



TERMS AND CONDITIONS OF SALES

VALIDITY: All prices in this offer are firm for the period stated in the quotation. When validity dates are omitted, the quote is valid for 60 days after the date of the quote. Clerical and stenographic errors are subject to correction.

CURRENCY: All prices in this offer are quoted in U.S. Dollars. Payment shall be in the same currency.

TERMS OF DELIVERY: Unless otherwise stated in quotation, all prices and deliveries are F.O.B. shipping point. Seller's responsibility ceases with delivery of products in good order to transportation companies. Claims for shortages or damage in transit must be made by the buyer against the carrier.

TIME OF DELIVERY: All delivery periods specified in this order are quoted in days after receipt of an acceptable order and are based on current inventory and / or shop load, which may be subject to prior sale. Orders received are subject to Seller's acceptance and issuance of a formal acknowledgement. Delivery time quoted is ex-works shipping point specified in the quotation. Expedited orders may involve an additional charge.

CERTIFICATE OF CONFORMANCE: Unless a drawing has been supplied, this quotation is to the specified part number and indicated requirements only. Container Research Corporation will supply a Certificate of Conformance as part of this order (when requested) but other material, chemical, or testing certifications and / or additional requirements may affect quoted pricing and delivery.

SHIPMENT: Seller will arrange for inland transport to destination named by Buyer and all inland transportation costs shall be for the account of the Buyer. In the absence of definite shipping instructions, Seller reserves the right to ship all material, upon completion, by any public carrier deemed satisfactory by the Seller.

PAYMENT TERMS: Payment terms are net cash within 30 days after date of Seller's commercial invoice, unless otherwise specified in quotation. Unpaid past-due amounts shall be subject to a service charge of one and one-half percent (1 ½%) of the unpaid balance, per month of delinquency.

PACKAGING: Quoted prices include Seller's standard packaging.

WARRANTY: All material to be furnished is factory-new and is warranted against defects in material and Workmanship for a period of one year after delivery from the factory. Seller warrants all equipment and spare parts delivered under the terms of this contract to be free from defects in material and / or workmanship under normal use and service, the Seller's obligation under this warranty being limited to repairing or replacing at its factory, any part or parts thereof, which shall within twelve (12) months after delivery of such equipment or parts to the Buyer be returned to the Seller, with transportation charges prepaid and which the Seller's examination shall disclose to its sole satisfaction to have been defective. This warranty shall not apply to any spare parts which shall have been repaired, modified, or altered in such a way so as to, in Seller's sole judgment, have affected its usefulness or viability, or which shall have been subjected to misuse, negligence, accident, or improper maintenance. Seller makes no warranties with respect to any components of the equipment or spare parts if warranted separately by their respective manufacturers. Anything in Buyer's purchase order or confirmation to the contrary notwithstanding, performance by Seller under this contract is expressly conditioned on the understanding that Seller shall not be liable for consequential damages for any breach of warranty and that the Buyer assumes all risk and liability whatsoever resulting from the use of the equipment and spare parts delivered under the contract, whether used singularly or in combination with other equipment. Seller neither assumes, nor authorizes any person to assume for it, any other liability in connection with the sale or use of the equipment and parts sold hereunder, and there are no oral agreements or warranties collateral to or affecting this contract.

Except as hereinabove set forth, Seller makes no warranty of any kind, express or implied, and the warranty hereinabove set forth is expressly in lieu of any warranties and representations, expressed or implied and of all other obligations or liabilities on the part of the Seller.

WARRANTY CLAIMS: Any claim under the above specified warranty shall be forwarded to the Seller in writing specifying the defect claimed, the length of service of the part involved, and, if known, the purchase order or contract under which the part was procured. The Buyer agrees to permit the Seller to conduct an investigation of the claimed defect at the Buyer's facility if considered necessary by the Seller. **No material may be returned without the Seller's prior written permission.**

DELIVERY DELAY: The Seller shall not be liable for any inability, delay of failure to perform which is due to causes beyond the control and without negligence of the Seller. Such causes include but are not limited to: Force Majeure, Acts of God, Strikes or Walkouts, Fire, Flood, Earthquake, Shortage of Fuel or Power, Delays of Vendors or Suppliers, Riots, Mutinies, Civil Commotion, War or Warlike Acts of any Government.

TECHNICAL: The Seller reserves the right to change without notice the technical specification

IMPROVEMENTS: in this offer for components and assemblies described, owing to improvements adopted during the validity time of this offer. Such changes shall not result in a decrease in the performance specifications of the equipment, nor cause a change in the offered price or delivery unless otherwise agreed upon in writing.

SALES AND SIMILAR TAXES: Prices quoted do not include sales, use, or excise taxes. The amount of any such applicable tax may be added to the invoice prices hereunder, when deemed applicable. The Buyer shall pay all such taxes billed unless the Seller is provided with an appropriate tax exemption certificate in a form acceptable to the Seller and the taxing authorities having jurisdiction.

