

These terms and conditions apply to Purchase Orders (hereinafter "Order") dated January 1, 2016 and thereafter, until superseded. All Orders shall be governed by the Terms and Conditions effective on the date of acceptance of the Order.

1. **Acceptance-Agreement.** If there is no written agreement between the parties concerning the subject matter referred to on the face hereof, the Order, which incorporates any prior specifications, samples, or descriptions of the goods and services and all express and implied warranties, becomes the entire and exclusive agreement between the purchasing entity identified on this Order (hereinafter "Buyer") and Seller. Upon Seller's receipt and acceptance of the Order, Seller agrees that it shall generate a purchase order acknowledgment. Such acknowledgment shall indicate receipt and acceptance of such an order and shall be deemed to be the acceptance by Seller unless the Seller shall separately (i) acknowledge receipt of the order and transmit a modified version of the purchase order as a counter-offer; or (ii) acknowledge receipt of the order and decline to accept the purchase order so transmitted. Commencement of performance and/or shipment of goods as specified on the purchase order shall also constitute acceptance by Seller. Seller agrees that Buyer is not to be bound by any term or condition of Seller in any written acknowledgment, invoice, or otherwise which is inconsistent with or in addition to the terms and conditions herein and that any such inconsistent or additional terms are rejected by Buyer unless specifically agreed to in writing by Buyer. Buyer shall only be bound to commitments which are expressly authorized in writing by an authorized purchasing representative of the Buyer or a senior officer of Buyer's company.
2. **Price.** If price is not stated on the Order or in the written procurement agreement, the price will be Seller's lowest prevailing market price. Except as may be otherwise provided in this Order, the price(s) contained in this Order shall include all applicable federal, state, and municipal taxes of any kind in effect on the date of this order and Buyer shall not be liable for any other costs or charges.
3. **Order Changes.** Buyer shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation. If any such changes cause an increase or decrease in the cost, or the time required for the performance, an equitable adjustment shall be made and the Order shall be modified in writing accordingly. Seller agrees to accept any such changes subject to this paragraph.
4. **Termination and Cancellation.** Buyer reserves the right to terminate the Order for its convenience. In such event Seller shall immediately stop all work and observe any instructions from Buyer as to work in process. Seller shall be paid an equitable adjustment for work already performed. Buyer may also terminate this Order for cause in the event of a default by Seller. In such event, Buyer shall not be liable to Seller for any amounts, and Seller shall be liable for, and shall hold Buyer harmless from, any damages occasioned by the Seller's breach or default. If it should be determined that the Buyer has improperly terminated this Order for default, such termination shall be deemed to be for Buyer's convenience.
5. **Warranty.** Seller warrants that all goods or services furnished hereunder shall be merchantable, and free from any defects in workmanship or material. If Seller has been informed of the use of the products, Seller also warrants that the items furnished hereunder are suitable and appropriate for such use. Seller shall indemnify and save the Buyer harmless from any breach of this warranty, and no limitations on Buyer's remedy in Seller's documents shall operate to reduce this indemnification. Seller shall extend all warranties it receives from its vendors to Buyer. This warranty is in addition to all warranties contained under the law. All warranties will survive acceptance of and payment for any goods and services under the Order.
6. **Nonconforming Product and Material.** Seller is required to notify Buyer of all nonconforming product and material before delivery to Buyer. Seller shall not ship any nonconforming product or material without the express written permission of Buyer.
7. **Inspection.** All goods ordered hereunder will be subject to inspection and testing by Buyer at all reasonable times and places, and in any event, prior to acceptance. It is expressly agreed that inspections and/or payments will not constitute final acceptance and that all goods will be subject to final inspection after delivery to Buyer. If the goods delivered do not meet the specifications or otherwise do not conform to the requirements of this Order, Buyer will have the right to reject them. Goods which have been delivered and rejected in whole or in part may, at Buyer's option, be returned to Seller for reimbursement, credit or replacement, or may be held for disposition at Seller's expense and risk.
8. **Changes in Product or Process/Substitution.** Seller is required to notify Buyer of changes in product and/or process definition. Substitution of material or processes will not be permitted unless authorized in writing by Buyer.
9. **Assignment and Subcontracting.** No part of the Order may be assigned or subcontracted without prior written approval of Buyer.
10. **Flow-Down:** If assignment or subcontracting is approved by Buyer, Seller must document all of Buyer's requirements in the Order, including key characteristics, to ensure the requirements flow down to sub-tier suppliers of the Seller.
