

# GENERAL PURCHASE ORDER TERMS AND CONDITIONS

**DEFINITION:** As used in this order the term “**FAR**” means Federal Acquisition Regulations. The effective dates of the below-referred **FAR** clauses shall be the dates of corresponding clauses in the prime contracts that are referenced in this purchase order. Any reference to a “Disputes” clause in the prime contract under which this order is issued shall be inapplicable to this “purchase order”.

1. **ACCEPTANCE OF PURCHASE ORDER.** This order is Buyer’s offer to Seller for the materials specified or the work to be performed hereunder and, together with any attachments specifically incorporated herein by reference, contains the entire agreement between Buyer and Seller with respect to such materials or work, and supersedes any other agreements or understanding made to the date hereof. This offer shall become a Contract on the terms and conditions stated herein when it is accepted by Seller either by acknowledgment or by performance. No change, modification or revision of this order shall be valid unless in writing signed by Buyer.
2. **PACKING AND SHIPPING.** All items must be suitably packed and prepared for shipment to secure lowest transportation rates and comply with carrier regulations, otherwise the difference in packing, crating and carriage, as the case may be, will be charged to Seller. No charges will be paid by Buyer for packing, crating or carriage unless stated in the order. All shipments to be forwarded on one day via one route must be consolidated.
3. **DELIVERY.** Deliveries shall be strictly in accordance with the schedule set out or referred to in the order and in exact quantities. If Seller’s deliveries will not meet such schedule, Buyer may request Seller to ship via routing necessary to meet schedule or recover time lost by non-delivery on schedule, and the difference between revised routing and order routing costs shall be paid by Seller. Time is of the essence, and failure by Seller to complete delivery within the time specified shall, in addition to Buyer’s other rights and remedies, relieve Buyer of any obligation to accept and pay for any such material or work.
4. **INVOICES AND PAYMENT.** Unless otherwise provided in this order, no invoices shall be issued nor payments made prior to delivery. Individual invoices must be issued for each shipment under this order. Unless freight and other charges are itemized, any discount will be taken on full amount of invoice. All payments are subject to adjustment for shortage or rejection.
5. **WARRANTIES.** Seller warrants (a) all items delivered under this order will be free from defects in material and workmanship, will conform to applicable specifications and drawings and, to the extent such items are not manufactured pursuant to detailed designs furnished by Buyer, will be free from defects in design and suitable for the intended purposes: (b) unless otherwise stated on the face of this order, all items delivered under this order are new, have not been previously used and are not former Government surplus property: (c) all materials herein described and the sale thereof do not, and the use of the same for their intended purposes will not constitute infringement or contributory infringement of any patent, copyright or trademark, or violation of any trade secret; and (d) in the performance of this order, Seller has complied or will comply with all applicable Federal, State and local laws and ordinances and all lawful orders, rules and regulations thereunder. These warranties are in addition to and shall not be construed as restricting or limiting any warranties of Seller, expressed or implied, which are provided or exist by operation of law. The warranties of the Seller, together with its service warranties and guarantees, if any, shall run to Buyer and its customers.
6. **INSPECTION.** All items are subject to final inspection and acceptance by buyer at destination, notwithstanding any prior payment or inspection at source, and such inspection shall be made within a reasonable time after delivery. Acceptance of any items by Buyer shall not be deemed to alter or affect the obligations of Seller or the rights of Buyer and its customers under the Warranties clauses.

