



## HAIGH-FARR, INC. TERMS OF PURCHASE

### 1. ACCEPTANCE

By accepting the order, Seller agrees to all the terms hereof without any modifications or additions, unless such modifications or additions are specifically agreed to in writing by the Buyer.

### 2. GOVERNING LAW

The order and any contract resulting therefrom is governed by New Hampshire law.

### 3. CONSTRUCTION

These Terms of Purchase, combined with any terms listed on the face of the Purchase Order and any attachments thereto, constitute the entire agreement between Buyer and Seller regarding the order. In the event of any conflict or ambiguities between or among the same, the following order of priority shall apply: (1) terms on the face of the order, (2) attachments to the order, and (3) these Terms of Purchase.

### 4. PROPERTY

As used in these Terms of Purchase, the word "Property" shall mean all tangible property and all intangibles and services indicated on the face of the order.

### 5. DELIVERY

Time is of the essence for the order. If, for any reason, Seller fails to deliver Property at the time required by Buyer's order, Buyer may, at its option, and without any liability to Seller, cancel the portion or portions of the order so affected or set a new delivery date. Buyer may also pursue any other remedies provided in law or in equity. All orders shall be packaged, marked and otherwise prepared in accordance with the law and good commercial practices, capable of safe delivery to Buyer at the lowest lawful transportation and insurance rates.

### 6. WARRANTY

Seller warrants that it has good title, free of encumbrances, to the Property delivered hereunder. Seller further warrants that all Property delivered hereunder will be free from defects in design, materials and workmanship and will conform to its specifications and all other requirements of the order. These warranties shall survive any inspection, delivery and/or acceptance of the Property, or payment therefore by Buyer.

### 7. PRICE WARRANTY

Seller warrants that the prices of the Property do not exceed those charged by Seller to any other customer purchasing similar property in like or smaller quantities under like circumstances.

### 8. BUYER'S PROPERTY

All tools, dies, molds, patterns, jigs and any other property furnished to Seller by Buyer, or specifically paid for by Buyer, for use in the performance of the order, shall be and remain the property of Buyer, shall be subject to removal at any time, upon Buyer's demand, shall be used only in filling orders from Buyer or its nominee, and shall be clearly identified as the Buyer's property. Seller assumes all liability for loss or damage of such property, other than normal wear and tear.

### 9. INSPECTION

Final inspection shall be at Buyer's premises unless otherwise agreed in writing. Items rejected as not conforming to the order shall be returned at Seller's expense, including transportation and handling charges, if any.

### 10. PATENT AND COPYRIGHT INDEMNITY

Seller agrees to indemnify Buyer, its successors, assigns and customers against any liability, including costs and expenses, for or by reason of any actual or alleged infringement of any patent or copyright relating to the Property, except where such Property would be normally noninfringing, but is rendered infringing solely by reason of Seller's compliance with Buyer's detailed design.



#### **11. LIABILITY FOR INJURY**

Seller shall indemnify Buyer against any and all claims or liabilities resulting from any injury, death, damage, loss or other cause to persons or property, caused by the Property; Seller shall carry and maintain insurance coverages satisfactory to cover the above, and, upon Buyer's request, shall furnish to Buyer appropriate evidence of such insurance.

#### **12. TITLE, RISK OF LOSS, INSURANCE**

Seller shall bear any risk of loss of the Property while in transit until received by Buyer's Receiving Department. No charges will be allowed for insurance premiums unless specified on the face of the order.

#### **13. WAIVER**

Failure of Buyer to enforce any right hereunder shall in no way be construed as a waiver of such right or any other right hereunder.

#### **14. ASSIGNMENT**

Seller may not assign, transfer, or subcontract any of its rights or duties hereunder without the prior written consent of Buyer.

#### **15. SPECIFICATIONS**

In the event Seller is producing the Property according to specifications furnished or approved by Buyer: (a) Buyer shall have the right at reasonable times to inspect the progress and quality of the work and to witness testing of the Property and (b) except as stated to the contrary on the face of the order, all confidential information, patent rights and inventions, and all drawings, designs, information, tools, patterns, equipment and other items relating to or arising out of the work performed by Seller, or supplied by Buyer, shall be and remain the property of the Buyer, and the same shall not be used, reproduced or disclosed to others for any purpose whatsoever except in the performance of work under the order. The items shall be subject to removal at any time, without additional cost, upon demand by Buyer.

#### **16. GOVERNMENT CONTRACTS**

If the order indicates that it is issued under a U.S. Government prime contract or subcontract, Seller agrees to comply with all the terms and conditions of said contract set forth in attachments to the order, including the requirements of any U.S. Government priority rating assigned to said Contract by the Defense Priorities Allocation System.

