PURCHASE ORDER TERMS AND CONDITIONS

(1) ACCEPTANCE – This purchase order constitutes Buyer’s offer to Seller, and is a binding contract on the terms and conditions set forth herein when it is accepted by Seller either by signature on the acknowledgment copy or the commencement of performance hereunder. No condition stated by Seller in accepting or acknowledging this order shall be binding upon Buyer if in conflict with, inconsistent with, or in addition to the terms and conditions contained herein unless accepted by Buyer’s Written approval. This Order expressly limits acceptance to the terms of this order and additional or different terms proposed by the seller are rejected unless assented to in writing by the Buyer.

(2) REVISIONS – No revisions of this Order or any of the terms or conditions hereof shall be valid unless in writing and signed by an authorized representative of Buyer’s Purchasing Department.

(3) CHANGES – Buyer may at any time by written order, without notice to any surety, make changes or additions within the general scope of this purchase order in or to drawings, designs, specifications, instructions for work, method of shipment or packing, or place of delivery. If any such change causes an increase or decrease in the cost of or the time required for performance of this purchase order, Seller shall notify Buyer in writing immediately and an appropriate equitable adjustment will be made in the price or time of performance or both, by written modification within thirty days after Seller’s receipt of notice of the change or within such other period as may be agreed on in writing by the parties. Nothing herein shall excuse Seller from proceeding with the Order as changed.

(4) QUANTITY – Buyer need not accept any variation in quantity except as specified herein.

(5) PACKING AND SHIPMENT – Deliveries shall be made as specified without additional charge for boxing, crating or storage. Unless otherwise specified, an article shall be suitably packed to secure the lowest transportation cost in accordance with the requirements of common carriers. Material shall be described in bills of lading in accordance with current national mode of freight or uniform freight classification whichever is applicable. Buyer’s order numbers and symbols, and identification numbers must be plainly marked on all invoices, packages, bills of lading and shipping orders. Packing lists shall accompany each box or package shipment showing Buyer’s Order number and symbol item number and description materials. Buyer’s count or weight shall be final and conclusive on shipments not accompanied by packing lists. Shipping receipts or bills of lading shall be sent to Buyer on date material is
shipped. Articles shall be packed to assure against damage from weather or transportation.

(6) DELIVERY – Delivery shall be strictly in accordance with the delivery schedule set out or referred to in this order. Notwithstanding this provision, the Seller shall not be liable for delays or defaults due to causes beyond its control and without its fault or negligence, provided, however that if Seller has reason to believe that deliveries will not be made as required, due to such causes, written notice setting forth the cause of any anticipated delay shall be given immediately to Buyer.

(7) INVOICING – Invoices shall be mailed in duplicate only one of which shall be identified as “original”, immediately after each shipment to ACSI Accounting Department at the address shown on the face of the purchase order. Delays in receiving invoices, errors or omissions on invoice or lack of supporting documentation required by the terms of this order will be cause for withholding settlement without losing discount privileges.

(8) PAYMENT – Payment for the articles covered by this purchase order will be made promptly following receipt of such articles at destination and appropriate invoice.

(9) INSPECTION – If a specification number is noted for the articles ordered, Seller shall, upon request, furnish a report confirming manufacture of the articles according to specification.

All articles will be subject to final inspection and acceptance by Buyer within a reasonable time after receipt at the designated destination, irrespective of prior payment.

Buyer may reject any article which contains defective material or workmanship or does not conform to specifications, samples or warranties. Any article so rejected may be returned to Seller at Seller’s risk and expense, and at full invoice price plus applicable transportation charges both ways. No defective article or material shall be replaced unless requested by Buyer. All defective material must be removed from ACSI’s premises within five (5) business days, unless otherwise specified in writing, or material will be disposed of at Seller’s expense.

(10) WARRANTY – Seller warrants that all articles, material and work furnished hereunder will be free from defect in material and workmanship and will conform to applicable specifications, drawings, samples and/or descriptions furnished by Buyer. The warranties of Seller together with its service guarantees, shall run to Buyer and/or its customers.
(11) PATENT INDEMNITY – Seller agrees to indemnify Buyer and its customers against any liability, including cost and expenses, for or by reason of any actual or alleged infringement of any patent or trademark arising out of the manufacture use, sale or disposal of supplies or articles furnished to Buyer under this purchase order, except where such supplies or articles would be normally non-infringing but are rendered infringing by reason of Seller’s compliance with Buyer’s detailed design and specifications and Seller gives prompt notice of any claim of infringement related thereto.

