

# Standard Conditions of Purchase

## ADDENDUM 1

The following standard conditions of purchase shall apply to the purchase of products by SI Group.

1. **TERMS AND CONDITIONS & ACCEPTANCE:** These Standard Conditions of Purchase and the agreement to which this is attached (if any) shall be deemed incorporated into all purchase orders which SI Group may place with Seller. The issuance of a purchase order by SI Group does not constitute an acceptance by SI Group of the terms and conditions of any offer to sell, any quotation or any proposal received from Seller. Reference in a purchase order to any such offer to sell, quotation or proposal shall in no way constitute a modification of any of the terms and conditions of these Standard Conditions of Purchase. Any attempted acknowledgement of a purchase order or other documents containing terms and conditions inconsistent with or in addition to these Standard Conditions of Purchase is not binding upon SI Group. SI Group hereby objects to any such additional or inconsistent terms. Any modification of these Standard Conditions of Purchase must be in writing and signed by an officer of SI Group.
2. **TRANSPORTATION & DELIVERY:** TIME IS OF THE ESSENCE. If SI Group agrees to accept a late delivery, SI Group shall have the right to direct Seller to make shipment to the delivery point set forth in the purchase order by the most expeditious means, and the total cost of such expedited shipment and handling shall be borne by Seller.
3. **WARRANTIES:** Seller warrants that all products furnished hereunder will be free from defects in design, workmanship and materials, and will be delivered in strict accordance with the specifications attached to this agreement or otherwise approved by SI Group.
4. **PROCESS CHANGES:** Seller shall not deliver to SI Group any products manufactured by a process, or containing raw materials, different from the process or raw materials previously used by Seller unless approved in advance by SI Group.
5. **COMPLIANCE WITH LAWS:** Seller agrees to comply with the applicable provisions of any federal, state or local law or ordinance and all lawful orders, rules, and regulations issued thereunder. Further, Seller warrants that each chemical substance constituting or contained in goods sold or otherwise transferred to SI Group is on the list of chemical substances published by the Administrator of the Environmental Protection Agency pursuant to the Toxic Substances Control Act (15 U.S.C. Sec. 2601 et. seq.) as amended. Seller shall comply, if and where applicable, with the following provisions of the Federal Acquisition Regulation ("FAR") and the Department of Defense FAR Supplement ("DFARS"), which are incorporated herein by reference with the same force and effect as if set forth below in full text: FAR 52.203-13, Contractor Code of Business Ethics and Conduct; FAR 52.222-26, Equal Opportunity (incorporating, among other things, 41 C.F.R. 60-1.4(a)(7)); FAR 52.222-35, Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and other Eligible Veterans (incorporating, among other things, 41 C.F.R. 60-250.5(a) and 60-300.5(a)); FAR 52.222-36, Affirmative Action for Workers with Disabilities (incorporating, among other things, 41 C.F.R. 60-741.5(a)); FAR 52.219.8, Utilization of Small Business Concerns; FAR 52.222-39, Notification Of Employee Rights Concerning Payment Of Union Dues Or Fees; FAR 52.244-6, Subcontracts for Commercial Items and Commercial Components; DFARS 252.244.7000, Subcontracts for Commercial Items and Commercial Components (DoD Contracts); DFARS 252.225-7014, Preference for Domestic Specialty Metals, Alternate 1; DFARS 252.247-7023, Transportation of Supplies by Sea; and DFARS 252.247-7024, Notification of Transportation of Supplies by Sea.
6. **CONFIDENTIALITY:** The terms of this agreement shall be deemed confidential and shall not be disclosed to third parties. Seller shall use the information supplied by SI Group only to accomplish work covered by this agreement.
7. **INTELLECTUAL PROPERTY:** Seller warrants that the sale or use of products delivered hereunder will not infringe any patents, trademarks or other industrial rights in the country such products are manufactured, or any country into which such products are transported or delivered.
8. **INDEMNIFICATION:** To the fullest extent permitted by applicable law, Seller shall defend, indemnify and hold harmless SI Group, its officers, directors, employees, agents, customers and assigns from and against all suits, actions, or proceedings, at law or in equity, and from all claims, damages, losses and expenses, including, without limitation, attorney's fees, arising out of, or resulting from the operation of any Seller facility, and Seller's handling, treatment, storage or disposal of any material or waste. Any waste materials or byproducts generated by Seller's facility shall be and remain the property of Seller.
9. **FORCE MAJEURE:** Neither party shall be held liable for any failure to fulfill any terms herein if such failure is a result of any Act of God or action of any government. Seller's economic hardship in buying materials necessary to manufacture product at a commercially reasonable price shall not constitute a force majeure event.
10. **GOVERNING LAW:** This agreement shall be governed by the laws of the State of New York. The United Nations Convention on Contracts for the International Sale of Goods shall not apply.
11. **DISPUTE RESOLUTION:** Any controversy or claim arising out of or relating to this agreement shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Arbitration proceedings shall be conducted in the city of Schenectady, New York.
12. **WAIVER & SEVERABILITY:** Any failure to require the performance of any of the terms of this agreement shall not constitute a waiver of the particular term. The invalidity in whole or in part of any term shall not affect the remainder of such term.
13. **ASSIGNMENT:** The agreement shall not be assigned without the written consent of the other party. Any purported assignment in violation of this clause shall be void.
14. **ENTIRE AGREEMENT:** These Standard Conditions of Purchase and the agreement to which this is attached (if any) constitute the entire agreement between the parties. In the event of an inconsistency between the specific terms of the attached agreement and the terms of these Standard Conditions of Purchase, the specific terms of the attached agreement shall govern.