

CONDITIONS OF PURCHASE

Polyphase Instrument Company

1. POLYPHASE INSTRUMENT COMPANY, the purchaser, is designated as PIC.
2. ACCEPTANCE: The acknowledgment and acceptance of this order on the attached PIC Acknowledgment Form must be signed by the Seller and returned to PIC within five days after receipt hereof by Seller, or within such other time as PIC may designate, in writing. Unless Seller complies with this condition, this purchase order does not constitute a contract. In case of error in the extension of price in this order, the Unit Price will govern.
3. PACKING: Seller shall be responsible for safe packing. Seller shall separately number all cases, packages, etc., showing the corresponding numbers on the invoices. An itemized packing slip bearing PIC order number, must be placed in each container. No extra charge shall be made for cartons, wrapping, packing, binding, crating, delivery, drayage or other costs, unless authority for such charges is expressly incorporated in this order.
4. INVOICES: Within twenty-four (24) hours after shipping of materials, two copies of packing slip and a Bill of Lading, Express Receipt, Mail or Parcel Post Receipt, together with a separate invoice for each order and bearing the PIC order number, must be mailed to PIC at 175 Commerce Drive, Fort Washington, PA. Invoices not so supported are subject to return. Do not invoice for tools on this order until a partial shipment has been made on the order that requires the use of these tools or until a pilot run has been delivered and accepted. No invoices will be passed for payment by PIC if they do not contain the following certificate: "This Supplier herein represents that the goods and/or services covered hereby were produced in compliance with the requirements of the Fair Labor Standards Act of 1936, as amended, including section 12(a) thereof, as amended."
5. DELIVERY: Time and rate of deliveries are of the essence of this order. PIC reserves the right to cancel the order and reject the goods upon default by Seller in time, rate or manner of delivery. PIC shall reserve the right to refuse shipments made in advance of the schedule of deliveries appearing on the face of this order.
6. TERMS: Unless otherwise stated on the face thereof, invoices subject to discount will be discounted if paid within fourteen (14) days of the date of the invoice or the date of receipt of material or completion of services, whichever is later. Net bills will be paid within thirty (30) days of the date of the invoice or the date of receipt and inspection of material or completion of service, whichever is later.
7. WARRANTY: By accepting this order, Seller warrants that all articles delivered shall be of the quality, quantity, size, description and dimensions specified and shall in every respect be strictly in accordance with PIC specifications, drawings and approved sample, if any, and suitable for the purposes designated. Seller warrants the articles to be free from defects in materials, workmanship and fabrication. These warranties shall survive acceptance and payment, and shall run to PIC, its successors, assigns, customers and the user of its product and shall not be deemed to be exclusive.
8. INSPECTION: All articles are subject to inspection and test at place of manufacture or at destination or at both places by PIC representatives, and in cases of orders to be supplied to or for use of the Government, subject to inspection and test by representatives of the Government.
9. REJECTIONS: PIC reserves the right to reject and receive full credit for any articles, which are defective as to material, workmanship, quality or otherwise, or which in any respect are not in conformity with the specifications, drawings or the sample approved by PIC. Without extra cost to PIC, Seller will immediately, upon receipt of written instructions signed by PIC Purchasing Agent, replace all rejected material, including material damaged because of unsatisfactory packing by Seller. Rejected articles shall not be submitted for acceptance without concurrent notice of their prior rejection. Defective material or material not in accordance with specifications of PIC will be held for instructions from the Seller and at the risk and expense of the Seller. If such instructions are not received from the Seller within a reasonable time designated in notice from PIC rejected material will be deemed to be abandoned and may be disposed of by PIC without further obligation to the Seller.
10. PATENTS: Seller agrees, except for articles for which PIC furnishes complete specifications, to defend and hold harmless PIC, its customers and those for whom PIC may act as agent from a loss or damage by reason of any and all actions or proceedings charging infringement of any patent trade mark or copyright by reason of sale or use of the articles furnished hereunder.
11. INDUSTRIAL LAWS AND TAXES: The Seller agrees that neither the Seller nor any of the persons furnishing materials or performing work or services which are required by this order are employees of PIC within the meaning of or the application of any Federal or State Unemployment Insurance Law or Old Age Benefit Law or other Social Security Law or any Workmen's Compensation, Industrial Accident Law or other Industrial or Labor Laws. The Seller hereby agrees at its own expense to comply with such laws and to assume all liabilities or obligations imposed by any one or more of such laws with respect to the order.
12. AUDIT-RECORDS: Seller shall keep adequate records of payable hours of direct labor and all costs of the performance of this order, which shall be subject to audit by PIC in the event of cancellation or with respect to any order for which the price is based on time and cost of material. In the absence of such records, PIC shall be under no obligation to pay cancellation charges.
13. CHANGES-SPECIFICATIONS: PIC shall have the right by written order to make changes from time to time in the work to be performed or the materials to be furnished by the Seller hereunder. If such changes cause an increase or decrease in the amount due under the order or in the time required for the performance, an equitable adjustment shall be made and the order shall be modified in writing accordingly. Any claim for adjustment must be asserted within fifteen (15) days from the date the change is ordered.
14. CONFIDENTIAL RELATIONSHIP: Seller agrees to treat as strictly secret and confidential all specifications, drawings, blueprints, nomenclature, samples, models and other information supplied by PIC. Unless the written consent of PIC is first obtained, Seller shall not in any manner advertise or publish or release for publication any statement mentioning PIC or the fact that Seller has furnished or contracted to furnish to PIC articles required by this order, or quote the opinion of any employee of PIC. The Seller shall not disclose any information relating to this order to any person not entitled to receive it.
