

TERMS AND CONDITIONS

1. General: (a) This Purchase order is placed subject only to the Terms and Conditions included in this order and reference to any proposal from Seller is only for the purpose of specifying basic information concerning price, the description of the items(s), quantities, items of payment, and delivery and then only as such items are consistent with the terms and conditions herein.

(b) Any of Seller's Terms and Conditions which are in addition to or are inconsistent with these Terms and Conditions will be construed as proposals for addition to this order and will not be binding unless agreed to in writing by the Buyer. Commencement of performance by the Seller in the absence of Buyer's agreement to the proposals will constitute Seller's acceptance of these Purchase Order Terms and Conditions.
2. Inspection: All articles ordered will be subject to final inspection and approval by Buyer after delivery, notwithstanding prior payment, it being expressly agreed that payment shall not constitute final acceptance. Buyer may reject and return any article which contains defective material or workmanship or otherwise does not conform to this agreement, applicable drawings, specifications or samples.

The Buyer, at his discretion, may employ either 100% inspection or an approved sample plan. Lots which fail to pass such sampling plans may be subsequently 100% inspected by Buyer (Seller will be charged for all such inspection cost(s) or at Buyer's option, returned to Seller.) Rejected articles or lots which are returned shall be returned at Seller's risk and expense for sorting, correction, replacement, or credit, as Buyer may elect. Exercise of these remedies shall not be exclusive of any other remedies provided in law or equity which are available to Buyer.
3. Changes: Buyer may at any time by written change order make changes in the articles or services to be furnished hereunder or their quantities or delivery dates. If the cost of, or time required for, furnishing the articles or services ordered hereby is increased or decreased as a result of such change order, an equitable adjustment in the order price and/or delivery schedule will be made in the change order. If a price and/or delivery adjustment is not included in the change order, no increase in price or delay in delivery will be allowed unless Seller notifies Buyer in writing, within 30 days from the date of the Change Order, of its claim for such increase in price or delay in delivery. This Purchase Order shall not be deemed or construed to be modified, amended, rescinded, canceled or waived in whole or in part, except by written Change Order hereto signed by a Buyer authorized representative.
4. Delivery and Force Majeure: If Seller's deliveries fail to meet the schedules herein specified with the result that Buyer requires, and Seller

TERMS AND CONDITIONS

makes express shipments, partial shipments, or both, then Seller agrees to assume all resulting excess shipping charges. Parts fabricated by Seller beyond Buyer's releases are at Seller's risk. Invoices covering material shipped in advance of that specified by delivery schedules will not be paid until their normal maturity after the date specified for delivery. Notwithstanding the provisions of the preceding paragraph, neither party shall be liable for delays or defaults due to causes beyond its control and without its fault or negligence; except however when and in the event that, Seller fails to give immediate written notice to Buyer, setting forth the cause of any anticipated delay when the Seller has reason to believe that deliveries will not be made as scheduled.

5. Warranties: Seller warrants that all articles furnished under this order will be free from defect in material and workmanship, will conform to applicable specifications, drawings, samples or other descriptions, and that articles of Seller's design will also be free from defects in design. Seller further expressly warrants that all services performed under this order will be free from defects in workmanship. These warranties shall remain in effect, as to each product furnished, serviced and/or repaired hereunder for a period of time consistent with the warranty life normally offered by the Seller. All warranties shall be construed as conditions as well as warranties and shall not be deemed to be exclusive. The benefits of this warranty shall accrue to Buyer's customers, and assigns to the same extent they shall accrue to Buyer. Articles ordered to Government specifications shall comply with specifications as are current at the date of this order unless otherwise particularly specified by the Buyer. Under circumstances of Breach of Warranty, Buyer shall be entitled to avail itself cumulatively of all remedies provided in law or in equity. Seller shall make timely responses to Buyer's notifications of Breach of Warranty and shall respond understanding (and Seller agrees) that time will be of the essence in all instances.

6. Termination: (a) Buyer reserves the right to terminate this order, or any part hereof, and to cancel all or any part of the undelivered portion of this order if Seller does not make deliveries as provided in this contract or, if Seller breaches any of the terms hereof, including the warranties. Buyer shall also have the right to terminate this order or any part thereof, and cancel all or any part of the undelivered portion in the event of the happening of any of the following: insolvency of Seller, filing of a voluntary petition in bankruptcy, filing of an involuntary petition to have Seller declared bankrupt provided it is not vacated within thirty days from the date of such filing, or the execution by Seller of any assignment for the benefit of creditors. Buyer shall have no obligations to Seller in respect of the canceled portion of this order and Buyer's liability shall be limited to payment for the delivered portion of this order at the rate specified on the face hereof (reflecting quantity prices as though this Purchase Order has gone to full completion). If, as a result

TERMS AND CONDITIONS

of default of performance by the Seller, this contract is terminated in whole or in part and it is necessary to procure any of the specified products or services elsewhere, then Seller will be liable for any re-procurement charges which exceed the amount which would have been due the Seller if he had satisfactorily completed this order. These remedies shall be cumulative and additional to any other or further remedies provided in law or in equity.

(b) Buyer may, for its convenience, terminate work under this Purchase Order, in whole or in part, at any time by giving notice to Seller in writing. Seller will thereupon immediately stop work on this Purchase Order or the terminated portion thereof and notify any subcontractors to do likewise. Seller shall be entitled to reimbursement for its actual costs incurred up to and including the date of termination, such costs to be determined in accordance with recognized accounting principles. Seller shall also be entitled to a reasonable profit on the work done prior to such termination at a rate not exceeding the rate used in establishing the original purchase price. The total of such claim shall not exceed the pro rata portion of this Purchase Order which is cancelled.

(c) Termination claims shall be subject to inspection and audit by the Buyer in the event of cancellation under the above clause.

7. Proprietary Information: Seller agrees that all information contained in drawings, specifications, etc., which are submitted by Buyer to Seller under or pursuant to this order, is proprietary to Buyer and is submitted with the understanding and agreement by Seller that such information shall not be utilized in whole or in part by Seller, except for fulfillment of this order, without written permission of Buyer.

8. Procurements for Department of Defense: All articles ordered may be subject to Public Law 95-507 and Federal Acquisition Regulations (FAR/DFAR) under prime contracts with the Government. Seller herewith agrees to furnish certification and compliance to equal opportunity provisions of Executive Orders 11246, 11375 and non segregated facilities (32 Federal Regulation No. 7439, May 1967), upon Buyer's request.

9. This agreement constitutes all agreements between Seller and Buyer in their entirety and shall be governed by the applicable laws of the State of Pennsylvania.