



Accutron, Inc.

Controls System Manufacturer

SUPPLIER TERMS AND CONDITIONS

All purchase orders (each, individually, an "Order", collectively the "Orders") between Accutron, Inc. d/b/a Accutron, Inc., AI, Solutions Manufacturing, Inc., SMI or any of its subsidiaries, including without limitation, Accutron, Inc. (the "Buyer"), and the party identified as Seller, Supplier or Vendor on the face of the Purchase Order (the "Seller") are expressly limited to and made conditional upon the terms and conditions contained herein, and any of Seller's terms in addition to or different from those contained herein, whether contained in an acknowledgment, invoice, or other document sent to Buyer, are hereby objected to and shall be of no effect. Any term contained in any later invoice, confirmation or other material of Seller, whether or not such inconsistent terms are material, shall not be binding upon Buyer. These terms and conditions may only be waived, altered or modified by a written agreement signed by an officer of Solutions Manufacturing, Inc.

1. **ORDER ACCEPTANCE & CONTRACT:** This order may be accepted by a written notice of any exceptions within two (2) days after the date of the Order. In the event any exception is acknowledged as provided herein, Buyer or company officer and Seller shall then negotiate mutually acceptable terms and conditions. Additionally, Seller's complete acceptance of the Order will be presumed, if no Order Confirmation occurs as stipulated on Order and/or Order performance begins --- at any stage of the order fulfillment cycle. This Purchase Order and the acceptance thereof shall be a contract made in the state shown in the Buyer's address on the face of this Purchase Order and governed by the laws thereof.

2. **PRICE the Order:** shall not be filled at prices higher than those shown on the Order unless such increased prices have been authorized in writing by the Accutron Buyer or an officer of Accutron, Inc. Seller warrants that the prices to be charged for articles or services ordered herein are not in excess of the prices charged to other similarly situated customers for equivalent quantities of goods of like quality and that all special offers, allowances, rebates and discounts available to similarly situated purchasers are being offered to the Accutron Buyer. No additional charges of any kind, including without limitation, charges for boxing, handling, packaging, cartage, insurance or other charges, will be allowed unless specifically agreed in writing in advance by an officer of Accutron, Inc.

3. **DELIVERY DATE IS OF THE ESSENCE:** Delivery shall be strictly in accordance with the schedule set forth in the "Dt ReQu'd" column of the Accutron purchase order. Orders will be considered as "On-Time" when they arrive no more than five (5) days early and no more than one (1) day late. Delays in shipment(s) shall be reported immediately by the Seller to the Accutron Buyer. The Buyer's Production Schedules are based upon the understanding that purchased material will arrive on or before the date required. Buyer reserves the right to cancel the Order in whole or in part, if Seller should fail to make deliveries in accordance with the terms of the Order and any Corporate Purchase Agreement(s) referenced herein. The Buyer reserves the right to refuse or return at Seller's risk and expense, shipments received more than thirty (30) days in advance of the schedule of deliveries set forth on the Order(s).

4. **SUPPLEMENTARY INFORMATION:** Any specifications, drawings, notes, instructions, engineering notices or technical data referred to in or with this Purchase Order shall be considered incorporated herein by reference, as if fully set forth. In case of any discrepancies or questions, the Seller shall refer to the Buyer for final decision(s) or instructions as necessary.



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5. TITLE TO SPECIFICATIONS: Buyer shall at all times have title to all drawings and specifications furnished by Buyer to Seller and intended for use in connection with the Order. Seller shall not disclose such drawings and specifications to any person, firm, or corporation other than the Buyer's or Seller's employees, subcontractors, or Government inspectors. The Seller shall, upon Buyer's request, promptly return all drawing and specifications to the Buyer.

6. BUYER'S PROPERTY: All material, including tools, furnished or specifically paid for by the Buyer, unless otherwise specified herein, shall be the property of the Buyer, shall be subject to removal at any time without additional cost upon demand by the Buyer, shall be used only in filling orders from the Buyer, shall be kept separate from other materials or tools, and shall be clearly identified as the property of the Buyer. Seller assumes all liability for loss or damage with the exception of normal wear and tear and agrees to supply detailed statements of inventory promptly when requested.

7. PURCHASE ORDER CHANGES AND TERMINATION: Buyer may make changes in the delivery schedules, drawings, quantities, designs, and specifications under this purchase order at any time and from time to time, prior to shipment without penalty or charge. Also, Buyer may make changes in the method of shipping or packing and place of delivery under this purchase order at any time and from time to time, prior to shipment without penalty or other charge. Furthermore, Buyer may terminate this purchase order at any time, excluding NCNR orders, without cause and without penalty or other charge prior to the shipment of the goods subject to this purchase order. All changes and terminations under this section must be authorized in writing by the Buyer or an officer of Accutron, Inc.

