1. General

These terms and conditions apply to the purchase orders ("Orders") placed by Werlatone Inc. ("Werlatone") and the supplier ("Seller") whose name appears on the face of this Order. By acceptance of this Order, the supplier ("Seller") acknowledges and accepts these terms and conditions as being the complete and exclusive statement of the agreement between the parties and no change, modification or addition to this Order shall be valid unless agreed to in writing and signed by Buyer.

2. Quantities and Prices

Werlatone’s contract shall be accepted as conclusive on all shipments not accompanied by a packing slip. Werlatone reserves the right to reject and return any material in excess of the quantities specified herein.

3. Warranties

Seller expressly warrants that all articles, materials, parts and work covered by this order will conform to the specifications, drawings, samples or other descriptions furnished or adopted by Werlatone, shall be merchantable, of good workmanship and material and the work done for them during a period of 12 months from shipment date. FOB Factory. Those warranties are in addition to any other warranties specified herein or implied by law, and shall survive acceptance and payment. In case of ambiguity in any of these terms, the terms herein shall control. All parts, materials and workmanship entering into the performance of this contract and all materials and workmanship furnished prior to the date of this contract, shall be subject to periodic inspection and final acceptance by Werlatone after delivery to Werlatone. Nothing hereunder will preclude any warranty or remedy arising from the Seller's performance of this Order. Such inspection and acceptance will be made without prejudice to Werlatone or the manufacturer of any material or equipment included in the article or material is solely of Werlatone design or formula. Seller agrees that it will, upon request, make available to Werlatone a list of one expense, defined or assent in the defense of any action which may be brought against Seller for any claim of infringement or damages. Seller agrees to furnish all reasonable facilities and assistance necessary to be on its premises or by or on behalf of Werlatone.

5. Delivery

Delivery must be made by Seller in accordance with the delivery schedule specified herein. If for any reason Seller cannot or will not make delivery, or if delivery is not made within the time specified for delivery, the time for such delivery is extended to a reasonable time, but in no event more than thirty (30) days from notice a statement showing the deficiency of such delivery date and price and an equitable adjustment shall be negotiated between the parties claim representative.

8. Termination

Werlatone may terminate this contract as provided in FAR 12.502-2 Termination for Convenience of the Government. Reimbursement in such a case to Buyer and Seller shall mean Werlatone and Seller respectively.

9. Default

Werlatone may, by written notice of Default to Seller, terminate the whole or any part of this Order (if the Seller fails to make delivery of supplies or to perform the services within the time specified herein or any extension thereof, or if the Seller fails to perform the other provisions of this Order, or to make good to Werlatone any damage or loss caused by the failure of Seller to comply with this Order, or if the Seller fails to perform to the satisfaction of the Government, or if the Seller fails to deliver or perform at any time, or if the Seller fails to perform or comply with this Order in any manner or at any place specified herein, and, in each of these to that circumstance does not cure such failure within a period of 10 days after written notice thereof, the Government may authorize in writing, after receipt of notice from Werlatone specifying such failure, the use of the replacement for the defaulting Seller, in addition to all costs, expenses, and any other damages incurred therefrom and under the UCC, have the right to use any and all associated collateral.

10. Proprietary Rights

If articles here under are to be manufactured or supplied pursuant to the specifications furnished by Werlatone here under and not based upon Seller's design, then Seller agrees to WERLATEONE and assign a nonexclusive, full-paid up, and irrevocable license to make and sell any improvement in such article made or

11. Werlatone’s Property

Whenever Seller has in its possession any of Werlatone’s property, Seller shall have no right to sell, assign or mortgage the same or to have it executed, manufactured, sold or disposed of in any way without Seller’s written consent.

12. Termination of Subcontracts

Subcontractor shall notify the parties of the proposed termination of such subcontract and provide written notice to both parties within 30 days of such termination.

13. Damage and Risk of Loss

Seller assigns to Werlatone all rights to recover for loss or other damages to all articles and materials ordered here under or in its custody pursuant hereunder, until delivered to Werlatone. F.O.B. as shipping point specified on the face hereof. In no event shall Werlatone be liable for any property damage or other liability on account of negligence or incident to consequential damages.

14. Claims

In the event of any claim by Buyer or any other person in respect of any failure to perform the work to the satisfaction of Buyer, Seller shall promptly notify Buyer and shall allow Buyer to inspect and determine any loss or damage caused thereby. Werlatone reserves the right, upon request, to make available to Seller all reasonable facilities and assistance necessary to be on its premises or by or on behalf of Werlatone.

15. Assignment

No right or obligation under this order (including the right to receive money therefor) shall be assigned by Buyer to any party other than Werlatone, and any attempt to do so shall be invalid. The order shall not be assigned without the prior written consent of Werlatone, and any assignment without such consent shall be void.

16. Equal Employment Opportunity

The Equal Employment Opportunity Clause in Section 202 and Executive Order 11246, as amended, are incorporated herein by reference and shall apply as to all work performed under this Order.

17. Payment

Invoices shall be submitted with the following information: Purchase Order number, item number, description of article, unit price and extended total. Any adjustments in Seller's invoices due to shortages, late delivery, rejection, or failure to comply with the requirements of this order may be made by Werlatone before payment. Cash discounts will be taken from the date of the invoice. Payment shall not constitute final acceptance.

18. Disputes

Except as otherwise specifically provided in this contract, all disputes concerning facts of law under which this contract is made and concerning an interpretation or claim of infringement or damages. Seller agrees to notify Seller promptly upon receipt of notice or information of such a suit.

19. Insurance

All materials furnished under this order are subject to the terms and conditions of the policies of insurance maintained by Seller, providing insurance to the extent required by one of the policies, and extending to all additional insured.

20. Damages and Loss

In no event shall Buyer be liable for any property damage or other liability on account of negligence or incident to consequential damages.

21. Applicable Law

All materials furnished under this order are subject to the terms and conditions of the policies of insurance maintained by Seller, providing insurance to the extent required by one of the policies, and extending to all additional insured.