

# Hi-Tech Transport Electronics, Inc. DBA: Air-Weigh

1. **ACKNOWLEDGEMENTS** – Seller shall acknowledge acceptance of purchase orders and provide firm delivery. The purchase order, including referenced drawings, specifications and other supporting documents, and the Terms and Conditions identified herein contain the entire agreement between Buyer and Seller.
2. **SELLER'S QUOTATION** – Reference to Seller's quotation does not imply acceptance of any terms or conditions therein.
3. **PRICING** – Invoice prices shall not exceed those indicated on this order without prior written consent of a Buyer.
4. **INVOICING** – All invoices must be sent to the billing address indicated in the order. Seller agrees to provide proof of shipment to all applicable invoices and to mark all invoices and containers with order number, Seller part number, Air-Weigh part number where applicable, item description, quantity, and unit of measure.
5. **TERMS OF PAYMENT** – Payment of Seller invoices will not be made until applicable purchased materials and shipping documents are received at specified destination. Discount periods shall begin on the date of Buyer's receipt of acceptable invoices and shipping documents, or date of material delivery to specified destination, whichever occurs last.
6. **CHANGES** – Buyer shall have the right, by written change notices to Seller, to make changes in, or additions to, drawings, specifications, instructions, quantities, or deliveries for materials or services covered by this order, and Seller agrees to comply with such change notices. If such change notices cause material or performance cost increases or decreases, equitable adjustment in price and delivery time will be made in writing as negotiated by Buyer and Seller within two days of Seller's receipt of change notice. Seller is not authorized to make any changes in design, materials, manufacturing process, or firmware without prior notification and approval by Buyer. In all cases first article samples and specifications detailing the change are required prior to granting change approval. Written changes may be communicated via US Mail, Courier, FAX, or email.
7. **CANCELLATIONS** – Buyer shall have the right to terminate this order in whole or part at any time by written notice. In the event of such termination and only when termination is not the result of Seller's default, the Buyer's obligation for cost of materials and labor to Seller shall be determined in accordance with the following notice.
  - (A) **Air-Weigh Specific Design Products** – For those products that are produced in accordance with Buyer specifications that would reasonably be considered custom in nature due to the predominate degree of uniqueness that significantly differentiates it from other products being produced by the Seller, the obligation for cost of materials and labor to Seller shall be determined as follows;
    1. **Pre-production Labor** – Buyer shall be responsible for direct labor costs authorized by Buyer and generated by Seller specifically for the purchase order, pro-rated over the current order quantity.
    2. **Raw Materials** – Buyer shall be responsible for the cost of applicable raw material stock purchased by Seller specifically for the purchase order. In the case of materials in which the Seller has on firm sub-contract order, Buyer may at its option either take an assignment of Seller's rights under such orders, or pay the costs, of selling or discharging Seller's obligations under such orders.
    3. **Semi-processed Materials** – Buyer shall be responsible for semi-processed materials applicable to the purchase order at a proportion of contract price based on the stage of completion of such materials.
    4. **Finished Materials** – Buyer shall be responsible for finished materials at contract price.
  - (B) **All Other Products** – Buyer and Seller shall negotiate in good faith to address any costs that may arise due to the termination of such products on the purchase order.
  - (C) **General** – Buyer responsibility for labor and materials as outlined above is limited to those quantities released by Buyer for manufacture and delivery within a reasonable future time period. In no instance shall total termination cost to Buyer exceed the total contract price for applicable items. All termination costs claimed by the Seller shall be documented and submitted to Buyer and all materials and results of all labor paid for by Buyer as a result of order termination become the full express property of the Buyer to dispose of as optioned by Buyer.
  - (D) This paragraph (7) shall not limit any legal right of the Buyer to cancel this order without penalty to Seller for reasons of Seller default. Buyer further reserves the right to cancel this order without further liability for articles not accepted by Buyer in the event Seller becomes insolvent or makes an assignment for the benefit of creditors, or commits an act of bankruptcy or reorganization proceedings.
8. **DEFAULT** –
  - (A) Buyer may terminate purchase orders in whole or part by written Notice of Default to Seller in any of the following circumstances subject to provisions of Paragraph 8 (B).
    1. If Seller fails to make delivery of materials or to perform contracted services within the time specified on the order.
    2. If Seller fails to perform to any of the other provisions of this order such as to endanger the timely supply of acceptable material or service.
    3. In either of these two circumstances the Seller does not fully make necessary corrections within a period of ten days after receipt of notice from Buyer specifying such circumstances.
  - (B) Except with respect to defaults of its sub-contractors, Seller shall not be liable for excess cost if the failure to perform in accordance with the order arises out of causes beyond the control and without fault or negligence of the Seller. If the failure to perform is caused by default of a sub-contractor, and if that default is beyond the control of both Seller and its sub-contractor and without fault or negligence of either, the Seller shall not be liable for excess costs for failure to perform, unless the material or service to be furnished by the sub-contractor was obtainable from other sources in sufficient time for Seller to meet requires schedules.
