

PURCHASE ORDER
GENERAL PROVISIONS

1. **TERMS AND CONDITIONS**

- (a) This Order is subject to the following terms and conditions and by accepting the Order, or any part thereof, the Seller agrees to and accepts said terms and conditions.
- (b) The referenced Purchase Order, attachments, and documents incorporated herein constitute the complete and exclusive statement of the terms of this agreement between Buyer and Seller and supersede all prior representations, understandings, and communications relating hereto. The invalidity in whole or in part of any provision of this Order shall not affect the validity of other provisions. Buyer's failure to insist, in any one or more instances, upon the performance of any term of this Order shall not be constituted as a waiver or relinquishment of Buyer's right to such performance or to future performance of such a term or terms, and Seller's obligation in respect thereto shall continue in full force and effect. Time shall be of the essence hereunder. Seller shall perform work and make deliveries hereunder no earlier than and only to the minimum extent consistent with delivery schedules and other requirements.

2. **REQUEST FOR INFORMATION**

Vendor Information Request (VIR) Form, PRO-F-305 (available at <https://www.ctc.com/partners.aspx>) shall be utilized for:

- Requests for variation from specifications as indicated on engineering drawings (such as material substitutions, stock size change, etc.) or other requirements noted in the Order.
- Requests for interpretation of requirements or technical assistance from Seller are emailed to the Buyer identified on the Order using the VIR Form (PRO-F-305) and email subject line to include "CTC/EVC Supplier Quality Assurance Information Request."
- A VIR must be submitted for each occurrence (VIR shall list the specific Order and line item). VIRs do not cover multiple part numbers. If the same parts are being made in the future, under a different Order, a new VIR must be submitted at that time.
- AVIR shall be used by the Seller to notify the Buyer of nonconforming product as noted in Section 3. Notification of Nonconformities.

3. **NOTIFICATION OF NONCONFORMITIES:**

Seller agrees to submit VIR Form PRO-F-305 to notify the Buyer of any nonconforming product that requires disposition other than rework (to print) or scrap if the part is produced to Buyer's design or the nonconformity results in a departure from Order requirements. The Seller shall request Buyer's Material Review Board (MRB) action to disposition Seller nonconformities of "Use as Is", "Repair", or "Standard Repair Procedure (SRP)" via their VIR.

This applies to all deliveries for this Order, if found after delivery, the Seller agrees to notify Buyer of nonconformities throughout the warranty period. Sources of such defect date may include Seller's own determination, data received from the manufacturer, Government Industry Data Exchange Program (GIDEP) Alerts and reports from other Buyers of the same product.

4. **FLOWDOWN REQUIREMENTS:**

When work related to this Order is subcontracted to a Seller's lower-tier supplier/subcontractor, the Seller shall flow down the appropriate requirements to the Seller's lower-tier supplier/subcontractor. The appropriate requirements include, but are not limited to, Buyer's requirements, critical items, special requirements, key characteristics, control of special processes, record retention, and a flow down of the quality system requirements.

5. **APPROVED SELLER REQUIREMENTS:**

As an approved Seller for Buyer, Seller shall maintain a quality system that utilizes procedures which are compliant with the requirements identified in the purchase order.

These include:

- AS 9100 (which QPS-100 would be incorporated into this Order) or
- ISO-9001

6. **INSPECTION AND ACCEPTANCE**

The Seller shall only tender for acceptance those items that conform to the requirements of this Order.

The Buyer reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Buyer may require repair or replacement of nonconforming supplies or re-performance of nonconforming services at no increase in price. The Buyer must exercise its post-acceptance rights:

- (a) Within a reasonable time after the defect was discovered or should have been discovered; and
- (b) Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

The Seller shall only tender for acceptance those items that conform to the requirements of this Order. Sampling inspection is allowed, if used random sampling based on ASQC Z1.4 2008 Level I with **Zero rejects** as shown in **Table 1** shall be followed.

