



## **PURCHASE ORDER TERMS AND CONDITIONS**

1. **ACCEPTANCE OF ORDER.** This order is an offer to purchase upon the conditions and terms and at the prices stated herein and may be withdrawn without liability at any time prior to actual receipt by Buyer of written acceptance executed on the Acknowledgement Copy of this order. Deliveries on this order shall, unless otherwise mutually agreed in writing, constitute acceptance by Seller of this order in accordance with its terms. Reference to Seller's bids or proposals, if noted on this order, shall not affect the terms and conditions hereof, unless specifically provided to the contrary herein.
2. **PRICE.** The price shall not be higher than that appearing on the face of this order, if no price appears thereon, then no higher than currently quoted or published by Seller.
3. **EXTRA CHARGE.** No extra charges of any kind including, but not limited to, escalation, charges for engineering, design, tooling, dies, jigs, transportation, installation of equipment in Buyer's plant, insurance and additional costs caused by overtime work will be allowed unless specifically agreed to by Buyer in writing.
4. **TRANSPORTATION.** Unless otherwise specified or agreed by buyer, any transportation charges assessed against Buyer must be at the lowest common carrier rate for the quantity ordered and invoiced charges must be supported by a paid freight bill or equivalent.
5. **DELIVERY SCHEDULE.** Unless otherwise agreed to in writing Seller shall not make material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet Buyer's delivery schedule. Goods shipped to Buyer in advance of schedule may be returned to Seller at Seller's expense. If Seller for any reason does not substantially comply with the Buyer's delivery schedule, Buyer at its option may either approve a revised schedule or may terminate the order without liability to Seller on account thereof and without prejudice to any other rights that Buyer may have an account of Seller's default.
6. **WARRANTIES.** Seller expressly warrants that all goods furnished hereunder will conform to the specifications, drawings, samples or other description furnished or approved by the Buyer and will be fit and sufficient for the purpose intended, merchantable, of good material and workmanship and free from defect.
7. **INSPECTION.** All materials shall be received subject to Buyer's inspection and acceptance. Defective material not in accord 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. Goods returned as defective will be replaced only upon issuance of a new purchase order. Payment for material on this order prior to inspection shall not constitute an acceptance thereof.



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8. **BUYER'S PROPERTY.** Unless otherwise agreed in writing, all tools, equipment or material of every description furnished to Seller by Buyer or specifically paid for by Buyer and any replacement thereof, or any material affixed or attached thereto, shall be and remain the personal property of Buyer. Such property, and whenever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by Seller as "Property of FAUSTEL INCORPORATED" and shall be safely stored separate and apart from Seller's property. Seller shall not substitute any property for Buyer's property and shall not use such property except in filling Buyer's orders. Such property while in Seller's custody or control shall be held at Seller's risk, shall be kept insured by Seller at Seller's expense in an amount equal to the replacement cost with loss payable to Buyer and shall be subject to removal at Buyer's written request in which event Seller shall prepare such property for shipment and shall redelivery to Buyer in the same condition as original by Seller, reasonable wear and tear excepted.
9. **CHANGES.** Buyer shall have the right to make changes in the order which shall be done by issuance of a written Change order, but no additional charge will be allowed unless authorized in writing by Buyer. If such changes affect delivery or the amount to be paid by Buyer, Seller shall notify Buyer promptly and negotiate an adjustment in writing.
10. **CONTINGENCY.** Neither the Seller nor the Buyer shall be held responsible for any damage resulting from failure or delay in furnishing or accepting any of the goods caused by fire, embargoes, strikes or other labor disputes, government requirements, orders or requests of civil or military authorities, act of God or by the public enemy, inability to secure material or transportation facilities, acts or omissions of carriers or other causes beyond control of the parties hereto.
11. **PATENT PROTECTION.** To the extent the subject goods are not manufactured pursuant to design originated by Buyer, Seller agrees it will save Buyer and/or its agents or customers, harmless from any loss, damage or liability which may be incurred on account of infringement of United States Patent rights with respect to such goods or materials and that it will at its own expense defend any action, suit or claim in which such infringement is alleged with respect to the sale or use of the goods or materials delivered hereunder, provided Seller is duly notified as to suits against Buyer, and provided further Seller's indemnity as to use shall not apply to any infringement arising from use in combination with other items where such infringement would have not occurred from the normal use for which the goods were designed.



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12. **COMPLIANCE WITH LAW.** Seller shall comply with all state, federal and local laws and regulations applicable to this order and the products or services covered hereby. Seller shall certify on each invoice that the products described therein were produced in compliance with all applicable requirements of Sections 6,7 and 12 of the Fair Labor Standards Act as amended, and of regulations and orders of the administrator of the Wages and Hour Division of the United States Department of Labor issued under Section 14 thereof.
13. **DEFAULT.** Buyer reserves the right to cancel without liability all or any part of the undelivered portion of this order for any material breach by Seller or any of the terms hereof including warranties of the Seller.
14. **TAXES.** Seller agrees that, unless otherwise indicated on this order, (a) the prices herein do not include Federal, State or Local sales, use or other tax from which an exemption is available for purposes of this order, and (b) the prices herein include all other applicable Federal, State, and Local taxes in effect at the date of this order. Seller agrees to accept and use tax exemption certificates when supplied by Buyer in form ordinarily acceptable to the respective taxing authorities in case it shall ever be determined that any tax included in the price was not required to be paid by Seller, Seller agrees to notify buyer and to make prompt application for the refund thereof, to take all proper steps to procure the same and when received to pay the same to Buyer.
15. **TERMINATION.** If Seller ceased to conduct its operations in the normal course of business including inability to meet its obligations as they mature or if any proceeding under the bankruptcy or insolvency laws is brought on against Seller, or a Receiver for Seller is appointed or applied for, or an assignment for the benefit of creditors is made by Seller, Buyer may terminate the order without liability except for deliveries previously made for goods covered by the then completed and subsequently delivered in accordance with the terms of the order.
16. **NON-ASSIGNMENT.** Assignment of this order or any interest therein or any payment due or to become due thereunder, without the written consent of the Buyer, shall be void.
17. **SUPPLIER AND/OR CONTRACTORS.** The Seller will comply with all provisions of Executive Order 11246 as amended, the provisions found in 41 C.F.R. sec 60-741.5 (Disabled Persons) and sec 60-250-4 (Veterans), and all relevant rules, regulations, and orders of the Secretary of Labor.