



## Purchase Order Terms and Conditions

### 1. ACCEPTANCE

1.1 This Purchase Order (Order) is Buyer's offer to Seller and acceptance is strictly limited to its terms. Buyer shall not be bound by and specifically objects to any term or condition whatsoever which is different from or in addition to the provisions of this Order, whether or not such term or condition will materially alter this Order. Seller's commencement of performance, acceptance of this Order in any manner, or failure to object in writing to any terms and conditions of this Order within a ten (10) day period after receipt shall conclusively evidence agreement to this Order as written.

### 2. SUPPLY OF GOODS AND/OR SERVICES

- 2.1 In consideration of payment of the Price by General Electrodynamics Corporation, hereinafter known as the "Buyer", \_\_\_\_\_, hereinafter known as the "Seller", must supply to the Buyer the Goods and/or perform the Services in accordance with the Purchase Order (which includes these Purchase Order Terms and Conditions).
- 2.2 To the extent the Seller's terms and conditions are supplied with the Goods or Services (including as printed on consignment notes or other documents), those terms and conditions will be of no legal effect and will not constitute part of this Purchase Order (even if any of representative of the Buyer signs those terms and conditions or annexes the terms and conditions to this Purchase Order).
- 2.3 Where this Purchase Order relates to Goods and/or Services which are the subject of a contract between the Seller and the Buyer, the terms of that contract apply to the extent of any inconsistency with these Purchase Order Terms and Conditions.
- 2.4 The Seller must, in supplying the Goods or performing the Services:
- a) Not interfere with the Buyer's activities or the activities of any other person at the Delivery Address;
  - b) Be aware of and comply with and ensure that the Seller's employees, agents and contractors are aware of and comply with:
    - (i) All applicable Laws;
    - (ii) All Site Standards and Procedures, to the extent that they are applicable to the supply of the Goods or the performance of the Services by the Seller; and
    - (iii) All lawful directions and orders given by the Buyer's representative or any person authorized by Law to give directions to the Seller;
  - c) Ensure that the Seller's employees, agents and contractors entering the Buyer's premises perform in a safe manner and are properly qualified for, and are skilled in, the performance of their tasks and are of such character as not to impede or jeopardize:
    - (i) Safe working practices;
    - (ii) Safety and care of property; and
    - (iii) Continuity of work;
  - d) Provide all such information and assistance as the Buyer reasonably requires in connection with any statutory requirements or any investigation in connection with the supply of the Goods or the performance of the Services;
  - e) On request by the Buyer, provide to the Buyer and its employees, agents and consultants any information and assistance required to identify, evaluate, implement and report on any matter required by Law, including:
    - (i) Producing written reports;



the mention of the Order and the part numbers, the exact description of the Goods, Harmonized Tariff Schedule number of the United States (HTS US) for purposes of clearing Customs, bill of lading, declared value, quantity shipped, country of origin, Export Control Classification Number (ECCN Number), shipping memo number and report of Non-Conformance (RNC) Number. Actual freight charges and services related to shipment shall be listed separately and deducted from the declared value, if so included. The amount of non-recurring costs corresponding to the Goods invoiced which Buyer has paid, or will pay, in addition to the recurring costs of the Goods, as well as any tooling and/or assistance of whatever nature including, but not limited to, on site assistance, training, packaging and return transportation, reusable containers, provided by Buyer to Seller, shall be included on the invoice as part of the declared value of the Goods. Goods repaired outside the United States must include the value of the Good as indicated on the Export paperwork provided by Buyer as well as the repair cost for Customs purposes, regardless of whether covered under warranty. In addition to the Seller's commercial invoice, supplementary documentation is required in connection with duty-free entries of imported articles exported and re-imported. Supplementary documentation includes: proof of export (Buyer's commercial invoice or air waybill), repair declaration, importer declaration, and CBP4455, Certificate of Registration (optional). Seller shall provide a current Material Safety Data Sheet ("MSDS") with the initial shipment, annually thereafter, and any time there is a revision to the MSDS for any Good or product, material, or item that is subject to the OSHA Hazardous Communications Requirements for MSDS.

- 4.2 Right of access by our organization, our customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.
- 4.3 The Buyer reserves the right of final approval of product, procedures, processes and equipment.
- 4.4 The Buyer reserves the right to review and approve the Seller's Quality Management System. Standard QMS requirements include:
  - a) Sellers providing special processing must maintain a system for validating processes.
  - b) Customer directed sources must operate in accordance with approved specifications and standards as dictated and controlled by the customer in question.
  - c) Suppliers initially approved for use via Certification (ISO, AS9100, ISO 17025, AS9120, etc) must notify our organization of any changes to that certification.

