



The following Terms and Conditions will apply to each Purchase Order.

1. Acceptance. This Purchase Order must be accepted in writing by Seller by signing and returning promptly to Buyer the acknowledgement copy, but if for any reason Seller should fail to sign and return to Buyer the acknowledgement copy, the commencement of any work or performance of any services by Seller shall constitute acceptance by Seller of this Purchase Order and all of its terms and conditions. Acceptance of this Purchase Order is expressly limited to the terms hereof. Any terms proposed by Seller which conflict with the terms herein shall be void and the terms of this Purchase Order shall govern. If this Purchase Order has been issued by Buyer in response to an offer, the terms of which are in addition to or different from any of the provisions of this Purchase Order, then Buyer is only willing to proceed upon the terms hereof and acceptance of the offer is conditional on Seller's assent to the terms of this Purchase Order. Prices stated in this Purchase Order apply to all shipments made or services rendered hereunder. Buyer shall have no obligation to honor invoices for goods and/or services at any increased price until such increase shall have been confirmed in writing by Buyer. No charges of any kind including, but not limited to, charges for boxing, crating or storage will be allowed unless specifically agreed to by Buyer in writing. Buyer shall have the right to correct all clerical errors.

2. Delivery. The obligation of Seller to meet dates, specifications and quantities as set forth in this Purchase Order is of the essence of this Purchase Order. No substitutions of materials or goods may be made without Buyer's written consent. Shipment in greater or lesser quantity than ordered may be returned at Seller's expense, unless written authorization is issued by Buyer. If Seller's deliveries fail to meet schedule, Buyer, without limiting its other rights or remedies, may direct expedited routing, and any excess cost incurred thereby shall be debited to Buyer's account. Any goods delivered in advance of schedule are delivered at the risk of Seller and may, at Buyer's option: (a) be returned at Seller's expense for scheduled delivery; (b) have payment therefore withheld by Buyer until the date that the goods are scheduled for delivery; or (c) be stored for Seller's account until the scheduled delivery date. Except as otherwise provided herein, title and risk of loss on all goods shall remain with Seller until delivery to Buyer's premises or as otherwise directed by Buyer.

3. Inspection. The goods and services delivered hereunder shall be subject to inspection by Buyer. If any of the goods or services shall be defective in material or workmanship or otherwise not in conformity with the requirements of this Purchase Order, Buyer, in addition to its other rights, may reject the same for full credit or require prompt correction or replacement thereof at Seller's expense. In no event shall Buyer be deemed to have accepted the goods until Buyer has had a reasonable opportunity of examining the same to ascertain whether the goods are in conformity with the Purchase Order. Buyer reserves the right to reject and return at the risk of and expense of Seller all or such portion of any shipment which may be defective or nonconforming without invalidating the remainder of the Purchase Order. Nothing herein shall release Seller of the obligation to make full and adequate testing and inspection of goods sold hereunder.

4. Warranty. Seller represents and warrants that all goods and services provided hereunder will conform in all respects with the specifications of this Purchase Order and will be merchantable and free from any defects in material, design, and workmanship and will be fit for the purpose for which the same was intended. Seller agrees that the foregoing warranty shall survive delivery of, acceptance of and payment for the goods or services, and that Seller shall indemnify, defend and hold Buyer harmless against any loss, damage (including consequential and incidental damages), liability, cost or expense whatsoever including attorney's fees that Buyer may incur, directly or indirectly, as a result of any breach of such representations and/or warranties.

5. Compliance with Laws. Seller shall, in the performance of work under Buyer's order, fully comply with all applicable Federal, state and local laws and regulations (including, without limitation, the Walsh-Healey Act, 41 U.S.C.A. §§35-45, the Occupational Safety and Health Act of 1970, 29 U.S.C.A. §§651-678; The Fair Labor Standards Act of 1938, 29 U.S.C.A. §§201-219, as amended); and the matters set forth in paragraph 18 below, and shall indemnify and hold Buyer harmless from any liability, cost or expense (including, without limitation, Buyer's court costs and reasonable attorney's fees) resulting from Seller's failure of compliance. Seller agrees upon request to furnish Buyer with a certification of compliance with respect to any or all such laws and regulations in such form as Buyer may require.

6. Payment. All payments are made conditional upon final acceptance by Buyer of the goods and/or services provided hereunder. Discounts, if any, begin the date either the invoice or the goods or services is received by Buyer, whichever is later. All payments should be made in U.S. dollars. Payment terms are Net 45.

