



## Purchasing Terms and Conditions

- 1. Construction and Legal Effect:** Buyer's purchase from Seller is limited to and expressly made conditional on Seller's assent to the terms and conditions of purchase displayed herein, all of which form a part of the order. These terms supersede all prior writings, representations and negotiations hereto and any conflicting terms and conditions of Seller, unless Seller expressly conditions acceptance in a typed or handwritten portion of Seller's or Buyer's sales acknowledgement form. Upon assent to additional or different terms and conditions of Seller or unless Seller otherwise communicates such an expressly conditioned objection to Buyer within fifteen (15) days from receipt of the order, the sending of an acknowledgement of the order whether or not signed by the Seller, Seller's commencement of work, shipment of goods, or acceptance of payment operates as ACCEPTANCE OF SELLER of Buyer's terms and conditions of purchase.
- 2. New Materials:** Except as to any goods and components which the specifications contained therein specifically provide need not to be new, the Seller represents that the goods and components to be provided are new, not used or reconditioned, and not of such age or so deteriorated as to impair their usefulness or safety.
- 3. Prices:** Seller represents that the price or prices specified in this order are in accordance with any applicable laws and regulations and do not exceed the current net prices for the same of substantially similar items whether to the Government or to another purchaser, taking into account the quantity under consideration, and agrees that if at any time during the term of this order lower prices are quoted to anyone for similar materials, such lower net prices shall be from that time substituted for the price contained herein.
- 4. Taxes:** The price or prices stated herein include all applicable taxes. Upon request of the Seller, Buyer will furnish tax exemption certificates or other evidence of exemption which are authorized and will be accepted by the appropriate taxing authorities.
- 5. Delivery, Quality and Payment:** Time is of the essence of this contract. If delivery of goods or rendering of services is not completed by the time promised, the Buyer reserves the right, without liability, in addition to its other rights and remedies, to terminate this contract as to stated goods not shipped or services not yet rendered and to purchase substitute goods or services elsewhere and charge the Seller with any loss incurred. Any provisions herein for delivery of goods or the rendering of services by installments shall not be construed as making the obligations of Seller severable. Shipments sent C.O.D. without Buyer's written consent will not be accepted and will be at Seller's risk. Buyer reserves the right to return early delivered or excess or short shipments at Seller's expense. Goods purchased shall be shipped in the most economical manner any payment is subject to and conditioned upon Buyer's inspection and approval or rejection at destination. Tender of payments is not a condition to Seller's duty to tender and complete any delivery. Seller shall be paid, upon the submission of invoices voucher of such information or documentation as Buyer may reasonably require, the prices stipulated herein for goods delivered or services rendered less deductions due Buyer, if any. Payment will be made on partial deliveries only if, in Buyer's sole discretion, it is desirable to make such payment. Upon Buyer's request, Seller shall suspend shipment and delivery of goods and all work and operation hereunder for such period as Buyer may request, at no expense or liability to Buyer.
- 6. Changes:** Buyer shall have the right to make changes in this order and Seller shall continue performance in accordance with such change. If any such change affects delivery or amount to be paid by Buyer, Seller shall notify Buyer immediately. Seller shall submit any claim for adjustment within ten (10) days from the date of receipt of notification of change. No additional charges will be allowed unless authorized by Buyer in writing. Only a Purchase Order Change Notice shall authorize any change in the order.
- 7. Packing:** All goods are to be packed in suitable containers for protection in shipment and storage. Any highly polished, highly finished or precision parts are to be properly greased and packed in containers which will afford protection against atmospheric deterioration. Stated price includes all packing charges.
- 8. Inspection and Rejection:** In case of defects in material or workmanship or conformance with requirements, Buyer shall have the right to reject. Seller shall bear all risks as to rejected goods, except that the Buyer shall be responsible for loss, destruction or damage to the goods only if such loss, destruction or damage results from the gross negligence of officers, agents or employees of Buyer. Goods rejected shall be promptly returned at Seller's expense or, if required by Buyer, corrected in place at the expense of the Seller. No goods returned as defective are to be replaced without Buyer's authorization and credit will be taken on Buyer's voucher. Buyer may contract or otherwise replace or correct such goods and charge Seller costs or damages. To defray costs of shipping, handling and inspection, a service charge on rejected goods may be billed to Seller. At Buyer's option, Buyer may perform inspection of goods covered by this order at Seller's plant with Seller providing necessary facilities to conduct such inspection. Payment for any goods hereunder shall not be deemed an acceptance thereof.
- 9. Transportation:** No transportation charges will be allowed on any shipped goods unless so authorized on the face of the purchase order. Charges on goods sold F.O.B. shipping point shall be prepaid and invoiced. No insurance or premium transportation charges will be allowed unless authorized by the Buyer in writing, or on the face of the purchase order. F.O.B. will always be point of manufacture unless otherwise stipulated on the face of the purchase order.



