

Purchasing Terms & Conditions

12/6/2012 - The following terms and conditions (T's & C's) apply to purchase orders issued by Martinez and Turek, Inc. (M&T). The T's & C's presented herein for the most part represent those similar conditions imposed by the US Government and many of its prime and OEM suppliers. Any exceptions therewith are hereby rejected, unless otherwise mutually agreed to in writing by M&T.

Acceptance - Acceptance of this purchase order (PO) or commencement of any work by seller shall constitute seller's acceptance of these terms and conditions.

Applicable Laws - This PO shall be interpreted and governed by laws of the State of California. Except as otherwise provided herein, the provision of the Uniform Commercial Code applicable to sales shall apply and by this reference are included as an essential part of this PO.

Nondisclosure of Information - No information provided by M&T in connection with the work or terms of this PO, may either in whole or in part, be disclosed by seller to any other party without the expressed prior written consent of M&T.

Martinez and Turek Property - Unless otherwise agreed to by the parties to this PO, any material, tooling or other property furnished by M&T or that is procured, designed or manufactured by the seller to aid in the performance of any PO issued by M&T, shall become the property of M&T and delivered to M&T upon demand. Seller shall maintain all material, tooling and other property, furnished by M&T or that is designed and fabricated by the seller, in the functional and operating condition for which they are intended for as long as the seller retains custody.

Seller agrees to indemnify M&T against damages or injuries resulting from seller's use of M&T's furnished property, and/or that designed and manufactured by seller in the performance of this PO.

Martinez and Turek Premises - In the event seller's employees, agents or other third party representatives enter premises owned or controlled by M&T in fulfillment of this PO, seller does hereby agree to indemnify and hold M&T, its officers and employees harmless from damages caused to M&T property or injury to persons representing seller, including third parties. Seller agrees to defend M&T against any loss, claims, suits, damages, personnel injuries, deaths, liability, actions, proceedings, expenses or costs (including reasonable attorney fee) relative to any such damages arising out of or in connection with negligent actions or omissions of the seller.

Seller shall maintain Workmen's Compensation, public liability and property damage insurance covering all employees performing services under this PO. Reasonable amounts covering liability for incurred damages to M&T property and injuries to all persons representing seller and to others that become injured to seller's negligence and omissions. Certificate of insurance evidencing the above shall be provided to M&T upon request.

Delays - Failure of seller to perform to the requirements of this PO due to delays not attributed to causes beyond the seller's control e.g., Force Majeure, and to which seller has not given M&T appropriate notice within ten days of the occurrence, shall be deemed an avoidable delay. Seller agrees to exert reasonable effort to avoid delays, including overtime and premiums.

Avoidable delays could cause M&T to incur unforeseen and projected delays in delivery and cost. In such event, M&T shall, at its sole discretion, either manufacture the ordered item (s), or procure the ordered item (s) total quantity from other sources of supply in order to ensure its commitment and seller shall be liable for any resultant procurement and other incurred costs.

Changes - M&T reserves the right to, at any time during the performance of this PO, make changes, including but not limited to changes to, 1) drawings and other documents, 2) quality requirements, 3) shipping instructions and 4) place of delivery. If seller believes such change or changes affects cost and/or delivery of the item ordered, seller shall immediately notify M&T of such impact. If after ten working days seller has not advised M&T of any cost or delivery impact for the change or changes, then such changes shall be assumed accepted by the seller.

Termination - M&T reserves the right to terminate this PO in whole or in part for reasons other than breach or default of the seller. In the event of such termination, seller shall be entitled to compensation for: 1) the purchase price of goods ordered, 2) reasonable costs for work performed, and 3) reasonable profit. Any goods purchased by the seller and consequently paid for by M&T, shall become the property of M&T and delivered to M&T upon request. Any documentation or goods furnished by M&T that is solely for the benefit of the cancelled item shall not be copied or reproduced in any way, and shall be immediately returned to M&T.



Default - In addition to other remedies provided M&T by law, M&T shall have the right to, at its sole discretion, correct any nonconforming goods at seller's expense and seller shall transfer title of any partially completed goods, including tooling, fixtures and shop aids to M&T. Payment for completed goods will be at the PO unit price, and the price for partially completed goods shall be computed by taking the agreed to percentage of the partially completed goods and multiplying that by the PO unit price to yield the unit price to be paid.

Quality Requirements

Quality Management System - M&T requires suppliers to maintain a minimum inspection and test quality system. If at any time the seller's quality assurance standards diminish, fail to meet, or are not in compliance with a minimum inspection and test system, unless otherwise noted on the PO, M&T, Inc. reserves the right, and seller hereby concurs with such right, to review and audit, and inspect seller's product (s), processes, and resources prior to delivery. Failure to meet standards may result in request for cause and corrective action.

If seller, for any reason feels they cannot meet the minimum quality standards of M&T, Inc., or if further explanation of these standards is necessary, seller is advised to immediately contact M&T Inc. Buyer, incur no cost, and to begin no work prior to the resolution of all concerning issues to the mutual satisfaction of the parties to this PO. Failure to inquire of these standards does not relieve seller of its obligation to perform to the requirements of this PO.

Nonconforming Product Notification and Approval of Supplier Nonconforming Material - All suppliers are required to notify M&T of nonconforming product and make arrangements for M&T approval of supplier nonconforming material prior to shipping.

Approval of Product, Procedures, Processes, Personnel and Equipment - Requirements for approval of product, procedures, processes, personnel and equipment may be flowed down to M&T suppliers as identified and detailed on the specific PO. M&T customers may flow these requirements down to M&T, and they may be required to be flowed-down to our suppliers.

