: 7404337-01  
Description: 3 MOA

Revision:

Part Number	Description	Qty Per	EAU #1		EAU #2		EAU #3		EAU #4		EAU #5	
			Cost	Ext.	Cost	Ext.	Cost	Ext.	Cost	Ext.	Cost	Ext.
IF70-9155-001-615	Battery contact, Kyocera,	1	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.101	\$0.101	\$0.00	\$0.00
IF7404337PCB	PCB	1	\$0.81	\$0.81	\$0.80	\$0.80	\$0.75	\$0.75	\$0.55	\$0.55	\$0.00	\$0.00
IF7404338	Battery contact, custom	1	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.717	\$0.717	\$0.00	\$0.00
IFATTINY1616-MN	MCU 8BIT 16KB FLASH	1	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.70	\$0.70	\$0.00	\$0.00
IFCL05A106MP5N	CAP CER 10UF 10V 20% X5R	1	\$0.0215	\$0.0215	\$0.0215	\$0.0215	\$0.0205	\$0.0205	\$0.0175	\$0.0175	\$0.00	\$0.00
IFDMP21D0UFB4-	MOSFET P-CH 20V 770MA	2	\$0.0639	\$0.1278	\$0.0639	\$0.1278	\$0.05	\$0.10	\$0.05	\$0.10	\$0.00	\$0.00
IFELM-650-992-02	LED Jenoptik 25um red	1	\$7.36	\$7.36	\$7.36	\$7.36	\$7.36	\$7.36	\$6.18	\$6.18	\$0.00	\$0.00
IFFW1	FW for circle dot board	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
IFGRM155R71C10	CAP CER 0.1UF 16V X7R 0402	2	\$0.0045	\$0.009	\$0.0045	\$0.009	\$0.0029	\$0.0058	\$0.0029	\$0.0058	\$0.00	\$0.00
IFGRM155R71E47	CAP CER 0.047UF 25V X7R	1	\$0.0047	\$0.0047	\$0.0047	\$0.0047	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.00	\$0.00
IFLIS2DE12TR	Accelerometer X, Y, Z Axis	1	\$0.7865	\$0.7865	\$0.7865	\$0.7865	\$0.70	\$0.70	\$0.70	\$0.70	\$0.00	\$0.00
IFProgramming	Programming	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
IFRC0402FR-0720	RES SMD 20K OHM 1% 1/16W	1	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.00	\$0.00
IFRC0402FR-0780	RES SMD 806 OHM 1% 1/16W	1	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.00	\$0.00
IFRC0402JR-070R	RES 0OHM 1% 1/16W 0402	3	\$0.0008	\$0.0024	\$0.0008	\$0.0024	\$0.0008	\$0.0024	\$0.0008	\$0.0024	\$0.00	\$0.00
IFRC0402JR-071M	RES 1M OHM 5% 1/16W 0402	2	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.00	\$0.00
IFRC0402JR-073M	RES 3M OHM 5% 1/16W 0402	1	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.00	\$0.00
IFRC0402JR-074K	RES 4.7K OHM 1% 1/16W 0402	2	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.00	\$0.00
IFTL3340AF160Q	SWITCH TACTILE SPST-NO	1	\$0.24	\$0.24	\$0.24	\$0.24	\$0.232	\$0.232	\$0.232	\$0.232	\$0.00	\$0.00
IFTLV8542RUGR	IC CMOS 2 CIRCUIT 8X2QFN	1	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.00	\$0.00
			\$11.2563		\$11.2463		\$11.0678		\$9.5528		\$0.00	

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Bom Number: 7404337-02  
Description: 6 MOA

Revision:

Part Number	Description	Qty Per	EAU #1		EAU #2		EAU #3		EAU #4		EAU #5	
			Cost	Ext.	Cost	Ext.	Cost	Ext.	Cost	Ext.	Cost	Ext.
IF70-9155-001-615	Battery contact, Kyocera,	1	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11	\$0.101	\$0.101	\$0.00	\$0.00
IF7404337PCB	PCB	1	\$0.81	\$0.81	\$0.80	\$0.80	\$0.75	\$0.75	\$0.55	\$0.55	\$0.00	\$0.00
IF7404338	Battery contact, custom	1	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.79	\$0.717	\$0.717	\$0.00	\$0.00
IFATTINY1616-MN	MCU 8BIT 16KB FLASH	1	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.70	\$0.70	\$0.00	\$0.00
IFCL05A106MP5N	CAP CER 10UF 10V 20% X5R	1	\$0.0215	\$0.0215	\$0.0215	\$0.0215	\$0.0205	\$0.0205	\$0.0175	\$0.0175	\$0.00	\$0.00
IFDMP21D0UFB4-	MOSFET P-CH 20V 770MA	2	\$0.0639	\$0.1278	\$0.0639	\$0.1278	\$0.05	\$0.10	\$0.05	\$0.10	\$0.00	\$0.00
IFELM-650-992-05	LED Jenoptik 50um red	1	\$7.36	\$7.36	\$7.36	\$7.36	\$7.36	\$7.36	\$6.18	\$6.18	\$0.00	\$0.00
IFFW1	FW for circle dot board	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
IFGRM155R71C10	CAP CER 0.1UF 16V X7R 0402	2	\$0.0045	\$0.009	\$0.0045	\$0.009	\$0.0029	\$0.0058	\$0.0029	\$0.0058	\$0.00	\$0.00
IFGRM155R71E47	CAP CER 0.047UF 25V X7R	1	\$0.0047	\$0.0047	\$0.0047	\$0.0047	\$0.0027	\$0.0027	\$0.0027	\$0.0027	\$0.00	\$0.00
IFLIS2DE12TR	Accelerometer X, Y, Z Axis	1	\$0.7865	\$0.7865	\$0.7865	\$0.7865	\$0.70	\$0.70	\$0.70	\$0.70	\$0.00	\$0.00
IFProgramming	Programming	1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
IFRC0402FR-0720	RES SMD 20K OHM 1% 1/16W	1	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.00	\$0.00
IFRC0402FR-0780	RES SMD 806 OHM 1% 1/16W	1	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.0007	\$0.00	\$0.00
IFRC0402JR-070R	RES 0OHM 1% 1/16W 0402	3	\$0.0008	\$0.0024	\$0.0008	\$0.0024	\$0.0008	\$0.0024	\$0.0008	\$0.0024	\$0.00	\$0.00
IFRC0402JR-071M	RES 1M OHM 5% 1/16W 0402	2	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.00	\$0.00
IFRC0402JR-073M	RES 3M OHM 5% 1/16W 0402	1	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.0006	\$0.00	\$0.00
IFRC0402JR-074K	RES 4.7K OHM 1% 1/16W 0402	2	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.0006	\$0.0012	\$0.00	\$0.00
IFTL3340AF160Q	SWITCH TACTILE SPST-NO	1	\$0.24	\$0.24	\$0.24	\$0.24	\$0.232	\$0.232	\$0.232	\$0.232	\$0.00	\$0.00
IFTLV8542RUGR	IC CMOS 2 CIRCUIT 8X2QFN	1	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.00	\$0.00
			\$11.2563		\$11.2463		\$11.0678		\$9.5528		\$0.00	

