

## **GENERAL PROVISIONS FIRM FIXED-PRICE PURCHASE ORDER FOR COMMERCIAL SERVICES**

**1.0 ACCEPTANCE OF ORDER** – Seller shall accept this Order by signing the acceptance copy and returning it promptly to Buyer or by providing to Buyer any of the products or performing any of the services specified herein. By Seller's acceptance of this Order, Seller agrees to the terms, conditions, and specifications of this Order. Buyer hereby objects to and rejects any terms, conditions, or specifications contained in Seller's acceptance of this Order (or any other form or paper submitted by Seller) which differ from or add to the terms, conditions, and specifications of the Order. Seller agrees that the terms, conditions, and specifications of the Order shall prevail over any inconsistent provisions in any form or other paper submitted by Seller.

### **2.0 DEFINITIONS –**

- (a) "Days" means calendar days unless otherwise expressly noted.
- (b) "Order" as used herein includes the Firm Fixed-Price Purchase Order, the Schedule, these General Terms and Conditions, any Special Terms and Conditions, any Government Contract Provisions, any plans, any specifications, and other documents incorporated by reference or attached hereto.
- (c) "Service" means the actions provided by the service provider under this Order furnished by Seller to Buyer in performance of and pursuant to this Order.

**3.0 WAIVER** – Buyer's failure to enforce any provision of the Order or to protest any breach or default of the Order by Seller shall not be construed as evidence of (or evidence to interpret) the rights or obligations of the parties, or as a waiver of any Seller obligation or Buyer right provided under the Order or by law. No right or remedy of Buyer shall be deemed waived or released unless such waiver or release is in writing and signed by an authorized representative of Buyer.

### **4.0 DELIVERY**

4.1 **Transportation:** Transportation shall be in accordance with the Delivery Terms specified on the front page of the Purchase Order.

4.2 **Title:** Except as otherwise expressly stated in this Order, title to all Services furnished under this Order shall pass to Buyer upon final acceptance.

4.3 **Delays:** Seller understands that Buyer depends upon prompt performance by Seller at the time specified in the schedules furnished by Buyer in order to comply with Buyer's contractual obligations to third parties. Because time is of the essence, if performance of the Service is not made in the quantities and at the time and manner specified, Buyer shall have the right without liability, and in addition to its other rights and remedies under this Order and the law, to direct acceleration of Service for which Seller shall bear all premium labor costs and other acceleration costs; and/or terminate this Order by written notice effective when received by Seller as to the Service not yet delivered. Seller shall, in the event of a delay or threat of delay, due to any cause in the performance of Service hereunder, immediately notify Buyer in writing of the delay. Seller's notice shall include all relevant information with respect to such delay or threatened delay. Seller shall be liable for any damages resulting from failure to perform within the time called for by this Order or by any written instructions of Buyer, except where such delay in performance was due to causes beyond the reasonable control of Seller and Seller notifies Buyer as required by this Section 4.4. Seller agrees to add the substance of this Section 4.4 to each subcontract or purchase order issued by Seller hereunder.

4.4 Seller shall comply with the performance schedules but shall not make material or production commitments in advance of such time as Seller reasonably believes is necessary to meet the schedules without Buyer's prior written consent. Except as otherwise expressly provided in the Order, Buyer need not accept any variation in quantity of Service provided by Seller.

### **5.0 INSPECTION AND FINAL ACCEPTANCE**

5.1 Buyer may at any time inspect the facilities of Seller or Seller's subcontractors which will or may be used in the performance of this Order. Buyer also may inspect and test, at any time or place, before, during, or after

completion, the Service (or any part thereof) performed by Seller or Seller's subcontractors. The inspection may, in the discretion of Buyer include physical, visual, or mechanical review as well as a review of any documentation necessary to substantiate compliance with requirements (including, but not limited to, quality requirements and acceptance requirements) set forth in this Order. If inspection and test are made on Seller's premises (or the premises of Seller's subcontractors), Seller shall furnish, or cause to be furnished, at no additional cost to Buyer, all reasonable facilities, tools, and assistance necessary for such inspection and the safety and convenience of the inspectors. Inspections and test by Buyer shall be performed in such a manner as not to delay the Service unduly. Buyer may charge to Seller any additional cost of inspection and test when Service (or any part thereof) is not ready at the time Buyer requests inspection under this Article 5.0. In the case of rejection, neither Buyer shall be liable for any reduction in value of samples used in connection with such inspection or test. No inspection or review or approval by Buyer shall relieve Seller of any of its obligations under this Order, or constitute a waiver of any defects or nonconformities.

5.2 The final acceptance by Buyer of any Service under this Order shall not limit or affect any warranty or right of indemnity granted by Seller herein. Except as otherwise agreed in writing, all performance under this Order shall be subject to final inspection and acceptance by Buyer. The parties expressly agree that any prior inspection or payment by Buyer will not constitute final acceptance. Buyer's final acceptance of the Service shall take place only after completion of the Service in accord with the schedule specified herein and after final inspection by Buyer. Buyer's final acceptance shall be contingent upon agreement by Buyer that the Service conforms to the applicable contract requirements. Final acceptance by Buyer shall be conclusive, except for latent defects, negligent or intentional misrepresentations by Seller that a nonconformity or defect would be or had been cured, acceptance induced by false or negligent assurances of Seller or as otherwise provided in this Order or applicable law.

