

D.L. MARTIN CO.
SUPPLIER/SUBCONTRACTOR PURCHASE ORDER
TERMS AND CONDITIONS

1. This order shall be construed in accordance with the laws of the State of Pennsylvania. Seller shall not delegate or assign in any manner to any other person, firm, or corporation the performance of any work or the supplying of any services under this Order. Any assignment, or attempted assignment, of this Order by Seller either of rights or of performance duties hereunder, shall be void and of no force or effect without, in each instance, the express written consent of Buyer.
2. Unless otherwise provided herein, written acceptance or delivery of any products or furnishing of any services in accordance with this Order shall constitute acceptance by Seller hereof, subject to all the terms and conditions hereof and to any Purchase Order Amendment hereafter issued. In any event, this Order may be accepted only in accordance with the terms. Any acceptance which is qualified or which contains any different or additional terms shall constitute an acceptance but such qualification or different or additional terms shall be of no force or effect.
3. Upon receipt of this order, we must have acknowledgment of acceptance of this order by return mail, fax, or email confirming pricing and date of delivery.
4. Except as specified herein, Seller shall procure material, fabricate, and ship products or perform services only in accordance with written authorization furnished by Buyer on this Order or under Purchase Order Amendments hereto. Buyer may, from time to time, change shipping instructions and schedules provided herein or contained in such written authorizations, or direct temporary suspension of scheduled shipments.
5. All products shall be shipped by Seller via transportation designated by carrier instruction communications that may be furnished to Seller by Buyer from time to time. Notwithstanding the provisions of paragraph 9 below. Seller shall pay, or reimburse Buyer, for any excess transportation charges in the event shipments are not made in accordance with Buyer's shipping instructions.
6. All products and services shall be received subject to Buyer's inspection. Buyer shall have the right at any time to reject any products or services defective in material or workmanship or to accept and correct the same at Seller's expense. Rejected products or services may be returned to Seller at Seller's risk and expense.
7. Unless otherwise agreed, Seller, at its own expense, shall furnish, keep in good condition, and replace when necessary all dies, tools, gauges, fixtures, patterns, and similar items (herein collectively called "tooling") necessary for the production of the products ordered. The cost of changes in tooling necessary to effect design or specification changes, hereafter ordered by Buyer, shall be paid by Buyer. Buyer has the option, however, to take possession and title to any tooling that is special for the production of the products covered by this order and, in such event, shall pay to Seller the unamortized cost thereof, provided, however, that this option shall not apply if the products hereby ordered are the standard products of Seller or if a substantial quantity of like material is being sold by Seller to others. Any material or property furnished to Seller by Buyer and any tooling furnished to Seller by Buyer or for which the Buyer reimburses the Seller in the piece price or otherwise shall be deemed to be held by Seller under a bailment for the benefit of Seller and shall be returned on demand, whether oral or written, of Buyer.
8. Seller guarantees and represents that the products ordered herein and their sale or use, alone or in combination, according to Seller's specifications or recommendations, if any, will not infringe any U.S. or foreign patents, and Seller agrees to defend, protect, and save harmless Buyer, its successors, assigns, customers, and users of its products, against all suits and from all damages, claims, and demands resulting from such alleged infringements, and covenants that Seller will, upon request, defend or assist in the defense, at Seller's expense, of any such suit.
9. Seller shall not be liable for delays or defaults in delivering or furnishing products or services hereunder which delays or defaults are due to causes beyond its control and without its fault or negligence. Seller agrees to notify Buyer in writing promptly if at any time Seller has reason to believe that deliveries will not be made as scheduled, stating the causes of the anticipated delay. In such cases Buyer reserves the right to withdraw this Order without any liability to Seller under sub-paragraph 13(2) hereof or otherwise. Time is of the essence of this Order.
10. Buyer reserves the right to change specifications, drawings, or quantities, of the products or services covered by this Order subject to equitable adjustment for any necessary differences in price or time of delivery.
11. Seller warrants that the products and services covered by this Order will conform to specifications, drawings, samples or other descriptions furnished or specified by Buyer and will be satisfactory and sufficient for the purpose intended, merchantable, of good material and workmanship, and free from defects.
12. Performance of work under this Order or any Purchase Order Amendment hereto, may be terminated by Buyer, with or without cause, in whole or in part, at any time by delivery, or by mailing, faxing, or emailing a written notice of termination to Seller specifying the extent of such termination. Upon receipt of notice of termination, Seller shall terminate work to the extent specified and shall, as and to the extent directed by Buyer, (1) terminate all contracts relating to the performance of the terminated portion of this Order, and (2) deliver to Buyer, or if authorized or directed by Buyer, dispose of in accordance with such authorization or direction all fabricated and un-fabricated goods, parts of goods, work in process, completed goods, and other supplies.
13. Buyer's liability, if any, upon termination shall be limited to paying Seller, to the extent unpaid, (1) the Purchase Order price for all products or services which have been fabricated or performed and delivered to Buyer in full accordance with this Order and any written amendments thereto, and in the event of termination for the convenience of Buyer (2) actual costs (exclusive of profits) incurred by Seller and properly attributable by generally accepted accounting practices to the terminated portion of this Order but not to exceed the aggregate price specified in this Order, as amended, for the products and services terminated and not included under sub-division (1) of paragraph 13 hereof.
14. Seller guarantees that it will comply with the requirements of the Fair Labor Standards Act of 1938, as amended, in producing the products or performing the services to be furnished hereunder. All invoices shall contain the following assurance "Seller represents that it has complied with the Fair Labor Standards Act of 1938, as amended, in producing the products or performing the services covered by this invoice."
15. If Seller shall become insolvent, make a general assignment for the benefit of creditors, or an proceeding shall be instituted by or against it for any relief under bankruptcy or insolvency laws, or if a receiver shall be appointed of Seller's property or assets, Buyer may, by delivery of written notice of termination to Seller, terminate this Order in its entirety without liability and this Order shall be of no further force or effect.
16. The statement herein of a right, power, privilege, or remedy of Buyer shall be cumulative and shall not preclude any other right, power, privilege, or remedy to which Buyer would otherwise be entitled under applicable law.
17. This Order contains the entire and only agreement between Seller and Buyer in respect of the subject matter covered. Any representation, terms, or conditions in connection therewith not incorporated herein shall not be binding upon either Seller or Buyer. No amendments or modification to this purchase order shall be binding upon Buyer unless Buyer shall issue its Purchase Order Amendment or in writing shall be signed by both Buyer and Seller.
18. Unless otherwise provided herein, the risk of loss shall not pass to Buyer until the products are received by Buyer, whether or not the products are held by a bailee to be delivered without being moved.
19. If this Order bears a U.S. Government contract number or if the Seller is otherwise informed that the goods or services covered by this Order are to be supplied to the U.S. Government, the Seller guarantees to comply with pertinent U.S. Government regulations, and all invoices will show the government contract number.
20. Seller warrants that in the performance of this Order it will comply with the Occupational Safety and Health Act of 1970, as amended, including all lawful orders, rules, and regulations thereunder.
21. The Seller represents that to the best of his knowledge and belief he is in complete compliance with Executive Order 11627, October 15, 1971, and warrants that the amounts invoiced under this Order will not exceed the lower of (1) the contract price, or (2) the maximum levels established in accordance with the order during its effectivity. The Seller agrees to insert the substance of this clause, including this sentence in all subcontracts issued under this Order.

Revised August 21, 2008