



# Day&Zimmermann

## General Terms and Conditions for Purchase Orders

### ARTICLE 1.0: REPRESENTATIONS AND FORM OF AGREEMENT

1.1 These Purchase Order terms and conditions are issued by The Day & Zimmermann Group, Inc. or one of its subsidiary companies. All representations, warranties, indemnities, insurance provisions, covenants and other agreements made herein by the Seller shall inure to and be enforceable by the Buyer and its successors in interest to the goods and services furnished hereunder.

### ARTICLE 2.0: TERMS OF ACCEPTANCE

2.1 These terms and conditions supersede all other terms and conditions and all other previous commitments, verbal or written. Seller's signature and return of the acceptance copy, or the initiation of performance by Seller, shall constitute acceptance of this Order. Acceptance by Seller of this Order is expressly limited to the terms and conditions of this Order. No terms or conditions stated by Seller in acknowledging or otherwise accepting this Order shall be binding upon Buyer unless specifically agreed to by Buyer in writing. This Order may be modified or canceled by Buyer at any time prior to acceptance by Seller.

### ARTICLE 3.0: DEFINITIONS

3.1 Wherever used throughout this Order the terms Order and/or Purchase Order shall mean, collectively, the Purchase Order form, these terms and conditions, and all documents referenced herein.

### ARTICLE 4.0: SHIPMENTS

4.1 Seller shall be responsible for appropriate packing and protection of the Goods to adequately assure safe transit to the destination. No charge for packing or loading will be allowed by Buyer unless specifically authorized in the Order.

4.2 Each item of equipment and/or each package, shipping crate, or container shall be externally and prominently marked with the Buyer's Purchase Order Number and any other information as may be required in the Order. A detailed packing list listing all separate items in each shipment must accompany the Goods. In the event such a packing list is not received with the shipment, the Buyer's count and receiving documents shall be accepted by Seller as final and conclusive.

4.3 Where normal trade practice permits variation in quantities (e.g., such as in the purchase of pipe and cable), the quantities called for in this Order shall be considered minimum acceptable quantities unless otherwise noted on the face of the Order.

### ARTICLE 5.0: INVOICES AND PAYMENT

5.1 Seller shall submit invoices for payment in a timely manner and no later than 30 days from the date that the work was completed and accepted or when goods were delivered. Buyer hereby reserves the right to not remit payment for invoices received after 30 days.

5.2 Seller's invoice shall be itemized and identified with Buyer's Order number and with specific Order item numbers. Freight, taxes, similar charges, if authorized by the Order, shall be itemized separately.

5.3 Payment will be made by Buyer against properly submitted invoices in accordance with the terms of payment set forth in the Order for all Goods received or Services provided and which meet the requirements of the Order. Payment of Seller's invoice shall not constitute acceptance of the Goods or Services. All Seller invoices shall be subject to adjustment for errors, shortages, defects, or other failure of the Seller to meet the requirements of the Order.

**ARTICLE 6.0: FORCE MAJEURE**

6.1 No liability shall result to either party from delay in performance or from nonperformance caused by an Act of God, or event beyond the control of a party, including an act or omission of government, act or omission of civil or military authority, act of a public enemy, war, blockade, insurrection, riot, epidemic, landslide, earthquake, fire, storm, lightning, flood, washout or civil disturbance which could not have been avoided through the exercise of reasonable care, procedure, and diligence.

**ARTICLE 7.0: SHIPPING DELAYS**

7.1 TIME IS OF THE ESSENCE OF THIS PURCHASE ORDER. Buyer is relying upon the delivery of Goods or Services at the time and place specified in the Order in order to meet its obligations under its agreements with others. Seller understands that delays in delivery of conforming Goods may materially contribute to or directly cause delay in Buyer's ability to meet such obligations.

