

TERMS AND CONDITIONS OF PURCHASE (PRODUCTS AND SERVICES)

Unless otherwise agreed to in writing, the following provisions apply to all orders:

1. **Acknowledgment and Acceptance** – As an offer, this purchase order (the "Order") expressly limits acceptance to its terms and conditions, and notification of objection to any different or additional terms in any response to this offer from the Seller is hereby given. If this Order is construed as an acceptance of the Seller's offer, this acceptance is expressly conditioned on the offeror's assent to any additional or different terms contained in this Order. Seller's (a) acknowledgment of this Order, (b) delivery of materials or equipment, or (c) performance of services hereunder shall not in any way modify this Order or the terms and conditions hereof. Any modification or addition to the terms and conditions herein must be specifically agreed to in writing by Buyer. These terms and conditions constitute the entire agreement between the parties and supersede any previous oral or written representations, including but not limited to provisions in Seller's quotations, proposals, terms and conditions, acknowledgements, invoices or other documents.
2. **Delivery** – Deliveries are to be made both in quantities and at times specified on the face hereof, or on release schedules furnished against this Order. Buyer reserves the right to cancel this Order and refuse delivery of material and return same at Seller's risk and expense if Seller defaults in the manner and time of delivery or in the rate of shipment. Goods shipped to Buyer in advance of schedule may be returned to Seller at Seller's expense. Buyer further reserves the right to reject and return at Seller's risk and expense all quantities of materials and equipment delivered in excess of the quantity ordered. All costs incurred by Buyer as a result of Seller's failure to make delivery at the time and place specified herein shall be charged to the Seller. Seller must advise Buyer promptly in writing of delivery delays. Buyer reserves the right to reschedule delivery dates to a later date without cost to Buyer.
3. **Price Warranty** – The prices indicated on this Order are firm and no change or adjustment will be allowed unless authorized in writing by Buyer. Seller represents that the prices set forth in this Order do not exceed current selling price of similar materials having the same or similar quality in like quantity. In the event of such excess price or in the event prices charged hereunder shall exceed prices permitted by any applicable law or regulation, Seller agrees to forthwith refund any such excess price to the Buyer. If price is not indicated on this Order, Seller agrees that the materials and/or services specified will be charged at the lowest prevailing market price on date of shipment or at the price applied upon Buyer's last similar order with Seller, whichever will be the lower.
4. **Samples** – Samples required on this Order shall be invoiced to the Buyer at no higher cost than the production price indicated thereon. Samples shall be distinctly identified and bear reference to this Order. Samples must be approved in writing before production shipments are made.
5. **Tools and Materials** – Buyer shall retain title to any design, sketches, drawings, blueprints, patterns, dies, molds, tools, plates, cuts, gauges, special items and materials furnished by or paid for by Buyer in connection with this Order. The price indicated on the order for any of the foregoing shall constitute the entire cost to the Buyer of any such item. All of said items shall be at Seller's risk and shall be maintained and stored by the Seller and if lost, damaged, or destroyed shall be replaced by the Seller without charge to the Buyer. Such items shall be used exclusively in the production for Buyer of articles ordered hereunder and the use thereof for any other purpose is prohibited unless approved by Buyer in writing. All items covered by the order are subject to removal by Buyer immediately on demand without charges.
6. **Invoices** – Invoices shall (a) be rendered separately for each delivery with bill of lading attached, (b) cover not more than one order and (c) be rendered with order number noted thereon. If invoice is subject to cash discount the discount period shall date from receipt of material or receipt of proper and correct invoice, whichever is later. When machinery requires installation to verify satisfactory operation, invoices will not be honored prior to Buyer approval of satisfactory installation and operation.
7. **Inspection** – All materials are subject to inspection and test by Buyer at place of manufacture and/or destination. If that portion Buyer inspects is not acceptable, Buyer reserves the right to return the entire shipment and cancel any unfilled balances of this Order without cost. All rejected material shall be returned at Seller's sole expense including cost of inspection and inbound transportation charges applicable thereto. Seller shall bear all risk of loss as to rejected material. Buyer may, at its option, (i) return unacceptable goods for a full refund of the purchase price or (ii) return unacceptable goods for repair or replacement. No goods returned as defective shall be replaced without a new order. If Buyer returns defective goods to Seller for repair or replacement, Seller shall repair or replace defective goods within five (5) days of receipt. Payment for material shipped under this Order prior to inspection shall not constitute an acceptance.
8. **Patent Indemnity** – Seller shall indemnify and save harmless and defend the Buyer and its customers from and against any and all suits, actions, claims, demands, damages, costs, expenses and attorney fees incidental to any infringement or any alleged infringement of any U.S. or foreign patent in the manufacture or sale of the materials or equipment covered by this Order, or in any way concerned therewith, or with the use thereof by Buyer or its customers.
9. **Shipping and Packaging** – All materials and equipment must be shipped in accordance with the shipping instructions indicated on the face of this Order. In the absence of specific routing instructions, Seller shall ship via least expensive way commensurate with safe and expeditious delivery. Any extra expense in effecting delivery of material and equipment not so shipped will be charged to Seller. No charges shall be made for crating, packaging or packing materials unless agreed to and specified as part of this Order. Each shipment must be accompanied by a packing slip showing order number.
10. **Warranty** – Seller warrants that the articles and services supplied under this Order will conform to the specifications, drawings, samples or other description specified, will be merchantable and of good quality, material and workmanship, will be suitable for the purposes intended and free from defects in workmanship, materials and design. All warranties shall survive inspection, delivery, acceptance or payment by Buyer and Seller shall bear all costs of inspecting rejected articles. Seller agrees that the cost of all labor, shipment, re-working and materials, either in Buyer's plant or in the field, which shall at any time be necessary because of any breach of warranty, shall be charged to Seller. This warranty shall run to Buyer, its successors, assigns, customers and users of the articles sold hereunder by Seller. Seller further agrees to defend and hold harmless Buyer, its customers and distributors from and against any and all claims for personal injury, property damage (including claims for consequential, collateral or special damages) claimed because of negligent manufacture, improper or defective material, workmanship or design. This warranty shall be in addition to any other rights and remedies which Buyer may have at law or in equity and shall not be construed to limit Buyer's rights and remedies in any manner. Seller agrees to fill Buyer's orders for spare parts, prime components and/or assemblies, unreasonable quantities, at reasonable prices, commencing from the date of delivery hereunder and continuing for a period of not less than ten (10) years after the date of last delivery of any unit for which spare parts might be required.
11. **Cancellation** – Buyer reserves the right to cancel this Order or any portion hereof if delivery is not made, when and as specified or if Seller defaults in the performance of any of the terms and conditions herein, time being of the essence. Buyer may cancel this Order forthwith by written notice if Seller shall become insolvent, fails to pay its bills as due or make a general assignment for the benefit of creditors, or if a petition under any bankruptcy law is filed by or against Seller. Buyer reserves the right to charge Seller for any loss entailed by reasons resulting therefrom. Buyer may terminate work upon this Order at its convenience in whole or in part at any time by written notice. The Seller shall reserve in all of its orders relating to this Order the right to terminate or cancel. Whether or not such right to terminate or cancel is so reserved by Seller, Buyer's liability for cost arising out of orders terminated for its convenience shall be limited to actual cost incurred by Seller applicable to this Order at time of termination and shall not include anticipatory profits or other damages. Unless specifically directed Seller is not authorized to procure raw material or fabricate goods not required to meet specified delivery schedules.
12. **Compliance with Federal, State, and Local Laws** – Seller warrants that in the performance of work under this Order it has complied with or will comply with all applicable federal, state, foreign, provincial and local laws and ordinances, and with all lawful orders, rules and regulations thereunder, including but not by way of limitation, the Fair Labor Standards Act of 1938, as amended (29 U.S.C. Sec. 201-209) and insofar as applicable to this Order, the Walsh-Healey Public Contracts Act, as amended (41 U.S.C.

