

Advanced Technology Company Purchase Order Terms and Conditions

THIS PURCHASE ORDER IS SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

Billing and Shipping

- A. All items shall be suitable packed, marked and shipping in accordance with the requirements of common carriers in a manner to secure lowest transportation cost and no additional charge shall be made to the Buyer therefore unless otherwise stated on the face hereof.
- B. No charge shall be made by Seller for drayage or storage unless agreed upon in writing by Buyer.
- C. Unless otherwise specified herein, Seller shall properly mark each package with Buyer's order number, and where multiple packages comprise a single shipment, each package shall also be consecutively numbered; Purchase Order Number and Packing Slips shall be shown on Packing Slips, Bills of Lading and Invoices.
- D. Packing Slips must accompany each shipment.
- E. On date of shipment the original Bill of Lading or other shipping receipt for each shipment shall be forwarded to Buyer, Attention: Traffic Department.
- F. Seller shall describe items on Bill of Lading or other shipping receipt.
- G. Seller shall route shipment in accordance with instructions issued by Buyer's Traffic Department
- H. Material supplied hereunder, which is shipped F.O.B.

GENERAL

1. **ACKNOWLEDGEMENT:** Any acknowledgment hereof which takes exception to the terms or condition on the face or reverse side of this order will not be considered binding upon Buyer unless agreed to by an authorized representative of Buyer in writing. The contract resulting from acceptance of this order contains the complete and final agreement between Buyer and Seller and no agreement or other understanding in any way purporting to modify the terms and / or conditions hereof, shall be binding upon the Buyer unless made in writing and signed by Buyer's authorized representative.
2. **AGREEMENT ON PRICES:** By acceptance of this order Seller agrees that the prices contained herein are not in excess of Seller's list, catalogue or published prices; that such prices are not higher than prices charged to other purchasers purchasing similar equipment; that the said prices are not in excess of the prices provided by any applicable law, governmental decree, order or regulation.
3. **RIGHT OF ENTRY:** Advanced Technology Company and their customers and / or Government Representative shall have the right to visit and inspect the contracted vendor at any time to review and monitor the vendor's facilities, processes, quality control procedures, and any other related activity under this contract.
4. **PERFORMANCE MONITORING APPLIED TO VENDORS/OUTSIDE PROVIDERS FOR QUALITY AND DELIVERY:** All Outside Providers who affect product are subject to Quality and Delivery performance monitoring. Outside providers that affect product will be placed on Approved Supplier list and will be required to complete surveys every two (2) years.
5. **EXCUSABLE DELAYS AND DEFAULTS:** Seller shall not be liable for delays or defaults in furnishing items or services hereunder, and Buyer shall be liable for failure to accept same if such delays or defaults on the part of the Seller, or such failure on the part of the Buyer, are due to (1) acts of God or of a public enemy, (2) acts of the United States or any State or political subdivision thereof, (3) fires, floods, explosions or other catastrophes, (4) epidemics and quarantine restrictions, (5) Strikes, slowdowns or labor stoppages of any kind, (6) freight embargoes, (7) Unusually severe weather, (8) delays of a supplier due to such causes, or (9) caused beyond the control and without the fault or negligence of Seller in furnishing items or services or of Buyer in accepting items or services hereunder.
6. **WARRANTIES:** Seller warrants that items covered by this order will conform to the specifications, drawings, samples or other description furnished or specified by Buyer, or furnished by Seller and accepted by Buyer, and will be merchantable, of good material and workmanship and free from defect. Without excluding other warranties, Seller expressly warrants that all the material covered by this order which is recommended by Seller for a purpose revealed to Seller by Buyer in accordance with Seller's Specification, will be fit and sufficient for the purposes intended.
7. **WAIVER:** No waiver by Buyer of any drawing, specification or other requirement on one occasion shall constitute a waiver of any requirements for remaining performance hereunder unless so stated by the Buyer.
8. **INSPECTION AND TEST:** All items shall be subject to inspection and test by Buyer at all times and places and if any such inspection or test is made on Seller's premises, Seller shall furnish to Buyer and/or Buyer's customer without additional charge all reasonable facilities and assistance for the safety and convenience of the persons conducting such inspection or test. Seller shall notify Buyer of any non-conformance discovered after delivery of goods or services. If any items are defective in material or workmanship, or otherwise fail to meet the requirements of this order, Buyer shall have the right to reject such items. Rejected items will be returned to Seller at Seller's risk for refund, credit, repair or replacement as deemed appropriate by Buyer. Seller shall pay Buyer for all handling and transportation expenses incurred in connection with the return of rejected items and supply or replacement items. Seller shall notify Buyer in writing of significant

