

1. **ACKNOWLEDGEMENTS** – Seller shall acknowledge acceptance of purchase orders and provide firm delivery. The purchase order, including referenced drawings, specifications and other supporting documents, and these Terms and Conditions contain the entire agreement between Buyer and Seller related to the purchase of goods by Buyer from Seller. These Terms prevail over any of Seller's general terms and conditions of sale regardless whether or when Seller has submitted its sales confirmation or such terms. This Agreement expressly limits Seller's acceptance to the terms of these Terms and Conditions. Fulfillment of a purchase order constitutes acceptance of these Terms and Conditions. Notwithstanding anything herein to the contrary, if a written contract signed by both parties is in existence covering the sale of the goods or services covered hereby, the terms and conditions of said contract shall prevail to the extent they are inconsistent with these Terms and Conditions.
2. **SELLER'S QUOTATION** – Reference to Seller's quotation does not imply acceptance of any terms or conditions therein.
3. **PRICING** – Invoice prices shall not exceed those indicated on a purchase order without prior written consent of Buyer.
4. **INVOICING** – All invoices must be sent to the billing address indicated in the purchase order. Seller agrees to provide proof of shipment to all applicable invoices and to mark all invoices and containers with purchase order number, Seller part number, Air-Weigh part number where applicable, item description, quantity, and unit of measure.
5. **TERMS OF PAYMENT** – Payment of Seller invoices will not be made until applicable purchased materials and shipping documents are received at the destination specified in the order. Discount periods shall begin on the date of Buyer's receipt of acceptable invoices and shipping documents, or date of material delivery to specified destination, whichever occurs last.
6. **CHANGES** – Buyer shall have the right, by written change notices to Seller, to make changes in, or additions to, drawings, specifications, instructions, quantities, or deliveries for materials or services covered by a purchase order, and Seller agrees to comply with such change notices. If such change notices cause material or performance cost increases or decreases, equitable adjustment in price and delivery time will be made in writing as negotiated by Buyer and Seller within two days of Seller's receipt of a change notice. Seller is not authorized to make any changes in design, materials, manufacturing process, or firmware without prior notification and approval by Buyer. In all cases first article samples and specifications detailing the change are required prior to granting change approval. Written changes may be communicated via US Mail, Courier, facsimile transmission, or email.
7. **CANCELLATIONS** – Buyer shall have the right to terminate a purchase order in whole or part at any time by written notice. In the event of such termination and only when termination is not the result of Seller's default, Buyer's obligation for cost of materials and labor to Seller shall be determined in accordance with the following notice.
 - (A) **Air-Weigh Specific Design Products** – For those products that are produced in accordance with Buyer specifications that would reasonably be considered custom in nature due to the predominate degree of uniqueness that significantly differentiates it from other products being produced by Seller, the obligation for cost of materials and labor to Seller shall be determined as follows;
 1. **Pre-production Labor** – Buyer shall be responsible for direct labor costs authorized by Buyer and generated by Seller specifically for the purchase order, pro-rated over the current order quantity.
 2. **Raw Materials** – Buyer shall be responsible for the cost of applicable raw material stock purchased by Seller specifically for a purchase order. In the case of materials in which the Seller has on firm sub-contract order, Buyer may at its option either take an assignment of Seller's rights under such sub-contract orders, or pay the costs, of selling or discharging Seller's obligations under such sub-contract orders.
 3. **Semi-processed Materials** – Buyer shall be responsible for semi-processed materials applicable to a purchase order at a proportion of contract price based on the stage of completion of such materials.
 4. **Finished Materials** – Buyer shall be responsible for finished materials at contract price.
 - (B) **All Other Products** – Buyer and Seller shall negotiate in good faith to address any costs that may arise due to the termination of such products on a purchase order.
 - (C) **General** – Buyer responsibility for labor and materials as outlined above is limited to those quantities released by Buyer for manufacture and delivery within a reasonable future time period. In no instance shall total termination cost to Buyer exceed the total contract price for applicable items. All termination costs claimed by the Seller shall be documented and submitted to Buyer and all materials and results of all labor paid for by Buyer as a result of purchase order termination become the full express property of the Buyer to dispose of at Buyer's sole discretion.