(12) SUBCONTRACTING – Seller agrees to obtain Buyer’s written approval before sub-contracting this order or any substantial portions thereof, provided, however, that this limitation shall not apply to the purchase of standard commercial supplies or raw materials on which Seller will perform further work.

(13) ASSIGNMENT – The assignment of any right or interest in this Order without the written permission of the Buyer shall be wholly void and totally ineffective except that the Seller may, with written consent of Buyer, assign claims for money due or to become due hereunder through a bank, trust company, federal lending agency or other financing institution. Buyer and Seller also agree that neither shall delegate any obligation which he has under this purchase order without the written permission of the other party and any attempted delegation without written permission shall be wholly void and totally ineffective for all purposes. Any permitted assignment shall provide that payment to an assignee of any such claim shall be subject to set off or recoupment for any present or future claim or claims which Buyer may have against Seller and shall be valid only after Seller has supplied Buyer with two properly executed copies of the assignment.

(14) TERMINATION – Without limiting Buyer’s right to cancel this purchase order for default of Seller, as provided below, Buyer may terminate all or any part of the work under this order and process claims therefore, for its convenience in accordance with the provisions set forth in FAR 49.502 entitled, “Termination for the convenience of the Government.”

(15) DEFAULT OF SELLER – Buyer reserves the right to cancel all or any part of the undelivered portion of this purchase order in the event Seller for any reason fails to perform any of the provisions of this purchase order, including specified times for delivery, or so fails to make progress as to endanger performance of this purchase order in accordance with its terms. Buyer shall also have the right to cancel this Order or any part thereof if Seller becomes insolvent or a bankruptcy petition is filed which is not vacated within thirty days from the date of filing. Except with respect to defaults of its subcontractors, Seller shall not be liable for damages if the failure to perform this purchase order arises out of causes beyond the control and without fault or negligence of Seller, such acts of God or of the public enemy, fires, floods,
strikes, freight embargoes, or acts of the Government in either its sovereign or contractual capacity, but in every case the failure to perform must be beyond the control and without the fault of negligence of Seller. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both Seller and the subcontractor, and without the fault of negligence of either of them, Seller shall not be liable for damages suffered by Buyer. If after notice of cancellation under the provisions of this article, it is determined that such cancellation was not in accordance with the terms of the purchase order, such notice of cancellation shall be deemed to have been issued pursuant to Article 14 entitled “TERMINATION,” and the rights and obligations of the parties hereto shall in that event be governed by such article. The failure of Buyer to insist upon strict performance of any of the terms of this purchase order or to exercise any rights herein conferred, shall not be construed as a waiver of Buyer’s right to assert or rely on any such terms or rights on any future occasion.

(16) BUYER FURNISHED PROPERTY – Seller assumes complete liability for any tooling, articles or material furnished by Buyer to Seller in connection with this purchase order and Seller agrees to pay Buyer for all such tooling, articles or material spoiled by it or not otherwise accounted for to Buyer’s satisfaction. The furnishing to Seller of any tooling articles or material in connection with this purchase order shall not, unless otherwise expressly provided, be construed to vest title thereto in Seller.

All drawings, designs, tools, patterns, equipment and information supplied by Buyer hereunder and proprietary rights embodied therein are reserved and their uses restricted to work to be performed for Buyer. Where no government contract number is shown on the face of this purchase order and where payment is made for experimental developmental or research work performed hereunder, Seller shall disclose and does hereby assign to Buyer all inventions resulting there from and does grant Buyer the right to use for any purpose all data specified to be delivered under this purchase order.

(17) SPECIAL TOOLING – Dies, tools and patterns specially developed for and used in the manufacture of the articles herein ordered shall be furnished by and at the expense of Seller and shall be kept in good condition and when necessary, shall be replaced by Seller without expense to Buyer.

