

# Advanced Chemistry & Technology

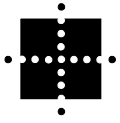
A·C·TECH<sup>®</sup>

7341 Anaconda Avenue, Garden Grove, California 92841 714/ 373-2837 Fax 714/ 373-1913

## ADVANCED CHEMISTRY & TECHNOLOGY TERMS AND CONDITIONS INCLUDING QUALITY REQUIREMENTS

### THIS ORDER IS GIVEN AND ACCEPTED SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

1. Orders not shipped by the date specified for delivery are subject to cancellation without liability any time thereafter at our option.
2. You agree that all materials furnished shall be the best of their respective kinds and free of defects in workmanship and materials. You agree that any and all materials received by us which is (a) not of the best of their respective kinds or is defective in workmanship or material or (b) different from sample of order or (c) found to be imperfect or not as represented by your markings or invoice or (d) received by us later than the date specified for delivery may in addition to all other remedies be returned by us to you within thirty (30) days after receipt by us notwithstanding prior payment by us. Any such material so returned shall be returned at your expense including all packing, forwarding, handling, transportation and other charges. Payments on account of any material returned by us shall be repaid to us promptly after such return. We may, however retain such of the material as is satisfactory and complies with the order, paying for such material at the contract rate. Acceptance of material after the specified delivery date shall not be construed as a waiver of our right to recover for late delivery.
3. Complaints or notices of defects of material will be considered made within a reasonable time after notification is given to us of such defects by our customers. Acceptance of material by us after inspection shall not release or discharge you from any liability in damages or other legal remedies for breach of any terms of warranty express or implied, with respect to such material.
4. If the quantity of material delivered exceeds the amount ordered, we may at our sole option, return to you, at your expense, any or all of such excess material.
5. Unless otherwise specified by us, there will be no charges by you for cartage or packing of the material ordered.
6. You warrant that the material ordered will be as represented and if any markings appear thereon or accompany the same, designating the weight, measurement, ingredients or quality thereof, such markings represent the true net weight, measurements, ingredients or quality thereof.
7. Material ordered F.O.B. shipping point is to be shipped the cheapest way (including inland and coastwise vessel service, unless contrary instructions are stated herein. You shall be liable to us for any difference in charges between shipment as made and shipment as required by this order, and such difference in charges may be deducted by us from the invoice price in rendering payment. Material ordered F.O.B. destination or on a delivered basis shall be shipped with transportation charges (including terminal switching services and other services in connection with such transportation prepaid in the event such transportation charges are not prepaid, we reserve the right to refuse delivery and to cancel this order. When usual terms of tariffs do not include insurance shipment must be forwarded properly insured.
8. If this order calls for delivery in installments and delivery of any installment is delayed, or if any installment is defective in quality, quantity or otherwise we shall have the option of rejecting the entire contract as breached.
9. We shall have the right to make changes in the order but no additional charge will be allowed unless authorized in writing by us. If such changes affect delivery or the amount to be paid by us, you shall notify us immediately and negotiate an adjustment.
10. Bill of lading, freight, or express receipt and all other documents in triplicate shall accompany each original invoice. A separate invoice in triplicate shall be rendered to us for each order or any part of any order at the time of shipment. Correct Purchase Order and Requisition Numbers shall be placed on all invoices and all packages. Federal sales manufacturers and retailers excise and transportation, state or municipal sales and use taxes when applicable, shall be billed as separate items on the invoices.
11. This order is not to be filled at a price higher than set forth on the face hereof. If no price is set forth on the face hereof, the price shall be the lowest market price prevailing on the date of this order, or your last previously-quoted charge, whichever is lower.
12. Discount terms shall be calculated from the date the invoice is received by us, or the date after the material covered by the invoice is received by us, whichever is later.
13. Each invoice for materials furnished under this order will bear your warranty that all the goods and every part and ingredient thereof thereby sold to us were produced under terms and conditions of employment which satisfy all the requirement of the Fair Labor Standards Act of 1938, as amended and your acceptance of this order shall constitute such warranty. You further warrant that the material furnished will prescribe to and be in accordance with all federal, state and local laws and regulations concerning the manufacture sale, pricing, and labeling thereof.
14. If this order requires you to furnish services of a supervisor, expert or other employee in connection with the installation or any other matter under this contract to perform work on our premises, you agree, whether or not a separate charge is made therefore, that such supervisor, expert or other employee of yours, in performing such services, is not and shall not be deemed to be the agent or employee of ours. You assume full responsibility for his acts and omissions and agree to hold us harmless from any claims whatever arising there from. You shall maintain such Public Liability, Property Damage and Employee's Liability and Compensation insurance as will protect us from said risks and claims.
15. All molds, dies, jigs, fixtures, mandrels, templates, patterns, forms, specifications, drawings and other data or information sent to you by us in connection with the material covered by the order shall remain our property, and are not to be used except in filling our orders. Such property while in your custody or control shall be held at your risk and shall be kept insured by you at your expense in an amount equal to the replacement with loss payable to us. At our request such property shall be prepared for shipment by you and shall be redelivered to us in the same condition as originally received by you, reasonable wear and tear excepted.