7.2 If Seller delays performance of this Order or is unable to provide evidence satisfactory to Buyer that Seller will ship the Goods or provide the services by the promised shipment date shown in the Order or fails to ship the Goods by the date so promised and Seller is not able to establish excusable delay as provided in Article 6.0 hereof, Buyer may, at its option, accept a revised shipment promise or completion date and/or require Seller to effect corrective action, including premium work-time and premium transportation (Goods only). If Seller fails or refuses, after requests by Buyer, to take meaningful actions to accelerate performance to assure compliance with the Purchase Order requirements, Buyer, in addition to its remedies at law, may terminate this Order without liability to Buyer in accordance with the provisions of Article 10.0 hereof and recover any costs paid to Seller in advance for services or for shipment of goods.

**ARTICLE 8.0: RISK OF LOSS**

8.1 Transfer of the title to conforming Goods and risk of loss or damage to items covered by this Order shall remain with Seller until delivery of the Goods to the possession of Buyer at the destination specified in this Order.

8.2 Notwithstanding the foregoing, the risk of loss or damage to Goods which so fail to conform to the Order as to give Buyer a right of rejection shall remain with Seller until cured; provided however, Seller shall not be liable for loss or damage caused by the negligence of agents or employees of Buyer.

**ARTICLE 9.0: TERMINATION FOR CONVENIENCE**

9.1 The Buyer may terminate this Order in whole, or in part, at any time for any cause and will reimburse the Seller for his reasonable, substantiated, and necessary costs incurred directly in the performance of this Order to the date of termination plus a reasonable profit thereon. Buyer shall not be liable for loss of anticipated profits on the Order, or the part thereof, so canceled.

9.2 All Goods and plans completed by Seller prior to the date of termination shall, upon payment by Buyer of the termination costs as defined in Article 9.1, become the property of Buyer.

9.3 In no event shall Buyer's obligations to Seller, as a consequence of termination under this Article 9.0

exceed the aggregate purchase price of the items so terminated or the agreed upon termination price whichever is the lesser amount, and upon payment thereof, Buyer shall have no further obligation to Seller hereunder or otherwise.

**ARTICLE 10.0: TERMINATION FOR CAUSE**

10.1 If Seller materially breaches any provision of this Order or in the event of any proceeding by or against Seller in bankruptcy or insolvency or for appointment of a receiver or trustee or an assignment for the benefit of creditors, Buyer may, in addition to any other right or remedy provided by this Order or by law, terminate all or any part of this Order without any liability by Buyer to Seller on account thereof.

10.2 In the event that Buyer terminates this Order, in whole or in part, as provided in this Article 10.0, Buyer may purchase from others, upon such terms and in such manner as Buyer may deem appropriate, similar goods to those so terminated and Seller shall be liable to Buyer for any excess costs incurred by Buyer thereby. Further, if Buyer requests, Seller agrees to assist Buyer in the purchase of goods similar to those terminated due to Seller's default by, among other things, cooperating in the transfer to Buyer of information and/or work-in-process and equipment or materials which may have been purchased by Seller specifically for Buyer's Order.

10.3 If Buyer has requested and received the cooperative transfer of goods as set forth in Article 10.2 above, Buyer will credit the value of such Goods against Buyer's excess cost of re-purchase and if such credit exceeds Buyer's excess costs Buyer shall promptly pay Seller such difference.

**ARTICLE 11.0: COMPLIANCE WITH LAWS**

11.1 Seller represents, warrants and certifies that it shall comply, and that all products and services delivered hereunder shall comply, with all applicable international, federal, state, and local laws, statutes, ordinances, rules, regulations, programs, plans, and executive orders (collectively "Laws"). Such compliance is agreed to be a material element of the performance of this Order.

11.2 Seller represents that the Goods covered by this Order have been manufactured and sold in compliance with the requirements of the Robinson-Patman Act and the Fair Labor Standards Act.

11.3 Seller expressly warrants that all Goods provided and Services performed under this Order shall conform to: (1) the standards and/or regulations promulgated by the U.S. Department of Labor under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651, PL 91-596), latest amendment, and (2) the standards and/or regulations promulgated by the U.S. Department of Labor under the Equal Employment Opportunity Act and all Executive Orders and latest amendments pertaining thereto. In the event the Goods do not conform to the OSHA standards and/or regulations, the Buyer may return the Goods for either correction or replacement at Seller's option and at Seller's expense.