7. **REJECTION.** Buyer shall notify Seller if any items delivered hereunder are rejected and at Buyer's election and Seller risk expense, such items shall be held by Buyer or returned to Seller. No replacement of defective items shall be made by Seller unless agreed to in writing by Buyer.
8. **CHANGES.** Buyer may at any time by written notice make changes within the general scope of this order to drawings and specifications, shipping instructions, quantities, and delivery schedule. Should any such change increase or decrease the cost, or the time required for, performance of the order, an equitable adjustment in the price and/or deliver schedule will be made. Any claims for adjustment by Seller must be made within thirty (30) days from the date the change is ordered or within such additional period of time as may be agreed upon.
9. **TITLE AND RISK OF LOSS.** (a) Unless otherwise provided in this order, Seller shall have title to and bear the risk of any loss of or damage to the items purchased hereunder until they are delivered in conformity with this order at the f.o.b. point specified on the face hereof, and upon such delivery title shall pass from Seller to Buyer and Seller's responsibility for loss or damage shall cease except for loss or damage resulting from Seller's negligence or failure to comply with this order. Passing of title upon such delivery shall not constitute acceptance of the items by Buyer. (b) Unless otherwise provided in this order, Seller upon delivery to it or manufacture or acquisition by it, of any materials: parts, special tooling or other property, assumes the risk of and shall be responsible for any loss thereto. Seller, in accordance with provisions of this order, but in any event upon completion thereof, shall return such property to Buyer in the condition in which it was received except for reasonable wear and tear and except to the extent that such property has been incorporated in items delivered under this order, or has been consumed in normal performance of work under this order. If Seller is furnished Government owned property, for use in connection with this order, Seller shall comply with the provisions of Federal Acquisition Regulations (**FAR**, Part 45-Government Property which is incorporated herein by reference. "Special Tooling" as herein used includes all special tools, jigs, fixtures, drawings, dies, molds, and patterns acquired or manufactured by Seller for use in the performance of this order, and does not include any standard or perishable tooling, gauges, or measuring instruments.
10. **STOP WORK ORDERS.** The rights and obligations specified in the "Stop-Work Order" clause contained in **FAR** Section 52.212-13 are hereby made applicable to this order by reference except "Contracting Officer" shall mean "Buyer's Purchasing Representatives" the title "Termination for Convenience of the Government" in paragraph (a) (2) means "Termination" and the words "for convenience of the Government" in paragraph (c) are replaced by "in accordance with the Termination Clause".
11. **TERMINATION AND DEFAULTS.** The rights and/or obligations specified in **FAR** Section 52.249-2 and 52.249-6 are hereby made applicable to this order and said sections are hereby incorporated in this order by reference, except that the terms "Contracting Officer and Government" used therein shall mean "Buyer"; "Contractor" shall mean "Seller"; "Contract" shall mean "this order"; the "Termination for Convenience" clause shall mean the Termination clause referred to in this Article; and the reference therein to a "Disputes" clause shall be inapplicable. Waiver by Buyer of any default by Seller shall not be deemed a waiver of any other default. In the "Termination for Convenience" clause, paragraph (c) the term "45 days" is changed to "90 days" and in paragraph (d) the term "1 year" is changed to "6 months".
12. **USE OF DESIGN, DATA, ETC.** Seller agrees that it will keep confidential the features of any equipment, tools, gauges, patterns, designs, drawings, engineering data or other technical or proprietary information furnished by Buyer and use such items only in the production of items under this order or other orders, from Buyer, and not otherwise, unless Buyer's written consent is first obtained; provided however, that seller shall have the right to use such items upon written notice to Buyer in the manufacture of end items for direct sale to the government to the extent the Government has the right under its prime contracts with Buyer to authorize such use by Seller. Upon completion or termination of this order, Seller shall return all such items to Buyer or make such other disposition thereof as may be directed or approved by Buyer.
13. **INDEMNIFICATION AGAINST INFRINGEMENT.** Seller agrees to indemnify Buyer, its successors, assigns, customers and agent from any and all costs, expenses and damages on account of any claim that any of the material covered by this Contract (except material made to Buyer's detailed designs) infringes on United States Patent, copyright or trademark, or that the same is a violation of any trade secret. Seller shall be notified promptly of each such claim and, to the extent of Buyer's right to do so, shall be offered control of the defense and settlement of any such claim.

14. **NOTICE OF LABOR DISPUTE.** Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, Seller shall immediately give notice thereof, including all relevant information with respect thereto, to Buyer. Seller shall require of any subcontractor of any material or work hereunder the same or substantially the same obligation as that contained herein.
15. **CLEARANCE OF MATERIAL INTENDED FOR PUBLIC USE.** No news release, advertisements, public announcement, denial or confirmation of same relating to any part of the subject matter of this order or any phase of any program hereunder shall be made directly or indirectly without prior written approval of Buyer. If this purchase order is issued under a Government contract, the Government is excluded from the restrictions set out in this provision.
16. **SUBCONTRACTING OR ASSIGNING.** Neither this order or the obligations of Seller hereunder shall be subcontracted, assigned or delegated by operation of law or otherwise without Buyer's prior written consent.
17. **GOVERNING LAW.** The Purchase Order governing these terms and conditions and the performance of the parties hereunder shall be construed in accordance with governed by the laws of the state of Ohio.
18. **ADDITIONAL TERMS AND CONDITIONS.** If this purchase order is issued under a government contract, as shown by a number in the line entitled "Contract #" on the face of this purchase order, and to the extent they are required by the contract under which this order is issued, or the Federal Acquisition Regulations (**FAR**) or other comparable government procurement regulations, and subject to the exemptions, conditions, and limitations therein specified, the following terms and conditions and the **DAR/FAR** clauses listed in Article 18(h) are incorporated herein and made part hereof.
- (a) **DEFINITIONS.** Whenever appropriate, when used in any **DAR/FAR** regulation referenced in the terms and conditions applicable to this purchase order, "Contracting Officer" and "Government" shall mean Buyer "Contractor" and "Government Prime Contractor" shall mean Seller; and "Contract" shall mean this Purchase Order.
- (b) **INSPECTION AND AUDIT.** Seller's books and records and its plant, or such parts thereof as may be engaged in the performance of the purchase order, shall at all reasonable times be subject to inspection and audit by any authorized representatives of the United States Government.
- (c) **QUALITY CONTROL.** If this purchase order requires compliance with MIL-45208, the terms and conditions of **FAR** Section 52.246-11 Higher Level Contract Quality Requirement (Government Specification) (Apr 1964) is incorporated herein by reference and made a part hereof.
- (d) **FAR** Clauses
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| 52.203-1  | Officials Not to Benefit  |
| 52.203-5  | Covenant Against Contingent Fees  |
| 52.203-6  | Restrictions on Subcontractor Sales to the Government                                     |
| 52.203-7  | Anti-Kickback Procedures  |
| 52.203-11 | Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions |
| 52.203-12 | Limitation on Payments Influence Certain Federal Transactions                             |
| 52.204-2  | Security Requirements (except for the last sentence of Clause (c))                        |
| 52.206-1  | Required Sources for Jewel Bearings and related items                                     |
| 52.209-5  | Certification Regarding Debarment, Suspension, Proposed Debarment, and Other              |

