

SPYRAFLO, INC.

ALL SPYRAFLO PURCHASES ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS

I. GENERAL

- A. Prompt acceptance of this order by returning the acknowledgment copy hereof is required but, in any event, any delivery hereunder shall constitute an acceptance hereof and all its terms.
- B. This order and the language herein shall be construed and informed under the uniform commercial code as in effect in the State of Georgia on the date hereon.
- C. This order is issued in reliance on supplier's personal performance. The supplier may not assign this order or the partial payment of any sum due hereunder, or subcontract any substantial part of the performance or work other than the standard commercial supplies.
- D. This order is a final, complete and exclusive agreement between the parties and may not be modified, supplemented, explained or waived without the consent of both parties. Any reference in this order to supplier's proposal or quotation are only to describe the materials or works covered hereby and do not constitute an acceptance of any terms set forth herein.

II. PERFORMANCE BY SUPPLIER

- A. Inferior quality or workmanship will result in rejections of goods. Goods will be returned to supplier for full credit, supplier will pay for transportation both ways, plus labor, packaging and loading. Goods are not to be replaced except on written instruction from Purchaser.
- B. Purchaser reserves the right to refuse and not pay for goods delivered before or after the delivery date specified. Goods delivered and accepted before the delay date specified will be considered delivered as of the date specified and the invoice will be paid accordingly.
- C. Unless otherwise specifically provided herein (i) no charges for transportation, packing, charges, storage, or containers shall be allowed, (ii) supplier shall pay and prices includes all applicable sales and similar types taxes which are not imposed by law on the purchaser, and (iii) any information or data disclosed or furnish to purchaser by supplier shall be deemed sold as part of the price hereof, non-proprietary and free of all restrictions whatsoever.
- D. Supplier shall review and approve purchasing documents for adequacy of specified requirements prior to release.
- E. Supplier shall establish and maintain procedures for verification, storage and maintenance of purchaser supplied product provided for incorporation into the supplies. Any such product that is lost, damaged or is otherwise unsuitable for use shall be recorded and reported to purchaser.
- F. Where appropriate, the supplier shall establish, document and maintain procedures for, (I) identifying the product from applicable drawings, specifications or other documents, during all stages of production, delivery and installation, (ii) investigating the cause of nonconforming product and the corrective action needed to prevent reoccurrence, (iii) analyzing all process, work operations, concessions, quality records, service reports and customer complaints to detect and eliminate potential causes of nonconforming product, (iv) initiating preventive actions to deal with problems to a level corresponding to the risked encountered, (v) applying controls to ensure that corrective actions are taken and that they are effective, (vi) implementing and recording changes in procedures resulting from corrective action.
- G. Where and to the extent that traceability is a specified requirement, individual product or batches shall have unique identification. This identification shall be recorded.

- H. Purchaser will not accept shipment at any price above that indicated on this order. Any general price decrease announced by supplier in classification of equipment or materials similar to items described on this order shall automatically reduce the price hereof by a comparable percentage.
- I. Memorandum of contents (packing list) shall be enclosed in or attached to each shipment.
- J. Supplier agrees to defend, protect and hold harmless the purchaser and its customer against all claims for infringement of any United States or foreign patent or trademark that may arise from the manufacture use or sales of equipment, material or work performed hereunder.
- K. Supplier agrees to reimburse, defend and hold harmless purchaser for, from and against any and all claims except those based on purchaser's gross negligence, connected with or arising out of injury or death from manufacture or use of equipment, material or work performed by supplier.

III. PURCHASERS PROPERTY

- A. Purchaser retains title to all drawings, designs, specifications and technical data furnished to supplier for use with this order and shall be treated as purchaser's confidential information, shall be used by supplier only to complete this order and shall be returned upon completion or termination of this order, along with all copies or reproductions thereof. Copies or reproductions shall be made only with purchaser's written consent.
- B. All materials, including tools, special dies and patterns, furnished shall be the property of the purchaser, shall be returned to the purchaser when no longer required hereunder, shall be used only to complete this order and shall be segregated and clearly identified as property of purchaser. Supplier assumes all risk and liability for loss or damages thereto, except for normal wear, and agrees to permit inspections and supply detailed statements of inventory upon request of purchaser.
- C. Where specified in the contract, the purchaser or his representative shall be afforded the right to verify at source or upon receipt that purchased product conforms to specified requirements. Verification by the purchaser shall not absolve the supplier of the responsibility to provide acceptable product nor shall it preclude subsequent rejection. When the purchaser or his representative elects to carry out verification at the sub-contractor's plant, such verification shall not be used by the supplier as evidence of effective control of quality by sub-contractor.

IV. TERMINATION

Purchaser may, at any time, terminate this order, in whole or in part, by written notice, whereupon the supplier shall terminate work pursuant to the terms of such notice. Supplier shall promptly advise purchaser of quantities of applicable work and materials on hand or purchased prior to termination and the most favorable disposition that supplier can make thereof. Supplier shall comply with purchaser's instructions regarding disposition of such work and material.

All claims by supplier based on termination must be asserted, in writing and in full within ninety (90) days from the date of notification of the termination, or shall be waived. Purchaser shall pay supplier the purchase order price of finished work and the cost to supplier (excluding profit or loss) of work in process and raw material, less, however (I) the agreed value of any items used or sold by supplier with purchasers consent, and (II) the reasonable values or cost (whichever is higher) of any defective, damaged or destroyed work or material and any items sold by supplier without purchasers consent. Purchaser will make no payments for finished work, work in process or raw material fabricated or procured by supplier unnecessarily in advance or in excess of purchaser's delivery requirements. The payments provided under this claim shall constitute purchasers only liability in the event this order is terminated as provided herein.

Purchaser shall not be liable for failure to take delivery of material or work or render any other performance in the event of fire, accidents, labor difficulties, government actions, third party failures or any other conditions beyond purchasers reasonable control, render it commercially impractical for purchaser to do so.