

## STANDARD TERMS and CONDITIONS

1. Seller guarantees that the prices mentioned in this order (or other lower prices) at which Seller will invoice the goods to Buyer are Seller's lowest and best prices for the goods ordered herein and that all prevailing taxes, otherwise which may apply to domestic sales but which do not apply to goods exported from this Country have been excluded and will not, therefore, be included in Seller's invoice prices. When requested, Buyer will furnish proof of having exported the goods.
2. PRISON MADE GOODS – Federal Government regulations prohibit the importation and sale of goods which have been made either wholly or in part by Prison Labor. If this applies to the goods supplied by Seller, this order MUST be returned immediately to Buyer.
3. Buyer reserves the right to change delivery schedules and to suspend temporarily scheduled shipments. If the goods are shipped or received in advance of schedule, Buyer may return such goods to Seller at Seller's risk and expense.
4. CANCELLATION WITH CAUSE – Buyer reserves the right to cancel this order if Seller does not comply with the terms hereof, and in the event of the happening of any of the following: Seller's insolvency; your filing of a voluntary petition in bankruptcy; the filing of an involuntary petition to have Seller declared bankrupt, provided it is not vacated within thirty (30) days from the date of filing; the appointment of a receiver or trustee for Seller, provided such appointment is not vacated within thirty (30) days from the date of such creditors. In the event of any such cancellation, we with our prejudice to any other right available to Buyer for breach of contract, shall have the right (a) to refuse to accept delivery of the goods, (b) to return to Seller any goods already accepted, (c) to recover from Seller all payments made therefore, and for freight, storage, handling, and other expenses incurred by us and to be relieved from liability for any future payments to Seller; and (d) to purchase elsewhere and charge Seller with any resultant losses.
5. CANCELLATION WITHOUT CAUSE – Buyer reserves the right to cancel this order, in whole or in part, at any time, without cause or Seller's default, and to make changes in specifications or requirements. Seller shall, upon Buyer's request, immediately suspend shipments of goods and performance of work until further written orders from Buyer. Any such cancellations or extensions in times of delivery and performance, and any losses or damages, resulting from such cancellations and suspensions shall be equitably adjusted between us and this order modified accordingly. However, Buyer shall not be liable for failure to accept the goods ordered herein and for cancellation of this order arising from causes beyond Buyer's reasonable control, such as Buyer's inability to ship (export) as intended because of conditions abroad, floods, fires, court orders, strikes, work stoppages or acts of governmental authorities.
6. NONASSIGNABILITY – This order shall not be assigned, in whole or in part, without Buyer's written consent, and if so assigned, shall be binding upon the successors and assigns of the parties hereto.
7. APPLICABLE LAW – The rights and duties of the parties hereto shall be determined by the laws of the State of New Jersey, and to that end this agreement shall be construed and considered as a contract made and to be performed in the State of New Jersey.
8. PACKING & SHIPPING – All items shall be prepared and packed for shipment in a manner that will prevent damage in transit. Buyer is not liable for extra charges for packing, cartage or anything else unless stated in this order. Seller shall mark the number of this order on each container and enclose a packing slip with the order number in each container. Seller shall mail/e-mail invoices to AP department on day shipment is made.
9. DELIVERY SCHEDULE – Seller shall follow the delivery schedule shown on this order and shall not make deliveries later or substantially earlier than dates shown. Time is the essence of this agreement. If items are shipped substantially in advance of scheduled delivery dates, Buyer may return them at Seller's expense. If Seller exercises due care, Seller shall not be liable for delays in delivery due to acts of God, floods, fire, war, riot, strikes and damage in transit due to causes beyond its reasonable control. However, if Seller does not adhere to the delivery schedule regardless of the cause (acts of God, etc.) Buyer may terminate this order without liability upon it to Seller, or Buyer may agree to a revised delivery schedule.
10. INSPECTION – Seller agrees to permit the Buyer's inspectors to have access to the Seller's plant at all reasonable times for the purpose of inspecting the items set forth on this order or work in process for production of such items. All items are subject to final inspection and approval at Buyer's plant or other place designated by Buyer. Such inspection shall be made within a reasonable time after delivery, irrespective of the date of payment. Buyer may return rejected items at Seller's expense. Seller shall not replace items returned as defective unless so directed by Buyer in writing.
11. CHANGES – Buyer may make changes in the drawing and specifications on any item at any time. If such changes result in delay or additional expense to Seller, an equitable adjustment of price and delivery schedules will be made.