  - (C) In the event that Buyer terminates an order as a result of Seller defaults as described in Paragraph 8(A), the Buyer may procure similar material or service from alternate sources as deemed suitable by Buyer. Seller shall promptly and with necessary care, package and ship Buyer-owned materials, tooling, specifications, or other properties as directed by Buyer in writing.
  - (D) Buyer retains this option of purchasing finished materials, partially finished materials, or raw materials applicable to the terminated order. Payment for finished materials shall be negotiated by Seller and Buyer. Payment for raw materials shall be at Seller's cost.
  - (E) Seller shall hold Buyer free of all liabilities pertaining to this order in the event of termination resulting from Seller default as described in Paragraph 8(A).
9. **DELIVERY** – Unless otherwise approved by Buyer, delivery shall not be made more than 1 day prior to required date specified in this order. Acceptance of advance or past due shipments is at Buyer's discretion. Seller shall provide sufficient labor force and facilities, and shall work such hours as may be required to assure compliance with the established delivery dates in the order.
10. **SHIPMENTS** – All shipments shall be made in accordance with Ship Via instructions specified in the purchase order unless otherwise directed by Buyer. It is understood that on f.o.b. destination shipments, freight charges are included in the material prices indicated in the order, and that no further freight charges to Buyer would apply. Costs of premium freight required by Buyer on past due shipments shall be the responsibility of Seller.
11. **QUALITY AND INSPECTION** – Except as otherwise agreed in writing, all materials or services must be as specified in the order and acceptance will be subject to Buyer inspection. If, for any reason specifications are omitted or are incomplete according to Seller practices, Seller shall so advise Buyer before order is processed. Material and workmanship must be free from any and all defects and must comply with applicable specifications, tolerances, and quality standards. Unless otherwise specified, all goods or services furnished hereunder may be subject to inspection by means of either statistical sampling, utilization of material, or functional testing or use. If through failure to satisfy this inspection, material is found to require additional inspection, the Seller shall be responsible for those expenses incurred by the added inspection, and for corrections made to the material at destination, as deemed necessary by Buyer. Buyer additionally reserves the right to return in whole or part for full credit, at expense of Seller, any shipments failing to meet Buyer inspection criteria. Material replacement shall be at Buyer's option. Buyer and Buyer's customer reserve the right to inspect applicable raw, in-process, or finished materials at Seller's plant at any operation, with a minimum prior verbal or written notice of 24 hours. In the event that a Corrective and Preventative Action Report is issued to Seller due to defective material, Seller agrees to document root cause and corrective action plan in accordance with the provided Corrective and Preventative Action Report form.
12. **PATENTS** – If any claim be made or suit brought against the Buyer or the Buyer's immediate customer for infringement of any patent or patents of others because of the use or sale of the equipment or any part thereof purchased under the order, Seller by acceptance of the order, and after being given written notice of such claim or suit, shall assume the defense of same and shall pay all costs and expenses incurred in connection therewith, and shall indemnify Buyer harmless from its use. Seller also agrees to, at it's own expense, either (a) procure for the Buyer or its immediate customer the right to continue using said equipment or part, or (b) replace the same with non-infringing alternative, or (c) modify if in a manner satisfactory to the Buyer or its immediate customer so it becomes noninfringing or (d) remove the equipment or part and refund the purchase price and transportation and installation cost.
13. **COMPLIANCE WITH LAWS** – In the performance of the order, Seller shall comply in full with all applicable regulations and requirements set forth by Federal, State, Municipal and local laws and rules.
14. **LIENS** – Seller agrees to deliver to Buyer all articles covered by the order free and clear of all liens, claims, and encumbrances.
15. **DRAFTS** – Drafts will not be honored by Buyer under any circumstances.
16. **PACKAGING and Labeling** – Packing, packaging, boxing, labeling, and cartage are included in material prices specified in this order, and no additional charges for these services will be made to Buyer unless otherwise indicated in the order. **Package multiple** shall be specified by the Buyer unless otherwise agreed upon. Product will be properly protected from damage, deterioration and electrostatic discharge where applicable. Age sensitive material must be marked with expiration date where applicable. **Parts of Air-Weigh design and Seller's packaging must be labeled per print.** In the event labeling is not identified in a print, refer to the off-the-shelf labeling requirement. Off-the-shelf components and packaging must be labeled with the following items: Air-Weigh part number, Air-Weigh PO number, quantity, revision, Seller's work order/Lot number or other unique identifier of the Supplier's choosing.
17. **ASSIGNMENT** – Neither the order, nor any rights or obligations hereunder are assignable or transferable without Buyer's written approval.
18. **SUB-CONTRACTING** – Seller shall not sub-contract all, or substantially all of the work of the order without written approval of Buyer, with the exception of procurement of raw materials or standard commercial parts.