8. PAYMENTS: Payment terms are specified on the purchase order, unless otherwise agreed to in writing and signed by an officer of Accutron, Inc. Invoices shall be sent by the Seller to the Buyer's Accounts Payable Department at the address shown on the Order. Invoices are not to be enclosed with goods or submitted to individuals or other addresses. Delays in receiving invoices as well as errors and omissions thereon will be considered just cause for withholding payment without losing discount privileges. Unless otherwise agreed, invoices covering articles shipped in advance of specified delivery dates will not be paid until their normal maturity after the date specified for delivery.

9. REMEDIES: The rights and remedies provided to Buyer herein shall be cumulative and in addition to any other rights and remedies provided by law or equity (or provided under the Uniform Commercial Code). The Buyer shall have, in addition, any other rights and remedies provided by law, equity or under the Order, the right to a set off against any open Purchase Order or other amount owing at anytime from the Buyer to the Seller.

10. CASH DISCOUNT Discounts shall be calculated from the date the material is received by the Buyer at the destination designated on the Purchase Order.

11. ORDER QUANTITIES and OVERSHIPMENTS: Subject to inspection and acceptance, Buyer will be liable for payment only for quantities ordered and delivered correctly. Material delivered in excess of the quantity ordered can result in substantial administrative expenses to the Buyer. Therefore, material delivered under the Order in excess of the quantity specified, within the PO's line items, may be retained by the Buyer at no additional cost. The Buyer is under no obligation hereunder to notify Seller of any over shipments, but we will. Seller shall be liable for handling charges or return shipment costs for any excess quantities shipped by Seller and returned by Buyer.

12. MATERIAL SHELF LIFE: Material supplied with limited shelf life, must have a minimum of 75% shelf-life remaining to be considered acceptable.



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13. **PACKAGING:** All electronic / electromechanical parts supplied to Solutions are to be packaged in ESD protective packaging.
14. **WARRANTY:** The Seller warrants that all materials or services delivered hereunder will (a) conform exactly to the design and specifications and to drawings, samples, or other descriptions referred to in or on the Order, (b) conform strictly to the requirements of the Order, (c) be merchantable and free from any defects in materials and workmanship and (d) that only new and authentic materials are to be used in products delivered to Buyer. No counterfeit or suspect counterfeit parts (defined as including, but is not limited to: (i) an item that is an illegal or unauthorized copy or substitute of an OEM item; (ii) an item that does not contain the proper external or internal materials or components required by the OEM or that is not constructed in accordance with OEM specification; (iii) an item or component thereof that is used, refurbished or reclaimed but the Seller represents as being a new item; (iv) an item that has not successfully passed all OEM required testing, verification, screening and quality control but that Seller represents as having met or passed such requirements; or (v) an item with a label or other marking intended, or reasonably likely, to mislead a reasonable person into believing a non-OEM item is a genuine OEM item when it is not) are to be contained within the delivered product. Buyer shall give the Seller any notice of any defect or non-conformity (whether latent or patent) within one year from the date of delivery of any articles affected thereby, the Seller shall at no cost to Buyer and with all possible speed, repair or replace articles thereof. Further, Seller shall reimburse the Buyer's cost of direct material scrap and rework, including associated labor and other reasonable costs --- in each case, caused by or arising as a result of the defective material , workmanship or components. This warranty shall survive the Buyer's inspection, delivery, acceptance or payment by the Buyer and shall together with Seller's service guarantees, if any, be extended to the Buyer and its customer. Nothing herein shall operate to exclude or limit Seller's warranties implied by law.
15. **INSPECTION AND REJECTION:** Final inspection shall be on the Buyer's premises unless otherwise agreed in writing. Rejected material that does not conform to the Purchase Order --- shall be returned at the Seller's Expense, including transportation and any reasonable handling costs.
16. **NON-CONFORMING MATERIAL:** Suppliers are responsible for notifying Accutron if non-conforming materials have been inadvertently shipped to Accutron, Inc.
17. **PRODUCT CHANGE NOTIFICATION:** Accutron, Inc. requires all suppliers and external manufacturers to have Lot & Date Code and Change control procedures incorporated into their production system. Suppliers are to provide Solutions Manufacturing, Inc. notification of any change to their system that has an effect on the final product and/or supplied to Accutron. These type of changes are, but not limited to, Revision, specification, process, inspection, etc.
18. **RECORD RETENTION:** Accutron, Inc. requires all suppliers to maintain all manufacturing data records for a minimum of 10 years. These records can be written or electronic and shall include but not limited to: PO#, Pricing, Qty shipped, Ship date, Part revision, Date & Lot numbers, Inspection, Shipping, etc. These records are NOT to be destroyed without Accutron's prior approval.
19. **SOURCE INSPECTION:** As needed, the Supplier will make available to Accutron, Inc. their production facility for source inspection, including all documentation generated for the production of the materials supplied to Accutron.