5.4 Service performed by Seller and rejected, in whole or in part will be re-performed without any cost to Buyer.

## **6.0 FACILITIES, TOOLS, AND PLANT VISITS –**

6.1 Unless otherwise specified herein, Seller shall supply all necessary services, facilities, materials, and equipment (including, but not limited to, tools, test apparatus, etc.). If, in connection with this Order, Buyer furnishes any facilities, materials, equipment, drawings, or other property to Seller, Seller accepts the property "as is, where is." Seller shall maintain such property in good condition and keep the property adequately insured. Seller shall use such property only in performance of work under this Order unless Buyer consents otherwise, in writing. Seller shall assume the risk of, and bear responsibility for, any loss, destruction of, or damage to the property while in Seller's possession or control, unless otherwise agreed in writing by Buyer. Seller shall return all such property in a condition as good as when received except for reasonable wear and tear upon completion of use of such property or at such earlier time as Buyer may request. Seller shall indemnify and hold harmless Buyer and Buyer's Customer from all claims which may be asserted against said property, including, without limitation, claims arising under the Worker's Compensation or occupational injury laws and from all claims for injury to persons or property arising out of or related to Seller's use of such property in performance of this Order.

6.2 During performance of this Order, authorized representatives of Buyer or Buyer's customer shall have the right to visit Seller's facilities involved in the performance hereunder at any time during normal business hours to conduct reviews, monitor, coordinate, or expedite performance and to secure necessary information for such purposes. Such visits will be coordinated with Seller's appropriate personnel to minimize any effect on Seller's normal operations.

## **7.0 TERMINATION**

### **7.1 Termination for Cause**

7.1.1 Buyer may terminate all or any part of this Agreement by written notice to Seller if: (i) Seller fails to provide Services within the time specified by this Agreement or any written extension authorized by Buyer; (ii) Seller fails to perform any other provision of this Agreement or fails to make progress, so as to endanger performance of this Agreement, and, in either of these two circumstances, does not cure the failure to Buyer's satisfaction within ten (10) days after receipt of notice from Buyer specifying the failure; or (iii) in the event Seller declares bankruptcy, suspension its business operation, or initiates any reorganization and/or arrangement for the benefit of its creditors. Seller shall continue Services not terminated.

7.1.2 Buyer shall pay for completed Services performed and accepted in accordance with the prices set forth in the

Agreement. Buyer and Seller shall agree on the amount of payment for in process Services, title to which has been transferred and delivered to Buyer. Failure to agree shall be a dispute and shall be settled under Article 18.0. Seller must submit all claims within sixty (60) days after the effective date of termination. In no event shall Buyer be obligated to pay Seller any amount in excess of the Agreement price. The rights and remedies provided Buyer in this clause are in addition to any other right or remedies provided by law or in equity.

## 7.2 Termination for Convenience

Buyer may terminate for any reason all or any part of this Agreement by written notice to Seller. In the event of such termination, Seller shall immediately cease all work terminated hereunder and cause any and all of its suppliers to cease work. Buyer shall have no liability for such termination except for liability for Services actually rendered or expenses actually incurred prior to the effective date of such termination for which payment has not been made. The Seller shall not be paid for any Services performed or costs incurred that reasonably could have been avoided. Failure to agree shall be deemed a dispute and shall be settled under Article 19.0 ("Dispute"). Seller must submit all claims within sixty (60) days after the effective date of termination. In no event shall Buyer be obligated to pay Seller any amount in excess of the Agreement price. Seller shall continue work not terminated.

## 7.3 Effect of Termination

Upon any termination of this Agreement in accordance with this Article 7.0:

7.3.1 Seller shall fulfill Buyer' existing orders for Products communicated to Seller where a valid Buyer purchase order has been issued to and accepted by Seller prior to Seller's receipt of Buyer' written notice of termination, unless otherwise directed by Buyer in said notice. Buyer shall have no obligation to Seller for any Products manufactured for Buyer or existing Products allocated for shipment to Buyer after Seller's receipt of the written notice of termination;

7.3.2 In the event of termination, Buyer's sole financial obligation to Seller shall be to pay for any Products delivered to Buyer consistent with the terms of this Agreement, in which case payment shall be made within sixty (60) calendar days from Buyer's receipt of a valid invoice from Seller. Buyer shall have no obligation to Seller for payment of any costs, fees or expenses relating to its exercise of its termination rights hereunder, including but not limited to termination, restocking, demobilization, or any other manufacturing, logistics or administrative fees of any kind;

7.3.3 Each Party shall promptly deliver to the other Party (or destroy, if so requested by the other Party) all copies of all Proprietary Information (in any form or media) then in that Party's possession, except for such copies as reasonably are required to enable Buyer to exercise its license rights and make distribution of Products as provided herein;

7.3.4 All warranties and license rights for any Products delivered to Buyer hereunder shall survive termination or expiration, consistent with the terms of this Agreement.

