

## TERMS AND CONDITIONS

### 1. ACCEPTANCE

This purchase order must be accepted in writing by Seller. If for any reason Seller should fail to accept in writing, any conduct by Seller which recognizes the existence of a contract pertaining to the subject matter hereof shall constitute acceptance by Seller of this purchase order and all of its terms and conditions. Any terms proposed and Seller's acceptance of Buyer's offer which add to, vary from or conflict with the terms herein are hereby objected to. Any such proposed terms shall be void and the terms herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties and may hereafter be modified only by written instrument executed by the authorized representatives of both parties. If this purchase order has been issued by Buyer in response to an offer and if any terms herein are in addition to or different from any terms of such offer, then the issuance of this purchase order by Buyer shall constitute an acceptance of such offer subject to the express conditions that the Seller assent to in such additional and different terms herein and acknowledged that this purchase order constitutes the entire agreement between Buyer and Seller with respect to the subject matter hereof and the subject matter of such offer and Seller shall be deemed to have assented and acknowledged unless the Seller notifies buyer to the contrary in writing within 10 days of receipt of this purchase order.

### 2. CHANGES

Buyer may at any time by written order make changes in the materials or work ordered, including changes in drawings and specifications, or require additional work or materials. If such changes caused an increase or decrease in Seller's cost or in the time required for Seller's performance, an equitable adjustment shall be made and this order shall be modified in writing. Buyer reserves the right to terminate or suspend all, or from time to time, the undelivered for an executed portion order, (a) for cause, if Seller fails to make any deliveries or performed any work as scheduled or if Seller breaches any of the provisions herein; or (b) without cause, upon written notification from Buyer to Seller. Buyer will reimburse Seller for Seller's expenses (which shall not include loss of profits) resulting directly from any such termination or suspension made without cause, which amount shall in no event exceed the applicable pro rata portion of the current contract price. The foregoing states Buyer's entire liability and Seller's exclusive remedy for any change in, or termination or suspension of, all or any part of this agreement. Any claims under this paragraph must be asserted in writing within (30) days after the change, cancellation or suspension is ordered, and the amount of such claim must be stated in detail in writing within (30) days thereafter.

Late deliveries, deliveries of products or services which are defective or which do not conform to this agreement, and failure to provide Buyer, on request, with adequate insurances of future performance shall be all causes allowing buyer to terminate this agreement for cause. In the event of such termination for cause, Buyer reserves the right to purchase substitute items or services elsewhere and it shall not be liable to Seller for any amount, and Seller shall be liable to buyer for any and all damages sustained by reason of the default which gave rise to the termination. If it should be determined that the Buyer has improperly terminated this contract for default, such termination shall be deemed a termination for convenience.

### 3. DELIVERIES

Buyers production and marketing schedules are established in reliance upon the dates delivered on the face hereof or otherwise for delivery of the items covered by this contract. Time therefore is of the essence for this contract. Shipments or deliveries as specified in this contract shall be strictly in accordance with the quantities and schedules specified in this contract, and the buyer assumes no obligation or responsibility for material shipped in excess of this purchase order, and any such excess maybe at Buyers option be returned to Seller at Sellers expense. Any provisions hereof for delivery by installments shall not be construed as making the obligations of seller severable. If at any time it appears Seller will not meet such schedule, Seller shall promptly notify buyer in writing and, if requested by Buyer, ship via air or expedited routing to avoid or minimize, to the maximum extent possible, the added cost to be borne by Seller.

#### 4. RISK OF LOSS

Title to the goods and risk of loss the goods shall remain with the Seller until the goods are in the Buyers actual physical possession.

#### 5. PRICE

If the price is not set forth in this purchase order, Seller's written acceptance shall set forth in writing Sellers proposal with respect to such price. In such event, Buyer shall have 60 days to confirm in writing the price proposed by the Seller. Buyer shall not be required to pay for the goods at prices higher than those specified in this order or in Buyers written price confirmation. Unless otherwise indicated on the face of this form, the prices specified in this purchase order or in Buyers written price confirmation include all taxes as set forth below. No charge for extras or for transportation, storage, drayage, insurance, boxing, packing, crating, or carting will be allowed unless specified in this order court agreed to by Buyer in writing. Prices herein are firm and not subject to escalation without Buyers written approval prior to shipment.