ORDER OF PREFERENCE: Any agreement or other understanding, including the Buyer's purchase order terms, modifying the Seller's offer, and the contract resulting from Seller's acceptance of Buyer's order will not be binding unless made in writing by the Seller.

QUANTITIES: Shipments must equal exact amounts ordered unless otherwise agreed by Buyer. Overages or shortages are not allowed without the prior written authorization of Buyer.

CHANGES: (a) Buyer may at any time by a written order and without notice to the sureties, make changes within the general scope of this Order in any one or more of the following: (i) drawings, designs or specifications; (ii) method of shipment or packing; (iii) quantities of articles to be furnished; (iv) place of delivery; and (v) delivery schedules. If any such change causes any increase or decrease in the cost of, or the item required for the performance of any part of the work under this Order, whether changed or not changed by any such order, an(d) equitable adjustment shall be made in the price or delivery schedule, or both, and the (Order shall be modified in writing accordingly.) Any claim by Seller for adjustment under this clause must be asserted in writing within thirty (30) days from the date of receipt by Seller of the notification of change provided, however, that Buyer, if it decides that the facts justify such action may receive and act upon any such claim asserted at any time prior to final payment under this Order. However, nothing in this clause shall excuse Seller from proceeding with this Order as changed. (b) Buyer's engineering technical and other personnel may from time to time render assistance or give technical advice to or exchange information with Seller's personnel concerning this Order of the articles or services to be furnished hereunder. However, such assistance, advice, statements or exchange of information shall not constitute a waiver with respect to any of Seller's obligations or Buyer's rights hereunder, to be authority for any change in the articles or services called for hereunder. Any such waiver or change to be valid and binding upon Buyer must be in writing and signed by an authorized representative of Buyer's Purchasing Department. In case of any doubt, Seller should promptly consult Buyer's Purchasing Department for further instructions.(c) In connection with any claim for adjustment under this clause, Seller shall submit cost data in such form and detail as may reasonably be required by Buyer; if this Order relates to a prime contract with the United States Government Seller shall upon Buyer's request, submit a certificate of Current Cost or Pricing Data, as prescribed by FAR 15.804-8(b) and in the form set forth by FAR 15.215-23 [in substantially the form set forth in 3-807 4 of the Defense Acquisition Regulations (DAR/ASPR)], with respect to such data

CANCELLATION: Cancellation of contract – Buyer reserves the right to cancel order within 30 days notice prior to shipment via written communication. Buyer will compensate seller for work performed and or materials purchased for this order, up to and including the date of Buyers notice. Seller must provide documentation to support any claim for compensation.

***EXPORTATION TERMS:** All deliveries are EX-WORKS Seller's Facilities, as noted in its quotation, in accordance with the "INCOTERMS 2000" (International Rules for the Interpretation of Trade Terms). Seller will arrange for inland transport to Forwarding Agent or the Port of Export named by Buyer. All inland transportation costs shall be for the account of the Buyer.

***EXPORT PAYMENT TERMS** Payment shall be made in accordance with one of the following optional arrangements:

- ❖ Net cash in U.S. Dollars upon receipt of Seller's commercial invoice with attached inland Bill of Lading, evidencing delivery to Buyer's specified forwarding agents.
- ❖ Irrevocable, confirmed Letter of Credit payable upon presentation of sight draft with the following documents: 1. Seller's commercial invoice, 2. Packing List, and 3. Inland Bill of Lading evidencing delivery to Buyer's specified forwarding agent. **Letter of Credit must be valid for a period of two months following quoted delivery time and must permit partial shipments and partial payments.**

SAE AS9100 REQUIREMENT: RIGHT OF ACCESS BY THE ORGANIZATION, THEIR CUSTOMER, AND REGULATORY AUTHORITIES TO ALL FACILITIES INVOLVED IN THE ORDER, INCLUDING ALL APPLICABLE RECORDS, AND REQUIREMENTS FOR THE SUPPLIER TO FLOW DOWN TO SUB-TIER SUPPLIERS THE APPLICABLE REQUIREMENTS IN THE PURCHASING DOCUMENTS AND DRAWING PACKAGES, INCLUDING KEY CHARACTERISTICS WHERE REQUIRED. (REV: B)

SOURCE APPROVAL: No contract, regardless of amount shall be entered into between Seller and a third party for furnishing any of the completed or substantially completed articles, spare parts or services specified herein without prior written approval by the Buyer. This will not apply to any contract for the delivery of standard or commercial articles or raw material.

