



## **Purchase Order Terms**

- 1. Acceptance:** Acceptance of the Buyer's offer to purchase, including all of the terms, conditions and instructions set forth on or incorporated in this purchase order by reference shall be made either by Seller's return of the acknowledgement copy of this purchase order, or by Seller's commencement of work on the goods described herein or shipment of such goods, whichever occurs first. Any acceptance of this purchase order is limited to acceptance of the express terms of the offer contained on the face and back hereof. Any waiver, alteration or modification of the terms or conditions of this order must be in writing and signed by an authorized agent or Buyer. This is the complete agreement of the parties and supersedes all prior agreements or understanding.
- 2. Inspection and Tests:** All goods ordered hereunder will be subject to inspection and test by Buyer, to the extent practicable, at all times and places, including the period of manufacture, and in any event prior to acceptance. Such goods will be subject to final inspection and acceptance by Buyer after delivery to Buyer. Seller agrees to permit access to Seller's facilities at all reasonable times for inspection of goods by Buyer's agents or employees and will provide all tools, facilities and assistance reasonably necessary for such inspection. It is expressly agreed that inspections and/or payments prior to delivery will not constitute final acceptance. Seller agrees to supply Buyer with inspection and test reports, affidavit, certifications or any other documents as may be requested by Buyer.
- 3. Disclosure of Information:** Seller shall not in any manner advertise or publish the fact that it has furnished, or contracted to furnish, Buyer the goods or services herein mentioned without prior written consent of Buyer. Seller shall not disclose any details in connection with this order to any party except as may be otherwise provided.
- 4. Quality:** Seller warrants that the goods will be merchantable, fit for the intended purpose, and shall conform to description and specifications and will be free from all defects in material and workmanship and all defects due to design (other than Buyer's design). Seller shall pay the cost of inspecting and testing rejected goods and all transportation charges thereon. Upon request of Buyer, Seller, at its sole expense shall repair said goods, or replace all or any part of any materials covered by this order which prove, within one year from the date received by Buyer, to be defective in material or workmanship. This warranty shall be in addition to any other warranty given to Buyer by Seller or provided for by law
- 5. Quantity:** Goods shipped in excess of quantity designated in this order, other than accepted industry standards, may be returned at Seller's expense.
- 6. Transportation:** Except as otherwise mutually agreed to in writing, (a) where transportation charges are separately charged to Buyer by Seller, such charges shall in no event exceed the lowest legal freight charges via the carrier or routing specified herein, in effect on the date of shipment, and (b) where transportation charges are allowed to Buyer by Seller, such allowance shall not be less than the actual freight charges paid by Buyer or, where Buyer performs the transportation, such allowance shall be in an amount equal to the freight charges which would have been assessed for a like movement via common carrier.
- 7. Delivery:** The goods shall be properly packaged for shipment. Each package shall be labeled with the Buyer's order number, part number and contents; all paperwork such as invoices, packing lists and bills of lading shall also include Buyer's order and part numbers. Each shipment shall contain an itemized packing list. No charges will be allowed for packing, crating, freight express or cartage unless specified on the face hereof. If any goods are not delivered within the time

- specified in this order, or within a reasonable time if no time specified, Buyer may either (i) refuse to accept such goods and terminate this order, or (ii) cause Seller to ship the goods by the most expeditious means of transportation whereupon any additional transportation charges in excess of those which would apply for the usual means of transportation shall be the account of the Seller.
8. **Invoices:** Unless otherwise requested by Buyer, invoices shall (a) be rendered separately for each delivery; (b) cover not more than one order; (c) be rendered with the Buyer's order number and part number noted thereon.
  9. **Patents:** Except as hereinafter limited. Seller shall protect and indemnify Buyer from and against claims, damages, judgments, expenses and loss arising from infringement or alleged infringement of any patent, copyright or trademark of the United States by any of the goods delivered hereunder, and Seller shall defend or settle at its own expense any suit or proceeding brought against Buyer for such infringement, provided that the Seller is notified promptly in writing of the commencement of such suit or proceeding and is given authority, information and assistance by Buyer for the defense or settlement thereof, and provided further that Buyer shall not settle or compromise any such suit or proceeding without the prior written consent of Seller. Furthermore, in the event that the Buyer should be enjoined in such suit or proceeding from using any of the goods delivered hereunder, seller shall at its option and expense, either procure for the Buyer the right to continue using such goods or modify or replace same with comparable non-infringing goods so that use thereof becomes non-infringing, provided that such modification or replacement is made in a manner acceptable to Buyer in its sole judgment.
  10. **Insurance:** If Seller provides or performs services, or constructs, erects, inspects or delivers hereunder. Seller shall: (a) provide Workers Compensation, Property Damage and Public Liability and Contractual Liability Insurance in terms and conditions satisfactory to Buyer. Certificates showing that Seller has properly protected himself and Buyer by such insurance shall be furnished to Buyer before the work is started: (b) employ competent and experienced personnel for doing the work and will do the work in a good and workmanlike manner: (c) perform the work with proper dispatch and will complete the same within a reasonable period of time: (d) indemnify and save Buyer harmless against any and all judgments, claims for damages, losses, cost and expenses (including without limitation, legal and other expenses Buyer may incur defending any claims or legal actions) in whole or in part arising out of said services, construction, erection, inspection or delivery or the acts of any of the Seller's agents ore employees: (e) all certificates shall provide that written notice or cancellation shall be given to Buyer at least fifteen (15) days prior to the effective date of such cancellation.
  11. **Indemnification:** Seller agrees to defend, indemnify and hold harmless Buyer, its employees and customers from and against any and all loss, liability, damages, costs, attorneys' fees or other expenses incidental thereto of any kind and nature whatsoever, on account of any claims or suits for bodily injury or death to any person or any loss of damage to or destruction of property arising out of any actual or alleged defects in the products described herein, or arising out of any actual or alleged breach by Seller of its express or implied warranties made pursuant hereto, or arising out of Seller's negligence or strict liability resulting from or relating to the products described herein. In the event of any claim, demand, action or proceeding being commenced against Buyer by reason of any of the above matters, Buyer agrees to give Seller prompt written notice thereof. Seller agrees to assume the defense of any and all such claims, suits and will pay all costs and expenses, including attorneys' fees incidental thereto. The Seller agrees that the Statute of Limitations for purpose of any suit or liability against Seller in regard to the products described herein will start to run as of the time that actual damages accrue which result in loss or property damage. Seller shall obtain and maintain in effect product liability insurance as applicable to accidents or occurrences resulting in total or in part from the use, storage or condition of Seller's products, either by means of a broad form vendor's endorsement with Buyer named as additional insured, or by directly naming Buyer on the policy itself. Such coverage shall be in amount and with a carrier satisfactory to Buyer, and said policy or vendor's endorsement will contain no exclusions, such and repacking or relabeling exclusions, to invalidate this purpose. Seller will

