

## Terms and Conditions Of Purchase

**1. ACCEPTANCE OF PURCHASE ORDER.** BUYER OFFERS TO PURCHASE THE PRODUCTS ("Products") OR SERVICES ("Services") DESCRIBED HEREIN ONLY UPON THE TERMS AND CONDITIONS CONTAINED IN THIS PURCHASE ORDER ("Order"). BUYER RESERVES THE RIGHT TO REVOKE THIS ORDER WITHOUT NOTICE. THIS ORDER SHALL BE DEEMED ACCEPTED AND SHALL BECOME A BINDING CONTRACT ON THE TERMS AND CONDITIONS CONTAINED HEREIN WHEN (A) SIGNED AND RETURNED TO SELLER, OR (B) SELLER ISSUES ITS ORAL OR WRITTEN ACKNOWLEDGMENT, OR (C) SELLER COMMENCES PERFORMANCE, OR (D) SELLER OTHERWISE ACCEPTS THIS ORDER. BY ACCEPTING THIS ORDER, SELLER WAIVES ALL TERMS AND CONDITIONS CONTAINED IN ITS QUOTATION, ACKNOWLEDGMENT, INVOICE OR OTHER DOCUMENTS WHICH ARE DIFFERENT FROM OR ADDITIONAL TO THOSE CONTAINED HEREIN, AND ALL SUCH DIFFERENT OR ADDITIONAL TERMS AND CONDITIONS SHALL BE NULL AND VOID.

**2. SHIPPING INSTRUCTIONS** No charges shall be allowed for packing, crating, freight and/or any other shipping services unless so specified in this Order. Seller shall comply with Buyer's shipping instructions. Order number(s) shall appear on all correspondence, shipping labels and shipping documents, including all packing slips, bills of lading, air bills and invoices. All packing slips shall include Buyer's part number, where applicable, description, quantity, and a statement as to whether the Order is partially or completely filled

**3. DELIVERY-NOTICE OF DELAY**

(a) Time is of the essence in fulfilling the Order. Failure to deliver in accordance with the delivery schedule under the Order, if not excused, shall be a material breach of the Order. Buyer reserves the right to refuse or return at Seller's risk and expense shipments made in excess of Buyer's Order or in advance of required schedules, or to defer payment on advance deliveries until scheduled delivery dates.

(b) Unless otherwise stipulated on this Order, Products shall be shipped FCA with a designated place on the Seller's side with risk of loss passing to Buyer upon receipt of the Products by Buyer's designated carrier.

(c) Seller shall notify Buyer in writing immediately of any actual or potential delay in the performance of the Order. Such notice shall include a proposed revised schedule, but such notice and proposal or Buyer's receipt thereof shall not constitute a waiver of Buyer's rights and remedies hereunder.

(e) If Seller shall be unable to deliver as scheduled, Buyer may require delivery by fastest way and charges resulting from premium transportation shall be prepaid by the Seller.

**4. TERMINATION FOR CONVENIENCE** Buyer may, by notice in writing, terminate the Order or work under the Order, for convenience and without cause, in whole or in part, at any time, and such termination shall not constitute default. In the event of partial termination, Seller shall not be excused from performance of the non-terminated balance of the Products or Services.

**5. TERMINATION FOR DEFAULT** Buyer may by notice in writing to Seller, terminate the Order, in whole or in part, at any time if Seller fails (i) to perform within the time specified herein or any extension thereof; or (ii) to perform any of the other provisions of this Order, or (iii) to make progress as to endanger performance of this Order, and in any case, does not cure such failure within a period of ten (10) days from its receipt of Buyer's notice. Upon termination, Buyer may procure, as it deems appropriate, products or services similar to those that were to be

provided under the Order, and Seller shall be liable to Buyer for the cost of such products or services. Upon the termination of this Agreement for any reason, each party will be released from all obligations to the other arising after the date of termination, except for those which by their terms survive such termination.

**6. FORCE MAJEURE** Buyer shall not be liable for any failure to perform including failure to (i) accept performance of Services or, (ii) take delivery of the Products, caused by circumstances beyond its control which make such performance commercially impractical including, but not limited to, acts of God, fire, flood, acts of war, terrorism, government action, accident, labor difficulties or shortage, inability to obtain goods, equipment or transportation. In the event Buyer shall be so excused, either party may terminate the Order.