MACHINING OF PARTS: If this Order requires machining of parts, all burrs, sharp edges and

INSPECTION: All materials and workmanship entering into the performance of an Order may be inspected and tested at all times and places either during or after manufacture by inspectors designated by the Buyer at the Buyer's discretion. The exercise of this right shall in no way relieve the Seller of its obligation to furnish all articles or materials in strict accordance with the terms and provisions of this order. In the event, that any of the articles or materials are found to be defective in material or workmanship, or otherwise not in conformity with the requirements of this order, the Buyer shall have the right to reject and require the deficiency (ies) documented to be corrected or that the articles or materials be replaced promptly with satisfactory materials or workmanship. If the Buyer so rejects the goods and the Seller when requested fails to proceed promptly with the replacement or correction of the defective goods, the Buyer may either terminate this Order for default or replace or correct such goods and in either case may charge the Seller the costs and damages incurred. Cost, including transportation costs, of such repair or replacement shall be borne by Seller. If inspection is furnished on the premises of the Seller or its supplier, the Seller shall furnish without additional charge all reasonable facilities and assistance for the convenience and safety of the inspectors in the performance of their duties. All inspections and tests shall be performed during the normal work day. . Items furnished in lots are subject to rejection of the basis of sample rejection. Materials rejected as not conforming to this Order shall be returned to the Seller freight collect, and the Seller will be debited for the inbound transportation cost plus handling expense. Such rejected material shall be deemed to be the property of the Seller. Final inspection and acceptance shall be conclusive except if the following occurs defective workmanship or material rejected within one (1) year after receipt of the goods but the Buyer, and (2) latent defects, fraud, or such gross errors as amount to fraud.

ASSIGNMENT: Neither this Order nor any interest under it shall be assigned by Seller without the prior written consent of Buyer, except the claims for monies due or to become due under this Order may be assigned by Seller without such consent, and subject to the provisions of this paragraph. Buyer shall promptly be furnished with two signed copies of any such assignment. Payment to an assignee of any such claim shall be subject to set off or recoupment for any present or future claim or claims which Buyer may have against Seller, except to the extent that any such claims may be expressly waived in writing by Buyer. Buyer reserves the right to make direct settlements and/or adjustments in price(s) with Seller notwithstanding any assignment of claims for monies due or to become due hereunder and without notice to the assignee.

NON-WAIVER: No waiver of any provision or failure to perform any provision of this order shall be effective unless consented to by Buyer in writing nor shall any such waiver constitute a waiver of any other provision.

BUYER'S PROPERTY: All material, including tools and dies, furnished or specifically paid for by Buyer shall be the property of Buyer, shall be subject to removal at any time without additional cost to Buyer, shall be used only in filling orders from Buyer, shall be kept separate from other materials or tools, and shall be clearly identified as the property of Buyer. Seller assumes all liability for loss or damage, with the exception of normal wear or tear, and agrees to supply detailed statements of inventory upon request of Buyer. Further, it is specifically understood that the Sellers prices include an allowance for the salvage value of process scrap (chips, borings, ends, etc.) generated from material furnished by the Buyer. Buyer and Seller will mutually determine fair scrap percentage value. The salvage value of any unreturned spoiled material shall be shown as a deduction on Seller's invoice(s). All Buyer furnished material not consumed in carrying out this Order shall be clearly identified and returned to Buyer as part of the final shipment and if not satisfactorily accounted for shall be paid for by Seller at either (1) the Buyer's cost plus handling charges or (2) replacement value at the option of the Buyer. Scrap allowance in Buyer furnished material does not constitute authorization to supply items in excess of the quantities specified in this Order. The following statement is required on Seller's final invoice under any order where material is supplied by Buyer "All Buyer furnished material not consumed in the performance of work under this Order was returned to Buyer as part of the final shipment. The salvage value of all process scrap and/or Buyer furnished material, if any, is itemized as a separate credit on this invoice". Buyer shall at all times have title to all drawings and specifications furnished by Buyer to Seller and intended for use in connection with this Purchase Order. Seller shall use such drawings and specifications only in connection with this Order, and shall not disclose such drawings and specifications to any person, firm or corporation other than Buyer's or Seller's employees, subcontractors or Government inspectors. The Seller shall, upon Buyer's request or upon completion of the Order, promptly return all drawings and specifications to Buyer.

PATENTS: The Seller agrees to defend, at its own expense, Buyer and distributors and dealers in, and users of the products of Buyer, and to hold them harmless, with respect to any and all claims that the products or materials furnished by the Seller under this Order infringe any United States and/or foreign Patent, and with respect to any and all suits, controversies, demands, and liabilities arising out of any such claim, provided that the foregoing shall not apply to any infringement resulting from Seller's use of

a patented invention required to comply with written instructions of Buyer (s) if such patented invention is not normally utilized by the Seller.