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## Excess Material Position

Part Number	EAU #1		EAU #2		EAU #3		EAU #4		EAU #5	
	Excess	Excess \$	Excess	Excess \$	Excess	Excess \$	Excess	Excess \$	Excess	Excess \$
IF70-9155-001-615	0	.000	1700	187.000	0	.000	0	.000	0	.000
IF7404337PCB	0	.000	20	16.000	0	.000	0	.000	0	.000
IF7404338	0	.000	0	.000	0	.000	0	.000	0	.000
IFATTINY1616-MN	3000	2,250.000	1700	1,275.000	3000	2,250.000	0	.000	0	.000
IFCL05A106MP5N	7000	150.500	5700	122.550	1000	20.500	0	.000	0	.000
IFDMP21D0UFB4-	2000	127.800	8800	562.320	6000	300.000	0	.000	0	.000
IFELM-650-992-02	2000	14,720.000	1500	11,040.000	0	.000	0	.000	0	.000
IFELM-650-992-05	2000	14,720.000	1500	11,040.000	0	.000	0	.000	0	.000
IFELM-650-992-12	2000	43,580.000	1700	37,043.000	0	.000	0	.000	0	.000
IFFW1	0	.000	0	.000	0	.000	0	.000	0	.000
IFGRM155R71C10	4000	18.000	1400	6.300	2000	5.800	0	.000	0	.000
IFGRM155R71E47	6000	28.200	4400	20.680	8000	21.600	0	.000	0	.000
IFLIS2DE12TR	5000	3,932.500	3700	2,910.050	7000	4,900.000	6000	4,200.000	0	.000
IFProgramming	0	.000	0	.000	0	.000	0	.000	0	.000
IFRC0402FR-071K	9000	6.300	8700	6.090	7000	4.900	0	.000	0	.000
IFRC0402FR-0720	7000	4.900	5700	3.990	1000	.700	0	.000	0	.000
IFRC0402FR-0780	7000	4.900	5700	3.990	1000	.700	0	.000	0	.000
IFRC0402FR-0780	9000	6.300	8700	6.090	7000	4.900	0	.000	0	.000
IFRC0402JR-070R	4000	3.200	1000	.800	2000	1.600	0	.000	0	.000
IFRC0402JR-071M	4000	2.400	1400	.840	2000	1.200	0	.000	0	.000
IFRC0402JR-073M	6000	3.600	4400	2.640	8000	4.800	0	.000	0	.000
IFRC0402JR-074K	4000	2.400	1400	.840	2000	1.200	0	.000	0	.000
IFTL3340AF160Q	1000	240.000	1700	408.000	1000	232.000	0	.000	0	.000
IFTLV8542RUGR	0	.000	1700	408.000	0	.000	0	.000	0	.000
	\$79,801.00		\$65,064.18		\$7,749.90		\$4,200.00		\$0.00	

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## SRFQ Comments

Part Number	Supplier	MFG Name	MFG PN	Comments
IF70-9155-001-615-004	Arrow	Kyocera	70-9155-001-615-0	Pending factory quote, if better pricing received, will advise / CN TARIFF APPLIES
IF7404337PCB	BoardTECH,		7404337PCB	4L Rigid Flex PCB, FR4 (L1 & L4) + PI (L2 & L3), 0.76mm, 1oz finished copper for all layers, ENIG, 60up array, size 250mm x 152mm
IFCL05A106MP5NUNC	Arrow	Samsung	CL05A106MP5NUN	On qtys under 10k pcs, quoting Arrow reels
IFDMP21D0UFB4-7B	Arrow	Diodes Incorporated	DMP21D0UFB4-7B	On qtys under 10k pcs, quoting Arrow reels
IFGRM155R71C104KA8 8D	Arrow	Murata	GRM155R71C104K	On qtys under 10k pcs, quoting Arrow reels
IFGRM155R71E473KA8 8D	Arrow	Murata	GRM155R71E473K	On qtys under 10k pcs, quoting Arrow reels
IFLIS2DE12TR	Arrow	STMicroelectronics	LIS2DE12TR	On qtys under 8k pcs, quoting Arrow reels
IFRC0402JR-070RL	Avnet -	Yageo	RC0402JR-070RL	No Tariff



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**Substitutes Components Quoted:**

Part Number	Description	Substitute Mfg.	Substitute Part Number
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### Component NRE Charges

Part Number	Description	NRE Cost
IF7404337PCB	PCB	\$400.00
IF7404338	Battery contact, custom RZGENII CR1632 Positive	\$2,700.00

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**Additional Comments (by Component):**

Part Number	Comments
IF7404338	Tariff fee

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**Exception List:**

Part Number	Description	Comments
IF7404337PCB	PCB	Best Price
IFFW1	FW for circle dot board	Documentation
IFProgramming	Programming	Documentation

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### Proposal Terms and Conditions:

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Payment terms are Net 30, F.O.B. Our Dock.

Quotation does not include any tariff related costs. Customer agrees to reimburse Mack for all tariff related costs.

