

CHINA STAINLESS STEEL SCREWS PURCHASE ORDER TERMS AND CONDITIONS

1. **TERMS:** This order constitutes the entire agreement between the parties hereto and the terms and conditions set forth herein cannot be modified or amended without the written consent of the Buyer. No officer, employee, or other representative of Buyer is authorized to make any oral contract of commitment for the purchase of materials or to modify or change the terms and conditions of this order unless such modification or change is in writing.
2. **DELIVERY:** Time of delivery is of the essence of this order and Buyer reserves the right to cancel this order without liability and without waiver of any other remedies if delivery is not effected as specified herein.
3. **TERMINATION:** Buyer may terminate this order for its convenience, in whole or in part by written or telegraphic notice at any time. If this order is terminated for convenience, any claim of Seller shall be settled on the basis of reasonable costs it has incurred in the performance of this order.
4. **TIMELY NOTICE:** Seller recognizes that buyer may be unable to inspect the parts within a period of time prescribed as "reasonable" by provisions of the U.C.C., seller therefore waives any defense or claim based upon buyer's failure to so provide timely notice.
5. **MATERIAL ALTERATION:** Seller recognizes that the buyer may make material alteration to the parts sold hereby and seller hereby waives any claim that the buyer may not return nonconforming parts due to such alteration.
6. **ORDER IS CONFIDENTIAL:** Seller understands and agrees that this order shall be held confidential in all respects and Seller shall not disclose or permit anyone to disclose the existence of this order or any term or terms thereof.
7. **PACKAGING, MARKING AND SHIPPING:** Shipments shall be made in accordance with Buyer's instructions and Seller agrees to reimburse Buyer for all expenses incurred as a result of improper packaging, marking or shipping. Unless otherwise expressly agreed herein, no charge shall be made for containers, crating, boxing bundling, dunnage, drayage or storage. Packing slips must be endorsed with all shipments showing order number, part number and quantity. All materials must be tagged and marked with Buyer's stock number. Shipments must be packaged and shipped so as to obtain lowest applicable transportation cost.
8. **IDENTIFICATION – RISK OF LOSS:** Identification of the goods, under 2501 of the Uniform Commercial Code shall occur at the moment that this offer is accepted by Seller.
9. **TITLE:** Title to the goods shall remain with Seller until Buyer actually receives the goods.
10. **PATENTS:** Seller shall hold Buyer, its affiliated corporations and their customers harmless from loss and/or liability of any nature or kind including attorney's fees arising out of or existing because of the infringement or alleged infringement of any United States or foreign patent for or on account of the manufacture, sale or use of any goods thereunder. Buyer shall notify Seller in writing of any suit filed against Buyer or its affiliated corporations, or their customers on account of any such infringement or alleged infringement and Seller shall defend such suit at its sole cost and expense. Buyer or its affiliated corporations of their customers, however, may be represented by counsel of their own choosing, at their own expense in any such suit.
11. **EXCESS GOODS:** Goods shipped in excess of those specified will not be accepted and such goods will be held at Seller's risk. Buyer shall upon Seller's direction and at Seller's risk and expense, forward goods from the original destination to that specified by Seller.
12. **QUALITY:** Seller expressly warrants that all the articles, material and work covered by this order will conform to the specifications, drawings, samples or other description furnished or adopted by the Buyer, and will be of good material and workmanship and free from defects. If the articles are not ordered to Buyer's specifications, Seller further warrants that they will be merchantable, fit and sufficient for the purpose intended.
13. **INSPECTION:** All material shall be received subject to Buyer's inspection and rejection. Defective material not in accordance with Buyer's specifications will be held for Seller's instruction and at Seller's risk and if Seller so directs, will be returned at Seller's expense. Payment for material on this order prior to inspection shall not constitute an acceptance thereof, nor will acceptance remove Seller's responsibility for latent defects. Buyer reserves the right to inspect materials, process and workmanship at Seller's, or its subcontractors', premises. Buyer's Inspection does not absolve Seller of the responsibility for the quality of the Work, and shall not preclude subsequent rejection by Buyer.
14. **DRAWINGS, TOOLING AND EQUIPMENT:** Unless otherwise ordered in writing all drawings, prints, tools, dies, jigs, fixtures, patterns or other equipment or designs used in manufacturing or processing all property and materials ordered hereunder shall be furnished by and at the expense of the Seller, but if Buyer should furnish or pay for any part or all of such items, or any replacements thereof, then such items shall constitute the property of Buyer and be delivered to Buyer upon either fulfillment of this order or prior, at the request of Buyer. Seller agrees to maintain such items in good condition and repair and while such items are in Seller's custody or control, the risk therefor is assumed by Seller and such items shall be kept insured at Seller's expense in an amount not less than the replacement cost with loss payable to Buyer.