7.3.5 Within sixty (60) calendar days following termination or expiration of this Agreement, Seller shall submit to Buyer an itemized invoice of any fees or expenses theretofore incurred under this Agreement. Buyer upon payment of accrued amounts so invoiced and accepted shall thereafter have no further liability or obligation to Seller for any further fees, expenses or other payments.

## 8.0 REPRESENTATIONS AND WARRANTIES

8.1 Except as to any items or components thereof which the specifications contained herein specifically provide need not be new, Seller represents and warrants to Buyer that the items and components provided are new (not used or reconditioned) and not of such age or so deteriorated as to impair their usefulness or safety. Seller also represents and warrants to Buyer that all Services furnished under the Order will comply with the requirements of this Order; be free from defects in design (except to the extent of Buyer's design), material, manufacture, and workmanship; will be free from liens and encumbrance; and, to the extent Seller knows such purpose, will be fit and sufficient for the purpose for which the Service was intended. If the items furnished contain any manufacturer's warranties, Seller hereby assigns such warranties to Buyer and Buyer's Customer. Seller also represents and warrants to Buyer and Buyer's Customer that all labor provided hereunder shall be performed by qualified personnel, with diligence, and shall conform to the terms, specifications, and description of Service specified by Buyer. Seller further represents and warrants to Buyer

and Buyer's Customer that the Service provided under this Order will not infringe upon the rights of any third party. These representations and warranties extend to the future performance of the Service and shall continue for a period of twelve (12) months (or such longer period of time as Seller may warrant similar Service to its most favored customer) following final acceptance by Buyer.

8.2 Buyer shall not be deemed to waive any defects or nonconformity by reason or approval of samples or receipt of, or payment for Service. If Buyer finds through inspection and testing or through use that any Service performed or delivered by Seller is other than as warranted above, Buyer may, at its sole option and in addition to any other remedies available to Buyer by this Order or by law direct Seller to correct the Service in place. Seller shall promptly provide replacement Service in accord with Article 4 hereto. Seller shall warrant replacement Services as set forth in this Article 8.0.

8.3 Seller warrants that any items supplied under the Order, including, without limitation, subassemblies and spare parts, shall be available to Buyer during the operation life of the items or five (5) years after the date of final acceptance of the Service provided under the Order, whichever is later.

8.4 Seller warrants that the prices, terms of payment, warranties and services extended under this Order are no less favorable to Buyer than those extended to any other Seller customer as in effect on the date of this Order for substantially similar Services. Buyer shall have the right to examine all Seller records and other evidence sufficient to reflect that Seller's representations and warranties are correct and true.

8.5 Services must be in accordance with their stated specifications or GDMS specification and drawing requirements in order to meet product safety requirements. Services must comply with their designed or intended purpose without causing unacceptable risk of harm to persons or damage to property.

## **9.0 INTELLECTUAL PROPERTY RIGHTS, LICENSES, AND INDEMNIFICATION**

Seller shall indemnify, defend, and hold harmless, Buyer and its respective officers, directors, agents, and employees against liability and losses including without limitation, defense costs and attorneys' fees, for any allegation of or suit or action for infringement of any United States or foreign patent, copyright, trademark, or other intellectual property right arising out of the performance of Service under this Order. Seller shall at its own expense either procure for Buyer the right to continue using the alleged infringing Service, replace it with non-infringing Service, or modify it so that it becomes non-infringing. The foregoing indemnity shall not apply unless Buyer or Buyer's Customer informs Seller of the suit or action or other proceeding alleging infringement and gives Seller the opportunity as is afforded by applicable laws, rules, or regulations, to participate in the defense thereof.

## **10.0 TRANSFER/ASSIGNMENT AND SUBCONTRACTING**

No right or interest of Seller or Buyer hereunder or arising out of this Order may be assigned or transferred, whether by operation of law or otherwise, and/or all or substantially all of its performance of this Order without the prior written consent of Buyer or Seller, respectively, which shall not be unreasonably withheld. Notwithstanding the foregoing, Buyer may assign this Order without Seller's consent to a successor company resulting from a restructuring, consolidation, merger or other combination within General Dynamics. Seller shall not delegate any of its duties or obligations under this Order. Seller may assign its right to monies due or to become due. No assignment, transfer, delegation or subcontracting by Seller, with or without Buyer's consent, shall relieve Seller of any of its obligations under this Order or prejudice any of Buyer's rights against Seller whether arising before or after the date of any assignment or transfer. This article does not limit Seller's ability to purchase standard commercial supplies or raw materials. Any unauthorized transfer or assignment is void.

**11.0 CHANGES** - The Parties shall mutually agree to any changes in writing.

## **12.0 CONTROL OF BUYER INFORMATION, DATA, DESIGN, ARTICLES, SCRAP, ETC.**

Seller shall not, without first obtaining Buyer's written permission, in any manner advertise or publish the fact that it has furnished or has contracted to furnish Buyer with the Service herein ordered, nor disclose any of the details connected with this Order to any third party.

**13.0 NOTICE** – Any notices required or permitted to be given hereunder shall be in writing and shall be deemed to

be duly given when received if sent by mail to each party's address as stated on this Order, or when delivered by hand or by facsimile transmission if the transmittal report indicates that the facsimile was sent successfully.

