

INSTRUCTIONS TO VENDORS

1. Ship least expensive way, unless otherwise specified.
2. Excess unauthorized shipments and shipments arriving in advance of scheduled delivery date may be returned at Seller's expense.
3. No changes of any kind will be allowed unless specifically agreed upon by the Buyer in Writing.

PURCHASE TERMS AND CONDITIONS

1. **Packing and Shipping:**
 - a) All material shall be suitably packed, marked and shipped as designated by the Buyer or in accordance with the requirements of common carriers in a manner to secure lowest transportation cost, and no additional charges shall be made to the Buyer therefore unless otherwise stated herein.
 - (b) F.O.B. point and cash discount terms must be shown on all invoices.
 - (c) Transportation must be prepaid on all shipments to which a delivered price applies.
 - (d) Charges for prepaid transportation must be substantiated by attaching to the invoice the original transportation bills, received by the carrier.
 - (e) This order may not be filled at prices higher than those last charged or quoted for the same material without notification and acceptance by the Buyer of the advanced prices.
 - (f) No charges for packing, package or drayage will be accepted, except on express agreement to such charges.
 - (g) Drafts against the Buyer will not be honored, nor C.O.D. shipments accepted, except by express agreement to that affect.
2. **Contract:** This order becomes a binding contract on the terms set forth herein when accepted by the Seller by (1) giving the Buyer formal written acknowledgment hereof or (2) the commencement by the Seller of any of the work called for by this order. It is a condition of this order that any provisions, printed or otherwise, contained in any acknowledgement hereof, which provisions are inconsistent with or in addition to the terms and conditions herein contained, and any alterations in this order, shall have no force or effect and that the Seller by such acceptance thereby agrees that any such provisions therein or any such alterations in this order shall not constitute any part of the contract resulting from the Buyer's acceptance of this order. Such contract contains the entire agreement of the parties and failure of the Buyer to enforce any of its rights there under shall not constitute waiver of such rights or any other rights.
3. **Delivery Schedules:** Time is of the essence on this order and deliveries are to be made in quantities and at times specified in schedules furnished by the Buyer. The Buyer will have no liability for payment for material or times delivered to the Buyer which are in excess of the quantities specified in the delivery schedules. Buyer may from time to time change delivery schedules or direct temporary suspension of scheduled shipments.
4. **Excusable Delays:** Strikes, fires, accidents or other causes beyond the control of the Buyer which affect its ability to receive and/or use the material ordered hereunder shall constitute valid ground for suspension or cancellation of shipment under this order upon notification to the Seller by letter, and any such suspension or cancellation of shipment shall be without penalty or cost to the Buyer. Except for delays of the Sellers subcontractors, the Seller shall not be liable for damages to the Buyer or its customers for delays or defaults in deliveries due to unforeseeable contingencies beyond Seller's control and without Seller's fault or negligence. Seller's delays or defaults shall be grounds for cancellation of this order regardless of the cause thereof. Seller shall within five (5) days of the occurrence thereof notify the Buyer in writing of the occurrence of any cause which will give rise to a delay in delivery. Failure to give such notice shall render the Seller liable for all damages to the Buyer and its customers occasioned by such delay.
5. **Inspection:** All material shall be received subject to Buyer's inspection and rejection. In case any of the material is found to be defective or otherwise not in conformity with the requirements of this order, Buyer shall have the right to reject the same or require that such material be corrected or replaced promptly with satisfactory material. If Buyer so rejects the material or if Seller, when requested by Buyer, fails to proceed promptly with the replacement or correction thereof, Buyer either may terminate this order for default or may replace or correct such material and in either event may charge Seller the cost of damages occasioned the Buyer thereby. Rejected defective material or rejected material not in accordance with Buyer's specifications will be held for Seller's instructions and at Seller's risk and if Seller so directs, will be returned at Seller's expense. Unless Buyer, at Buyer's option, notifies Seller to the contrary, no material returned as defective shall be replaced without a new order. Payment for material on this order prior to inspection shall not constitute an acceptance thereof.
6. **Inspection at Source:** If indicated on this order, the material to be furnished hereunder shall be subject to inspection by Buyer or its representatives upon the premises of the Seller. The Seller, without additional cost, shall provide all reasonable facilities and assistance for the safety and convenience of such inspectors. At the time of inspection, the Seller shall make available to the inspectors copies of all drawings, specification and packaging data applicable to the material ordered hereunder and shall be subject to final inspection and acceptance in the Buyer's plant.
