**Intra-Textron Standard Purchase Order Terms and Conditions**

**(Commercial Sales Only)**

# 1. DEFINITIONS.

The following definitions apply unless otherwise specifically stated:

a) “Article(s)” Good(s) and service(s) described in the Order;

b) “Buyer" The legal entity issuing the Order;

c) “Manufacturing Supplies, materials, samples, tooling, dies, jigs, fixtures,

Materials” plans, designs, specifications, software, drawings, technical information, and contract rights;

d) "Order": purchase order, change order, subcontract or contract for the Articles;

e) “Parties or Buyer and Seller collectively.

“parties” ”

f) “Seller" Person or Company providing the Article.

**2. ORDERS/CHANGE ORDERS.**

These Terms and Conditions are a part of each Order Buyer may issue to Seller. Each Order must contain a description of the Articles and identify the specifications, drawings, quantities, prices, delivery schedule, terms and place of delivery. EACH ORDER OR CHANGE TO AN ORDER MUST BE SIGNED (OR AUTHENTICATED IF THIS IS AN ELECTRONIC ORDER) BY BUYER'S AUTHORIZED PROCUREMENT REPRESENTATIVE TO BE VALID. NO CHANGE OR MODIFICATION TO THE ORDER (INCLUDING ANY ADDITIONAL OR DIFFERENT TERMS IN SELLER'S ACCEPTANCE) WILL BE BINDING ON BUYER UNLESS SIGNED (OR AUTHENTICATED IF THIS IS AN ELECTRONIC ORDER) BY BUYER'S AUTHORIZED PROCUREMENT REPRESENTATIVE.

**3. TERMINATIONS.**

Buyer has the right to terminate the whole or any part of the Order for its convenience. In the event that the Seller has a claim for adjustment, it will be handled in accordance with the Disputes clauses herein.

## 4. BUYER FURNISHED MANUFACTURING MATERIALS.

Title to Manufacturing Materials furnished by Buyer will remain with Buyer Seller must bear the risk of loss, damage or destruction of the Manufacturing Materials furnished by Buyer and shall promptly replace or repair, without expense to Buyer, any of the Manufacturing Materials which are lost, damaged, or destroyed unless such loss, damage or destruction is solely and directly caused by Buyer’s negligence. Seller is responsible for care, maintenance, use and records of Buyer Furnished Manufacturing Materials. Physical Inventories will be performed as required by Buyer. All lost, damaged or destroyed tools will be charged to the Seller at replacement value.

## 5. QUALITY CONTROL/INSPECTION.

(a) Seller must provide and maintain a Quality Control System in accordance with the required industry standards for the product or service being acquired. Seller shall supply Articles that are not and do not contain suspect/counterfeit parts. If it is determined by Buyer that a suspect/counterfeit part has been supplied, Buyer will impound the items pending a decision on disposition. Seller shall replace such items with items acceptable to Buyer and shall be liable the costs relating to the replacement.

(b) Each Buyer’s specific Quality Control standards may be attached to these terms and conditions as Exhibit A.

(c) All Articles are subject to final inspection and acceptance by Buyer at destination, notwithstanding any payment or prior inspection at source.

(d) The Seller is responsible for compliance to all contract (e.g., engineering drawing, specification, purchase order) requirements. All documents, drawings and specifications, regardless of origin, are applicable to the Seller when specified in the contract or documents reference in the contract, and are required to be flowed down to all levels of the supply chain.

(e) Any Quality deficiencies that cannot be resolved at the lowest level will be handled in accordance with the Disputes clause herein.

## 6. WARRANTY.

(a) Buyer shall specify required warranty period to Seller in Order and Seller shall include such Warranty in its price as Exhibit B.

(b) Defective Articles will be returned to Seller at Seller's expense for repair or replacement. Seller will be responsible for actual freight charges and costs incurred both from and to the Buyer.

## 7. INTELLECTUAL PROPERTY RIGHTS & INDEMNITY.

Any copyright, trademark, trade secret, software, data, idea, concept, process, formula, invention, system, report or other intellectual property resulting from any Seller work performed for the Order:

(a) derived from or based on information supplied by Buyer, or conceived or reduced to practice by Seller using Buyer's funds, will be owned by Buyer;

(b) derived from or based on information supplied by Seller, or conceived or reduced to practice by Seller using Seller’s funds, will be owned by Seller, or;

(c) derived from or based on information supplied jointly by Seller and Buyer, or conceived or reduced to practice jointly, will be jointly owned and prior to its use or distribution outside of Textron the disclosing party will confer with the other party regarding its use.

## 8. PRICES, PAYMENT AND DISCOUNT.

Payment by Buyer will be made net sixty (60) days from the later of the following: (i) the date of acceptance of the Articles or (ii) from Buyer’s receipt of an acceptable invoice.

## 9. INVOICING, DELIVERY, PACKING, AND SHIPPING.

(a) Instructions for Shipping, Packing and invoicing are attached to these Terms and Conditions as Exhibit C.

(b) Seller is responsible for the Articles covered by the Order until they are delivered to the designated FCA point specified on the Order. Seller shall be responsible for paying all taxes and import or export duties of any kind outside of the U.S.A., All such taxes and duties, existing, new, or increased, are included in the price stated in the Order.