7. Taxes. Seller's price shall be exclusive of any federal, state or local taxes. Seller shall list separately on its invoice any such tax lawfully applicable to any goods or services with respect to which Buyer does not furnish to Seller lawful evidence of exemption.

8. Changes. Buyer may at any time, by written order, make changes within the general scope of this Purchase Order in (a) specifications; (b) method of shipment; (c) place or time or date of delivery; and/or (d) materials, methods or manner of production, and, in any such case, Seller shall comply therewith. If any such change causes an increase or decrease in the cost of or time required for performance of this Purchase Order, an equitable adjustment shall be made in the order price or delivery schedule or both and this Purchase Order shall be modified in writing accordingly. Seller shall notify Buyer thirty (30) days in advance of Seller's change in place of performance and such change shall be subject to Buyer's written approval.

9. New Materials

The work/output to be delivered hereunder shall consist of new materials, not used, or reconditioned, remanufactured, or of such age as to impair its usefulness or safety.

10. Assignment and Subcontracting. No right or obligation under this Buyer Order shall be assigned, delegated, or subcontracted by Seller without the prior written consent of Buyer and any purported assignment, delegation, or subcontract without such consent shall be void.

11. Patents, Royalties and Encumbrances. All goods and services supplied must be free from all royalties, patent rights and mechanic's liens or other encumbrances, and Seller hereby waives any right it may have now or in the future to any mechanic's lien, purchase money security interest or other encumbrance with respect to the goods and services supplied hereunder. Seller represents and warrants that the goods and services specified in this Purchase Order and their sale and use alone, or in combination according to applicable specifications or recommendations, if any, will not infringe any United States or foreign patent. Seller shall defend any suit or proceeding brought against Buyer insofar as such suit or proceeding is based upon a claim that any goods or part thereof made to Seller's design and furnished hereunder constitutes an infringement of any United States or foreign patent. Seller agrees to indemnify, defend and hold harmless Buyer and anyone selling or using



any of Buyer's products against all losses, costs, damages and expenses, including reasonable attorneys' fees, resulting from any alleged infringement as aforesaid. In the event the goods or any part thereof are held to infringe any U.S. or foreign patent and the use of said goods or part thereof is enjoined, Seller shall, at its own expense, promptly procure for Buyer and its customers the right to continue using said goods or part thereof or modify the same so that the same become non-infringing.

12. Termination (Default-Cancellation). Buyer reserves the right, by written notice of default, to cancel this Purchase Order without liability to Buyer in the event of the happening of any of the following: (a) insolvency of Seller, (b) the filing of a voluntary petition in bankruptcy by Seller; (c) the filing of any involuntary petition to have Seller declared bankrupt; (d) the appointment of a receiver or trustee for Seller; or (e) the execution by Seller of any assignment for the benefit of creditors. In addition, if Seller fails to perform its obligations under this Purchase Order or so fails to make progress as to endanger performance under this Purchase Order and in accordance with its terms, Buyer reserves the right, without any liability to Buyer, upon giving Seller written notice and allowing Seller reasonable time to remedy such deficiency, to (i) cancel this Purchase Order in whole or in part by written notice to Seller and/or (ii) obtain the goods and/or services from another source (with any excess costs resulting therefrom chargeable to Seller) if such deficiencies are not promptly remedied in the event of Seller's default or apparent inability to perform this Purchase Order.

13. Remedies: Damages. The remedies of Buyer set forth herein shall be cumulative and in addition to any other or further remedies provided at law or in equity. To be effective, any waiver must be in writing and signed by the party which is purported to waive its rights or remedies. No waiver of a breach of any provision of this contract shall constitute a waiver of any other breach or provision. In no event shall Seller be entitled to anticipatory profits, loss of profits, or to special or consequential damages as a result of any breach by Buyer. This Agreement shall be governed by the laws of the State of Ohio without regard to any conflicts of law principles, and the federal and state courts in Cuyahoga County, Ohio shall have exclusive jurisdiction and venue over disputes arising herefrom.

14. Material Furnished By Buyer. Any material furnished by Buyer on other than a charge basis in connection with this order shall be deemed as held by Seller upon consignment without any right of title in Seller, and Seller agrees to pay for all such materials spoiled by it damaged wasted or otherwise not satisfactory accounted for.

15. Confidentiality. The Seller shall not without first obtaining the written consent of the Buyer, in any manner advertise or publish the fact that Seller has contracted to furnish Buyer the articles herein mentioned nor shall it disclose or furnish to any third party the nature of any materials furnished to Seller by Buyer pursuant to this order, and for failure to observe this provision in addition to any other rights. Buyer shall have the right to cancel the contract resulting from the acceptance of this order without any further liability thereon.