11. **Right Of Access and Retention:** On request, Seller will provide assistance to permit the Buyer, Buyer's Customers, and Regulatory Authorities to inspect the premises where and when the work is being performed and the Seller shall make available without cost adequate facilities for the inspection. Seller agrees that the Buyer, Buyer's Customers, and Regulatory Authorities shall, until the expiration of at least fifteen (15) years after the final payment under the Order, have access to and the right to examine any books, documents, papers and records of Seller related to the Order. All records, unless contractually stipulated for longer periods, are maintained for a period of a minimum of fifteen years.
12. **Buyer Approvals And Reviews.** The review or approval by Buyer of any work hereunder or of any designs, drawings, specifications or other documents prepared hereunder shall not (a) relieve Seller of any of its obligations under the Order; (b) excuse or constitute a waiver of any defects or non-conformities on any articles furnished under the Order; or (c) excuse or constitute a waiver of any defects or non conformities on any articles furnished under the Order or change, modify or otherwise affect any of the provisions of the Order, including but not limited to, the prices and delivery schedules contained herein.
13. **Hazardous Materials.** Seller shall notify Buyer of every article ordered hereunder which contains material hazardous or injurious to the health or physical safety of persons even though said hazard or injury may only occur due to mishandling or misuse of the article and ozone layer of the earth. In addition, Seller shall identify such materials and notify Buyer of the effects of such material on human beings and the physical manifestations that could result. For each article so identified, Seller shall supply Buyer with material safety data sheets (MSDS) appropriate to warn persons coming in contact therewith of the hazard and its effects.
14. **Confidentiality.** Seller agrees that all information obtained by or provided to Seller in carrying out the Services provided hereunder, including the contents of the Order, will be maintained in confidence by Seller and that Seller will not publish nor disclose to third persons nor otherwise make use of such confidential information except for the performance of the Order. Buyer's confidential information includes, but is not limited to, Buyer's financial, account, human resources, provider and other proprietary information. This obligation shall not apply with respect to any information (a) which is already in the possession of Seller prior to acquiring the information hereunder, (b) which is or becomes in the public domain through no fault of either party, or (c) which is rightfully obtained on a non-confidential basis from a third party. In addition, certain categories of information, such as Buyer's members' Protected Health Information ("PHI"), is subject to protection under applicable federal and state laws and regulations. To ensure the confidentiality of the above information is protected, Seller agrees to permit Buyer to review Seller's facilities, security practices, and policies relating to the protection of such confidential information. Seller agrees to complete and promptly return to Buyer any affirmation or certification used by Buyer to monitor Seller's compliance with these and other applicable provisions, which certification shall not be required more than once in any twelve (12) month period.
15. **Indemnification and Hold Harmless.** Seller agrees to comply with all applicable laws, regulations, rules and orders of Federal, State and Municipal government bodies and agencies, and will defend and hold Buyer harmless from any loss or damage arising out of any violation thereof. Seller will also defend and hold Buyer harmless from loss or damage by reason of actual or alleged infringement of letters of patent, copyright, or other intellectual property right of a third party. Seller shall defend, indemnify and hold harmless Buyer, its officers, agents, employees, successors and assigns against all damages, claims or liabilities and expenses (including attorneys' fees) arising out of or resulting in any way from any defect in the goods or services purchased hereunder, or from any act or omission of Seller, its agents, employees or subcontractors. This indemnification shall be in addition to the warranty obligations of Seller.
16. **Delivery, Title & Risk of Loss.** Title shall pass to Buyer on delivery of the conforming goods to Buyer's designated location. Notwithstanding any agreement to pay freight, express or other transportation charges, the risk of loss or damage in transit shall be upon the Seller. Delivery shall not be complete until the goods have been actually received, inspected and accepted by the Buyer. If cost of freight and delivery is not to be borne by Seller, the most economical means and route of shipment shall be employed in transporting and delivering the merchandise. If any other means or route is used, any unauthorized additional expense incurred will be charged to Seller.
17. **Late Shipments.** In this Order and any written agreement, time shall be of the essence. If Seller fails to deliver on time, Buyer may purchase replacements elsewhere and Seller will be liable for actual and reasonable costs and damages Buyer incurs. Seller will promptly notify Buyer if it is unable to comply with the delivery date specified in the Order.
18. **Invoice/Payment.** A separate original invoice is required for each shipment under this Order, and no invoice will cover material on more than one Order. Buyer's purchase order number must appear on all correspondence. Discount period and net payment period will be calculated from date of receipt of invoice or after receipt of the products or services, whichever is later. Payment of invoice does not constitute inspection and acceptance of material covered by this order, but rather such products or services will be subject to inspection, test, acceptance or rejection in accordance with the acceptance or completion criteria as specified in this order or the relevant written agreement. Buyer