11.4 OFAC COMPLIANCE: Seller shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a), and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered government prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability.

11.5 Seller also warrants and represents that every chemical substance delivered hereunder shall be on the list of chemical substances, or have been submitted for inclusion on such list, as compiled by the Administrator, Environmental Protection Agency pursuant to the Toxic Substances Control Act.

**ARTICLE 12.0: BUYER'S RIGHT TO INSPECT – ACCEPTANCE**

12.1 Buyer or Buyer's representative shall have the right under this Order to inspect and test all Goods at all times and places including the Seller's and the Seller's suppliers premises, subject to Buyer's reasonable advance notice to Seller. Buyer's right to inspect and test the Goods shall extend through the manufacturing

process, the time of shipment, and for a time period of not less than sixty (60) calendar days after arrival at the destination.

12.2 Buyer's inspection, or witness of, or participation in any tests (or the failure of Buyer to inspect or test) shall not relieve Seller of any of its obligations under this Order including correction of defects in materials, workmanship, or design.

12.3 Partial or final payment for the Goods or Services shall not relieve the Seller from its obligation to conform to the requirements of the Order and shall not impair Buyer's right to reject or revoke acceptance of non-conforming Goods or Services to avail itself of any other remedies to which Buyer may be entitled notwithstanding knowledge of the nonconformity, its substantiality, or the ease of its discovery.

#### **ARTICLE 13.0: GUARANTEES AND WARRANTIES**

13.1 Seller expressly guarantees and warrants all Goods to be free from defects in design, materials, and workmanship; to conform strictly to specifications, drawings and approved samples, if any; and to be new, of the most suitable grade; and to meet or exceed all performance criteria set forth in the Order. Seller further guarantees and warrants that Seller has good title, free and clear of all liens, claims, security interests or encumbrances to all Goods furnished under this Order. In the event of breach, Buyer may either return for credit or require prompt correction, repair, or replacement of the defective or nonconforming Goods. Seller shall promptly correct all deficiencies for services related work which are found not to be in accordance with the statement of work. All costs, including shipping, travel, reasonable removal and installation costs in connection with Goods to be replaced or repaired, or for services to be re-performed shall be borne by Seller.

13.2 All Seller inspections, service, repairs or corrective work resulting from Seller furnished defective or nonconforming Goods or the replacement thereof shall be performed promptly and at the convenience of the Buyer.

13.3 With the Seller's prior agreement, Buyer may effect repair of defects in Seller's equipment or correct the deficiencies of the services performed and all costs therefore shall be for Seller's account and, in the event Seller fails to promptly proceed with repair or correction of defective Goods or services thereof, Buyer may repair or correct Seller's nonconforming Goods or procure replacement Goods elsewhere with all costs of such actions for Seller's account. Buyer shall be entitled to deduct all costs for the foregoing repairs, corrections, or replacement from any amounts owing to Seller and Seller shall be liable to Buyer for any excess. Seller shall not be relieved of any obligations it may have to Buyer due to Buyer's actions under this Article 13.3.

13.4 Any guarantee or warranty herein provided shall be valid for twelve (12) months from date of initial commercial use of the Goods.

13.5 In the case of reselling, Seller shall convey to Buyer all warranties made by the original manufacturer, in addition to any other warranties provided by Seller.

#### **ARTICLE 14.0: PATENT INFRINGEMENT**

14.1 Seller agrees to indemnify Buyer and Buyer's Client(s) who are or may be the ultimate recipient of the Goods and/or Services provided under this Order, and hold them harmless from and against all liability, loss, damage and expense, including reasonable counsel fees, resulting from any actual or claimed trademark, patent or copyright infringement, or any litigation based thereon, with respect to any part of the Goods and/or Services covered by this Order or their use, and such obligation shall survive acceptance and payment therefore by the Buyer. In addition to any indemnification as provided hereunder, if by virtue of a patent infringement suit an injunction shall be issued against Seller, Buyer, or Buyer's Client(s) which prohibits or limits the use of any items purchased hereunder, Seller shall, at Buyer's request, either a) supply Buyer and/or Buyer's Client(s) with non-infringing replacements of similar kind and quality at no additional cost; or b) procure for Buyer and/or Buyer's Client(s) a license to use infringing Goods and/or Services at no additional cost; or c) modify the infringing Goods and/or Services to make them substantially equal but non-infringing, all at no additional cost to Buyer and/or

Buyer's Client(s).

