### STANDARD PURCHASE ORDER - TERMS AND CONDITIONS



### 1. Price

The price for the goods or materials sold under this order shall not be higher than that appearing on the face of this order, or if no price appears thereon, then no higher than the last price quoted by Supplier. Supplier covenants that if it should at any time prior to the delivery of the last goods covered by this order sell like articles in similar quantities to any third party at lower prices, it will notify Jewell in writing of such lower prices and Jewell will receive the full benefit of such lower prices from the date of such sale to any such third party.

#### 2. Conflict of Terms

The terms and conditions of Jewell stated on this order shall govern in the event of any conflict with any terms proposed by Supplier and are not subject to change by reason of any written or oral statements by Supplier or by any terms stated in Supplier's acknowledgment of this order, unless such conflicting or additional terms are accepted in a writing referring to this order and signed by the Jewell. Shipment of goods or materials pursuant to this order shall be deemed to be an unqualified acceptance of the terms and conditions contained herein.

#### Warranty

All goods and materials sold and delivered by Supplier to Jewell shall be in full conformity with Jewell's specifications set forth or referred to on the face hereof or if none are set forth or referred to, shall be in conformity with Supplier's published specifications and samples provided to the Jewell and will be new, fit and sufficient for the use intended by Jewell if known to Supplier and will be free from defects. In no event shall Supplier deliver to Jewell any goods or materials returned or rejected by another party. The foregoing warranty shall survive any acceptance of the goods or materials and shall be in addition to any warranty expressly furnished to the Jewell by the Supplier.

### 4. Special Processes

To adhere to AS9102 Rev. C., all C of C's from suppliers must list all special processes, their characteristics and results that are called out on Jewell Instruments' drawing and documents

## 5. Inspection and Acceptance

All goods or materials sold under this order shall be subject to inspection and acceptance by Jewell after delivery. Goods or materials failing to meet the requirements of this order will be held by Jewell for Supplier at Supplier's risk and will be returned to Supplier at Suppliers expense.

### 6. Cancellation for Jewell's Convenience

In addition to any other rights that Jewell may have, Jewell reserves the right to cancel this order, or any part of it, and Jewell's sole responsibility to Supplier shall be to pay the contract price for such goods or materials as have been delivered as of the time such cancellation is effective, and to reimburse to Supplier its actual costs of materials and direct labor expended by it in reasonable anticipation of its fulfillment of this order which are not recoverable by Supplier, provided that no allowance shall be made to Supplier for any overhead *or* anticipated profit for undelivered goods and materials.

## 7. Time and Delivery

Time is of the essence in Supplier's performance of its obligations under the Purchase Order. Unless otherwise agreed in writing. Supplier shall not make any material commitment or production arrangement in excess of the amounts ordered, or in advance of the time necessary to meet Jewell's delivery schedule for goods or materials covered by this order. Such excess commitments or arrangements shall be at Supplier's own risk, and it shall be Supplier's responsibility to comply with delivery schedule. Jewell shall not be bound to pay for goods shipped in advance of or in excess of scheduled deliveries.

# 8. Excusable Failure or Delay

Neither Jewell nor Supplier shall be held responsible for the failure or delay in delivery or acceptance of materials or goods sold hereunder where such failure or delays are due to any act of God or of the public enemy, war, compliance with laws, governmental acts or regulations, fire, flood, quarantine, embargo, epidemic, strikes and labor interruption, accident, unusually severe weather or other causes similar to the foregoing beyond their reasonable control, but the party seeking to avail itself of any of the foregoing excuses shall promptly notify the other party of the reasons for any failure or delay in delivery or acceptance and shall exert its best efforts in avoiding further delay.

## 9. Patent Indemnification/Intellectual Property

Supplier warrants freedom from patent infringement and from interference with any third-party intellectual property right and shall indemnify Jewell against any costs (including reasonable attorney's fees), liabilities, or judgments arising from any claim of patent infringement or alleged violation of any third-party intellectual property right when Supplier's products are used for their normal purposes, in the form sold by Supplier. Jewell shall promptly notify Supplier of any such claim or suit brought against it on account of its purchase or use of Supplier's goods or materials. This section shall not apply in any instance where such claim or suit arises solely from Supplier's good faith compliance with Jewell's specification.

# 10. Change Orders

No change, modification or extension of this order shall be effective against Jewell or Supplier unless it is made in writing, makes specific reference to the applicable order, and is signed by both parties.

### 11. Assignment

Neither this order nor any right or obligation under this order shall be transferred or assigned by the Supplier without the express written approval of the Jewell.

### 12. Waiver

The failure of the Jewell to insist in any one or more instances upon the full performance of any of the terms, covenants or conditions of this order or to exercise any rights it may have hereunder shall not be construed as a waiver of any legal rights it may have with respect to such nonperformance or be construed as Jewell's condoning further nonperformance of such terms, covenants or conditions.

### 13. Occupational Safety and Health Act

Incorporated in this purchase order by reference thereto are all laws, interim and permanent standards, rules and regulations of the Occupation Safety and Health Act and all state and federal laws and regulations relating to safety and health standards. By acceptance of this purchase order Supplier agrees to furnish only supplies, articles and services which comply with such laws, standards and regulations and agrees to hold Jewell harmless from any liability arising from the failure of such purchased supplies, articles, or services to comply with such laws, standards and regulations.

## 14. Services

Where Supplier supplies services to Jewell under this order, all the above terms and conditions shall apply. All new technology (including but not limited to inventions, patentable or not), new equipment or a new manufacturing process resulting from services performed by Supplier exclusively for Jewell under this order shall be the exclusive property of Jewell.