DISPUTES: A) This order and the performance of the parties hereunder shall be controlled and governed by the law of federal government contracts and, where federal contract law is inapplicable by the law of the state of Pennsylvania. Pending final resolution of any dispute under this Order, Seller shall proceed diligently with performance of this Order. B) In the event that: (1) Seller's claim, or any portion thereof against Buyer is the proper subject for a claim by Buyer against a higher-tiered contractor, including the U.S. Government under the terms of the Buyer's Contract with a higher-tiered contractor ("Buyer's Contract") or (2) Buyer's claim against Seller, or any portions thereof, is based upon a corresponding claim against Buyer by a higher-tiered contractor, including the U.S. Government, under Buyer's Contract, then the dispute shall be litigated only pursuant to the Disputes clause of Buyer's Contract. Seller will cooperate fully with Buyer in drafting and documenting any claim to be presented to the higher-tiered contractor. Seller agrees to certify that its claim or defense are accurate, current and complete, and the amount of the claim accurately reflects the amount for which Seller believes he is entitled. If a higher-tiered contractor denies such a claim and Buyer agrees to appeal such a decision on behalf of Seller, Seller agrees to indemnify and hold harmless Buyer for the cost of said appeal initiated by Buyer at Seller's request. Seller may participate in any such appeal at its own expense. Buyer may require the Seller to prosecute the appeal in Buyer's name and at Seller's expense. Buyer and Seller will assist and cooperate in the prosecution of appeals. The outcome of the appeal shall be final and binding on the parties. Buyer agrees that it will take no action to settle or prejudice Seller's claim without Seller's consent. Seller's right to interest is limited to its apportioned share of interest recovered pursuant to the appeal. C) For all other disputes, the parties agree that only courts located in Pennsylvania have jurisdiction to decide any dispute arising under or relating to this Order.

BANKRUPTCY: In the event of any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against Seller, including any proceedings, under the Chandler Act, or in the event of the appointment with or without Seller's consent of an assignee for the benefit of creditors or of a receiver, then Buyer may cancel this Order for default and hold Seller accountable for any additional costs or damages incurred.

SUPPLEMENTARY INFORMATION: Any specifications, drawings, notes instructions, engineering notices, or technical data referred to in this Order shall be deemed to be incorporated herein by reference as if fully set forth. In case of any discrepancies or questions, refer to Buyer's Purchasing Department for decision or instructions or for interpretation.

CONFIDENTIALITY: The Terms and Conditions of this Purchase Order, including but not limited to pricing, quantities, products, materials, services, frequency of orders or delivering and shall be considered Buyer's confidential information and shall not be disclosed without prior written approval from Buyer.

PUBLICITY: Unless specifically authorized in writing by Buyer, Seller may not use Buyer's name, labels, logo, marks, part numbers, drawings or any other Container Research related materials for any purpose other than the intention of this order.

INDEMNIFICATION: To the extent that Seller's agents, employees or subcontractors enter upon premises occupied by or under control of Buyer, or any of its customers or suppliers, in the course of the performance of this Order. Seller shall take all reasonable and necessary precautions to prevent occurrence of any injury to any person, or any damage to any property arising out of any acts or omissions of such agents, employees or subcontractors, and except to the extent that any such injury or damage is due solely and directly to Buyer's negligence, shall indemnify Buyer against any loss, claims, damages, liability, expense (including reasonable attorney fees) and cause of action whatsoever, arising out of any act or omission of the Seller, its agents, employees or subcontractors, and Seller shall maintain Public Liability. Property Damage and Employee's Liability and Compensation insurance as will protect Buyer from any of said risks and from any claims under any applicable (Workmen's) Worker's Compensation and Occupational Disease acts.

CLAUSES INCORPORATED BY REFERENCE: The following clauses from the Federal Acquisition Regulation 48 C.F.R. § 1 et seq. are incorporated by reference into this Order with the same effect as if printed in full. The version of the clauses in effect on the date of this Order shall be used. For the following clauses change "Contractor" to "Seller," "subcontractor" to "Seller's subcontractor," and "Contract" to "Order.": Competition in Subcontracting (52.244-5); Suspension of Work (52.212-12); Termination for Convenience of the Government (Fixed-Price) (52.249-2); Default Fixed-Price Supply (52.249-8), but add at the end of (c), "Seller shall notify Buyer within 10 days of any excuse for nonperformance or default"; Gratuities (52.203-3); Covenant Against Contingent Fees (52.203-5); Restrictions on Subcontractor Sales to Government (52.203-6); Utilization of Small Business Concerns and Small Disadvantaged Business Concern (52.219-8); Small and Disadvantaged Business Subcontracting Plan (52.219-9); Utilization of Women-Owned Small Business (52.219-13); Utilization of Labor Surplus Area Concerns (52.220-3); Labor Surplus Area Subcontracting Program (52.220-4); Subcontracting Cost or Pricing Data Submission (52.215- 24); Buy American Act (52.225-3); Price Reduction for Defection Cost or Pricing Data (52.215-22)(but add, "if Buyer is subject to any liability or expense, including Government withholding of payments, as the result of Seller's submission and certification of alleged or actual defective cost or pricing data as set forth in this clause, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any damage or expense, including lost profit, attorney's fees ad court costs, resulting from such action).



