

TERMS AND CONDITIONS

THIS ORDER IS SUBJECT TO THE INSTRUCTIONS APPEARING ON THE REVERSE SIDE HEREOF AND TO THE FOLLOWING TERMS AND CONDITIONS AND NO OTHERS.

1. **ACCEPTANCE OF PURCHASE ORDER - ALTERATION OF TERMS AND CONDITIONS.** This purchase order shall be accepted by Buyer's receipt or the attached acknowledgment copy duly executed by Seller. In the absence of such acknowledgment, commencement of delivery of the products being purchased hereunder (the "products") and acceptance of any such delivery by Buyer shall constitute a firm contract on the terms and conditions hereof. None of the terms and conditions in this purchase order may be added to, modified, superseded or otherwise altered except by a written instrument signed by an authorized representative of Buyer and transmitted by Buyer to Seller notwithstanding any terms and conditions that may be contained in any acknowledgement, invoice or other correspondence from Seller or Buyer's acceptance of any shipment or payment thereon.
2. **PRICE.** This order shall not be filled at a higher price than specified herein. Unless otherwise provided herein, prices shown on this order include and Seller agrees to pay, all taxes upon or on account of products not expressly imposed by law on Buyer.
3. **DELIVERY.** If any shipment or delivery is made which is not in accord with all provisions of this order (including but not limited to time of shipment or delivery), Buyer reserves the right to reject such delivery or shipment to treat this order and Seller's obligations hereunder as having been breached, and to cancel any outstanding deliveries hereunder without prejudice to Buyer's right to claim damages or to enforce any other remedy provided by law. All expenses (including transportation and storage) resulting therefrom shall be for Seller's account. Seller agrees to notify Buyer promptly of any delays in shipments. Time is of the essence to this order.
4. **WARRANTY.** In addition to all warranties which may be prescribed by law, Seller warrants that the products will be delivered free of any claim of any third person by way of infringement or otherwise, that the products will be of merchantable quality, will conform to applicable designs, specifications, drawings, descriptions or samples furnished or to be furnished by Buyer to Seller, will be free from defects in design, material, and workmanship, and will be fit for the particular purpose or purposes intended by Buyer. Buyer's approval of any designs, specifications, drawings, descriptions or samples furnished by Seller shall not relieve Seller of its obligations hereunder. The aforesaid warranties shall extend and inure to the benefit of Buyer, its successors, assigns, customers and to the users of the products.
5. **ACCEPTANCE OF PRODUCTS.** Buyer's acceptance of the products shall not relieve Seller of any obligations and warranties hereunder. Acceptance of the products shall occur after Buyer: (1) has had a reasonable opportunity to inspect and test the products, and; (2) signifies to Seller that the products are conforming or that it will take or retain them in spite of their nonconformity.
6. **COMPLIANCE WITH LAWS.** The Seller warrants that it and the products furnished hereunder shall comply with all applicable state, federal and local laws, rules and regulations, and that it has paid or is exclusively liable for all unemployment compensation taxes on wages of such of its employees as have produced the products, and Seller agrees to forever indemnify and save Buyer harmless against liability on account of any non-compliance. Seller also agrees to furnish on each invoice a statement (in form approved by the U.S. Department of Labor) certifying that the aforesaid products were produced, manufactured and delivered in accordance with the Fair Labor Standards Act of 1938, as amended, and all regulations and orders issued hereunder.
7. **INFRINGEMENT AND LIABILITY INDEMNITY.** Seller, its successors, assigns, or heirs and legal representatives shall forever indemnify and save harmless Buyer, its subsidiaries, affiliated companies, successors, assigns, employees, agents, distributors, customers and users of the products of and from any claim, demand, cause of action, suit, judgment, loss, damage or other liability (including costs, expenses and attorney fees incurred in the investigation, defense or settlement of any court of other proceeding or suit or any threatened court or other proceeding or suit) for (1) actual or alleged patent, trade-mark, copyright, infringement, domestic or foreign, or infringement or violation of any similar rights and/or (2) actual or alleged damage, loss or liability, including incidental and consequential damages, to persons or property by reason of any defects in said products whether arising by breach of warranty or otherwise. Upon the request of the Buyer, Seller shall, at its expense defend all claims, proceedings or suits against Buyer, its subsidiaries, affiliated companies, successors, assigns, employees, agents, distributors, customers or users of said products in which any of the aforesaid claims are alleged. Buyer agrees to notify Seller promptly upon its receipt of notice of the aforesaid claim or claims.