- furnish Buyer a Certificate of Insurance evidencing the existence of such coverage. Seller further warrants that no federal, state or local law, rule or regulation has been or will be violated in the manufacturing, sale or delivery of any goods or service sold and delivered hereunder and if such violation has or does occur, Seller will indemnify and save harmless Buyer from all losses, liabilities, penalties, or the payment of all sums of money on account of such violation.
12. **Force Majeure:** Neither party hereto shall be liable to the other for default or delay in performing its obligations hereunder if caused by fire, strike, riot, war, act of God, delay of carriers, governmental order or regulation, complete or partial shutdown of plant by reason of loss of power. The party whose performance is prevented by any such occurrence shall notify the other party thereof in writing as soon as is reasonably possible after the commencement of such occurrence, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to the other party of the cessation of such occurrence. No payment shall be made by Buyer to Seller for any expenses incurred by Seller by reason of such default or delay.
  13. **Drawings and Data:** Unless otherwise expressly provided in this order, all drawings, blue prints, dies, patterns, tools, printing plates, and other items used in connection with the manufacture of the goods hereunder, which are prepared or constructed by or for the Seller pursuant to the terms of this order, shall be the property of Buyer, and upon completion of deliveries of the goods under, or upon termination of this order, shall be delivered to Buyer.
  14. **Fair Labor Standards Act:** Seller hereby agrees that the goods will be produced in compliance with the Fair Labor Standards Act of 1938 as amended, and agrees to so certify on its invoices.
  15. **Assignment:** Any assignment of this order without the prior written consent of Buyer shall be void.
  16. **Non-Waiver:** Buyer's waiver of any default of Seller hereunder shall not constitute a waiver of any remedy given by law or provided hereunder for any subsequent default, whether of a like default or otherwise.
  17. **Remedies:** The rights and remedies of Buyer set forth in this order are not exclusive and are in addition to all other rights and remedies of Buyer in law or equity. The validity, interpretation, and performance of this order shall be governed by the law of the State of North Carolina. Any terms and conditions void under applicable law shall not void the balance of the terms or conditions contained herein.
  18. If applicable to this purchase order, subcontract, or bill of lading, the affirmative action clause for disabled workers (41 CFR § 60-741.4), the equal opportunity clause in Section 202 of Executive Order 11246 (41 CFR § 60-1 through 60-50), and the affirmative action clause for covered veterans (41 CFR 6--300) are hereby incorporated herein by reference. Further, if applicable, seller agrees to file Standard Form 100 (EEO-1) and the VETS-100A report. The contractor agrees to comply with 29 CFR Part 471, Appendix A to Subpart A.
  19. **This contractor and subcontractor shall abide by the requirements of 41 CFR § 60-1.4(a), 60-300.5(a), and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.**
  20. **Taxes:** Seller shall pay all sales or use taxes on goods or services furnished and shall indemnify and save harmless Buyer from any damages, cost, expenses or penalties on account of such taxes.
  21. **Default – Cancellation:** Buyer reserves the right, by written notice of default, to cancel this order, without liability to Buyer, in the event of the happenings of any of the following: Insolvency of Seller, the filing of the voluntary petition I bankruptcy, the appointment of an Receiver or Trustee for Seller, the execution by Seller of an assignment for the benefit of creditors.