 - (D) This Section (7) shall not limit any legal right of Buyer to cancel a purchase order without penalty to Seller for reasons of Seller default. Buyer further reserves the right to cancel a purchase order without further liability for articles not accepted by Buyer in the event Seller becomes insolvent or makes an assignment for the benefit of creditors, or commits an act of bankruptcy or reorganization proceedings.
8. **DEFAULT** –
 - (A) Buyer may terminate purchase orders in whole or part by written Notice of Default to Seller in any of the following circumstances subject to provisions of Section 8 (B).
 1. If Seller fails to make delivery of materials or to perform contracted services within the time specified on the purchase order.
 2. If Seller fails to perform to any of the other provisions of a purchase order such as to endanger the timely supply of acceptable material or service.
 3. In either of the two circumstances in Section 8(A)(1) or Section 8(A)(2) Seller does not fully make necessary corrections within a period of ten days after receipt of notice from Buyer specifying such circumstances.
 - (B) Except with respect to defaults of its sub-contractors, Seller shall not be liable for excess cost if the failure to perform in accordance with a purchase order arises out of causes beyond the control and without fault or negligence of the Seller. If the failure to perform is caused by default of a sub-contractor, and if that default is beyond the control of both Seller and its sub-contractor and without fault or negligence of either, the Seller shall not be liable for excess costs for failure to perform, unless the material or service to be furnished by the sub-contractor was obtainable from other sources in sufficient time for Seller to meet the required schedules.
 - (C) In the event that Buyer terminates a purchase order as a result of Seller defaults as described in Section 8(A), Buyer may procure similar material or service from alternate sources as deemed suitable by Buyer. Seller shall promptly and with necessary care, package and ship Buyer-owned materials, tooling, specifications, or other properties to the alternate source as directed by Buyer in writing.

- (D) Buyer retains the option of purchasing finished materials, partially finished materials, or raw materials applicable to a terminated purchase order. Payment for finished materials shall be negotiated by Seller and Buyer. Payment for raw materials shall be at Seller's cost.
- (E) Seller shall hold Buyer free of all liabilities pertaining to a purchase order in the event of termination resulting from Seller default as described in Section 8(A).
9. **DELIVERY** – Unless otherwise approved by Buyer, delivery shall not be made more than 1 day prior to required date specified in a purchase order. Acceptance of advance or past due shipments is at Buyer's discretion. Seller shall provide sufficient labor force and facilities, and shall work such hours, as may be required to assure compliance with the established delivery dates in a purchase order.
10. **SHIPMENTS** – All shipments shall be made in accordance with Ship Via instructions specified in a purchase order unless otherwise directed by Buyer. It is understood that on f.o.b. destination shipments, freight charges are included in the material prices indicated in the purchase order, and that no further freight charges to Buyer will apply. Costs of premium freight required by Buyer on past due shipments shall be the responsibility of Seller.
11. **QUALITY AND INSPECTION; COUNTERFEIT PARTS**
- (A) **Quality and Inspection** - Except as otherwise agreed in writing, all materials or services must be as specified in a purchase order and acceptance will be subject to Buyer inspection. If, for any reason specifications are omitted or are incomplete according to Seller practices, Seller shall so advise Buyer before a purchase order is processed. Material and workmanship must be free from any and all defects and must comply with applicable specifications, tolerances, and quality standards. Unless otherwise specified, all goods or services furnished hereunder may be subject to inspection by means of either statistical sampling, utilization of material, or functional testing or use. If through failure to satisfy this inspection, material is found to require additional inspection, the Seller shall be responsible for those expenses incurred by the added inspection, and for corrections made to the material at destination, as deemed necessary by Buyer. Buyer additionally reserves the right to return in whole or part for full credit, at expense of Seller, any shipments failing to meet Buyer inspection criteria. Material replacement shall be at Buyer's option. Buyer and Buyer's customer reserve the right to inspect applicable raw, in-process, or finished materials at Seller's plant at any operation, with a minimum prior verbal or written notice of 24 hours. In the event that a Corrective and Preventative Action Report is issued to Seller due to defective material, Seller agrees to document root cause and corrective action plan in accordance with the provided Corrective and Preventative Action Report form.