Mack Technologies has no liability for parts consigned by Customer that are either scrapped or lost. Customer accepts liability for loss or scrap.

Workmanship to IPC 610 Class II Standards.

Warranty is 1 (one) year on workmanship and process-related failures.

This quotation assumes the design described in the documentation provided is manufacturable. Mack Technologies also assumes customer will provide all necessary and unique information, test equipment, test procedures and software code to isolate defects.

All components are assumed to be taped and reeled or otherwise packaged for automated assembly.

The cost model is based on annual volumes as provided by the customer. Failure to reach annualized volumes may result in price adjustments.

Customer will be responsible for all material bought on their behalf (per purchase orders and or authorized forecast) which cannot be cancelled, returned or used for another customer.

Customer will be responsible for all excess created by minimum order quantities and / or package sizes.

Customer will be responsible for all restocking and cancellation charges.

This quote is valid for 30 days and based on the documentation provided at the time of the quote.

Customer will sell or provide to Mack Technologies any material that is sole sourced with suppliers that require either pre-payment or cash-on-delivery terms instead of offering credit terms to Mack Technologies.

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## **Proposal Terms and Conditions:**

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### **TERMS AND CONDITIONS**

THE FOLLOWING TERMS AND CONDITIONS, IN COMBINATION WITH THE QUOTATION TO WHICH IT IS ATTACHED, SHALL CONSTITUTE AN AGREEMENT BETWEEN THE PARTIES WHEN THE QUOTATION IS ACCEPTED BY THE CUSTOMER.

1. **ACCEPTANCE.** The quotation (the "Quotation") to which these terms and conditions (the "Terms and Conditions") are attached is an offer by Mack Technologies, Inc. ("Mack") to sell the products and services described in the Quotation (collectively the "Products") to the party to whom it is addressed ("Customer"). Customer may accept the Quotation by either written acceptance or the issuance of a purchase order within the time specified in the Quotation. ANY TERMS OR CONDITIONS PROPOSED BY CUSTOMER THAT ARE INCONSISTENT WITH, ADD TO, OR OTHERWISE MODIFY THE QUOTATION, INCLUDING THESE TERMS AND CONDITIONS, SHALL BE VOID AND OF NO EFFECT UNLESS SPECIFICALLY AGREED TO IN A SIGNED WRITING BY MACK. Accordingly, the Quotation, together with these Terms and Conditions and any modifications accepted in writing by Mack, shall constitute the entire agreement between the parties with respect to the Products described therein and shall be referred to herein as the "Agreement." Notwithstanding anything herein to the contrary, if a written contract signed by both parties is in existence covering the sale of the Products covered hereby, the terms and conditions of said contract shall prevail to the extent they are inconsistent with these Terms and Conditions.

2. **DELIVERY; TITLE; RISK OF LOSS.** Delivery of the Products shall be FOB Mack's plant of manufacture ("Delivery Point"). Title and risk of loss pass to the Customer upon delivery of the Products at the Delivery Point. Customer shall be responsible for all transportation costs and expenses. Mack shall arrange for the carrier and mode of transportation unless otherwise directed by Customer. Mack will use commercially reasonable efforts to meet the delivery dates set forth in the Quotation, but in no event will Mack be liable to Customer for any loss or damage as a result of its failure to deliver timely. In the event of a delay due to causes beyond the reasonable control of Mack, the delivery dates so affected shall be extended to the period of such delay. Mack may deliver up to ten percent (10%) over or under the scheduled delivery quantity, and Customer shall accept and pay for quantities actually delivered within such variance and shall not be entitled to object to or reject the Products or any portion of them by reason of the surplus or shortfall. Mack may, in its sole discretion, without liability or penalty, make partial shipments of Products to Customer and Customer shall pay for the Products shipped whether such shipment is in whole or partial fulfillment of Customer's purchase order.

3. **PACKING.** Products shall be suitably packed and marked in accordance with the requirements of common carriers and in the manner specified in the Quotation. The cost of packing is included in the price, unless otherwise noted in the Quotation.

