

TERMS AND CONDITIONS

1. **Acceptance of order:** ORO Manufacturing Company, hereinafter referred to as “Buyer”, shall not be bound by this order until Seller executes and returns to Buyer the acknowledgment copy of this order. Upon execution and return, the Seller shall be bound by this order terms and conditions. When it otherwise indicates its acceptance of this order, or when it delivers to Buyer any of the goods ordered herein or renders for Buyer any of the services ordered herein, and expressly limits acceptance to the terms and conditions stated herein, any additional or different terms proposed by the Seller are rejected unless expressly assented to in writing by Buyer. No order shall exist except as herein provided.
2. **Warranty:** Seller warrants that items covered by order will conform to specifications, drawings, samples or other descriptions furnished or specified by Buyer, will be of good material, workmanship, free from defects, suitable for purposes intended, whether expressed or reasonably implied, and will perform to its designed or intended purpose without causing unacceptable risk of harm to persons or damage to property.
3. **Quality:** Seller agrees to:
 - (a) Maintain a quality management system which ensures the production of items conforming to the requirements of any order placed by Buyer.
 - (b) Buyer, Buyer’s customer, or any regulatory authority shall have the right to inspect and test the materials and workmanship of all goods at all times and places, including, when practicable, during manufacture. If such inspection or test is made on the premises of the Seller, Seller shall furnish without additional charge all reasonable facilities and assistance for the safe and convenient inspection or test.
 - (c) Notwithstanding any prior inspection, test, use, or payment for the goods, Buyer shall have the right, exercisable within six (6) months of the receipt of the goods, to reject any of such goods which do not conform to the requirements of the order.
 - (d) Should Seller be aware of the production of any product not conforming to the requirements of the order, Seller must immediately notify Buyer. Additionally, should Seller substantially modify the product or process, Seller shall immediately notify Buyer and obtain written approval for the modification.
 - (e) Goods provided by Seller are subject to inspection and test by Buyer. Inspection and test will be in accordance with the specifications as stated in the purchase order. Should Buyer determine that goods delivered by Seller do not conform to the requirements of the order, Buyer may elect to reject the goods and return them to Seller for repair or replacement at Seller’s expense, to accept non-conforming goods for use as is, or to accept non-conforming goods and rework at Buyer’s facility. Buyer may request monetary or other concession for non-conforming goods used as is or reworked at Buyer’s facility. Should Buyer repair or rework non-conforming or damaged goods, all purchase order terms and conditions shall remain in full force and effect as to the goods furnished by Seller. Buyer’s rights under this subparagraph shall be in addition to and shall not be deemed to diminish Buyer’s rights under Warranty.
 - (f) Acceptance of any part of the goods shall not bind Buyer to accept future shipments nor deprive it of the right to return goods already accepted. Acceptance of all or part of the goods shall not be deemed to be a waiver of the Buyer’s right to either cancel or return all or any portion of the goods because of failure to conform to the order, by reason of defect, latent or patent, or other breach of warranty, or make any claim for damage, including manufacturing costs, damage to materials or articles caused by improper boxing or packing, and loss of profits or other damages occasioned the Buyer. Such rights shall be in addition to any other remedies provided by law.
 - (g) Seller shall maintain a work place and any necessary procedure(s) to ensure that product delivered in fulfillment of the order is free from FOD (Foreign Object Damage or Debris). Delivery of product which is not free from FOD is considered non-conforming and is subject to rejection as any other non-conforming product under the provisions outlined in paragraph (e) above.
 - (h) Seller shall establish, as necessary, a procedure to ensure that counterfeit materials are not provided in fulfillment of the order, either as the end item or component thereof. If the Seller becomes aware that some or all of the product supplied in fulfillment of the order is suspected to be counterfeit, the Seller shall immediately notify the Buyer and take the steps necessary to rectify the issue. If the Seller notifies the Buyer that product is suspect, the Buyer will be under no obligation to return the material to the Seller. Similarly, if the Buyer identifies some or all of the product as counterfeit, the Buyer will notify the Seller of such determination, and the Seller will supply replacement material at no additional cost to the Buyer. In either case, the material will be quarantined at the Buyer’s facility and disposed of properly to ensure the product does not re-enter the supply stream.
 - (i) Seller shall undertake necessary training of its employees regarding the production of conforming material/parts in the context of Product Safety. This training shall emphasize that the proper and consistent operation of the component impacts the proper and consistent operation of the final product sold to the Buyer’s end-user.