16. Indemnity. Seller shall indemnify and hold Buyer harmless against all liability, cost and expense (including, without limitation, Buyer's costs of testing and inspection, court costs and reasonable attorney's fees) on account of claims or injuries to persons or damage to property based in whole or in part upon any act or omission of Seller, its agents, employees and subcontractors or as a consequence of any breach of Seller's warranties. Further, Seller agrees to indemnify and hold Buyer harmless against all liability costs and expense (including, without limitation, Buyer's costs of testing and inspection, court costs and reasonable attorney's fees (incurred by Buyer in connection with or related to any recall, inspection, testing, replacement or correction of the goods or any part or equipment into which the goods are incorporated, which results from or is related to, in whole or in part, a defect or alleged defect in the goods.

17. Export Control. Seller agrees to comply fully with all applicable laws and regulations of Seller's country and of the United States pertaining to the export of any hardware, software, defense service, information or technical data provided by, through or with the cooperation of the Buyer in the performance of this Order, whether in the United States or abroad. This Order may involve information or items that are subject to the International Traffic in Arms Regulations (ITAR) or Export Administration Regulations (EAR) and that may not be released to Foreign Persons inside or outside the United States without the proper export authority. The ITAR defines a "Foreign Person" as any person who is not a U.S. citizen, a lawful permanent resident as defined by 8 USC 1101(a)(20), or a protected individual as defined by 8 USC 1324b(a)(3). Foreign Person is also defined as a corporation, a business, an association, a partnership, or any other entity that is not incorporated or organized to do business in the United States and as international organizations, foreign governments, and any agency or subdivision of foreign governments (e.g., diplomatic missions). Seller further agrees that it will not export or re-export, directly or indirectly, any hardware, software, defense service, information or technical data provided by, through or with the cooperation of the Buyer to any Foreign Person, including persons employed by or associated with, or under contract with the Seller or Seller's lower-tier suppliers without the prior written consent of the Buyer and without first obtaining any required export license or other approval. In addition, should Seller participate in the performance of this Order at Buyer's facilities, Seller shall inform Buyer in advance in writing of the country of citizenship (or countries, in the case of dual citizenship) of each Foreign Person employee, agent, or representative of Seller or of Seller's suppliers prior to such person being allowed access to Buyer's facilities. The Foreign Person employees, agents, or representatives of Seller or Seller's suppliers shall not participate in the performance of this Order at Buyer's facilities without Buyer's written consent. Seller shall comply with the registration requirements of the International Traffic in Arms Regulations at 22 CFR §122.1, as applicable. Buyer may be required to obtain information concerning citizenship, residency and place of birth of Seller's personnel. Seller agrees to provide such information as fully requested by Buyer and hereby warrants such information, when provided, shall be true and correct to the best of Seller's knowledge. Seller shall indemnify and hold Buyer harmless for all claims, demands, damages, costs, fines, penalties, attorneys' fees and other expenses arising or resulting from Seller's failure to comply with this clause.

18. Equal Employment. The contract provisions set forth in Section 202 of Executive Order 11246 (equal opportunity), as amended, and the regulations promulgated thereunder (41 CFR Part 60-1), and the provisions, representations or agreements contained in Executive Order 11701 (employment of veterans), as amended and the regulations promulgated thereunder (41 CFR Part 60-250 and 41 CFR Part 61-250) Executive Order 11758 (employment of the handicapped), as amended, and the regulations promulgated thereunder (41 CFR Part 60-741) and Executive Order 11625 (utilization of minority business enterprises) as amended, and the regulations promulgated thereunder (41 CFR Chapter 1-1-1310) to the extent same are applicable to Buyer's order, are incorporated by reference herein as if fully rewritten with respect thereto. Seller agrees, upon request, to furnish Buyer a certification of compliance with such Executive Orders in such form as Buyer may require.



19. Hazard Communication/ Right-To-Know. Seller shall comply with all requirements of the OSHA Hazard Communication Standards of the OSHA Hazard Communication Standards (29 CFR Section 1910-1200) all state and local right-to-know laws, and all other Federal, state and local laws regulations relating to hazardous chemicals, including without limitation, the material safety data sheet and product labeling requirements.

20. Setoff. Buyer shall be entitled at all times to set off any amount owing from Seller to Buyer against any amount payable to Buyer pursuant to Buyer's order.