15. **PRICES:** Seller warrant that the prices for the property and services covered by this order are as low as any net prices now given by Seller to any other customer for like articles, materials and services and seller agrees that if at any time during the life of this order, Seller quotes or sells at lower net prices like articles, materials and services, such lower net prices shall from that time be substituted for the prices set forth in this order.
16. **FABRICATION AND MATERIAL COMMITMENTS:** Unless otherwise authorized in writing by Buyer, Seller shall not make commitments for materials nor fabricate in advance of time necessary to permit shipment on delivery dates.
17. **ASSIGNMENT:** This contract may not be assigned by Seller without the written consent of Buyer.
18. **RECORDS:** Supplier shall retain required records in good condition for at least ten (10) years unless otherwise specified. Records shall be provided to CHINA STAINLESS STEEL SCREWS upon request. Supplier is advised that the recording of false or fraudulent statements or entries in any record created for CHINA STAINLESS STEEL SCREWS may be punished as a felony.
19. **SUB-TIER SUPPLIERS:** Suppliers shall flow down to sub-tier suppliers all applicable requirements including Key Characteristics when defined.
20. **ITAR RESTRICTIONS:** Orders relayed may involve information and/or items that are subject to the International Traffic in Arm Regulations (ITAR) and may not be released to "Foreign Persons" inside or outside the United States of America without the proper export authority. China Stainless Steel Screws policy is not to export ITAR controlled defense articles. To ensure proper classification, suppliers are required to identify ITAR controlled product at the time of quote and/or order acceptance.
21. **SET-OFF:** Buyer shall be entitled at all times to set-off any amount, whether arising under this purchase order or otherwise, which Seller owes to Buyer or to any of Buyer's subsidiaries or affiliates against any amount payable by Buyer in connection with this purchase order.
22. **INSURANCE:** Seller agrees to indemnify and protect Buyer against all liabilities, claims or demands for injuries or damages to any person or property growing out of the performance of this contract, by Seller, its servants, employees, agents or representatives. Seller further agrees to furnish insurance carrier's certificate showing that Seller has adequate workman's compensation, public liability and property damage insurance coverage. Said certificate must set forth the amount of coverage, number of policy and date of expiration. If Seller is a self-insurer, the certificate of the appropriate state agency of the state in which said labor is to be performed must be furnished by such state agency directly to Buyer. The purchase of such insurance coverage or the furnishing of the aforesaid certificate shall not be in satisfaction of Seller's liability hereunder or in any way modify Seller's indemnification of Buyer.
23. **ADVERTISING:** Seller shall not without first obtaining the written consent of Buyer, in any manner, advertise or publish the fact that Seller has contracted to furnish Buyer the material herein ordered, and for failure to observe this provision, Buyer shall have the right to terminate the contract resulting from the acceptance of this order without any obligation to accept deliveries after the date of termination or to make further payments except for completed articles delivered prior to termination.
24. **DISCOUNTS:** Buyer shall be entitled to any discounts allowable by Seller for prompt payment even though Buyer is unable to make payment within time limits set by Seller where such failure is due to strike or other causes beyond the control of Buyer.
25. **COMPLIANCE WITH LAWS:** Seller warrants that, in the performance of this Purchase Order, it will comply with all applicable Federal, national, provincial, state and local laws. Seller also warrants that it is, and will continue during the period of performance of the Purchase Order to be, in full compliance with the provisions of (i) the Foreign Corrupt Practices Act, (ii) U.S. export control regulations and the International Traffic in Arms Regulations, (iii) sanctions administered by the Office of Foreign Assets Control, and (iv) the Anti-Kickback Act. Seller shall indemnify and hold Buyer harmless from any liability resulting from failure of such compliance. Unless seller notifies Buyer otherwise, Seller represents that the Ordered Items are classified as EAR99 under the Export Administration Regulations or are not otherwise subject to export regulations under U.S. law.
26. **TAXES:** Unless otherwise stated, the prices do not include sales tax, use, excise and similar taxes applicable to the goods furnished hereunder or the materials used in the manufacture thereof. All such taxes and charges shall be shown separately on Seller's invoice.

27. TECHNICAL INFORMATION DISCLOSED TO BUYER: Seller agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical information which Seller shall have disclosed or may hereafter disclose to Buyer in connection with the goods or services covered by this order.
28. WAIVER: The waiver by Buyer of failure of Buyer to insist upon performance of any terms or terms of this agreement at any time shall not preclude, bar, waive or stop Buyer from insisting upon Seller performing such term or terms at any subsequent time or times.
29. CAUSES SEPARABLE: The invalidity or unenforceability of any of the clauses or terms or provisions of this purchase order shall not affect the validity or enforceability if any other clauses, conditions or provisions hereof.
30. INTERPRETATION: This agreement shall be governed by and interpreted under the Uniform Commercial Code as in effect in the state in which the goods covered hereby are to be delivered.