



## Terms & Conditions of Purchase

**1. Acceptance- Agreement of Purchase Order.** Senga Engineering Inc. (Buyer) and Supplier (Seller). Agreement by Seller to furnish the materials or services hereby ordered, or its commencement of such performance or acceptance of any payment shall constitute acceptance by Seller of this Purchase Order subject to these terms and conditions. If this Purchase Order does not state price or delivery, Buyer will not be bound to any prices or delivery to which it has not specifically agreed in writing. Any terms or conditions proposed by Seller inconsistent with or in addition to the terms and conditions of purchase herein contained shall be void and of no effect unless specifically agreed to by Buyer in writing. Modifications in product and/or process definition must be submitted to Buyer prior to start of work, in writing and must be signed by Buyer. These terms and conditions, together with any referenced exhibits, attachments or other documents, constitute the entire agreement between the parties with respect to the subject matter of this Purchase Order.

**2. Shipping Instructions.** (a) Seller shall be responsible for ensuring the proper packaging of materials hereunder. No charges will be allowed for packing, crating, freight, local cartage, and/or any other services unless so specified in this Purchase Order. (b) Seller shall at all times comply with Buyer's written shipping instructions. Unless otherwise directed, all items shipped on the same day from and to a single location must be consolidated on one bill of lading or airbill, as appropriate. Seller shall submit all required shipping papers to Buyer before final payment. (c) Purchase Order number(s) must appear on all correspondence, shipping labels, and shipping documents, including all packing sheets, bills of lading, airbills and invoices.

**3. Delivery: Notice of Delay.** (a) Time is of the essence and failure to deliver in accordance with the delivery schedule under this Purchase Order, if unexcused, shall be considered a material breach of this Purchase Order. No acts of Buyer, including without limitation modifications of this Purchase Order or acceptance of late deliveries, shall constitute a waiver of this provision. (b) Seller shall notify Buyer immediately of any actual or potential delay to the performance of this Purchase Order, to include the possibility of non-conforming parts. Such notice shall include a proposed remedies as well as a revised schedule however such notice and proposal or Buyer's receipt or acceptance thereof shall not constitute a waiver to Buyer's rights and remedies hereunder.

**4. Termination for Convenience.** (a) Buyer may, by notice, terminate this Purchase Order or work under this Purchase Order for convenience and without cause, in whole or in part, at any time, and such termination shall not constitute default. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under this Purchase Order. (b) In the event of termination for convenience by Buyer, Seller shall be reimbursed for actual, reasonable, substantiated and allowable costs. Buyer may take immediate possession of all work performed upon notice of termination to Seller. (c) Seller's obligations, including but not limited to, obligations under the warranty, proprietary rights, infringement and indemnity against claims provisions of this Purchase Order, shall survive such termination.

**5. Termination for Default.** (a) Buyer may, by notice, terminate this Purchase Order in whole or in part at any time for breach of any one or more of its terms for failure to make

progress as to endanger performance of this Purchase Order, or failure to provide adequate assurance of future performance. In the event of partial termination, Seller is not excused from performance of the non-terminated balance of work under this Purchase Order. (b) Seller's obligations, including but not limited to, obligations under the warranty, proprietary rights, infringement, and indemnity against claims provisions of this Purchase Order, shall survive such termination.

**6. Force Majeure.** Except for defaults of Seller's subcontractors at any tier, neither Buyer nor Seller shall be liable for any failure to perform due to any cause beyond their reasonable control and without their fault or negligence. Such causes include, but are not limited to, acts of God or of the public enemy, acts of Government in its sovereign or contractual capacity, fires, floods, epidemics, terrorism, quarantine restrictions, strikes, freight embargoes, and unusually severe weather. In the event that performance of this Purchase Order is hindered, delayed or adversely affected by causes of the type describe above ("Force Majeure"), then the party whose performance is so affected shall notify the other party's authorized representative and, at Buyer's option, this Purchase Order shall be completed with such adjustments as are reasonably required by the existence of Force Majeure or this Purchase Order may be terminated for convenience.

**7. Invoices and Payments.** Unless otherwise authorized by Buyer, Seller shall issue a separate original invoice for each delivery that shall include Buyer's Purchase Order number and line item number. Seller shall forward its invoice to the address specified elsewhere in this Purchase Order. Unless freight or other charges are itemized, Buyer may take any offered discount on the full amount of the invoice. Payment due date, including discount periods, shall be computed from the later of the scheduled delivery date, the actual delivery date, or the date of receipt of a correct invoice. Payment shall be deemed made on the date Buyer's check is mailed or payment is otherwise tendered. Seller shall promptly repay Buyer any amounts paid in excess of amounts due Seller.

**8. Buyer's Property.** (a) All drawings, tools, jigs, dies, fixtures, materials, and other items supplied or paid for by Buyer shall be and remain the property of Buyer, and Buyer shall have the right to enter Seller's premises and remove any such property at any time without being liable for trespass or damages of any sort. (b) All such items shall be used only in the performance of work under this Purchase Order unless Buyer consents otherwise. (c) Material made in accordance with Buyer's specifications and drawings shall not be furnished or quoted by Seller to any other person or concern without Buyer's prior consent. (d) Seller shall have the obligation to maintain any and all property furnished by Buyer to Seller and shall be responsible for all loss or damage to said property except for normal wear and tear. (e) Seller shall grant Right of Access to Buyer, their Customer and Regulatory Authorities to all facilities involved in the order and to all applicable records.

**9. Release of Information.** Seller shall not publish, distribute, or use any information developed under or about the existence of this Purchase Order, or use the Senga Engineering, Inc. name, logo, trademark or service mark for the purpose of advertising, making a news release, creating a business reference, creating website content, or for products or service endorsement without prior consent from Senga Engineering, Inc. Furthermore, Seller may not use any photographic images of any products from Senga Engineering Inc. in any promotional way without the written consent of Senga Engineering, Inc.