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**10. Warranty:** Seller expressly warrants all goods and work covered by this order to be of the quantity, quality, size, description specified or rendered to, fit and sufficient for the purpose intended, merchantable of good quality and workmanship and free from defects in material and workmanship, as well as of design in the event that the goods are of the Seller's design, for a period of twelve (12) months from date of shipment, or as otherwise expressly agreed. Such warranties shall apply to Buyer and customers of Buyer, shall survive acceptance of the items and shall not be deemed waived by reason of either the receipt of said goods, inspection by Buyer or payment by Buyer. Seller will indemnify and hold Buyer, Buyer's customers, and anyone claiming through Buyer or Buyer's customers harmless against any and all liabilities whatsoever incurred by virtue of a breach of such warranties. Such warranties shall be in addition of any warranties of additional scope given to Buyer or Seller or any other liability, including negligence, provided at law or equity.

**11. Information Disclosed to Seller:** During the performance of this order and for a period of ten (10) years after completion thereof, Seller will keep confidential and make no use of technical information furnished by Buyer in connection with this order, whether in the form of features of any equipment, tools, gauges, patterns, designs, drawings, specifications, data or other technical proprietary or confidential information, without Buyer's written consent, except for the performance of this order or except to the extent that the Seller is able to establish to Buyer's satisfaction that (a) such technical information was actually known to Seller prior to its receipt in connection with this order, or became known to Seller after such receipt through a third party independent knowledge thereof, or (b) that such technical information is or has become available to the general public other than as a consequence of breach of this written provision entitled "information Disclosed to Seller", or (c) the United States Government has the right to use such technical information to procurement purposes in which case Seller may produce items for direct sale to the United States Government. Seller shall notify Buyer when use in the performance of a Government requirement is contemplated under this exemption. Upon completion or termination of this order, Seller shall return to Buyer all such items of technical information as are in written or other physical form or make such other disposition thereof as may be directed or approved by Buyer.

**12. Patent Indemnity:** The Seller agrees to hold and save harmless the Buyer and any of its customers and all persons claiming under Buyer from any and all loss, damage, and expense of any kind by reason of actual or alleged infringement of contributory infringement on any Letters, Patent or trademark rights by reason of the manufacture, delivery, use or sale of the goods and the Seller agrees to defend at its own expense any kind and all actions or proceedings charging infringement of Letter, Patent or trademark rights that may be brought against the Buyer, or any of its customers or all persons claiming under Buyer, and to pay all costs and damages that may be assessed or incurred in every such action.

**13. Information Disclosed To Buyer:** Any knowledge of information, which Seller may have disclosed or may hereafter disclose to Buyer in connection with the purchase of goods or services covered by this order, shall not be deemed as confidential or proprietary. No employee of Buyer has authority to make any agreement express or implied limiting use of publication of or providing for confidential treatment of information, equipment, or suggestions unless agreement is made in writing and signed by an officer or Buyer.