#### **14.0 COMPLIANCE WITH LAWS**

14.1 United States Law: Seller, at its sole expense, shall comply with all applicable Federal, State and local laws, executive orders, rules and regulations which may be applicable to the Item and Seller's performance under this Order, including, without limitation, all laws, regulations, and rules related to the safety and conditions of each job site, including but not limited to those promulgated or prescribed pursuant to the Occupational Safety and Health Act of 1970, and any amendment thereto. Seller agrees to comply with any applicable provisions of the Rehabilitation Act of 1973, the Veteran's Readjustment Act of 1974, and Executive Order 11246, and implementing regulations of the U.S. Department of Labor, which embody governmental policy on equal employment opportunity. To the extent applicable: **This contractor and subcontractor shall abide by the requirements of 41 CFR 60–300.5(a) and 60–741.5(a). These regulations prohibit discrimination against qualified protected veterans and qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and qualified individuals with disabilities.** Seller also agrees that in connection with activities under this Order it shall not make or promise to make any improper payments, or provide or offer to provide anything of value, directly or indirectly, to government officials or other parties in violation of the Foreign Corrupt Practices Act or other applicable anti-bribery laws.

14.2 Foreign Corrupt Practices Act and Anti-Bribery Laws: Seller agrees to comply with the Foreign Corrupt Practices Act, the UK Bribery Act of 2010, and all applicable anti-bribery laws. Seller specifically represents and warrants that, in connection with the performance of its activities under this Order, neither it, nor anyone acting on its behalf, has or will, directly or indirectly, offer, pay, promise to pay, or authorize the giving of, any money or thing of value to any Government Official or to any person, while knowing that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to a Government Official, for the purpose of influencing any act or decision of such Government Official, including any act or decision to fail to perform his/her lawful duty, or for the purpose of inducing such Government Official to use his/her influence with any government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality to obtain or retain business for any person. "Government Official" means any officer, employee, agent, representative, or any other person acting in an official capacity for or on behalf of a government, government-owned or –controlled entity or instrumentality, public international organization, political party, party official or political candidate.

#### 14.2. Compliance with Export Control Laws and Regulations

14.2.1 (a) Seller, at its sole expense, shall comply with all applicable U.S. export control laws and regulations in the performance of this Order, including, but not limited to, the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120 to 130, the Export Administration Regulations (EAR) 15 CFR Parts 730 through 799, and with all other laws, regulations, or executive orders of the United States related to the import, export, or delivery of goods or services contemplated by this Order such as customs laws and regulations, immigration laws and regulations, etc.

14.2.2 Seller, at its sole expense, agrees to determine and comply with all export license requirements, to obtain any export license or other official authorization, and to carry out any customs or immigration formalities or similar requirements for the export of any goods or services covered by this Order. Seller also hereby expressly agrees to bear sole responsibility for obtaining export licenses, if required, before utilizing foreign persons (as defined in 22 CFR § 120.16) in the performance of this Order, including instances where the work is to be performed on-site at any Government installation, where the foreign person will have access to export-controlled technical data, equipment or software. Seller also agrees to bear sole responsibility for all regulatory record keeping associated with the use of licenses and license exemptions/exceptions.

14.2.3 Seller shall insert the substance of this clause in any lower-tier subcontracts it enters into in connection with this Order.

14.3. **Compliance with International Laws** – If Seller is located outside the United States or any Service ordered hereunder will be produced or performed outside the United States, the following provisions also shall apply:

14.3.1 Compliance with Foreign Laws and Regulations: In addition to complying with all applicable federal, state, and local laws, regulations, and rules as set forth in Article 14 of this Order, Seller, at its sole expense, shall comply with all applicable foreign laws, regulations, and rules or agreements governing or applicable to Seller's Service under this Order.

14.3.2 Hazardous Activities, Waiver, and Insurance: Seller acknowledges that the international nature of the Service required under this Order may subject Seller and its employees and lower-tier subcontractors to increased personal safety and property risks and other risks, hazards, and potential liabilities. Seller knowingly and voluntarily accepts sole responsibility, financially, and otherwise, for all risks, hazards, and liabilities associated with any international performance under this Order. Seller also hereby releases and waives all claims of any sort that it may have in the future against Buyer or its successors, assigns, affiliates, parents, subsidiaries, or agents arising from or related to risks, hazards, or liabilities associated with any international performance under this Order. In addition to its other indemnification obligations under this Order, Seller agrees that it shall indemnify and hold harmless Buyer from and against any and all liability, damages, costs, and expenses (including defense costs and attorneys' fees) arising from or related to any suit, action, claim, or proceeding filed against Buyer by one or more of Seller's employees or lower-tier subcontractors related to any risk, hazard, or liability addressed in this Section 14.3.2. Seller also agrees that, in addition to the foregoing indemnification agreement and any insurance required elsewhere in this Order, Seller, at its sole expense, shall, during the term of this Order, provide and maintain at reasonably adequate levels, workmen's compensation, comprehensive general liability, bodily injury, and any other insurance necessary to fully and adequately cover all reasonably foreseeable risks, hazards, and potential liabilities of any kind related to Seller's performance of this Order wherever performed. All such insurance must be primary and non-contributory and required to respond and pay prior to any other insurance or self-insurance available. If specifically requested by Buyer, Seller and Seller's subcontractors shall furnish, prior to the start of Service, certificates or adequate proof of the foregoing insurance, including, without limitation, endorsements and policies. The policies evidencing required insurance shall contain an endorsement to the effect that any cancellation or any material change adversely affecting the interest of Buyer or Buyer's Customer shall not be effective until thirty (30) days after the insurer or Seller gives written notice to Buyer, whichever period is longer. Insurance companies providing coverage under this Order must be rated by A. M. Best with at least an A-rating. Seller's obligation to obtain the foregoing insurance does not waive or release Seller's liabilities or duties to indemnify under this Order.

