

## TERMS AND CONDITIONS

### 1. LONG TERM PURCHASE ORDERS

Pricing for subsequent release orders can be negotiated downward to reflect market conditions.

### 2. BUYER PROPERTY

All material, tooling, designs, specifications, drawings, technical information or data (oral or written) and any other property furnished to the Seller by REDCOM or paid for (in whole or in part) by REDCOM in connection with this Purchase order shall be, and remain the property of REDCOM, shall not be used for or disclosed to anyone other than REDCOM, and shall be delivered to REDCOM upon request or upon completion, cancellation or termination of this order to the extent not previously delivered to REDCOM.

### 3. PACKING AND SHIPMENT

Unless otherwise specified in this purchase order, all articles shall be delivered FOB Destination for domestic shipments and DDP Victor (REDCOM) for international shipments. Buyer's Purchase Order numbers, with Buyer's Code prefix and Buyer's part number must be plainly marked on all invoices, packages, bills of lading and shipping orders. Shipping memos or packing lists must accompany material. Bills of Lading or shipping receipt shall accompany each invoice. Buyer's count or weight shall be final and conclusive on shipments. When the order specifies that articles are to be shipped FOB Origin (Seller's plant): (a) material must be routed in accordance with Buyer's instructions, (b) Seller shall not declare any value on express (rail or air) or air freight shipments and (c) all articles shall without additional charge be boxed, crated and stored so as to ensure safe arrival at their ultimate destination, to secure the lowest transportation costs and to comply with requirements of common carriers.

### 4. OVERSHIPMENTS

The Buyer's needs are for the quantities of articles specified on the face of this order. Articles delivered in excess of the quantity ordered result in substantial administrative expense to Buyer. Therefore, articles delivered under this purchase order in excess of the quantity specified may be retained by Buyer at no additional cost to Buyer. The Buyer is under no obligation hereunder to notify Seller of any over shipments.

### 5. DELIVERY

Time is of the essence. The parties have agreed to the delivery dates established herein and Buyer's schedules have been based thereon. If Buyer agrees to accept deliveries after the date established herein for delivery has passed, Seller shall be responsible for all cost occasioned to Buyer as a result of late delivery including any additional cost to Buyer resulting from expediting shipment. Any such acceptance of late deliveries shall be at such reduction in price as it is equitable under the circumstances unless such late delivery arises out of causes beyond the control and without the fault or negligence of Seller. Acceptance of late deliveries shall not relieve Seller of the obligation to make future deliveries in accordance with the delivery schedule established herein.

### 6. PAYMENT

Seller shall be paid the prices set forth herein less deductions, if any, after delivery and acceptance by Buyer, and upon submission of proper invoices or vouchers. Payment will be made on partial deliveries accepted by the Buyer when the amount due so warrants, or when requested by the Seller, if the payment would equal or exceed \$1,000.00. In case of conflict between unit prices and total price, unit prices will control. Invoices, together with proof of each shipment shall be submitted in duplication to REDCOM Laboratories, Inc., One Redcom Center, Victor, New York 14564-0995, and Attn: Accounts Payable Department. Invoices shall not accompany shipments to destinations other than REDCOM Laboratories, Victor, New York. Delays in receiving invoices, as well as errors and omissions thereon, will be considered just-cause for withholding payment without losing discount privileges. Unless otherwise agreed, invoices covering material shipped in advance of specified delivery dates will not be paid until their normal maturity after the date specified for delivery.

### 7. CHANGES

Buyer may at any time prior to final delivery under this order by written order and without notice to sureties, if any, make changes within the general scope hereof in any one or more of the following: (1) drawings, designs or specifications; (2) method of shipment or packing; (3) place or time of delivery and; (4) the quantity of items ordered, provided that any change directed hereunder shall not increase the quantity of items to be delivered by more than 25%.

If any such change causes an increase or decrease in the cost of or time required for performance of this order, an equitable adjustment shall be made in the price or delivery schedule or both, and the order shall be modified accordingly; provided, however, that any equitable adjustment in price to which the Seller may be entitled as a result of an increase in the quantity of items ordered, shall not exceed the unit price established herein for such items. Any claims by the Seller for adjustment under this article must be asserted within fifteen (15) days from the date of notification of the change; provided, however, that the Buyer if it decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment of this order. Failure to agree to an adjustment shall not excuse the Seller from proceeding with this order as changed.