#### 6. WARRANTIES

Whether or not Seller is a merchant of goods and or services provided by it Seller warrants that all goods and or services provided by: (a) shall be of good quality and workmanship and free from defects, latent or patent, (b) shall conform to all specifications, drawings, descriptions, furnished specified or adopted by buyer, (c) shall be merchantable and suitable and sufficient for their intended purpose, and (d) shall be free of any claim of any third party. Sellers warranty shall run to buyer, its successors, assigned to customers and users of the products or services sold here under. None of the remedies available to Buyer for the breach of any of the foregoing warranties may be limited except to the extent and in the manner agreed upon by Buyer in a separate agreement specifically designating such limitation and signed by an authorized representative of Buyer. Buyers inspection and or acceptance of and or payment for goods and or services shall not constitute a waiver by it of any warranties. Buyers approval of any sample or acceptance of any good shall not relieve the Seller from the responsibility to deliver goods and to perform services conforming to specifications, drawings, and descriptions.

In addition to any other rights buyer may have, if items delivered pursuant to this agreement are found, within one year after acceptance not to be as warranted, buyer may return such items to seller, at Sellers expense, for correction, replacement or credit, as buyer may direct. Any items corrected or furnished in replacement shall also be subject to all provisions of this article entitled warranties to the same extent as items initially furnished.

## 7. INSPECTION

Payment for the goods delivered here under shall not constitute acceptance thereof. Buyer shall have the right to inspect such goods and to reject any or all of said goods and return any or all that are in Buyers judgment defective. Goods so rejected and goods supply in excess of quantities called for herein may be returned to the Seller at its expense, in addition to Buyers other rights, Buyer may charge the Seller all expenses of unpacking, examining, repacking and reshipping such good. In the event Buyer receives goods whose defects or nonconformity is not apparent on examination resulting in deterioration of its finished product, Buyer reserves the right to require the replacement, as well as payment of consequential damages.

## 8 PACKING AND SHIPPING

Seller agrees to properly box, crate or prepare goods for shipping so as to prevent damage in transit, to secure the lowest transportation cost, and to comply with Buyers shipping instructions and or routings, and to describe goods on bill of lading in conformity with appropriate freight classification. Any additional charges resulting from failure to comply with this provision shall be charged to seller. Each container must be marked to identify content and quantities without opening. Packing slips must accompany each shipment. The location of the packing slip must be clearly marked on the container. When multiple containers are used, the packing slip will show the goods in each container. Multiple containers will be marked, for example, 1 of 4, 2 of 4, etc. Buyers purchase order, part number and plant location must appear on all invoices, packing slips, delivery tickets, shipping orders and bills of lading.

## 9 INVOICING

Sellers invoices shall be mailed upon shipment of material, together with original bills of lading and all shipping receipts. All invoices shall contain the purchase order number, packing slip number, item number, description of items, quantities, unit prices and extended totals in addition to any other information specified elsewhere herein. Individual invoices shall be issued for shipments applying against each purchase order.

## 10 BUYERS PROPERTY

All tools, dies, patterns, Jakes, fixtures, parts and materials supplied hereunder by Buyer or paid for hereunder by Buyer remaining Buyers property and Seller agrees to comply with all disposal and shipping instructions furnished by Buyer. Seller agrees, at its expense, to maintain all property in its possession which belongs to Buyer in good condition and repair and adequately insured and to indemnify Buyer for all damages or loss to such property.

Seller agrees that Seller will keep confidential and will not copy the features of any equipment, tools, patterns, designs, drawings, engineering data or other commercial, technical or proprietary information furnished by Buyer. All such items shall remain property of Buyer and Seller shall use the same only in production of items under this order or under other orders from Buyer, and not otherwise unless Buyers written consent is first obtained. Upon request, Seller agrees to return promptly all such items or to make such other disposition thereof as Buyer may direct.

If payment is made here under for experimental, developmental or research work, including engineering amounting thereto, Seller agrees to grant to Buyer all rights, title and interest in to any invention, whether or not patentable, conceived or first reduced to practice in the performance of

such work and all drawings, reports, specifications or other data related to such work shall be the property of the Buyer and shall be delivered to buyer at its request.

