

Bendick Precision Inc.

Terms & Conditions – Effective Date: January 1, 2015

The provisions contained herein are an integral part of each purchase order.

1) Acceptance

By accepting this Purchase Order, Seller agrees to be legally bound by all of the terms and conditions of this Purchase Order as set forth in the Purchase Order, and any additional terms and conditions attached to it or referenced by it. No change, modification or revision of this order shall be valid unless in writing and signed by the Buyer.

2) Seller's Warranty

Seller warrants that all the materials and the articles supplied in the performance of this Purchase Order will be merchantable and will conform to the applicable blueprints, specifications, instructions or other descriptions and will be of good workmanship and free from defect. Seller agrees to replace at Seller's expense any such items found defective or non-conforming.

3) Blueprints and Specifications

If the blueprints and specifications and other instructions for this Purchase Order are supplied to Seller by Bendick Precision, all such information is deemed to be confidential and shall be treated as such and not given to others without the prior written consent of Bendick Precision.

4) Termination

Bendick Precision Inc. may terminate this Purchase Order, in whole or in part, without cause and for its sole convenience upon at least 30 days prior notice to Seller. Bendick's liability to Seller in event of such termination shall be limited to the price of all materials or articles delivered to and accepted by Bendick Precision prior to the effective date of termination.

In the event Seller defaults in the performance of any of the terms and conditions of this Purchase Order, Bendick may in addition to any other remedies legally available to it, provide the Seller with fifteen (15) days written notice, during which time Seller will have the right to cure the reasons for such default. Should Seller fail to cure during such period, Bendick may terminate without further obligation or liability to Seller.

5) Compliance With Applicable Laws

Seller agrees to comply with all laws, rules and regulations, whether Federal, State or otherwise, which apply to or in any manner affect the operation of Seller, its employees or the work hereunder. This includes the Equal Opportunity Act, and all applicable rules and regulations of the Office of Federal Contract Compliance.

6) Assignment

No part of this Purchase Order may be assigned or subcontracted by the Seller without prior written approval of Bendick Precision Inc.

7) No Waiver

Failure of Bendick Precision to exercise any right hereunder or insist upon strict compliance with regard to any term specified herein shall not constitute a waiver of Bendick's right to exercise such right or demand strict compliance with any term hereunder.

8) Governing Law

This Purchase Order shall be governed by the Uniform Commercial Code and other applicable laws of the State of California that are in effect on the date of this Purchase Order.

9) Entire Agreement

This Purchase Order contains all of the terms and conditions agreed upon by the parties and no other agreements, oral or otherwise, regarding the subject matter of this Purchase Order shall be deemed to exist or to bind any of the parties involved.

Quality Clauses

10) Control of Quality

The supplier is required to provide and maintain an Inspection and Quality Control System commensurate with the complexity and reliability of the product to be supplied, and with the quality requirements of the Purchase Order. The system employed is subject to verification by Bendick Precision Inc.

11) Measurement System

The supplier shall control devices used for inspection and measurement and they shall be calibrated or verified traceable to a national standard.

12) Traceability

The supplier shall in the performance of this order, provide and maintain a system of traceability on all material and components.

13) Certification of Conformance

Each shipment shall be accompanied by a signed and dated certification, which will include the Bendick Precision purchase order number, part number and current revision, serial number(s), lot/batch or heat numbers and quantities from each lot, as applicable. The C of C form shall indicate a positive statement of product conformance.

14) Record Retention

The supplier is required to maintain on file at the supplier's facility, quality records traceable to the conformance of product delivered to Bendick Precision Inc., and to make such records available to Bendick Precision. The supplier shall retain such records for a period of not less than ten years from the date of shipment.

15) Right of Entry

Bendick Precision Inc., its customers and/or representatives of involved regulatory agencies have the right to inspect and evaluate supplier's facilities, systems, records, equipment, personnel, materials and completed articles manufactured for Bendick Precision.

16) Special Process Certification

When applicable, in addition to the above, each shipment shall be accompanied by a signed certification, from the processor, indicating the special process that was performed and the specifications/standards that it was performed to and is compliant with. Special processes include but are not limited to heat treating, welding, brazing, plating, anodizing and non-destructive testing processes such as x-ray, liquid penetrant, magnetic particle, ultrasonic and visual inspection.

17) Raw Material Chemical/Physical Test Reports

Each raw material shipment shall be accompanied by a copy of the original test report containing quantitative data for the chemical analysis and/or physical properties, as applicable, for the material supplied or used in the manufacture of the product (i.e., forging, casting, plate, bar, chemical).

18) Product or Process Changes

The supplier must notify Bendick Precision prior to incorporating any change or substitutions for the product or process ordered. Changes to method, material, measurement, manpower, environment or any other source of variation affecting product quality must have Bendick's prior written approval.

19) Registration Status

The supplier shall notify Bendick of any changes in their registration status (e.g., ISO 9001, AS9100, NADCAP, etc.), such as, an updated certificate, a new certification number, suspension, revocation or a switch to another registrar.

20) Contamination Control

Components and/or assemblies being supplied may have medical applications. The product shall be cleaned to eliminate all contamination such as, tarnish, rust, corrosion, paints, preservative and organic materials such as, grease, oil, ink and dye. The use of organic based corrosion/tarnish inhibitors or sealers is prohibited. Hanging burrs, scale, imbedded or attached particulate and loose materials such as chips and flakes must be removed. The packaging used shall maintain cleanliness during shipment and storage.