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| QF#: 74-02-01 | Revision: c | Date: 06/01/18 | Approved By: <i>Mdoko</i> |
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**10. Warranty.** (a) Seller warrants the materials delivered pursuant to this Purchase Order shall be free from defects in workmanship, materials and design, and to be in accordance with all the requirements of this Purchase Order. Seller further warrants that the performance of work and services pursuant to the requirements of this Purchase Order shall conform to high professional standards. These warranties shall survive final acceptance and payment. (b) Seller shall not off load any items of this Purchase Order to any sub-tier suppliers, or any applicable requirements in the purchasing documents, including key characteristics, without written consent of Senga Engineering, Inc.

**11. Inspection.** (a) All material and workmanship shall be subject to inspection and testing at all reasonable times and places by Buyer or Buyer's customer before, during and after performance and delivery. The Buyer may require Seller to repair, replace, or reimburse the purchase price of rejected material or Buyer may accept any materials and upon discovery of nonconformance, may reject or keep and rework any such materials not so conforming. Cost of repair, rework, replacement, inspection, transportation, repackaging, and/or re-inspection by Buyer shall be at Seller's expense. (b) If inspection and test are made on the premises of Seller or Seller's lower tier subcontractors, Seller shall furnish, without additional charge, all reasonable facilities, information, and assistance necessary for the safe and convenient inspection and tests required by the inspectors in the performance of their duty. The foregoing provisions of this Article are supplementary to and not in lieu of the provisions of 11(a) above. (c) Buyer's failure to inspect does not relieve Seller of any responsibility to perform according to the terms and conditions of this Purchase Order.

**12. Infringement.** Seller warrants that all work, materials, services, equipment, parts and other items provided by Seller pursuant to this Purchase Order, which are not of Buyer's design, shall be free from claims of infringement (including misappropriation) of third party intellectual property rights and that any use or sale for such items by Buyer or any of Buyer's customers shall be free from any claims of infringement. Seller shall indemnify and save Buyer and its customers harmless from any and all expenses, liabilities, and loss of any kind (including all costs and expenses including attorneys' fees) arising out of claims, suits, or actions alleging such infringement, which claims, suits or actions Seller hereby agrees to defend, at Seller's expense, if requested to do so by Buyer. Seller may replace or modify infringing items with comparable goods acceptable to Buyer of substantially the same form, fit, and function so as to remove the source of infringement. Seller's obligations under this Purchase Order including those contained in Section 10 and in this Section 12 shall apply to the replacement and modified items. If the use or sale of any of the above items is enjoined as a result of such claim, suit, or action, Seller, at no expense to Buyer, shall obtain for Buyer and its customers the right to use and sell said item.

**13. Changes.** (a) Buyer shall have the right by notice to suspend work or to make changes from time to time in the services to be rendered or the materials to be furnished by Seller hereunder or the delivery date. If such suspension or changes cause an increase or decrease in the cost of performance of this Purchase Order or in the time required for its performance and equitable adjustment shall be negotiated promptly and this Purchase Order should be modified in writing

accordingly. Any claim by Seller for adjustment under this Section 13(a) must be asserted in writing within 3 days from the date of receipt by Seller of notification of change or suspension and shall be followed as soon as practicable with specification of the amount claimed and supporting cost figures. However, nothing herein shall excuse the Seller from proceeding with this Purchase Order as changed pending resolution of the claim.

**14. Defense Priorities and Allocations Systems (DPAS).** (Applicable only if DPAS DO of DX rating is set forth elsewhere within this Purchase Order). (a) Sellers receiving DPAS-rated Purchase Orders shall give the rated Purchase Orders priority over other orders as needed to meet delivery requirements. A priority rating consists of the appropriate DO or DX rating symbol and program identification symbol (e.g., DO-A7). All DO rated purchase orders have equal priority with each other and take precedence over unrated orders. All DX rated Purchase Orders have equal priority with each other, unless accompanying instructions otherwise provide (a rarity), and take precedence over DO rated and unrated orders.

**15. Compliance with Law.** Seller warrants that the materials to be furnished and the services to be rendered under this Purchase Order shall be manufactured, sold, used and rendered in compliance with all relevant federal, state, and local law, orders, rules, ordinances and regulations.

**16. Responsibility and Insurance.** Seller shall be responsible for the actions and failure to act of all parties retained by, through, or under Seller in connection with the performance of this Purchase Order. Seller shall also maintain and cause its subcontractors to maintain such General Liability, Property Damage, Employer's Liability, and Workers' Compensation Insurance, Professional Errors and Omissions Insurance, and Motor Vehicle Liability (Personal Injury and Property Damage) Insurance.

**17. Prevention of Counterfeit Product.** Suppliers will take measures to prevent the introduction of counterfeit material processes or reports from being shipped to Senga Engineering or its customers.

**18. Records Retention.** Suppliers will retain records of product /services provided for a period of 15 years unless otherwise noted to the Purchase Order

**19. Records Disposition.** At the expiration date of records retention, the records will be destroyed by suitable methods.

**20. Employee Awareness.** The supplier will insure that employees are aware their contribution to product compliance/conformity, product safety and the importance of ethical behavior.

**21. Intellectual Property,** Intellectual property is the property of Senga and or its customers and may not be retained, used or distributed by Senga suppliers, its employees or Senga employees and its representatives without the approval of Senga or the end customer.

**22. Human Trafficking / Slavery.** Supplier represents and warrants that the Products and Services sold to Senga Engineering Inc. comply with the laws regarding slavery and human trafficking of the country or countries in which Supplier is doing business.