



cvintl.com

TERMS & CONDITIONS

1. ACCEPTANCE OF PURCHASE ORDER

Cv International, Inc. (hereinafter referred to as Cvi) shall not be bound by these terms and conditions (“Terms”) and the purchase order presented until Seller executes and returns to Cvi the confirmation copy of this Purchase Order, or Cvi accepts Seller’s confirmation copy of this Purchase Order. Seller shall be bound by the Purchase Order when it executes and returns the confirmation copy or delivers or renders to Cvi any of the goods or services ordered. The Purchase Order contains the only terms which govern the purchase of goods and services by Cvi from Seller and shall prevail in the event of conflict with any terms and conditions Seller attempts to impose, including, but not limited to, those in Seller’s acceptance of this Purchase Order, confirmation, or invoice. This Purchase Order contains the entire agreement between Cvi and the Seller, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. This Purchase Order prevails over any of Seller’s general terms and conditions of sale, unless otherwise negotiated in advance.

2. SPECIFICATIONS, AMENDMENTS

All specifications, drawings, and data submitted to Seller with, or in connection with, this Purchase Order are hereby incorporated by reference. No agreement or understanding to modify this Purchase Order or its terms and conditions shall be binding upon Cvi unless it is in writing and authorized by Cvi’s authorized agent.

3. SHIPPING TERMS

Delivery shall be made in accordance with the terms on the face of this Purchase Order. Title and risk of loss passes to Cvi upon delivery of the goods at Cvi’s destination. All goods shall be suitably packed, marked, and shipped in accordance with the requirements of common carriers in a manner to secure lowest transportation cost and in a manner to ensure that the goods are delivered in undamaged condition, and no additional charge shall be made therefore unless otherwise stated herein. The seller shall properly mark each package with Cvi’s order number. Order numbers and package numbers must be shown on packing slips, bills of lading, and invoices. Legible (printed) packing slips must accompany each shipment and the packing slip description shall be in accordance with Purchase Order description. Any additional charges accruing from deviation from Cvi’s delivery/routing instruction will be charged to Seller’s account.

4. DELIVERY OF GOODS AND PERFORMANCE OF SERVICES

Seller acknowledges that time is of the essence with respect to Seller’s obligations hereunder and the timely delivery of goods and services. Cvi’s production schedules are based upon the delivery of the goods to Cvi or its end customer. The performance of the services, on the date or dates specified on the face of this Purchase Order are critical timelines. If deliveries are not made at the time agreed upon, or if Seller fails to perform the services in accordance with this Purchase Order, Cvi may terminate this Purchase Order immediately by providing written notice to Seller and Seller shall indemnify Cvi against any losses, claims, damages, and costs and expenses directly attributable to Seller’s failure to deliver the goods on the specified delivery date or failure to perform the services if Seller does not correct such failure within 10 days after receipt of written notice from Cvi specifying such failure. Cvi reserves the right to reject and return at Seller’s risk of loss and expense early deliveries or to defer payment for early deliveries until the delivery date specified in this Purchase Order.

Cvi is a major Department of Defense Contractor, and many orders are tagged with a DO-A1 or DX-A1 ratings. This National Priority Rating places expedited production/manufacturing and is flowed down to all suppliers with firm delivery dates.

4.1 Supply Chain Traceability for purposes of counterfeit detection and avoidance.

The seller shall ensure that only new and authentic materials are used in materiel delivered to Cv International. The Seller may only purchase material or components directly from original manufacturers, manufacturer franchised distributors, or authorized aftermarket manufacturers. Use of material that was not provided by these sources is not authorized unless first approved in writing by Cv International. The seller must present compelling support for its request (e.g., original manufacturer documentation that authenticates traceability of the materiel to the original manufacturer), and include in its request all actions to ensure the materiel thus procured is authentic and conforming.

4.2 Certificate of Conformance and Traceability (U.S. Department of Defense Contract, for purposes of counterfeit detection and avoidance

“This clause is applicable to all contracts for Qualified Products List (QPL) or Qualified Manufacturers List (QML)-controlled material. This clause applies regardless of the point of inspection designated in the contract award. This clause applies both to contracts awarded directly to a manufacturer listed on the applicable QPL/QML and to suppliers (e.g., distributors) not listed as approved manufacturers on the applicable QPL/QML.