12. **BUYER'S PROPERTY** – All tools, dies, jigs, patterns, equipment or material and other items purchased, furnished, charged to or paid for by Buyer, and any replacement thereof, shall remain the property of the Buyer. Such property shall be plainly marked to show it is the property of the Buyer and shall be safely stored apart from other property. Seller shall not substitute other property for Buyer's property and shall not use such property except in filling Buyer's orders. Seller shall hold such property at its own risk and upon Buyer's written request shall redeliver the property to Buyer in the same condition as originally received by Seller, reasonable wear and tear excepted.
13. **WARRANTY** – Seller confirms any express warranty (oral or written) previously made and warrants that all items shall be free from defects of material or workmanship, shall conform to drawings and specifications and any samples previously delivered shall be of merchantable quality and fit for the purpose for which purchased. Such warranties, together with all other services, warranties, and guarantees of Seller, not including any disclaimers, shall run in favor of Buyer, its employees and its customers. Seller agrees to indemnify and hold Buyer harmless from any and all liability of Buyer arising out of or in any way connected with a breach of this warranty or the negligence of Seller in the manufacture or design of the items set forth in this order.
14. **DRAWING, SPECIFICATIONS & TECHNICAL INFORMATION** – The ideas, information and designs contained in or shown upon, and the drawings, specifications, photographs and other engineering and manufacturing information supplied by Buyer, shall remain Buyer's property, shall be retained in confidence by Seller and not disclosed to any other person or entity, and shall not be used or incorporated into any product, or item later manufactured or assembled by Seller for anyone other than Buyer. Any unpatented knowledge or information concerning Seller's processes, present or contemplated products or their uses which Seller may order shall, unless otherwise specifically agreed in writing, be deemed to have been disclosed as a part of the consideration for this order, and Seller agrees not to assert any claim (other than a claim for patent infringement) against Buyer by reason of any use or alleged use to which any such information or knowledge may be put by Buyer.
15. **PATENT TRADEMARK & COPYRIGHT INDEMNITY** – Seller agrees to indemnify Buyer and hold it harmless from and against all claims, liability, loss, damage or expense, including counsel fees, arising from or by reason of any actual or claimed trademark, patent, or copyright infringements or litigation based thereon, with respect to the goods or any part thereof covered by this order and such obligation shall survive, acceptance to the goods and payment thereof by the Buyer.
16. **SUBCONTRACT ASSIGNMENT & SETOFF** – Seller shall not, without the written consent of the Buyer, make any contract with any other person for furnishing any of the completed items covered by this order or assign this order or any right hereunder. Buyer may set off against amount payable to any person under this order any claim or charge it may have against Seller.
17. **FAIR LABOR STANDARDS ACT** – Seller represents that the items to be furnished hereunder are produced in compliance with the Federal Labor Standards Act of 1938. Each of Seller's invoices shall contain a certificate that the items covered by the invoice were produced in compliance with the Fair Labor Standards Act of 1938.
18. **COMPLIANCE** – Seller shall comply with all applicable laws, executive orders, ordinances and regulations.
19. **COMPLETE AGREEMENT** – The conditions of purchase stated herein including all insertions thereon by the Buyer constitute the complete agreement between the Buyer and Seller concerning this Purchase. Any prior negotiations between the Buyer and Seller, or terms or conditions of sale set forth in the Seller's quotation or order or sales acknowledgement shall not constitute a part of the agreement between the Buyer and Seller concerning this purchase.
20. **RIGHT OF ACCESS** – Seller agrees to permit Buyer, Buyer's customer and regulatory authorities' right of access to all the applicable areas of Seller's facilities, at any level of the supply chain, involved in the order and to all applicable records.
21. **NONCONFORMING MATERIAL CONTROL** – Seller shall establish and maintain an effective and positive system for controlling nonconforming material, including procedures for the identification, segregation, presentation and disposition of reworked or repaired supplies. All nonconforming supplies shall be positively identified to prevent use, shipment and intermingling with conforming supplies.

Seller shall report to Buyer if a product, article or service has been released (shipped, delivered, etc.) from Seller and subsequently found not to conform to the applicable design data within 72 hours of discovery.

Seller shall email Buyer Quality Representative to disclose the escapement, submit a Seller notification of escapement or equivalent, and provide containment, root cause and corrective action statement.