PURCHASING TERMS AND CONDITIONS

ACCEPTANCE: This Order is for the purchase and sale of the goods described and is Buyer's offer to Seller. It is subject to Seller's acceptance only by Seller's execution and return of the acknowledgement copy; Conditions stated by Seller in acknowledgement receipt of this Order shall not be binding on Buyer if in conflict with, or in addition to, any of the provisions of this Order (including delivery schedule, price, quantity specifications and terms and conditions) unless expressly agreed to in writing by Buyer. **Terms & Conditions stated in this Order shall supersede and replace any Seller issued document.**

DELIVERY AND DELAY: Time is of the essence in performing the Order. Should Seller experience or anticipate any delay in performing this Order. Seller shall immediately notify Buyer of such delay, it's expected duration and the reason thereof. The delivery schedule shall not be modified unless the parties do so in writing, however this does not constitute a waiver of the Order's delivery requirement. Seller shall be liable for any direct or consequential damages resulting from a delay unless the delay is in writing and is excusable by Buying Agent. **SELLER SHALL FORWARD TO BUYER WITH THE INVOICE, THE EXPRESS RECEIPT OR BILL OF LADING SIGNED BY THE CARRIER EVIDENCING THE FACT THAT SHIPMENT HAS BEEN MADE.**

COUNTERFEIT PARTS PREVENTION: Container Research Corp Suppliers must adhere to the following clauses. Additional clauses will be added to the Purchase Order as needed.

- A) For the purpose of this clause, Counterfeit Parts are defined as items, components, goods, services, and/or assemblies that are misrepresented as having been manufactured or provided per their original design, drawing, specification, and/or purchase requirements, by unauthorized sources, processes, procedures, methods, and/or parts that are beyond their designed or inherent life limit or have been damaged beyond repair but altered or misrepresented as acceptable.
- B) Supplier agrees and ensures that no counterfeit products are delivered to CRC
- C) Supplier shall procure products only through Original Equipment Manufacturers (OEM) or through an OEM authorized distributor. Any other sources must be approved in writing by CRC prior to purchase.
- D) In the event that Counterfeit or suspected Counterfeit parts are discovered to have been supplied to CRC, Supplier is notify CRC IMMEDIATELY, and shall provide documentation of traceability of the affected item(s).
- E) If confirmed to be Counterfeit, Supplier shall, at its expense, promptly replace such parts with genuine parts and provide documentation to support and confirm authenticity. Supplier shall be liable for all costs relating to the removal and replacement of Counterfeit parts, testing, and any other costs involved in the recovery process until such recovery is complete.
- F) Supplier shall establish and maintain a Counterfeit Parts Prevention Program and provide evidence of such to CRC.

DMR CHARGEBACK: Buyer reserves the right to invoke a \$250 charge-back to supplier for every DMR (Defective Material Report) issued as a result of delivery of non-conforming material.

QUANTITIES: Shipments must equal exact amounts ordered unless otherwise agreed by Buyer. Overages or shortages are not allowed without the prior written authorization of Buyer.

PRICES: Seller's price shall not be higher than quoted to Buyer unless otherwise agreed upon in writing. Invoices must be rendered for each shipment under this Order on date of shipment. If date of invoice is prior to shipment date, invoices may be returned for re-dating.

TAXES: Except as may be otherwise provided in this Order, the price includes all applicable Federal, State and local taxes. Please request Tax Exempt Form from Buyer.

DISCOUNTS: Unless indicated hereon, it shall be understood that the discount period will date from receipt of invoice or material acceptance whichever is later.

SELLER'S QUALITY SYSTEM: Seller shall maintain a quality system that will ensure all goods and services conform to contract requirements whether manufactured or processed by Seller or procured from Seller's subcontractors. Seller is responsible for performing or ensuring all inspections, tests and calibration necessary to substantiate that the goods or services furnished conform to purchase order requirements.

CHANGES: (a) Buyer may at any time by a written order and without notice to the sureties, make changes within the general scope of this Order in any one or more of the following: (i) drawings, designs or specifications; (ii) method of shipment or packing; (iii) quantities of articles to be furnished; (iv) place of delivery; and (v) delivery schedules. If any such change causes any increase or decrease in the cost of, or the item required for the performance of any part of the work under this Order, whether changed or not changed by any such order, an equitable adjustment shall be made in the price or delivery schedule, or both, and the Order shall be modified in writing accordingly. Any claim by Seller for adjustment under this clause must be asserted in writing within thirty (30) days from the date of receipt by Seller of the notification of change provided, however, that Buyer, if it decides that the facts justify such action may receive and act upon any such claim asserted at any time prior to final payment under this Order. However, nothing in this clause shall excuse Seller from proceeding with this Order as changed.

(b) Seller does not have Material Review Board (MRB) authority. Buyer's engineering technical and other personnel may from time to time render assistance or give technical advice to or exchange information with Seller's personnel concerning this Order of the articles or services to be furnished hereunder. However, such assistance, advice, statements or exchange of information shall not constitute a waiver with respect to any of Seller's obligations or Buyer's rights hereunder. Any such waiver or change to be valid and binding upon Buyer must be in writing and signed by an authorized representative of Buyer's Purchasing Department. In case of any doubt, Seller should promptly consult Buyer's Purchasing Department for further instructions.(c) In connection with any claim for adjustment under this clause, Seller shall submit cost data in such form and detail as may reasonably be required by Buyer; if this Order relates to a prime contract with the United States Government Seller shall upon Buyer's request, submit a certificate of Current Cost or Pricing Data, as prescribed by FAR 15.804-8(b) and in the form set forth by FAR 15.215-23 [in substantially the form set forth in 3-807 4 of the Defense Acquisition Regulations (DAR/ASPR)], with respect to such data.

NONCONFORMING MATERIAL CONTROL AND DISPOSITION: Seller shall maintain a system that clearly identifies, documents, controls, and segregates nonconforming material. Seller must submit nonconformities that require "Use-As-Is" or "Repair" disposition to CRC for Material Review Board (MRB) disposition. Shipment of goods containing nonconformities is not permitted until all MRB actions have been properly completed. See "CHANGES", above.

CANCELLATION: Cancellation of contract – Buyer reserves the right to cancel order within 30 days notice prior to shipment via written communication. Buyer will compensate seller for work performed and or materials purchased for this order, up to and including the date of Buyers notice. Seller must provide documentation to support any claim for compensation.

AS9100 REQUIREMENT: RIGHT OF ACCESS BY THE ORGANIZATION, THEIR CUSTOMER, AND REGULATORY AUTHORITIES TO ALL FACILITIES INVOLVED IN THE ORDER, INCLUDING ALL APPLICABLE RECORDS, AND REQUIREMENTS FOR THE SUPPLIER TO FLOW DOWN TO SUB-TIER SUPPLIERS THE APPLICABLE REQUIREMENTS IN THE PURCHASING DOCUMENTS AND DRAWING PACKAGES, INCLUDING KEY CHARACTERISTICS WHERE REQUIRED.

SOURCE APPROVAL: No contract, regardless of amount shall be entered into between Seller and a third party for furnishing any of the completed or substantially completed articles, spare parts or services specified herein without prior written approval by the Buyer. This will not apply to any contract for the delivery of standard or commercial articles or raw material.

MACHINING OF PARTS: If this Order requires machining of parts, all burrs, sharp edges and corners shall be removed and broken .015 unless otherwise agreed to in writing.

CERTIFICATIONS: Welding, Plating, Heat Treating and Non-Destructive Testing shall be performed by Container Research Corporation's approved sources. All certifications must accompany parts when shipped. Payment of invoices will not be made without certifications.

CERTIFICATION OF COMPLIANCE: Seller shall provide a signed and dated Certification of Compliance (C of C) with each shipment to CRC, to attest that the items identified by CRC's purchase order were produced, processed and inspected to established requirements. The C of C will include, as a minimum, the Seller's name and address; CRC's purchase order number and line item; part number and revision; part description, quantity shipped; and signature and title of Seller's authorized representative.

MATERIAL CERTIFICATION: Physical and chemical analysis reports shall accompany each shipment of raw material to CRC, to attest that the raw material identified by CRC's purchase order meets requirements.

AGE-CONTROLLED / SHELF LIFE ITEMS: For Age-Controlled items, Seller shall include on shipping documentation and/or the labeling, the following:

- Date of the manufacture or cure date;
- Shelf life (period of time material maintains characteristics if stored properly);
- Storage temperature (if applicable);

The items shipped under this purchase order must arrive at CRC's facility with at least **80%** of the specified shelf life remaining.

WARRANTY: Seller warrants all materials or services delivered hereunder to be free from defective- materials or workmanship, and to conform strictly to the specifications, drawings or sample specified or furnished. This warranty shall survive any inspection, delivery or acceptance of the materials or services, and payments therefore, and shall not be deemed to be exclusive.

INSPECTION: All materials and workmanship entering into the performance of this Order may be inspected and tested at all times and places either during or after manufacture by inspectors designated by the Buyer at the Buyer's discretion. The exercise of this right shall in no way relieve the Seller of its obligation to furnish all articles or materials in strict accordance with the terms and provisions of this order. In the event, that any of the articles or materials are found to be defective in material or workmanship, or otherwise not in conformity with the requirements of this order, the Buyer shall have the right to reject and require the deficiency (ies) documented to be corrected or that the articles or materials be replaced promptly with satisfactory materials or workmanship. If the Buyer so rejects the goods and the Seller when requested fails to proceed promptly with the replacement or correction of the defective goods, the Buyer may either terminate this Order for default or replace or correct such goods and in either case may charge the Seller the costs and damages incurred. Cost, including transportation costs, of such repair or replacement shall be borne by Seller. If inspection is furnished on the premises of the Seller or its supplier, the Seller shall furnish without additional charge all reasonable facilities and assistance for the convenience and safety of the inspectors in the performance of their duties. All inspections and tests shall be performed during the normal work day. Items furnished in lots are subject to rejection on the basis of sample inspection. Materials rejected as not conforming to this Order shall be returned to the Seller freight collect, and the Seller will be debited for the inbound transportation cost plus handling expense. Such rejected material shall be deemed to be the property of the Seller. Final inspection and acceptance shall be conclusive except if the following occurs: (1) defective workmanship or material rejected within one year after receipt of the goods by the Buyer, or (2) latent defects, fraud, or such gross errors as amount to fraud.