7. **Patent, Trademark and Copyright Indemnity:** Seller agrees to defend and hold harmless Buyer, its successors, assigns, customers and users of its products from all loss or damage by reason of any and all actions or proceedings charging infringement or wrongful use of any patent, trademark, copyright or any third party property right by reason of the sale or use of any items furnished hereunder except items for which Buyer furnished complete specifications. If the use or sale of any item with respect to which Seller indemnifies Buyer is enjoined as a result of such action or proceeding, Seller, at no expense to Buyer, shall obtain for Buyer and its customers, the right to use and sell said item or shall substitute an equivalent item acceptable to the Buyer and extend this patent, trademark and copyright indemnity with respect to such equivalent item. In the event that Seller is unable to secure such right of use for Buyer or its customers or to secure an equivalent article as a substitute. Seller will indemnify Buyer and its customers for any and all losses or damages sustained by reason of such injunction.
8. **Non-Assignment:** Seller may not assign or delegate its obligations under this order without Buyer's prior written consent.
9. **Severability:** If any term of this order is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term shall be deemed reformed or deleted, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule, and the remaining provision of this order shall remain in full force and effect.
10. **Waiver:** The failure of Buyer at any time to require performance by Seller of any provision of the order shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver of Buyer of a breach of any provision of this order constitute a waiver of any succeeding breach of the same or other provision.
11. **Insurance:** Seller shall maintain insurance coverage in amounts not less than the following: (a) workers' compensation – statutory limits for the state or states in which this order is to be performed (or evidence of authority to self-insure); (b) employer's liability - \$250,000; (c) comprehensive general liability (including products/completed operations and blanket contractual liability) - \$1,000,000 per person, \$1,000,000 per occurrence personal injury, and \$1,000,000 per occurrence property damage; or \$1,000,000 per occurrence personal injury and property damage combined single limit; and (d) automobile liability (including owned, non-owned and hired vehicles) - \$1,000,000 per person, \$1,000,000 per occurrence personal injury and \$1,000,000 per occurrence property damages, or \$1,000,000 per occurrence personal injury and property damage combined single limit. At Buyer's request, Seller shall furnish to Buyer certificates of insurance setting forth the amount(s) of coverage, policy number(s) and date(s) of expiration for insurance maintained by Seller and, if further requested by Buyer, such certificates will provide that Buyer shall receive thirty (30) days prior written notification from the insurer of any termination or reduction in the amount or scope of coverage's. Seller's purchase of appropriate insurance coverage or the furnishing of certificates of insurance shall not release Seller of its obligations or liabilities under this order. In the event of Seller's breach of this provision, Buyer shall have the right to cancel the undelivered portion of any goods or services covered by this order and shall not be required to make further payments except for conforming goods delivered or services rendered prior to cancellation.
12. **Indemnification:** Seller agrees to indemnify and hold harmless Buyer, its directors, officers, agents, employees, shareholders, predecessors, successors and assigns from and against any claim, action, proceeding, liability, loss, damage, cost or expense (including, without limitation, attorneys' fees) arising out of the actions or omissions of Seller, its employees, representatives, agents and subcontractors with respect to this order. Seller shall pay all amounts that a court finally awards or that Seller agrees to in settlement under this Section as well as any and all expenses or charges arising from such claim (including attorneys' fees) as they are incurred by Buyer or any other party indemnified under this Section. Buyer shall (i) give Seller prompt written notice of any claim(s) and (ii) fully cooperate with Seller in the defense and all related negotiations.
13. **Advertising:** Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has contracted to furnish Buyer the goods or services herein ordered, or use any trademarks or trade names of Buyer in Seller's advertising or promotional materials. In the event of Seller's breach of this Section, Buyer shall have the right to cancel the undelivered portion of any goods or services covered by this order and shall not be required to make further payments except for conforming goods delivered or services provided prior to cancellation.
14. **Insolvency:** Buyer may immediately cancel this order without liability to Seller in the event of the happening of any of the following or any other comparable event: (a) Insolvency of Seller; (b) filing of a voluntary petition in bankruptcy by Seller; (c) filing of an involuntary petition in bankruptcy against Seller; (d) appointment of a receiver or trustee for Seller; or (e) execution of an assignment for the benefit of creditors by Seller, provided that such petition, appointment, or assignment is not vacated or nullified within fifteen (15) days of such event.

