



TERMS AND CONDITIONS

- Acceptance: This purchase order constitutes an offer to purchase from Seller the goods and/or services referenced in this Purchase Order exclusively under these terms and conditions.
- Delivery shall be made to the scheduled date as shown on the Purchase Order. If delivery dates cannot be met as shown on the Purchase Order, seller must notify buyer immediately to provide updated delivery dates.
- Compliance with Laws: Seller will comply with all applicable statutes and government rules, regulations and orders, including those pertaining to export control.
- Government Clauses: Any Government clauses applicable to this Purchase Order are incorporated by attachment to the order or by some other means of reference and supercede all other terms and conditions in this document.
- Counterfeit Goods:
 - a. For purposes of this document, Goods consist of those parts delivered under this Purchase Order that are the lowest level of separately identifiable items (e.g., articles, components, product, work, materials and assemblies). "Counterfeit Goods" means goods that are or contain items misrepresented as having been designed and/or produced or procured under seller's approved system or seller's other acceptable method, substitutes or unauthorized copies of a product, a product as defined by the manufacturers' part number identification, date code and manufacturers' identification (logo, trademark) in which the materials used or the performance of rite product has changed without notice by someone other than the original manufacturer of the product, a substandard component misrepresented by the supplier, products that have been re-topped (black-topped), remarked or otherwise fraudulently altered and/or misrepresented by a 3rd party. The term also includes approved goods that have reached a design life limit or that have been damaged beyond possible repair, but are altered and misrepresented as acceptable, and/or have been used or reclaimed and misrepresented as new.
 - b. Seller shall not deliver Counterfeit, suspect-Counterfeit, or sub-standard goods to Buyer under this Purchase Order.
 - c. Seller shall not disguise the pedigree of material or chain of ownership by removal of a previous seller's name, nomenclature, or identification.
 - d. Seller shall implement and appropriate counterfeit mitigation program acceptable to Buyer to ensure that it does not receive counterfeit goods into inventory, use them in manufacturing, or inadvertently provide them in products sold to Buyer.
 - e. Seller shall only purchase goods to be delivered to Buyer, or goods incorporated into end items to be delivered to Buyer, directly from Original Equipment Manufacturers (OEM) or OEM authorized distributors. Procurement of goods from any other source, (including, but not limited to independent distributors or brokers) requires identifying Sellers non-authorized supplier and the prior written approval of Buyer. Seller shall maintain appropriate documentation authenticating traceability of the affected items to the

- applicable OEM for the retention period specified in the Purchase Order, and shall provide full traceability documentation to the Buyer, directly back to the applicable OEM and/or authorized distributor upon request.
- f. Counterfeit, suspect-Counterfeit, or substandard goods delivered or furnished to Buyer under this Purchase Order are deemed nonconforming. If Seller becomes aware or suspects that it has furnished Counterfeit, suspect-Counterfeit, or sub-standard goods to Buyer under this Purchase Order, Seller shall notify Buyer within two (2) business days and promptly replace, at Seller's expense, such goods with authentic, new and unused OEM or Buyer-approved parts that conform to the requirements of this Purchase Order. Notwithstanding any other provisions of this Agreement, Seller shall be liable for all costs related to the replacements of such, including without limitation Buyer's costs of removing such components, Buyer cost of installing conforming components, and any testing or validation necessitated by the installation of conforming goods after the offending components have been replaced. Notwithstanding any other provisions of this Agreement, any limitation of liability set forth in this Agreement shall not be applicable to this clause. The remedies contained in this article are in addition to any remedies Buyer may have at law, equity, or under other provisions of this Purchase Order.
- g. Seller shall include the substance of this article, (a) through (f) in lower tier subcontracts for the delivery of goods that will be included in, or furnished as, end-items to Buyer.
- Dodd-Frank Act (Conflict Minerals): Seller will establish appropriate methods to continuously monitor its supply chains to avoid procurement of materials from conflict regions, and will be forthright in sharing compliance information with us.
 - Quality Control: Seller will establish and maintain a quality control system acceptable to the Buyer for the goods purchased under this contract. Buyer has the right to inspect seller's product and accept/reject based upon buyer's quality requirements.
 - Seller shall perform internal corrective action when any nonconformance has been positively identified. If requested by buyer, a formal response to the CAR is required. Records of these actions shall be retained in accordance with P-W Terms and Conditions and be available to Palmer-Wahl on demand.
 - Changes to Product: Seller will notify us prior to any changes in manufacturing processes or products supplied to us.
 - Packing Marking and Shipping: Seller will pack, mark and ship all goods in accordance with the requirements of this purchase order and good commercial practices, and in a manner that will secure the best transportation rates. Packing Slips will accompany all shipments. The buyer's count will be accepted as final on all shipments not accompanied by packing slips.
 - Records: Seller will retain all records and documents pertaining to the goods provided in fulfillment of this purchase order for a period of no less than 3 years following completion of delivery of the order.
 - Access to facility, audit and inspection: As the product Seller provides to us is incorporated into our customer's product, Seller's (your) plant, books, records pertinent to this or any related order (to the extent consistent with applicable laws and regulations) shall at all practical times be subject to review, inspection and audit by the buyer, the buyer's customer, their authorized representative and any authorized representative of our customer's customer to the extent necessary to verify compliance with their specification or to enable our customer to comply with its obligations to their customer.