4. **CANCELLATION / SUSPENSION / RESCHEDULE.** Customer may not cancel, suspend or reschedule production or delivery of any Products ordered pursuant to this Agreement without Mack's prior written consent, which may be withheld in its sole discretion. Mack may, however, suspend performance at any time Mack reasonably believes that Customer may default on any of its material obligations and Customer fails promptly to furnish to Mack upon request adequate assurances of performance.

5. **PAYMENT AND TAXES.** Mack shall invoice Customer for Products only after delivery of the Products to the Delivery Point. If delivery is in lots, Mack may invoice Customer upon delivery of a lot. Failure to pay for any lot when due shall excuse Mack from making further deliveries. Delay in delivery of any lot shall not relieve Customer of its obligation to accept remaining lots. Unless otherwise provided in the Quotation or agreed to in a written agreement signed by an authorized representative of Mack, Customer shall pay, in US dollars, Mack's invoice within thirty (30) days after the date of invoice without offset or deduction. Unless otherwise noted in the Quotation, all taxes, duties and other governmental charges related to the Products (other than taxes on the net income of Mack) are not included in the price, and accordingly shall be paid by Customer, whether or not separately set out in the invoice. If any invoice is not paid by the due date, Customer shall pay to Mack interest thereon from the due date at the rate of 1.5% per month. Customer shall reimburse Mack for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees. Notwithstanding the foregoing, if at any time Mack determines that the financial condition of Customer does not justify the terms of payment extended herein, Mack may require full payment in advance or other payment arrangements reasonably acceptable to Mack.

6. **INSPECTION AND REJECTION OF NONCONFORMING GOODS.** (a) Customer shall inspect the Products within 5 business days of delivery ("Inspection Period"). Customer will be deemed to have accepted the Products unless it notifies Mack in writing of any Nonconforming Products during the Inspection Period and furnishes such written evidence or other documentation as reasonably required by Mack. "Nonconforming Products" means only the following: (i) Product shipped is different than identified in the Quotation; or (ii) Product's label or packaging incorrectly identifies its contents. (b) If Customer timely notifies Mack of any Nonconforming Products, Mack shall, in its sole discretion, (i) replace such Nonconforming Products with conforming Products, or (ii) credit or refund the price for such Nonconforming Products, together with any reasonable shipping and handling expenses incurred by Customer in connection therewith. Customer shall ship, at its expense and risk of loss, the Nonconforming Products to Mack's plant of manufacture. If Mack exercises its option to replace Nonconforming Products, Mack shall, after receiving Customer's shipment of Nonconforming Products, ship to Customer, at Customer's

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## **Proposal Terms and Conditions:**

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expense and risk of loss, the replaced Products to the Delivery Point. (c) Customer acknowledges and agrees that the remedies set forth in this Section 6 are Customer's exclusive remedies for the delivery of Nonconforming Products. Except as provided under Section 6(b), all sales of Products to Customer are made on a one-way basis and Customer has no right to return Products purchased under this Agreement to Mack.

7. **PRODUCT WARRANTY; LIMITATION OF LIABILITY.** Mack warrants that the Products will, at the time of delivery to Customer, materially conform to the specifications referenced in the Quotation, and will be free from material defects in workmanship (and materials, if Mack is responsible for procuring materials from Mack's own sources) under normal use and service. Mack will not, however, be responsible for, and this warranty will not apply to, any defects in the Products arising out of Customer's design or the use of Customer furnished materials or materials Mack is directed by Customer to use. Products manufactured by a third party ("Third Party Product") may constitute, contain, be contained in, incorporated into, attached to or packaged together with, the Products. Third Party Products are not covered by the warranty in this Section 7. For the avoidance of doubt, MACK MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO ANY THIRD PARTY PRODUCT, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (c) WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.

