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## Purchase Order Terms and Conditions

These terms and conditions, together with any purchase order to which they are physically or electronically attached or in which they may be incorporated by reference, are the "Order". Anderson Machine Manufacturing Company, Inc. or its affiliate identified on the Order is "AMMC". "Supplier" is the entity to which the Order is issued and also the Supplier and AMMC are each a "Party" and collectively "Parties". Supplier shall supply any end products, raw materials, components, intermediate assemblies, lots of supply items, or other goods identified on the Order (the "Goods") and any services identified on the Order (the "Services"). The purchase order shall control if there is any conflict with these terms and conditions. The Order is accepted by the Supplier when it begins providing the Goods or Services, unless accepted earlier.

1. Delivery: Supplier shall deliver the Goods and Services not later than the delivery date(s) in the order. AMMC may cancel the Order if delivery is not on time.
2. Shipment: If the price for the Goods specifies it includes the cost of shipment, Supplier can ship the Goods per its normal mode of delivery. If the price for the Goods does not specify it includes the cost of shipment, Supplier shall ship the Goods as directed or otherwise approved by AMMC.
3. Labor and Materials: Supplier shall furnish all labor and materials (e.g. facilities, equipment and packaging) necessary to perform the order unless provided by AMMC. Supplier assumes full responsibility, liability, and risk of loss for the safekeeping and safe handling of all such AMMC material or equipment while such is in Supplier's care, custody and control.
4. Waste: Supplier shall minimize (and limit access to containers of) refuse and other waste material under the Order. Unless AMMC otherwise directs, Supplier shall remove, transport and dispose of such refuse and waste in a safe and environmentally sound manner (and in accordance with applicable law).
5. Quality: Supplier shall establish, and continually monitor and employ a quality management program focused on the Goods. Supplier shall notify AMMC sufficiently in advance of changes in components, materials, manufacturing processes, locations, or test methods (and the probable effect on AMMC). As requested by AMMC, Supplier shall provide AMMC with a complete and accurate Certification of material content and/or process employed in performing a service on material or equipment with each shipment of Goods. Supplier acknowledges that AMMC will rely on the documented Certification and intends to introduce Goods directly into its manufacturing process without independent analysis by AMMC. Supplier shall respond, as reasonably directed, to any AMMC request for corrective action for instances where supply of Goods and/or Services do not meet AMMC requirements.
6. Supplier agrees to:
  - a) Provide right of access to all facilities involved in the Order and to all applicable records for AMMC, AMMC customers, and regulatory authorities;
  - b) When Government inspection is required at a Supplier's or subcontractor's facility, AMMC shall add to its Order the following statement: "Government inspection is required prior to shipment from your plant. Upon receipt of this order, promptly notify the Government Representative who normally services your plant so that appropriate planning for Government inspection without undue delay to product or service delivery can be accomplished."