**ARTICLE 15.0: INDEMNIFICATION**

15.1 Seller shall indemnify, defend, and hold harmless the Buyer, the Buyer's Client(s) who are or may be the ultimate recipient of the Goods and/or Services provided under this Order, and the Buyer's successors in interest and all of their respective directors, officers, employees, agents and representatives ("Indemnified Parties") against all losses, claims, expenses, damages, and attorney's fees ("Damages") which may result in any way from: (i) the Goods and/or Services provided by the Seller; or (ii) by reason of any act or omission on the part of the Seller, its agents, employees, or subcontractors; or (iii) the failure of the Seller to comply with the terms and conditions of this Order. The Seller's obligation to indemnify the Indemnified Parties for any such Damages shall apply regardless of the Indemnified Parties' negligence excepting only those Damages due to the sole negligence of any such Indemnified Party.

15.2 Seller's indemnification obligations under this Article 15.0 shall not be limited in any way by any statutory immunity or other limitation on the amount or type of damages, compensation or benefits payable by or for the Seller or any sub-supplier/subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

15.3 An Indemnified Party shall have the right to select counsel and control any claims, actions or litigation arising hereunder.

**ARTICLE 16.0 RIGHT TO ASSURANCES**

16.1 Should either party, in good faith, have reason to question the other party's intention to perform, it may demand written assurance from the other party of its intent to perform. In the event that the demand is made and assurances are not given within a reasonable period of time not exceeding one (1) week after receipt of such demand, the party making such demand may treat this failure as a repudiation of the Order.

**ARTICLE 17.0: WRITTEN NOTICE**

17.1 The term "Notice" as used throughout the Purchase Order shall mean written notice, except where specifically provided herein to the contrary. Written notice shall be deemed to have been duly served when delivered by a verifiable means such as certified mail, courier or express service, telephone facsimile or electronic mail, to the business address of the person, firm or corporation for whom intended, or to his, their or its duly authorized agent, representative or officer.

**ARTICLE 18.0: SUBCONTRACTS**

18.1 Seller agrees not to subcontract for complete or substantially complete Goods called for by this Order without the written approval of the Buyer.

**ARTICLE 19.0: ASSIGNMENT**

19.1 Seller shall not assign this Order or any rights hereunder or any monies due or to become due hereunder without the prior written consent of Buyer, and no purported assignment by Seller shall be binding on Buyer without its written consent. Seller shall require that no assignee divulge any information concerning this Order except to those persons necessarily concerned with the transaction. Payments to an assignee of any claim arising under this Order shall be subject to reduction or set-off for any present or future claim or claims which Buyer may have against the Seller.

**ARTICLE 20.0: WAIVER**

20.1 Failure of Buyer to insist upon strict performance of any of the terms and conditions of this Order, or to exercise any right or privilege contained in this Order, or the waiver of any breach of the terms or conditions

of this Order shall not be construed as thereafter waiving any such terms, conditions, rights or privileges, and the same shall continue and remain in force and effect as if no waiver had occurred. All rights and remedies reserved under the terms and conditions hereof shall be cumulative and in addition to any further rights and remedies provided in law or equity.

