

2.7 When materials are specially packed to avoid contamination or climatic exposure or if materials are temperature or age-sensitive, notice to this effect must be prominently placed on the bill of lading, packing sheet, and packages. If Seller fails to comply with this requirement, it shall be held liable for rejection of or loss to material due to such failure, including without limitation spoilage.

3. Inspection

3.1 Buyer shall have the right to inspect materials supplied hereunder to the extent practicable, at all places and times, including during the manufacture or fabrication, at Seller's facilities or elsewhere. Seller and Seller's suppliers will furnish without additional charge all reasonable facilities and assistance for the safety and convenience of Buyer performing their duties on Seller and Seller's supplier's premises.

3.2 Such inspection may include raw materials, components, work in process, and completed products as well as drawings, specifications, and related data. Final inspection acceptance shall be in accordance with criteria specified in the Purchase Order and after delivery to the delivery point designated by the Purchase Order.

3.3 Buyer may reject all materials found to be defective. Rejected materials may be returned to Seller at Seller's expense. At Buyer's request, Seller shall repair or replace defective materials at Seller's expense. Buyer's failure to inspect materials, failure to discover defects in materials, or payment for materials shall not constitute approval, acceptance, forfeiture of warranty rights, or limitation of any other of Buyer's rights provided by law or the Purchase Order.

3.4 If required by Buyer at any time prior to Seller's full performance, Seller shall provide and maintain at no additional cost to Buyer an inspection/quality control system acceptable to Buyer covering materials under this Purchase Order and shall tender to Buyer for acceptance only supplies that have been inspected in accordance with the inspection system and found by the Seller to be in conformity with the Buyer's requirements. As part of the system, Seller shall prepare records evidencing all inspections made under this system available and the outcome of such inspections. These records shall be kept complete and made available to Buyer before and after delivery. Buyer may perform reviews and evaluations as reasonably necessary to ascertain compliance with this paragraph. Buyer's right of inspection, whether exercised or not, shall be solely for Buyer's benefit, and shall not relieve Seller of any warranties or other obligations under the Purchase Order.

4. Over Shipment

Materials shall not be supplied in excess of ordered quantities and any applicable shipping tolerances specified in the Purchase Order. Seller shall be liable for return shipment costs for any excess quantities shipped by Seller and returned by Buyer. If Seller refuses to pay for such costs, in advance of return shipment, the over-shipped material will be retained by Buyer at no cost. Buyer is under no obligation to notify Seller of any over shipments.

5. Price Warranty

Unless otherwise specified in the Purchase Order, prices are F.O.B. to the destination stated in the Purchase Order and shall include all federal, state, and local taxes (if required), and insurance; no separate or additional charge will be allowed for packing, crating, drayage, or storage. Seller warrants that prices charged for the materials and services hereunder and not higher than those charged to any of Seller's other customers, including the Government, for materials or service of like grade and quality.

6. Payment

6.1 Seller shall be paid within 30 days after the latest of (i) Buyer's receipt of materials ordered hereunder; (ii) completion of all services to be rendered hereunder, (iii) Buyer's inspection and acceptance of said materials and services, (iv) Buyer's receipt of properly prepared invoices in accordance with Buyer's invoicing instructions, and (v) the scheduled delivery date. Any adjustments in Seller's invoice due to shortages, rejection or other failure to comply with the provisions of the Purchase Order, may be made by Buyer before payment. Discount periods shall commence on the latest of final acceptance, satisfactory completion of acceptance testing (if required), scheduled delivery, actual delivery, receipt of any required documentation, or receipt of invoice. No charges will be honored unless specified on the face of the Purchase Order. Invoices must be accompanied by transportation receipt, if transportation is payable as a separate item. Invoice shall be mailed immediately after each shipment, in accordance with the instructions on the Purchase Order.

6.2 Delays in receiving invoice, errors or omissions on invoices, such as Purchase Order number, or lack of supporting documentation required by the terms of the Purchase Order, will be cause for Buyer's withholding payment without losing discount privileges.

6.3 The Price includes all duties, charges, royalties, tariffs and fees, and other related costs. Foreign Taxes and taxes on the Contractor's income shall remain the responsibility of the Contractor and shall be for Contractor's account. Any adjustments to the Price must be in accordance with the terms and conditions.

7. Warranties

7.1 Seller warrants that materials ordered or delivered hereunder will be merchantable, free from defect in materials and workmanship, and conform to specifications, drawings, samples, or other descriptions furnished by Buyer, and will be fit and sufficient for the purpose intended. If the materials delivered will be incorporated in an item to be delivered to Buyer's customer, Seller's warranty under this clause shall be extended to Buyer's customer. Such warranties, from date of acceptance, together with Seller's service warranties and guarantees, shall run to Buyer, its successors, assigns, customers at any tier, and ultimate user and joint users.

7.2 In the event of a breach of the foregoing warranty, Buyer may, at its option, either (a) return the materials for credit or (b) require prompt correction or replacement of the defective or nonconforming materials, and delivery to Buyer of any corrected or replaced materials shall be at Seller's expense. Materials required to be corrected or replaced shall be subject to the provisions of this paragraph and the 'Inspection' section hereof in the same manner and to the same extent as materials originally delivered under the Purchase Order. The rights and remedies of Buyer provided in this clause shall not be exclusive and are addition to any other rights and remedies provided at law, or in equity, or under this Purchase Order.