Responsibility Matters (PO's over \$25,000)

- 52.212-8 Defense Priority and Allocation Requirements
- 52.215-1 Examination of Records by Controller General
- 52.215-2 Audit-Negotiation (purchase orders over \$10,000)
- 52.215-22 Price Reduction for Defective Cost or Pricing Data (purchase orders over \$100,000)
- 52.215-23 Price Reduction for Defective Cost or Pricing Data Modifications
- 52.215-24 Subcontractor Cost or Pricing Data (purchase orders over \$10,000)
- 52.215-25 Subcontractor Cost or Pricing Data – Modifications
- 52.215-26 Integrity of Unit Prices
- 52.219-8 Utilization of Small Business Concerns and Small Disadvantaged Business Concerns
- 52.220-3 Utilization of Labor Surplus Area Concerns (purchase orders over \$10,000)
- 52.222-1 Notice to the Government Labor Disputes
- 52.222-4 Contract Work Hours and Safety Standards Act – Overtime Compensation
- 52.222-20 Walsh-Healey Public Contracts Act (purchase orders over \$10,000)
- 52.222-21 Certification of Non-segregated Facilities (purchase orders over \$10,000)
- 52.222-26 Equal Opportunity
- 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans
- 52.222-36 Affirmative Action for Handicapped Workers
- 52.222-37 Employment Reports on Special disabled Veterans and Veterans of the Vietnam Era
- 52.223-1 Clean Air and Water Certification
- 52.223-2 Clean Air and Water (purchase orders over \$100,000)
- 52.223-3 Hazardous Material Identification and Material Safety Data
- 52.223-5 Certification Regarding a Drug Free Workplace (purchase orders over \$25,000)
- 52.224-2 Privacy Act
- 52.225-10 Duty-free Entry
- 52.225-11 Restrictions on Certain Foreign Purchases
- 52.227-1 Authorization Consent
- 52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement
- 52.227-10 Filing of Patent Applications – Classified Subject Matter

- 52.227-11 Patents Rights – Retention by the Contractor (Short Form)
- 52.228-5 Insurance – Work on a Government Installation
- 52.245-17 Special Tooling
- 52.245-18 Special Test Equipment
- 52.246-2 Inspection of Supplies – Fixed Price (the term “Government” in this clause shall be deemed to include both the “Government” and the “Buyer” with respect to provisions in the clause covering access, rights, to inspect, safety protection, and Government relief from liability)
- 52.246-23 Limitation of Liability
- 52.246-25 Limitation of Liability – Services
- 52.247-63 Preference for U.S. Flag Air Carriers
- 52.247-64 Preference for Privately Owned U.S. Flag Commercial Vessels
- 52.248-1 Value Engineering

(e) **DFAR** Clauses

- 252.203-7001 Special Prohibition on Employment
- 252.204-7005 Overseas Distribution of Defense Subcontracts (purchase orders over \$100,000)
- 252.208-7000 Required Sources for Miniature and Instrument Ball Bearings
- 252.208-7001 Required Sources for Precision Components for Mechanical Time Devices
- 252.208-7002 Required Sources for High-Purity Silicon
- 252.225-7001 Buy American Act and the Balance of Payments Program
- 252.225-7008 Duty-free Entry – Qualifying Country End Products and Supplies (purchase orders over \$2500)
- 252.225-7012 Preference for Domestic Specialty Metals
- 252.225-7026 Reporting of Overseas Subcontracts
- 252.227-7013 Rights in Technical Data and Computer Software
- 252.227-7018 Restrictive Markings on Technical Data
- 252.227-7037 Validation of Restrictive Markings on Technical Data
- 252.228-7007 Bid Bond
- 252.235-7004 Frequency Authorization
- 252.247-7023 Transportation of Supplies by Sea
- 252.247-7024 Notification of Transportation of Supplies by Sea