



Terms and Conditions of Purchase

- 1) **WARRANTIES** - In addition to Seller & Service's standard warranties with respect thereto, Seller warrants to Buyer and its Customers that all items delivered and all services rendered hereunder will conform with the requirements hereof and will be free from defects. In addition to other remedies that may be available by law or in equity. Seller shall repay such portion of the contract price or such additional amount as is equitable under the circumstances. Acceptance of items by Buyer therefore shall not relieve Seller of its responsibilities hereunder.
- 2) **CHANGES** - By written order, Buyer may, from time to time, order work suspension or make changes in quantities, drawings, designs, specifications, delivery location, delivery schedules and methods of shipment, packaging, property and services of Seller. If any such change causes an increase or decrease in the price of this purchase order or in the time required for its performance, Seller shall promptly notify Buyer thereof and assert its claim for adjustment within 10 days after the change is ordered and an equitable adjustment shall be made. Nothing in this clause shall excuse Seller from proceeding immediately with the purchase order as changed. Whether made pursuant to this clause or by mutual agreement, changes shall not be binding upon Buyer except when confirmed in writing by a member of Buyer's Purchasing Department. The issuance of information, advice, approvals or instructions by Buyer's technical personnel or other representatives shall be deemed expressions of personal opinion and shall not affect Buyer's and Seller's rights and obligations hereunder unless the same is in writing that is signed by a member of Buyer's Purchasing Department and expressly states that it constitutes an amendment to this purchase order.
- 3) **INFRINGEMENT INDEMNITY** - If the use or sale of said item is enjoined in any suit against Buyer or its Customer, Seller, at no expense to Buyer, shall obtain for Buyer and its Customers the right to use and sell said item or shall substitute an equivalent item acceptable to Buyer and extend patent indemnity thereto.
- 4) **DOCUMENT MARKING AND USE** - Seller agrees that, except as may otherwise be agreed in writing in advance, any document(s) furnished to Buyer in connection with this order shall be free from confidential, proprietary or restrictive use marking, other than statutory patent, copyright or U.S. Government security notices. Buyer, its agents or assigns, may duplicate or use such document(s) in connection with further manufacture, use or disposition of the material furnished under this order and may remove, obliterate or ignore any marking on such document not authorized by this clause.
- 5) **PROPRIETARY INFORMATION, DUPLICATION AND DISCLOSURE** - Seller agrees that proprietary information disclosed by Buyer to Seller for the purpose of this purchase order and identified as proprietary shall be held in confidence and used only in performance of this purchase order, provided that when the U.S. Government has an independent right to use such information, Seller may use such information for U.S. Government purposes to the extent of such right. If Seller desires to employ Buyer's proprietary information for uses other than those specifically allowed hereunder, Buyer agrees to review any request for the use of proprietary information submitted by Seller in writing. Any agreement for use of proprietary information must be mutually satisfactory to both parties and include a licensing agreement with specific terms of use. No item furnished under this purchase order, or tools, plans, designs or specifications for producing the same that have been specifically designed for or by Buyer shall be duplicated or furnished to others without prior written consent of Buyer. If the U.S. Government has the independent right to use such tools, plans, designs and specifications, Seller may use them to produce such articles for direct sale to the U.S. Government. Seller agrees that it will not publicize this purchase order or any of Seller's performance hereunder, disclose any details in connection with said performance to third parties, or use Buyer's name in connection with Seller's publicity without prior written approval from Buyer.
- 6) **ASSIGNMENTS AND SUBCONTRACTING** - Neither this purchase order nor any interest herein nor claim hereunder may be assigned by Seller either voluntarily or by operation of law, nor may all or substantially all of this purchase order be further subcontracted by Seller without prior written consent of Buyer. No consent shall be deemed to relieve Seller of its obligations to comply fully with the requirements hereof.