The materiel supplied must be in strict conformance to the requirements set forth and/or referenced in the item description, including applicable revisions and slash sheets. To ensure this conformance, the contractor must provide a Certificate of Conformance and Traceability (CoC/T) with the information and documentation required by the applicable specification. This documentation must reference the contract number and include a certification signed by the approved QPL/QML manufacturer. In addition, if the material is not procured directly from the approved manufacturer, all additional documentation required by the specification must be provided to establish traceability from the QPL/QML manufacturer through delivery to the Government. The CoC/T is required to determine acceptability of the supplies. If the CoC/T is not provided, is incomplete or otherwise unacceptable, the supplies will be determined not to meet contract requirements and will be rejected.

If the contract requires inspection and acceptance at origin, the contractor shall furnish the original and two copies of the CoC/T to the Government Quality Assurance Representative (QAR) with the items offered for acceptance. The CoC/T must clearly reference the applicable contract number. The contractor shall submit one signed copy to the contracting officer. The second copy shall be retained by the QAR. The original shall be maintained by the contractor. If the contract requires inspection and acceptance at destination, the contractor shall mail one copy of the CoC/T to the contracting officer upon shipment/delivery. The CoC/T must clearly reference the applicable contract number.”

5. INSPECTION

Goods purchased hereunder are subject to inspection and acceptance at CvI's destination, notwithstanding any previous inspection. CvI reserves the right to inspect all or a sample of the goods, and to reject in whole or in part, or require prompt cure of, goods that do not conform with the instructions, specifications, drawings, data, other terms of this Purchase Order, applicable warranties or samples furnished. If CvI rejects any portion of the goods, CvI has the right, effective upon written notice to Seller, to (a) rescind this Purchase Order in its entirety, (b) accept the goods at a reduced price, or (c) reject the goods and require replacement of the rejected goods. If CvI elects to rescind this Purchase Order, rejected goods will be returned to the Seller at the Seller's risk of loss and expense, and the Seller agrees to refund any payment which it may have received from CvI, including original shipment expense. If CvI requires replacement of the goods, Seller shall comply with the provisions set forth in paragraph 6 below. Any inspection or other action by CvI under this paragraph shall not reduce or otherwise affect Seller's obligations under this Purchase Order, and CvI shall have the right to conduct further inspections after Seller has conducted its remedial actions.

5.1 Test and Inspection Requirements (Counterfeit Detection and Avoidance)

“The seller shall establish and implement test and inspection activities necessary to assure the authenticity and conformance of purchased materiel, including:

- Traceability and documentation verification.
- Visual examination.
- Tests and inspections

Tests and inspections shall be performed in accordance with clearly delineated accept/reject criteria provided or approved by Cv International. The seller shall prepare and provide to Cv International the records evidencing tests and inspections performed and conformance of the material to specified acceptance criteria. Tests and inspections should be performed by persons that have been trained and qualified concerning detection of the types and means of counterfeiting and how to conduct effective product authentication.

5.2 Required Documentation – Certificate of Conformance. (Counterfeit Detection and Avoidance)

The seller shall approve, retain, and provide copies of Certificates of Conformance (CoC). Manufacturer CoCs shall, at minimum, include the following:

- a. Manufacturer name and address;
- b. Manufacturer and/or buyer's part number and dash number, group number, or similar;
- c. Commodity or item level identification for the item(s) such as date codes, lot codes, heat codes, serializations, unique item identifiers, or batch identifications;
- d. Signature or stamp with title of seller's authorized personnel signing the certificate.

NOTE: Distributors shall, in addition to the above, include their name for each part shipped.

6. WARRANTY

Seller warrants all goods will (a) be free from defects in material, workmanship and design, (b) conform strictly to the specifications, drawings, designs, samples and other requirements, (c) be fit for their intended purpose or operate as intended, (d) be merchantable, (e) be free and clear of all liens, security interests or other encumbrances, and (f) not infringe or misappropriate any third party's patent or other intellectual property rights. This warranty shall survive any inspection, delivery, acceptance, or payment by CVI for the goods. Seller further warrants to CVI that it shall perform the services using personnel of required skill, experience, and qualifications and in a professional and skillful manner in accordance with recognized industry standards for similar services and shall devote adequate resources to meet its obligations under this Purchase Order. The warranties set forth in this paragraph are cumulative and in addition to any other warranties provided by law or equity. Any applicable statute of limitation runs from the date of CVI's discovery of the noncompliance of the goods or services with the foregoing warranties. If CVI gives Seller notice of noncompliance pursuant to this paragraph or CVI requires the replacement of goods pursuant to paragraph 5, Seller shall, at its own cost and expense, in a reasonable time period, (i) replace or repair the defective or nonconforming goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or nonconforming goods to Seller and the delivery of the repaired or replacement goods to CVI, and, if applicable, (ii) re-perform the applicable services. If Seller fails to timely repair or deliver replacement goods, CVI may replace them with goods from a third party and charge Seller the cost thereof and terminate this Purchase Order.

