

GENERAL TERMS AND CONDITIONS

1. ACCEPTANCE—Unless otherwise provided herein, Seller's acknowledgment of this order or commencement of any work or performance of any services hereunder shall constitute acceptance by Seller of this order and all of its terms and conditions. No term or condition stated by Seller in acknowledging or otherwise accepting this order shall be binding upon Buyer unless specifically accepted in writing by Buyer.

2. PRICE AND DELIVERY—Seller shall furnish the supplies and services called for by this order in accordance with the price(s) and delivery date or schedule stated herein. Price(s) include all applicable taxes. If price(s) and/or delivery date or schedule are not stated herein, Seller shall offer its lowest price(s), showing any applicable taxes separately, or best delivery date or schedule, which shall be subject to approval and written acceptance by Buyer.

3. PACKING AND SHIPPING—Unless otherwise provided herein, no charge shall be made by Seller for containers, crating, boxing, bundling, dunnage, drayage, storage or other packing requirements. All supplies shall be packed, packaged, marked and otherwise prepared for shipment in accordance with sound commercial practices to meet requirements for obtaining lowest transportation rates, or as otherwise specified herein. Seller shall mark containers or packages with necessary lifting, loading and shipping information, and also order number(s), account number, date of shipment, and names and addresses of consignor and consignee. An itemized packing sheet must accompany each shipment unless otherwise specified.

4. INVOICING—Render all invoices in duplicate unless otherwise specified. Show separately on each invoice any applicable taxes. Whenever any discount is applicable, show any applicable freight and similar charges separately to avoid discount being taken thereon. Render separate invoice for each shipment and each order. Render invoice or mail shipping notice within 24 hours after each shipment. Bill of lading or express receipt must accompany each invoice. Payment of invoice shall not constitute acceptance of supplies or services and shall be subject to adjustment for errors, shortages, defects in supplies or services or other failure of Seller to meet the requirements of this order. Buyer, may at any time set off any amount owed by Buyer to Seller against any amount owed by Seller or any of its affiliated companies to Buyer, against any amount(s) owed by Buyer to Seller.

5. COMPLIANCE—Seller warrants and agrees to observe and comply with, in the performance of this order, all applicable federal, state and local laws, rules and regulations and to indemnify and save harmless Buyer for and from any and all liabilities, expenses costs and damages which Buyer may be put to or incur or suffer as a result of Seller's failure or omission so to do. Seller warrants that the supplies or services furnished under this order have been or will be produced in compliance with all applicable requirements of the Fair Labor Standards Act. Seller warrants compliance with Executive Order 10925 as amended covering Equal Employment Opportunity.

6. INSPECTION—All supplies and services shall be subject to inspection and test by Buyer, its customers, higher tier contractors and the U.S. Government, at all times and places, as such parties may elect. Seller shall provide without additional charge all reasonable facilities and assistance for the safety and convenience of the foregoing parties in performance of such inspections and tests, in case any supplies or services are defective in material or workmanship or otherwise not in conformity with the requirements of this order, Buyer shall, in addition to any other rights, have the right to (i) reject same and rescind the order as to the rejected supplies or services, (ii) reject same and require the correction thereof by Seller or (iii) accept same and deduct from the amount due Seller the cost of remedying such defects. If Buyer elects the foregoing (ii), Seller shall at no expense to Buyer promptly replace same with supplies or services acceptable to Buyer in accordance with Buyer's instructions. If Seller fails promptly to replace or correct such supplies or services in accordance with Buyer's instructions, Buyer may (i) by contract or otherwise replace or correct such supplies or services and charge Seller the cost occasioned Buyer thereby, or (ii), terminate this purchase order for default in accordance with the clause hereof entitled "Termination With Cause." Notification of prior rejection shall be submitted with replacement of such rejected supplies and services. Final inspection and acceptance shall be made by Buyer or its customers at destination, unless otherwise specified in this order. Seller shall provide and maintain an inspection system acceptable to Buyer. Records of all inspection work by Seller shall be kept complete and available to Buyer during the performance of this order and for such longer periods as Buyer determines. No inspection (including source inspection), tests, approval (including design approval), or acceptance by any of the foregoing parties shall relieve Seller from responsibility for all defects or other failure to meet the requirements of this order or from any warranties. Rights hereunder are cumulative and in addition to any other rights or remedies provided in this order or in law or equity. QC-1 / QC-2 applies where applicable.