Sec. 35-45) and, Occupational Safety and Health Act of 1970 as amended, Equal Employment Opportunity the requirement of executive orders 11246, 11375 and 11758, and the requirements of 38 U.S.C. 2012 in the Vietnam Era Veteran Readjustment Assistance Act of 1974, as amended, the requirements of Section 503 of the Rehabilitation Act of 1973, as amended and all lawful rules and regulations thereunder.

13. **Indemnification** – If work of any kind is performed by Seller or its agents on premises belonging to or under the control of Buyer or any of its affiliates, Seller shall (1) maintain insurance against claims under applicable Workmen's Compensation Acts, Public Liability and Property Damage insurance in satisfactory limits and Seller shall furnish certificates of such insurance to Buyer, and (2) hold Buyer or any of its affiliates or employees harmless from all liability and loss on account of death, personal injury or property damage, resulting from any act or omission on the part of Seller, its agents or employees.
14. **Waiver** – No waiver of any of the provisions contained in this Order shall be valid unless made in writing and executed by both parties. Failure of Buyer to insist upon strict performance shall not constitute a waiver of any of the provisions of this Order or waiver of any other default.
15. **Severability** – If any language herein shall be invalidated for any reason, that language shall be considered deleted and the remainder shall be unaffected and shall continue in full force and effect to the fullest extent permitted by law.
16. **Taxes** – Seller shall pay, without charge to Buyer, any federal, state or local tax or other government charge or assessment relating to the production, sale or shipment of any Goods or provision of Services under this Order unless otherwise expressly agreed to in writing by the Buyer.
17. **Assignments and Subcontracts** – This Order shall not be assigned or transferred without written consent of Buyer. Seller agrees that it will not subcontract the furnishings of any of the completed or substantially completed articles required by this Order without written approval of Buyer. No assignment of monies due or to become due hereunder shall be binding upon Buyer until its written consent thereto is obtained.
18. **Force Majeure** – Buyer will be relieved from accepting delivery hereunder in the event of fire, act of God, labor trouble, embargo, explosion, floods, earthquakes, war, accidents, transportation delay or failure, partial or complete suspension of manufacturing operations, and/or any circumstances beyond Buyer's reasonable control. In such event, Buyer may extend delivery period or cancel deliveries not yet made without further liability.
19. **Changes** – Buyer reserves the right to change quantities, delivery schedule and/or specifications upon notice to Seller, in which case price shall be equitably adjusted in writing by mutual agreement of the parties. Seller must notify Buyer within a reasonable period of time if there will be any additional costs or delays on account of such changes.
20. **Audit** – Seller agrees to make available to Buyer or Buyer's representative, without expense to Buyer, such facilities and records as may be necessary to audit, substantiate, and justify Seller's costs, if this offer on the face hereof specifies time and material, or this Order shall have been terminated prior to completion and delivery.
21. **Choice of Law** – This Order shall be considered as executed in, and shall be governed by and construed in accordance with, the laws of the State of North Carolina.
22. **Miscellaneous:**
 - a. The relationship of Buyer and Seller is that of independent contractors.
 - b. Unless authorized by Buyer in writing, the names of Buyer, its parent, subsidiaries and/or affiliated corporations or any of their trademarks shall not be used by Seller.
 - c. No news release, public announcement, denial or confirmation of same or any part of the subject matter of this Order or any phase of this Order shall be made without the prior written approval of the Buyer.