Buyer may at any time become the owner and entitled to possession of any or all such special tooling acquired or manufactured specially for use in the performance of this Order if any portion of the cost of such special tooling is separately stated or included in the price of articles, material or work covered by this order upon Seller being reimbursed the unpaid amount of Seller’s cost of such special tooling.
If the price stated on the face hereof includes separately the entire cost of any such dies, tools and/or patterns acquired by Seller for the purpose of filling this order, such dies, tools and/or patterns shall become the property of the Buyer. To the extent feasible Seller shall identify said property as Buyer directs and shall retain such property for exclusive use of Buyer. At completion of this order such tools, dies and/or patterns shall be stored for a reasonable time by Seller at no cost to Buyer, and until disposed of as Buyer may direct.

(18) INSURANCE – Seller agrees, if and when requested by Buyer to procure a policy or policies of insurance in form satisfactory to Buyer insuring all property on Seller’s premises owned by Buyer against loss or damage resulting from fire (including extended coverage), malicious mischief and vandalism. Satisfactory evidence of such insurance shall be submitted to Buyer within a reasonable period of time after requested by Buyer.

(19) INDEMNITY – If Seller, in connection with the performance of this purchase order, shall send any of its agents or employees onto premises owned or controlled by Buyer, Seller shall (1) provide safety protection for persons and property in accordance with all applicable laws and regulations, and (2) Indemnify and save harmless Buyer from and against any and all liabilities and losses whatsoever (including without limitation cost and expenses in connection therewith) on account or by reason of injury to or death of any person whatsoever or loss of or damage to any property whatsoever suffered or sustained in the course of or in connection with the performance of the work. Buyer at its option may require Seller to furnish evidence of insurance reasonably satisfactory to Buyer covering the liabilities and indemnifications provided above, but no acceptance of such evidence by Buyer shall be deemed a waiver or release of such liabilities or duty to indemnify.

(20) SECURITY REGULATIONS – Seller agrees that, if required, prior security clearance, will be obtained by any of its personnel requiring access to Buyer’s plant premises for the purpose of performing the work covered by this purchase order.

(21) COMPLIANCE WITH LAWS AND REGULATIONS – Seller agrees that the articles will be produced and all work hereunder will be performed in accordance with all applicable statutes and laws (including, but not limited to the Fair Labor Standards Act, the Walsh Healey Act, the Occupational Safety and Health Act, and all lawful orders, rules and regulations thereunder), all executive orders, regulations of any of the Executive Departments of the United States Government, or any state or political subdivision thereof, and agrees to indemnify Buyer against any loss, cost, liability or damage by reason of Seller’s violation of any such applicable laws, orders, rules or regulations.
(22) **INTERPRETATION** – The interpretation of this purchase order shall be governed in all respects by the laws of the state, which is shown as part of the address of ACSI on the face of this purchase order.

(23) **EQUAL OPPORTUNITY** – Seller will comply with all applicable federal, state and local laws and regulations, guidelines and rules relating to (i) equal employment opportunity including, without limitation, all requirements contained in or authorized by Federal Executive Order No 11246 of September 24, 1956 and any amendments thereto (ii) employment of qualified disabled veterans and veterans of the Vietnam era, including but not limited to, all requirements contained in or authorized by the Vietnam Era Veterans Readjustment Assistance Act of 1974, and any amendments thereto and (iii) employment of the handicapped, including but not limited to all requirements contained in or authorized by the Rehabilitation Act of 1973, and any amendments thereto.

(24) **ANTI-KICKBACKS** – The Federal Acquisitions Regulation FAR 52.203-7 (41 USC 51-58) of 1986 is in force on this purchase order and in compliance with FAR 52.203-7. This provision must be “flowed-down” to all subcontract tiers.

(25) **PRODUCT ACCEPTANCE/OBSOLESCENCE** – ACSI’s acceptance of Products shall be subject to ACSI’s final inspection after receipt at destination. Such final inspection and acceptance shall be conclusive, except as to latent defects, fraud, gross mistakes that amount to fraud, and/or the Supplier’s warranty obligations. ACSI requires Supplier to be aware of and proactively monitor all items and material used in the manufacture of this order for impending obsolescence issues. Supplier will provide immediate formal notification to ACSI as soon as a pending obsolescence issue or event is known to Supplier, describing the obsolete item, reason for obsolescence, estimated date the item will no longer be available, and any proposed alternatives. Timely notification is imperative to allow sufficient time to identify alternates for the affected parts, and perform any necessary certifications, which may involve OEMs and airline regulatory agencies. Supplier will use diligent efforts to minimize cost and operational impact, including the effects of interchangeability to ACSI and its customers. ACSI may desire to place additional orders for items purchased hereunder. Seller shall provide ACSI with a “Last Time Buy Notice” at least twelve (12) months prior to any action to discontinue any item purchased under this purchase order.