7. WARRANTIES—In addition to and without prejudice to all other warranties, both express and implied, Seller warrants that the supplies or services furnished hereunder will be (i) free from defects in workmanship and material, (ii) to the extent such supplies or services are not furnished pursuant to detailed designs provided by Buyer, free from defects in design, (iii) suitable for the purpose intended and (iv) in compliance with all requirements of this order and all applicable drawings, specifications, samples, representations or other descriptions. All warranties, both express and implied, including the above, shall constitute conditions, shall survive inspection, acceptance and payment and shall inure to Buyer, its customers and users. Without limitation of any rights by reason of any breach of warranty or otherwise, supplies or services which are not as warranted may at any time be returned to Seller at Seller's expense for credit, correction or replacement, as Buyer may direct, and in the event Seller fails promptly to correct or replace, as directed by Buyer, in addition to the rights stated above or otherwise, Buyer shall have the right to terminate this order as provided in the clause hereof entitled "Termination With Cause."

8. CHANGES—Buyer may at any time, by written change order, suspend performance in whole or in part, make changes in drawings, designs, specifications, method of shipment or packing, or time or place of delivery, require additional work, or direct the omission of work. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of this order, an equitable adjustment shall be made in the contract price, or delivery date or schedule, or both, and this order shall be modified in writing accordingly. Any claim for adjustment under this paragraph shall conclusively be deemed waived unless asserted in writing with thirty (30) days from the date of receipt by the Seller of the change order. The amount of the claim shall be stated when it is submitted. Where the cost of property made obsolete or excess as a result of a change is included in Seller's claim for adjustment, Buyer shall have the right to prescribe the manner of disposition of such property. Any change order issued hereunder will not be binding on Buyer unless issued by an authorized purchasing agent of Buyer. Nothing in this paragraph shall excuse Seller from proceeding with the purchase order as changed. Buyer's engineering and technical personnel may from time to time render assistance or give technical advice to, or effect an exchange of information with, Seller's personnel in a liaison effort concerning the supplies or services to be furnished hereunder, such exchange of information or advice shall not vest Seller with authority to change the supplies or services hereunder or the provisions of this order.

9. TERMINATION

(a) Without Cause—Buyer may terminate all or any part of this order at any time or times without cause by telegraphic or other written notice to Seller. Armed Services Procurement Regulation (ASPR) 8-706 as in effect at the date of this order is incorporated herein by reference and made a part hereof and shall govern the rights, obligations and liabilities of Buyer and Seller in case of any termination by Buyer of all or any part of this order without cause, except that any termination claim must be submitted to Buyer within 90 days after effective date of termination, and except that if this order is not for the purpose of aiding directly or indirectly in the performance of a contract with the U.S. Government the references in ASPR 8-706 to the Government shall not apply. The provisions of this subparagraph shall not limit or affect the right of Buyer to terminate this order for cause and shall not apply to a termination with cause.

(b) With Cause—Time is of the essence of this order. If Seller fails to make any delivery in accordance with agreed delivery date or schedule or otherwise fails to observe or comply with any of the other instructions, terms, conditions or warranties applicable to this order or fails to make progress so as to endanger performance of this order or in the event of any proceeding by or against Seller in bankruptcy or insolvency or for appointment of a receiver or trustee or an assignment for the benefit of creditors, Buyer may (in addition to any other right or remedy provided by this order or by law) terminate all or any part of this order by telegraphic or other written notice to Seller without any liability by Buyer to Seller on account thereof. In event of termination for cause, Buyer may purchase similar supplies or services elsewhere on such terms and in such manner as Buyer may deem appropriate and Seller shall be liable to Buyer for any excess cost occasioned Buyer thereby.