Table 1 Statistical Sampling Plan

Lot Size	Parts Inspected*
2-15	2
16-25	3
26-90	5
91-150	8
151-280	13
281-500	20
501-1200	32
1201 to 3200	50
3201 to 10000	80
10001 to 35000	125
35001 to 150000	200

Supply a Certificate of Conformance “C of C” is required with each shipment. The C of C shall be signed/authenticated by a person who is responsible for this quality assurance function and whose function and position is defined in the Seller’s quality assurance program.

When the drawing or other document requires material to a specific specification, the material certificates shall be supplied. These certificates shall include both mechanical and chemical results for the material. In cases where the material requires heat treat, the material hardness after heat treat shall be provided, at a minimum.

The Buyer reserves the right to inspect or test any supplies or services that have been tendered for acceptance. The Buyer may require repair or replacement of nonconforming supplies or re-performance of nonconforming services at no increase in price. The Buyer must exercise its post-acceptance rights –

- (a) Within a reasonable time after the defect was discovered or should have been discovered; and
- (b) Before any substantial change occurs in the condition of the item, unless the change is due to the defect in the item.

7. **CHANGES**

By written order, Buyer may, from time to time, order work suspension or make changes in drawings, designs, specifications, place of delivery, methods of shipment and packaging, and property and services furnished by Seller. If any such change causes an increase or decrease in the price of this Order or in the time required for its performance, Seller shall promptly notify Buyer thereof and assert its claim for adjustment within 20 days after the change is ordered, and an equitable adjustment shall be made. However, nothing in this provision shall excuse Seller from proceeding immediately with the Order as changed. Whether made pursuant to this provision or by mutual agreement, changes shall not be binding upon Buyer except when specifically confirmed in writing by a member of Buyer's Purchasing Department. Information, advice, approvals or instructions given by Buyer's technical personnel or other representatives shall be deemed expressions of personal opinions only and shall not affect Buyer's and Seller's rights and obligations hereunder unless set forth in a writing which is signed by a member of Buyer's Purchasing Department and which expressly states that it constitutes an amendment to that Order.

8. **INDEMNIFICATION**

- (a) In the event any article sold and delivered hereunder shall be defective in any respect whatsoever, Seller will indemnify and save harmless Buyer from all loss or the payment of all sums of money by reason of all accidents, injuries, or damages to persons or property that may happen or occur in connection with the use or sale of such article and are contributed to by said defective conditions.
- (b) If Seller performs services or constructs, erects, inspects or delivers hereunder, Seller will indemnify and save harmless Buyer from all loss or the payment of all sums of money by reason of all accidents, injuries, or damages to persons or property that may happen or occur in connection therewith.
- (c) In lieu of any other warranty by Buyer or Seller against infringement, statutory, or otherwise, it is agreed that Seller shall defend at its expense any suit against Buyer or its customers based on a claim that any item furnished under this Order or the normal use or sale thereof infringes any U.S. Letters Patent or Copyrights, other than claims under Letters Patent covering combinations of such items with items not furnished by Seller, and shall pay costs and damages finally awarded in any such suit; provided that Seller is notified in writing of the suit and given authority, information, and assistance at Seller's expense for the defense of same. If the use or sale of said item is enjoined as a result of such suit, Seller, at no expense to Buyer, shall obtain for Buyer and its customers the right to use and sell said item or shall substitute an equivalent item acceptable to Buyer and extend this patent indemnity thereto.
- (d) Notwithstanding the foregoing Provision, when this Order is performed under the Authorization and Consent of the U.S. Government to infringe U.S. patents, Seller's liability for infringement of such Patents in such performance shall be limited to the extent of the obligation of the Buyer to indemnify the U. S. Government.
- (e) Seller shall indemnify and hold Buyer harmless from and against any liability, including, without limitation, Buyer's cost, attorney's fee, or any fines or penalties assessed against Buyer, resulting from a violation of the Anti-Kickback Enforcement Act of 1986 by Seller or by any Subcontractor below Seller or Subcontractor employee.

