

TERMS AND CONDITIONS OF PURCHASE

1. **PRICES AND SPECIFICATIONS:** The prices quoted are for completed work. No extras or changes from Purchaser's specifications will be allowed except as they may be specifically referred to in this order or as they may be covered by subsequent agreements in writing. All invoices are to be exactly in accordance with this order as to discounts, quantity, price, etc. and must reference PO number, quantity, line number & unit of measure. The Purchaser shall not be liable for any packing, crating or shipping charges unless this order specifically so provides.
2. **RISK OF LOSS:** Risk of loss or damages shall remain on seller until the goods reach Purchaser place of business unless otherwise indicated as FOB on the purchase order.
3. **DELAY:** Purchaser reserves the right to cancel all or part of this order if delayed. If shipment is delayed in transit beyond the discount period, Purchaser does not waive its right to a cash discount.
4. **WARRANTIES AND REJECTIONS;** Seller warrants that at time of delivery all goods ordered to be of good quality, free from defect in materials and workmanship and in conformity with the quantity and description set forth and suitable for the purposes expressed herein. Such a warranty is waived neither by approval of a sample nor by acceptance of the goods nor by payment therefore, unless approved deviation has been accepted prior to shipping goods. All goods will be received subject to Purchaser's approval. The Purchaser may reject any goods which are defective or unacceptable for any other reason even though payment has already been made. Goods which are defective or unaccepted by the Purchaser or which are received after Purchaser has canceled the order shall be held at Seller's risk and returned to Seller at its risk and expense for full refund of the invoice price and the Seller may be charged a \$750 processing fee for penalty.
5. **ASSIGNMENT AND SUBCONTRACTING;** Seller shall not subcontract any work hereunder or assign this order or any money due or to become due hereunder without the prior written consent of Purchaser. Any assignment or attempted assignment contrary to this provision shall be void as to Purchaser. In any event, assigned accounts shall be subject to setoff or recoupment of claims of Purchaser or Seller.
6. **TERMINATION AND DEFAULT:** Purchaser may, by notice in writing, direct the Seller to terminate this order or work under this order in whole or in part at any time and such termination shall not constitute a default. In such event, unless Seller shall have defaulted hereunder, the rights and obligations of Seller and Purchaser shall be as set forth in the Uniform Purchasing Exceptions for Subcontracts in paragraph 8-706 of the Federal Acquisitions Regulations (FAR) as amended to the date of this order, which clause is hereby incorporated by reference. If Seller shall have defaulted; Purchaser shall also have other rights and remedies accorded it at law or in equity. The insolvency or adjudication of bankruptcy of, or the filing of a voluntary petition in bankruptcy, by, or the making of an assignment for the benefit of creditors by, either party, shall be a default hereunder. In no event shall Seller be entitled to anticipatory profits, or to incidental or consequential damages. In the event of the seller's default or potential inability to perform this order, Seller agrees upon demand to deliver to Purchaser the raw materials, special tools, special gauges and work in process acquired in order to perform this order, and Purchaser may then complete the work or have the work completed deducting the total cost of such completion from the price, or in the alternative, it may pay to Seller the cost of such raw materials and work in process.
7. **COMPLIANCE WITH LAW:** Seller certifies that (a) all goods purchased hereunder, have been or shall be manufactured or produced in compliance with the Federal Fair Labor Standards Act, as amended and with all other applicable Federal and state laws and regulations; (b) Seller certifies that the machinery and equipment covered by this Purchase Order comply with the Occupational Safety and Health Act of 1970 as amended and regulations issued thereunder; and (c) Seller complies with the Equal Employment Opportunity Requirements of Executive Order No. 11246, as amended. At the request of the Purchaser, Seller will furnish any or all certifications of compliance applicable to this order. (Sec503 as amended, and 38 USC 2012 as amended.)
8. **PATENTS AND PROPRIETARY DATA:** Seller will defend Purchaser and hold it harmless from all claims, suits or other costs and expenses relating to alleged infringement of any patent, trademark or other similar right, by reason of the purchase, use or sale of goods purchased hereunder. All drawings, methods, processes, information material parts, or assemblies, furnished by the Purchaser as part of or in connection with an order supplied by the Purchaser, are to be considered Purchaser's confidential and proprietary data and may not be used for any purpose except that for which loaned or supplied unless written permission is granted by the Purchaser.
9. **TERMS, MODIFICATION AND WAIVER:** These terms and conditions constitute the final, complete and exclusive statement of the agreement between Seller and Purchaser. No modification of or addition to these terms and conditions shall bind Purchaser unless approved in writing by an authorized officer of Purchaser and agreed in writing by the Seller. Purchaser hereby notifies Seller of its objection to any terms and conditions stated by Seller, whether material which are additional to or otherwise different from those contained herein. Any acceptance contained herein, or which may be implied from Seller's conduct, is expressly made conditional upon Seller's assent to the terms and conditions contained herein. No failure or delay of Purchaser to exercise any right hereunder shall operate as a waiver if such right or of any other right. Purchaser will not in any manner be responsible for goods delivered or work performed on its account without an approved written purchase order from it covering the same.
10. **GOVERNING LAW:** The validity construction and interpretation of all documents relating to this sale, and the rights and duties of the parties thereto shall be governed by the laws of the state of Connecticut.
11. **RIGHT OF ACCESS:** The Seller agrees that Alinabal, its customers, and regulatory agencies may visit the Seller's facility where the work under the Alinabal Order is to be performed, in whole or in part thereof to review progress, discuss problems or rejections and/or verify the quality of work, records and materials pertaining to the requirements of the Order. If Alinabal, its customers and regulatory agencies perform any inspection or test on the Seller's premises, the Seller shall furnish, without additional charge, all reasonable facilities and assistance for the safe and convenient performance of these tasks.
12. **RECORDS AND RETENTION:** The Seller shall be obligated to retain all relevant Quality Records for a period of not less than eleven years. **Records may be destroyed after this period and shall be rendered unreadable and unusable.**
13. **NON-CONFORMING PARTS:** Seller must receive written authorization from Purchaser to ship non-conforming parts and materials and may be charged \$500 fee for non-conforming material.
14. **NON-CONFORMING PARTS SHIPPED:** Seller shall inform Purchaser within 24 hours of discovery of suspect nonconforming product having been shipped.
15. **SUBCONTRACTING:** The Seller shall not be allowed to subcontract this, or any portion of this Order.
16. **ORGANIZATION AND PROCESS CHANGES:** The Seller shall notify in writing of any changes in the Seller's infrastructure, location, ownership or product/process changes of products or services sold to the Purchaser.