15. **Remedies:** The rights and remedies reserved to Buyer in this order shall be cumulative, and additional to all other or further remedies provided in law or equity.
16. **Rights in Data:** Buyer retains ownership of all proprietary data disclosed to Seller in connection with this order. Seller shall not disclose such proprietary data to others except where prior to disclosure to Seller by Buyer (a) proprietary data is already known to the general public or (b) Seller had knowledge of the proprietary data. For the purposes of this Section, proprietary data means all design, engineering and technical information (whether patentable or not) and other information concerning Buyer's trade secrets. Such other Information includes, but is not limited to, secrets of manufacture contained in Buyer's manufacturing methods or processes, treatments and chemical composition and plant layout and tooling to the extent that such other information is not disclosed by inspection or analysis of the goods covered by this order.
17. **Tools and Materials:** Buyer shall retain title to any designs, sketches, drawings, blueprints, patterns, dies, models, tools, special appliances and materials (hereinafter collectively referred to as "Articles") furnished by or paid for by Buyer in connection with this order. Articles shall be marked as Buyer's property, and shall be at Seller's risk and shall be replaced by Seller if lost, stolen or destroyed. All Articles shall be kept insured by Seller, with loss payable to Buyer. Such Articles shall be used exclusively in the filling of orders from Buyer, and shall not be used for production of larger quantities than those specified, or in the production, manufacture or design of any other article for any other person, without Buyer's prior written consent. Such Articles shall be subject to disposition by Buyer at any and all times; and at the termination of this order, they shall be returned to Buyer, including any unused materials furnished by Buyer and all spoiled or defective materials or products which may contain any secret or patented device, unless Buyer shall otherwise direct. Nothing in this Section shall be construed as imposing any obligation of Buyer to furnish any such Articles. Buyer does not guarantee the accuracy of any tooling or the quality or suitability of any material supplied by it.
18. **Taxes:** Except as otherwise provided herein and unless prohibited by statute, the Seller agrees to pay any federal, state or local sales or use tax, transportation tax or other excise tax which may be imposed upon the goods or services ordered hereunder or by reason of their sales, use, delivery or performance.
19. **Warranties:** Seller expressly warrants to Buyer as follows: (a) all goods delivered pursuant to this order will conform to the description furnished or specified by the Buyer, will be of good materials and workmanship, will be free from defects and material and workmanship will be merchantable and for the purpose intended; and (b) that all goods and services supplied meet or exceed all federal, state and local statutes, regulation and standards for such goods or services. The warranties provided in this Section shall be in addition to those implied by or available at law.
20. **Independent Contractor:** Seller shall at all times be deemed an independent contractor. Any employee, agent, representative or other person of Seller who furnishes services to the Buyer pursuant to this order shall not be considered to be an employee of Buyer and Buyer shall not be liable for any obligation, tax, assessment or legal liability for such person.
21. **Buyer's Design:** Seller shall keep confidential the features of any equipment, tools, gauges, patterns, designs, drawings, engineered data or other technical or proprietary information furnished by the Buyer and will use such items only in the production of items under this order or other orders from the Buyer and not otherwise, unless the Buyer's written consent is first obtained. Upon completion, cancellation or termination of this order, the Seller shall return all such items and copies thereof made by Seller to Buyer or make such other disposition thereof as may be directed or approved by the Buyer.
22. **Termination Clause:** (a) Buyer may terminate work under this order in whole or in part at any time by written or telephone notice to the Seller. Such notice shall state the extent and effective date of such termination, and upon receipt thereof, the Seller will, as and to the extent directed by the Buyer, stop work under this order and the placement of further orders or sub- contracts hereunder, terminate work under orders and sub-contracts outstanding hereunder, and take any necessary action to protect property in the Seller's possession in which the Buyer has or may acquire an interest (b) If the parties cannot by negotiation agree within a reasonable time upon the amount of fair compensation to the Seller for such termination, the Buyer, in addition to making prompt payments of amounts due for material delivered or services rendered prior to the effective date of termination, will pay to the Seller the following amounts without duplication.
 - (1) The contract price for all materials or services which have been completed in accordance with this order and not previously paid for.
 - (2) The actual costs incurred by the Seller which are properly allocable or apportioned under recognized commercial accounting practices to the terminated portion of this order, including the cost of discharging liabilities which are so allocable and apportioned.
 - (3) The reasonable costs of the Seller in making settlement hereunder and in protecting the property in which the Buyer has or may acquire an interest. Payments made under this paragraph (b), exclusive of payments under this sub-paragraph (3), shall not exceed the aggregate price specified in this order, less payments otherwise made or to be made. (c) With the consent of the Buyer, the Seller may retain, at an agreed price, or sell, at an approved price, any completed articles, or any articles, materials, work in process or other things, the cost of which is allocable or apportioned to this order under sub-paragraph (b) (2) above, and will credit or pay the amounts so agreed or received as the Buyer directs. As directed by the Buyer, the Seller will transfer title to and make delivery of any such articles, materials or work.
23. **Cancellation:** Buyer reserves the right to cancel all or any part of the undelivered portion of this order if the Seller does not make deliveries as specified in the schedules as promised, or if the Seller breaches any of the terms hereof, including the warranties of the Seller, said rights to cancellation to be exercised by the Buyer without penalty.
24. **QS-9000/ISO 9001:2000 and ISO 14000 Standards:** To enable Buyer to administer its compliance with ~~Quality System~~ISO Requirements (~~ISO 9001:2000/~~ISO 9000) and International Environmental Management System Standards (ISO 14000), Seller shall provide Buyer with relevant documentation and information related to Seller's operations, procedures, quality control and certification status under ~~ISO 9001:2000/~~ISO 9000 and ISO 14000.
25. **Compliance with Laws:** Seller agrees that with the production of the materials specified herein and services performed hereunder, to comply with all applicable local, state, and federal laws, regulations, and executive orders issued pursuant thereto, and agrees to indemnify the Buyer against any loss, cost, liability, or damage by reason of the Seller's violation of this paragraph. Without limiting the generality of the foregoing, the Seller agrees to comply with the applicable provisions of the following:
 - (a) The Wage Hour Act
 - (b) The Fair Labor Standards Act
 - (c) The Federal Occupational Safety and Health Act
 - (d) Non-discrimination in Employment, paragraphs 1 through 76, Section 201, and file the compliance reports referred to in Section 203, of Executive Order 11246 or any amendments or extensions thereof.