

## PURCHASE ORDER GENERAL TERMS AND CONDITIONS

The following terms and conditions shall apply to and be deemed part of this purchase order except as this purchase order shall specially provide.

- 1. Acceptance.** Any of the following acts by seller shall constitute acceptance of this order and all of its terms and conditions: Signing and returning a copy of this order; delivery of any of the items ordered; commencement of performance; or returning seller's own form of acknowledgement. Acceptance of this purchase order constitutes buyer's agreement to the terms and conditions set forth herein, and no alteration, change, modification or revision of any terms or conditions of this order shall be binding upon buyer unless made in writing and signed by buyer's authorized representative.
- 2. Pricing and Taxes.** Unless otherwise indicated on the face of this order, prices set forth herein shall be firm and shall be deemed to include all federal, state and local taxes applicable to the sale of the completed item ordered and the subsidiary items incorporated therein.
- 3. Acknowledgement and Delivery.** Order shall be acknowledged promptly with full price and delivery information using only the form provided. Buyer reserves the right to cancel this order at no charge if deliveries specified by seller on the acknowledgment copy of this order are unsatisfactory as to time, quantity, carrier or if any shipment is not made as promised.
- 4. Packing.** No charge will be allowed for packing, boxing or crating unless agreed upon in writing at time of purchase. Damage to any material not packed to insure proper protection during shipment will be charged to seller or deducted from invoice at the election of the buyer.
- 5. Transportation.** Transportation charges on goods sold "delivered destination" must be prepaid. If routing is not specified by buyer, seller shall classify and route material by cheapest and best method of destination.
- 6. Quantities.** It is the seller's responsibility to furnish the proper quantity called for on this order. No variation in the quantities specified herein will be accepted as compliance with this order except by prior written agreement. The purchaser reserves the right to return excess shipments at seller's expense.
- 7. Delivery Schedule.** Unless otherwise agreed in writing seller shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet purchaser's delivery schedule. It is seller's responsibility to comply with this schedule but not to anticipate purchaser's requirements. Goods shipped to purchaser in advance of schedule may be returned to seller at seller's expense.
- 8. Purchaser's Property.** Unless otherwise agreed in writing all tools, equipment or material of every description furnished to seller by purchaser or specifically paid for by purchaser, and any replacement thereof, or any materials affixed or attached thereto, shall be and remain the personal property of purchaser and shall be safely stored separate and apart from seller's property. Seller shall not substitute any property for purchaser's property and shall not use such property except in filling purchaser's orders. Such property, while in seller's custody or control, shall be held at seller's risk and shall be kept insured by seller at seller's expense in an amount equal to the replacement cost with loss payable to purchaser and shall be subject to removal at purchaser's written request in which event seller shall prepare such property for shipment and shall redeliver to purchaser in the same condition as originally received by seller with reasonable wear and tear expected.
- 9. Patents.** To the extent the items covered by this purchase order are manufactured to designs not originated by buyer, seller guarantees that the sale and/or use of such items delivered hereunder will not infringe any domestic or foreign patents and agrees to indemnify and save buyer and/or its customers harmless from any expense, loss, cost, damage or liability which may be incurred on account of infringement of patent rights with respect to such items and to defend, at its own expense, any action or claims against buyer. Indemnification as to sue shall not apply to infringement arising from the use in combination with other items where infringement would not have occurred from the normal use for which the purchased item was designed.
- 10. Set-Off.** Purchaser shall be entitled at all times to set off any amount owing at any time from seller to purchaser or any of its affiliated companies against any amount payable at any time by purchaser to seller.
- 11. For work on purchaser's or its customer's premise.** If seller's work under the order involves operation by seller on the premises of purchaser or any of its customers, seller shall take all necessary precautions to prevent the occurrence of any injury to persons or property during the progress of such work and except to the extent that any such injury is due solely and directly to purchaser's or its customer's negligence, as the case may be, shall indemnify purchaser against all loss which may result in any way from any act or omission of the seller, its agents, employees or subcontractors, and seller shall maintain such public liability, property damage and employee's liability and compensation insurance as will protect purchaser from said risks and from any claims under any applicable worker's compensation and occupational disease acts.
- 12. Assigning and Subcontracting.** Seller shall not assign this order or any rights under the order without prior written consent of buyer. Neither shall seller subcontract for complete or substantially complete parts of work called for by this order without buyer's prior written approval.