10. PATENTS—Seller guarantees that the sale and use of each and all articles and things now or hereafter delivered hereunder will not infringe any patent or copyright; that Seller will at its own expense defend any action, suit or claim or assist in defense thereof, including any brought against U.S. Government, in which an infringement of any patent or copyright is alleged with respect to the sale or use of such articles or things; and that Seller will indemnify and save harmless Buyer and its customers and users, including Government, from any and all losses, costs and damages for infringement or alleged infringement of any patent or copyright because of the sale or use of such articles or things.

11. MATERIAL AND TOOLS—If Buyer furnishes material or special dies, molds, jigs or tools, title thereto shall remain in Buyer, and Seller shall dispose of or credit scrap and unused material and such special dies, molds, jigs and tools as Buyer may direct. Buyer does not require that Seller carry any insurance on any such property furnished by Buyer, and Seller shall not include any insurance cost therefor in the price under this order. If the cost of special dies, molds, jigs or tools involved in the manufacture of supplies covered by this order is amortized or included in the price hereunder, the same shall become the property of Buyer upon completion or termination of this order and shall be disposed of as Buyer may direct.

12. RISK OF LOSS—Seller shall bear all risk of loss on supplies called for by this order until final acceptance by Buyer, or its customer, at destination, unless otherwise specified in this order, except for loss occasioned by gross negligence of Buyer or its customer.

13. LIABILITY FOR INJURY—Seller agrees to be responsible for, and to indemnify and save harmless the Buyer and its employees and customers from, any and all injury, death, damage, and loss to persons or property arising out of or incident to the work to be performed by Seller pursuant to the order, whether performed on the premises of Seller or Buyer or elsewhere. Seller agrees to carry and maintain insurance coverages satisfactory to Buyer to cover the above, and upon Buyer's request to furnish to Buyer certificates or other appropriate evidence of such insurance.

14. LIEN WAIVERS—If the furnishing of any labor or material pursuant to this order could give rise to any liens or lien rights against any premises of Buyer or its customers, Seller agrees to furnish upon Buyer's request at any time or times good and sufficient lien waivers by Seller and all other persons furnishing any such labor or material at Seller's instance or request.

15. ASSIGNMENT—Seller shall not assign this order or any rights thereunder or any monies due or to become due thereunder without the prior written consent of Buyer, and no purported assignments by Seller shall be binding on Buyer without its written consent thereto.

16. NOTICE LABOR DISPUTES—Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, Seller shall immediately give notice thereof to Buyer. Such notice shall include all relevant information with respect to such dispute.

17. PROPRIETARY—Seller agrees that all information disclosed, obtained, or discovered by Seller or its representatives from, but not limited to drawings, prints, publications, specifications, processes, manufacturing techniques, verbal explanations, schedules and the like, as a result of this order, are received in confidence and are the proprietary property of Buyer, and that such information shall not be reproduced or used by Seller or transmitted or disclosed to any person or organization by Seller, without the prior written consent of Buyer.

18. WAIVER—The failure of Buyer in any one or more instances to insist upon performance of any of the terms or conditions of this order, or to exercise any right or privilege in this order contained, or the waiver of any breach of terms or conditions of this order shall not be construed as thereafter waiving any such terms, conditions, rights or privileges, and the same shall continue and remain in force and effect as if no waiver had occurred.