- 4. Seller Subcontractors and Suppliers:** Seller agrees to provide all applicable requirements of purchase order to Seller's Subcontractor(s) and Supplier(s).
- 5. Shipment or Delivery Schedule:** Shipments or deliveries called for by this order shall be strictly in accordance with schedule set out or referred to in order and in exact quantities ordered. Whenever Seller (i) fails to make delivery of items or to perform services within required time by order, or (ii) fails to perform any other provisions of order, Buyer may terminate order in whole or in part. It is an absolute necessity to inform Buyer in the event of any adverse impact in schedule.
- 6. Invoices and Payment:** Unless otherwise provided in order, no invoices shall be issued for payment made prior to delivery. Individual invoices must be issued for each shipment under order. Discount invoices will be payable based on applicable discount periods computed from the date of delivery of items ordered or the receipt of the corrected invoice whichever is later. Unless freight and other charges are itemized, any discount will be taken on full amount of invoices. All payments are subject to adjustment or rejection. Seller agrees prices are not in excess of Seller's list, catalog or published price, and that such prices are not higher than prices charged to other customers purchasing similar items. Do not execute at higher prices than previously quoted or indicated without consent of Buyer.
- 7. Title and Risk of Loss:** Unless otherwise provided in order, Seller shall have title to and risk of any loss or damage to items purchased hereunder until they are delivered in conformity with order at destination specified. Upon such delivery, title shall pass from Seller's responsibility except for loss or damage resulting from Seller's negligence. Passing of title upon such delivery shall not constitute acceptance of items by Buyer. All items shall be suitably packed and prepared for shipment to withstand normal transportation and stocking functions and shipped in accordance with requirements of common carrier to secure lowest transportation cost and no extra charge therefore shall be made to Buyer unless stated on order.
- 8. Changes:** The Buyer may at any time by written notice make changes within the general scope of this order, in drawings, designs, specifications, or shipping instructions. If any such change causes an increase or decrease in the cost of, or the time required for performance of, an equitable adjustment shall be made in the price, or delivery schedule, or both. Any claim for adjustment by Seller must be made within thirty (30) days from the time the change is ordered or within such additional period of time as may be agreed upon.
- 9. Inspection of Records:** Seller agrees that its books, records, and facility, or such parts thereof as may be engaged in the performance of this order, shall at all reasonable times be subject to inspection and audit by any authorized representative of the Buyer, Buyer's customer, or any regulatory authority.
- 10. Excusable Delays:** Seller shall not be charged with any liability for failure or delay in making deliveries when such failure or delay is due to any cause beyond the control and without the fault or negligence of Seller, provided that Seller shall give to Buyer prompt notice in writing when it appears that such cause will delay deliveries under this order. If any such failure or delay shall threaten or impair Buyer's ability to meet delivery requirements for its products, Buyer shall have the right at its option and without being under any liability to Seller to cancel that portion or portions of this order so affected. Correspondingly, Buyer shall be excused for delay or failure in performance herein due to any cause beyond its control and without its fault or negligence.
- 11. Compliance with Labor Laws:** Seller hereby certifies that the goods called for by this order have been or will be produced in compliance with the Fair Labor Standards Act of 1939 (29 U.S. Code 201-219) and, insofar as applicable to this order the Walsh-Healy Public Contracts Act (41 U.S. Code 35-45) or the Work Hours Act of 1962 (40 U.S. Code 327-332), and any amendment thereto, as well as with the provisions of any other Federal law with respect to labor relations, minimum wages and hours of employment, now in effect or hereafter enacted, and with any and all rules and regulations issued under each and every such act. Seller agrees that this certification may be considered as the certificate contemplated by the amendment dated October 26, 1949, to the Fair Labor Standards Act of 1938.
- 12. Termination for Default:** Whenever Seller (1) fails to make reasonable progress in performance or fails to make scheduled delivery of items or to perform services called for herein within the time required by this order, or (2) fails to perform any other provisions of this order, Buyer may by providing ten (10) days written notice of termination to Seller, either delivered personally or by first class or registered or certified mail, terminate performance of work under this order in whole or in part. The exercise by Buyer of the right of termination will not have the effect of waiving damages which the Buyer might otherwise be entitled to.
- 13. Equal Employment Opportunities:** Seller agrees to comply with the provisions of Executive Order # 11246 of September 24, 1965, as it may be amended thereafter and the rules, regulations and relevant orders of the Secretary of Labor (all of which establish requirements as to equal opportunities in employment by Government contractors and subcontractors). The Government contract clause, Section 202 of Executive Order # 11246 as it may hereafter be amended is specifically incorporated herein and made part hereof by reference.