19. **PROPRIETARY RIGHTS** – Seller understands and agrees the Buyer designs, specifications, formulas and manufacturing information is proprietary data and shall not be utilized for purposes other than those intended in the order.
20. **BUYER-OWNER PROPERTY** – The following provisions, unless otherwise agreed in writing, shall apply to any and all tools, tooling, patterns, equipment, materials, or other property used in the manufacture of goods for Buyer or in the performance of the order, that are either supplied to Seller by Buyer or have been acquired by Seller and specifically paid for by Buyer. All such property will hereafter be referred to as Buyer-owned.
  - (A) Seller shall have the right to use Buyer-owned property without payment for usage as required in the performance of the order, or other work for Buyer, but shall not use Buyer-owned property in the performance of any other work without prior written Buyer approval.
  - (B) Title to all Buyer-owned property shall at all times remain with Buyer, whether or not such property is attached to real estate or other things. Title to such property, which is procured or manufactured by Seller for Buyer, shall be fully vested in Buyer upon payment for same by Buyer.
  - (C) Seller shall take necessary measures to preserve Buyer's title to Buyer-owned property free of all encumbrances. Buyer retains the right, in addition to other rights provided by law to enter Seller's premises and remove Buyer-owned property with or without court order.
  - (D) Seller shall, on written request of Buyer, properly pack and ship Buyer-owned property to such destinations as designated by Buyer.
  - (E) Seller shall, at his expense, perform all maintenance work, repairs, and replacements necessary with respect to applicable Buyer-owned property so that such property remains suitable for use intended.
  - (F) The risk of loss or damage to all Buyer-owned property shall be with Seller from the time when such property is delivered to Seller or from the time that title vests in Buyer, until that property is removed from Seller's cognizance as directed by Buyer in writing. Proof of adequate insurance coverage on Buyer-owned property shall be provided to Buyer by Seller upon written Buyer request.
  - (G) Buyer shall not be liable for loss, damage, detention, or delay resulting from causes beyond its control, with respect to any Buyer-owned property to be delivered to Seller by Buyer.
  - (H) Seller shall assume and shall indemnify Buyer against any and all liability for damage to property or injury to or death of any persons arising from, incidental to the presence, or use of Buyer-owned property, whether such damage, injury, or death be caused by defects by the property, negligence in the use thereof, or otherwise.
  - (I) Buyer-owned property shall be clearly labeled as such.
  - (J) Seller shall, upon receipt of written request, provide Buyer with current listing of Buyer-owned property in his or her sub-contractors possession, indicating complete description, quantities, and property conditions.
21. **OTHER REQUIREMENTS**
  - (A) Seller shall have full and exclusive liability for payment of any and all contributions or taxes for unemployment insurances, old age benefits, pension, or annuities now or hereafter imposed by Federal, State or Local Governments which are measured by wages, salaries, or other remunerations paid to persons employed by Seller on work performed under any order to which these Terms and Conditions apply. Seller shall comply with all laws and regulations related to assumption of liability for such contributions and taxes, and shall reimburse Buyer for any such contributions or taxes, which Buyer may be required to pay.
  - (B) With respect to any work performed on premises owned or controlled by Buyer, the Seller shall provide safety protection for workmen on and around the project in accordance to all applicable Federal, State, and Local laws and regulations prior to commencement of work. Should Seller fail to provide such protection, the Buyer has the option to terminate the order without expense of liability or to order work ceased without penalty to Buyer until such protection is provided.
  - (C) Seller shall indemnify and save harmless the Buyer from and against all losses, liabilities, claims, or demands whatsoever (including without limitation, costs and expenses in connection therewith) arising out of any personal injury or death or damage to or loss or destruction of property in any manner occasioned by, or attributable to, or related to the performance of any work or the reliability of any product covered by this order and performed or supplied either by Seller, his sub-contractors, or the employees of either.
  - (D) Buyer, at his option, may require Seller to supply evidence of insurance, satisfactory to Buyer, covering the liabilities and indemnification included in Paragraphs 21(A), 21(B), and 21(C), however failure of Buyer to request such evidence, shall not relieve Seller of the responsibility to obtain such insurance, nor of liabilities provided for in these paragraphs.
  - (E) All items supplied under the terms of the purchase order shall be certified by the Seller to be in compliance with the requirements and standards of the Occupational Safety & Health Act of 1970. In addition, where required, hazardous material data sheets will be supplied on all applicable products. Failure of Buyer to contest a citation resulting from noncompliances of these items will not relieve the Seller of liability under this warranty.
  - (F) The rights and remedies of Buyer provided in these Terms and Conditions shall not be exclusive, and are in addition to those provided by law or in the order. Seller's request for exceptions to Buyer Terms and Conditions must be submitted to Buyer in writing. Additions to, deletions from, or modification of Buyer Terms and Conditions shall not apply unless specifically accepted by Buyer in writing.

Supplier: \_\_\_\_\_ Accepted by: \_\_\_\_\_ Date: \_\_\_\_\_