

# CONDITIONS OF PURCHASE

1. **CONTRACT:** This purchase order is expressly limited to and made conditional on the Seller's acceptance of and assent to the terms and conditions set forth herein. The contract between Purchaser and Seller consists of the terms written on the face hereof, these printed terms and conditions, the detailed specifications and drawings, if any, and if applicable, the appendices referred to in paragraphs 10, 11 and 12 hereof. In the event of conflict between the terms written on the face hereof and these printed terms and conditions, the terms written on the face hereof shall prevail. Except as provided in the preceding sentence, it is a condition of the contract that provisions printed or otherwise contained in any quotation, acknowledgement, shipping document or other instrument which are inconsistent with or in addition to the terms and conditions of this purchase order shall be of no force or effect. The contract as described above contains the entire agreement between Purchaser and Seller, which agreement shall not be modified orally or by failure of either party to enforce its right hereunder.
2. **CHANGES:** Purchaser shall have the right from time to time by written notice, without notice to seller's sureties, to make changes in or additions to the instructions, drawings or specifications for the items to be supplied under this order and Seller agrees to comply with such change notices which shall become a part of the contract. If such changes cause an increase or decrease in the cost of or time required for performance, an equitable adjustment in the price and/or delivery schedule shall be made. If Seller is not in total agreement with price and terms herein, Buyer is to be notified before proceeding with order.
3. **INSPECTION:** (a) All materials or articles ordered are subject to final inspection and approval at destination by Buyer, notwithstanding prior payment, it being expressly agreed that payment shall not constitute final acceptance. Buyer may reject any article which contains defective materials or workmanship, or which does not conform to specifications, blueprints and samples, or which is not as ordered. Rejected articles may be returned at Seller's risk and expense, at the full invoice price, plus incoming transportation charges (if any), and replacement of rejected articles shall be made, unless otherwise specified in writing to the contrary by Buyer shall be conclusive except as regards (1) defective workmanship or material (as supplied by the Seller) rejected by Buyer within one year after shipment from Seller's plant and (2) latent defects, fraud and such gross mistakes as amount to fraud.
4. **WARRANTY:** Seller warrants to Purchaser and its Customer that each item furnished hereunder and any component part thereof will be in conformity with the specifications in all respects, new, unless otherwise specified, of the best quality of its respective kind, free from faulty workmanship, material or design (except to the extent furnished by Purchaser or its Customer) and if of Seller's design, sufficient to fulfill any operating conditions specified by Purchaser. Seller shall replace or repair any item or component part thereof found not to be in conformity with the preceding paragraph provided Purchaser or its Customer notifies Seller of such nonconformity within 1 year after use. In the event Seller fails to proceed diligently to so replace or repair within a reasonable time after receipt to such notice, Purchaser or its Customer may undertake or complete such replacement or repair for Seller's account.
5. **PATENT INDEMNITY:** As to any item, the design for which is not supplied by Purchaser or its Customer, Seller shall defend any action brought against Purchaser or its Customer, based upon a claim that such item infringes any patent and shall pay damages, cost and expense including attorney's fees in connection therewith. If use of any such item is enjoined, Seller shall at its expense, either procure the right to continue the use of said item, modify it so it becomes non-infringing or remove said item and refund the purchase price and cost of transportation and installation thereof.
6. **ASSIGNMENT AND SUBCONTRACTING:** Neither this order nor any rights, obligations or monies due hereunder are assignable or transferable (as security for advances or otherwise) without Purchaser's prior written consent, and except as to purchasers of raw materials or standard commercial articles or parts, Seller shall not subcontract any major portion of the work encompassed by this order without Purchaser's prior written approval, Purchaser shall not be required to recognize any assignment or subcontract made without its prior written consent.
7. **PROPRIETARY RIGHTS:** If the items to be supplied hereunder have been designed in accordance with specifications or data furnished or originated by Purchaser or its Customer, such items shall not be reproduced except with the approval of Purchaser or its Customer and all drawings, photographs, data and other written material or information supplied in connection therewith shall at all times remain the property of Purchaser or its Customer and be returned promptly upon written request. Any drawings, specifications, technical information, designs or data shall be held in confidence, and are to be considered as the Buyer's property. The Seller shall not furnish to anyone else this information or material resulting from this information without written approval of the Buyer.