14.3.3 Taxes and Fees: Seller shall have sole responsibility for, and pay without reimbursement from Buyer, all foreign sales, value added, employment, transportation, business, income and any other taxes, duties, levies, tariffs, fees, and assessments of any sort applicable or related to any Service delivered under this Order unless this Order specifically states otherwise.

14.3.4 Effect on Other Provisions: Nothing in this Article 14.0 shall relieve Seller from complying with any other Article of this Order.

14.3.5 Use in Lower-Tiered Subcontracts: Seller shall include the substance of this Article 14.0 in any lower-tier subcontracts it enters in connection with this Order.

**15.0 INDEMNIFICATION BY SELLER** – Seller agrees to indemnify, defend and hold harmless Buyer, its affiliates, subsidiaries, directors, officers, employees and agents from and against any and all actions, causes of action, liabilities, claims, expenses (including reasonable attorneys' fees and court costs), losses, damages, penalties, fines, forfeitures, suits, judgments, liens, awards and damages of any kind and nature whatsoever for (a) property damage, (b) personal injury, including death, and (c) all violations of applicable laws which arise out of, or are in any way related to Seller's or any of its suppliers' breach of obligations or responsibilities arising from this Order, or 2) failure to comply with all applicable Federal, state and local laws and regulations in the performance of this Order. Seller's obligation hereunder is not limited to insurance available to or provided by Seller or any of its suppliers. Seller expressly waives any immunity under industrial insurance, whether arising out of statute or common law, to the extent of the indemnity set forth in this Article 15.0. This duty to defend, indemnify, and hold harmless extends to any suit, liability, claim, judgment, or demand that may arise out of or in connection with the performance or nonperformance of this Order by Seller or its agents, breach of warranty by Seller or its agents, any defective work performed by Seller or its agents, any patent infringement or misappropriation of trade secrets by Seller or its agents, any failure of Seller or its agents to pay royalties, any assertion under workers' compensation or similar acts by persons furnished by Seller or its agents, or any other breach of Seller's obligations hereunder, whether such suit, liability, claim, judgment, or

demand is based upon contract, warranty, strict liability in tort, negligence, or other legal theory, and extends not only to "third party claims" but also to any direct loss suffered by Buyer. Buyer will inform Seller of any claim, demand, judgment, or suit asserted or instituted against it to which this provision may apply. "Agents" as used herein includes, but is not limited to, Seller's employees, subcontractors, and suppliers.

**16.0 INSURANCE** – Unless otherwise specified by Buyer in writing, Seller shall maintain and cause Seller's subcontractors to maintain during the term of this Order (a) workers' compensation insurance as prescribed by the law of the state or nation in which the Service is performed; (b) employer's liability insurance with limits of at least \$500,000 for each occurrence; (c) automobile liability insurance if the use of motor vehicles is required hereunder, with limits of at least \$1,000,000 combined single limit for bodily injury and property damage per occurrence; and (d) Commercial General Liability ("CGL") insurance, ISO 1988 or later occurrence form of insurance, including, without limitation, Blanket Contractual Liability and Broad Form Property Damage, with limits of at least \$1,000,000 combined single limit for bodily injury and property damage per occurrence. All CGL and automobile liability insurance shall designate Buyer, its affiliates, and its directors, officers, and employees (all referred to as "Buyer") as additional insured. All such insurance must be primary and non-contributory and required to respond and pay prior to any other insurance or self-insurance available. If specifically requested by Buyer, Seller and Seller's subcontractors shall furnish, prior to the start of Service, certificates or adequate proof of the foregoing insurance, including, without limitation, endorsements and policies. The policies evidencing required insurance shall contain an endorsement to the effect that any cancellation or any material change adversely affecting the interest of Buyer or Buyer's Customer shall not be effective (1) for such period as the laws of the State in which this Order is to be performed prescribe or (2) until thirty (30) days after the insurer or Seller gives written notice to Buyer, whichever period is longer. Any other coverage available to Buyer shall apply on an excess basis. Seller agrees that Seller, Seller's insurer(s) and anyone claiming by, through, under or in Seller's behalf shall have no claim, right of action or right of subrogation against Buyer and Buyer's Customer based on any loss or liability insured against under the foregoing insurance. Insurance companies providing coverage under this Order must be rated by A. M. Best with at least an A-rating. Seller's obligation to obtain the foregoing insurance does not waive or release Seller's liabilities or duties to indemnify under this Order.