19. SPECIAL U.S. GOVERNMENT PROVISIONS—If this order is for the purpose of aiding directly or indirectly in the performance of a contract with Government, the following shall also apply:

(a) Audit—Seller agrees that its books and records and its plants, or such part thereof as may be engaged in the performance of this order, shall at all reasonable times be subject to inspection and audit by any person designated by the head of any executive department of government. Seller agrees (i) that United States Comptroller General or any of his duly authorized representatives shall, until expiration of 3 years after final payment under this order, have access to and the right to examine any pertinent books, documents, papers and records of Seller involving transactions related to this order and (ii) that Seller shall insert the provisions of this sentence, including this clause (i), in all subcontracts hereunder.

(b) Subcontracts—Seller agrees that no subcontract placed under this order shall provide for payment on a cost plus percentage of cost basis.

(c) Quality Control—Except as otherwise provided in this order Seller's system of Quality Control during the performance of this order shall be in accordance with MIL-Q-9858 as in effect on the date of this order, incorporated herein by reference, or other Quality Control Specifications as are required by Buyer's prime contract or higher tier order.

(d) ASPR Regulations—The following clauses of Armed Services Procurement Regulation (ASPR) as in effect on the date of this order are incorporated herein by reference and made a part hereof: Renegotiation, ASPR 7-103.13 (a); Buy American Act, ASPR 6-104.5; Small Business, ASPR 1-707.3 (a); Excess Profit, ASPR 7-104.11 (a); Priorities, Allocations and Allotments, ASPR 7-104.18; Labor Surplus Areas, ASPR 7-104.20; Patent Indemnity, ASPR 9-103; Notice and Assistance Regarding Patent Infringement, ASPR 9-104; Filing of Patent Applications, ASPR 9-106; Patent Rights, ASPR 9-107 (under any purchase order or modification thereof having experimental, developmental or research work as one of its purposes); Data, ASPR 9-203.1; Data Withholding of Payment, ASPR 9-207.2 (a); Eight Hour Law of 1912 (40 U.S.C. 324-326) or the Work Hours Act of 1962 (P.L. 87-581.76 Stat. 357-360), as applicable; Walsh-Healey Public Contracts Act, ASPR 12-604; Nondiscrimination In Employment, ASPR 12-802 (a) (not applicable if this order is for standard commercial supplies or raw materials not in excess of \$100,000.00); Military Security Requirements, ASPR 7-104.12; and Reporting of Royalties, ASPR 9-110. Whenever necessary to make the context of the foregoing ASPR clauses applicable to this order, the term "Contractor" shall mean "Seller," the term "Contract" shall mean this order, and the terms "Government," "Contracting Officer" and equivalent phrases shall include Buyer and in ASPR 12-802 (a), subparagraph (g) the term "United States" shall not mean Buyer.

(e) Government Furnished Property—Title to any Government furnished property shall remain in the Government. Such property shall be used only for the performance of this order. Seller shall maintain and administer, in accordance with sound industrial practices, a program for the maintenance, repair, protection and preservation of Government furnished property. Seller shall comply with the provisions of the "Manual for Control of Government Property in Possession of Contractors" (Appendix B, ASPR) as in effect on the date of this order, which Manual is hereby incorporated by reference and made a part of this order. Seller assumes risk of and shall be responsible for any loss or damage to Government property except for reasonable wear and tear and except to the extent that such property is incorporated in items delivered under this order. Upon completion of this order or at such earlier times as Buyer may request, Seller shall submit in acceptable form inventory schedules covering all items of Government furnished property pertaining to this order.

20. PRICE WARRANTY—The Seller warrants that the prices of the items set forth herein do not exceed those charged by the Seller to any other customers purchasing the same items in like or smaller quantities.

21. SUBCONTRACTS—Seller agrees not to subcontract for complete or substantially complete parts or work called for by this order without first obtaining the approval of Buyer.

22. COMPLETE AGREEMENT—This order, which includes any supplemental sheets, schedules, exhibits and orders annexed by Buyer hereto, contains the complete and entire agreement between the parties and supersedes any previous communications, representations or agreements, whether verbal or written, with respect to the subject matter hereof.

Rev. September, 1963