Terms and Conditions of Purchase

- 7) **GENERAL** - This purchase order and the attachments and documents incorporated herein by reference constitute the complete and exclusive statement of the terms of the agreement between Buyer and Seller and it supersedes all prior presentations, understandings and communications of other provisions. Buyer's failure to insist, in any one or more instances, upon the performance of any term or terms of this purchase order shall not be construed as a waiver or relinquishment of Buyer's right to such performance or to future performance of such a term or terms, and Seller's obligation in respect thereto shall continue in full force and effect. Time shall be of the essence hereunder but Seller shall perform work and make deliveries hereunder no earlier than and only to the minimum extent consistent with delivery schedules and other requirements.
- All materials shall be suitably packed, marked and shipped according to the requirements of common carriers in a manner to secure lowest transportation costs and no additional charge shall be made to the Buyer unless otherwise stated herein.
 - No charge shall be made by Seller for drayage or storage unless otherwise stated herein. No charge will be allowed for boxing, packing or crating unless agreed upon in writing.
 - Packing slips must accompany each shipment and the purchase order number shall be placed on each packing slip. Unless otherwise instructed in writing by Buyer, a Certificate of Conformance and/or Analysis in duplicate must accompany each shipment.
 - Original bill of lading or other shipping receipt for each shipment shall be promptly forwarded by Seller according to instructions issued by the Buyer.
 - Seller agrees to describe material on a bill of lading or other shipping receipt and to route shipment according to instructions issued by the Buyer.
 - All freight shipments must be shipped as directed on the face of the order.
- 8) **SPECIAL PROVISIONS FOR U.S. GOVERNMENT WORK** - If this order involves U.S. Government work (see prime contract number on face of order) the following provisions shall apply:
- In the manufacture of items to be supplied hereunder Seller shall use jigs, fixtures and/or other devices or appliances in all processes where such use is conducive to interchangeability for uniformity of the product, of such character as will reduce the need for selective assembly, and wherever Buyer determines that such devices or appliances are incorrect, worn, damaged or defective to such an extent as to adversely affect basic interchangeability of the item manufactured.
 - Seller shall promptly report to Buyer each accident or incident that results in damage or injury with significant implications involving an aircraft, missile, space vehicle or major component thereof.
 - If the items purchased hereby are certified for national defense use by DMS Reg. 1, then Seller shall follow the provision of DMS Reg. 1 and all other applicable regulations and order of BDSA in obtaining controlled materials and other products and material needed to fill this order.
 - Seller will deliver a copy of this purchase order to any authorized U.S. Government representative upon request.
 - Seller warrants that any unit prices charged herein do not exceed the unit prices charged by Seller to the U.S. Government or other Customer in substantially similar transactions.
- 10) **INSOLVENCY** - Buyer may cancel the contract in the event of any of the following:
Insolvency of Seller, filing of a voluntary petition in bankruptcy, filing of an involuntary petition against the Seller, appointment of a receiver of trustee for the Seller, execution by Seller of any assignment for the benefit of those creditors.
- 11) **FAIR LABOR STANDARDS ACT** - Seller agrees to comply with all applicable requirements of Section 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of all regulations and orders of the U.S. Department of Labor issued under Section 14 thereof. All invoices for U.S. Government work must carry the following certificate in order to be passed for payment:
"Seller hereby certifies that these goods were produced in compliance with all applicable requirements of Section 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the U.S. Department of Labor issued under Section 14 thereof."
- 11) **EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION PROVISIONS** - The following provisions are hereby incorporated by reference: *Executive Order 11246, as amended - Section 503 of the Rehabilitation Act of 1973, as amended, and 38 USC 4212, Vietnam Era Veterans Readjustment Act of 1974, as amended.*