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17. **PREVENTION OF COUNTERFEIT PARTS:** The Seller shall have a process in place to prevent the use of counterfeit parts.
18. **FOD PREVENTION:** The Supplier shall implement a "FOD Prevention Program." The Supplier shall assure the devices, components and materials delivered to Alinabal are free of Foreign Object Debris (FOD). The Supplier shall employ general prevention practices to keep FOD, large or small, from the product and packaging. FOD contamination will be cause for rejection of material.
19. **AWARENESS:** The Seller shall have a documented process in place to ensure that persons are aware of their contribution to product or service conformity; their contribution to product safety and the importance of ethical behavior.
20. **CALIBRATION PROVIDERS SHALL:** a) Be accredited to ANSI/ISO/IEC 17025, b) Ensure their published scope of accreditation covers the equipment type and parameters being calibrated, c) Report as-found calibration data when calibrated items are found to be out of tolerance, and d) Ensure all individuals performing M & TE calibration that require visual acuity are tested annually. Testing shall be by a medically qualified/trained individual, in at least one eye (corrected or uncorrected) and compliant to Snellen 14/18, (203/30) or Jaeger 2. A color perception test is also required. Individual shall be capable of distinguishing colors used in the method for which the certification is required.
21. **GOVERNMENT SOURCE INSPECTION:** Note: This clause applies for purchase orders that reference a government contract number. During performance on this subcontract, your manufacturing and associated processes, products and inspections and/or test data are subject to review, verification, examination, test and/or analysis by authorized Government representatives. Regardless of subcontracting tiers, Government inspection or release of product prior to shipment is not required unless you are otherwise notified. FAR clause 52.246-2 applies. Once notified, the requirement cannot be revoked unless notified by an authorized Government representative.
22. **SUPPLIER PERFORMANCE:** All suppliers are required to maintain a combined minimum quality acceptance and on time delivery rating of ninety percent. (Rating is based on a minimum receipt of five shipping lots.) All Alinabal suppliers should strive to achieve a one hundred percent quality and delivery rating.
23. **PACKAGING:** Skid weight shall not exceed 2500#, cartons must be marked in accordance with PUROI-1202-4 and include date, purchase order/work order number, purchase line number, number of pieces and part number on the outside of each carton. Cartons not to exceed 35#. No bulk shipments will be accepted.