9. changes in process/procedure that can impact Form, Fit or Function or the quality of any item or service provided.
9. **QUALIFICATION OF PERSONNEL PERFORMING WORK:** Qualification of personnel performing work shall be in accordance with all regulatory, statutory and specifications requirements, or as indicated per contract requirements - if known or as understood.
10. **ETHICAL BEHAVIOR:** Obligation to maintain the highest standards of integrity in all business interactions. Any and all forms of corruption are strictly prohibited. ATCo requires our vendors to be committed to conducting its business in an ethical and legal manner. Vendors/Outside Providers are bound to comply with ethical conduct policy, including complying with all laws, disclosing any conflict of interest, and otherwise acting in a manner that places ethical interests above any personal interest.
11. **DOCUMENTATION RETENTION:** Unless otherwise stated on the Purchase Order, ALL documentation pertaining to Advanced Technology Company work sub-contracted, or materials or services provided, shall be retained by our vendors, subcontractors, or suppliers, including Advanced Technology Company Purchase Orders and any material certifications, process certifications or other quality documentation generated in the performance of work or purchase of items as required by our purchase order for not less than twelve (12) years.
12. **COUNTERFEIT PARTS:** The Seller shall have a plan, to implement, and control processes, appropriate to the organization and the product or service provided by the Seller, for the prevention of counterfeit or suspected counterfeit parts use and their inclusion in product(s) delivered to the Buyer.
13. **OBsolescence:** If an obsolescence issue occurs, the Seller shall notify the Buyer of this condition upon identification. Seller assumes responsibility for identification, notification, and resolution of obsolescence issues to Buyer.
14. **FOREIGN OBJECT DAMAGE (FOD) PREVENTION** The Seller shall have a plan, to implement, and control processes, appropriate to the organization and the product or service provided by the Seller, for the prevention of Foreign Object Damage (FOD). This element may be subject to verification during any quality audit or examination performed by Buyer, Buyers customer's or authorized representatives.
15. **BUYER'S PROPERTY:** Unless otherwise provided herein, or in any other agreement between the Buyer and Seller, all items, materials, facilities, tools, jigs, dies, fixtures, patterns or equipment furnished or paid for by the Buyer shall be the property of Buyer and Seller shall bear all risk of loss thereof, and damage, theft, normal wear and tear excepted, while such property is in Seller's possession. Property covered by this provision shall be suitably protected, segregated, and marked as the property of Buyer; shall not be moved from Seller's premises without written Buyer approval; and shall be immediately delivered to Buyer upon request.
16. **CHANGES:** 1. Buyer may, at any time, by a written order make changes within the general scope of this order in any one or more of the following: (i) work to be performed; (ii) method of shipment or packing; and (iii) schedule and place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for performance of this order, an equitable adjustment shall be made in the order price or delivery schedule, or both, and the order shall be modified in writing accordingly. Seller shall submit its claim for adjustment under this clause within 30 days from the receipt from Buyer of the notification of change. The claim shall indicate the nature of the changes in the cost of performance and may, however, receive and act upon any claim filed subsequent to said 30 days period but prior to final payment under this order if it decides that the facts justify such action. However, nothing in this clause shall excuse Seller from processing the order as changed. Where the cost of property made obsolete or excess as a result of a change is included in the request adjustment, Buyer shall have the right to prescribe the manner of disposition of such property. 2. Changes in Seller's organization to process, products, or services offered, including changes to Seller's external providers, location, ownership or other pertinent and important information shall be conveyed to Buyer in writing within 90 days of the major change/s.
17. **IMPORT/EXPORT REQUIREMENTS:** Reference of DFAR's and ITAR requirements will be stated on Advanced Technology Company Purchase order as required by contract. Seller shall be compliant in the specific areas as required and are subject to Quality Audit to verify DFAR and ITAR compliance by Advanced Technology Company and /or our customers. Any ITAR drawings submitted with this purchase order must be destroyed by suitable means upon completion or returned to ATCo.
18. **TERMINATION FOR DEFAULT:** Whenever Seller (1) fails to make reasonable progress in performance, or fails to

