

# PURCHASE ORDER TERMS AND CONDITIONS

## PARTIES

"Seller" as used herein, means the addressee. "Buyer", as used herein means ORR Protections Systems, Inc.

## ACKNOWLEDGEMENTS AND ACCEPTANCE

If any of the seller's terms of sale are not in agreement with the terms of this purchase order, the terms hereon shall govern unless Seller's terms are accepted in writing by Buyer. No oral agreement or other understanding shall in any way modify this order or the terms or conditions hereon. Seller's acceptance of this order by (a) acknowledgment (b) delivering material or (c) performing services called for hereunder shall constitute an unqualified acceptance of the terms and conditions hereon.

## DELIVERIES

Time is of the essence in placing this order. Buyer reserves the right to cancel and reject the goods upon default by Seller in time, rate or manner of delivery. Buyer also reserves the right to refuse shipments made in advance of the scheduled deliveries appearing on the face of this order.

## QUANTITY

Quantity of goods or materials ordered must not be exceeded without permission first obtained from Buyer. Excess quantities shipped without permission first obtained from Buyer may be returned to Seller's expense, including transportation both ways and all handling charges. Buyer's count will be accepted as final and conclusive on all shipments.

## PRICE

(a) Reductions in price of goods or materials ordered, occurring between the date of this Order and the time of shipment hereunder shall accrue to the benefit of Buyer. (b) If no price is stipulated in this Order, the price to be charged shall not be higher than Seller's current published price, or that last quoted, or charged to Buyer by Seller, whichever is lower, unless Buyer consents thereto in writing. (c) Any proposed increases in price, above the price stated in this Order, or Seller's published or quoted price at the date hereof, whichever is applicable, shall be ineffective as to this Order, unless Buyer consents thereto in writing prior to the date of shipment hereunder.

## RISK OF LOSS

The risk of loss from any casualty to the goods, regardless of cause, shall be on Seller until the goods have been accepted by Buyer.

## INSPECTION

All materials and services ordered will be subject to final inspection and approval by Buyer after deliver, notwithstanding prior payment, it being expressly agreed that payment shall not constitute final acceptance. Buyer may reject and return any item which contains defective material or workmanship or otherwise does not conform to this Order. Applicable drawings, specifications or samples. Material failing to meet the requirements of this Order will be held at Seller's risk and may be returned to Seller with costs of transportation, unpacking, inspection, repacking, or other like expenses to be the responsibility of the Seller. In case of rejection, Buyer shall have the right at its options to cancel the remainder, if any, of the Order, by notice to the Seller at the time notice is given of the rejection.

## PACKING

No extra charges shall be made for packaging or packing material unless authority is expressly incorporated in this Order. Seller shall be responsible for safe packing, which must conform to requirements on carrier's tariffs. All shipments must carry the correct quantity and purchase order number plainly marked on all packages.

## INVOICES

Individual Invoices must be issued for each shipment applying against this Order. Freight and other charges must be shown if discount is not allowed on full amount of invoice. Delay in receiving an invoice, invoicing for supplies shipped ahead of specified schedule, or invoices rendered with errors and omissions will be considered just cause for Buyer to withhold payment without losing discount privileges. Discount privilege will apply for and invoice due date will be calculated from date of scheduled delivery, the date of receipt of the supplies or services, or the date of invoice, whichever is later, invoices to be acceptable must reference the Buyer's order number.

## SET-OFF

Buyer shall be entitled at all times to set off any amount owing at any time from Seller to Buyer or any of its affiliated companies against any amount payable at any time by Buyer in connection with this Order.

## CONFIDENTIAL RELATIONSHIP

Seller agrees to treat as confidential all specifications, drawings, blueprints, and other technical data supplied by Buyer in connection with this Order. Seller further agrees to (a) limit use of the aforementioned data to the performance of this Order, and (b) limit disclosure to those employees necessary for the performance of this Order, unless prior written consent has been granted by Buyer to permit other use or disclosure. The Seller shall, upon Buyer's request or upon completion of this Order promptly return all data previously supplied by Buyer and destroy any and all copies that were reproduced.

