

THIS ORDER IS SUBJECT TO THE FOLLOWING TERMS & CONDITIONS

1. ACCEPTANCE – This Purchase order which represents the entire agreement between Buyer and Seller becomes a binding contract upon the terms and conditions set forth herein by acknowledgment or commencement of performance. No change, modification or revision to this order shall be valid unless in writing and signed by the authorized representative of Buyer. BUYER EXPRESSLY REJECTS ANY DIFFERENT OR ADDITIONAL TERMS AND CONDITIONS WHICH MAY BE OFFERED BY SELLER IN ACCEPTING, ACKNOWLEDGING OR AMENDING THIS ORDER.
2. PRICE – The articles or services furnished under this order shall not be invoiced at a higher price than shown on the face of this order. No charge shall be allowed for packing, crating, freight, express, cartage, demurrage or taxes unless specifically identified on the face of this order. RISK OF LOSS OR DAMAGE IS WITH THE SELLER UNTIL DELIVERY AT AMERICAN ELECTRO PRODUCTS INC.
3. ANTICIPATION OF DELIVERY – Shipment of articles in excess of the quantity or delivery rate specified in the order will not be accepted. Excess articles will be returned at Seller's risk and expense. The Buyer shall not be responsible for Seller's advance purchase of material or fabrication of articles not reasonable necessary to meet the specified deliveries. As to all shipments to or from Buyer, Buyer's count of articles shall be conclusive.
4. WARRANTY – Seller expressly warrants that the articles, services and technical information furnished hereunder shall be merchantable, free from defects in material and workmanship, suitable for the use intended and will conform to the applicable specifications, drawings, samples and descriptions; and if of Seller's design, will be free from design defects. All warranties shall run to Buyer and its customers, and shall be construed as conditions, as well as warranties and shall not be deemed to exclude other rights of Buyer under law or this order.
5. CHANGES – Buyer shall have the right to make changes in the drawings, designs, specifications, quantities, delivery schedules, methods of shipment of packaging and point of delivery of any of the articles or services to be furnished hereunder. If any such change results in a delay or increase or decrease in expense to Seller, Seller shall notify Buyer immediately and negotiate an equitable adjustment provided, however, that Seller shall always proceed diligently with the work, articles or services as changed. No claim by Seller shall be valid unless submitted to Buyer in writing within 30 days from the date of such change. No change shall be effective unless authorized in writing by Buyer.
6. TERMINATION – Work may be terminated under this Purchase Order by Buyer in whole or in part at any time, by written or telegraph notice. Such notice shall state the effective date of termination, and upon receipt thereof, the Seller shall, stop work under this Purchase Order and all subcontracts outstanding hereunder, at no expense to the Buyer. Seller must immediately take necessary steps to protect all property in his possession belonging to the Buyer.
7. INSPECTION – At the option of American Electro Products, Inc., all items covered by this Purchase Order are subject to surveillance and inspection by an American Electro Products Inc. inspector at the point of manufacture. The Seller shall furnish at no cost, the necessary facilities and equipment, and perform tests as required. The Seller shall provide sufficient advance notice to American Electro Products Inc. to permit scheduling of Source Inspection. Final inspection and acceptance of all articles and services will be at Buyer's plant, unless otherwise specified.
8. PATENT RIGHTS; INDEMNITY – Seller agrees to indemnify Buyer, its successor, assigns, agents and users of its products against loss, damage or liability, including costs and expense, which may be incurred on account of any suit, claim, judgment or demand involving infringement or alleged infringement of any patent or unpatented right or inventions in the manufacture, use or disposition of any article or material supplied hereunder, provided Buyer shall promptly notify Seller of any suit instituted against it. At its option Buyer shall permit Seller to defend the same or make settlement in respect thereof. Should the Seller perform development work in producing the material covered by this order, the Buyer shall receive a non-exclusive royalty-free license to make, have made, use or sell inventions first reduced to practice through such development work.
9. BUYER'S PROPERTY; SPECIAL TOOLS – With respect to all tools, dies, molds, patterns, jigs, fixtures and similar items furnished to Seller by Buyer, or specifically paid for by Buyer thereunder referred to collectively as 'Buyer's tools and dies', Seller agrees: (1) Seller will use Buyer's tools and dies only in filling order from Buyer; (2) Seller will return Buyer's tools and dies on demand and in the same condition as when received, reasonable wear and tear resulting from the proper use thereof excepted, it being expressly agreed that the Seller shall be responsible for any damage thereto while in its possession, reasonable wear and tear excepted; (3) Seller will not, without written consent of Buyer, remove Buyer's tools and dies from Seller's plant except to return them to Buyer (4) wherever practicable, Seller will permit Buyer to inspect Buyer's tool and dies at Seller's plant during working hours' (5) on Seller's failure to make delivery to Buyer of any of Buyer's tools and dies on the written demand of Buyer, Buyer may without notice, immediately, during working hours, enter upon any premises where Buyer's tools and dies may be located and remove the same therefrom, without incurring any liability on the part of the Buyer or Buyer's agents or employees in or to any suit, action or other proceeding by Seller. (6)The Seller is held responsible for the protection, calibration and care, other than normal wear, of all Buyer's production and inspection tools and equipment for use in performance of this order. (7) In accepting this order, it is understood that the Buyer may withdraw the tool to produce the parts described herein without being charged with a withdrawal charge. (8) If Seller retains possession of any American Electro Products Inc. owned tools or other equipment, Seller agrees to indemnify and to hold American Electro Products Inc. harmless from any loss, damage, or liability, including without limitation for injuries to Seller's employees, arising from Seller's possession, storage, modification, or use of such tools or other equipment.