- (B) **Counterfeit Parts** - Seller shall not furnish suspect counterfeit or counterfeit parts to Buyer under a purchase order. All material delivered under a purchase order shall be authentic and traceable to the original manufacturer. Seller shall provide authenticity and traceability records to Buyer upon request. Seller shall immediately notify Buyer if Seller cannot provide parts, components, or assemblies traceable to the original component manufacturer or the original equipment manufacturer, and, upon receipt of such notification, Buyer reserves the right to terminate the purchase order at no cost to Buyer or require specific material validation test and inspection protocol requirements of Seller. If suspect counterfeit or counterfeit parts are furnished under a purchase order and are found in any of the goods delivered, such items will be impounded by Buyer. Seller shall promptly replace such suspect/counterfeit parts with parts acceptable to Buyer. Seller shall be liable for all costs relating to the removal and replacement of said parts, including, without limitation, Buyer's external and internal costs of removing such suspect/counterfeit parts, of reinserting replacement parts, and of any testing or validation necessitated by the reinstallation of Seller's goods after suspect/counterfeit parts have been exchanged. Buyer's remedies described herein shall not be limited by any other provision in these Terms and Conditions and are in addition to any remedies Buyer may have at law, equity or otherwise under these Terms and Conditions. At Buyer's request, Seller shall return any removed suspect counterfeit or counterfeit parts to Buyer. Seller agrees to insert the substance of this Section 11(B), including this sentence, in any sub-contract.
12. **PATENTS** – If any claim be made or suit brought against Buyer or Buyer's immediate customer for infringement of any patent or patents of others because of the use or sale of the equipment or any part thereof purchased under a purchase order, Seller by acceptance of the purchase order, and after being given written notice of such claim or suit, shall assume the defense of same and shall pay all costs and expenses incurred in connection therewith, and shall indemnify Buyer harmless from its use. Seller also agrees to, at its own expense, either (a) procure for Buyer or its immediate customer the right to continue using said equipment or part, or (b) replace the same with non-infringing alternative, or (c) modify in a manner satisfactory to Buyer or its immediate customer so it becomes noninfringing or (d) remove the equipment or part and refund the purchase price and transportation and installation cost.
13. **COMPLIANCE WITH LAWS** – In the performance of a purchase order, Seller shall comply in full with all applicable regulations and requirements set forth by Federal, State, Municipal and local laws and rules.
14. **LIENS** – Seller agrees to deliver to Buyer all articles covered by a purchase order free and clear of all liens, claims, and encumbrances.
15. **DRAFTS** – Drafts will not be honored by Buyer under any circumstances.
16. **PACKAGING and Labeling** – Packing, packaging, boxing, labeling, and cartage are included in material prices specified in a purchase order, and no additional charges for these services will be made to Buyer unless otherwise indicated in the purchase order. **Package multiple** shall be specified by Buyer unless otherwise agreed upon. Product will be properly protected from damage, deterioration and electrostatic discharge where applicable. Age sensitive material must be marked with expiration date where applicable. **Parts of Air-Weigh design and Seller's packaging must be labeled per print.** In the event labeling is not identified in a print, refer to the off-the-shelf labeling requirement. Off-the-shelf components and packaging must be labeled with the following items: Air-Weigh part number, Air-Weigh PO number, quantity, revision, Seller's work order/Lot number or other unique identifier of the Supplier's choosing.
17. **ASSIGNMENT** – Neither a purchase order, nor any rights or obligations hereunder are assignable or transferable without Buyer's written approval.
18. **SUB-CONTRACTING** – Seller shall not sub-contract all, or substantially all of the work of a purchase order without written approval of Buyer, with the exception of procurement of raw materials or standard commercial parts.

19. **PROPRIETARY RIGHTS** – Seller understands and agrees Buyer designs, specifications, formulas and manufacturing information is proprietary data and shall not be utilized for purposes other than those intended in a purchase order.
20. **BUYER-OWNER PROPERTY** – The following provisions, unless otherwise agreed in writing, shall apply to any and all tools, tooling, patterns, equipment, materials, or other property used in the manufacture of goods for Buyer or in the performance of a purchase order, that are either supplied to Seller by Buyer or have been acquired by Seller and specifically paid for by Buyer. All such property will hereafter be referred to as Buyer-owned.