- c) Satisfy requirements for the Supplier to flow down to sub-tier suppliers the applicable customer requirements in the purchasing documents, including critical items and key characteristics) as may be specified by applicable AMMC purchasing documents;
  - d) Satisfy requirements relating to design, testing, inspection, verification, use of statistical techniques, and related instructions for acceptance (including critical items and key characteristics) as may be specified by applicable AMMC purchasing documents;
  - e) Satisfy requirements for test specimens (production method, number, storage conditions) as may be specified in the purchasing documents;
  - f) Notify AMMC of nonconforming Goods, and obtain approval by AMMC for disposition of nonconforming Goods;
  - g) Satisfy requirements for records retention as may be specified in AMMC purchasing documents;
  - h) Use special process sources of raw materials approved by customers of AMMC as communicated and required;
  - i) Comply with verification arrangements and method of product release specified in purchasing documents when verification of Goods is performed on the premises of the Supplier;
  - j) Not make any changes in raw materials (including source of supply), manufacturing processes, test methods, location of manufacture or any other change to the Goods without prior written consent of AMMC.
7. Personnel and Subcontracting: Supplier shall provide any personnel specified in the Order. Supplier subcontractors shall comply with Supplier's obligations and Supplier shall be responsible for such compliance; however, Supplier shall not subcontract any obligation without AMMC's knowledge and approval
8. Independent Contractor: Supplier is an independent contractor of AMMC. The individuals and entities retained by Supplier shall be under its exclusive direction and control and shall not be considered an employee, agent, or contractor of AMMC.
- 9) Supplier Diversity: Supplier shall (if it is a U. S. entity providing goods and services to AMMC) provide small businesses and diverse businesses the maximum practicable opportunity to participate in performing the Order, to the extent consistent with efficient performance of the Order.
- 10) Child and Forced Labor: Supplier will comply with local law and shall not employ any person to perform the Services, or provide or make Goods, who is under 16 years of age (or 18 years of age for hazardous work) or who is not present voluntarily. Supplier shall immediately remedy any violation of this Section of AMMC may terminate the Order immediately.
- 11) Ethics: Supplier shall not pay any salaries, commissions, or fees (or make any other payments or rebates) to any employee, officer, or director of AMMC (or any designee of such employee, officer or director) or favor any such individual with gifts, entertainment, services or goods.
- 12) Confidential Information: Supplier shall protect all AMMC information designated as confidential with at least the same level of care as Supplier protects Supplier's own confidential information, but not less than a reasonable level of care. Supplier shall not use or disclose AMMC confidential information without AMMC prior approval and shall return such information to AMMC at the end of the Order or upon AMMC's request.
- 13) Privacy: Any personal information provided by one Party to the other party may only be used in connection with the Order and may not be used for direct marketing or transferred to a third party.
- 14) Intellectual Property: Supplier irrevocably assigns to AMMC all rights, title and interest in and to any work product (e.g., drawings, designs, plans, reports, studies, other written material of software) developed for AMMC under the Order. This assignment excludes existing intellectual property of Supplier (including any modifications or enhancements thereto) provided to AMMC under the Order. Supplier grants AMMC a nonexclusive, royalty-free, worldwide,

perpetual license for AMMC (and its affiliated entities and third party providers if any) to use such existing intellectual property in connection with the Goods or Services. AMMC retains all right, title and interest in and to, and Supplier shall not use (except as necessary to perform the Order), its data and other intellectual property (and materials).

15) Publicity: Supplier shall not: (a) use the name, trademark, of AMMC in any manner not approved by AMMC, or (b) represent (directly or indirectly) that any product or service offered by the Supplier has been approved or endorsed by AMMC.

16) Invoice and Payment: After delivery of the Goods, Supplier shall submit an invoice to the address specified in the Order for the fees, taxes and, if reimbursable, expenses applicable to the Goods delivered and Services provided. Supplier's invoice shall be accompanied by such records as AMMC deems adequate to verify the amounts billed and shall be in the form required by AMMC. Incomplete or incorrect invoices will be returned without being processed or paid. AMMC shall pay Supplier (via electronic funds transfer, wire or check as AMMC elects) within 30 days after receipt of a properly prepared and correct invoice.

17) Taxes: Each Party shall bear and remit any sales, use, value added, goods and services, transfer or similar taxes imposed upon it by the taxing authority. Where imposed on the Supplier, without recovery from AMMC, Supplier shall bear those Taxes. Where imposed upon AMMC, Supplier shall itemize those taxes on each invoice (unless AMMC provides and exemption certificate or direct pay permit). AMMC shall withhold income or other taxes from payments to Supplier to the extent required by the taxing authority; AMMC shall not be required to "gross up" or increase any payment to Supplier for such taxes. AMMC shall not be responsible for any other taxes.

18) Audits: Upon notice from AMMC, Supplier shall provide AMMC (and its accountants and auditors) with access to Supplier's locations and records (except internal cost records of Supplier) for AMMC to audit Supplier's compliance with this Order, including to verify if the charges are accurate.

19) Compliance with Laws and Nondiscrimination: Supplier shall comply with all laws, ordinances, rules and regulations applicable to it in connection with the Order, including: (a) those related to import and export control; and (b) those covering the production, sale and delivery of the goods or services specified in this Order such as Affirmative Action Compliance Program, Affirmative Action – Disabled Veterans and Veterans of the Vietnam Era, Affirmative Action – Handicapped Workers, Equal Opportunity, Fair Labor Standards Act of 1938 (as amended), Prohibition of Segregated Facilities, and Small Business Concerns, Small Disadvantaged Business Concerns, and Women Owned Business Concerns.