## INFORMATION DISCLOSURE BY SELLER

Any knowledge or information concerning Seller's products, methods, or manufacturing processes which Seller may disclose to Buyer incident to the manufacture of the goods covered by this Order shall, unless otherwise specifically agreed in writing, be deemed to have been disclosed as a part of the consideration of this Order, and Seller, agrees not to assert any claim for patent infringement against Buyer by reason of Buyer's use of alleged use thereof.

## TERMINATION

If Seller ceases to conduct its operations in the normal course of business including inability to meet its obligations as they mature or if any proceeding under the bankruptcy or insolvency laws is brought by or against Seller, or a receiver for Seller is appointed or applied for, or an assignment for the benefit of creditors is made by Seller, Buyer may terminate this Order without liability except for deliveries previously made or for goods covered by this Order then completed and subsequently delivered in accordance with the terms of this Order.

## WARRANTIES

Seller warrants that all supplies furnished under this Order will (a) be free from defects in materials and workmanship (b) conform to the applicable specifications, drawings, samples or other descriptions, (c) be free from defects in design except to the degree such supplies are manufactured to Buyer's design (d) be suitable for the intended purpose, if the purpose is made known to Seller and buyer relies on Seller's judgment and selection, and (e) be free of defects in title. 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 item 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 the 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 such 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 with the understanding (and Seller agrees) that time will be of the essence in all instances.

## PATENT INFORMATION

Seller agrees to defend, protect and save harmless Buyer, its successors, assigns customers, and users of its product, from any claim that any product or article furnished hereunder to Buyer infringes any patent, copyright or trademark by reason its use or sale by Buyer.

## INDEMNITY

Seller will indemnify Buyer against all claims for damages to person or property resulting from defects in material or workmanship.

## WORK ON BUYER'S OR ITS CUSTOMER'S PREMISES

If Seller's work under this Order involves operations by Seller on the premises of Buyer or one of its customers, Seller shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work and except to the extent that any such injury is due solely and directly to Buyer's or its customer's negligence, as the case may be, shall indemnify against all loss which may result in any from an act or omission of the Seller, its agents, employees or subcontractors, and Seller shall maintain such Public Liability, Property Damage, and Employee's Liability and Compensation Insurance as well as protect Buyer for said risk from any claims under any applicable Worker's Compensation and Occupational Disease Acts.

## TOOLING

All material including tools; furnished or paid for specifically by Buyer, shall be the property of Buyer, shall be used for all Buyer orders, shall be subject to removal at any without additional cost upon demand by Buyer, and shall be clear damage, excepting normal wear and tear, and agrees to supply detailed statements of inventory promptly when requested.

## NON-ASSIGNMENT

Assignment of this Order of any interest therein or any payment due or to become due thereunder without the written consent of the Buyer shall be void.

## GOVERNING LAWS

This Purchase Order shall be construed accordance with, and governed by, the laws of the State of Buyer's business address and constitutes the entire agreement between Buyer and Seller.

## WAIVER

No waiver by Buyer of any of the terms of this Order shall operate to relieve Seller from responsibility for any prior or subsequent breach hereunder.

## EQUAL EMPLOYMENT OPPORTUNITY

The goods and services furnished hereunder are subject to the Equal Opportunity Clause of Executive Order 11246, or any amendments thereto, and such equal opportunity compliance requirements are incorporated herein by specific reference.

## SEVERABILITY

If any provision of this Agreement is declared invalid by any tribunal, then such provision shall be deemed automatically adjusted to conform to the requirements for validity as declared at such time, and, as so adjusted, shall be deemed a provision of this Agreement as though originally included herein. In the event that the provision invalidated is of such a nature that cannot be so adjusted, the provision shall be deemed deleted from this Agreement as though the provision had never been included herein, in either case, the remaining provisions of the Agreement shall remain in effect.