- (A) Seller shall have the right to use Buyer-owned property without payment for usage as required in the performance of a purchase order, or other work for Buyer, but shall not use Buyer-owned property in the performance of any other work without prior written Buyer approval.
 - (B) Title to all Buyer-owned property shall at all times remain with Buyer, whether or not such property is attached to real estate or other things. Title to such property, which is procured or manufactured by Seller for Buyer, shall be fully vested in Buyer upon payment for same by Buyer.
 - (C) Seller shall take necessary measures to preserve Buyer's title to Buyer-owned property free of all encumbrances. Buyer retains the right, in addition to other rights provided by law to enter Seller's premises and remove Buyer-owned property with or without court order.
 - (D) Seller shall, on written request of Buyer, properly pack and ship Buyer-owned property to such destinations as designated by Buyer.
 - (E) Seller shall, at his expense, perform all maintenance work, repairs, and replacements necessary with respect to applicable Buyer-owned property so that such property remains suitable for use intended.
 - (F) The risk of loss or damage to all Buyer-owned property shall be with Seller from the time when such property is delivered to Seller or from the time that title vests in Buyer, until that property is removed from Seller's cognizance as directed by Buyer in writing. Proof of adequate insurance coverage on Buyer-owned property shall be provided to Buyer by Seller upon written Buyer request.
 - (G) Buyer shall not be liable for loss, damage, detention, or delay resulting from causes beyond its control, with respect to any Buyer-owned property to be delivered to Seller by Buyer.
 - (H) Seller shall assume and shall indemnify Buyer against any and all liability for damage to property or injury to or death of any persons arising from, incidental to the presence, or use of Buyer-owned property, whether such damage, injury, or death be caused by defects by the property, negligence in the use thereof, or otherwise.
 - (I) Buyer-owned property shall be clearly labeled as such.
 - (J) Seller shall, upon receipt of written request, provide Buyer with current listing of Buyer-owned property in its sub-contractors possession, indicating complete description, quantities, and property conditions.
21. **OTHER REQUIREMENTS**
- (A) Seller shall have full and exclusive liability for payment of any and all contributions or taxes for unemployment insurances, old age benefits, pension, or annuities now or hereafter imposed by Federal, State or Local Governments which are measured by wages, salaries, or other remunerations paid to persons employed by Seller on work performed under any order to which these Terms and Conditions apply. Seller shall comply with all laws and regulations related to assumption of liability for such contributions and taxes, and shall reimburse Buyer for any such contributions or taxes, which Buyer may be required to pay.
 - (B) With respect to any work performed on premises owned or controlled by Buyer, Seller shall provide safety protection for workmen on and around the project in accordance to all applicable Federal, State, and Local laws and regulations prior to commencement of work. Should Seller fail to provide such protection, Buyer has the option to terminate a purchase order without expense of liability or to order work ceased without penalty to Buyer until such protection is provided.
 - (C) Seller shall indemnify and save harmless Buyer from and against all losses, liabilities, claims, or demands whatsoever (including without limitation, costs and expenses in connection therewith) arising out of any personal injury or death or damage to or loss or destruction of property in any manner occasioned by, or attributable to, or related to the performance of any work or the reliability of any product covered by a purchase order and performed or supplied either by Seller, its sub-contractors, or the employees of either.
 - (D) Buyer, at its option, may require Seller to supply evidence of insurance, satisfactory to Buyer, covering the liabilities and indemnification included in Sections 21(A), 21(B), and 21(C), however failure of Buyer to request such evidence, shall not relieve Seller of the responsibility to obtain such insurance, nor of liabilities provided for in these paragraphs.
 - (E) All items supplied under the terms of a purchase order shall be certified by Seller to be in compliance with the requirements and standards of the Occupational Safety & Health Act of 1970. In addition, where required, hazardous material data sheets will be supplied on all applicable products. Failure of Buyer to contest a citation resulting from noncompliances of these items will not relieve Seller of liability under this warranty.
 - (F) The rights and remedies of Buyer provided in these Terms and Conditions shall not be exclusive, and are in addition to those provided by law or in the order.
Seller's request for exceptions to these Terms and Conditions must be submitted to Buyer in writing. Additions to, deletions from, or modification of these Terms and Conditions shall not apply unless specifically accepted by Buyer in writing.

Supplier: _____ Accepted
by: _____

Date: _____