



Buyer Terms and Conditions

4385 E. Lowell St, Ste. A
Ontario, CA 91761

Tel: 951.684.8034
Fax: 951.684.6125

1. INSPECTION

- a. Notwithstanding prior inspection or payment for the goods and services ordered, all such articles are subject to final inspection and acceptance at Buyer's plant within a reasonable time after delivery and Buyer shall have the right to reject any goods or services found defective or not in conformance with specifications or the warranty provisions. Rejected articles will be returned at Seller's option and his risk and expense for full credit or refund and shall not be replaced unless so specified by (FIS) Ferrari Interconnect Solutions
- b. The Buyer reserves the right to use MIL STD 105 or equivalent sampling plans for the acceptance or rejection of supplies. If a lot is rejected by the sampling procedure the entire lot may be returned to Seller for screening at Seller's expense, or at the option of Buyer, the rejected lot may be screened by Buyer at Seller's expense.

2. WARRANTY

Seller warrants to (FIS) Ferrari Interconnect Solutions and to purchasers of (FIS) Ferrari Interconnect Solutions products that the goods called for by this order will be free from defects in material and workmanship, will be reasonably fit for the purposes intended whether express or implied, and shall conform with the requirements of this contract.

3. CHANGES

- a. No modification of, addition to, or waiver of any provision herein contained shall be binding on (FIS) Ferrari Interconnect Solutions unless made by written order of (FIS) Ferrari Interconnect Solutions authorizing such change.
- b. Buyer may unilaterally by written order make changes within the general scope of this order in
 - i. shipping or packing instructions or place of delivery or
 - ii. any drawings or specifications,
 - iii. issue a suspension of work order or,
 - iv. make changes in the delivery schedule, or
 - v. revise the quantity ordered and Seller shall comply therewith without delay.

Within fifteen (15 days) after receipt of notification of such change, Seller shall notify Buyer and provide such detail as Buyer may reasonably require, of the effect of such change on Seller's cost and ability to make deliveries, provided, however, that any time prior to final payment Buyer may receive and act upon any such statement if Buyer finds that the facts justify such action. As soon as practicable, Seller and Buyer shall agree upon an equitable adjustment of the purchase price or the delivery schedule or both and incorporate such agreement into the order by formal purchase order document.

4. INDEMNITY FOR INFRINGEMENT



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Except for goods manufactured to a design furnished by (FIS) Ferrari Interconnect Solutions for which Seller is indemnified and held harmless hereby as to that design in and of itself infringing any United States patent or patent right, Seller shall indemnify (FIS) Ferrari Interconnect Solutions and each subsequent purchaser or user from any claim of infringement of any copy right, trade mark or patent arising from manufacture of other goods.

Upon the commencement of any suit or action, or the making of any claim, the party effected shall promptly notify the other in writing and the party required to assume liability therefore under the foregoing shall promptly assume and diligently conduct the entire defense thereof at its own sole expense provided that the other party shall have the right insofar as its interests are affected, at its sole election but at its own expense, to request the court to permit its intervention in any suit or action or to cooperate in the defense thereof without releasing any obligation, liability or undertaking of the other party, and provided further that (FIS) Ferrari Interconnect Solutions shall have the further right at (FIS) Ferrari Interconnect Solutions sole election and at its own expense to supersede Seller in any such defense, and thereafter to assume and conduct the same according to its discretion to which event Seller shall be released thereby from its obligation to Buyer hereunder.

5. (FIS) FERRARI INTERCONNECT SOLUTIONS MATERIALS AND PROPERTY

- a. Title to any materials or property furnished by (FIS) Ferrari Interconnect Solutions to Seller under the provisions of this order shall remain in (FIS) Ferrari Interconnect Solutions and the risk of loss thereof or damage thereto from time of delivery until return to (FIS) Ferrari Interconnect Solutions shall be borne by Seller.
- b. Use of such property shall be strictly and exclusively as provided in this order, and shall not be encumbered or disposed of nor shall designs be disclosed to others except as agreed by Buyer.
- c. Materials which are to be furnished by Buyer under provisions of this order shall be delivered in sufficient time to enable Seller to meet its delivery schedule. (FIS) Ferrari Interconnect Solutions shall have no liability to Seller by reason of any delay in delivery of, or failure to deliver provided, however, that if as a result of such delay or failure, (FIS) Ferrari Interconnect Solutions should terminate this order, it shall be terminated and settlement made in accordance with Conditions No. 6 hereof.

6. TERMINATION

: The clause set forth in Armed Services Procurement Regulation 8-706, in effect as of the date of this order, is incorporated herein by reference and made a part hereof. Notwithstanding the provisions of said clause, any termination claim of Seller must be submitted to Buyer within six (6) months after the effective date of termination. If this order is not issued under a Government prime contract or subcontract thereunder, the last sentence of Paragraph (i) of said clause shall be deemed deleted.

7. EXAMINATION OF RECORDS

With respect to any order exceeding \$2,500, the Seller agrees that if the face of this order bears a Government prime contract number the duly authorized representatives of the Comptroller General of the United States and the Department of Defense shall, until the expiration of three (3) years after final payment under this contract, have access to and the rights to examine any directly pertinent books, documents, papers and records of the Seller involving transactions related to this order.



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8. ARMED SERVICES PROCUREMENT REGULATION

The following clauses of ASPR in effect on the date of the order are hereby incorporated by reference.