may, at its option, either reject products or services that do not comply with the acceptance or completion criteria for a refund, or require Seller, upon Buyer's written instruction, to repair or replace such products or re-perform such services without charge in the timely manner.

19. **Governing Law.** The laws of the State of Arizona, without regard to conflicts of law principles of any jurisdiction, shall govern the validity, interpretation and enforcement of the Order.
20. **Disputes.** Any dispute arising under the Order which is not settled by agreement of the parties shall be settled by arbitration in Phoenix, Arizona pursuant to the Rules of the American Arbitration Association then in effect. Seller expressly agrees and acknowledges that it shall be liable to Buyer for all costs and expenses incurred by Buyer, including attorneys' fees, if Seller files a legal action in any court arising out of the Order or commences arbitration or mediation proceedings in violation of this Section.
21. **No Waiver.** Buyer may only waive a breach of a provision hereof in a writing specifically referencing such intent and no waiver shall constitute or be deemed to be a waiver of any other breach or provision hereof.
22. **Entire Agreement.** If there is no written agreement between the parties concerning the subject matter referred to on the face hereof, then the Order and any documents referred to on the face hereof, constitute the entire agreement between the parties
23. **Order of Precedence.** In the event of any inconsistencies among Buyer's documents, the inconsistency will be resolved by giving precedence in the following order: (1) written specifications or drawings, (2) any non-printed agreement signed by both parties, (3) the printed terms of the Order, including all clauses incorporated by reference
24. **Rights And Remedies.** Buyer's rights and remedies set forth herein shall not be exclusive but shall be cumulative and in addition to all other rights and remedies available to Buyer in law or equity.
25. **Notice To Buyer Of Labor Disputes:** Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this Order; Seller shall immediately give notice thereof, including all relevant information, with respect thereto to Buyer. Seller agrees to insert the substance of this clause, including this paragraph, in any subcontract hereunder as to which a labor dispute may delay the timely performance of this order.
26. **Statutory Compliance.** Seller warrants that in the performance of the Order it will comply with all applicable Federal, state and local laws, regulations, orders and other directives issued pursuant thereto. Seller shall certify on all invoices that the goods were produced in compliance with all applicable requirements of:
 - The Fair Labor Standards Act of 1938 (29 U.S.C. 201-219), Sections 6, 7, and 12, as amended;
 - The Walsh-Healey Public Contracts Acts (41 U.S.C. 35-45); laws prohibiting the use of convict labor, and of regulations and orders of the United States Department of Labor issued under Section 17 thereof, as amended from time to time, all other federal, state and local laws, all regulations and orders issued under any applicable law.
 - The Affirmative Action provisions of 41 C.F.R. Section 60-1.4(a), 41 C.F.R. Section 60-250.5(a) and Section 60-300.5(a), and 41 C.F.R. Section 60-741.5(a), which provisions are, if applicable, hereby incorporated by reference. As required, Seller agrees to submit Form EEO-1 on an annual basis and to maintain written up-to-date affirmative action programs for each of its facilities.
 - Seller warrants that the equipment to be furnished hereunder complies with the Occupational Safety and Health Act of 1970 (29 U.S.C. 651-678) and the Radiation Control for Health and Safety Act of 1968 (42 U.S.C. 263 b-n) and all applicable regulations and standards promulgated hereunder.