15. TOOLS AND MATERIALS. PIC shall retain title to any designs, sketches, drawings, blueprints, patterns, dies, models, molds, tools, special appliances and materials furnished by or paid for by PIC in connection with this order. They shall be recorded and identified as property of PIC and retained by Seller on consignment subject to examination by PIC. They shall be at the Seller's risk and shall be replaced by the Seller if lost, damaged or destroyed. They shall be maintained in good condition at the Seller's expense and kept insured by the Seller with loss payable to PIC. Such facilities shall be used exclusively in the production for PIC of articles required by this order, and shall not be used for production of larger quantities than those specified herein, or in the production, manufacture or design articles for any other person, without prior written consent. Such facilities shall be subject to disposition by PIC at any and all times, and, upon demand, they shall be returned including any unused materials furnished by PIC and all spoiled or defective mater products which contain any secret or patented device, unless PIC shall otherwise direct. Noting in this paragraph shall be construed as imposing any obligation on PIC to furnish any such facilities.
16. TAXES: Except as otherwise provided herein and unless prohibited by statute, the Seller agrees to pay any Federal, State or Local Sales Tax, Use Tax, Transportation Tax, or other excise tax which may be imposed upon the articles and supplies ordered hereunder, or by reason of their sale or delivery. Materials and supplies designated for use in the manufacture or production or for use as a component part of any article to be manufactured or produced for the United States Government, shall not be subject to any Federal, State or Local tax, from which said supplies are exempt.
17. CONTINGENCIES-SUSPENSION-CANCELLATION: PIC reserves the right as its option, either to suspend shipments of materials covered by this order or to cancel this order, in whole or in part, at any time where such suspension or cancellation is caused by Government order or other requirements, embargoes, acts of civil or military authorities, acts of the public enemy, inability to secure transportation facilities, strikes, difference with workmen, accidents at plant of FTL or Controlled Materials Plan, Priority Regulations or other law or order or regulation, or other contingencies beyond control of PIC.
18. DEFAULT-BANKRUPTCY-CANCELLATION: PIC may cancel this order in whole or in part at any time by written or telegraphic notice, whenever the Seller shall default in performance or shall so fail to make progress in the work so as to endanger performance, except that the order shall not be terminated for such default where the default is due to causes beyond control of the Seller and without its default or negligence. PIC may cancel this order forthwith by written or telegraphic notice if the Seller ceases to conduct its operation in the normal course of business (including inability to meet its obligations as they mature), or becomes insolvent or makes a general assignment for the benefit of creditors or if any proceedings are commenced by or against the Seller under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt dissolution or liquidation law or statute or if a trustee, receiver, liquidator or conservator for the Seller is applied for or appointed. After notice of termination by reason of such default, the Seller shall transfer the title and deliver to PIC satisfactorily completed work, and such work in process may be directed to PIC. If the cost of completing the contract exceeds the price fixed in this order, the Seller shall be liable for such excess. In case of termination by PIC pursuant to this clause, PIC shall not have any liability except for deliveries previously made or for goods ordered by the order then completed and subsequently delivered in accordance with the terms of this order.
19. SETOFF: PIC shall be entitled at all times to setoff any amount owing from Seller to PIC or to any of its associated or affiliated companies against any amount due or owing to Seller with respect to this order.
20. PRODUCTS, METHODS, AND MANUFACTURING PROCESSES: Any unpatented knowledge or information concerning the Seller's products, methods, or manufacturing processes which the Seller may disclose to PIC incident to the manufacturing of the goods covered by this order shall, unless otherwise specifically agreed in writing, be deemed to have been disclosed as a part of the consideration for this order and the Seller agrees not to assert any claim (other than a claim for patent infringement) against PIC by reason of PIC's use or alleged use thereof.
21. FOR WORK ON PIC'S OR ITS CUSTOMER'S PREMISES: If the Seller's work under the order involves operations by the Seller on the premises of PIC or any of its customers or any place where PIC conducts its operations, the Seller shall take all necessary precautions to prevent the occurrence of any injury to person or property during all progress of such work and except to the extent that any such injury is due solely and directly to PIC's or its customer's negligence, as the case may be, the Seller shall indemnify PIC against all loss which may result in any way from any act or omission of the Seller, its employees, servants, agents or subcontractors, and the Seller shall maintain such Public Liability, Property Damage, and Employee's Liability and Compensation Insurance as will protect PIC from said risks and from any claims under applicable Workmen's Compensation and Occupational Disease Acts.
22. ASSIGNMENT AND SUBCONTRACTS: No subcontract shall be made by the Seller with any other party for furnishing any of the services, articles, products, or work herein contracted for, nor shall the Seller transfer or assign this order or any part thereof, without the prior written approval of PIC.
23. MODIFICATION: This order contains all the terms, conditions and provisions of this transaction and no agreement or other understanding in any way modifying the conditions hereof will be binding upon PIC unless made in writing and executed by PIC. No term or condition at variance with this order proposed by Seller in acknowledging or accepting this order will be binding on PIC unless accepted in writing and executed by PIC. The furnishing of any articles or services by Seller specified in this order constitutes an unqualified acceptance by Seller of all terms, conditions and provisions set forth herein unless otherwise modified in writing and executed by both parties. No charges beyond the contract price herein specified will be allowed except with PIC's written consent. No waiver of any of the provisions contained in this order shall be valid unless made in writing and executed by both parties. Failure of PIC to insist upon strict performance shall not constitute a waiver of any of the provisions of this order or waiver of any other default.
24. INVENTIONS: If this order is for experimental, development for research work, the Seller agrees to and does hereby grant to PIC for practice throughout the world, all right, title and interest in and to each invention conceived or first actually reduced to practice during performance of this order, and Seller agrees to promptly furnish PIC written disclosures of each invention.