**7. PROPRIETARY RIGHTS** (a) Seller shall keep confidential any technical, process or economic information derived from or contained in any drawings, specifications, software or other data ("Confidential Information") furnished by Buyer and shall not divulge, export or use, directly or indirectly, any such Confidential Information without obtaining Buyer's express prior written consent. All such Confidential Information shall be promptly returned to Buyer on request.

(b) Any intellectual property first made or conceived by Seller in performance of this Order that was derived from or based on the use of information supplied by Buyer shall be considered to be the property of Buyer, and Seller shall execute such documents necessary to perfect Buyer's title thereto.

**8. BUYER'S PROPERTY** All drawings, tools, jigs, dies, fixtures, Products, and other items supplied or paid for by Buyer shall be and remain the property of Buyer ("Buyer's Property"), and Buyer shall have the right to enter Seller's premises and remove the Buyer's Property at any time. Buyer's Property shall be used by Seller only in its performance hereunder. Seller shall maintain the Buyer's Property, and shall be responsible for all loss or damage thereto, except for normal wear and tear.

**9. WARRANTY** Seller warrants that the Products and Services shall be: (a) free of any third-party claim, including but not limited to any claims of infringement or violation of a trade secret, (b) of merchantable quality, free from all defects in design and workmanship, and (c) fit for the particular purposes for which they are intended, and in strict accordance with the specifications, samples, drawings, designs or other requirements (including performance specifications) approved by Buyer. All warranties under this Order shall be for the benefit of the Buyer, its successors, assigns, customers and the ultimate users of the Products and Services. Seller shall make spare parts available to Buyer at Seller's then-current price for a period of five (5) years from the date of shipment of the Products.

**10. INSPECTION** All Products and Services and related documentation shall be subject to inspection and test at all reasonable times and places by the Buyer, and Buyer's customers before, during and after performance and delivery. If any inspection or test is made on the premises of Seller or any of its suppliers, Seller, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties.

**11. REJECTIONS** If any of the Products shall be found at any time to be defective in material or workmanship, or otherwise not in strict conformity with the requirements of this Order, Buyer, in addition to such other rights, remedies and choices as it may have by contract or by law, at its option and sole discretion, may (i) reject and return such Products at Seller's expense; or (ii) require Seller to inspect the Products and remove and replace

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nonconforming Products with conforming Products. If Buyer shall elect option (ii) above and Seller shall fail to promptly make the necessary inspection, removal and replacement, Buyer may, at its option, rework the discrepant Products and charge back the Seller for the required work.

12. **CHANGES** Buyer shall have the right upon notifying the Seller to suspend or make changes from time to time in the Products or Services or to change the delivery date. If any such change affects the cost of such Products or Services, an equitable adjustment shall be made, but any claim by the Seller for adjustment shall be asserted within thirty (30) days from its receipt of the notice.

13. **PAYMENT; TAXES** As full consideration for the Products and Services, and the assignment of rights to Buyer as provided herein, Buyer shall pay Seller (i) the amount agreed upon and specified in the Order, or (ii) Seller's quoted price on date of shipment (for Products), or the date Services were started (for Services), whichever is lower. Payment shall not constitute acceptance. Each invoice submitted by Seller shall be provided to Buyer within ninety (90) days of completion of the Services or delivery of Products, and shall reference the Order. Buyer reserves the right to return all incorrect invoices. Buyer shall receive a 2% discount of the invoiced amount for all invoices that are submitted more than ninety (90) days after completion of the Services or delivery of the Products. Buyer shall pay the invoiced amount within sixty (60) days after receipt of a correct invoice. Prices shall include, and Seller shall be liable for and pay, all taxes imposed on or measured by this Order, except for applicable sales and use taxes that are separately stated on Seller's invoice. Prices shall not include any taxes for which Buyer has furnished evidence of exemption. Where required by law, Buyer may deduct from any payments due to Seller hereunder such taxes as Buyer shall be required to withhold and pay such taxes to the relevant tax authorities.

14. **ASSIGNMENT** Seller may not assign any rights or delegate any of its obligations hereunder without the prior written consent of Buyer.