#### 11. INTELLECTUAL PROPERTY

Seller agrees upon receipt of notification to promptly assume full responsibility for defense of any suit or proceeding which may be brought against Buyer or its agents, customers, or other vendors for any alleged intellectual property infringement, as well as any alleged unfair competition resulting from similarity in design, trademark, or appearance of goods or services furnished hereunder, and Seller further agrees to indemnify buyer, its agents, and customers against any and all expenses, losses, royalties, profits and damages, including court costs and attorneys fees, resulting from any such suit or proceeding, including any settlement. Buyer may be represented by or actively participate through its own counsel in any such suit or proceeding if it so desires, and the cost of such representation shall be paid by the Seller.

#### 12 TAXES

Seller agrees to separately state on all invoices any taxes imposed by federal, state or local governments applicable to furnishing any of the articles provided, however, that no tax shall be included for which an exemption is available. In the event it shall ever be determined that any tax included in the prices herein was not required to be paid, Seller agrees to notify Buyer and to make prompt payment application for the refund thereof, to take all proper steps to procure same, and when received to pay the same to buyer.

#### 13. ASSIGNMENT

Seller shall not, without first obtaining the written consent of buyer, assign or subcontract all or a portion of this order, or the performance of the work here under, or monies due to become due hereunder.

#### 14 BANKRUPTCY

In the event of any proceedings by or against either party, voluntary or involuntary, and bankruptcy or in solvency, or for the appointment of a receiver or trustee, or as assignee for the benefit of creditors, of the property of either party, or in the event of the breach of any of the terms here, including the warranties of the seller, the other party may be entitled to cancel the contracts resulting from acceptance of this purchase order forthwith.

#### 15 CONSTUCTION

The contract resulting from the acceptance of this purchase order is to be construed according to the laws of South Carolina, without regard to the principles of law thereof, no course of prior dealings, no usage of the trade, and no course of performance shall be used to modify, supplement or explain any terms used in this contract.

#### 16 DISPUTE RESOLUTION

Should any disputes occur between the parties out of or related to this agreement, or their rights and responsibilities to each other here under, and such matter cannot be settled by agreement between the parties, the matter should then be settled and determined by arbitration before a single arbitrator under the then current Commercial Arbitration Rules of the American Arbitration Association. The decision and award of the arbitrator shall be final and binding and the award so

rendered maybe entered in any court having jurisdiction thereof. The arbitration shall be held and the award shall be deemed to be made in Columbia, South Carolina, U.S.A.

#### 17 REMEDIES

The remedies herein reserved shall be cumulative, and in addition to any other or further remedies provided in law or equity. If any provision, clause or part of this agreement, or the application thereof under certain circumstances is held invalid, the remainder of this agreement or the application of such provisions, clause or part under other circumstances should not be affected thereby.

#### 18 SET-OFF

If Buyer or any of its subsidiaries or affiliates has any claims against seller, it may set-off the amount of such claim against any amount owed or becoming due hereunder.

#### 19. INDEMNIFICATION

Seller shall indemnify Buyer against all damages, liability, claims, losses and expenses (including attorney's fees) arising out of, or resulting in any way from any defect in the goods or services purchased hereunder or from any act or omission of Seller, its agents, employees or subcontractors. Seller shall maintain such public liability insurance, including products liability and protective liability, completed operations, Contractors liability and protective liability, automobile liability insurance (including non-own automobile liability), and Workmen's Compensation, and employers' liability insurance has will adequately protect Buyer against such damage, liabilities, claims, losses and expenses (including attorney's fees). Seller agrees to submit certificates of insurance, evidence and its insurance coverage when requested by buyer.

#### 20. FORCE MAJEURE

Strikes, fires, accidents or other causes beyond the control of fire which shall affect the Buyers ability to receive and use the material contracted for shall constitute a valid ground for suspension of shipment, upon notification to the Seller and without penalty to the Buyer except a cancellation of such causes may not be made without reimbursement to the Seller for expenditures actually made for labor and materials upon the authority of this agreement.

#### 21 GRATUITIES

Seller warrants that neither it nor any of its employees, agents or representatives has offered or given any gratuities to any of the Buyers employees, agents, or representatives. If it is found that Seller or any of its employees, agents, or representatives, has offered or given any gratuities to Buyers employees, agents, or representatives, with, in Buyers opinion, a view toward securing purchase orders for contracts from Buyer, or securing favorable treatment with respect thereto; Buyer may, by written notice to Seller, cancel this agreement.

