

# TERMS AND CONDITIONS FOR PURCHASES



This contract constitutes the full understanding of the parties, and a complete and exclusive statement of the terms of their agreement. No conditions, understandings, or agreement purporting to modify or vary the terms of this contract shall be binding except by written agreement signed by an authorized representative of each party, expressly referring to this account.

**OTHER CONTRACT:** The terms and conditions of written and signed supplier agreements or supplier contracts supersede the stipulations of the TERMS AND CONDITIONS FOR PURCHASES expressed in this document. Without a supplier agreement or supplier contract the stipulations contained in the TERMS AND CONDITIONS FOR PURCHASES shall be the terms, conditions and stipulations and are now be in force between us.

**CONTINGENCIES:** Buyer may cancel, without liability, any unshipped portion of this contract or incomplete portion of any services if Buyer finds it impracticable to accept the material or services due to causes beyond its control, including, without being limited to, fires, floods, labor troubles, strikes, breakdowns, riots act of God or act of Government; Seller shall have the same privilege if Buyer determines as a matter of fact that Seller is unable to deliver or perform and such inability is due to causes beyond Seller's control, including , but not limited to fires, floods, labor trouble's, strikes, breakdowns, act of God or act of the Government.

**DELIVERY:** The delivery shall be in accordance with the release schedules communicated by JOST through JOST's written PO system. All containers and shipping papers are to be clearly marked with JOST part #, JOST PO# and quantity per container. Material ownership claims can be based solely on JOST's written POs. Claims based on verbal orders or email orders will be denied without exception. Delivery as outlined in "Vendor Requirements" is expected. An on-time delivery of 100% (+/- 1 day in relation to the delivery date confirmed by the SUPPLIER) is expected. SUPPLIER shall confirm orders placed by JOST within 2 business days.

**PROCUREMENT AND PRODUCTION RELEASE TERMS:** A period of 3 months is set to be firm for production release and additional 3 months for planning or forecasting purposes. The forecasted figures will be marked with a "P" in the PO. Parts and quantities ordered within the firm time period are released for production and delivery as outlined in the PO. However, JOST has the right to postpone shipments of those firm quantities up to 3 months without penalty. Supplier claims for produced and/or purchased raw material outside the 3 months firm period will be denied without exception. Jost's responsibility for parts and raw material is limited to the 3 months firm quantities only.

**SURCHARGES:** JOST will order parts and material based on the base price plus the surcharges that apply at time of order. Both will be listed separately on the PO. Supplier shall confirm the surcharges within two days of order. The surcharges will apply for the 3 months firm time period only and need to be reconfirmed going forward. Base price changes will not be accepted unless specifically agreed upon in writing.

**WARRANTY, INSPECTION:** All goods materials and articles covered hereby are subject to buyer's inspection within a reasonable time after arrival at destination. Seller warrants that the goods, materials and articles ordered herein will be free from defects in materials and workmanship and will conform to the specifications contained herein and/or to samples, drawings, designs or other specifications approved or adopted by Buyer, and, unless otherwise specified herein, to recognized commercial standards of quality and function for the kind of goods, materials or articles covered hereby. In the event any of the goods, materials or articles are not as warranted herein, Buyer shall at its option hold such goods, materials or articles at Seller's expense for Seller's disposition or shall return them to Seller at Seller's expense. Any goods, materials or articles so rejected shall, at Buyer's option, either be replaced by Seller at no additional cost to Buyer, or Seller shall refund the purchase price applicable thereto. Buyer shall notify Seller promptly after making any such rejections and shall afford Seller reasonable opportunity to inspect such goods before return. Buyer reserves the right to cancel this contract without liability except for goods, materials and articles shipped and finally accepted if any of the goods, materials and/or articles are not as warranted herein, or if they are not shipped on the date specified herein. Buyer's rights specified herein shall be in addition to, and not limitation of, any rights buyer may have at law for any breach of Seller's warranty.

**MANIFEST:** Seller agrees to include with each shipment a complete detailed list of all items contained therein, and mail a copy of same to consignee at destination address at the time shipment is made.