- a. RENEGOTIATION – ASPR-7-103.13; BUYER AMERICAN ACT– ASPR 6-104.5; PRIORITIES, ALLOCATIONS AND ALLOTMENTS– ASPR 7-104.18; UTILIZATION OF CONCERNS IN LABOR SURPLUS AREAS – ASPR 7-104.20; CONTRCT WORK HOURS STANDARDS ACT (P.L. 87-581; WALSH HEALEY PUBLIC CONTRACTS ACT – ASPR 12-604; and Paragraph (a) of ASPR 12-802 NONDISCRIMINATION IN EMPLOYMENT; TERMINATION – ASPR 8-706; EQUAL OPPORTUNITY – ASPR 7-103.18.
- b. Cost or Pricing Data (P.L. 87-653). If the order is for \$100,000 or more, the provisions and the contract clauses of ASPR 7-104.29 (a), Price Reduction for Defective Cost or Pricing Data (Nov. 1962; 7-104.41 (a), Audit (Nov. 1962; and 7-104.42, Subcontractor Cost and Pricing Data (Nov. 1962); are incorporated hereby by reference. The phrase “The Contracting Officer” appearing therein is hereby deleted and (FIS) Ferrari Interconnect Solutions substituted therefore. The Seller shall include in subcontracts hereunder the requirements set forth in this Clause “ii” including this sentence.

9. UTILIZATION OF SMALL BUSINESS CONCERNS

- a. It is the policy of the Government as declared by the Congress to bring about the greatest utilization of small business concerns which is consistent with efficient production.
- b. The Seller agrees to accomplish the maximum amount of subcontracting to small business concerns that the Seller finds to be consistent with the efficient performance of this order.

10. TIME OF ESSENCE

Time is of the essence of this purchase order.

11. CAPTIONS

As used in these terms and conditions, captions are for convenience of reference only and shall not be deemed or construed as in any way limiting or extending the language of the provisions to which they refer.

12. CUMULATIVE REMEDIES

The rights and remedies herein reserved to (FIS) Ferrari Interconnect Solutions shall be cumulative and additional to other or further rights and remedies provided in law or equity.



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13. APPLICABLE LAW

The purchase order shall be governed by subject and construed to the laws of the State of California.

14. SPECIAL CONDITION – CORRECTION OF DEFICIENCIES

a. DEFINITIONS

- i. As used in this clause, the word “Deficiency” shall mean any condition or characteristic in any supplies (articles or service), to be supplied by the Seller hereunder which is not in compliance with the requirements of the purchase order.
 - ii. As used in this clause, the word “Correction” shall mean that action, including but not restricted to engineering, production, installation, and testing necessary to eliminate the deficiency, and thereby bring the supplied, (article of service), into compliance with the requirements of the purchase order.
- b. Notwithstanding any other provisions of this purchase order, if in the performance of this purchase order, it is determined by (FIS) Ferrari Interconnect Solutions that a deficiency of any nature whatsoever exists in any of the supplies accepted by (FIS) Ferrari Interconnect Solutions, under this purchase order, the Seller at the discretion of (FIS) Ferrari Interconnect Solutions shall at a time and place directed by (FIS) Ferrari Interconnect Solutions correct any such deficiencies in such supplies at no change in contract price, and further, in the event the Seller, during the performance of this purchase order, learns as a result of any analysis, test, or from any sources whatsoever, that a potential deficiency, if uncorrected, exists or will exist in any undelivered or unaccepted article to be provided hereunder, or exists in any accepted article, Seller will immediately communicate such information to (FIS) Ferrari Interconnect Solutions in writing, together with Seller’s recommendations for corrective action.
- c. In the event that (FIS) Ferrari Interconnect Solutions does not choose to direct the correction of the deficiency, or chooses to direct only partial correction of the deficiency, an equitable reduction in contract price will be negotiated between (FIS) Ferrari Interconnect Solutions and the Seller.
- d. Nothing in this Special Condition 14 shall be construed as obligating (FIS) Ferrari Interconnect Solutions to reimburse the Seller in an amount exceeding the amount set forth on the face hereof.

15. DEFAULT

- a. Buyer may, by written notice of default to Seller, terminate this order or any part thereof, if Seller (1) fails to deliver the articles, or perform the extension thereof, or (2) so fails to make progress as to endanger performance of this order, or fails to comply with any of the provisions of this order and does not cure such failures within a period of ten (10) days, or such longer period as Buyer may authorize in writing, after receipt of notice from Buyer specifying such failure.
- b. In the event of termination pursuant to this clause, Buyer may purchase similar articles elsewhere or secure the manufacture and delivery of the articles by order or otherwise. Seller shall be liable to Buyer for any excess cost to Buyer. Provided, however, that Seller shall not be liable for such excess cost when the delay of Seller in making delivery is due to causes beyond the control and without the fault or negligence of the Seller. Such causes may include, but are not restricted to acts of God or the public



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enemy, acts of the Government in its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, but in every case the failure to perform must be beyond the control and without the fault or negligence of the Seller. No cause shall constitute a basis for excusable delay, unless Seller has notified Buyer in writing of the existence of such cause within ten (10) days from the beginning thereof.

- c. Buyer may, by written notice, terminate this order in whole, or in part, for default, if, in Buyer's opinion, Seller appears to be insolvent or in an unsound financial condition so as to endanger performance.

The provisions of section 202 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 purchase order, contract, subcontract, lease or government bills of lading unless exempted under the rules, regulations or orders of the Secretary of Labor.