7. INTELLECTUAL PROPERTY INFRINGEMENT

Seller shall, at its expense, defend, indemnify and hold harmless CVI and CVI's parent company, their subsidiaries, affiliates, successors or assigns and their respective directors, officers, shareholders, employees and agents, and CVI's distributors, dealers, sales representatives, agents, and customers (collectively, "CVI Indemnitees") from and against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including attorney's, expert's and professional's fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "Losses") arising out of or in connection with any claim that CVI's or CVI's Indemnitees use or possession of the goods or use of the services infringes or misappropriates the patent, copyright, trade secret or other intellectual property right of any third party, unless, in the case of goods, such goods are requested by CVI to be specifically constructed in exact accordance with CVI's designs or technical specifications which constitute the basis for such Loss. In no event shall Seller enter into any settlement without CVI's prior written consent.

8. PRICES

CVI shall not be billed at prices higher than stated on this Purchase Order unless authorized by a written "Purchase Order Amendment" issued and signed by an authorized representative of CVI. Seller represents that the price charged for the items or services covered by this Purchase Order is the lowest price charged by the Seller to buyers of a class similar to CVI under conditions similar to those specified in this Purchase Order and that prices comply with any applicable government laws and regulations in effect at the time of quotation, sale, and delivery. The seller agrees that any price reduction made in goods or services covered by this Purchase Order subsequent to placement of this Purchase Order, but prior to shipment or rendering thereof, will be applicable to this Purchase Order. No payment will be made by CVI for transportation, freight, insurance, boxing, cartage, customs duties, or other added charge unless provided on this Purchase Order or on an amendment thereto. Except as may be otherwise provided in this Purchase Order, the price includes all applicable federal, state, and local taxes in effect on the date of this Purchase Order. No increase in price is effective, whether due to increased material, labor, or transportation costs or otherwise, without the prior written consent of CVI.

9. PAYMENT TERMS

Terms of payment are set forth on the face of this Purchase Order under "Terms." Any discount or payment period shall be calculated from the date CVI receives a proper invoice. The seller shall forward to CVI with the invoice either the express receipt or the bill of lading, signed by the carrier which shows that shipment has been made. In the event of any good faith payment dispute by CVI, CVI may withhold the amounts being disputed without being in breach of this Purchase Order.

10. GENERAL INDEMNIFICATION AND INSURANCE

Seller agrees to indemnify, defend, and hold harmless CVI and CVI Indemnitees from and against all Losses arising out of or in connection with the goods or services purchased from Seller or Seller's negligence, willful misconduct, or breach of this Purchase Order. The seller shall not enter into any settlement without CVI's prior written consent. The seller shall, at its own expense, obtain, maintain, and carry insurance in full force and effect which includes, but is not limited to the following insurance, with not less than the stated limits and with financially sound and reputable insurers. The following coverage limits are minimums and are required when performing work on CVI property or project work sites.

(a) Workman's Compensation and Occupational Disease Insurance and U.S. Longshoremen's & Harbor Workers' Compensation Insurance (where required) – Statutory Limit.

(b) Employers' Liability Insurance - \$100,000 per person.

(c) Comprehensive General Liability Insurance Including Products – Completed Operations and Broad Form Contractual Liability: Bodily Injury - \$500,000 per person and \$1,000,000 per occurrence. Property Damage - \$1,000,000 per occurrence; and

(d) Automobile Liability Insurance: Bodily Injury - \$250,000 per person and \$500,000 per occurrence, and Property Damage - \$250,000 per occurrence, and Property Damage - \$250,000 per occurrence.

Upon CVI's request, Seller shall provide CVI with a certificate of insurance from Seller's insurer evidencing the insurance coverage specified in this Purchase Order.