9. **TERMINATION**

In the event of Seller's failure to deliver as and when specified, Buyer reserves the right to cancel this Order, or any part thereof, without prejudice to its other rights, and Seller agrees that Buyer may return part or all of any shipment so made and may charge Seller with any loss or expense sustained as a result of such failure to deliver.

10. **ASSIGNMENTS AND SUBCONTRACTING**

Neither this Order nor any interest herein nor claim hereunder may be assigned or delegated by Seller; nor may all or substantially all of this Order be further subcontracted by Seller without the prior written consent of Buyer. No consent shall be deemed to relieve Seller of its obligations to comply fully with the requirements hereof.

Notwithstanding the above, Seller may, without Buyer's consent, assign monies due to Seller and to become due to Seller hereunder, provided buyer shall continue to have the right to exercise any and all of its rights under, settle any and all claims arising out of, and enter into amendments to, this Order, without notice to or consent of the assignee. Buyer shall be given notice of the assignment; all invoices shall refer to the assignment.

11. **WARRANTIES**

Seller warrants to Buyer and Buyer's customers that all items delivered and all services rendered hereunder will conform with the requirements hereof and will be free from defects. In addition to other remedies which may be available at law or in equity, Buyer, at its option, may return to Seller any nonconforming or defective items or require correction or replacement of nonconforming or defective items, Seller shall repay such portion of the contract price or such additional amount as is equitable under the circumstances. These rights of Buyer are in addition to but shall not be limited by Seller's standard warranties. Inspection and acceptance of items by Buyer or its customer, or payment thereof, shall not relieve seller of its responsibilities hereunder.

12. **DISPUTES**

- (a) In the event of a disagreement or dispute regarding any matter covered by this Order, which is not disposed of by mutual agreement, the parties hereto shall pursue those necessary corporate and/or legal remedies as may be appropriate to resolve any dispute. Legal remedies may include pursuit of the dispute by either party in a court of competent jurisdiction. It is the intention of the parties hereto that this provision shall govern all disputes whether or not specifically referred to herein.
- (b) Seller shall continue to perform under this Order, notwithstanding any controversy or claim arising out of or relating to this Order or any arbitration or litigation related thereto.

- (c) For any action brought by CTC on behalf of the Seller pursuant to this Order, the Seller agrees to indemnify and hold CTC harmless from all costs and expenses incurred by CTC in prosecuting any such appeal initiated by CTC at the Seller's request. All costs and expenses incurred by CTC shall be paid by the Seller as part of an award of damages to CTC based on such claim.
- (d) In the event of litigation or arbitration arising out of this Order, each party shall pay its own costs and expenses of litigation or arbitration, except as otherwise provided in paragraph (c) of this Disputes clause.

13. **INVOICE**

The Seller shall submit an original invoice (or electronic invoice, if authorized), to the address designated in the Order to receive invoices. An invoice must include:

- (a) Name and address of the Seller;
- (b) Invoice date;
- (c) Order number and order line item number;
- (d) Description, quantity, unit of measure, unit price and extended price of the items delivered;
- (e) Shipping number and date of shipment;
- (f) Terms of any prompt payment discount offered;
- (g) Name and address of official to whom payment is to be sent; and
- (h) Name, title, and phone number of person to be notified in event of defective invoice.

14. **INTELLECTUAL PROPERTY**

- (a) SELLER warrants that the Work performed or delivered under this Order will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. SELLER shall defend, indemnify, and hold harmless BUYER, its officers, directors, employees, consultants, agents, affiliates, successors, permitted assigns and customers from and against all losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorney's fees, all expenses of litigation and/or settlement, and court costs, arising out of any action by a third party that is based upon a claim that the Work performed or delivered under this Order infringes or otherwise violates the intellectual property rights of any person or entity.
- (b) SELLER agrees that BUYER shall have an unlimited, irrevocable, paid-up, royalty-free right to make, have made, sell, offer for sale, use, execute, reproduce, display, perform, distribute (internally or externally) copies of, and prepare derivative works, and authorize others to do any, some or all of the foregoing, any and all, inventions, discoveries, improvements, maskworks and patents as well as any and all data, copyrights, reports, and works of authorship, conceived, developed, generated or delivered in performance of this ORDER.
- (c) The tangible medium storing copies of all reports, memoranda or other materials in written form including machine-readable form, prepared by SELLER and furnished to BUYER pursuant to this order shall become the sole property of BUYER.