8. **BUYER-FURNISHED PROPERTY.** Seller shall not use, reproduce, or appropriate for, or disclose to anyone other than as required for the manufacture or production of the products, any material, tooling, dies, drawings, designs or other property or data furnished by Buyer, nor shall Seller use the same to produce or manufacture more products than are required hereunder. Title hereto shall remain in Buyer at all times. Seller shall bear the risk of loss or damage to such property. Unless Buyer shall otherwise direct, all such property, together with spoiled and surplus products, shall be returned to Buyer at the termination or completion of this order.
9. **TOOLS.** Unless otherwise specified in this order, Seller shall furnish all tools at its own expense. However, Buyer shall have the option at any time to purchase from Seller, at Seller's costs, any or all special tools created or acquired specifically for use on the manufacture of products for Buyer. The responsibility for the preservation and maintenance of such special tools (whether or not paid for), and all other tools furnished or paid for by Buyer shall be the Seller's, they shall be treated as confidential items, kept separate from other tools and clearly identified, delivered to Buyer upon completion or cancellation of this order or any subsequent orders for the same products, and shall not be disclosed, displayed or used for the benefit of any person not requiring same for the fulfillment of this order without Buyer's written consent.
10. **PACKING.** Buyer is not responsible for any charge for packing, boxing, storage or cartage unless specified in this order. Any losses occurring from deviation from Buyer's shipping or routing instructions shall be charged to Seller's account.
11. **TITLE.** The property in or title to, and risk of loss of the products shall rest upon Seller until the products are accepted pursuant to Paragraph 5 hereof. If the products or any portion of same are of an explosive, inflammable, toxic, hazardous or dangerous nature. Seller shall hold Buyer harmless against any claims on account of injury to any persons or property caused by the products or the transportation thereof prior to the completion of unloading at Buyer's plant or warehouse.
12. **CHANGES.** Buyer reserves the right to cancel or modify this order at any time without prejudice to adjustments reasonably due for special products purchased by Seller or partially processed work hereunder.
13. **DELEGATION OF DUTIES, ASSIGNMENT OF RIGHTS.** Without Buyer's prior written consent, Seller shall neither delegate in any manner to any other person, firm or corporation, the performance or any work or the manufacture of any products, nor assign any amounts which may be or may become due hereunder. All claims for monies due or to become due from the Buyer shall be subject to deduction by the Buyer for any set-off or counterclaim arising out of this or any other purchase by the Buyer, whether such set-off or counterclaim arose before or after any such assignment.
14. **LABOR.** In accepting this order, Seller agrees that he, or it, is an independent contractor for all intents and purposes, and that he, or it, will protect and save harmless the Buyer, or its affiliated companies, from any claims for damages arising from injury to Seller's employees from any cause whatsoever while in or about Buyer's plant or property. Seller further agrees to carry all workmen's compensation insurance necessary under state or federal statutes and if work is to be done on Buyer's premises, to deliver to Buyer a certificate of such insurance. Seller also agrees that none of the individuals whose compensation for services is paid by the Seller shall be deemed to be employed by the Buyer for the purposes of any tax or contribution levied by federal or state governments, and Seller accepts exclusive liability for any payroll taxes or contributions imposed by any law covering his or its agents or employees.
15. **TERMINATION.** Performance may be terminated under this purchase order by Buyer in whole or in part at any time by written or telegraphic notice. In the event of such termination, the Buyer will reimburse Seller for its reasonable and necessary expenditures incurred directly incident to this order up to the date of notification of termination; but Buyer shall not be liable for any loss of profits on this order or portion thereof so cancelled. Such termination shall take effect immediately upon receipt of notification of termination.