11. COMPLIANCE WITH LAWS

In accepting this Purchase Order, Seller represents that, at its own expense, it has complied with, and will continue to comply with all obligations imposed by any one or more federal, state, local and/or international laws that may be applicable to the goods and/or services covered by this Purchase Order, including, but not limited to, all statutes, regulations and ordinances, as well as any required permits, licenses or taxes. Seller further warrants that all goods delivered and/or services performed under this Purchase Order conforms to all relevant federal, state and/or international occupational safety and health laws and standards, and was produced or provided in accordance with applicable federal, state, local and/or international worker safety, wage and non-discrimination or harassment laws and regulations. In the performance of this Purchase Order, Seller has and will comply with all applicable United States Department of Transportation regulations on hazardous materials. The seller shall maintain in effect all licenses, permits, permissions, authorizations, and consents that it needs to conduct its obligations under this Purchase Order. Seller shall comply with all export and import laws of the countries involved in the sale of goods under this Purchase Order or any resale of the goods by Seller. The seller assumes all responsibility for shipments of goods requiring any government import clearance.

12. GOVERNMENT PROCUREMENT

Goods or services specified in this Purchase Order may be used by CVI in fulfilling U.S. Government, state, or local prime or subcontracts and may, therefore, be subject to the applicable federal, state, or local procurement laws and regulations. The seller shall abide by all such applicable laws and regulations, including, without limitation, the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that Seller take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. When the purchase to which this Purchase Order relates is for fulfillment of a specific U.S. Government prime or subcontract, additional information, terms, and conditions are included in an attached supplement to this Purchase Order. For general reference, Seller should consult and, where applicable, comply with the Federal Acquisition Regulations, 48 CFR Chapter 1, Parts 1-51, and Defense Federal Acquisition Supplement (DFARS), 48 CFR Chapter 2, Parts 201-252.

12.1 Penalties Associated with Fraud

This purchase order and activities hereunder are within the jurisdiction of the U.S. Government. Any knowing and willful act to falsify, conceal or alter a material fact, or any false, fraudulent or fictitious statement or representation in connection with the performance of work under this purchase order may be punishable in accordance with applicable legal statutes. Seller employees engaged in the performance of work under this purchase order shall be informed in writing prior to performance of work that there is a risk of criminal penalties associated with any falsification, concealment, or misrepresentation in connection with work performed under this purchase order. Seller shall include the following statement preprinted on each Certificate of Conformance initiated by the seller and provided to the buyer in conjunction with this purchase order:

NOTE: The recording of false, fictitious or fraudulent statements or entries on this document may be punishable as a Crime. Seller shall include all provisions of this contract clause, including this sentence, in all lower tier contracts under this order. Any inability or unwillingness of a lower-tier supplier to comply with this provision should be documented in writing and submitted to Cv International

12.2 Product Impoundment and Financial Responsibility

If suspect/counterfeit material or components is furnished under this purchase agreement, such items shall be impounded. The seller shall promptly replace such items with items acceptable to Cv International and the seller may be liable for all costs relating to impoundment, removal, and replacement. Cv International may turn such items over to Authority Having Jurisdiction for investigation and reserves the right to withhold payment for the suspect items pending the results of the investigation.

Any known instances of fraud or attempted fraud shall be documented in writing to Cv International.

13. ASSIGNMENT

Seller shall not assign this Purchase Order or delegate or assign any duties hereunder, nor assign any rights or claims under this Purchase Order, or for breach thereof, without prior written consent of CVI, and any such attempted delegation or assignment shall be void. No assignment or delegation shall relieve Seller of any of its obligations hereunder, and Seller shall remain fully responsible for the performance of each permitted approved assignee and its employees and for their compliance with all of the terms and conditions of this Purchase Order. Nothing in this Purchase Order shall create any contractual relationship between CVI and any Seller subcontractor or supplier. All claim for moneys due or to become due from CVI shall be subject to deduction by CVI for any setoff or counterclaim arising out of this or any other of CVI's Purchase Orders with the Seller, whether such setoff or counterclaim arose before or after any such assignment by Seller.

14. CHANGES

Notwithstanding the provisions of paragraph 2 above, CVI shall have the right to make, upon notice to Seller, changes as to packing, testing, destinations, specifications, designs, and delivery schedules. The seller shall immediately notify CVI in writing of any increases or decreases in costs caused by such changes and an equitable adjustment in prices or other terms hereof shall be agreed upon in a written amendment to this Purchase Order.