**17.0 GRATUITIES AND CONTINGENT FEES PROHIBITED** Seller warrants and agrees that it will comply with Buyer's policy providing that Buyer's employees and agents accept no gratuities or gifts from its vendors. Seller also warrants and agrees that it will comply with the Anti-Kickback provisions of 41 U.S.C. §§ 51 to 58. In addition to its other remedies provided by law or this Order, Buyer shall have the right to deduct from the Order price the full amount of any gift or contingent fee made by Seller in breach of these warranties and may terminate this Order for default for breach of these warranties by Seller. Seller also agrees to indemnify and hold harmless Buyer for any claims, loss, damage or expense (including, without limitation, attorneys' fees), resulting from a breach of these warranties by Seller.

## **18.0 DISPUTES**

18.1 "Dispute" as used herein shall mean (i) any and all claims or disputes that in any way arise out of or relate to this Order, the negotiation or execution thereof, its performance, or the breach or enforcement thereof; (ii) any claims or disputes that in any way concern the conduct of any party in connection with this Order or the relationship or duties of the parties contemplated under this Order; or (iii) claims or disputes concerning the validity or scope of the terms and conditions of this Order (including, but not limited to, this Article 18.0). Buyer and Seller intend that the definition of "Dispute" shall have the broadest scope permitted by law and that, without limiting the generality of the foregoing, shall be deemed to include all claims between the parties, including, but not limited to, any claims for fraud, misrepresentation, negligence, libel and slander, misuse or theft of trade secrets or other confidential information, unfair competition, unfair trade practices, or other tort law claims.

18.2 The parties agree that any Dispute between them or against any agent, employee, successor, or assign of the other shall be settled, to the extent possible by good faith negotiations. Any Dispute which the parties cannot resolve by good faith negotiations within thirty (30) days or such longer period as the parties may mutually agree to shall be submitted and finally resolved by a court of competent jurisdiction.

18.3 Until final resolution of any Dispute hereunder, Seller shall proceed diligently with the performance of this Order unless otherwise directed by Buyer in writing.

18.4 Buyer's rights under the terms and conditions of this Order are cumulative and in addition to any other rights available at law or equity.

**19.0 LIMITATION OF LIABILITY** – IN ADDITION TO ANY OTHER LIMITATIONS ON BUYER'S LIABILITY SET FORTH HEREIN, IN NO EVENT SHALL BUYER, ITS EMPLOYEES, AGENTS OR REPRESENTATIVES BE LIABLE BY REASON OF BUYER'S BREACH OR TERMINATION OF THIS ORDER OR FOR ANY BUYER ACTS OR OMISSIONS IN CONNECTION WITH THIS ORDER FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, HOWEVER CAUSED, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS OR REVENUE, LOSS OF DATA, SERVICE INTERRUPTION, OR ANY CLAIMS OR DEMANDS AGAINST SELLER BY ANY OTHER ENTITY, WHETHER SUCH REMEDY IS SOUGHT IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. IN NO EVENT SHALL BUYER'S LIABILITY FOR DAMAGES IN ANY CIRCUMSTANCES SET FORTH IN THIS CLAUSE EXCEED THE PRICE PAYABLE FOR THE SERVICE TO BE PERFORMED BY SELLER UNDER THE ORDER. THIS ORDER SHALL NEITHER CREATE FOR NOR GIVE TO ANY THIRD PARTY ANY CLAIM OR RIGHT OF ACTION AGAINST SELLER OR BUYER WHICH WOULD NOT OTHERWISE ARISE WITHOUT THIS ORDER.

**20.0 GOVERNING LAW and VENUE** – Buyer and Seller agree that this Purchase Order shall be deemed to have been executed and delivered within the State of New York and the rights and obligations of the Parties shall be construed and enforced in accordance with, and governed by the laws of the State of New York without regard to conflict of laws rules. The United Nations Convention on the International Sale of Goods shall not apply. All claims or disputes arising under or in any way related to this Purchase Order, including those relating to the validity of this Purchase Order, which cannot be resolved by the Parties through negotiations within thirty (30) calendar days or such longer period of time as may be mutual agreed in a written document that is signed by a duly authorized representative of each Party shall be resolved by the state or federal courts. Venue for any action brought under or relating to this Purchase Order shall exclusively be in a state or federal court of competent jurisdiction in the State of New York. The parties hereby irrevocably waive any right to challenge such venue on the basis of forum non conveniens or otherwise. The Parties further agree and consent to accept service of process by certified or registered United States mail, return receipt requested, addressed as provided herein. In the event that an action is commenced by either Party with respect to this Purchase Order, the substantially prevailing Party shall be entitled to recover its costs and attorneys' fees from the other Party. **THE PARTIES HEREBY IRREVOCABLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATING TO THIS PURCHASE ORDER.** Buyer and Seller also agree that the provisions of the New York Uniform Commercial Code shall apply to this Purchase Order and all Disputes, regardless of whether the subject matter of this Purchase Order relates to the provision of services, the lease of rental equipment or material, or the license of software.

**21.0 SEVERABILITY** – In the event any provision or clause of the Order conflicts with governing law or if any arbitration panel or court of competent jurisdiction holds invalid any provision or clause of the Order, such provision or clause shall be deemed to be modified to reflect as nearly as possible the parties' intent. The remainder of the Order shall remain in full force and effect.