21. Insurance / Entry on HDT Engineered Technologies Property

(a) In the event that Seller, its employees, agents, or subcontractors enter the site(s) of Buyer, its affiliated companies or its customers for any reason in connection with this Purchase Order then Seller and its subcontractors shall procure and maintain for the performance of this Purchase Order workers compensation, comprehensive general liability, bodily injury and property damage insurance in reasonable amounts, and such other insurance as Buyer may require. Seller shall provide Buyer thirty (30) days advance written notice prior to the effective date of any cancellation or change in the term or coverage of any of Seller's required insurance, provided however such notice shall not relieve Seller of its obligations to procure and maintain the required insurance. If requested, Seller shall send a "Certificate of Insurance" showing Seller's compliance with these requirements. Seller shall name Buyer Engineered Technologies as an additional insured for the duration of this Purchase Order. Insurance maintained pursuant to this clause shall be considered primary as respects the interest of Buyer and is not contributory with any insurance which Buyer may carry. "Subcontractor" as used in this clause shall include Seller's subcontractors at any tier. Seller's obligations for procuring and maintaining insurance coverages are freestanding and are not affected by any other language in this Purchase Order. (b) Seller's personnel, including Seller's subcontractors, shall comply with all Buyer security, safety, rules of conduct, badging and personal identity, and related requirements while on Buyer premises. In addition, prior to entry on Buyer premises, Seller shall coordinate with Buyer to gain access to facilities. Seller shall provide information reasonably required by Buyer to ensure proper identification of personnel, including but not limited to verification of citizenship, lawful permanent resident status, protected individual or other status. Buyer may, at its sole discretion, have Seller remove any specified employee of Seller from Buyer's premises and request that such employee not be reassigned to any Buyer premises under this Purchase Order. (c) Seller shall defend, indemnify and hold harmless Buyer, its officers, employees, and agents from any losses, costs, claims, causes of action, damages, liabilities, and expenses, including attorneys fees, all expenses of litigation and/or settlement, and court costs, by reason of property damage or loss or personal injury to any person caused in whole or in part by the actions or omissions of Seller, its officers, employees, agents, suppliers, or subcontractors.

22. Intellectual Property

Paragraph (a) is NOT applicable for commercial off-the-shelf products/work unless such is modified or redesigned pursuant to this Purchase Order.

(a) Seller agrees that Buyer shall be the owner of all inventions, technology, designs, works of authorship, mask works, technical information, computer software, business information and other information conceived, developed or otherwise generated in the performance of this Purchase Order by or on behalf of Seller. Seller hereby assigns and agrees to assign all right, title, and interest in the foregoing to Buyer, including without limitation all copyrights, patent rights and other intellectual property rights therein and further agrees to execute, at Buyer's request and expense, all documentation necessary to perfect title therein in Buyer. Seller agrees that it will maintain and disclose to Buyer written records of, and otherwise provide Buyer with full access to, the subject matter covered by this clause and that all such subject matter will be deemed information of Buyer and subject to the protection provisions of the clause entitled "Information of Buyer". Seller agrees to assist Buyer, at Buyer's request and expense, in every reasonable way, in obtaining, maintaining, and enforcing patent and other intellectual property protection on the subject matter covered by this clause. (b) Seller warrants that the work performed or delivered under this Purchase Order will not infringe or otherwise violate the intellectual property rights of any third party in the United States or any foreign country. Seller agrees to defend, indemnify, and hold harmless Buyer and its customers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys fees, arising out of any action by a third party that is based upon a claim that the work performed or delivered under this Purchase Order infringes or otherwise violates the intellectual property rights of any person or entity. (c) To the extent that any pre-existing inventions, technology, designs, works of authorship, mask works, technical information, computer software, and other information or materials are used, included, or contained in the work or deliverable items and not owned by Buyer pursuant to this or a previous agreement with Seller, Seller grants to Buyer an irrevocable, nonexclusive, world-wide, royalty-free license to: (i) make, have made, sell, offer for sale, use, execute, reproduce, display, perform, distribute (internally or externally) copies of, and prepare derivative works based upon, such pre-existing inventions, technology, designs, works of authorship, mask works, technical information, computer software, and other information or materials and derivative works thereof; and (ii) authorize others to do any, some or all of the foregoing. (d) All reports, memoranda or other materials in written form, including machine readable form, prepared by Seller pursuant to this Purchase Order and furnished to Buyer by Seller hereunder shall become the sole property of Buyer.