

LFI Purchase Order Terms and Conditions

1. **Delivery and Acceptance.** Time of delivery is of the essence of this contract. Buyer reserves the right to refuse any good and to cancel all or any part of the goods not conforming to applicable specifications, drawings, samples or descriptions. Acceptance of any part of the order shall not bind the Buyer to accept future shipment, nor deprive it of the right to return goods already accepted. Seller must notify Buyer in advance of any significant process or material change.
2. **Risk of Loss.** Delivery shall not be deemed complete until goods have been actually received and accepted by the buyer.
3. **Defects.** By accepting this order Seller acknowledges that the goods covered by this order are satisfactory for the purpose of manufacturing as intended by Buyer, if disclosed, and that any defect in such goods may occasion special damage to the Buyer.
4. **Conforming Goods.** Acceptance of all or any part of the goods shall not be deemed to be a waiver of Buyer's right either to cancel or to return all or any portion of the goods because of failure to conform to order, or by reason of defects, latent or patent, or other breach of warranty, or to make any claim for damages, including manufacturing costs and loss of profits or other special damages occasioned by the Buyer. Such rights shall be in addition to any other remedies provided by law. Buyer requires notification of nonconforming product prior to shipment.
5. **Patent Infringement.** Seller agrees to indemnify Buyer and hold it harmless from and against all liability, loss damage and expense, including reasonable counsel fees, resulting from an actual or claimed trademark, patent or copyright infringement or any litigation based thereon, with respect to any part of the goods covered by this order, and such obligation shall survive acceptance of the goods and payment therefore by the Buyer.
6. **Warranty.** Seller expressly warrants that the goods covered by this order are of merchantable quality, satisfactory, and safe for consumer use. Acceptance of this order shall constitute an agreement upon Seller's part to indemnify and hold the Buyer harmless from liability, loss, damage and expense including reasonable counsel fees, incurred or sustained by Buyer by reason of the failure of the goods to conform to such warranties. Such indemnity shall be in addition to any other remedies provided by law and as to consequential damages shall be limited as provided in Section 2-715 (2) of the Uniform Commercial Code.
7. **Regulatory Compliance.** Seller represents that the goods covered by this order have been manufactured and sold in compliance with the requirements of the Robinson-Patman Act, the Fair Labor Standards and other federal, state and municipal laws, rules and regulations as applicable.
8. **Packing.** All goods, wrappers and containers must bear markings and labels required by applicable federal, state and municipal laws and regulations for the protection and safety of persons and property and Seller warrants that prices include all charges for packing, crating and transportation to f.o.b. point.

9. **Federal Government Contracts.** If this order is issued under a Federal Government contract or higher-tier subcontracted, the following Federal Acquisition Regulation (FAR) clauses, as in effect on the effective date of this order are hereby incorporated by reference and made a part hereof: FAR 52.222-26, Equal Opportunity (E.O. 11246); FAR 52.222-35 Affirmative Action for Special Disabled and Vietnam Era Veterans (38 U.S.C. 2021 (a), (Applicable if this order is for \$10,000 or more); and FAR 52.226-36, Affirmative Action for Handicapped Workers (29 U.S.C. 793), (Applicable if this order exceeds \$2,500).

10. **Non-Disclosure Agreement.** Seller shall not use or disclose any data, designs, or other information belonging to or supplied by or on behalf of Buyer, except in the performance of his or other orders for Buyer. Upon Buyer's request such data, designs or other information and any copies thereof shall be returned to Buyer. Where Buyer's data, designs, or other information are furnished to Seller's suppliers for procurement of supplies by Seller for use in the performance of Buyer's orders. Seller shall insert the substance of this provision in its orders.

11. **Labor Disputes.** Whenever any actual or potential labor dispute delays or threatens to delay the timely performance of this order, Seller shall immediately give notice thereof to Buyer.

12. **Entire Agreement.** This contract contains the entire agreement of the parties. No modifications, termination or waiver shall be binding on Buyer unless provided by a duly authorized representative of Buyer. No modification or waiver shall be deemed effected by Seller's acknowledgement or confirmation containing other or different terms. All titles to clauses contained in this order are for identification only and shall not be construed as being a substantive part of the agreement.

13. **Chemical Substances.** Supplier warrants that all chemical substances constituting or contained in the product(s) sold to LFI under this purchase order are included on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency pursuant to the Toxic Substance Control Act inventory reporting regulations. MSDS required.

14. **Export Control.** If listed on LFI purchase order: Information and material pertaining to defense and military related technologies may only be shared with US Persons. These parts are export controlled and an employee to work on this PO must be a citizen of the US.

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15. **Right of Entry.** The Seller agrees that the contracting officer or his authorized representative is permitted to visit the seller's facilities to review progress and witness testing pertaining to the requirements of this order.

16. **Flow down to sub-tier.** The seller is required to flow down to sub-tier suppliers the applicable requirements in the purchasing documents including key characteristics where required.