Claims under this warranty must be made to Mack in writing within sixty (60) days following delivery. Mack's sole obligation under this warranty is, at Mack's option, to repair or replace the defective Products, or to credit or refund of the price paid for the defective Products. Defective Products must be returned to Mack freight prepaid in accordance with Mack's Return Authorization. Repaired or replaced Products will be shipped by Mack to Customer at Mack's expense, and such Products will bear the same warranty for the remainder of the original warranty period. This warranty does not apply to any defect attributed to bought-out components specified by Customer, or to any unit(s) of Products which Mack determines has been subjected to (i) operating or environmental conditions beyond those normally expected for the Products based upon Customer's representation of intended use; or (ii) improper application, improper maintenance or repair, improper installation, alteration, accident or any other negligent act or omission in use or handling. This is Mack's only warranty for the Products. MACK EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, GUARANTEES OR REMEDIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NO COURSE OF DEALING AND NO PRODUCT DESCRIPTION SHALL BE DEEMED A WARRANTY OF ANY PRODUCTS DELIVERABLE BY MACK. Mack also disclaims any implied warranty arising out of trade usage or out of a course of dealing or previous course of performance. Customer's exclusive remedies with respect to Mack's performance or nonperformance are those expressly stated in this Section 7.

8. **INSURANCE.** Without limiting Customer's indemnification obligations under this Agreement, Customer shall, at its own expense, maintain and carry in full force and effect, product liability coverage with limits no less than USD \$10,000,000, which may be achieved through the combination of product liability and umbrella coverage. Customer shall ensure that all insurance policies required pursuant to this Section 8: (i) are issued by insurance companies with a Best's Rating of no less than A; (ii) provide that such insurance carriers give Mack at least 30 days' prior Notice of cancellation or non-renewal of policy coverage, (iii) provide that, prior to such cancellation, Customer has new insurance policies in place that meet the requirements of this Section 8; (iv) provide that such insurance be primary insurance, and any similar insurance in the name of and/or for the benefit of Mack shall be excess and non-contributory; (v) name Mack including all successors and permitted assigns, as additional insureds; and (vi) waive any right of subrogation of the insurers against Mack. Customer shall provide Mack with a certificate evidencing required insurance coverage on an annual basis.

9. **INDEMNITY.** Customer shall defend, indemnify and hold Mack, its officers, employees, and agents harmless from and against all liability, loss and expenses of any kind, including attorneys' fees, arising out of any claim of infringement of any patent, copyright, trademark, mask works, or any other intellectual property right of any third party in connection with the Products. Customer assumes all responsibility and liability for injury or damages resulting from its handling, possession, use, or sale of Products supplied hereunder, including but not limited to any injury or damages resulting from the use of Products in Customer's operations or in combination with other substances or products, as well as any product liability claim of any third party with respect to the Products, and agrees to hold harmless, defend and indemnify Mack from and against all claims, losses, liabilities and expenses (including attorney's fees and other litigation or settlement costs) arising out of such handling, possession, use or sale. The foregoing duty of Customer to hold harmless, defend and indemnify Mack shall not apply to the extent such claim, loss, liability or expense results from the willful misconduct or gross negligence of Mack.

10. **LIMITATION OF LIABILITY.** THE LIABILITY OF MACK WITH RESPECT TO A CLAIM OF ANY KIND, WHETHER AS TO QUALITY OR AMOUNT OF PRODUCTS DELIVERED OR FOR A NON-DELIVERY OF PRODUCTS, SHALL NOT EXCEED THE INVOICE PRICE OF THE QUANTITIES OF PRODUCTS AS TO WHICH THE CLAIM IS MADE. THIS LIMITATION SHALL APPLY REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR TORT, INCLUDING NEGLIGENCE. UNDER NO CIRCUMSTANCES WILL MACK BE LIABLE FOR REPROCUREMENT COSTS, LOST REVENUES OR PROFITS, OR FOR ANY OTHER INDIRECT, SPECIAL, INCIDENTAL, ECONOMIC, OR CONSEQUENTIAL DAMAGES OR CLAIMS BY THIRD PARTIES,

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## **Proposal Terms and Conditions:**

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WHETHER ARISING FROM TORT OR CONTRACT, EVEN IF THEY WERE FORESEEABLE OR CUSTOMER HAS INFORMED MACK OF THEIR POTENTIAL.