- 14. Non-segregated Facilities:** This is a notice to subcontractors of requirements for certification of nonsegregated facilities. Unless subcontractor is exempt from the provision of the Equal Employment Opportunities clause set forth above and if this subcontractor exceeds \$10,000, Seller agrees that it will not maintain any segregated facilities at any of its establishments and that Seller will complete a certification to that effect as required by the May 9, 1971 order of the Secretary of Labor.
- 15. Seller's Financial Status:** Buyer shall have the right to terminate this order or any part thereof for default without further cost or liability to Buyer in the event of the happening of any of the following: filing of a voluntary petition in bankruptcy by Seller; filing of an involuntary petition to have Seller declared bankrupt, provided it is not vacated within thirty (30) days from date of this filing; the appointment of a receiver or trustee for Seller provided such appointment is not vacated within thirty (30) days from the date of such appointment; the execution by Seller of an assignment for the benefit of creditors.
- 16. Amendments:** The parties agree that this purchase order, including the terms and conditions on the face, together with any documents attached hereto or incorporated herein by reference, contains the complete and final order between Buyer and Seller; that no agreement or understanding to modify this order shall be binding upon Buyer unless in writing and signed by Buyer's authorized representative. All specifications, drawings and data submitted to Seller with this order or referred to by this order are hereby incorporated herein and made a part of this order.
- 17. Labor Disputes:** Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, Seller will immediately give notice thereof to Buyer. Such notice shall include all relevant information with respect to such dispute.
- 18. Inconsistencies:** In the event the printed conditions hereof are inconsistent with the typed, stamped and/or written provisions of the face hereof, the written, stamped, and/or typed provisions shall govern.
- 19. Assignment:** No assignment if this order or any monies due or which become due shall be binding upon Buyer until its written consent thereto is obtained.
- 20. Subcontracting:** If any articles are to be made to Buyer's specifications, all subcontracting by Seller with respect thereto shall be subject to prior written notification to Buyer and consent of same.
- 21. Ethical Behavior:** Sellers shall have in place a statement of Ethical Behavior or Code of Conduct for all employee(s). Buyer expects that Seller will train its employee(s) on the importance of Ethical Conduct in all transactions with the Buyer. This includes, but is not limited to, preparing documents regarding manufacture and inspection of product, preparing Certificates of Conformance, if required, and following the Seller's Processes and Procedures to ensure conforming product is produced as outlined in **4. Quality**.
- 22. Gratuities:** If it is found that gratuities (in the terms of entertainment, gifts or otherwise) are offered by the Seller, or any agent or representative of the Seller, to any employee of the Buyer with a view toward securing favorable treatment with respect to the awarding or the performing of a contract, appropriate sanctions may be imposed against Seller by the Buyer in addition to any other rights and remedies provided by law.
- 23. Proprietary Rights and Protection of Documented Information:**
 - (a) All technical information in the nature of designs, blueprints, specifications, engineering data for production or product know-how, which is supplied to the Seller by the Buyer to facilitate or assist in the performance of this order, shall, unless agreed otherwise, be considered and kept confidential by the Seller, and the Seller will not use and cause such information, either directly or by incorporation, in its use in manufacturing of products for others.
 - (b) Additionally, Seller agrees to assign to the Buyer and not otherwise to make use of any invention, improvement or discovery (whether or not patentable), conceived or reduced to practice in the performance of this order by an employee of the Seller or other person working under Seller's direction, and such assignment shall be considered as additional consideration for the making of this order. Upon completion of performance of this order, the Seller shall deliver to the Buyer any and all information relating to any such invention, improvement or discovery, and shall cause employees or others subject to Seller's instructions to sign as appropriate all documents necessary or convenient to enable the Buyer to file applications for patent throughout the world and to obtain title thereto.
 - (c) If documented information is managed electronically by the Seller, data protection processes will be defined and in place to prevent loss, unauthorized changes, unintended alteration, corruption, physical damage, and access by unauthorized personnel.
- 24. Purchase Order Content:** This purchase order nor the text here on may not be duplicated nor any information there on be divulged to a third party without the written permission of the Buyer.

- 25. Termination For Convenience – Stop Work:** The Buyer may upon notice terminate or stop work on this order in whole or in part. Upon receipt of such notice the Seller will not perform any further work and will so notify his suppliers as applicable. If work is stopped or the order so terminated, then through negotiation between the Buyer and Seller equitable compensation for work performed up to the date of notice will be determined. It is the responsibility of the Seller to notify the Buyer within 30 days of such notice whether or not cancellation charges are applicable and the amount of such charges. The Buyer will not accept any charges for materials and work which are in advance of Seller's normal lead times to meet Buyer's schedules.
- 26. Transportation:** Premium transportation will be paid by Buyer only when specifically authorized. Do Not insure or declare value of any shipment made F.O.B. shipping point, except for Parcel Post which will be insured at minimum value. Classify all shipments in accordance with existing carrier classification tariffs.
- 27. Packing Lists:** Separate packing lists are required for each Purchase Order and must accompany each shipment. The location of the packing slip must be clearly marked on the container. When multiple cartons are used, the packing sheet will show the items in each carton. Multiple cartons will be numbered for example, 1 of 4, 2 of 4, etc.
- 28. Purchase Order Number:** The Purchase Order Number must appear on all containers, packing lists, supporting documents, invoices and statements.
- 29. Containers:** Single item containers will be identified with Purchase Order, Part Number and Quantity. When multiple Purchase Orders or items are combined in one container, they must be separately packaged and the packages identified as to Purchase Order, Part Number and Quantity.
- 30. Sales Tax:** This order is not subject to North Carolina Sales Tax Per General Statutes 105-164.13.(5) of North Carolina Revenue Act. Exemption # 901 5 090 04697.
- 31. Prices:** Do not execute at higher prices than previously quoted, or indicated, without written consent of Buyer.
- 32. Freight:** Prepay freight and add as separate item on invoice.