UNDER A GOVERNMENT CONTRACT, THE FOLLOWING ADDITIONAL PROVISIONS ARE APPLICABLE: The Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation (DFAR) in effect on the date hereof, are incorporated herein by reference in fulfillment of a U.S. Government contract. Where necessary to make the context applicable hereto, the term "Contractor" shall mean Seller. "Government" and "Contracting Officer" shall mean Buyer or the Government, and "Contract" shall mean this order.

27. **Required FAR Provisions And Clauses:**

52.202-1 Definitions	52.223-6 Drug-Free Workplace
52.203-3 Gratuities	52.225-8 Duty-Free Entry
52.203-5 Covenant Against Contingent Fees	52.225-18 Place of Manufacture
52.203-6 Restrictions on Subcontractor Sales to the Government	52.227-1 Authorization and Consent
52.203-7 Anti-Kickback Procedures	52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement
52.203-8 Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	52.227-10 Filing of Patent Applications—Classified Subject Matter
52.203-10 Price or Fee Adjustment for Illegal or Improper Activity	52.232-1 Payments
52.203-12 Limitation on Payments to Influence Certain Federal Transactions	52.232-17 Interest
52.209-6 Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment	52.233-1 Disputes
52.211-5 Material Requirements	52.233-2 Service of Protest
52.215-2 Audit and Records—Negotiation	52.233-3 Protest after Award
52.216-24 Limitation of Government Liability	52.233-4 Applicable Law for Breach of Contract Claim
52.216-25 Contract Definitization	52.242-15 Stop-Work Order
52.219-8 Utilization of Small Business Concerns	52.244-6 Subcontracts for Commercial Items
52.219-9 Small Business Subcontracting Plan	52.246-2 Inspection of Supplies—Fixed-Price
52.222-21 Prohibition of Segregated Facilities	52.246-16 Responsibility for Supplies
52.222-26 Equal Opportunity (Only subparagraphs (b)(1)-(11) apply)	52.246-23 Limitation of Liability
52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (for contracts greater than \$25,000.00)	52.246-24 Limitation of Liability—High-Value Items
52.222-36 Affirmative Action for Workers with Disabilities (or contracts greater than \$10,000.00)	52.247-29 F.o.b. Origin
	52.248-1 Value Engineering
	52.249-2 Termination for Convenience of the Government (Fixed-Price)
	52.249-6 Termination (Cost-Reimbursement)
	52.249-8 Default (Fixed-Price Supply and Service).
28. **Required DFAR Provisions And Clauses:** Applicable if the Order is placed under a Department of Defense prime contract.

252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense-Contract-Related Felonies	252.225-7016 Restriction on Acquisition of Ball and Roller Bearings
252.215-7000 Pricing Adjustments	252.225-7025 Restriction on Acquisition of Forgings ²
	52.244-7000 Subcontracts for Commercial Items and Commercial Components (DoD Contracts)

29. **UNDER A GOVERNMENT CONTRACT, THE FOLLOWING PROVISIONS ARE ADDED TO PARAGRAPH 3 "Termination And Cancellation:"**

Termination: (a) Buyer may terminate this order, in whole or in part, in accordance with the provisions of the "Default" clause set forth in FAR 52.249-8 if Seller fails to comply with any of the provisions hereof, or if Seller becomes the subject of a proceeding under state or federal law for relief of debtors or makes an assignment for the benefit of creditors. (b) Without affecting its right to terminate this order under paragraph (a) hereof, Buyer may, for its convenience, terminate this order in whole, or from time to time, in part, in accordance with the provisions of the "Termination" clause set forth in FAR 52.249-2. (c) The FAR clause referred to in paragraphs (a) and (b) are hereby incorporated herein by reference as in effect on the date hereof, with the following changes: the words "Government" and "Contracting Officer" shall mean Buyer, the word "Contract" shall mean this order and the word "Contractor" shall mean Seller.

Stop Work Order: The provisions of the clauses contained in FAR 52.242-15 in effect on the date hereof are hereby incorporated herein by reference with the following changes: the words "Contracting Officer" and "Government" shall mean Buyer. The word "Contractor" shall mean Seller. The words "ninety (90) days" are hereby changed to one hundred (100) days; and the words "thirty (30) days" are hereby changed to twenty (20) days whenever they appear; and the reference to the "Termination for Convenience" clause shall be deemed to refer to paragraph (b) of the clause hereof entitled "**Termination and Cancellation.**"