

TERMS AND CONDITIONS

ACCEPTANCE: SELLER HAS READ AND UNDERSTANDS THIS ORDER AND AGREES THAT COMMENCEMENT OF ANY WORK OR SERVICE UNDER THIS ORDER SHALL CONSTITUTE SELLER'S ACCEPTANCE OF THESE TERMS AND CONDITIONS. ALL TERMS AND CONDITIONS ARE HEREWITH BINDING UNLESS OTHERWISE STATED BY THE BUYER ON THE FACE OF THIS ORDER.

DELIVERY: DELIVERY MUST BE IN STRICT COMPLIANCE WITH THE SCHEDULE CONTAINED IN THIS ORDER. PARTS FABRICATED IN EXCESS OR IN ADVANCE OF BUYERS REQUIREMENTS CONTAINED IN THIS ORDER ARE AT SELLER'S RISK. ALL QUANTITIES ARE "NET" UNLESS PRIOR AUTHORIZATION IN WRITING IS SECURED. BUYER RESERVES THE RIGHT TO RETURN TO SELLER, AT SELLERS EXPENSE. ALL GOODS RECEIVED MORE THAN SEVEN (7) CALENDER DAYS AHEAD OF PURCHASE ORDER REQUIRED DATE. BUYER RESERVES THE RIGHT TO CANCEL ALL OR ANY PART OF THIS ORDER WITHOUT LIABILITY IF SELLER DOES NOT MAKE DELIVERY AS SPECIFIED IN THE SCHEDULES OR FAILS TO PERFORM ANY OF THE PROVISIONS OF THIS PURCHASE ORDER.

SHIPPING INSTRUCTIONS: SELLER AGREES TO PREPARE AND PROPERLY BOX OR CRATE GOODS FOR SHIPMENT SO AS TO PREVENT DAMAGE IN TRANSIT, AND TO SHIP IN ACCORDANCE WITH BUYER'S SHIPPING INSTRUCTIONS AND/OR ROUTINGS. PACKING LISTS AND CERTIFICATIONS MUST ACCOMPANY EACH SHIPMENT.

INVOICING AND PAYMENT: INDIVIDUAL INVOICES SHOWING PURCHASE ORDER NUMBER AND LINE ITEM NUMBER MUST BE ISSUED FOR EACH SHIPMENT OF THIS ORDER. INVOICE DATE SHALL NOT PRECEDE ACTUAL DATE OF SHIPMENT REJECTED GOODS AND/OR ERRORS IN INVOICING OR OTHER DOUCMENTATION WILL BE CONSIDERED JUST CAUSE FOR WITHHOLDING PAYMENT.

INSPECTION: SELLER AGREES TO INSPECT AND/OR TEST ALL GOODS FURNISHED IN PERFORMANCE OF THIS ORDER TO INSURE COMPLIANCE WITH THE SPECIFICATIONS AND OTHER REQUIREMENTS OF THE PURCHASE ORDER. ALL GOODS RECEIVED SHALL BE SUBJECT TO BUYER'S INSPECTION AND ACCEPTANCE OR REJECTION. PAYMENT OF INVOICE SHALL NOT CONSTITUTE THE DETERMINING FACTOR FOR ACCEPTANCE OF GOODS. IN THE EVENT OR REJECTION, GOODS MAY BE RETURNED AND SELLER DEBITED COST OF SAID GOODS PLUS INCOMING AND RETURN FREIGHT CHARGES.

QUALITY CONTROL: SELLER SHALL MAINTAIN AN INSPECTION SYSTEM THAT ASSURES COMPLIANCE OF THE PRODUCT TO THE REQUIRED SPECIFICATIONS OR DESCRIPTIONS. WHEN SPECIFIED BY THE PURCHASE ORDER, THE SELLER SHALL MAINTAIN AN INSPECTION OR QUALITY ASSURANCE SYSTEM IN ACCORDANCE WITH THE SPECIFICATIONS/STANDARDS THEREON NOTED.