- 13. Termination.** Upon termination of this purchase order, the seller must return to the purchaser any deposits, materials and/or property issued by the purchaser to the seller for use in completing this order. If seller ceases to conduct its operations in the normal course of business (including inability to meet its obligations as they mature), or if any proceeding under the bankruptcy or insolvency laws is brought by or against seller, or a receiver for seller is appointed or applied for, or an assignment for the benefit of creditors is made by seller, purchaser may terminate the order without liability except for deliveries made or for goods covered by the order then completed and subsequently delivered in accordance with terms of the order.
- 14. Compliance with Laws.** In performance of this order seller shall comply with all federal, state and local laws, rules and regulations for violation of which buyer may be liable including but not limited to applicable labor laws and specifically the Fair Labor Standards Act of 1938 (29 U.S. code 201-219) and insofar as applicable to this order the Walsh-Healy Public Contracts Act (41 U.S. code 35-45) and/or the Work Hours Act of 1962 (40 U.S. code 327-332) and any amendments thereto. Equal Opportunity/Affirmative Action; Executive Order 11246, Equal Opportunity Clause and Sections 402 and 503. Affirmative Action Clauses are incorporated herein by reference.
- 15. Risk of Loss.** Seller shall bear all risk of loss on items covered by this order, until final acceptance at destination specified on the face of this order, except loss occasioned by negligence of buyer. The term "F.O.B." in this order refers to transportation charges only. It does not vary the foregoing provisions of this paragraph.
- 16. Warranty.** Seller warrants that all items of material and work covered by this order will conform with and to the drawings, specifications, samples or other descriptions applicable thereto. In addition to any other express or implied warranties, seller warrants that all items of material and work furnished pursuant to this order will be (i) free from all defects in material and workmanship. (ii) free from defects in design except to the extent that such items comply with designs provided by buyer, (iii) suitable for the purposes intended whether express or reasonably implied and (iv) in conformity with all other requirements of this order. Seller warrants good title to the items, material and work furnished pursuant to this order. In addition to any rights which buyer may have, if items delivered pursuant to this order are found, within one year after acceptance not be as warranted, buyer may return such items to seller, at seller's expense for correction, replacement or credit as buyer may direct.
- 17. Inspection.** All items of material and work furnished hereunder shall be subject to inspection and test by buyer, its customers, including the U.S. Government, at all reasonable times and places. If items covered by this order are defective or not otherwise in conformity with the requirements of this order, buyer may, by written notice to seller, (i) rescind this order as to such items, (ii) accept such items and require delivery of replacement. Such remedies are in addition to any other remedies provided by this order or by law.
- 18. Disclosure of Failures or Performance.** Seller shall be responsible to notify buyer in writing of any issues or problems affecting the quality or performance of all items of material and work covered by this order. The disclosure requirement includes known and previously existing issues as well as those discovered after delivery of product or performance of work.
- 19. Buyer's Changes.** Buyer may at any time make changes in drawings, specifications, designs, delivery schedules, place of delivery, packing and shipping instructions and other instructions relating to this order. However, if such change causes a variation in the cost of furnishing the goods covered hereby and/or in the time required to perform this order, an equitable adjustment in the price and/or delivery schedule shall be made. No modification of this order pursuant to this paragraph shall be binding on seller unless made by a formal purchase order document signed by seller.
- 20. Applicable law.** The validity, performance and construction of this order shall be governed by the laws of the state shown in buyer's address on this order.
- 21. Complete Agreement.** This order and any supplemental sheets annexed by buyer contains the entire agreement between the parties and supersedes any previous communication, representations, whether oral or written with respect to the subject matter of this order. In case of any conflict between these general terms and conditions and other portions of this order, such other portions shall control.
- 22. Waiver.** The failure of buyer to insist upon performance of any provision of this order or to exercise any right or privilege granted to buyer under this order shall not be construed as waiving such provision and the same shall continue in effect.
- 23. Cash Discounts.** Cash discount periods will be computed either from the date of delivery and acceptance of the items of material and work ordered, or the date of receipt of correct and proper invoice, prepared in accordance with the terms of buyer's order, whichever is later.
- 24. Liability for Injury.** Seller shall indemnify buyer against loss and liability for all personal injury and property damage caused by items furnished or services performed by seller pursuant to the order and will indemnify and hold buyer harmless against any and all suits, claims, demands arising therefrom.
- 25. Proprietary Information.** Buyer retains all rights on design and drawings furnished to seller in connection with this order and, except as hereafter stated, such designs and drawings shall not without buyer's written permission be incorporated in or used in connection with goods furnished to others. All written information obtained by seller from buyer in connection with this order, which is identified as proprietary, is received in confidence and shall remain the property of buyer and shall be used and disclosed by seller only to the extent necessary for the performance of this order.