15. **OTHER COMPLIANCES**

The Seller shall comply with all applicable Federal, State, and local laws, executive orders, rules, and regulations applicable to its performance under this contract.

16. **PRECEDENCE**

Conflicting provisions hereof, if any, shall prevail in the following descending order of precedence: (1) typed provisions set forth on this Order, including the description of items purchased/statement of work and specifications attached or incorporated by reference, (2) Buyer's Order Attachments, and (3) these Purchase Order General Provisions. Buyer's specifications shall prevail over those of an agency of the U.S. Government, and both shall prevail over those of Seller.

17. **LIEN WAIVER(S)**

Seller shall provide Buyer with lien waivers in a form reasonably satisfactory to Buyer from any and all lower-tier subcontractors, consultants, materialmen, suppliers, or other entities (hereinafter collectively referred to as "subcontractors") working under Seller in the performance of this Order. Failure to deliver such lien waiver(s) shall cause Buyer to withhold payment of that amount from the Order payment schedule equal to the amount to which the subcontractor(s) are entitled. Further, in the event that such lien waivers are not delivered to Buyer by the point in time when performance by Seller has reached fifty percent (50%) of completion, Buyer may, at its sole option, elect to double the amount of retainage established under this Order and issue any progress payments due and owing to Seller in the form of jointly payable checks.

In the event that Buyer receives notice of non-payment of a subcontractor or a formal notice of the intent by a subcontractor to file a lien, Buyer shall notify Seller which will have five (5) business days within which to resolve the non-payment or prospective lien. In the event that a lien attaches due to Seller's failure to respond, Seller shall have five (5) business days within which to cause such lien to be removed. Until such lien is removed Buyer shall be under no obligation to make any progress payments to Seller. Seller shall hold Buyer harmless for any and all damages attributable to the placement of a lien upon its property, including reasonable attorney fees.

18. **COUNTERFEIT WORK**

- (a) For purposes of this clause, Work consists of those parts delivered under this Order that are the lowest level of separately identifiable items (e.g., articles, components, goods, and assemblies). "Counterfeit Work" means Work that is or contains items misrepresented as having been designed and/or produced under an approved system or other acceptable method. The term also includes approved Work that has reached a design life limit or has been damaged beyond possible repair, but is altered and misrepresented as acceptable.
- (b) SELLER shall not deliver counterfeit Work to BUYER under this Order.
- (c) SELLER shall only purchase products to be delivered or incorporated as Work to BUYER directly from the Original Component Manufacturer (OCM)/Original Equipment Manufacturer (OEM), or through an OCM/OEM authorized distributor chain. Work shall not be acquired from independent distributors or brokers unless approved in advance in writing by BUYER.
- (d) SELLER shall immediately notify BUYER with the pertinent facts if SELLER becomes aware or suspects that it has furnished Counterfeit Work. SELLER shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.
- (e) This clause applies in addition to any quality provision, specification, statement of work or other provision included in the Order addressing the authenticity of Work. To the extent such provisions conflict with this clause, this clause prevails.
- (f) In the event that Work delivered under this Order constitutes or includes Counterfeit Work, SELLER shall, at its expense, promptly replace such Counterfeit Work with genuine Work conforming to the requirements of this Order. Notwithstanding any other provision in this Order, SELLER shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation BUYER's costs of removing Counterfeit Work, of installing replacement Work and of any testing necessitated by the reinstallation of Work after Counterfeit Work has been exchanged. The remedies contained in this paragraph are in addition to any remedies BUYER may have at law, equity or under other provisions of this Order.
- (g) SELLER shall include paragraphs (a) through (e) and this paragraph (g) of this clause or equivalent provision in lower tier Orders for delivery of items that will be included in or furnished as Work to BUYER.