15. WAIVER

No waiver by CVI of any of the provisions of this Purchase Order is effective unless explicitly set forth in writing and signed by an authorized representative of CVI. No failure to exercise, or delay in exercising, any right, remedy, power, or privilege arising from this Purchase Order operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power, or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. No waiver expressly granted by CVI in writing of any provision in a given circumstance applies to any future circumstance.

16. CONFIDENTIAL INFORMATION

All non-public, confidential or proprietary information of CVI, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, financial information, customer lists, pricing, discounts or rebates, disclosed by CVI to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" in connection with this Purchase Order is confidential, solely for the purpose of performing this Purchase Order and may not be disclosed, copied or disseminated. Upon CVI's request, Seller shall promptly return all documents and other materials received from CVI. CVI shall be entitled to injunctive relief for any violation of this paragraph.

17. FORCE MAJEURE

Neither party shall be liable to the other for any delay or failure in performing its obligations under this Purchase Order to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, without such party's fault or negligence, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable ("Force Majeure Event"). Force Majeure Events include, but are not limited to, acts of God or the public enemy, government restrictions, floods, fire, earthquakes, explosion, epidemic, war, invasion, hostilities, terrorist acts, riots, strike, embargoes, or industrial disturbances. The seller's economic hardship, changes in market conditions or interruptions in transportation are not considered Force Majeure Events. The seller shall use all diligent efforts to end the failure or delay of its performance, ensure that the effects of any Force Majeure Event are minimized and resume performance under this Purchase Order. If a Force Majeure Event prevents Seller from conducting its obligations under this Purchase Order for a continuous period of more than fourteen (14) business days, CVI may terminate this Purchase Order immediately by giving written notice to Seller and without further liability to Seller.

18. GOVERNING LAW; DISPUTE RESOLUTION

This Purchase Order and any contract resulting therefrom shall be governed by the internal laws of Oregon, without regard to its choice of law principles. It is further expressly understood and agreed that this Purchase Order shall be deemed to have been executed in the City of Bend, Oregon. The parties agree to attempt to settle all disputes, controversies, or claims, whether based on contract, tort, statute, fraud, misrepresentation, or any other legal theory, through good faith negotiations. If such negotiations fail to resolve the dispute within fifteen (15) days of the date of the initial demand for negotiations, then the parties shall refer the dispute (except those set forth below) to final, binding arbitration in Bend, Oregon, under the then current Commercial Arbitration Rules of the American Arbitration Association. This provision shall apply to all claims, regardless of when those claims arose or accrued. CVI reserves the right to bring in court any claims for equitable relief, including specifically for injunctive relief, foregoing the negotiation and arbitration otherwise called for in this paragraph. For matters not subject to arbitration, as set forth above, any action at law, suit in equity or judicial proceeding relating to this Agreement or any provision hereof (including any suit to compel arbitration) shall be instituted only in the applicable Oregon state court. CVI and Seller hereby consent to the exclusive jurisdiction of such courts and acknowledge that such courts have personal jurisdiction over them and agree that venue is proper in those courts. CVI and Seller hereby waive the right to a jury trial in any such suit or action.

19. ATTORNEY'S FEES

In the event CVI employs an attorney because of a violation of any term or provision of this Purchase Order by Seller, Seller shall pay and be liable for attorney's fees, expert fees, professional fees, and court costs incurred by CVI, including an allowance for fees required in post-judgment collection efforts.

20. NO THIRD-PARTY BENEFICIARIES

This Purchase Order is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Purchase Order.

21. TERMINATION

In addition to any remedies that may be provided under this Purchase Order, CVI may terminate this Purchase Order with immediate effect upon written notice to the Seller, either before or after the acceptance of the goods or the Seller's delivery of the services, if Seller has not performed or complied with any terms of conditions of this Purchase Order, in whole or in part. If the Seller becomes insolvent, files a petition for bankruptcy or commences or has commenced against its proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors, then CVI may terminate this Purchase Order upon written notice to Seller and without any liability to CVI whatsoever. If CVI terminates this Purchase Order for any reason, Seller's sole and exclusive remedy is payment for the goods received and accepted and services accepted by CVI prior to the termination.

22. NOTICES

All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of this Purchase Order or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt by the receiving party, and (b) if the party giving the Notice has complied with the requirements of this paragraph.