10. TECHNICAL INFORMATION – Drawings, specification, photographs and other engineering and manufacturing information supplied by the Buyer shall remain Buyer's property, shall not be photostated or otherwise reproduced without Buyer's consent and shall be returned upon demand. Any technical data, whether written or oral, relating to the object of this order shall not be divulged to others by Seller without the written permission of Buyer. Any information which Seller may disclose to Buyer with respect to the design or manufacture of the items or the rendering of services covered by this order shall be deemed to have been disclosed as part of the considerations for this order and Seller shall not assert any claim against Buyer by reason of Buyer's use thereof.
11. APPLICABLE LAWS – The seller warrants that the goods will be produced in compliance with the Fair Labor Standards Act of 1938 as amended and the regulations issued pursuant thereto. The Seller agrees to comply with all other Federal, State and local laws which relate to the performance of this order and to hold Buyer harmless against Seller's breach of this clause. This Order shall be construed according to the laws of the state of Connecticut.
12. EQUAL EMPLOYMENT OPPORTUNITY – If this order is for supplies or services which may exceed \$10,000 and is otherwise subject to the provisions of Executive Order 11246, issued September 24, 1965, and the regulations promulgated thereunder by the U.S. Department of Labor, May 28th, 1968, said Executive Order and regulations are hereby incorporated by reference.
13. ASSIGNMENT' SUBCONTRACTING – Neither this order nor any interest under it shall be assignable, voluntarily or involuntarily, nor shall a subcontract be placed which requires completed or substantially completed articles or work covered by this order without Buyer's prior written consent.
14. GOVERNMENT CONTRACTS – ADDITIONAL CLAUSES REQUIRED FOR GOVERNMENT CONTRACTS. In the event this order bears a government contract number or the designation "Government" on the face hereof, this Purchase Order and the contract resulting therefrom shall be subject to all applicable provisions of, and will contain all clauses and agreements required by, the terms of any government contract under which, or for which this Purchase Order is issued and Federal laws and regulations, and shall be subject to and incorporate the following sections of the Armed Services Procurement Regulations for equivalent NASA Regulations where applicable): 1-707.3 – The clauses entitled "Utilization of Small Business Concerns or "Small Business Contracting Program" are incorporated as applicable by this reference dependent upon the amount of this order; 1-805.3 – The clauses entitled "Utilization of Concerns in Labor Surplus Areas" or " Labor Surplus Area Subcontracting Program" are incorporated as applicable by this reference dependent upon the amount of this order; 6-104.5 – Buy American Act; 6 403 – Communism Controlled Areas; 6-605.2– Duty-Free-Entry-Canadian Supplies; 7-103.13 – Renegotiations; 7-103.19 – Officials Not to Benefit; 7-103.20 – Covenant Against Contingent Fees; 7-104.4 – Notice of the Government of Labor Disputes; 7-104.11 – Excess Profits; 7-104.12 – Military Security Requirements; 7-104.16 – Examination of Records; 7-104.16 – Gratuities; 13-705 – Special Test Equipment; 7-104.29 – Price Reduction for Defective Cost or Pricing data; 7-104.41 – Audit and Records and 7-104.42 – Subcontractor Cost and Pricing Data; 7-105.3 – Stop Work Order; 7-203.7 – Examination of Records; 9-104 – Notice and Assistance Regarding Patent Infringement; 9-106 – Filing Patent Application; 9-107-5(a) Patent Rights [Title], or in the event the government contract above referenced is under the jurisdiction of the National Aeronautics and Space Administration (NASA); the current New Technology Clause (NASA PR 9.101-4) and Data Requirements Clause (NASA PR 9.202-1(e)); 9-110 – Reporting of Royalties; 9-203 – Rights in Technical Data; 9-207.2 – Technical Data – Withholding of Payment; 12-203 – Convict Labor; 12-203 – Contract Work Hours Standards Act – Overtime Compensation; 12-605 – Walsh-Healey Public Contracts Act; and 12-802 as modified by 12-803 – Equal Opportunity. The above-cited NASA clauses and sections of the Armed Services Procurement Regulations will be applicable in accordance with their terms and Seller will have obligations thereunder similar to the obligations of Buyer, under its Government Prime Contract or Sub-Contract. As used in the foregoing ASPR clauses, where necessary to make the context applicable to this Purchase Order, the "Government" or equivalent phrases and "Contracting Office" or equivalent phrases mean, respectively the United State of America and persons duly warranted to act therefor in respect of this order; the term "Contract" shall mean this order. All notices or reports or other material required or permitted to be furnished shall be furnished to Buyer for forwarding or action pursuant to the prime contract under which this order is issued and the instructions of the Contracting Officer. All reference to "Disputes" procedures and clauses shall be ignored.