**ARTICLE 21.0: CONFIDENTIALITY AND DATA PROTECTION**

21.1 CONFIDENTIALITY: Seller may have access to proprietary or business sensitive information owned or licensed by Buyer or its Client(s) (hereafter referred to as "Confidential Information"). Seller shall protect and prevent unauthorized disclosure of any Confidential Information, except when such information is lawfully released and becomes generally known or available to the public. Seller shall use Confidential Information only in the performance of this Order. Upon termination or expiration of this Order, Seller shall return all Confidential Information, and any copies thereof, or as directed by Buyer, destroy all Confidential Information in Seller's possession in a secure manner such as to prevent subsequent disclosure. The terms of this article shall survive termination or expiration of this Order and remain in effect for a period of five (5) years thereafter. If Seller is required to disclose any Confidential Information by federal, state, or local statutes, or by the order of a court of competent jurisdiction, Seller shall provide Buyer with notice as soon as may be practicable so that Buyer may contest such potential use or disclosure. Both parties agree that any breach of this Article will cause Buyer substantial and irreparable harm and therefore, in the event of any such breach, in addition to other remedies which may be available, Buyer shall have the right to seek preliminary injunctive relief from any court of competent jurisdiction in order to prevent the disclosure of Confidential Information. Unless expressly set forth in this Order, Seller shall not use the name of Buyer or its Client(s) in any publicity, advertising, or disseminated material without Buyer's prior written consent.

21.2 PERSONALLY IDENTIFIABLE INFORMATION (PII) AND PROTECTED HEALTH INFORMATION (PHI): Seller may be given access to, or may generate, information pertaining to Buyer's employees including (1) any information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records, or any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information (hereinafter "Personally Identifiable Information" or "PII"); and/or (2) Protected Health Information, which shall have the same meaning as that set forth in 45 C.F.R § 160.103 (hereinafter "PHI"). Seller shall keep such PII and PHI strictly confidential and shall take all measures necessary, including but not limited to cyber security measures such as encryption, to prevent theft or disclosure. Seller shall limit access to PII and PHI to only those of its employees, contractors, and suppliers who require the information to perform the work under this Order and shall include Confidentiality provisions with similar, but no less restrictive, terms as those of this Order in all associated agreements. Further, Seller represents and warrants that it will comply with applicable laws and regulatory requirements. In the event of an incident or suspected incident of theft or disclosure of PII or PHI, Supplier shall immediately notify Buyer of the circumstances of such incident and undertake all measures necessary to limit and remediate any associated damages. Notwithstanding any language to the contrary in other sections of this Order, Seller shall fully indemnify, defend, and hold harmless Buyer and its officers, agents, employees, and subcontractors from any claims, damages, or penalties related to disclosure or mishandling of PII or PHI.

**ARTICLE 22.0: PRIVACY AND CYBER SECURITY**

22.1 SECURITY HYGEINE, VULNERABILITY SCANNING, PENETRATION TESTING AND SDLC: Seller will perform system, application, infrastructure and software development vulnerability assessments (including penetration testing, if applicable) on all Seller systems (internet and non-internet facing, if applicable) used to perform Seller's obligations under this Order. In addition to meeting the requirements of routine updates to systems, Seller will promptly correct any vulnerabilities or security issues discovered as part of routine assessments and testing remediating based on Severity Level.

22.2 CONTINGENCY PLANNING: Seller will implement and maintain contingency plans to address an emergency or other occurrence (for example, fire, vandalism, system failure, and natural disaster) that damages or destroys Seller systems or Buyer or its Client(s) data, including a data backup plan and a disaster recovery plan, with a minimum of annual testing of such plans and continuous improvement of such plans.

**ARTICLE 23.0: ETHICS AND COMPLIANCE**

23.1 Supplier will conduct itself and shall cause its employees and agents to conduct themselves in a manner consistent with Company's policies, including the "Defense Industry Initiative Supplier Code of Conduct" as outlined in Company's website <http://www.dayzim.com/about/suppliers>. Accordingly, Supplier warrants that this Order will be performed in material compliance with all applicable laws and regulations, including, without limitation, laws and regulations related to safety, health, the environment, fair labor practices and unlawful discrimination. Company shall have the ability and the right to terminate this Order for default immediately if Supplier or any of its employees or agents violates any provision of this Article 23.

**ARTICLE 24.0: COMPLETE AGREEMENT**

24.1 This Order contains the complete and entire agreement between the parties hereto. No change, addition, or modification of any of the terms and conditions hereof shall be valid or binding on either party unless in writing and signed by an officer or designated member of Buyer's Supply Chain Department.