22. RECORD RETENTION – Seller shall retain documentation to support items sold to Buyer for a minimum of ten (10) years unless otherwise noted in contract.
23. EQUIPMENT CALIBRATION – All measuring equipment shall be calibrated or verified, or both, at specified intervals, or prior to use, against measurement standards traceable to NIST standards in accordance with the requirements of ANSI/NCSL Z540.3 and ISO 17025, or the latest equivalent.
24. COUNTERFEIT GOODS – Seller shall implement an appropriate strategy to ensure that Goods furnished to Buyer under this contract are not Counterfeit Goods. Seller’s strategy shall include, but not be limited to, the direct procurement of items from OEMs or authorized suppliers, conducting approved testing or inspection to ensure the authenticity of items. Additionally, when items are to be procured from non-authorized suppliers, it is to be done only during DMS (Diminishing Manufacturing Sources) or obsolescence conditions are present and obtaining written approval from Buyer. Also required from such non-authorized suppliers are appropriate certificates of conformance that provide one or more of the following: (1) the OEM’s original certificate of conformance for the item; (2) sufficient records providing unbroken supply chain traceability to the OEM; or (3) test and inspection records demonstrating the item’s authenticity.
25. ACCEPTANCE AUTHORITY MEDIA – Seller shall warrant that all records and information related to this purchase order shall be free from any fraudulent statements or omissions. The Seller shall establish controls for the use of acceptance authority media (AAM) (e.g., stamps, electronic signatures, passwords).
26. QUALITY MANAGEMENT SYSTEM CHANGES – Seller shall notify Buyer of any changes in or adverse Level II or Level III actions affecting the Quality Management System including but not limited to changes of: the Certification Status of the Quality Management System, Management Representative, Quality Manager, Ownership and Location.
27. COMPETENCY – The Seller shall ensure that all personnel who have an influence on the quality of the work performed shall have the necessary competence and skills.
28. FLOW DOWN REQUIREMENTS – Seller shall flow down all applicable requirements, including Key Characteristics, where required for all processes that are outsourced to sub-tier suppliers.
29. AFFIRMATIVE ACTION COMPLIANCE – The parties hereby incorporate the requirements of 41 CFR 60-1.4(a)(7), 29 CFR Part 471, Appendix A to Subpart A, 41 CFR 60-300.5(a)ii and 41 CFR 60-741.5(a), if applicable.  
  
Buyer and Seller shall abide by the requirements of 41CFR60-300.5(a). This regulation prohibits discrimination against qualified protected veterans, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans.  
  
Buyer and Seller shall abide by the requirements of 41CFR60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.
30. GIDEP MEMBERSHIP – The Seller is required to be a member of GIDEP (Government/Industry Data Exchange Program) if Seller is eligible.

**SPECIAL QUALITY REQUIREMENTS:**

Non-Compliance with any PO requirement will result in Material rejection.

Payment shall be made only when all purchase order requirements are met.

1. Items controlled by a specification control drawing (SCD) must meet all requirements of the SCD. The SCD has highest precedence over information printed on the purchase order. Any deviation to the SCD including manufacturer must have written approval from Buyer prior to delivery, even if alternate manufacturer meets SCD performance requirements.
2. Quality Management System compliant with AS9100 or ISO9001.
3. AS9102 First Article Inspection required.
4. Inspection/Test data required.
5. Buyer Source Inspection required.
6. Customer/Government Source Inspection required.
7. Age Sensitive Material must have 50% minimum life remaining when received unless otherwise specified.
8. ESD packaging and marking required.

9. ESD control per ANSI/ESD S20.20.
10. Other (See PO Notes).

**IF THIS ORDER INDICATES THAT IT RELATES TO A GOVERNMENT CONTRACT THE FOLLOWING ADDITIONAL CONDITIONS APPLY:**

- A. **ASPR ADDITIONS** – The following clauses from the Armed Services Procurement Regulations in effect on the date of the prime contract in connection with which this order is let are hereby incorporated and made a part hereof as though set forth in full: Buy American Act (7-104.3); Eight House Law (7-103.16); Walsh-Healey Act (7-103.17); Vincent-Trammel Act (7-103.11); Military Security Requirements (7-104.12); Examinations of Records (7-104.15); Notice to Government of Labor Disputes (7-104.4); Renegotiation (7-103.13); Filing of Patent Rights (9-107.2); and Data (9-203.1 and 9-203.4). Where necessary to make the context of these clauses applicable to this agreement the term “contractor” shall mean the Seller and the term “contract” shall mean this agreement.
- B. **NON-DISCRIMINATION IN EMPLOYMENT** – (7-103.18)
  1. In connection with the performance of work under this contract the Seller agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provisions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay, or other forms of compensation; and selection for training, including apprenticeship. The Seller agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of the non-discrimination clause.
  2. The Seller further agrees to insert the foregoing provision in all subcontracts hereunder except subcontracts for standard commercial supplies or raw materials.
- C. **SOURCE INSPECTION** – Buyer reserves the right to request Government Inspection at the source. In the event that this right is exercised, the Seller, at its expense, shall make all necessary arrangements with the proper Government agency to arrange for this inspection and shall promptly furnish Buyer with the resulting inspection certificates.
- D. **TERMINATION** – Buyer may cancel this agreement at any time by giving written notice to Seller. In such event, the procedure for termination and for the settlement of the obligations of Buyer and Seller in connection with such termination shall be in accordance with the principles set forth in Section VII of the Armed Service Procurement Regulation. The provisions of the paragraph shall not limit or affect the right of the Buyer to terminate this order for the default of the Seller.