15. **SET-OFF** Buyer shall be entitled at all times to set off any amount owing from Seller to Buyer or any of its affiliated companies against any amount payable by Buyer.

16. **INDEMNITY** (a) Seller shall be responsible for the actions and failure to act of all parties retained by, through, or under Seller in connection with the performance of this Order.

(b) Seller shall, without limitation, indemnify and save Buyer and its customers, and their respective officers, directors, employees and agents harmless from and against all claims and resulting costs, expenses and liability, which arise from claimed or actual infringement or violation of any trade secret, personal injury, death, or property loss or damage attributed to, or caused by, the Products or Services.

(c) Should Buyer's use, or use by its customers, of any Products or Services be enjoined, be threatened by injunction, or be the subject of any legal proceeding, Seller shall, at its sole cost and expense, (i) substitute fully equivalent non-infringing products or services; (ii) modify the Products or Services so that they no longer infringe but remain fully equivalent in functionality; (iii) obtain for Buyer and its customers the right to continue using the Products or Services; or (iv) if none of the foregoing is possible, refund all amounts paid for the infringing Products or Services.

17. **INSOLVENCY** 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 the Seller, this Order shall automatically terminate without liability to Buyer, except for liability for deliveries previously made or for Products that are completed at termination and subsequently delivered in accordance with the terms of this Order.

18. **LIMITATION OF LIABILITY. IN NO EVENT SHALL BUYER BE LIABLE TO SELLER FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN CONNECTION WITH, THIS ORDER, WHETHER OR NOT BUYER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

19. **ENTIRE AGREEMENT** This Order, with such documents as are expressly incorporated by reference, shall be intended by the parties as a complete and exclusive statement of the terms of their agreement. No course of prior dealings between the parties, no usage of the trade, no prior or contemporaneous agreement, representation or understanding, oral or written, shall be relevant to determine the meaning of this agreement even though the accepting or acquiescing party has knowledge and opportunity for objection.

20. **WAIVER** The failure of Buyer to enforce at any time or, for any period of time, any of the provisions hereof shall not be construed to be a waiver of such provisions, nor the right of Buyer thereafter to enforce each and every such provision.

21. **EXPORT/IMPORT CONTROL** (a) If Seller is a U.S. company that engages in the business of either manufacturing or exporting defense articles or furnishing defense services, the Seller hereby certifies that it has and is currently registered with the U.S. Department of State Directorate of Defense Trade Controls (DDTC) and understands its obligations to comply with International Traffic In Arms Regulations (ITAR). (b) Seller shall advise Buyer as to the defense article status of the Products and mark any technical data provided to Buyer in connection with the Products or Services to indicate if it is subject to ITAR controls. If any of the Products or technical data is subject to ITAR, Buyer may need to obtain an import license from DDTC, and in such instance, upon instruction from the Buyer, Seller shall, at no expense to the Buyer, delay delivery of the Products and technical data until the Buyer shall receive any necessary import license. (c) Seller shall control the disclosure of and access to technical data, information and other items received under this Order in accordance with and otherwise comply with U.S. export control laws and regulations, including but not limited to ITAR and the Export Administration Regulations (EAR). No technical data, information or other items provided by the Buyer in connection with this Order shall be provided to any foreign persons or to a foreign entity, including without limitation, a foreign subsidiary of Seller, without the express prior written authorization of the Buyer and the Seller's obtaining of the appropriate export license, technical assistance agreement or other required documentation for ITAR-controlled technical data, information or items. (d) Seller shall immediately notify Buyer in writing if it is or becomes listed on a Debarred, Excluded or Denied Party List of an agency of the U.S. Government, or if its export privileges are denied, suspended or revoked.

22. **COUNTERVAILING AND ANTI-DUMPING DUTIES** Seller warrants that all sales made under this Order are or shall be made at no less than fair value under Subtitle IV of the Tariff Act of 1930 entitled "Countervailing and Anti-Dumping Duties" (19 U.S.C. Sec. 1671 and 19 U.S.C. Sec. 1673).

23. **IMPORTER OF RECORD; ULTIMATE CONSIGNEE** Buyer shall not be a party to the importation of the goods related to the transaction(s) represented by this Order and Buyer shall not

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in any event be designated as “importer of record” or “ultimate consignee” on any customs declaration or customs entry form. Upon request and where applicable, Seller shall provide Buyer with Customs forms, properly executed, as required for drawback claims.