Terms and Conditions of Purchase

- 12) **INSPECTION** - All material and workmanship entering into the performance of this order may be inspected and treated at all times and places, either before, during or after manufacture by inspectors designated by Buyer, the Buyer's Customer inspectors or by Government inspectors. Such inspection does not relieve Seller of its obligation to meet specifications and must be authorized or imposed by the Buyer's purchasing department. Buyer shall have the right to reject any items not in conformity with requirements of the order or require that corrections be made. If Buyer rejects goods or if Seller, when requested to make changes, fails to do so, Buyer may terminate or replace the goods; in either case, the Buyer may charge the Seller with the cost or damages occasioned thereby. Buyer reserves the right to withhold payment until receipt and acceptance of goods, provided that acceptance or rejection shall be made in a reasonable time after receipt of goods purchased. Seller will furnish reasonable facilities and assistance for testing on its premises at its own expense. During performance of this order, Seller's Quality Control or Inspection System and Manufacturing Processes may be subject to review, verification and analysis. Government inspection or release of product prior to shipment is not required unless Seller is otherwise notified.
- 13) **VARIATION IN QUANTITY** - Variations in quantity are not allowed unless specifically approved in writing by the Buyer's Purchasing department pursuant to the clause of this order entitled "CHANGES".
- 14) **DISPUTES** - Disputes shall be subject to the laws of the State of Oregon. If this order is issued pursuant to a Government contract and should Seller wish to protest a unilateral decision of the Government Contracting Officer, Buyer will present said claim at Seller's expense, if Buyer has such right in the prime contract or order that this purchase order is issued pursuant thereto. Seller's rights shall not extend beyond Buyer's rights as set forth in the prime contract clause entitled "Disputes"; under no circumstances shall Seller have the contractual right under this order to submit a claim directly to the Government Contracting Officer.
- 16) **INVOICING** - Unless otherwise stated on the face of this order, all payment terms are Net 45 days from date of shipment. After each shipment made or service provided under this order, Seller shall send a separate invoice, in duplicate that includes item numbers, and is accompanied by a bill of lading, express receipt, or other proof that Goods were delivered or Services were performed. Payment of invoice shall not constitute acceptance of the Goods or Services and shall be subject to appropriate adjustment for failure of Seller to meet the requirements of this order. Buyer may set off any amount owed by Seller, or any of its affiliated companies to Buyer against any amount owed by Buyer to Seller under this order.
- 17) **PLATING, PAINTING and POWDER COATING** - Seller and Sub-Contractors of Seller will comply with all applicable Federal, State and Local laws and regulations regarding Environmental Health and Safety. Applicable permits and/or certifications will be available to Buyer upon request. If at any time Seller or a Sub-Contractor of Seller is suspended or loses certification Buyer will be notified in writing within 15 days.
- 18) **MATERIAL CONTROL REQUIREMENT (applicable when specified) -**
 - a. *Raw Material Sources* - In the event that material(s) purchased does not constitute a full lot; remainder of lot must be traceable to final destination. In the event that materials are scrapped or disposed of for any reason, a certificate of destruction must be maintained at material house for use upon request, pursuant with RECORDS and DOCUMENTATION requirement.
 - b. *Machining Service Providers* - All Materials provided with purchase order must return with shipment of completed work to Viper Northwest, Inc. This requirement is inclusive of drops, remnants and scrap resulting from production, excluding chips. If at any time, material provided with purchase order is lost or loses traceability, buyer must be notified immediately upon discovery.
 - c. *Coating Services* - All added material(s) lot(s) must be traceable to final destination including use in other processes and customers products upon request. In the event that materials are scrapped or disposed of for any reason, a certificate of destruction must be maintained at coating house, pursuant with RECORDS and DOCUMENTATION requirement.
- 19) **RoHS COMPLIANCE** - All materials and services supplied to Viper Northwest, Inc. must comply with RoHS Regulations unless otherwise waived in writing by Buyer at time of purchase.
- 20) **CALIBRATIONS** - All calibrations will be performed to original manufacturer's specifications unless otherwise specified in writing.
- 21) **QUALITY MANAGEMENT** - Seller is required to maintain the Quality Management System that was in place at the time of supplier approval. Seller must notify Buyer of any changes in the Quality Management System in writing. Seller is responsible for responding to Corrective Action requests from the Buyer within the time frame specified by the Buyer. Failure to comply with a written Corrective Action or failure to respond within the established time frame may result in consequences that include removal from the Buyer's approved vendor list.
- 22) **NONCONFORMING PRODUCTS** - Unless otherwise instructed in writing by Buyer, Seller shall notify Buyer of nonconforming product held from delivery and obtain written instruction and authorization from Buyer for disposition. Additionally the seller



Terms and Conditions of Purchase

shall notify Buyer in advance of changes in manufacturing processes, facility location, subcontractors or material suppliers effecting the goods or deliverables contained within this purchase order.

- 23) **RECORDS and DOCUMENTATION** - Unless otherwise approved in writing by Buyer, Seller and Subcontractors of Seller will retain records and documentation related to the fulfillment of this purchase for all manufacturing and fabrication processes completed by the Seller or by a 3rd party on the suppliers behalf for a minimum of 7 years from the date of manufacture. All records and documentation shall be made available for review at the request of Viper Northwest, Inc. Manufacturing records shall include: completion date as well as authorization of any additions or corrections, drawings, specifications, purchase orders and a record of industry specifications referenced during manufacturing. All handwritten entries shall be recorded in black or blue ink and must be done so in a legible manner. Corrections shall be indicated by a single line through the incorrect entry, so as not to obscure the original entry, and initials or stamp with the correct entry. Use of pencil or correction fluid is strictly forbidden.

Terms and Conditions of Purchase

Revision History

Rev A 8/18/2008	Original Release
Rev B 4/13/2011	Added Nonconforming Products Clause (#19)
Rev C 1/31/2012	Added Records and Documentation Clause (#20)
Rev D 5/18/2012	Moved EEO/AA Provision clause (#12), Added Seller Quality Management Clause (#18). Renumbered clauses accordingly.
Rev E 3/19/2013	Added Material Control Requirement Clause (#18) and RoHS Compliance Clause (#19). Renumbered clauses accordingly.
Rev F 6/3/2013	Added Calibration Clause (#20). Renumbered clauses accordingly.
Rev G 10/16/2013	Removed references to seller's cost on warranty and infringement and ambiguity on government pricing (clause 8). Renumbered clauses accordingly.