16. **BANKRUPTCY.** Buyer may cancel this purchase order without obligation in the event the Seller makes an assignment for the benefit of creditors, or files a voluntary petition in bankruptcy, or has an involuntary petition in bankruptcy filed against it.
17. **CERTIFICATION OF SELLER'S PRODUCT LIABILITY INSURANCE COVERAGE.** Seller agrees to maintain at its expense product liability insurance, including liability assumed under contract, with respect to "vendor's coverage", and shall be written with a reputable insurer, satisfactory to Buyer. Such insurance shall provide coverage for bodily injury liability of not less than \$250,000 per person and occurrence and property damage liability of not less than \$100,000 per occurrence. Seller shall furnish to Buyer a certificate of insurance to evidence such coverage naming Buyer as an additional insured, and providing that the insurer will give Buyer at least ten (10) days prior written notice of cancellation or material change in such insurance.
18. **RESPONSIBILITY FOR PRODUCT HAZARDS.** In the event that information is received which reasonably supports the conclusion that the goods are a "substantial product hazard" under Section 15 of the Consumer Product Safety Act, Seller will, in addition to all other obligations hereunder, have the duty to rework or replace at Seller's expense all goods at any time sold to Buyer (whether in possession of Buyer, its customers, or others) which may be subject to the product hazard, and to pay all other costs and expenses of Buyer attributable to such product hazard.
19. **GOVERNMENT CONTRACT NUMBER - ADDITIONAL PROVISIONS.** If a government contract number appears on the face of this order, the order is subject to additional provisions appearing in a document entitled "Additional Provisions - Orders Under Contracts with Governments and Governmental Agencies", which is herein incorporated as additional terms. These terms are available from Buyer upon request and will be forwarded to Seller upon receipt of the acknowledgment of this order.
20. **REMEDIES.** The rights and remedies of Buyer hereunder shall not be exclusive, but shall be cumulative and in addition to any other rights and remedies provided by any and all other clauses and paragraphs of this purchase order and to all other rights and remedies, in law or equity including, but not limited to, the right of Buyer to set-off amounts payable to Seller hereunder against any amounts otherwise owed to Buyer by Seller.
21. **ENTIRE AGREEMENT.** The provisions contained herein constitute the entire agreement between the parties hereto and supersede all previous communications, representations, and agreements, either verbal or written, between the parties hereto with respect to the subject matter hereof.
22. **LEGAL EFFECT AND PROCEEDINGS.** Upon acceptance by Seller, this order shall constitute a contract which shall be governed, construed and interpreted in all respects in accordance with the laws of Tennessee. The courts of the State of Tennessee shall have jurisdiction to hear and determine any claims or disputes pertaining directly or indirectly to this order or to any matter arising therefrom. Buyer hereby, and Seller by its acceptance hereof, expressly submit and consent in advance to such jurisdiction in any action or proceeding commenced by the other in such court, hereby waiving the right to trial by jury and personal service of the summons and complaint or other process issued herein (herein called "Process"), and agreeing that such Process may be served by registered or certified mail addressed to the party to be served at the address shown on the face hereof or such other address as such party may have designated in writing for receiving notices. Should the party so served fail to answer or appear within thirty (30) days after the mailing of such Process, such party shall be deemed in default and judgment or an appropriate order may be entered as demanded or prayed for in such Process.
23. **GENERAL.** Rejected material will be returned at vendor's expense for transportation both ways and all related labor and packing costs. No goods returned as defective shall be replaced without the written permission of an authorized Buyer. Immediate acknowledgment, together with delivery information, is required. Our purchase order number must appear on all shipping documents, invoices and correspondence, and packing sheets must be inserted in all shipments. Buyer has no obligation for material shipped in excess of this order. Buyer reserves the right to substitute its own identifying mark for that of Seller on the materials, provided that no patent notice shall be removed.
24. "The Requirements of EO 11246 and all other Federal and State Regulations that pertain to Equal Employment Opportunity and Affirmative Action are hereby incorporated by reference. As a contractor, subcontractor, supplier or vendor you agree to implement all such requirements that are applicable."