24. **ORIGIN CERTIFICATION** Seller shall provide Buyer with a certificate of origin for each and every Product sold hereunder and such certificate shall indicate the origin rule that the Seller used in making the certification.

25. **STANDARD OF CONDUCT** Seller represents that it has neither received nor given any gifts or gratuities, nor participated in any other conduct in connection with this Order that violates the Buyer’s Code of Ethics and Business Conduct.

26. **FIRST ARTICLE INSPECTION** At Buyer’s request, Seller shall supply First Article Inspection Reports (FAIR) for the first shipment of any new Products or parts thereof. Whenever a drawing of a Product or part thereof is revised, a FAIR shall be again required for all characteristics affected in the revision.

27. **CERTIFICATE OF CONFORMANCE** At Buyer’s request, a Certificate of Conformance stating the Products conform to all Order requirements shall accompany each shipment. The Seller shall have available for review all sub-tier certifications for goods and processes that support the shipment.

28. **COMPLIANCE WITH LAWS; APPLICABLE LAW; DISPUTES** Seller warrants that the Products and the Services shall be manufactured, sold, and delivered, as applicable, in compliance with all applicable laws. Irrespective of the place of performance, this Order shall be construed and interpreted according to the Laws of the Commonwealth of Pennsylvania. The exclusive forum for adjudication of any disputes shall be the federal or state courts of the Commonwealth of Pennsylvania, and the parties hereby consent to personal jurisdiction and venue in such courts in any proceeding. The United Nations Convention on the International Sale of Goods shall not apply.

#### 29. GOVERNMENT CONTRACTS

If Buyer has issued this Order under a government Prime Contract, the Federal Acquisition Regulation (FAR) clauses listed below are incorporated herein by reference, with the same force and effect as if they were given in full text, and shall be applicable to this Order.

(a) 52.219-8 UTILIZATION OF SMALL BUSINESS CONCERNS (MAY 2004)

(b) 52.222-26 EQUAL OPPORTUNITY (APR 2002)

(c) 52.222-35 EQUAL OPPORTUNITY FOR SPECIAL DISABLED VETERANS, VETERANS OF THE VIETNAM ERA, AND OTHER ELIGIBLE VETERANS (DEC 2001)

(d) 52.222-36 AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES (JUN 1998)

(e) 52.222-39 NOTIFICATION OF EMPLOYEE RIGHTS CONCERNING PAYMENT OF UNION DUES OR FEES (DEC 2004)

(f) 52.244-6 SUBCONTRACTS FOR COMMERCIAL ITEMS (FEB 2006)

(g) 52.247-64 PREFERENCE FOR PRIVATELY OWNED U.S. FLAG COMMERCIAL VESSELS (FEB 2006)

(h) 52.203-7 ANTI-KICKBACK PROCEDURES (JUL 1995)

(i) 52.215-2 AUDIT AND RECORDS-NEGOTIATION (JUN 1999)

(j) 52.222-21 PROHIBITION OF SEGREGATED FACILITIES (FEB 1999)

(k) 52.223-6 DRUG-FREE WORKPLACE (MAY 2001)

(l) 52.225-5 TRADE AGREEMENTS (NOV 2007)

(m) 52.225-13 RESTRICTIONS ON CERTAIN FOREIGN PURCHASES (FEB 2006)

(n) 52.225-8 DUTY-FREE ENTRY (AUG 2001)

(o) 52.227-11 PATENT RIGHTS-OWNERSHIP BY THE CONTRACTOR (DEC 2007)

(p) 52.227-14 DATA RIGHTS-GENERAL (DEC 2007)

(q) 52.230-2 COST ACCOUNTING STANDARDS (APR 1998)

(r) 52.230-6 ADMINISTRATION OF COST ACCOUNTING STANDARDS (APR 2005)

(s) 52.242-13 BANKRUPTCY (JUL 1995)

(t) 52.245-1 GOVERNMENT PROPERTY (JUN 2007)

(u) 52.243-1 CHANGES-FIXED-PRICE (AUG 1987)  
(Applicable when the subcontract is a Fixed-Price-type contract)