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Controls System Manufacturer

20. CONFIDENTIALITY: The Seller may not disclose to any third party, or use to the detriment of the Buyer, the existence or details of any Order, these terms and conditions or any agreement or arrangement with the Buyer, or any information the Seller receives or learns about the Buyer in connection with or as a result of an Order, except as is necessary to perform to the purchase orders specification(s).

21. TOOLING. Whenever tooling, die fixtures, molds are specified as a line item on the Purchase Order --- such tools shall be, and will remain, the sole property of Accutron, Inc. Such tools shall be maintained at the supplier's facility and kept in good operational condition. Upon demand, such tooling, die fixtures, molds, etc shall be delivered to Accutron, Inc. via common carrier, or other agreed upon shipping method.

22. PATENTS: Seller shall defend, indemnify and save the Buyer, its successors, assigns, affiliates, directors, officers, employees harmless against all claims, judgment, and awards which may be made under the patent laws of the United States and other countries resulting from the use or sale of any goods furnished pursuant to this Purchase Order, including goods manufactured in accordance with Buyer's specifications.

23. TAXES: Except as may be otherwise provided in this Purchase Order, the contract price shall include all applicable Federal, State, local taxes in effect on the date on the contract date.

24. ASSIGNMENT: The Seller shall not delegate any duties, nor assign any rights' or claims under this Purchase Order, or for breach thereof, without prior written consent of the Buyer, and any such attempted delegation or assignment shall not be binding on the Buyer. All claims for moneys due or to become due from the Buyer for any set-off or counterclaim arising out of this or any other of the Buyer's Purchase Order with the Seller, whether such set-off or counterclaim arose before or after any such assignment by the Seller.

25. BANKRUPTCY: In the event of any proceeding, voluntary or involuntary in bankruptcy or insolvency by or against the Seller, including any proceeding under the applicable Federal or State Bankruptcy law currently in effect, or in the event of the appointment with or without Seller's consent, of an assignee for the benefit or creditors or of a receiver, then the Buyer shall be entitled to cancel any unfilled part of this Purchase Order without any liability whatsoever and the Buyer shall be entitled to withhold, for a reasonable time, from any payments due from the Buyer an amount estimated by the Buyer to be a reasonable reserve for payment to the Buyer of any future claims against the Seller for returns, defects and the like.

26. TITLE AND RISK OF LOSS: Title and risk of loss shall pass to Buyer at the F.O.B./F.C.A. destination designated on the Order, provided , however, that the risk of loss shall remain with Seller as to goods which are not accepted by Buyer or which are rejected by Buyer. Additionally, any losses accruing from Seller's deviation from the Buyer's routing instructions --- will be changed or charged to the Seller's account.

27. OBJECTIVE QUALITY EVIDENCE Seller agrees to maintain objective, quality evidence for materials supplied hereunder in accordance with an approved Quality Standards system. Seller shall supply this evidence to the Buyer upon request.



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28. COMPLIANCE WITH LAWS: Seller and Seller's subcontractors, if any, shall comply with all Federal, State and local laws applicable to the Order and the materials or services delivered hereunder.

29. EQUAL OPPORTUNITY: Seller further agrees to comply with the provisions of all rules and regulations (including those of the Secretary of Labor) and Executive Orders (including Nos. 11246, 11375, 11625, 11701, and 11758) applicable to the Order regarding nondiscrimination because of race, creed, color, sex, age, national origin, physical or mental handicap, and veteran status.

30. O.S.H.A: Seller warrants that all materials and services delivered hereunder shall comply with all provision of the Williams-Steiger Occupational Safety and Health Act of 1970 including any then current rules and regulations issued hereunder.

31. ETHICS POLICY: Accutron, Inc. expects all of their Supplier partners to conform and comply with the Accutron Ethics Policy. The ethics Policy can be found on the Accutron Web Site: www.accutroninc.com

32. SUPPLIER PERFORMANCE: Accutron, Inc. expects their Suppliers to strive to meet a delivery rating of 95% or better and maintain a Quality Rating of 98% or above. Supplier performance will be reviewed periodically by Accutron, Inc. If a Supplier's performance is negatively impacting Accutron's ability to meet their customer's requirements --- a corrective action may be requested.