- make scheduled delivery of items or to perform services called for herein within the time required by this order or (2) fails to perform any other provision of this order; Buyer may by a ten days' written notice of termination to Seller, either delivered personally or by first class or registered mail, terminate performance of work under this order in whole or in part. Buyer may immediately terminate the contract resulting from the acceptance of this order in the event of the happening of any of the following: Insolvency of Seller; the filing of a voluntary petition in bankruptcy; filing of an involuntary petition to have Seller declared bankrupt provided it is not vacated within 30 days from the date of filing; appointment of a Receiver or Trustee for Seller provided such appointment is not vacated within 30 days from date of such appointment; and execution by Seller of an assignment for the benefit of creditors. The exercise by Buyer of the right of termination reserved in this paragraph shall not impose any liability upon Buyer by reason of the termination of have the effect of waiving damages which the Buyer might otherwise be entitled to. Where default is shown to Buyer by Seller within the 10 day period above to be excusable under paragraph 3 the termination therefore shall be void.
19. **PATENTS - TECHNICAL DATA:** All drawing, specifications, and other technical data or information furnished by Buyer hereunder shall remain the property of Buyer and shall not be disclosed to other or used for manufacturing purposes, for other than Buyers order, without Buyer's prior written permission. Seller agrees to indemnify Buyer and its' customers against all judgments, decrees, costs and expenses arising from any claim of infringement in connection with the use or sale of the articles delivered hereunder, alone, or in combination according to Seller's specification or recommendations, unless the articles are specially made for Buyer from a design originated by Buyer and such infringement shall have necessarily resulted from Seller's compliance with special design requirements set forth in specifications or drawings furnished by development work. Seller agrees to, and hereby does grant Buyer its successors and assigns a nonexclusive, irrevocable and royalty-free license under any inventions, improvements or discoveries conceived or first actually reduced to practice in connection with such research or development work.
20. **LABOR DISPUTES:** Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, seller will immediately give notice thereof to Buyer. Such notice shall include all relevant information with respect to such dispute.
21. **FAIR LABOR STANDARDS ACT:** Seller guarantees that it will comply with all applicable requirements of Section 6, 7 and 12 of the Fair Labor Standards Act of 1938, as amended and of regulations and orders of the United States Department of Labor issued under Section 14 thereof, in producing the items or performing the services to be furnished hereunder. All invoices shall contain the following assurance:
Seller hereby certifies that it has complied with all applicable requirements of Section 6, 7 and 12 of the Fair Labor Standards of 1938, as amended and of regulations and orders of the United States Department of Labor issued under Section 14 thereof, in producing the items or performing the services covered by this invoice.
22. **EQUAL EMPLOYMENT OPPORTUNITIES:** Seller agrees to comply with the provisions of Executive Order no. 11246 of September 24, 1965, as it may be amended thereafter, and the rules, regulations and relevant orders of the Secretary of Labor (all of which establish requirements as to equal opportunities clause set forth above, if this subcontract exceeds \$10,000.00. Seller agrees that it will not maintain any segregated facilities at any of its establishments and that Seller will complete a certification to that effect as required by the May 9, 1967 order of the Secretary of Labor.
23. **NONSEGREGATED FACILITIES:** This is a notice to prospective subcontractors of requirements for certifications of non segregated facilities: Unless subcontractor is exempt from the provision of the Equal Employment Opportunities clause set forth above, if this subcontract exceeds \$10,000.00 Seller agrees that it will not maintain any segregated facilities at any of its establishments and that Seller will complete a certification to that effect as required by May 9, 1967 Order of the Secretary of Labor.
24. **REMEDIES:** The remedies reserved in this order shall be cumulative and additional to any other or future remedies provided in law or equity.
25. **INCONSISTENCIES:** In the event the printed conditions hereof are inconsistent with the typed, stamped, and/or written provision on the face hereof, the written, stamped, and/or typed provisions shall govern.
26. **ASSIGNMENT:** Seller shall not assign this order without the prior written consent of Buyer's authorized representative.
27. **INFORMATION:** Seller agrees that none of the details connected with this order shall be published or disclosed to any third party (except as in necessary for performance of this order) without Buyer's written permission. Any knowledge or information concerning Seller's products, methods or manufacturing processes which Seller may disclose to Buyer incident to the performance of the work under this order shall be deemed to have been disclosed as a part of the

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consideration for this order, and Seller agrees not to assert any claim (other than a claim for patent infringement) against Buyer by reason of Buyer's use or alleged use thereof.