8. **TERMINATION:**
  - (a) **Default-**Purchaser may terminate this order or any part thereof by written notice if Seller fails to make deliveries or complete performance of services within the time specified or in accordance with agreed schedules (unless such failure be due to acts of God, strike or other causes beyond Seller's control), if Seller fails to comply with the terms and conditions of this order and does not cure such failure within a period of 30 days after written notice thereof or if Seller makes an assignment for the benefit of creditors, becomes insolvent or subject to proceedings of any law relating to bankruptcy, insolvency or the relief of debtors. Should Purchaser elect to terminate for default in accord with this paragraph, Purchaser may take possession of all or any of the items to be supplied hereunder in Seller's possession, without regard to stage of completion and may complete such items for Seller's account or may manufacture or procure items similar to those to be supplied hereunder and charge any excess cost or expense occasioned thereby to Seller's account. In all events, Purchaser shall not be or become liable to Seller or anyone claiming through or under Seller for any portion of the cost or price of any items Purchaser elects not to accept following notice of termination.
  - (b) **Purchaser's convenience-**Purchaser may terminate this order for its convenience in whole or part by written notice to Seller. In the event of such termination, Seller may claim its reasonable cost incurred prior to the effective date of termination plus a reasonable allowance for profit, all to be determined in accordance with generally accepted accounting procedures, provided, however, that the total sum payable upon termination shall not exceed the order price reduced by payments previously made. If it appears that Seller would have sustained a loss on the entire order had it been completed, no profit shall be allowed. As to partially completed work or raw material included in Seller's costs, Seller shall hold the same for disposition in accordance with Purchaser's instructions.
9. **LIENS:** Seller agrees to deliver the items supplied hereunder free and clear of all liens, encumbrances and claims of laborers or materialmen and Purchaser may withhold payment pending receipt of evidence in form and substance satisfactory to it of the absence of such liens, claims and encumbrances.
10. **GOVERNMENT CONTRACTS:** When the items supplied hereunder are to be used in the performance of a Government contract (including a contract for a Government financed or guaranteed project) or subcontract thereunder, additional and supplementary terms and conditions set forth in Appendix A shall apply whether or not Appendix A is attached hereto (Purchaser will furnish copies upon request).
11. **WORK ON PURCHASER'S OR CUSTOMER'S PREMISES:** When Seller will send its employees on premises occupied or controlled by Purchaser or its Customer, additional and supplementary terms and conditions in Appendix B shall apply whether or not Appendix B is attached hereto (Purchaser will furnish copies upon request).
12. **EQUAL OPPORTUNITY CLAUSE:** If this purchase order is for an amount in excess of \$10,000, the Equal Opportunity Clause provided for by Executive Order 11246 and its implementing rules and regulations shall be a part of the contract. The relevant portions of section 503 of the Rehabilitation Act of 1973 and Section 2012 of the Vietnam Era Veterans Readjustment Assistance Act of 1974 and the implementing rules and regulations are also incorporated by reference. If this purchase order is for an amount in excess of \$50,000, Appendix C, which is attached hereto must be executed by Seller and returned to Purchaser.
13. **COMPLIANCE WITH LAW:** Items supplied or services rendered by Seller under this order, must comply with the Occupational Safety and Health Act of 1970 and the standards promulgated thereunder, if applicable, as well as with all other applicable Federal, state and local laws and regulations. Seller agrees to indemnify and save Purchaser harmless from all expense to Purchaser by reason of Seller's failure to comply therewith.
14. **GOVERNING LAW:** In all respects this agreement shall be governed by and construed in accordance with the laws of the State of Connecticut.
15. **DOCUMENTATION:** Material certifications, blueprints, wiring diagrams and other documentation as specified in this order will be legible and of reproducible quality.
16. **LITIGATION OR DISPUTES:** In the event that there is a dispute between Purchaser and Seller regarding this Purchase Order, and Purchaser hires legal counsel to enforce or protect its rights, Seller shall be liable for all costs, expenses and fees, including attorney's fees, incurred by the Purchaser if the Seller was more at fault than the Purchaser or if the Purchaser is successful on any of its claims or defenses.
17. **PACKING:** All material shall be suitably packed, marked and shipped in accordance with the requirements of common carriers, and no additional charge for packing or boxing shall be made to Buyer, unless otherwise stated herein.
18. Documentation relating to any non-conforming material, part, or equipment shall be forwarded to Conval for review and approval prior to shipment of non-conforming items. Documentation shall include details of the non-conformance along with a recommended disposition and corrective action.
19. All activities within the scope of this procurement document shall be subject to audit/inspection by Conval or an authorized representative at any reasonable time provided advance notification is given.
20. The relevant affirmative action requirements of Executive order 11246, the Rehabilitation Act of 1973, the Vietnam Era Veterans Readjustment Act of 1974, the Veteran's Employment Opportunities Act of 1998 (VEOA) and the implementing rules and regulations are incorporated by reference.