Whether made pursuant to this clause or by mutual agreement, changes shall not be binding upon Buyer until agreed to in writing by a member of Buyer's Purchasing Department. The issuance of information, advice, approvals or instructions by Buyer's technical personnel or other representative shall not affect Buyer's and Seller's rights and obligations hereunder unless the same is in writing and signed by a member of Buyer's Purchasing Department and which expressly states that it constitutes an amendment to this order.

### 8. INSPECTION

All articles called for hereunder or portions thereof shall be subject to inspection and test by the Buyer, or authorized Government representative at any point during the manufacture thereof and in any event prior to acceptance. Final inspection and acceptance shall be after delivery at Buyer's plant. If any inspection or test is made on the premises of Seller, Seller shall provide reasonable facilities and assistance for the safety and convenience of inspection personnel. Buyer shall have the right to reject articles found upon inspection not to conform to this purchase order, to require their correction (either in-place or at Seller's plant, at Buyer's option), or to accept nonconforming articles at a reduction in price which is equitable under the circumstances, if as a result of sampling inspection, any portion of a lot or shipment of like or similar items is found not to be in conformity with this order. Buyer may reject and return the entire shipment or lot without further inspection or, at its option, complete inspection of all items in the shipment or lot reject and return any or at nonconforming units (or accept them at a reduced price) and charge Seller the cost of such inspection. Items, once rejected, shall not thereafter be tendered for acceptance unless the former rejection is made known. Buyer's acceptance of any nonconforming article shall not constitute a waiver of specifications requirements for any additional articles required to be delivered hereunder.

Buyer shall not be required to inspect or test articles hereunder. It shall be the Seller's responsibility to adequately test and inspect the articles to be tendered for acceptance to assure that such articles are in strict conformance with all the requirements of this order. By such tender, Seller assures Buyer that such articles offered so comply.

### 9. WARRANTIES

The Seller warrants that all articles to be delivered hereunder shall be merchantable, fit for the intended use, free from defect in workmanship and material and shall conform to the specification. If the Buyer shall give the Seller notice of any defect or nonconformity within one year from the date of delivery of any article affected thereby, the Seller shall at no cost to the Buyer and with all possible speed, furnish replacement thereof. Warranties shall then continue for an additional one year period as to the new replacement articles. Warranties shall survive Buyer's inspection delivery, acceptance or payment by Buyer and shall together with Seller's service guarantees, if any, run to Buyer and its customer. The Seller further warrants that the prices set forth herein are as low as any net price now given by the Seller to any other customer for like materials and quantity, and agrees that if during the pendency of this order lower net prices are quoted to anyone for similar materials, such lower net prices shall be from that time substituted for the prices contained herein. The above warranties shall be in addition to any other rights and warranties available to Buyer:

### 10. TERMINATION OR CANCELLATION

Buyer may at any time by written or telegraphic notice terminate for its convenience or cancel for Seller's breach all or any part of this order. If this order is terminated for Buyer's convenience, except as provided below, settlement shall be made in accordance with the applicable principles and procedures contained in Section 8-706 of the Armed Services Procurement Regulation in effect on the date of this purchase order. If this order is cancelled for Seller's breach or if Seller is in breach of this order when it is terminated for convenience, Seller shall not be entitled to and shall have no claim against Buyer for any costs incurred or any profit with respect to the terminated or cancelled portion of this order.

If at any time Seller, in Buyer's judgment, is failing to make sufficient progress so as to endanger performance of this order in accordance with its terms or Buyer otherwise has reasonable grounds for insecurity with respect to Seller's performance under this order, Buyer shall have the right to do so notify Seller and request adequate assurances of due performance, including, if specifically requested, a performance bond in a face amount equal to the total amount of this order and in a form and with a surety acceptable to Buyer. Failure by the Seller to furnish the requested assurances (including the performance bond, if demanded) within ten (10) days after receipt of written notification and request (or such further period as Buyer may grant) shall constitute sufficient ground for cancellation or this order in whole or in part for Seller's breach thereof without further notice.

The rights and remedies provided Buyer herein shall not be exclusive, but are cumulative and in addition to any other right and remedies provided by law or under this order.

**REDCOM is an Equal Opportunity Employer. It is our policy to develop and maintain Equal Employment Opportunity with respect to employees and applicants for employment. We are committed to:**

1. Recruit hire, train and promote persons in job classifications without regard to race, color, creed, gender, age, religion, national origin, marital status, handicap or status as a Vietnam Era or special disabled veteran,

2. Ensure that all personnel actions such as compensation, benefits, job assignments, layoffs, returns from layoffs, company-sponsored training, education, tuition assistance, social and recreational programs are administered without regard to race, color, creed, sex, age, religion, national origin, marital status, handicap or status as a Vietnam Era or special disabled veteran.