19. **MISCELLANEOUS**

- (a) If Seller refuses to accept this Order exactly as written, Seller will so advise the Buyer upon receipt of the Order and before Seller makes any shipment.
- (b) Upon request by the Buyer, the Seller agrees to furnish waivers or releases from other suppliers or subcontractors for the purchases covered by this Order.
- (c) Buyer will not be responsible for any goods delivered or services rendered without a Purchase Order. Our Order number must appear on all invoices, packing lists, correspondence, etc.
- (d) If CTC's accounts payable department is notified of an outstanding debt of the supplier owed to CTC and uncollected by CTC, CTC may withhold and offset any debt owed to CTC from any outstanding supplier invoices submitted to CTC for payment. A 30-day notification to offset a supplier invoice will be issued by CTC prior to the offset, thereby allowing the supplier the opportunity to negotiate a debt repayment schedule with interest in lieu of an offset. If the amount of the debt is greater than the amount on any outstanding invoices, offsets will continue until the supplier debt is fully repaid to CTC.

- (e) The Seller represents and warrants that it shall comply with all U.S. export and import laws and regulations. Further, by acceptance of this Order, the Seller certifies the following:

If any commodities, technical data and/or services provided by the Seller to CTC in connection with this Order are subject to the requirements of the International Traffic Arms Regulations, 22 CFR Part 120, (ITAR) or the Export Administration Regulations 15 CFR §§ 730-774 (EAR) the following shall apply:

1. Per 22 CFR 122.1 (a) – Seller shall be registered with the Department of State’s Office of Defense Trade Controls;
 2. The Seller warrants that foreign person, as defined in the paragraph 120.16 of the ITAR, are NOT authorized to work under this Order without the express written approval of the Department of State or the Department of Commerce if the work falls under EAR;
 3. The Seller warrants that it will not export, transfer or disclose technical data, defense articles or defense services to a foreign person, whether in the U.S. or abroad, without the written permission of the U.S. Department of State or the Department of Commerce. In addition, the Seller shall notify CTC in writing prior to the export, transfer or disclosure to foreign persons; and
 4. The Seller shall indemnify and hold CTC harmless for all claims, demands, damages, costs, fines, penalties, attorney’s fees, and all other expenses arising from the Seller’s failure to comply with this clause and the stated statutes and regulation, as they may be amended
- (f) By accepting this Order, Seller certifies to Buyer that the Seller is in full compliance with the Anti-Kickback Enforcement Act of 1986 (41 USC 51-58) and that neither Seller including any of its officers, agents, partners or employees, nor any subcontractor below Seller or subcontractor employee has: (1) provided or attempted to provide or offered to provide any kickback; (2) solicited, accepted, or attempted to accept any kickback; or (3) included, directly or indirectly, the amount of any kickback in the price applicable to this order or in the subcontract price charged by any subcontractor to a higher-tier subcontractor.
- (g) If Seller believes that a violation of one or more of the prohibitions described in Paragraph 19 (f) may have occurred, Seller shall promptly report in writing, to the Legal Office of Concurrent Technologies Corporation (CTC), 100 CTC Drive, Johnstown, Pennsylvania 15904 (for information call (814) 269-2422); please identify yourself, your company, the violation as specifically as possible, and identify the Order to which the report relates.
- (h) The Seller shall comply with the Executive Order (E.O.) 14042, Ensuring Adequate COVID Safety Protocols for Federal Contractors, signed September 9, 2021. In addition, all contractor employees that will work in a CTC facility must provide proof of vaccination before gaining entry.