(c) Seller shall, at its expense, obtain all necessary export licenses, approvals, and authorizations required to export articles.

## 10. DRAWINGS.

(a) All drawings, specifications and data furnished by the Buyer to the Seller shall remain the property of the Buyer and shall not be disclosed to others by the Seller and shall be used by Seller only as and to the extent required for the performance of the Order, unless otherwise approved by Buyer in writing.

(b) If the performance of the Order, Seller is obligated to manufacture Seller-designed Buyer part numbered Articles to the Seller's drawing revision level as specified in the Order or approved by Buyer, and where manufacturing will be to a different revision level, Seller will provide Buyer released updated drawings with explanation as to how the present configuration differs from the specified or approved revision level configuration. Seller must receive Buyer’s approval of updated drawing prior to the manufacturing and shipment of Articles to Buyer.

## 11. DISPUTES.

Any dispute between Buyer and Seller will be settled by agreement by appropriate levels of management as determined by the Parties. Any dispute not settled will be elevated to Textron Inc. for resolution.

## 12. PRODUCT ORIGIN.

(a) If there is a requirement to the assert Country of Origin, Seller will provide a statement specifying the Article name and description, Buyer and Seller part number, Harmonized (Tariff) Schedule (HTS/HS) number, the Export Control List number, and manufacturer name and location. Seller will provide, as requested, any other documentation that is required for U.S. and/or Canadian Customs and other Government agency compliance.

(b) If the seller fails to perform its obligations under this clause, the matter will be handled in accordance with the Disputes clause herein.

## 13. HAZARDOUS MATERIAL.

(a) Seller certifies it is in compliance with all federal, state or provincial laws, including but not limited to the U.S. Occupational Safety and Health Act of 1970 (OSHA) or the Canadian Hazardous Products Act as applicable. Furthermore, if the Articles purchased herein are considered toxic or hazardous as defined in the above set of regulations, Seller shall provide a copy of the Material Safety Data Sheet (MSDS) with each shipment or as otherwise specified on the Order.

(b) For products manufactured or delivered from the European Union, chemical substances and preparation integrated in such products shall be made only with substances pre-registered and authorized by REACH (Registration, Evaluation, and Authorization of Chemicals) regulations.  This requirement is also applicable for chemical substances and preparation used in manufacturing process.  Additional information about REACH and a list of pre-registered substances is available on the following web site: <http://echa.europa.eu/web/guest/information-on-chemicals/pre-registered-substances>

14. GOVERNMENT REGULATIONS RELATING TO EXPORT/IMPORT OF GOODS AND TECHNICAL DATA.

(a) Articles, technical data, and software (“Articles”) provided under the Order may be subject to the export control laws of the United States of America (“U.S.”), Canada and other applicable jurisdictions. The Parties acknowledge that the export control laws of the U.S. impose restrictions on the import, export, re-export, or transfer to third countries certain categories of articles, technical data, and software. Neither Party shall export, transfer, re-export, or re-transfer any articles, technical data, and software to any U.S. or Canadian Government sanctioned countries, denied/debarred or designated parties even where the articles have been integrated into Seller’s product. These restrictions apply to Seller, its employees, and any third party including, but not limited to Seller's suppliers and subcontractors. All relevant manufacturing location(s) of products subject to the Order during Seller’s performance shall be compliant with all applicable U.S. and other germane export and/or import laws and regulations including all U.S. Customs’ Trade Partnership Against Terrorism (C-TPAT) supply chain security requirements.

(b) The Parties acknowledge that licenses and/or permits from the relevant U.S. or foreign government agency may be required before Buyer is permitted to provide controlled Articles to Seller, before Seller is permitted to export controlled Articles to Buyer, or before Buyer is permitted to import controlled Articles from Seller. The Parties acknowledge that such licenses or permits may impose restrictions on use of the controlled articles, technical data, and/or software subject to the contract. Each Party shall comply with all U.S. license and/or permit requirements and all other applicable export and import laws and regulations controlling the import and/or export of the subject controlled articles.

(c) All technical data and software subject to the International Traffic in Arms Regulations (ITAR) (22 CFR 120-130) or the Export Administration Regulations (EAR) (15 CFR 768-799) shall be clearly marked with their applicable export classification(s) and any subsequent information identified by either Party impacting the classification of the subject Articles shall be communicated to the other Party within a reasonable time. Upon completion of performance or termination of the Order, Buyer furnished articles, technical data, and software shall, at Buyer's option, be returned to Buyer.

## 15. ENTIRE AGREEMENT/SEVERABILITY/SURVIVAL.

The Order, including attachments and exhibits hereto, constitutes the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes all prior representations and understandings, whether oral or written.

**16. BUYER INFORMATION.**

Each Party agrees not to use any of the other Party’s information for any purpose except to perform the Order and agrees not to disclose such information to third parties without the prior written consent of the disclosing Party in accordance with the terms of the previously negotiated Non-Disclosure Agreement.

**17. PURPOSE AND DIVESTITURE.**

The purpose of these Terms and Conditions is to facilitate the same of Articles among affiliated entities in a Commercial, non-Governmental sale of goods or services. If the Buyer or Seller is Divested, Transferred, Acquired, or Merged with/by a non-Textron entity these terms and conditions shall be superseded and the remaining Textron entity’s standard terms and conditions at the time of such divestiture shall apply as of that date.