Applicable Issues of Specifications, Drawings, Process Requirements, and Inspection Instructions - Unless otherwise and specifically identified on the PO, the most recent revisions of all technical documents, drawings, and other relevant technical data shall apply to the PO.

Requirements for Design, Test, Examination, Inspection and Related Instructions for Acceptance by M&T - Requirements for design, test, examination, inspection and related instructions for acceptance by M&T may be detailed on applicable PO's.

Requirements for Test Specimens (e.g., production method, number, storage conditions) for Design Approval, Inspection, Investigation or Auditing - Requirements for test specimens (e.g., production method, number, storage conditions) for design approval, inspection, investigation or auditing by M&T may be detailed on applicable PO's.

Requirements for the Supplier to Notify M&T of changes in product and/or Process Definition and obtain M&T approval - Requirements for the supplier to notify M&T of changes in product and/or process definition and, where required, obtain M&T approval may be flowed down on applicable PO's.

Right of Access - M&T, all M&T customers, customer representatives, customer affiliated groups, government organizations, and regulatory agencies shall be allowed access to all facilities involved in the order when coordinated through and accompanied by an M&T, Inc. designee. The right of entry allows verification of the quality of work, records, facilities, and material during any part of the process.

Packaging - Each item purchased by this order shall be packaged and shipped in a manner that will ensure its safe and undamaged receipt by M&T. M&T, in order to fulfill its contractual obligations, reserves the right to return damaged or defective goods received from seller at seller's sole expense or to manufacture the ordered item itself, or to procure the ordered quantity from other sources of supply. In such event, seller shall be liable for all resultant M&T incurred costs.

Delivery Inspection - M&T reserves the right to inspect each delivered item prior to payment of any corresponding invoice. M&T may, at its sole option, inspect all delivered items within ten (10) working days following receipt. Any discrepancies noted may cause the total quantity received to be rejected and returned to the Provider at Provider's sole expense. Not later than ten (10) working days following receipt of a purchased item, unless otherwise advised by M&T, said item will be deemed acceptable to M&T, and Provider's invoice thereafter will be paid in accordance with the terms of the PO.

Discrepant Documentation Clause - Some of the documents provided by M&T for the fabrication and/or assembly of items ordered by this PO are not the property of M&T. As a consequence, Seller is advised to carefully review each of the documents

property of M&T, and M&T had no involvement in their preparation, and review.

M&T makes no representations or warranties, either expressed or implied, as to the M&T Data and Assistance, if any, furnished by M&T. BY WAY OF EXAMPLE BUT NOT OF LIMITATION, MARTINEZ & TUREK MAKES NO REPRESENTATIONS OR WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR THAT THE USE OF THE FURNISHED DATA AND ASSISTANCE, IF ANY, WILL NOT INFRINGE ANY PATENT, COPYRIGHT OR TRADEMARK.

As a consequence Seller is advised to carefully review each document provided and to note any anomaly, discrepancy, inaccuracies or inconsistency to the M&T and to clearly identify such anomalies, discrepancies, inaccuracies and inconsistencies to the attention of the Buyer.

Seller is advised to incur no cost until identified discrepancies have been satisfactorily resolved and M&T's written authorization to proceed has been issued.

Equal Opportunity Provisions

EQUAL OPPORTUNITY. (If during any 12 month period, including the 12 months preceding award of a Subcontract or Purchase order of which this Clause is a part, Seller [referred to in this Clause as 'Subcontractor'] has been or is awarded U. S. Government Contracts and/or Subcontracts which have an aggregate value in excess of \$10,000.00, Seller shall comply with this Equal Opportunity clause, and on request is obligated to provide information necessary to determine applicability of this clause).

During the performance of any Subcontract or PO to which this clause is made a part, Subcontractor agrees as follows:

(1) The Subcontractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The Subcontractor will take affirmative action to ensure that applicants are employed, and that employees are treated equally during employment, Without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following; employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; lay off or termination, rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Subcontractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Government direct or through Buyer, setting forth the provisions of this Equal Opportunity clause.

(2) The Subcontractor will, in all solicitations or advertisements for employees placed by or on behalf of the Subcontractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The Subcontractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided by the Government, direct or through Buyer, advising the labor union workers' representative of the Subcontractor's commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The Subcontractor will comply with all provisions of Executive Order 11246 as amended, and of the rules, regulations and relevant order of the Secretary of Labor.

(5) The Subcontractor will furnish all information and reports required by Executive Order 11246 as amended, and by the rules, regulations and orders of the Secretary of Labor or pursuant thereto, and will permit access to his books, records, and accounts by the Government contracting agency and the secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the Subcontractor's noncompliance with the equal Opportunity clause of this Subcontract or PO or with any of the said rules, regulations, or orders, this Subcontract or PO may be cancelled, terminated or suspended in whole or part and the Subcontractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order 11246 as amended, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 as amended, or by the rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The Subcontractor will include the provisions of paragraph (1) through (7) in every Subcontract or PO unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 as amended,



Provided however, that in the event the Subcontractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the Government a contracting agency, the Subcontractor may request the United States to enter into such litigation to protect the interest of the United States.

A cancellation or termination of the Subcontract or PO of which this clause is a part by or at the direction of the Government for noncompliance with the Equal Opportunity clause shall be a ground for Buyer to terminate the Subcontract or Purchase Order for default.

Note: All Executive Order references above are to Executive Order 11246 of September 24, 1965 as amended by Executive Order II 375 of October 13, 1976.

The provisions of Section 402 of Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, 38 U.S.C. 2012 are expressly incorporated herein by reference and shall be applicable to this PO, Contract, Subcontract, Lease or Government Bills of Lading unless exempted under the rules, regulations or orders of the Secretary of Labor.

MT EOP Clause 1-106 7/97