

Neapco Components Terms of Purchase

1. **ACCEPTANCE.** Commencement of performance pursuant to this Purchase Order (Order) constitutes acceptance hereof by the Seller. If delivery dates cannot be met, the Seller shall inform Neapco Components (the Company) in writing of the Seller's best possible delivery for the Company's acceptance. It is a condition of the Order that any provisions printed or otherwise contained in any acknowledgement hereof, inconsistent with or in addition to the terms and conditions herein stated, and any alteration in this Purchase Order, shall have no force or effect, and that any such provisions therein or any such alterations in this Order shall not constitute any part of this Contract of purchase and sale. This Contract contains the entire agreement of the parties, and failure of either party to enforce any of its rights hereunder shall not constitute a waiver of such rights or of any other rights hereunder.
2. **INSPECTION WARRANTY.** Goods delivered (whether paid for or not) are subject to inspection, testing, and approval by Buyer before acceptance. The Seller expressly warrants that all articles, materials, and work will conform to the applicable drawings, specifications, samples or other descriptions given in all respects, and that goods delivered hereunder will be of good quality, material and workmanship, merchantable and free from defects. This warranty shall survive any inspection, delivery acceptance or payment by Buyer of the goods or services.
3. **NONCONFORMING GOODS.** All goods not fully up to standard and not in compliance with the specifications hereof, or shipped contrary to the instructions, or in excess of the quantities herein provided, or substituted for goods described or not shipped in containers conforming to Buyer's specifications (or, in the absence of such specifications, in recognized standard containers), or allegedly violating any statute, ordinance, or administrative order rule, or regulation, may be rejected by Buyer and returned or held at Seller's expense and risk. Buyer may charge to Seller all expenses of inspection, unpacking, examining, repacking, storing, and reshipping any goods rejected as aforesaid. The remedies herein above afforded to Buyer shall not be exclusive, but Buyer may hold Seller liable for any and all damages arising from any breach or default herein above set forth.
4. **PRICE.** Prices recorded in this Order are not subject to increase. No additional amounts shall be chargeable to Buyer because of taxes or excises, presently or hereafter levied on Seller. If Seller's quoted prices for the goods covered by this Order are reduced (whether in the form of a price reduction, close-out, rebate, allowance, or additional discounts offered to anyone) at the time of any shipment, Seller agrees that the price to Buyer for such goods will be reduced accordingly, and that Buyer will be billed at such reduced prices. If the price is not recorded on the face of the Order, the price shall be that of the last previous Order given by Buyer to Seller, subject to the provisions of this paragraph. If the price includes taxes or excises, and if such taxes or excises or any part thereof are hereafter refunded to Seller, Seller shall immediately pay Buyer the amount of such refund. Seller certifies that the prices herein are not higher than prices being charged to other organizations purchasing identical goods in similar quantities at this particular time and do not discriminate against purchaser. Seller warrants that prices shown on this Purchase Order shall be complete and no additional charges of any type shall be added without Buyer's express written consent.
5. **DELIVERIES, TIME.** Buyer's production schedules are based upon the agreement that materials will be delivered to the Buyer by the date specified on the face of the Purchase Order. If deliveries are not made at the time agreed upon, the Company reserves the right to cancel or to purchase elsewhere, and hold the Seller accountable therefor.