28. **TAXES:** Except as may be otherwise provided on the face hereof, the Purchase Order price includes all applicable Federal, State and Local taxes currently in effect.
29. **GRATUITIES:** It shall be deemed a default subject to possible termination under Paragraph 9 if it is found that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the Seller to any officer or employee of Advanced Technology Company with a view towards securing a contract or securing favorable treatment with respect to the awarding amending or the making of determinations with respect to the performing of such contract.
30. **GOVERNING LAW:** The contract and the performance of the parties hereunder shall be construed in accordance with and governed by the law of the state shown in Advanced Technology Company's address in the heading of the Order.
31. **WAGE-PRICE CONTROLS:** The Seller hereby certify that the prices set forth herein and the amounts invoiced hereunder are in compliance with Executive Order No. 11627, October 15, 1971, and Executive Order No. 11640, December 22, 1971, and the regulations promulgated thereto.
32. **OCCUPATIONAL SAFETY & HEALTH ACT:** In addition to any other representations or warranties herein made and set forth, and not in limitation thereof, the Seller hereby certifies that at the time of delivery the products, supplies and / or equipment delivered to the Buyer hereunder are free from unsafe and harmful conditions and comply with all applicable federal, state and local safety and health laws.
33. **EMPLOYMENT OF THE HANDICAPPED:** Seller agrees to comply with the provision of the Rehabilitation Act of 1973, Act of September 26, 1973, Pub. L.93-112, 87 Stat. 394, as it may be amended thereafter, and the rules, regulations and relevant orders of the Department of Labor and of the Department of Health, Education and Welfare. The affirmative action clause, 20 C.F.R. 3741.3 as it may hereafter be amended, is specifically incorporated herein and made a part hereof by reference.

SCHEDULE A

If this order indicated that it is placed under a Government contract, the following conditions are also applicable.

GOVERNMENT CONTRACT: The work covered by this order relates to a prime contract with the United States Government and is within the jurisdiction of a department of the United States.

By referencing herein, the following items as they appear in the Armed Services Procurement Regulations (ASPR) are made part of these conditions and are applicable as though they had been reproduced in their entirety:

1. Additional Bond Security ASPR 7-103.9
2. Federal, State and Local Taxes ASPR 7-103.10
3. Renegotiation ASPR 7-103.13
4. Soviet Controlled Areas ASPR 6-403
5. Eight Hour Law of 1912, Overtime Compensation ASPR 12-303.1
6. Walsh-Healy Public Contract Act ASPR 12-604
7. Non-Discrimination in Employment ASPR 12-302
8. Officials Not To Benefit ASPR 7-103.19
9. Covenant Against Contingent Fees ASPR 7-103.20
10. Termination ASPR 8-706
11. Notice and Assistance Regarding Patent Infringement ASPR 9-104
12. Copeland Act ASPR 12-403.1 and 12-403.4
13. Buy American Act ASPR 6-104.5
14. Notice to the Government of Labor Disputes ASPR 7-104.4
15. Patent Indemnity ASPR 9-103
16. Filing of Patent Applications ASPR 9-106
17. Patent Rights ASPR 9-107
18. Reporting of Royalties ASPR 9-11
19. Rights in Data ASPR 9-203.1 and 9-203.4
20. Excess Profit ASPR 7-104.11
21. Military Security Requirements ASPR 7-104.12
22. Utilization of Small Business Concerns ASPR 7-104.14
23. Examination of Records ASPR 7-104.15
24. Gratuities ASPR 7-104.18
25. Convict Labor ASPR 12-203
26. Priorities, Allocations & Allotment ASPR 7-104.18
27. Utilization of Concerns in Labor Surplus Areas ASPR 7-104.20
28. Government Furnished Property ASPR 13-502 & ASPR Appendix B

By reference hereto, the contractual provisions required by Section 301 of Executive Order No. 10925, March 6, 1961 are hereby included in this contract. Seller will comply with all provision of the referenced Executive Order and of the rules, regulations and relevant orders of the President's Committee on Equal Employment Opportunity will furnish all information and reports required by said Executive Order and the rules, regulations and orders of said Committee and understands that non compliance therewith may result in cancellation of this Purchase order and In Sellers being declared ineligible for further government contracts in accordance with procedures authorized in said Executive Order.

In all reference ASPR clauses, where necessary to make the context there of applicable to this contract the following definitions of terms shall be understood: "Contractor" shall mean Seller, "Contract" shall mean this order, and "Government", "Contracting Officer" and equivalent phrases shall mean Buyer or shall include Buyer. Copies of the Armed Services Procurement Regulations may be obtained from the Government Printing Office, Washington D.C.