RETENTION OF RECORDS: QUALITY RECORDS AND DOCUMENTS MUST BE ISSUED AND RETAINED BY THE SELLER AS PROOF OF COMPLIANCE, FOR THE GOODS AND SERVICES DELIVERED, WITH THE QUALITY, GOVERNMENT AND APPLICABLE AIRWORTHINESS REGULATIONS AT THE TIME OF DELIVERY. RECORDS AND DOCUMENTS SHALL BE AVAILABLE FOR REVIEW BY BUYER AND REGULATORY AUTHORITIES IN ACCORDANCE WITH THE ORDER OR REGULATORY REQUIREMENTS. RECORDS AND DOCUMENTS SHALL BE ESTABLISHED AND MAINTAINED TO PROVIDE EVIDENCE OF CONFORMITY TO REQUIREMENTS AND OF THE EFFECTIVE OPERATION OF THE QUALITY MANAGEMENT SYSTEM. THE RETENTION PERIOD SHALL BE TEN (10) YEARS FROM THE DATE OF THIS ORDER.

GOVERNMENT CONTRACT: IF A GOVERNMENT CONTRACT NUMBER IS SHOWN ON THE FACE OF THE PURCHASE ORDER, BUYER'S CUSTOMER RESERVES THE RIGHT TO ENTER SELLER'S FACILITY TO PROVIDE INSPECTION AND/OR MONITOR PROGRESS OF GOODS BEING MANUFACTURED IN ACCORDANCE WITH THIS PURCHASE ORDER. SELLER AGREES TO COMPLY WITH THE PRIORITY RATING SYSTEM REQUIREMENTS AS ESTABLISHED BY THE DEPARTMENT OF DEFENSE.

CHANGES: BUYER SHALL RESERVE THE RIGHT TO MAKE CHANGES AT ANYTIME AND FROM TIME TO TIME BY ISSUING A CHANGE NOTICE OF THIS PURCHASE ORDER TO THE SELLER. ANY CHANGE MAY: (A) INCREASE OR DECREASE THE QUANTITY OF ARTICLES ORDERED: (B) CHANGE THE DESIGNS, DRAWINGS, OR SPECIFICATIONS: (C) MAKE CHANGES IN THE SCHEDULE. IF SUCH CHANGES CAUSE AN INCREASE OR DECREASE IN THE AMOUNT OF WORK REQUIRED, OR IN THE COST OF PERFORMANCE: A NEGOTIATED ADJUSTMENT MAY BE MADE IN THE CONTRACT PRICE.

WARRANTY: SELLER SHALL WARRANT THAT ALL GOODS OR SERVICES PROVIDED BY THIS ORDER WILL CONFORM TO THE SPECIFICATIONS AND DRAWINGS FURNISHED BY THE BUYER, AND WILL BE MERCHANTABLE OF GOOD WORKMANSHIP AND FREE FROM DEFECT. SUCH WARRANTIES TOGETHER WITH SELLER'S SERVICE WARRANTIES AND GUARANTEES, IF ANY, SHALL SURVIVE INSPECTION TEST, ACCEPTANCE OF, AND PAYMENT OF GOODS, AND SHALL CONFER TO BUYER CUSTOMER AT ANY TIER AND ALL END USERS.

QUALITY ASSURANCE S.A.P.'S: SELLER SHALL ASSUME RESPONSIBILITY FOR COMPLIANCE TO BUYER'S QUALITY ASSURANCE PROVISIONS (S.A.P.'S) IN WHICH THOSE PROVISIONS ARE APPLICABLE TO SELLER'S GOODS OR SERVICES.

WAIVERS: BUYER'S DECISION NOT TO INSIST ON PERFORMANCE OF ANY OF THE TERMS AND CONDITIONS HEREIN SHALL NOT THEREAFTER WAIVE ANY OTHER TERMS AND CONDITIONS WHETHER OF SAME OR SIMILAR TYPE.