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6. **SETOFFS AND COUNTERCLAIMS.** All claims to moneys due or to become due from the Company shall be subject to deduction by the Company for any setoff or counterclaim arising out of this or any other of the Company's Purchase Orders with the Seller, whether such setoff or counterclaim arose before or after any such assignment by the Seller.
7. **PRICE DISCRIMINATION.** Seller represents that the prices and terms of purchase, and any allowance available shall be in full compliance with the Robinson Patman Act.
8. **PAYMENT.** Terms of payment are as previously arranged, or if specified in this Order then as so specified in this Order
9. **WARRANTY AGAINST INFRINGEMENT.** Seller warrants the sale or use of goods of the Seller's design or Seller's patents covered by this Order either alone, or in combination with other materials, will not infringe or contribute to the infringement of any patents or trademarks or copyrights either in the U.S.A. or foreign countries, and the Seller covenants to defend every suit which shall be brought against the Buyer or any party selling or using the Buyer's products for any alleged infringements of any patents, trademarks or copyrights, by reason of the sale or use of said materials either alone, or in combination with other materials and to pay all expenses and fees of counsel which shall be incurred in and about defending every such suit and all costs, damages, and profits recoverable in every such suit.
10. **TRADEMARK.** If the goods specified within this Order are peculiar to the Buyer's design or if the goods bear the Buyer's Trademark or identifying mark they shall not bear Trademark or other designation of the Maker or Seller and similar goods shall not be sold or otherwise disposed of to anyone other than the Buyer without the written consent of the Buyer. The title to any and all drawings and blueprints, jigs, dies, patterns, tools, etc. used in connection with this Order shall at all times vest in Buyer and shall upon completion of deliveries hereunder or upon termination of the agreement pursuant to which this Order is issued, be delivered to Buyer upon request and the Seller assumes that all liability for loss thereof or for Seller's failure to return such property to Buyer.
11. **COMPLIANCE WITH LAWS.** In accepting this Order, Seller represents that it has and will continue during the performance of this order to comply with the provisions of all federal, state and local laws and regulations, including the "Fair Labor Standards Act" of 1938, as amended; the Civil Rights Act of 1964, Executive Order 11246 under Order #4, and the Occupational Safety and Health Act of 1970 and with the regulations and standards issued pursuant thereto. In addition, compliance is also with Section 503 of the Rehabilitation Act of 1973 as amended and 38 U.S.C.2012 of the Vietnam Era Veteran's Readjustments Assistance Act of 1974.
12. **INDEMNIFICATION BY SELLER.** The Seller will indemnify, save harmless, and defend the Buyer from all liability for loss, damage, or injury to person or property in any manner arising out of or incident to the performance of the Contract.
13. **CONFLICTING TERMS.** If terms of this Order do not appear on or agree with Seller's invoice as rendered, Seller agrees that Buyer may change invoice to conform to this Order and make payment accordingly.
14. **DELEGATION, ASSIGNMENT.** Seller shall not delegate or assign any duties or claims under this Order without Buyer's prior written consent. Any such delegation or assignment attempted without the previous written consent of the Buyer shall effect, at the option of the Buyer, a cancellation of all the Buyer's obligations hereunder.
15. **CANCELLATION.** Buyer reserves the right at any time and from time to time without cause, to cancel all or any part of the undelivered portion of this Order by notice to Seller. In the event of such cancellation, Buyer shall not be liable to Seller for loss of anticipatory profits. The provisions of this paragraph shall not limit or affect the right of Buyer to terminate this Purchase Order for default of Seller.

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16. **UNFORSEEN EVENTS.** Buyer may delay delivery or acceptance of goods in the event of any unforeseen event. Seller shall hold the goods pending Buyer's direction, and Buyer shall only be liable for direct increased costs incurred by the Seller by reason of Buyer's instructions.
17. **CHANGES.** Buyer shall have the right to make changes in this Order at any time and Seller agrees to accept such changes. In the event such changes result in additional costs, Buyer shall make an equitable adjustment in the purchase price provided such additional costs are itemized for Buyer by Seller within thirty (30) days of the change.
18. **WAIVER OF LIENS.** Seller hereby waives and relinquishes all liens and claims statutory or otherwise which Seller now has or may hereafter have result of labor done and materials furnished by Seller and Buyer in performance of the within Order.
19. **DEFAULT.** Upon the happening of any one or more of the following events, Buyer shall forthwith have the unrestricted right to cancel and terminate the within Contract without cost or liability to the Buyer; (1) Seller's insolvency or inability to meet obligations as they become due; (2) filing of voluntary or involuntary petition of bankruptcy by or against Seller; (3) institution of legal proceedings against Seller by creditors or stockholders; (4) appointment of a receiver for Seller by any Court of competent jurisdiction. The acceptance of goods or performance after the occurrence of any of the events above enumerated shall not affect the right of the Buyer to cancel its additional obligations.
20. **GOVERNING LAW.** This Purchase Order and the acceptance of it shall be a contract made in the State shown in the Company's address on the face of this Purchase order and governed by the laws thereof.