**5. TIME FOR PERFORMANCE**

- 5.1 The Seller must perform the Services on the date specified in the Purchase Order.
- 5.2 Buyer's issuance of this Order is based in part on Buyer's reliance upon Seller's ability, expertise and awareness of the intended use of the Goods, and Seller's continuing compliance with all applicable laws and regulations during the performance of this Order. Further, Seller shall not, by contract, operation of law, or otherwise assign any of its rights or interest in this Order, including, but not limited to, any right to monies due or to become due, or delegate any of its duties or obligations under this Order, or subcontract all or substantially all of its performance of this Order to one or more third parties, without Buyer's prior written consent.
- 5.3 No assignment, delegation or subcontracting by Seller with or without Buyer's consent shall relieve Seller of any of its obligations under this Order.

**6. TITLE AND RISK**

- 6.1 Title in the Goods passes to the Buyer upon terms specified in the Purchase Order.
- 6.2 Risk of loss or damage to the Goods passes to the Buyer when the Goods are delivered to the Delivery Address.

**7. PRICE**

- 7.1 The Buyer must pay the Seller the Price for the Goods and/or Services.





will be made after receipt of Goods and correct invoice. Unless freight or other charges are itemized, any discount may be taken on full amount of invoice. Payment due date, including discount periods, will be computed from date of receipt of Goods or correct invoice, whichever is later, to the date Buyers check is mailed or otherwise tendered. Seller shall promptly repay to Buyer any amounts paid in excess of amounts due Seller. Invoices which do not conform will be returned. In the event of a conflict between the invoice and the Order, the Order will take precedence.

- 8.9 The Seller is required to retain all records associated with the purchase order for 7 (seven) years or as required by contract.
- 8.91 Seller shall provide a proper Bill of Lading signed by Carrier, or any other legally applicable documents providing title to the goods to Buyer upon delivery, fully protecting all parties in case of damages in transit. All cost incurred due to improper packing will be paid by Seller.
- 8.92 Certification of Materials and/or process performed must accompany materials/parts received. Invoice will be aged for payment based on date Certification(s) is received.

## 9. QUALITY/INSPECTION

- 9.1 The Goods and/or Services must match the description referred to in the Purchase Order.
- 9.2 If the Seller gave the Buyer a sample of the Goods or a demonstration of the Services, the Goods and/or Services must be of the same nature and quality as the sample or demonstration given.
- 9.3 The Goods and/or Services must be fit for the purpose for which goods and/or services of the same kind are commonly supplied or bought and for any other purpose the Buyer specifies.
- 9.4 The Goods must be of merchantable quality and, unless otherwise specified in the Purchase Order, must be new.
- 9.5 Buyer's acceptance of Goods, except goods inspected and accepted by the Government at Source (Buyer's physical location) for direct shipment to the Government, shall be subject to Buyer's final inspection within a reasonable time after receipt at destination, notwithstanding any payment or prior test or inspection. In addition, except as to suppliers of basic raw materials, such as sheet, plate, extrusion, bar, tubing, castings and forgings and other raw materials not fabricated into an end item, Buyer and the Federal Aviation Administration (if non-domestic, equivalent government agency) may inspect and evaluate Seller's plant, including but not limited to facilities, systems, equipment, testing, data, personnel and all work-in-process and completed Goods manufactured for GEC. No inspection, test or prior approval or acceptance, and no delay or failure to inspect, test or give prior approval or acceptance, or failure to discover any defect or other non-compliance, shall relieve Seller of any of its obligations nor impair any rights or remedies of Buyer or Customers. Buyer's acceptance shall be revocable and not conclusive regarding latent defects, fraud or such gross mistakes as amount to fraud. Seller shall comply with the GEC Quality Assurance General Requirements for suppliers set forth in the latest issue of the GEC Quality Assurance Manual which Seller acknowledges having received and understood. Such latest issue may be consulted by Seller via GEC's website. No changes may be made to Buyer approved design without Buyer's approval in accordance with the GEC Quality Assurance Manual. Any Goods incorporating any changes from Buyer's approved design which are received from Seller for use on an aircraft and which have not received explicit written approval by Buyer for said change prior to shipment of the Goods, shall be subject to rejection by Buyer at any time.
- 9.6 All special processes required by this PO must be performed by qualified personnel.
- 9.7 Seller must notify Buyer of any changes in their process upon delivery and acceptance of goods.
- 9.8 The Seller shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.



- c) Reimburse the Buyer for any expenses incurred in repairing, re-performing or making good (as the case may be) any Defective Goods or Services, at the Seller's cost, if requested to do so by the Buyer.
- 10.3 In the regular course of its business, Buyer may reject, refuse acceptance or revoke acceptance ("rejection" herein) of any and all of the Goods or any tender thereof which are not strictly in conformance with all of the requirements of this Order, and by notice, rejection tag or other communication, notify Seller of such rejection. At Seller's risk and expense, all such Goods will be returned to Seller for immediate Seller repair, replacement and other correction and redelivery to the Buyer. Provided, however, that with respect to any or all such Goods, at Buyer's election and at Seller's risk and expense, Buyer may (a) hold such Goods, without permitting any repair, replacement or other correction by Seller; (b) hold such Goods for repair by Seller or, at Buyer's election, for repair by Buyer with such assistance from Seller as Buyer may require; (c) hold such Goods until Seller has delivered conforming replacements for such Goods; (d) hold such Goods until conforming replacements are obtained from a third party; or (e) return such Goods with instructions to Seller as to whether the Goods shall be repaired or replaced and as to the manner of redelivery.
- 10.4 All repair, replacement, and other correction and redelivery shall be completed within such time as Buyer may require. All costs and expenses and loss of value incurred as a result of or in connection with non-conformance and repair, replacement or other correction may be recovered by Buyer from Seller by equitable price reduction, set off or credit against any amounts which may be owed to Seller under this Order or otherwise.
- 10.5 Seller warrants to Buyer and its Customers that the Goods shall (a) conform in all respects to the requirements of this Order; (b) be free from all defects in materials and workmanship; and (c) to the extent not manufactured pursuant to detailed designs furnished by Buyer, be free from all defects in design and fit for the intended purposes.

