

## PURCHASE ORDER TERMS AND CONDITIONS

**Acceptance-Agreement.** Seller's commencement of work on the goods subject to a purchase order issued by Purchaser, or shipment of such goods, whichever occurs first, shall be deemed an effective mode of acceptance of these Purchase Order Terms and Conditions. Any acceptance of a purchase order issued by Purchaser is limited to acceptance of the express terms contained herein. The purchase order, any documents referred to on the face thereof, and these Terms and Conditions constitute the entire agreement between the parties. Any proposal for additional or different terms or any attempt by Seller to vary in any degree any of thereof these terms in Seller's acceptance is hereby objected to and rejected, but such proposals shall not operate as a rejection of the purchase order unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods, but shall be deemed a material alteration thereof, and the purchase order shall be deemed accepted by Seller without said additional or different terms. If a purchase order shall be deemed an acceptance of a prior offer by Seller, such acceptance is limited to the express terms contained herein. Additional or different terms or any attempt by Seller to vary to any degree any of the terms herein shall be deemed material and are objected to and rejected, but the purchase order shall not operate as a rejection of Seller's offer unless it contains variances in the terms of the description, quantity, price or delivery schedule of the goods.

**Changes.** Purchaser shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation. If any such changes cause an increase or decrease in the cost, or the time required for the performance, an equitable adjustment shall be made and the agreement shall be modified in writing accordingly. Seller agrees to accept any such changes subject to this paragraph.

**Delivery.** Time is of the essence, and if delivery of goods or rendering of services is not completed by the time promised, Purchaser reserves the right without liability, in addition to its other rights and remedies, to terminate the purchase order by notice effective when received by Seller as to goods not yet shipped or services not yet rendered and to purchase substitute goods or services elsewhere and charge Seller with any loss incurred.

**Shipment.** If in order to comply with Purchaser's required delivery date it becomes necessary for Seller to ship by a more expensive way than specified in the purchase order, any increased transportation costs resulting therefrom shall be paid for by Seller unless the necessity for such rerouting or expedited handling has been caused by Purchaser.

**Warranty.** Seller expressly warrants that all goods or services furnished under a purchase order shall conform to all specifications and appropriate standards, will be new, and will be free from defects in material or workmanship. Seller warrants that all such goods or services will conform to any statements made on the containers or labels or advertisements for such goods, or services, and that any goods will be adequately contained, packaged, marked, and labeled. Seller warrants that all goods or services furnished will be merchantable, and will be safe and appropriate for the purpose for which goods or services of that kind are normally used. If Seller knows or has reason to know the particular purpose for which Purchaser intends to use the goods or services, Seller warrants that such that goods or services will be fit for such particular purpose.

Seller warrants that goods or services furnished will conform in all respects to samples. Inspection, test, acceptance, or use of the goods or services shall not affect Seller's obligation under this warranty, and such warranties shall survive inspection, test, acceptance, and use. Seller's warranty shall run to Purchaser, its successors, assigns and customers. Seller agrees to replace or correct defects of any goods or services not conforming to the foregoing warranty promptly, without expense to Purchaser, when notified of such nonconformity by Purchaser. In the event of failure of Seller to correct defects in or replace nonconforming goods or services promptly, Purchaser, after reasonable notice to Seller, may make such corrections or replace such goods and services and charge Seller for the cost incurred by Purchaser in doing so.

**Inspection/Testing.** Payment for the goods delivered shall not constitute acceptance thereof. Purchaser shall have the right to inspect such goods and to reject any or all of said goods which are in Purchaser's judgment defective or nonconforming. Goods rejected and goods supplied in excess of quantities called for may be returned to Seller at its expense and, in addition to Purchaser's other rights, Purchaser may charge Seller all expenses of unpacking, examining, repacking and reshipping such goods. In the event Purchaser receives goods whose defects or nonconformity is not apparent on examination, Purchaser reserves the right to require replacement, as well as payment of damages. Nothing contained in the purchase order shall relieve in any way Seller from the obligation of testing, inspection and quality control.

**Price Warranty.** Seller warrants that the prices for the articles sold Purchaser hereunder are not less favorable than those currently extended to any other customer for the same or similar articles in similar quantities. Seller warrants that prices shown on the purchase order shall be complete, and no additional charges of any type shall be added without Purchaser's express written consent. Such additional charges include, but are not limited to, shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing, crating.

**Termination for Convenience of Purchaser.** Purchaser reserves the right to terminate a purchase order or any part thereof for its sole convenience. In the event of such termination, Seller shall immediately stop all work thereunder, and shall immediately cause any of its suppliers or subcontractors to cease such work. Seller shall be paid a reasonable termination charge consisting of a percentage of the order price reflecting the percentage of the work performed prior to the notice of termination, plus actual direct costs resulting from termination. Seller shall not be paid for any work done after receipt of the notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided.