(v) 52.243-2 CHANGES -COST-REIMBURSEMENT (AUG 1987)  
(Applicable when the subcontract is a Cost-Reimbursement-type contract)

(w) 52.243-3 CHANGES - TIME AND MATERIALS OR LABOR HOURS (AUG 2000)  
(Applicable when the subcontract is a Time and Material or Labor-Hours-type contract)

(x) 52.243-4 CHANGES (JUN 2007)

(y) 52.246-1 CONTRACTOR INSPECTION REQUIREMENTS (APR 1984)

(z) 52.246-2 INSPECTION OF SUPPLIES-FIXED PRICE (AUG 1996)  
(Applicable when the subcontract is a Fixed-Price-type contract)

(aa) 52.246-3 INSPECTION OF SUPPLIES - COST-REIMBURSEMENT (MAR 2001)  
(Applicable when the subcontract is a Cost-Reimbursement-type contract)

(bb) 52.249-2 TERMINATION FOR CONVENIENCE OF THE GOVERNMENT (FIXED-PRICE) (MAY 2004)  
(Applicable when the subcontract is a Fixed-Price-type contract)

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(cc) 52.249-6 TERMINATION (COST-REIMBURSEMENT) (MAY 2004) (Applicable when the subcontract is a Cost-Reimbursement-type contract)

(dd) 52.249-8 DEFAULT (FIXED-PRICE SUPPLY AND SERVICE) (APR 1984) (Applicable when the subcontract is a Fixed-Price-type contract)

If Buyer has issued this Order under a Prime Contract with the Department of Defense, the Department of Defense FAR Supplement (DFARS) clauses listed below shall also be incorporated herein by reference, with the same force and effect as if they were given in full text, and shall be applicable to this Order.

(a) 252.204-7000 DISCLOSURE OF INFORMATION (DEC 1991)

(b) 252.219-7003 SMALL, SMALL DISADVANTAGED AND WOMEN-OWNED SMALL BUSINESS SUBCONTRACTING PLAN (DoD CONTRACTS) (APR 1996)

(c) 252.225-7013 DUTY-FREE ENTRY (OCT 2006)

(d) 252.225-7014 PREFERENCE FOR DOMESTIC SPECIALTY METALS (JUN 2005)

(e) 252.225-7021 TRADE AGREEMENTS (JUN 2006)

(f) 252.226.7001 UTILIZATION OF INDIAN ORGANIZATIONS, INDIAN-OWNED ECONOMIC ENTERPRISES AND NATIVE HAWAIIAN SMALL BUSINESS CONCERNS (SEP 2004)

(g) 252.227-7013 RIGHTS IN TECHNICAL DATA - NONCOMMERCIAL ITEMS (NOV 1995)

(h) 252.227-7014 RIGHTS IN NONCOMMERCIAL COMPUTER SOFTWARE AND NONCOMMERCIAL SOFTWARE DOCUMENTATION (JUN 1995)

(i) 252.227-7015 TECHNICAL DATA - COMMERCIAL ITEMS (NOV 1995)

(j) 252.247.7023 TRANSPORTATION OF SUPPLIES BY SEA (MAY 2002)

In addition to those clauses listed above, any FAR and DFARS clauses contained or referenced in Buyer's Prime Contract that are required by the Prime Contract, statute or regulation to be included in subcontracts or orders placed under the Prime Contract are also incorporated herein by reference, with the same force and effect as if they were given in full text, and are applicable to this Order.

For all FAR and DFARS clauses incorporated into this Order:

(a) substitute "Buyer" for "Government" or "United States" throughout the clause; and

(b), substitute "Buyer's Representative" for "Contracting Officer," "Administrative Contracting Officer," and "ACO" throughout the clause.

If the date or substance of any of the FAR or DFARS clauses listed above is different from the date or substance of the clause incorporated in the Prime Contract, the date or substance of the

clause incorporated by said Prime Contract shall apply. If any FAR or DFARS clause specifically listed above conflicts with any FAR or DFARS clauses contained in Buyer's Prime Contract, the clause in the Prime Contract shall take precedence. The Contracts Disputes Act shall have no application to this Order. Any reference to a "Disputes" clause shall mean "Disputes" clause of this Order, not any FAR or DFARS "Disputes" clause.