**22.0 SURVIVAL** – The provisions of the Order, which by their very nature would continue beyond the termination, cancellation, or expiration of the Order, including, without limitation, Articles 8.0, 9.0, 12.0, 14.0, 15.0, 18.0, 19.0, 20.0, and 21.0, shall continue as valid and enforceable rights and obligations of the parties and survive termination, cancellation, or expiration of the Order.

**23.0 ORDER OF PRECEDENCE** – The rights and obligations of the parties shall be subject to and governed by the Order. In the event of an inconsistency between the provisions of the Order, unless otherwise provided herein, the inconsistency shall be resolved by giving precedence in the following order from the highest to lowest degree of precedence: (1) Typed Provisions in the Schedule of this Order; (2) Special Provisions or Terms and Conditions, if any; (3) General Terms and Conditions of Purchase; (4) Government Contract Provisions, if any; (5) Specifications, drawings, statement of Service, or other attachments or documents incorporated by reference.

**24.0 PRICE** – The prices set forth in this Order cover all Services delivered or performed by Seller to satisfy the requirements of this Order. Buyer will not be liable for extra charges of any kind unless specifically agreed to in writing by Buyer.

**25.0 TAXES** – The prices in this order include, and Seller shall pay, all taxes, impositions, charges and exactions imposed on or measured by this Order, except for applicable sales and use taxes that are separately stated on Seller's invoice. Prices shall not include any taxes, impositions, charges or exactions for which Buyer has furnished a valid exemption certificate or other evidence of exemption.

## **26.0 PAYMENT**

### 26.1

Certificate of Compliance: A signed certificate of compliance, signed by an authorized representative of Seller's Quality Department, must be submitted with each invoice certifying that the Service delivered is of the quality specified and conforms in all respects with the Order requirements.

26.2 Payment: Payment of each properly submitted invoice shall be made by Buyer within sixty (60) days following receipt of each invoice, provided however, that the Buyer may withhold an appropriate portion of the payment until any disputed items are resolved and/or defects in the Service are corrected. Payment by Buyer shall be deemed to have been made for the purpose of meeting the sixty (60) day requirement on the date Buyer deposited the payment in the mail or made the electronic funds payment. Final payment shall not release Seller from any warranty and indemnification provisions contained in this Order.

26.3 Records: Seller shall maintain, for a period of two (2) years following the expiration or termination of this Order, accurate records of all matters that relate to its performance of the Service, including, without limitation, all records and backup associated with invoices that have been submitted to Buyer, and shall make such records available to Buyer and its representatives for audit and inspection.

**27.0 INDEPENDENT CONTRACTOR** – It is the intention of Buyer and Seller that for all purposes Seller is and shall be an independent contractor and the sole employer and/or principal of any and all persons assigned by Seller to provide services under this Agreement. Seller is obligated to perform all requirements of an employer under federal, state, and local laws and ordinances (or foreign law, if applicable). Such compliance shall include, but not be limited to, laws regarding minimum wages, social security, unemployment insurance, federal and state income taxes and workers' compensation insurance. Seller, not Buyer, is the "common law employer" within the meaning of Treas. Reg. § 31.3401(c)-1(c) of employees of all persons assigned by Seller to provide services under this Agreement. Under no circumstances shall Seller or its employees or agents be construed to be employees, representatives, or agents of Buyer for any purpose, including but not limited to record keeping obligations under state or federal OSHA and Worker's Compensation Laws. Seller's employees and agents shall not be entitled to participate in the profit sharing, pension, or other plans established for the benefit of Buyer's employees. If required by federal or state law, Seller agrees to comply with the Family and Medical Leave Act ("FMLA") for its employees and agrees that with regard to such employees, it is the primary employer as defined by the FMLA regulations.

**28.0 SUSPENSION/STOP WORK** – Buyer may at any time by written order to Seller require the Seller to stop all, or any part of the Service called for by this Order for a period of up to 100 days. After receipt of Buyer's notice, Seller shall stop Service in accord with the terms thereof, taking all reasonable steps to minimize the incurrence of costs allocable to the Service covered by the Order during the period of Service stoppage. Within said 100-day period, or a longer period if agreed to by the parties in writing, Buyer shall either terminate the Order under Article 7.0 or cancel the stop work order by written direction to Seller to continue the Service.

## **29.0 SERVICE PERFORMED ON BUYER PREMISES OR ACCESS TO BUYER'S INFORMATION SYSTEMS**

29.1 SELLER agrees that, while visiting or working at BUYER's facilities, SELLER and its personnel shall comply with all facility rules and regulations of which they have notice, including, but not limited to, the security and safety requirements and shall take all precautions required by any of these or otherwise necessary to prevent the occurrence of any injury to person or property during the term of this Order.

### 29.2 Facility Access

29.2.1 SELLER and SELLER's personnel shall be granted access to BUYER facilities only during BUYER's normally

scheduled business hours or as otherwise specifically agreed in writing between the Parties.

