



PURCHASE ORDER TERMS AND CONDITIONS

1. **SERVICES & DELIVERABLES.** Seller agrees to provide to Wendon Company (hereinafter referred to as "Wendon") the services ("Services") and for goods ("Goods", described in any purchase order, in accordance with this Terms and Conditions Agreement). Upon acceptance of a purchase order, shipment of Goods or commencement of a Service, Seller shall be bound by the provisions of this Agreement, including all provisions set forth on the face of any applicable purchase order, whether Seller acknowledges or otherwise signs this Agreement or the purchase order, unless Seller objects to such terms in writing prior to shipping Goods or commencing Services. This writing does not constitute a firm offer, and may be revoked at any time prior to acceptance. This Agreement may not be added to, modified, superseded, or otherwise altered, except by writing signed by an authorized Wendon representative. Any terms or conditions contained in any acknowledgment, invoice, or other communication of Seller, which are inconsistent with the agreed to terms and conditions herein, are hereby rejected.

2. **DELIVERY.** Time is of the essence. Delivery of Goods and Services shall be made pursuant to the schedule, via the carrier, and to the place specified on the face of the applicable purchase order. Wendon reserves the right to return, shipping charges collect, all Goods received in advance of the delivery schedule. If no delivery schedule is specified, the order shall be filled promptly and delivered according to the terms specified on the purchase order. Wendon's purchase order number must appear on all shipping containers, packing sheets, delivery tickets, and bills of lading.

3. **INSPECTION.** Wendon shall have a reasonable time after receipt of Goods or Service deliverables and before payment to inspect them for conformity hereto. If performance tendered does not wholly conform to the provisions hereof, Wendon shall have the right to reject such performance. Nonconforming Goods will be returned to Seller freight collect and risk of loss will pass to Seller upon Wendon's delivery to the common carrier.

4. **OVER/UNDERS.** Goods received with quantity variances greater than 5% as compared to the Purchase Order may be rejected at Wendon's sole discretion. Rejected Goods will be returned to Seller freight collect and risk of loss will pass to Seller upon Wendon's delivery to the common carrier.

5. **IDENTIFICATION, RISK OF LOSS, & DESTRUCTION OF GOODS.** Seller assumes all risk of loss until receipt by Wendon.

6. **WARRANTIES.** Seller warrants that all Goods delivered and Services rendered shall be free from defects in materials and workmanship and shall be completed in a professional, workmanlike manner.

7. **INSURANCE.** Upon request, Seller shall provide Wendon with what Wendon determines, at its sole discretion, to be adequate certificates of insurance or evidence of coverage before commencing performance under this Agreement.

8. **INDEMNITY.** Seller shall indemnify, hold harmless, and at Wendon's request, defend Wendon, its officers, directors, customers, agents and employees, against all claims, liabilities, damages, losses, and expenses, including attorneys' fees and cost of suit arising out of or in any way connected with the Goods or Services provided under this Agreement.

9. **CONFIDENTIALITY.** Seller agrees to keep Wendon Confidential Information in confidence during and following termination or expiration of this Agreement. "Wendon Confidential Information" includes but is not limited to all information, whether written or oral, in any form, including without limitation, Information relating to the research, development, products, methods of manufacture, trade secrets, business plans, customers, vendors, finances, personnel data, and other material or information considered proprietary by Wendon Seller agrees not to copy, alter, or directly or indirectly disclose any Wendon Confidential Information. Seller further agrees not to use Wendon Confidential Information except in the course of performing hereunder and will not use such Wendon Confidential Information for its own benefit or for the benefit of any third party.

10. **NONINTERFERENCE WITH BUSINESS.** During and for a period of two years immediately after the termination or expiration of this Agreement, Seller agrees not to solicit or induce any employee to terminate or breach an employment, contractual, or other relationship with Wendon.

11. **TERMINATION.** Wendon may terminate this Agreement upon written notice to Seller if Seller fails to perform or otherwise breaches this Agreement, files a petition in bankruptcy, becomes insolvent, or dissolves. In the event of such termination, Wendon shall pay Seller for the portion of the Services satisfactorily performed and those conforming Goods delivered to Wendon through the date of termination, less appropriate offsets, including any additional costs to be incurred by Wendon in completing the Services.

Wendon may terminate this Agreement for any other reason upon thirty (30) days' written notice to Seller. Seller shall cease to perform Services and /or provide Goods under this Agreement on the date of termination specified in such notice. In the event of such termination, Wendon shall be liable to Seller only for those Services satisfactorily performed and these conforming Goods delivered to Wendon through the date of termination, less appropriate offsets.

12. **SEVERABILITY.** If any provision of this Agreement shall be deemed to be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

13. **LIMITATION OF LIABILITY.** In no event shall Wendon be liable to Seller or Seller's Assistants, or any third party for any incidental, indirect, special, or consequential damages arising out of, or in connection with, this agreement, whether or not Wendon was advised of the possibility of such damage, and whether or not there is failure of any agreed remedy.

14. **GOVERNING LAWS.** This Agreement shall be construed in accordance with, and disputes shall be governed by, the laws of the State of Connecticut, excluding its conflict of law rules. Jurisdiction and venue over all controversies arising out of, or relating to, this Agreement shall be Connecticut. Further, Seller shall comply fully with all applicable federal, state, and local laws in the performance of this Agreement including, but not limited to, all applicable employment, tax, export control, and environmental laws.

15. **SUPPLIER RATINGS DEFINITIONS.** Purchase Orders include a Supplier Rating for vendors who provide material or parts that are included in a final assembly or product. Supplier ratings rely on the on-time delivery statistics as well as the quantity of accepted (vs. rejected parts). Below are the definitions for the five possible ratings:

<u>Supplier Rating:</u>	<u>Criteria:</u>
a. Approved:	If on-time delivery is greater than 80% <u>and</u> the quantity of accepted parts is greater than 80%.
b. Monitor:	If on-time delivery is less than 80% <u>or</u> quantity of accepted parts is less than 80%.
c. Probation:	If on-time delivery is less than 80% <u>and</u> quantity of accepted parts is less than 80%. A QMSP-8522 Corrective Action will be issued.
d. Disapproved:	If a QMSP-8522 Corrective Action cannot be resolved within the specified time period (normally 30 days) then the supplier may be disapproved and can no longer be used. Final supplier status will be determined by the Management Review Team.
e. Conditional:	This applies to new vendors only. In this case there is no historical data to analyze since there were no shipments or receipts. The Supplier Rating will be determined with the next Supplier Review when historical data will be available for the first time for this vendor.