**INVOICES AND CASH DISCOUNT:** Seller agrees to mail separate invoices for each shipment within twenty-four hours after shipment, dated as of the date of shipment. Buyer failure to receive invoices promptly will make it necessary for Buyer to extend payment date without loss of discount. Buyer reserves the right to compute the cash discount date of each invoice from the date on which Seller correctly completes Seller's portion of the transaction involved, including the issuance and forwarding of correct invoice, and to add to the discount period any additional time required by Buyer in consequence of Seller's failure properly to execute this contract.

**PREPAID TRANSACTION CHARGES:** If transportation charges are prepaid by Seller and Charged to Buyer, the amount thereof must be separately stated on the invoice for the goods (not billed separately) and must be supported by receipted transportation bills.

**EXTRA CHARGES:** Buyer will not pay any additional charges for cutting, inspection, packing, trucking, insurance, or similar items, unless authorized herein or subsequently agreed to by Buyer in writing.

**WAIVER:** Buyer's payment of all or any part of the purchase price prior to Buyer's inspection and approval of the goods shall not constitute a waiver of any of Buyer's rights here under.

**PATENT INFRINGEMENT:** Seller guarantees that Buyer's purchase, use or sale of the goods furnished on this contract, in the form in which furnished to Buyer, will not infringe any valid United States or foreign patent, and Seller agrees to defend any claim, action or suit that may be brought against Buyer for patent infringement by reason to indemnify Buyer and hold Buyer harmless against all judgments, decreases, damages, costs and expenses recovered against Buyer or sustained by Buyer on account of any such actual or alleged infringement.

**PATENT DISCLAIMER:** Seller agrees that if the articles designated in this contract are to be manufactured by Seller in accordance with any ideas, designs or specifications, the essential, secret, or novel features of which originated with Buyer or were developed by Buyer or are owned or controlled by Buyer (a) Seller will not disclose any such essential, secret, or novel features to anyone, and (b) Seller will not file, or attempt to file, any application for a United States or foreign patent thereon, and (c) Seller will, upon Buyer's request, execute any document necessary or desirable to confirm title thereto in Buyer.

**TAXES AND OTHER EXACTIONS:** Seller agrees to assume exclusive liability under all laws that impose taxes or exactions on the manufacture or sale of the materials covered hereby, or on any component part thereof, or on any process or labor involved therein, or any services to be performed by Seller, and to pay any and all such taxes except those Buyer specifically agrees, or is, by law required to pay. Any taxes to be paid by Buyer shall be separately stated on invoice. Prices shall not include any taxes for which Seller can obtain, or Buyer can furnish exemption.

**FEDERAL AND STATE LAWS:** seller agrees to comply with all applicable Federal and State laws and municipal ordinances and all rules and regulations there under, and all provisions required thereby to be included herein are hereby incorporated herein by reference. Seller agrees to indemnify and hold the Buyer harmless from any loss, damage or liability resulting from a breach on the part of Seller of any such laws, rules or regulations. By accepting this contract Seller warrants that everything supplied under this contract was produced and/or shipped in accordance with the Fair Labor Standards Act of 1938, as amended, if the contract resulting from this contract is, in fact, a subcontract under any prime contract with the United States Government or any agency or instrumentality thereof, Seller agrees to comply with all applicable provisions of the Walsh-Healy Public Contracts Act, and to adopt the termination provisions of such prime contract as part of this contract.

**AFFIRMATIVE ACTION REQUIREMENTS:** The rules and regulations of executive order 11246, Section 503 Handicapped Individuals and Section 402 Vietnam Era and Disable Veterans in regard to non-discriminatory practices in employment, is hereby incorporated by reference.

**UNITED NATIONS GLOBAL COMPACT:** Supplier has to respect the ten principles of the United Nations Global Compact (<http://www.unglobalcompact.org/AboutTheGC>). Human rights: Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses. Labor: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labor; the effective abolition of child labor; and the elimination of discrimination in respect of employment and occupation. Environment: Businesses are asked to support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies. Anti-corruption: Businesses should work against corruption in all its forms, including extortion and bribery.