In addition, Seller further warrants that all date and time sensitive systems contained in any Goods delivered shall, at all times, be designed and manufactured to accurately process all date and time specific information continuously and without interruption.

- 10.6 Seller is required to supply product that has a remaining shelf life of at least 75% of original life as of the date of shipment.
- 11. Non-waiver and Partial Invalidity**

Any and all failure, delay or forbearance of Buyer in insisting upon or enforcing at any time or times any of the provisions of the Order, or to exercise any rights or remedies under this Order, shall not be construed as a waiver or relinquishment or any such provisions, rights or remedies in those or any other instances; rather, the same shall be and remain in full force and effect. Further, if any provision of this Order is or becomes void or unenforceable by law, the remainder shall be valid and enforceable.

**12. Infringement**

- 12.1 Seller shall defend Buyer and its Customers from and against all claims and proceedings alleging infringement of any patent, copyright or any other intellectual property right or misappropriation or wrongful use of any proprietary or confidential information of another arising from the use of the Goods and Seller shall hold them harmless from any resulting losses, liabilities, damages, costs and expenses.
- 12.2 Seller shall be notified of such claims or proceedings with reasonable promptness.
- 12.3 Seller's obligations under this Paragraph shall not apply to the extent any Goods are manufactured pursuant to detailed designs by Buyer or to any infringements arising from the use or sale of Goods in combination with items not furnished by Seller if such infringement would not have occurred from the use or sale of such Goods solely for the purpose for which they were designed or delivered to Buyer.





- 15.1 This Order and the performance thereof shall be governed by the laws of the State of Texas, USA, and any action or proceedings arising out of, or in connection with this Order shall be subject to exclusive jurisdiction of the appropriate courts within the State of Texas, USA.
- 15.2 As applicable, the Seller shall comply with the DPAS priority ratings, imposed by the Federal Government, referenced on the purchase order. DPAS Ratings: (DX) Highest national defense urgency. (DO) Critical to national defense. (<http://guidebook.dema.mil/38/DPAS%20Guidebook.htm>)
- 15.3 Export/Import/ITAR Compliance – Warning: Information furnished to seller under this purchase contract may contain data subject to U.S. Export Laws and Regulations. Seller is advised that such data may not be exported or re-exported to foreign persons, employed by or associated with, or under contract to seller or seller's lower-tier suppliers, without the prior written consent of General Electrodynamics Corp. and under the authority of an export license or applicable license exemption. If such data is marked as export controlled, seller shall indemnify and hold buyer harmless from and against any and all claims, liabilities and expenses resulting from sellers' failure to comply with the Export Laws and Regulations of the United States.

## 16. Entire Agreement

- 16.1 This Order sets forth the entire agreement and supersedes any and all other agreements, understanding and communications between Buyer and Seller related to the subject matter of this Order. No amendment or modification of this Order shall be binding upon Buyer unless set forth in a written instrument signed by Buyer. The rights and remedies afforded to Buyer or Customers pursuant to any provision of this Order are in addition to any other rights and remedies afforded by any other provision of this Order, by law, or otherwise. Notwithstanding anything to the contrary contained herein, if this Order has been issued pursuant to an existing contract or Purchase Agreement between Buyer and Seller, the terms and conditions of the Contract or Purchase Agreement take precedence and supersede this Order to the extent they may conflict.

## 17. DEFINITIONS

Buyer means the General Electrodynamics Corporation entity named in the Purchase Order.

CBP 4455 means U.S. Customs and Border Protection Form 4455.

Customer(s) means any person(s) or entity(ies) who purchase or lease all or some portion of the Goods and/or Services from Buyer.

Defective means Goods and/or Services (or any aspect of them) which are not in accordance with the Purchase Order or which are damaged, deficient, faulty, inadequate or incomplete.

Delivery Address means the place for delivery specified on the Purchase Order.

Delivery Date means the delivery date specified on the Purchase Order.

Destination means the Delivery Address.

ESDS means electrostatic-sensitive devices.

Goods means all tangible personal property, items or things, if any, described on the Purchase Order.

HSEC means health, safety, environment and community.

JEDEC means the JEDEC Solid State Technology Association.

Law means: