

CUSTOMER PURCHASE ORDER TERMS AND CONDITIONS

1. THIS PURCHASE/REPAIR ORDER IS NEITHER AN EXPRESSION OF ACCEPTANCE OF ANY OFFER MADE TO BUYER BY VENDOR NOR A CONFIRMATION OF ANY CONTRACT OR AGREEMENT BETWEEN BUYER AND VENDOR; THIS ORDER IS AN OFFER TO THE VENDOR TO CONTRACT ON THE TERMS SET FORTH HEREIN, AND SUCH OFFER EXPRESSLY LIMITS ACCEPTANCE BY VENDOR TO THE TERMS SET FORTH HEREIN, AND ANY ADDITIONAL OR DIFFERENT TERMS PROPOSED BY VENDOR ARE SPECIFICALLY REJECTED, UNLESS EXPRESSLY AGREED TO IN A SUBSEQUENT WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE BUYER.
2. Specification, Certification and Traceability. The material, parts, equipment or items ("goods") supplied shall comply with the applicable part numbers and other specifications stipulated on this Order. No substitutes are permitted except upon the prior written consent of Buyer. All parts shall be accompanied by a certificate from the OEM and distributor stating that the parts fully comply with the applicable published national, international, or industry specification stated on this Order.
3. Packaging. All goods will be packed and marked (including notice of hazardous substances) in accordance with industry standards and will comply with applicable laws and carrier requirements. Each container will be marked with applicable Order number and be accompanied by one copy of the shipping papers.
4. Notification of Non-Conforming Product. Seller shall notify ORCO immediately after discovering non-conforming product. ORCO will then determine the disposition of the product. If the disposition is nonconforming, ORCO will provide seller with specific instructions.
5. Notification of Product Change. Seller shall notify ORCO immediately upon adjusting any and all manufacturing processes that will affect the final product. ORCO will review the adjusted processes internally, and/or require right-of-access to the vendor's facility for visual inspection and review. ORCO will provide seller with specific instructions once review is concluded.
6. Corrective Actions. If ORCO determines the supplier is responsible for the root cause of an external or internal problem, ORCO will issue a Corrective Action Report. The supplier is required to respond to the Corrective Action Request. All articles resubmitted by seller to Buyer shall bear adequate identification, including reference to Buyer's document. The results of periodic review of external provider's performance will be taken into consideration to ensure that the externally provided processes remains within the control of its quality management system.
7. QMS. Suppliers should realize the need to implement a quality management system for testing, verification, and validation of processes as well as control of special requirements, critical items or key characteristics and to prevent the use of counterfeit parts. Suppliers shall ensure that persons are aware of their contribution to product safety, product conformity, and the importance of ethical behavior.
8. Title and Risk of Loss. Title and risk of loss of goods purchased hereunder will be borne by Vendor until goods are received, in accordance with the terms hereof, at the FOB point specified herein at which time title and risk of loss will be borne by Buyer.
9. Termination for Convenience. Buyer may at any time prior to delivery terminate this order for its convenience, in whole or in part, by written, telegraphic or verbal notice confirmed in writing to Vendor. If Vendor has specially manufactured the goods to fill this order and is unable to make other commercially reasonable disposition of the goods, Buyer will pay Vendor the costs incurred for the work performed by Vendor in respect of such goods at the time of written notification by Buyer. Vendor will mitigate such costs to the extent it is reasonably possible. Buyer's liability under this paragraph will not exceed the aggregate price specified in this Order.