**Termination for Cause.** Purchaser may also terminate a purchase order or any part thereof for cause in the event of any default by Seller, or if Seller fails to comply with any of the terms and conditions herein. Late deliveries, deliveries of goods which are defective or which do not conform to the order, and failure to provide Purchaser, upon request, of reasonable assurances of future performance shall all be causes allowing Purchaser to terminate an order for cause. In the event of termination for cause, Purchaser shall not be liable to Seller for any amount, and Seller shall be liable to Purchaser for any and all damages sustained by reason of the default which gave rise to the termination.

**Proprietary Information-Confidentiality-Advertising.** Seller shall consider all information furnished by Purchaser to be confidential and shall not disclose any such information to any other person, or use such information itself for any purpose other than performing under the purchase order, unless Seller obtains written permission from Purchaser to do so. This paragraph shall apply to drawings, specifications, or other documents prepared by Seller for Purchaser in connection with an order. Seller shall not advertise or publish the fact that Purchaser has contracted to purchase goods from Seller, nor shall any information relating to an order be disclosed without Purchaser's written permission. Unless otherwise agreed in writing, no commercial, financial, or technical information disclosed in any manner or at any time or at any time by Seller to Purchaser shall be deemed secret or confidential and Seller shall have no rights against Purchaser with respect thereto except such rights as may exist under patent laws.

**Force Majeure.** Purchaser may delay delivery or acceptance occasioned by causes beyond its control. Seller shall hold such goods at the direction of the Purchaser and shall deliver them when the cause affecting the delay has been removed. Purchaser shall be responsible only for Seller's direct additional costs in holding the goods or delaying performance at Purchaser's request. Causes beyond Purchaser's control shall include delays in construction, governmental action or failure of the government to act where such action is required, strike or other labor trouble, fire, or unusually severe weather.

**Independent Contractor/Insurance.** In the event that Seller's obligations require or contemplate performance of services by Seller's employees, or person under contract to Seller, to be done on Purchaser's property, or property of Purchaser's customers, Seller agrees that all such work shall be done as an independent contractor and that the persons doing such work shall not be considered employees of the Purchaser. Seller shall maintain all insurance coverages, including public liability and Workmen's Compensation insurance as required by Purchaser. Purchaser shall have no obligation to pay for services until Purchase has received satisfactory evidence of such insurance.

**Indemnification.** Seller shall defend, indemnify and hold harmless Purchaser against all damages, claims or liabilities and expenses (including attorney's fees) arising out of or resulting in any way from any defect in the goods or services, or from any act or omission of Seller, its agents, employees or subcontractors. This indemnification shall be in addition to the warranty obligations of Seller.

**Patents.** Seller agrees upon receipt of notification to promptly assume full responsibility for defense of any suit or proceeding which may be brought against Purchaser or its agents, customers, or other vendors for alleged patent infringement, as well as for any alleged unfair competition resulting from similarity in design, trademark or appearance of goods or services furnished, and Seller further agrees to indemnify Purchaser, its agents and customers against any and all expenses, losses, royalties, profits and damages including court costs and attorney's fees resulting from any such suit or proceeding, including any settlement.

**Assignments and Subcontracting.** No part of a purchase order may be assigned or subcontracted without the prior written approval of Purchaser.

**Setoff.** All claims for money due or to become due from Purchaser shall be subject to deduction or setoff by the Purchaser by reason of any counterclaim arising out of this or any other transaction with Seller.

**Waiver.** Purchaser's failure to insist on performance of any of the terms or conditions herein or to exercise any right or privilege or Purchaser's waiver or any breach hereunder shall not thereafter waive any other terms, conditions, or privileges, whether of the same or similar type.

**Limitation on Purchaser's Liability - Statute of Limitations.** In no event shall Purchaser be liable for anticipated profits or for incidental or consequential damages. Purchaser's liability on any claim of any kind for any loss or damage arising out of or in connection with or resulting from a purchase order or from the performance or breach thereof shall in no case exceed the price allocable to the goods or services or unit thereof which gives rise to the claim. Purchaser shall not be liable for penalties of any description. Any action resulting from any breach on the part of Purchaser as to the goods or services must be commenced within one year after the cause of action has accrued.

**Compliance with Laws.** Seller agrees that all goods shipped to the Purchaser will be produced in full compliance with all applicable laws.

**Choice of Law.** These Purchase Order Terms and Conditions, and any contract formed in reference hereto, shall be governed by, and construed under the internal laws of the State of Missouri, without regard to principles of conflict of law, as the same may be from time to time in effect, including, without limitation, the Uniform Commercial Code as in effect in the State of Missouri.