29.2.2 SELLER shall be required to provide information concerning citizenship or immigrant status of SELLER's personnel entering the premises of BUYER. SELLER agrees to furnish this information before commencement of work and at any time thereafter before substituting or adding new personnel to work on BUYER's premises. Information submitted by SELLER shall be certified by an authorized representative of SELLER as being true and correct. SELLER shall comply with all the rules and regulations established by BUYER for access to and activities in and around premises controlled by BUYER or BUYER's customer.

29.3 Safety SELLER agrees to comply with the federal Occupational Safety and Health Act (OSHA), all applicable OSHA regulations or standards, and all BUYER's safety rules of which SELLER has notice, regarding the performance of Services under this Order.

#### 29.4 Hazardous Substances

29.4.1 BUYER uses a number of "hazardous substances", as defined in 29 C.F.R. 1910.1200, and some of these substances are used in work areas where SELLER may perform Services. The Material Safety Data Sheet ("MSDSs") kept on file by BUYER for any hazardous substances which are present in such work areas shall be made available for review by SELLER upon request.

29.4.2 SELLER agrees not to deliver or transport any hazardous substances or materials, as defined in 29 C.F.R. Section 1910.1200, onto BUYER's property without having first obtained prior written approval from the BUYER's Environmental, Health and Safety Department, and SELLER agrees to comply with any instructions from such Department regarding such substances and materials.

29.4.3 SELLER agrees to immediately report any known spill of hazardous materials, hazardous substances, or hazardous wastes on BUYER's property whether caused or not by SELLER. In addition, for spills of hazardous materials, hazardous substances, or hazardous wastes which are owned or controlled by SELLER, SELLER agrees that containment and cleanup shall be at the sole expense of SELLER and shall be performed to the satisfaction of BUYER's Environmental, Health and Safety Department.

29.5 Emergency Medical Aid SELLER authorizes BUYER to administer minor first aid to SELLER or SELLER's agents or employees for injuries incurred on BUYER's property. In the event of a serious injury or if immediate emergency care is believed necessary for an illness, SELLER authorizes BUYER to arrange for emergency response services at SELLER's expense.

#### 29.6 Use of BUYER's Computers or Computer Networks (If applicable)

In the event SELLER's personnel require access to BUYER's computer networks for the purposes of performing work under this Order, SELLER and SELLER's personnel agree to comply with the requirements set forth in the Statement of Work.

### **30.0 FORCE MAJEURE –**

30.1 Neither Party shall be liable for any excess costs or other damages if the failure to perform arises out of causes beyond the reasonable control and without the fault or negligence of the party alleging an event of Force Majeure. Force Majeure causes may include, but are not limited to (a) acts of God or of the public enemy, (b) war (whether an actual declaration thereof or not), (c) acts of terrorism or threats thereof, (d) acts of the U. S. Government in either its sovereign or contractual capacity, (e) sabotage, (f) insurrection, (g) riot or other act of civil disobedience, (h) atmospheric disturbances, (i) fires, (j) floods, (k) plagues or epidemics, (l) quarantine restrictions, (m) labor disputes or strikes, (n) failure or delay in transportation due to transportation workers strike or freight embargoes, (o) worldwide parts shortage(s) or rationing allocations, (p) shortage of labor, fuel, raw material or machinery, or (q) violent storms or unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of the party. If the delay is caused by a delay of Seller or Seller's subcontractors and if such delay arises out of causes beyond the reasonable control of either, and without the fault or negligence of either, Seller shall not be liable for any delay in performance, excess costs or other damages unless the Product to be furnished by the Seller or Seller's subcontractors were obtainable from other sources in sufficient time to permit Seller to meet the required

delivery schedules. Seller shall notify Buyer in writing within ten (10) calendar days after it becomes aware of any such cause. If the original delivery schedule is overcome by the Force Majeure event then the Parties agree to negotiate in good faith a revised delivery schedule.

30.2 Should either Party be unable to fulfill a material part of its obligations under an Order for a period in excess of sixty (60) calendar days due to circumstances beyond its reasonable control as described above, the other Party may at its sole discretion terminate the Order by written notice. Upon either resolution of the Force Majeure event or termination as described, the Parties shall proceed in good faith to negotiate a termination settlement proposal covering the performance of the Order performed prior to the effective date of the termination.

**31.0 SUBSTITUTION** – Seller agrees not to substitute materials or other components of Service without written consent by Buyer.

**32.0 CERTIFICATION OF AUTHENTICITY AND TRACEABILITY.** - Seller certifies to Buyer that all material furnished under this purchase order is genuine, new and unused. Seller certifies that all material is traceable to the point of manufacture and that complete material pedigree is known and can be furnished to Buyer upon request. Seller will have a documented procedure that defines the method for controlling records that are created by and /or retained by Seller. The Seller shall notify Buyer thirty (30) calendar days prior to the destruction or disposal of records associated with this order.

**33.0 SELLER NOTICE OF DISCREPANCIES** Seller shall immediately notify Buyer in writing when discrepancies in Seller's process, materials, or approved inspection/quality control system are discovered or suspected which may materially affect the Services provided under this Contract.

**34.0 HEADINGS** - The headings used in this Purchase Order are inserted for the convenience of the parties and shall not define, limit, or describe the scope or the intent of the provisions of this Purchase Order.