#### **17. COMPLIANCE**

Seller warrants that the Property purchased by Buyer hereunder has been or will be produced in compliance with all applicable federal, state and local laws, statutes, acts and orders relating to labor relations, minimum wages, hours of employment, equal employment opportunity, nonsegregated facilities and health and safety, now in effect or hereafter enacted, and with any and all rules and regulations issued thereunder. This includes, without limitation, the following:

- a)** If the order is subject to Executive Order 11701 and the rules, regulations or orders of the Secretary of Labor issued thereunder, the contract clause as set forth at 41 CFR 60-250.5 is hereby included as part of the order.
- b)** If the order is subject to Section 503 of the Rehabilitation Act of 1973, as amended, and the rules, regulations or orders of the Secretary of Labor issued thereunder, the contract clause at 41 CFR 60-741.5 is hereby included as part of the order.
- c)** If the order is subject to the provisions of Executive Order 11246, as amended, and the rules, regulations or orders of the Secretary of Labor issued thereunder, the contract clauses set forth at 41 CFR 60-1.4(a) and 60-1.4(b) are hereby included as part of the order and Seller agrees to comply with the reporting requirements set forth in 41 CFR 60-1.7 and the affirmative action compliance program requirements set forth at 41 CFR 60-1.40.
- d)** If the order is subject to the Service Contract Act of 1965, as amended, and the rules, regulations or orders of the Secretary of Labor issued thereunder, the order shall comply therewith.



e) If the order is subject to Executive Order 13201 of February 17, 2001, and related implementing regulations at 29 CFR part 470, and orders of the Secretary of Labor issued hereunder, the order shall comply herewith.

#### **18. SETOFF**

Buyer may setoff any amount due from Seller to Buyer, whether or not under the order, from any amounts due to Seller under the order.

#### **19. CHANGES**

Buyer may, at any time, by a written change order, without notice to any sureties, make changes in any one of the following: (i) drawings, designs, specifications, where the items to be furnished are to be specially manufactured for the Buyer in accordance therewith; (ii) method of shipment or packing; (iii) place or time of inspection, delivery, or acceptance; (iv) the quantity and/or type of Property ordered; (v) the work or service schedules; and (vi) the amount of any Buyer furnished property. If any such change causes an increase or decrease in the cost of or time required for performance of the order, whether or not changed by the order, an equitable adjustment shall be made in the price or delivery schedule or both and the order shall be modified accordingly. No claim by Seller for adjustment hereunder shall be allowed unless made in writing for a specified amount within twenty (20) days from the date notice of any such change is received by Seller. If Seller considers that the conduct, statement or direction of any Buyer employee constitutes a change order hereunder, Seller shall notify Buyer and take no action on the perceived change pending written approval of Buyer. Only Buyer has authority to approve a change. Any change made by Seller without such written approval shall be deemed voluntary by Seller and not compensable in the cost of or time required for performance. Nothing in this Article shall excuse Seller from proceeding with performance of the order as changed.

Notwithstanding the above or any other provision of the order, the Seller hereby agrees that no changes to the items that may be required in order to meet the specified performance requirements of the order shall entitle the Seller to any adjustment in either price or delivery.

#### **20. RELEASE OF INFORMATION TO PUBLIC**

Seller shall not, without the prior written consent of Buyer, make any release of information pertaining to the order or any other information related to the Buyer (other than to Seller's employees and subcontractors that is required for the performance of their duties), including providing copies of the order or identifying the items sold by Seller to Buyer, nor use the name of Buyer in any advertising or publicity, except as may be necessary to comply with a subpoena or other proper mandatory legal demand.

#### **21. DISPUTES**

Except as otherwise specifically provided in the order, any dispute concerning a question of fact and/or law arising under the order that is not disposed of by agreement of the parties shall be decided in a U.S. court of law.

#### **22. SELLER'S STATUS**

It is understood and agreed that Seller and/or its employees engaged in the performance of the order by the Seller are not employees of Buyer and are not entitled to Buyer employee benefits or privileges or any payment from Buyer (other than expressly provided for in the order) and the Seller shall pay the salaries or expenses, applicable taxes, including Social Security and unemployment of said employees. The Seller is and shall be deemed to be an Independent Contractor at all times during its performance of the work specified in the order.

#### **23. FORCE MAJEURE AND U.S. GOVERNMENT PRIORITY**

If Seller asserts that any delay or failure to perform any of its obligations hereunder is caused by an act of God or any other Force Majeure event beyond its reasonable control, it shall promptly notify Buyer of such circumstance and its resulting inability to perform. Buyer shall have the right, without any liability, to cancel a particular order or any part thereof in addition to any other remedy it may choose to exercise.



#### **24. TERMINATION**

In addition to other rights hereunder, Buyer may terminate the order in whole or in part at any time prior to delivery or final acceptance by written notice stating the extent and effective date of such termination.

Buyer reserves the right to terminate the order in whole or, from time to time, in part for Seller's default (i) if Seller fails or refuses to perform in accordance with any of the requirements of the order or to make progress so as to endanger performance hereunder, or (ii) if Seller becomes insolvent or suspends any of its operations or if any petition is filed or proceeding commenced by or against Seller under any Federal law relating to bankruptcy, arrangement, reorganization, receivership or assignment for benefit of creditors. Any such termination will be without liability to Buyer except for completed items delivered and accepted by Buyer, payment for which can be set off against damages to Buyer. Buyer may require Seller to transfer title and deliver to Buyer any or all property produced or procured by Seller for performance of the work terminated and Seller shall be credited with the reasonable value thereof not to exceed Seller's cost or the order's value, whichever is less. Seller will be liable for damages caused by or resulting from its default including but not limited to excess costs of re-procurement. Buyer or its designee shall have the right to audit all elements of any termination claim and Seller shall make available to Buyer or Buyer's designee on request all books, records, and papers relating thereto. Termination of the order for default shall be without prejudice to any other rights and remedies of the Buyer under statute or common law.

To the extent the order is not terminated pursuant to the above paragraphs, Seller shall continue performance.