11. **CUSTOMER'S PROPERTY AND SECURITY INTEREST.** Customer-owned equipment, tooling, molds, material or documentation to be furnished to Mack in connection with manufacture of the Products ("Customer-furnished Property") are described in the Quotation and shall be provided by Customer to Mack prior to commencement of work hereunder in accordance with the Quotation. Customer-furnished Property shall be fit for its intended purpose. Documentation, including bills of materials, drawings and artwork shall be current and complete. Mack shall be responsible for reasonable diligence and care in the use and protection of any Customer-furnished equipment, tooling and molds. Mack shall not, however, be responsible for repair or replacement of such equipment, tooling or molds due to normal wear and tear, nor for maintenance costs, unless otherwise stated in the Quotation. As security for the prompt and complete payment and performance when due of all Customer's obligations now or hereafter arising under or in respect of this Agreement, Customer hereby pledges, assigns, transfers and grants to Mack a continuing first priority security interest in and to all Customer-furnished Property, including replacements thereof, and any and all Products paid for by Customer but held in storage for and on behalf of Customer. Customer hereby authorizes Mack to file a financing statement evidencing such security interest, and Customer agrees to execute such documents to evidence and perfect such security interest as Mack may require.

12. **FORCE MAJEURE.** No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations of Customer to make payments to Mack hereunder), when and to the extent such failure or delay is caused by or results from acts beyond the impacted party's ("Impacted Party") control, including, without limitation, the following force majeure events ("Force Majeure Event(s)"): (a) acts of God; (b) flood, fire, earthquake, pandemic, epidemic, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages or slowdowns, or other industrial disturbances; and (i) other similar events beyond the control of the Impacted Party. The Impacted Party shall give notice promptly upon becoming aware of the Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue. The Impacted Party shall use diligent efforts to end the failure or delay and ensure the effects of such Force Majeure Event are minimized. The Impacted Party shall resume the performance of its obligations as soon as reasonably practicable after the removal of the cause.

13. **CONFIDENTIAL INFORMATION.** Customer agrees that any information it obtains about Mack (other than information that is issued by Mack in its published, publicly available materials and on the public portions of its website) is Mack's confidential information ("Confidential Information") irrespective of whether such information is disclosed to Customer in oral, written or visual form. Confidential Information includes without limitation the business, products, customers, employees or authorized agents, product plans, technical drawings, blueprints, performance data, benchmarking data, pricing, vendors, proposals, trade secrets and ideas, inventions, concepts, techniques, and know-how used by Mack in its manufacturing processes. Customer agrees that it will maintain the Confidential Information in strict confidence and will not disclose or disseminate it to any third party without Mack's express, prior written consent. Customer agrees that it will use the Confidential Information only in connection with its purchase and use of the Products. Upon Mack's request, Customer will return to Mack all written or descriptive matter which contain any Confidential Information.

14. **AMENDMENT AND MODIFICATION.** This Agreement may only amended or modified in a writing which specifically states that it amends this Agreement and is signed by an authorized representative of each party.

15. **MISCELLANEOUS.** The terms of this Agreement shall be governed and construed in accordance with the laws of the Commonwealth of Massachusetts without regard for its conflict of laws rules but excluding the application of the United Nations Convention on Contracts for the International Sale of Goods, as amended. All controversies and claims arising out of or relating to any contract between Mack and Customer, or the breach thereof must be instituted within one year after the occurrence giving rise to the controversy or claim. The parties hereby submit to the jurisdiction of any Massachusetts state or federal court sitting in Massachusetts over any action or proceeding arising out of or relating to this Agreement, and each party hereby irrevocably agrees that all claims in respect of such action or proceeding shall be heard and determined in such Massachusetts state or federal court. In the event that any provision of this Agreement shall be adjudged illegal or otherwise unenforceable, such provision shall be severed, and the balance of this Agreement shall continue in full force and effect. Customer may not assign its rights or obligations hereunder without the prior written consent of Mack. The failure of Mack to enforce any provision of these Terms shall in no way be construed as a waiver of such provisions or in any way affect the validity of these Terms, in part or in full, or affect the right of Mack to enforce any other provisions of these Terms. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their successors and permitted assigns.



## **Project Proposal**

Mack Technologies, Inc.

27 Carlisle Road

Westford, MA 01886