**14. Buyer's Property:** Unless otherwise agreed in writing, all tools, equipment or material of every description furnished to Seller by Buyer or paid for by the Buyer, and any replacement thereof or any materials affixed thereto, shall be and remain the personal property of Buyer. Such property, and whenever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by Seller as "Property of Ceilcote Air Pollution Control" and shall be safely stored separate and apart from Seller's property. Seller shall not substitute any property for Buyer's property and shall not use such property except in filling Buyer's orders. Such property while in the Seller's custody or control shall be held at Seller's risk, shall be kept insured by the Seller at Seller's expense in an amount equal to the replacement cost with loss payable to Buyer and shall be subject to removal at no charge at Buyer's written request, in which event Seller shall prepare such property for shipment and shall deliver to Buyer in good condition, reasonable wear and tear excepted. The cost of any additions to the said property paid for by the Seller or the value of any work done on the property by the Seller shall be conclusively presumed to be included in the cost of materials ordered (the contract price) unless otherwise agreed by the Seller and Buyer in writing ten (10) days of the addition being added or work being done.

**15. Compliance with Laws and Regulations:** Seller warrants and certifies that in the performance of this order it will comply (unless exempt) with all applicable laws, rules, regulations and order of the United States and of any state and political subdivision, thereof. Without limiting the generality of foregoing laws and regulations these conditions to include laws relating to labor, wages, hours and other conditions of employment and applicable price ceilings, and that the goods delivered hereunder shall be produced in compliance with (1) the requirements of the Fair Labor Standards Act., (2) the requirements of the Occupational Safety and Health Act, as amended and the standards and regulations issued there under; (3) Toxic Substance Control Act.

**16. Government Contracts:** If this order is for goods to be furnished by Buyer to any agency or department of Federal, State or local government or to a higher tier contractor under prime contract with such governmental unit, Seller agrees to comply with all applicable requirements and there shall be deemed to be incorporated herein by reference all clauses required to be included in subcontracts issued under the applicable prime contract.



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**17. Termination:** Buyer may by written notice to Seller, (a) terminate the whole or any part of this contract in any one of the following circumstances. (1) If Seller fails to perform within the time specified herein or any authorized extension thereof, or (2) if Seller fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms, ceases to conduct operation, becomes insolvent, bankrupt or in receivership, and if any of these circumstances does not cure such failure within a period of then (10) days (or such longer period as Buyer may authorize in writing) after receipt of notice from Buyer specifying such failure and upon such termination Buyer may procure, upon such terms as it shall deem appropriate, goods or services similar to those terminated, in which case Seller shall continue performance of this order to the extent not terminated and shall be liable to Buyer for any excess costs for such goods or services and (b) obtaining of the Armed Services Procurement Regulations of the Department of Defense of Defense of the U.S. Government Buyer shall not by reason of termination under either (a) or (b) above be liable.

**18. Assignment:** Neither this order nor any performance interest or claim shall be assigned or transferred by Seller except as expressly authorized in writing by an officer of Buyer.

**19. Set-Off:** Buyer shall be entitled to set-off any amount owing at any time from Seller to Buyer or any of its affiliated companies against any amount payable at any time by Buyer or any of its affiliated companies to Seller.

**20. Work on Buyer's Premises:** In the event this purchase order is for work to be performed or goods to be delivered by Seller on Buyer's premises or the premises of the customer of the Buyer, the Seller hereby assumes entire responsibility and liability for any and all damage or injury of any kind caused by, resulting from, or occurring in connection with the execution of the work provided for in this contract, and if any person shall make a claim for damage or injury whether such claim be based upon the buyers alleged active or passive negligence or participation in the wrong or upon any alleged breach of statutory duty or obligation on that part of the Buyer, the Seller agrees to indemnify and save harmless the Buyer from any costs, expenses, damage or judgments whatsoever, and to assume on behalf of the Buyer the defense of any action at law or in equity.

**21. Non-Waiver:** Buyer's failure at any time to require strict performance by Seller of any of the provisions herein shall not waive or diminish Buyer's right thereafter to demand strict compliance therewith or with any other provision. Waiver or any default shall not waive any other default.

**22.** Any questions concerning this contract or the information on this contract as between the Buyer and Seller arising from this order shall be governed by and construed according to the laws of the State of Ohio.