RECORD RETENTION REQUIREMENTS: Seller shall maintain, for a period of 10 years, purchase order files for supplies, equipment, material, or services pertaining to any Container Research Corporation purchase. This shall include all supporting documentation and back-up files including, but not limited to invoices memoranda of negotiations showing the principal elements of price negotiations. Product acceptance records, including inspection records, material certifications and all test records shall also be retained All records must be made available to CRC upon request.

PACKAGING: No charges will be allowed for boxing, crating, or carting unless previously agreed upon in writing. The Buyer's weight or count shall be final and conclusive on shipments not accompanied by or not in agreement with a packing list. The Seller is cautioned to package finished goods in such a manner as to preclude damage in transit regardless of means of transportation. Individual un-palletized Package weight shall not exceed 50lbs and any shipments exceeding will be rejected and returned at Seller's expense. Metal parts should not come into contact with each other; threaded parts should be protected; ferrous metals not otherwise treated to drawing specifications should be coated with a coat of light oil, cautionary labels should be utilized to the fullest possible extent whenever appropriate. Each packing slip must indicate blueprint or drawing number and revision letter.

GENERAL SHIPPING INSTRUCTIONS: For shipments made FOB shipping point

(a) All shipments moving in one day to the same location via the same carrier should be consolidated on one bill of lading. (b) Unless otherwise specifically instructed by the Buyer all ground and air transports are to be routed through our Logistics partner, Straight Line Transportation, Inc. (c) Any losses resulting from deviation from Buyer's routing instructions will be credited against Seller's invoice. (d) Seller shall receive and retain a mailing receipt for uninsured parcel posts.

ASSIGNMENT: Neither this Order nor any interest under it shall be assigned by Seller without the prior written consent of Buyer, except the claims for monies due or to become due under this Order may be assigned by Seller without such consent, and subject to the provisions of this paragraph. Buyer shall promptly be furnished with two signed copies of any such assignment. Payment to an assignee of any such claim shall be subject to set off or recoupment for any present or future claim or claims which Buyer may have against Seller, except to the extent that any such claims may be expressly waived in writing by Buyer. Buyer reserves the right to make direct settlements and/or adjustments in price(s) with Seller notwithstanding any assignment of claims for monies due or to become due hereunder and without notice to the assignee.

NONWAIVER: No waiver of any provision or failure to perform any provision of this order shall be effective unless consented to by Buyer in writing nor shall any such waiver constitute a waiver of any other provision.

BUYER'S PROPERTY: All material, including tools and dies, furnished or specifically paid for by Buyer shall be the property of Buyer, shall be subject to removal at any time without additional cost to Buyer, shall be used only in filling orders from Buyer, shall be kept separate from other materials or tools, and shall be clearly identified as the property of Buyer. Seller assumes all liability for loss or damage, with the exception of normal wear or tear, and agrees to supply detailed statements of inventory upon request of Buyer. **Further, it is specifically understood that the Sellers prices include an allowance for the salvage value of process scrap (chips, borings, ends, etc.) generated from material furnished by the Buyer. Buyer and Seller will mutually determine fair scrap percentage value** The salvage value of any unreturned spoiled material shall be shown as a deduction on Seller's invoice(s). All Buyer furnished material not consumed in carrying out this Order shall be clearly identified and returned to Buyer as part of the final shipment and if not satisfactorily accounted for shall be paid for by Seller at either (1) the Buyer's cost

plus handling charges or (2) replacement value at the option of the Buyer. Scrap allowance in Buyer furnished material does not constitute authorization to supply items in excess of the quantities specified in this Order. The following statement is required on Seller's final invoice under any order where material is supplied by Buyer *"All Buyer furnished material not consumed in the performance of work under this Order was returned to Buyer as part of the final shipment. The salvage value of all process scrap and/or Buyer furnished material, if any, is itemized as a separate credit on this invoice"*. Buyer shall at all times have title to all drawings and specifications furnished by Buyer to Seller and intended for use in connection with this Purchase Order. Seller shall use such drawings and specifications only in connection with this Order, and shall not disclose such drawings and specifications to any person, firm or corporation other than Buyer's or Seller's employees, subcontractors or Government inspectors. The Seller shall, upon Buyer's request or upon completion of the Order, promptly return all drawings and specifications to Buyer.

PATENTS: The Seller agrees to defend, at its own expense, Buyer and distributors and dealers in, and users of the products of Buyer, and to hold them harmless, with respect to any and all claims that the products or materials furnished by the Seller under this Order infringe any United States and/or foreign Patent, and with respect to any and all suits, controversies, demands, and liabilities arising out of any such claim, provided that the foregoing shall not apply to any infringement resulting from Seller's use of a patented invention required to comply with written instructions of Buyer (s) if such patented invention is not normally utilized by the Seller.