7.3 Seller warrants that all labor or services provided pursuant to the Purchase Order shall be performed in a prompt and workmanlike manner, in accordance with Seller's and material manufactures plans, instructions, specifications, requirements, and all applicable laws, rules, and regulations.

7.4 Seller warrants that:

7.4.1 Cost and pricing data furnished by Seller is complete, accurate, and current either (a) as certified in Seller's Certificate of Current Cost or Pricing Data, or (b) as furnished to Buyer by Seller, whether or not certified.

7.4.2 Cost and pricing data furnished to Seller by its subcontractors at any tier is complete, accurate, and current, either (a) as certified in that subcontractor's Certificate of Current Cost or Pricing Data, or (b) as furnished to Seller by its subcontractor, whether or not certified.

7.4.3 Cost and pricing data furnished to Seller by its subcontractors at any tier or prospective subcontractors at any tier, which was required to be complete, accurate, and current and to be submitted to support a subcontract cost estimate furnished by Seller, is complete, accurate, and current either as certified in Seller's Certificate of Current Cost or Pricing Data or as furnished to Buyer, whether or not certified.

7.4.4 Any data not within, 1, 2, or 3 above, furnished by Seller or a lower tiered subcontractor or prospective subcontractor to Seller is complete, accurate, and current, as submitted.

8. Compliance with Laws and Regulations

8.1 Seller will comply with the Fair Labor Standards Act of June 30, 1938, (29 USC 201- 209), as amended, the Occupation Safety and Health Act of 1970, as amended, and the Toxic Substances Control Act, as amended. Seller also warrants that in the performance of this order Seller will comply with all applicable laws, rules, and regulations.

8.2 Environmental Management System The facility has established an Environmental Management System; contractors and suppliers must communicate the VPA/VIT Environmental Policy to its employees (this policy [can be found here](#)). All contractors and suppliers are expected to adhere to this policy and to the environmental procedures described in this document. The facility has identified environmental aspects and impacts and has developed environmental programs for

13. Termination for Default

13.1 Default: Buyer may, by written notice of default to Seller, terminate this Purchase Order in whole or in part if Seller fails to:

- 13.1.1** Deliver materials or to perform the services within the time specified in this Purchase Order or any extension;
- 13.1.2** Make progress, so as to endanger performance of this Purchase Order; or.
- 13.1.3** Strictly comply with any of the other provisions of this Purchase Order.

13.2 If Buyer terminates a Purchase Order for default, Buyer may acquire supplies and /or services similar to those terminated, and Seller will be liable to Buyer for any excess costs for those supplies or services. However, Seller shall continue any work not terminated.

13.3 If Buyer terminates a Purchase Order for default; Buyer may require Seller to transfer title free and clear of claims, liens, and encumbrances and deliver to Buyer, as directed by Buyer, any 1) completed materials, and 2) partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as "manufacturing materials") that Seller has specifically produced or acquired or the Purchase Order. Seller shall also protect and preserve property in its possession in which Buyer has an interest. Buyer shall pay Purchase Order prices for completed supplies delivered and accepted. Buyer shall pay for manufacturing materials delivered and accepted by Buyer an amount equal to the cost of Seller's materials incorporated therein. Buyer may withhold from these amounts any sum Buyer determines to be necessary to protect Buyer against loss because of Seller's breach.

13.4 If after termination for default, it is determined that seller was not in default, the rights and obligations of the parties shall be the same as if the termination had been for convenience hereunder. Seller shall reimburse Buyer for reasonable attorney fees incurred by buyer to enforce the provisions of the Purchase Order or to secure costs and/or damages for the breach thereof, or in pursuing any other remedy hereunder by law or in equity.

14. Termination for Insolvency

If any proceedings are brought by or against Seller to place seller in bankruptcy or receivership, for an assignment for the benefit of creditors, or under any other law relating to insolvency, then Buyer may terminate this Purchase Order. Any termination under this section shall be deemed to be a termination for default in accordance with the section entitled "Termination for Default."

15. Termination for Convenience

The performance of work under this Purchase Order may be terminated in whole, or from time to time in part, by Buyer for its convenience. If Seller terminates for convenience, Seller shall deliver to Buyer all materials and/or work in progress to Seller relating to the Purchase Order. Within 30 days after Buyer's receipt thereof, Buyer shall pay to Seller (i) its actual costs of goods incorporated in the materials, and (ii) Seller's direct cost of labor expended for the production of the materials, the actual direct cost of labor for services rendered, if any.

16. Accountable Property and Data

16.1 All drawings, specifications, technical data, computer software, materials, and accountable property (i.e. tooling, test equipment, plant equipment, etc.) furnished or paid for by Buyer shall be:

- 1) the property of Buyer,
- 2) subject to removal at any time without additional cost demand by Buyer,
- 3) used only in filling orders from Buyer, and
- 4) kept separate from other drawings, specifications, technical data, computer software, and materials, and shall be identified as the property of Buyer. Seller shall return all drawings, specifications, technical data, and computer software to Buyer upon request. Any such property of Buyer, which is retained by Seller, shall remain subject to the foregoing restrictions on use, reproductions, and disclosure.