(26) **REJECTION** – Products that are not as warranted under Article 10 above, may be rejected and returned to Supplier for correction, replacement, or credit, at ACSI’s election. Removal, inspection, correction, rework and transportation costs shall be at Supplier’s risk and expense. If ACSI elects
correction or replacement, the corrected or replaced Product must be received by ACSI within forty-eight (48) hours of rejection.

(27) RIGHT OF ACCESS AUDIT AND INSPECTION - Supplier agrees to provide right of access to ACSI to all facilities involved in the order. ACSI may perform on-site audits or inspections related to Supplier’s performance hereunder at Supplier’s plant, including, but not limited to, audit or inspection of Supplier’s facilities, systems, equipment, testing, data, personnel, all work-in-process and completed products manufactured.

(28) RESPONSIBILITY FOR PERFORMANCE – ACSI’s issuance of this Order is based, in part, on ACSI’s reliance upon Supplier’s ability, expertise, and awareness of the intended use of the Products. Unless otherwise agreed, in writing, Supplier shall supply all materials, equipment, tooling and facilities required to perform this Order.

(29) CONFIDENTIAL/PROPRIETARY INFORMATION – All confidential and proprietary information not in the public domain, including, but not limited to, writings, drawings, equipment, tooling, models, oral disclosures, disclosed by ACSI and received by Supplier, and/or learned of, or produced by Supplier in connection with the performance of the work under this Order, is the sole property of ACSI and shall be held by Supplier in strict confidence, at all times, and shall not be used, nor disclosed, by Supplier to any third party, without the prior written consent of ACSI. The provisions of this clause shall survive the performance, completion, or termination of this Order.

(30) GOVERNMENT CONTRACTS/SUBCONTRACTS – If this Order indicates that it is issued under a United States Government Agency prime contract or subcontract, pertinent provisions, federal laws, executive orders, and agency procurement regulations shall apply.

(31) NONCONFORMING PRODUCT
(a) Responsibility for Conformance
Neither Surveillance, inspection and/or tests made by ACSI at either the Supplier’s or ACSI’s facility, nor the Supplier’s compliance with all supplied quality assurance requirements shall relieve the Supplier of the responsibility to furnish items which conform to the requirements of this Order.
(b) Nonconforming Product
The Supplier shall not use dispositions of use-as-is or repair, unless specifically authorized in writing by ACSI, if the product is produced to ACSI requirements, or the nonconformity results in a departure from the Order requirements.
(32) **CHANGES TO PRODUCT & PROCESS** – Supplier shall not change any procedure, product and/or process definition without prior written approval if such procedure, product, and/or process definition were originally subject to ACSI’s approval.

(33) **CORRECTIVE ACTIONS** – When corrective actions are issued to the Supplier, the Supplier shall address them in a timely manner by performing proper root cause analysis and submitting an appropriate corrective action plan. Failure to corrective actions may disqualify the Supplier from being an approved ACSI supplier.

(34) **RECORDS** – Records that are created by the Supplier to fulfill this Order shall be maintained for a minimum of ten (10) years.

(35) **ENTIRE AGREEMENT** – This Order sets forth the entire agreement and supersedes any and all other agreements, understandings and communications between ACSI and Supplier and related to the subject matter of this Order. No amendment or modification of the Order shall be binding upon ACSI unless set forth in a written instrument signed by ACIS’s duly authorized representative. The rights and remedies afforded to ACSI pursuant to any provision of the Order are in addition to any other rights and remedies afforded by any other provision of the Order, by law, in equity, or otherwise.

Supplier: ________________________________________________

By:

Print Name: ________________________________________________

Title: ________________________________________________

Date: ________________________________________________