

RECEIPT OF MATERIAL DOES NOT CONSTITUTE ACCEPTANCE UNLESS SAME CONFORMS TO THE TERMS AND CONDITIONS SPECIFIED HEREUNDER. WE FURTHER RESERVE THE RIGHT TO FILE CLAIM AT A LATER DATE FOR ANY SHORTAGE, DAMAGE OR LACK OF CONFORMITY WITH OUR SPECIFICATIONS AFTER INSPECTION.

## TERMS AND CONDITIONS

1. The within Purchase Order and the terms and conditions here set forth and the Seller's acceptance (either in writing or by the shipment of any of the goods ordered or the furnishing of any of the services to be rendered) shall constitute the entire contract between the Seller and the Buyer. There are no oral modifications.
2. Each package or container shall be numbered and labeled with the Buyer's order number, requisition number and an itemized packing slip shall be included in each package or container. No charge shall be added for packaging, crating or boxing unless agreed upon in writing at time of purchase. Damage to any material not properly packed will be charged to the Seller or said damaged material held for disposition for the account of the Seller.
3. Seller warrants that all articles, material and/or work referred to by this Purchase Order will conform with applicable specifications, drawings, samples and/or other descriptions given to Seller and will be free from all defects. Without limitations of any rights which the Buyer may have at law by reason of any breach of warranty, materials which are not as warranted may, at any time within three months after delivery, be returned at Seller's expense for either credit or replacement as Buyer may direct. Services which are not in accordance with this Order shall likewise be subject to adjustment.
4. The Buyer's acceptance of any material covered by this Order or the payment in whole or part of any invoices pertinent thereto and/or its subsequent use shall not constitute a waiver of any of Buyer's rights.
5. Material shipped in excess of quantity ordered may be returned at Seller's expense.
6. All material or services covered by this Order shall be subject to inspection and test over a reasonable period of time by Buyer or by the US Government if the latter is interested therein.
7. Buyer, its customers, and regulatory authorities maintain the right of entry to Seller's facilities and relevant sub-tier's facilities to inspect and evaluate the Seller's Quality Management System, including processes, records, materials, and methods of control for compliance with all Purchase Order requirements. Seller will receive prior notification of visitation from Buyer and whether inspection will be conducted with regard to specific shipments.
8. Buyer reserves the right to make changes in the drawings and/or specifications relating to this Order. In the event such changes cause substantial variation in furnishing the goods or services covered hereby, the prices of such goods shall be varied in the same ratio provided, however, that no extra charge shall be made by Seller, unless such change is requested by Buyer in writing duly delivered to Seller, and any claim for increased prices is made promptly.
9. Seller is required to present notification of changes in the Seller's process and/or product that may impact the quality of the processes or product being supplied. Buyer and/or representative of the Buyer's Customer must review and approve all process and/or product changes prior to their implementation.
10. Seller is required to maintain all quality records for a period of no less than seven (7) years, unless otherwise specified, after the shipment of all product delivered under the Purchase Order.
11. The prices stated in the Order shall not be increased by reason of any tax or taxes imposed by present or future Federal, State or local law.
12. Buyer shall inspect product upon receipt and provide written notice to the Seller of any discovery of non-conformance to the terms of the Purchase Order. Buyer's notice must specify the reason for rejection in reasonable detail and define resulting action taken. Seller shall be liable for any cost increase, including procurement cost, as a result of the rejection.
13. In the event this order involves work or services to be performed on material furnished by Buyer, said material shall be delivered to Seller on consignment, title thereto shall remain with the Buyer, the Seller shall be liable for any of such material spoiled by Seller or Seller's agents or sub-contractors. All under such circumstances shall be protected by Seller against all loss or damage by insurance acceptable to Buyer, Buyer retains and reserves title to any designs and drawings furnished Seller in connection with this Order and no such design or drawing shall, without Buyer's written permission, be used in connection with goods furnished to others. The contents of all such drawings and designs shall be held by the Seller in strict confidence and not divulged by the Seller to any other person, firm, or corporation.
14. It is expressly understood and agreed that if the material or services contemplated by the within Purchase Order are part of the performance by Buyer of a contract for the US Government or any of its agencies, contractors, Seller will comply with all such further requirements including, but not limited to, those pertaining to cancellation as may be imposed upon Buyer by the US Government or any of its agencies directly or through prime contractors or sub-contractors. Buyer shall have the right to require changes in the material or services to be furnished by the Seller hereunder if required by the US Government or any of its agencies, contractors or sub-contractors in which event, equitable adjustment shall be made in the amount due herein or in the time required for the performance hereof as is appropriate in the case of each such change; provided, however, that no extra work or changes shall be done or performed without written authorization from the Buyer. The contents of this paragraph shall not be construed to limit or affect in any way the operation of paragraph No. 11 below.
15. This Order, and upon its acceptance is a contract between Seller and Buyer, shall be subject to cancellation, in whole or in part, at the instance of the Buyer, without cause. Notice of such cancellation by the Buyer shall be in writing addressed to the Seller appearing on the Order. In the event of such cancellation, Buyer shall be liable only for payment for goods actually shipped to Buyer prior to such cancellation, or if the contract be one for the furnishing of services to Buyer instead of the sale of goods, then only for services actually rendered prior to such cancellation. Nothing contained in this provision shall relieve the Seller of liability for defects in quality, workmanship, non-conformance with Order, or any other liability hereunder, as to goods shipped or services rendered prior to cancellation. Buyer, in addition to any other right or remedy provided by this Purchase Order or by law, may terminate all or any part of this Purchase Order by written notice to Seller without any liability by Buyer to Seller on account thereof. In the event of termination for cause Buyer may purchase supplies or services elsewhere on such terms or in such manner as Buyer may deem appropriate and Seller shall be liable to Buyer for any excess costs incurred by Buyer.
16. By acceptance, and in consideration of this Order, Seller guarantees that the sale or use of any or all articles or materials delivered, or services rendered, hereunder will not infringe any US or foreign patent, that Seller will, at his own expense, defend any action, suit or claim in which an infringement of patent rights is alleged with respect to the sale or use of said articles or materials or embodying such services, and Seller further agrees to indemnify Buyer and/or its customers and save Buyer and/or its customers harmless from any loss, damage or liability which may be incurred on account of infringement of patent rights with respect to the articles or materials delivered and/or services rendered.
17. Seller represents, warrants and agrees that all of the goods or services rendered hereunder will be manufactured or furnished by Seller in accordance with all applicable standards, provisions, stipulations, and regulations, of all Federal, State and local safety, sanitary, factory inspection, Emergency Price Control Act other laws including Walsh-Healey Act (Act of Congress of June 30, 1936 as amended), Fair Labor Standards Act (Act of Congress on June 25, 1938) and all acts relative to sabotage, espionage, aliens, secrecy and anti-discrimination. If the Buyer is required to do so by the Government authority, Seller shall, upon Buyer's request, furnish certificates of compliance with any such laws or regulations.