10. Right-of-Access. ORCO, our customers, and regulatory authorities require right-of-access to supplier's facility and applicable records.
11. Record Retention. Suppliers are required to retain records for a minimum of (10) years, or otherwise stated on the face of the purchase order, whichever is greater, after shipment of goods.
12. Acceptance of PO. Acceptance of the purchase order is available in the following ways: (A) By signing this purchase order and returning a signed copy to ORCO; (B) By providing a written or oral acceptance or acknowledgement of this purchase order; (C) By commencement of performance of any effort necessary to complete the order; (D) If no response from the supplier within 48 hours of the time the purchase order was executed, the supplier agrees to the specifications of the purchase order and all of ORCO's terms and conditions and waives their right for any exceptions or special instructions.
13. Returns. Buyer may, in its sole discretion, at any time and from time to time, within sixty (60) days after acceptance of the goods, return to Vendor any part or all of the goods and receive full credit on such returns.
14. Inspection. All goods ordered will be subject to inspection and acceptance at destination by Buyer or its authorized representative within a commercially reasonable time. Verification of externally provided processes, products and services shall be performed according to the risks identified and shall include periodic testing as applicable, when there exists a high risk of non-conformity including counterfeit parts.
15. Flow-Down. Should supplier use another supplier, ORCO requires to flow-down the requirements included but not limited to the Terms and Conditions of our Purchase Order, and any and all other requirements listed on the Purchase Order. The supplier is required to notify any and all other suppliers used during manufacturing and production of the end product of any critical or key characteristics.
16. Delays. If any goods or services are not delivered within the time specified, Buyer, in addition to any other remedies provided by law, may refuse to accept all or any part of such goods or services and cancel this order; provided however, neither party will be liable for delays in delivery caused by force majeure which shall include Acts of God, war, fire, flood, explosion or earthquakes or any other cause beyond its control.
17. Prices. The prices set forth in this Order are all inclusive, including, but not limited to taxes, the cost of packing, crating, materials and delivery to the FOB point. Prices are not subject to revision.
18. Warranties. Vendor warrants that (A) all goods and services when delivered will be merchantable and free from defects in workmanship and material, will conform strictly to the specifications, drawings, samples, or other description specified herein or furnished herewith, and will be fit for their ordinary intended purposes and any special purpose specified by Buyer; (B) it has good title to the goods free from all encumbrances and that it will defend such title against demands of all persons whomsoever arising from any event or condition occurring prior to delivery of the goods; (C) goods of Vendor's design or production will be free from defects in design or production; and (D) it has all required authority and approvals to sell the goods to and perform the services for the Buyer. All warranties shall run to Buyer, its successors, assigns, and all persons to whom the goods may be resold.
19. Indemnity. Vendor hereby releases and agrees to indemnify, defend and hold harmless Buyer, its officers, directors, employees, and agents against all losses, liabilities, damages, costs, and expenses (A) arising from infringement or alleged infringement of any United States or foreign letters patent or any other intellectual property right by the services provided hereunder or by any of the goods delivered hereunder which were designed or manufactured by Vendor, and Vendor will defend or settle at its own expense any suit or proceeding brought for such infringement; and (B) for deaths of or injuries to any persons whomsoever, and for loss of, damage to, delay in delivery or destruction of any property arising out of or in any way connected with the services performed or goods sold hereunder, except to the extent such loss is caused solely by Buyer's willful misconduct. Promptly on Buyer's request, Vendor will pay all such losses, liabilities, damages, costs, and expenses and all costs and expenses of any claim, demand, suit, action, proceeding, litigation, or settlement relating thereto.
20. Assignment. Vendor may not assign any rights or obligations arising under this Order without the prior written consent of Buyer.

21. Equal Employment Opportunity. Vendor will comply with Executive Order No. 11246, dated September 24, 1965, as amended by Executive Order No. 11375, dated October 13, 1967, and all administrative regulations issued pursuant thereto; said Executive Order is hereby incorporated by reference and Vendor agrees to be bound by paragraphs (1) through (7) of Section 202 thereof. Vendor certifies that it does not maintain any segregated facilities for its employees and that it will not permit its employees to perform services at any location where segregated facilities are maintained. When applicable, Vendor will be bound by Section 503 of the Rehabilitation Act of 1973 and Section 402 of the Vietnam Era Veterans Readjustment Assistance Act.
22. Modifications. No modifications of this Order will be binding on Buyer unless in writing and signed by Buyer or its agent. Usage of trade, course of performance, and course of dealing cannot supplement or modify this Order. Buyer reserves the right to make, and Vendor agrees to accept, reasonable changes to this Order, including changes as to packing, testing, destinations, specifications, designs, and delivery schedules, but changes will be authorized only by Buyer's written instructions. If such instructions affect delivery or price, Vendor will notify Buyer immediately, and an equitable adjustment in prices or other terms hereof will be agreed upon in a written amendment to this Order. Buyer's (A) failure to insist on strict performance of any term or condition hereof; (B) failure or delay to exercise any right or remedy provided herein or by law or properly to notify Vendor in the event of breach; (C) acceptance of or payment for goods hereunder; or (D) approval of any design will not release Vendor from any of the warranties or obligations of this Order and will not be deemed a waiver of any right of Buyer to insist upon strict performance hereof or of any of its rights or remedies as to any prior or subsequent default hereunder; nor will any purported oral modification or rescission of this Order by Buyer operate as a waiver of any term or condition hereof.
23. Set-off. Vendor agrees that Buyer may, at any time and from time to time, set-off, recoup, or credit any amounts owed to Vendor hereunder against any amounts owed by Vendor to Buyer or any affiliate of Buyer. For the purposes hereof, affiliate means any parent corporation, subsidiary, corporation, or other entity under common ownership or control with Buyer.
24. General. If there is an express conflict between the terms of this Order and the provisions of any current written agreement between Vendor and Buyer also intended expressly to apply to the goods and/or services ordered herein, those provisions will control only for those goods and services contemplated both by this Order and the agreement. In filling this Order, Vendor and its subcontractors will comply with all applicable federal, state and local laws and rules and regulations and shall furnish evidence of such compliance as required by Buyer. Nothing in this Order or any acceptance hereof will constitute Vendor or any of its officers, directors, or employees as Buyer's agent, legal representative, or employee.
25. Governing Law. This Agreement shall be construed and governed according to the law of the State of Missouri. If the Vendor is from a country that has ratified the 1980 U.N. Convention on Contracts for the International Sale of Goods, the rights and obligations of the parties shall not be governed by such Convention, but shall be governed by the law of the State of Missouri.