20) Warranty: Supplier represents and warrants that: (a) it is transferring good title to the Goods (free and clear of any claims, liens or encumbrances), it has sufficient right, title and interest to assign the ownership rights and grant the licenses hereunder and the Goods and Services (and process for making the Goods and use of the Services) do not infringe the proprietary rights of a third party; (b) the Goods and Services shall meet the specifications and descriptions in this Order; (c) the Goods shall be commercially similar to previous goods, be free of contaminants and be of merchantable quality; (d) Goods that are equipment (including parts) shall be new, free of defects in materials, workmanship, and design and be fit for the particular use; (e) the Services shall be performed in a good, prompt and professional manner by qualified personnel in accordance with the Order and consistent with best practices. Goods that are equipment (including parts) shall conform to the warranties in clauses (b), (c), and (d) for 24 months from the date of installation or start up, or 30 months from date of shipment, whichever comes last. At AMMC's option and as applicable, Supplier shall promptly repair non-conforming equipment, replace non-conforming Goods, re-perform non-conforming Services, refund the purchase price of non-conforming Goods or Services or reimburse AMMC's repair costs for non-conforming equipment.

- 21) Indemnity: Supplier shall defend and indemnify AMMC from and against any loss, liability (including settlements, judgments, fines and penalties) or costs (including reasonable attorney fees, court costs and other litigation expenses) relating to any action, suit or proceeding against AMMC by a third party (including employees of either Party or government agencies) alleging it arises from acts or omissions (including what would be negligence, willful misconduct or breach of the Order) by Supplier (or its subcontractors).
- 22) Insurance: Supplier shall maintain, with insurance companies authorized to do business where Goods are provided and Services are performed, insurance of the types and in the amounts that are reasonable and customary (or legally required).
- 23) Term and Termination: The Order shall continue for the period specified (or, if not specified, until complete) unless terminated earlier (in whole or in part): (a) as set forth herein; (b) by AMMC with or without cause, upon immediate notice; or (c) by Supplier if AMMC fails to cure a breach within 30 days after notice. Any permitted termination (or expiration) shall be without penalty (including termination fees) and shall not relieve or release either Party from any rights, liabilities or obligations that have accrued under the law or the Order.
- 24) Excused Performance: If a Party cannot perform due to fire, flood, hurricanes, earthquakes, other elements of nature, war, terrorism, riots, rebellions, revolutions or civil disorders, the affected Party shall be excused from such performance while the event continues; provided, the event is beyond the affected Party's reasonable control (and could not be prevented by reasonable precautions) and the affected Party is diligently attempting to promptly recommence performance. The affected Party shall promptly give notice to the other of the event and, if non-performance continues for seven days (or more), the other may terminate the Order (or affected portion). Supplier shall allocate any shortage of Goods among AMMC and Supplier's other customers in proportion to the quantities supplied during the preceding year.
- 25) Notices: All notices and approvals under the Order shall be in writing and deemed given to the receiving Party when: (a) received at the facsimile number specified; (b) delivered by hand to the person specified at the address specified; or (c) delivered by registered or certified mail, return receipt requested, to the person specified at the address specified. If a Party does not specify such information, the address on the Order shall be used. Either Party may change its information upon 10 days notice to the other.
- 26) Assignment: The Order, including any right or obligation hereunder, may be assigned or delegated by Supplier without AMMC's prior approval.
- 27) Applicable Law and Jurisdiction: The Order shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia without giving effect to the principles of conflicts of law.
- 28) Severability: Each provision herein shall only apply to the extent permitted by applicable law.
- 29) Entire Agreement: The Order supersedes all prior discussions and agreements, and represents the entire agreement, between the Parties with respect to the subject matter hereof.

Submit invoices to:  
Anderson Machine Manufacturing Co., Inc.  
214 Ruthers Rd.  
Richmond, VA 23235