GOVERNMENT CONTRACTS

The following additional provisions apply when this order is issued pursuant to a United States Government contract as indicated by the Government contract number on the face of this order.

25. NON-DISCRIMINATION: In connection with the performance of work under this contract the Contractor agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, emotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
26. LABOR LAWS: To the extent that the work performed under this order is subject to the Eight Hour Law of 1912, (40 USCA, 524-328), or the Walsh-Healey Public Contracts Act (41 USCA, 35-45), so the same may be amended from time to time, the provisions thereof are hereby incorporated in this order by reference.
27. EMPLOYMENT OF ALIENS: No aliens employed by the Seller shall be permitted to have access to the plans or specifications or the work under production or to participate in the contract trials without the prior written consent of the secretary of the military department concerned.
28. SECURITY: To the extent that this order involves access to security information classified "Top Secret", "Secret", or "Confidential" the Seller shall safeguard all classified elements of the order and shall provide and maintain a system of security controls within its own organization in accordance with the requirements of the Department of Defense Industrial Security Manual for Safeguarding Classified Security Information as amended from time to time and the Government shall have the right to inspect at reasonable intervals the procedures, methods and facilities utilized by the Seller in complying with these requirements. The Seller agrees to insert in all subcontracts which involve access to classified security information provisions conforming substantially to the language of this clause.
29. BUY AMERICAN: Seller agrees that there will be delivered under this order only such manufactured articles, materials, and supplies as have been mined or produced in the United States and only such manufactured supplies as have been manufactured in the United States substantially all from supplies mined, produced or manufactured as the case may be in the United States except that the foregoing shall not apply to supplies pursuant to the provisions of the Buy American Act (41 USCA, 110a-d). The Seller shall insert the provisions of this Clause in all subcontracts.
30. RENEGOTIATION: This order shall be subject to any Act of Congress, whether heretofore or hereafter enacted and to the extent indicated thereon, providing for the renegotiation thereof and shall be deemed to contain all the provisions required by any such act without subsequent amendment of this order specifically incorporating such provisions. The Seller shall insert the provision of this clause in all subcontracts under this order.
31. LICENSES: If this order is for \$3000.00 or more and involves experimental, development of research work, the provisions of the current patent rights clause (9-107.1) of the Armed Services Procurement Regulations are hereby incorporated.
32. UNIFORM SUBCONTRACT TERMINATION ARTICLE: In the event of termination of this order, except for default of the Seller, settlement shall be made by negotiation substantially in accordance with the procedure and formula set forth in the Termination Article of the prime contract for which this order is issued (a copy of such applicable Termination Article will be made available by PIC to the Seller upon request).
33. RECORDS: The Controller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under PIC's prime contract with the United States, have access to and the right to examine any directly pertinent books, documents, papers and records of Seller involving transactions related to this order.
34. COMPLIANCE WITH OTHER LAWS: Seller will comply with all Federal, State, and Municipal laws, rules and regulations that may be applicable to this order and, at the request of the Government or PIC will furnish certificates to the effect that it has complied with the same.