#### 22 PUBLICITY

Seller shall not, without first obtaining written consent of Buyer, in any manner, advertise or publish the fact that Seller has contracted to furnish the Buyer the articles or services herein mentioned, and for failure to observe this provision, Buyer shall have the right, among other remedies available in the law and without any derogation therefrom, to cancel the contract resulting from the acceptance of this order without any further liability thereon.

### 23 WAIVER

The failure of Buyer to insist upon the performance of any provision of this agreement, to exercise any right or privilege granted to Buyer here under shall not be construed as waiving any such provision, and the same shall continue in force.

### 24 ENTIRE AGREEMENT

This purchase order, including all items incorporated herein by reference, contains the final and entire contract between Buyer and Seller, and no agreement or other understanding purporting to add or modify the terms and conditions hereof shall be binding upon buyer unless expressly agreed to by Buyer in writing on or subsequent to that date of this purchase order.

### 25 LIMITATION ON BUYERS LIABILITY

In no event shall Buyer be liable for anticipated profits, or for incidental, or consequential damages. Buyer's liability on any claim of any kind for any loss or damage arising out of or in connection with or resulting from this agreement or from the performance or breach thereof shall not in any case exceed the price allocable to the goods or services or units thereof which gives rise to the claim.

### 26 COMPLIANCE WITH LAWS

In the performance of this order, seller shall comply with all applicable laws, ordinances, rules and regulations; Federal, State, and Local. Seller hereby certifies that the goods called for by this order have been or will be produced in compliance with the fair labor standards act of 1938 (29 US Code 201 – 219) and in so far as applicable to this order, Walsh-Healey Public Contracts Act (41 US Code 35 – 45), or the Work Hours Act of 1962 (40 US code 327– 332), and any amendments thereto, as well as with the provisions of any other federal law with respect to labor relations, minimum wages, and hours of employment, now in effect or hereafter enacted, and with any and all rules and regulations issued under each and every such act. Seller agrees that this certification may be considered as the certificate contemplated by the amendment dated October 26, 1949 to the Fair Labor Standards Act of 1938, The Equal Employment Opportunity clause prescribed by Executive Order No 11246 of September 24, 1965, as amended from time to time, the Affirmative Action for Handicapped Workers clause prescribed by the Rehabilitation Act of 1973, as amended, and the Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era clause prescribed by the Vietnam Era Veterans Readjustment Assistance Act of 1972, as amended, or incorporated herein, unless this transaction is exempt, Seller agrees to submit reports, certificates and other documents required by of subcontractors by such Executive Orders and Acts, and the rules, regulations and relevant orders issued under the authority of any of the foregoing, if required by applicable regulations. All work and materials supplied here under must comply with the applicable requirements of the Occupational Safety and Health Act.

Seller further warrants that each and every chemical substance constituting or contained in the products sold or otherwise transferred to the company under this purchase order is on the list of chemical substances compiled and published by the administrator of the Environmental Protection Agency pursuant to the Toxic Substances Control Act and are otherwise in compliance with said Act.

### 27 GOVERNMENT CONTRACT REQUIREMENTS

If this purchase order is the subcontract under a Government prime contract, as maybe evidenced by the inclusion of a reference to a Government contract number on the face of this order, then all clauses required by Defense Acquisition Regulations, or other equivalent regulations, or by the Government part prime contract, to be included in subcontracts of this nature, are hereby incorporated in and made part of this order. Upon request, Buyer will make available to Seller copies of all pertinent clauses required by any such government contract. Since the phraseology of the clauses incorporated above has been primarily designed for Government prime contracts, words and phrases in the foregoing regulations importing the Government or the prime contractor, or their representatives shall, when a fair and reasonable interpretation of the context of this order so requires in order to express properly the subcontract relationship, be deemed to refer to Buyer or Seller or their respective representatives; provided, however, that all references to "Government" in the patent clauses incorporated herein above shall refer only to the United States Government and all references to "Government" in the patent clauses incorporated herein above shall refer to the Government Contracting Officer for the prime contract; provided, further that all references to the clause in titled "Disputes" shall be deleted. Copies of such DAR clauses and information as to the Cognizant Contracting Officer shall be furnished by Buyer to Seller upon request.