DISPUTES: A) This order and the performance of the parties hereunder shall be controlled and governed by the law of federal government contracts and, where federal contract law is inapplicable by the law of the state of Pennsylvania. Pending final resolution of any dispute under this Order, Seller shall proceed diligently with performance of this Order. B) In the event that: (1) Seller's claim, or any portion thereof against Buyer is the proper subject for a claim by Buyer against a higher-tiered contractor, including the U.S. Government under the terms of the Buyer's Contract with a higher-tiered contractor ("Buyer's Contract") or (2) Buyer's claim against Seller, or any portions thereof, is based upon a corresponding claim against Buyer by a higher-tiered contractor, including the U.S. Government, under Buyer's Contract, then the dispute shall be litigated only pursuant to the Disputes clause of Buyer's Contract. Seller will cooperate fully with Buyer in drafting and documenting any claim to be presented to the higher-tiered contractor. Seller agrees to certify that its claim or defense are accurate, current and complete, and the amount of the claim accurately reflects the amount for which Seller believes he is entitled. If a higher-tiered contractor denies such a claim and Buyer agrees to appeal such a decision on behalf of Seller, Seller agrees to indemnify and hold harmless Buyer for the cost of said appeal initiated by Buyer at Seller's request. Seller may participate in any such appeal at its own expense. Buyer may require the Seller to prosecute the appeal in Buyer's name and at Seller's expense. Buyer and Seller will assist and cooperate in the prosecution of appeals. The outcome of the appeal shall be final and binding on the parties. Buyer agrees that it will take no action to settle or prejudice Seller's claim without Seller's consent. Seller's right to interest is limited to its apportioned share of interest recovered pursuant to the appeal.

C) For all other disputes, the parties agree that only courts located in Pennsylvania have jurisdiction to decide any dispute arising under or relating to this Order.

BANKRUPTCY: In the event of any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against Seller, including any proceedings, under the Chandler Act, or in the event of the appointment with or without Seller's consent of an assignee for the benefit of creditors or of a receiver, then Buyer may cancel this Order for default and hold Seller accountable for any additional costs or damages incurred.

SUPPLEMENTARY INFORMATION: Any specifications, drawings, notes instructions, engineering notices, or technical data referred to in this Order shall be deemed to be incorporated herein by reference as if fully set forth. In case of any discrepancies or questions, refer to Buyer's Purchasing Department for decision or instructions or for interpretation.

CONFIDENTIALITY: The Terms and Conditions of this Purchase Order, including but not limited to pricing, quantities, products, materials, services, frequency of orders or delivering and shall be considered Buyer's confidential information and shall not be disclosed without prior written approval from Buyer.

PUBLICITY: Unless specifically authorized in writing by Buyer, Seller may not use Buyer's name, labels, logo, marks, part numbers, drawings or any other Container Research related materials for any purpose other than the intention of this order.

INDEMNIFICATION: To the extent that Seller's agents, employees or subcontractors enter upon premises occupied by or under control of Buyer, or any of its customers or suppliers, in the course of the performance of this Order. Seller shall take all reasonable and necessary precautions to prevent occurrence of any injury to any person, or any damage to any property arising out of any acts or omissions of such agents, employees or subcontractors, and except to the extent that any such injury or damage is due solely and directly to Buyer's negligence, shall indemnify Buyer against any loss, claims, damages, liability, expense (including reasonable attorney fees) and cause of action whatsoever, arising out of any act or omission of the Seller, its agents, employees or subcontractors, and Seller shall maintain Public Liability. Property Damage and Employee's Liability and Compensation insurance as will protect Buyer from any of said risks and from any claims under any applicable (Workmen's) Worker's Compensation and Occupational Disease acts.

CLAUSES INCORPORATED BY REFERENCE: The following clauses from the Federal Acquisition Regulation 48 C.F.R. § 1 et seq. are incorporated by reference into this Order with the same effect as if printed in full. The version of the clauses in effect on

the date of this Order shall be used. For the following clauses change "Contractor" to "Seller," "subcontractor" to "Seller's subcontractor," and "Contract" to "Order.": Competition in Subcontracting (52.244-5); Suspension of Work (52.212-12); Termination for Convenience of the Government (Fixed-Price) (52.249-2); Default Fixed-Price Supply (52.249-8), but add at the end of (c), "Seller shall notify Buyer within 10 days of any excuse for nonperformance or default"; Gratuities (52.203-3); Covenant Against Contingent Fees (52.203-5); Restrictions on Subcontractor Sales to Government (52.203-6); Utilization of Small Business Concerns and Small Disadvantaged Business Concern (52.219-8); Small and Disadvantaged Business Subcontracting Plan (52.219-9); Utilization of Women-Owned Small Business (52.219-13); Utilization of Labor Surplus Area Concerns (52.220-3); Labor Surplus Area Subcontracting Program (52.220-4); Subcontracting Cost or Pricing Data Submission (52.215-24); Buy American Act (52.225-3); Price Reduction for Defection Cost or Pricing Data (52.215-22)(but add, "if Buyer is subject to any liability or expense, including Government withholding of payments, as the result of Seller's submission and certification of alleged or actual defective cost or pricing data as set forth in this clause, then Seller agrees to indemnify and hold Buyer harmless to the full extent of any damage or expense, including lost profit, attorney's fees ad court costs, resulting from such action).

Bill to: PO Box 159 | Glen Riddle | Pennsylvania | 19037
Ship to: 2 New Road | Aston | Pennsylvania | 19014