# Advanced Chemistry & Technology

A·C·TECH®

7341 Anaconda Avenue, Garden Grove, California 92841 714/ 373-2837 Fax 714/ 373-1913

16. In the event our operations are curtailed or stopped, or in the event that normal operations at any of our places of business are interfered with by act of federal, state or local governments, or agencies thereof (whether or not legally binding upon us), labor disturbances, strikes or lockouts, fire, hurricanes, riots, or any similar or dissimilar cause which is beyond our control, this order is cancelable by us in whole or in part if performance of this order is postponed for up to ninety (90) days at our option,
17. You shall indemnify us and hold us harmless from and against any and all actions, suits, claims, demands or prosecutions that may be made, brought or instituted against us for any alleged infringement of any patent, trademark, or copyright, or any and all actions, suits, claims, demands or prosecutions that may be made brought or instituted against us on any action founded on the theory of unfair competition, in connection with the material covered by this order or in connection with the use of such material upon resale by us, and you shall indemnify us and hold us harmless from and against any and all loss, cost, damage or expenses, including reasonable attorneys' fees, that we may pay or incur or become liable for, as a result of or in connection with any such claim, action, suit, demand or prosecution. You further agree to indemnify us and hold us harmless from and against any and all loss, cost, damage or expense, including reasonable attorneys' fees, which we may incur or become liable for, as a result of any act or acts of you, your agents, or representatives.
18. Neither this order nor any part thereof shall be assigned by you without our prior written consent. Any attempt to assign this order or any part thereof shall be null and void.
19. If any of your terms of sale are in conflict with the terms of this Purchase Order, the terms of the Purchase Order shall govern unless your terms are accepted in writing by us. No oral agreement or other understanding shall in any way modify this order, or the terms or the conditions hereof. This Purchase Order constitutes the entire agreement among the parties and supersedes any prior written or oral agreement between the parties respecting the subject matter of this Purchase Order. There are no other representations, agreements, or understandings, oral or written, between the parties representing the subject matter contained herein which are not set forth herein.
20. Your action accepting this order, delivery materials, or performing services called hereunder shall constitute an acceptance of the above terms and conditions.
21. Seller shall keep confidential all information, drawings, specifications or data furnished by us, or prepared by Seller specifically in connection with the performance of this Order and shall not divulge or use such information, drawings, specifications or data to or for the benefit of any other party. Seller agrees that if the goods covered by this Order are to be manufactured to design or technical data furnished by AC Tech, the Seller shall not, without our prior written consent, manufacture any such goods except for and upon order of AC Tech.

## GENERAL QUALITY REQUIREMENTS; ADDITIONAL REQUIREMENTS MAY BE ADDED TO PURCHASE ORDER

### NONCONFORMING MATERIAL

1. You will not ship known nonconforming material to us without prior written authorization.
2. You will notify us, in writing, if product sent to us is determined to be nonconforming. Send written notification to "QA Manager, AC Tech, 7341 Anaconda Avenue, Garden Grove, CA 92841 USA".

### CHANGES IN PRODUCT AND/OR PROCESS DEFINITION

3. You will notify us, in writing of changes in product and/or process definition. Send written notification to "QA Manager, AC Tech, 7341 Anaconda Avenue, Garden Grove, CA 92841 USA".
4. If you have or anticipate a change in product and/or process definition (including internal specifications), you will not ship the affected product to us without our prior written approval.
5. Depending upon the change and the product, we may be required to do additional testing before we can purchase the "new" material, so as much advance notice as possible is appreciated.

### RETENTION OF QUALITY RECORDS

6. We expect suppliers to have a system for maintaining and storing quality records relating to materials purchased by AC Tech. This system must ensure that the records are legible, identifiable, and retrievable for a minimum of seven (7) years after closure of our Purchase Order.

### RIGHT OF ACCESS

7. You will grant right of access to us, our customer, and regulatory authorities to all facilities involved in an order placed with you and to all applicable records.

### FLOW DOWN OF REQUIREMENTS

8. You will flow down to your supplier(s) the applicable requirements in our purchasing documents, including any properties we or our customer consider "key characteristics". "Key characteristics" are the features of a material, process or part whose variation has a significant influence on product fit, performance, service life or manufacturability.

### QUALITY SYSTEM REQUIREMENTS

9. We expect suppliers to maintain an adequate quality management system. For most businesses, ISO9001:2000 is accepted; those supplying primarily to aerospace customers are expected to be AS9100 or AS9120 compliant if possible. Those providing calibration services (unless OEM) are expected to be ISO17025 certified.
10. Third-party certification is not necessarily required, but preferred.
11. When certification is a requirement, it will be included on the Purchase Order itself.

### REMAINING SHELF LIFE REQUIREMENTS

12. Time-sensitive materials shall be shipped with a minimum 75% remaining shelf life.

### PRODUCT CERTIFICATION REQUIREMENTS

13. Documentation requirements (such as for a Certificate of Analysis for raw materials) will be specified on the Purchase Order.