

TERMS AND CONDITIONS OF PURCHASE

1. ACCEPTANCE - THE TERMS AND CONDITIONS HEREOF, TOGETHER WITH ALL ANCILLARY AGREEMENTS EXECUTED BETWEEN THE PARTIES, IF ANY, ARE THE EXCLUSIVE AND BINDING AGREEMENT BETWEEN THE PARTIES COVERING THE PURCHASE OF THE MATERIALS AND/OR SERVICES (COLLECTIVELY, "PRODUCTS") ORDERED HEREIN WHEN THIS ORDER IS ACCEPTED BY SELLER. THIS ORDER CAN BE ACCEPTED ONLY ON THESE TERMS AND CONDITIONS. ADDITIONAL OR DIFFERENT TERMS PROPOSED BY SELLER WILL NOT BE APPLICABLE UNLESS ACCEPTED IN WRITING BY THE BUYER.
2. PRICES - The acceptance of this order constitutes a warranty by Seller to Buyer that the prices to be charged for Products ordered herein are not in excess of prices charged to other customers for similar quantities and delivery requirements.
3. INVOICES - Invoices shall be submitted and shall contain the following information: purchase order number, Product number, description of Products, sizes, quantities, unit prices, and extended totals in addition to any other information specified elsewhere herein. In addition, the invoice must contain the following certification: "The Seller herein represents that the materials covered hereby, if any, - were produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended." Payment of invoice shall not constitute acceptance of Products by Buyer and shall be subject to adjustment for errors, shortages, defects in the supplies, or other failure of Seller to meet the requirements of this order. Buyer may at any time set off any amount owed by Buyer to Seller against any amount owed by Seller or any of its affiliated companies to Buyer.
4. CASH DISCOUNTS - Time in connection with any discount offered will be computed from (i) the scheduled delivery date (ii) the date of actual delivery or (iii) the date an acceptable invoice is received, whichever is later. Payment is deemed to be made for the purpose of earning the discount on the date of mailing of Buyer's check.
5. OVERSHIPMENTS - Buyer will pay only for quantities of Products ordered. Over-shipments will be held at Seller's risk and expense for a reasonable time awaiting shipping instructions. Seller shall be responsible for the risk of loss and cost of return shipping.
6. PACKING AND SHIPMENT - Unless otherwise specified, when the price of this order is based on the weight of the ordered Materials, such price is to cover net weight of Materials ordered only, and no charges will be allowed for boxing, crating, handling damage, carting, drayage, storage, or other packing requirements. Unless, otherwise specified, all Materials shall be packed, packaged, labeled, marked, and otherwise prepared for shipment in a manner which is (i) in accordance with good commercial practice, (ii) acceptable to common carriers for shipment at the lowest rate for the particular Materials and in accordance with I.C.C. regulations, and (iii) adequate to insure safe arrival of the Materials at the named destination. Seller shall mark all containers with necessary lifting, handling, and shipping information and also purchase order numbers, date of shipment, and the names of the consignee and consignor. An itemized packaging sheet must accompany each shipment. No partial or complete delivery shall be made hereunder prior to the date or dates shown unless Buyer has given prior written consent.
7. DELIVERY - It is understood and agreed that time is of the essence under this order. Unless otherwise specifically provided on the face of this order, Materials called for hereunder shall be delivered on a F.O.B. destination basis. Buyer reserves the right to cancel this order if shipment is not made by date specified. The title and risk of loss of Materials sold by Seller to Buyer hereunder shall pass from Seller to Buyer upon receipt and acceptance by Buyer or such other party specified as the receiving party in this order.
8. WARRANTY - (a) Seller warrants that all Products delivered hereunder shall be free from defects in workmanship, material, design, and manufacture; and shall comply with the requirements of this order. Seller further warrants all Products purchased hereunder shall be of merchantable quality and shall be

fit and suitable for the purposes intended by Buyer, and do not infringe any patent, copyright or other intellectual property right. (b) All warranties shall run to Buyer, its successors and assigns, and to its customers, and users of its Products. (c) Seller warrants that Seller is engaged in the business of providing Services, and possesses the requisite expertise, knowledge, skill, and ability to perform and complete Services in a competent, professional, and workmanlike manner. Seller shall provide Services in a professional and workmanlike manner and shall comply with all Buyer policies and procedures. (d) The foregoing warranties shall constitute conditions and are in addition to all other warranties, whether expressed or implied.

9. INSPECTION - (a) All Products purchased hereunder shall be subject to inspection and test by Buyer to the extent practicable at all times and places, including the period of manufacture and, in any event, prior to final acceptance. If Buyer conducts an inspection or test on Seller's premises, Seller, without additional charge, shall provide all reasonable facilities and assistance for the safety and convenience of Buyer's inspectors. Notwithstanding any prior inspections or payments hereunder, all Products shall be subject to final inspection and acceptance at Buyer's plant within a reasonable time after delivery. Seller waives rights of recovery or subrogation in the event of loss. No inspection or test shall relieve the Seller from responsibility for defects or other failure to meet the requirements of this order. (b) If inspection or test by the Buyer reveals that any Product is defective, or that performance in connection with this order is otherwise not in conformity with the requirements of this order, Buyer shall have the right either to reject it, require its correction, or accept it with an adjustment in price.

10. CHANGES - Buyer may at any time, by a written order and without notice to sureties or assignees, suspend performance hereunder, increase or decrease the ordered quantities, or make changes within the general scope of this order in anyone or more of the following: (i) applicable drawings, designs, or specifications; (ii) method of shipment or packing; (iii) place of delivery; and/or (iv) nature or scope of Services. If any such change causes an increase or decrease in the cost of or the time required for performance of this order, an equitable adjustment shall be made in the order price or delivery schedule, or both, and this order shall be modified in writing accordingly. No claim by Seller for adjustment hereunder shall be valid unless asserted within twenty (20) days from the date of receipt by Seller of the notification of change; provided, however, that such period may be extended upon the written approval of Buyer. However, nothing in this clause shall excuse Seller from proceeding with this order as changed or amended.

11. TERMINATION FOR CAUSE - (a) Buyer may, by written notice, terminate this order in whole or in part, in its sole discretion, (i) if Seller fails to make delivery of the Products within the time specified herein or any extension thereof by written change order or amendment; or (ii) if Seller fails to replace or correct defective Products in accordance with the provisions entitled "WARRANTY" and "INSPECTION"; or (iii) if Seller fails to perform any of the other provisions of this order or so fails to make progress as to endanger performance in accordance with its terms or (iv) for the insolvency or adjudication of bankruptcy, the filing of a voluntary petition on bankruptcy, or the making of an assignment for the benefit of creditors by Seller; (b) If this order is terminated pursuant to this provision, Buyer, in addition to any other rights provided herein, may require Seller to transfer title and deliver to Buyer, in the manner and to the extent directed by Buyer, (i) any completed Products and (ii) such partially completed Products, parts, tools, dies, jigs, fixtures, plans, drawing, information, and contract rights as Seller has produced or acquired for the performance of the terminated part; and Seller shall, upon direction of Buyer, protect and preserve property, as listed herein, in the possession of Seller; (c) Payment for completed Products delivered to and accepted by Buyer shall be in an amount agreed upon by Seller and Buyer (not to exceed the contract price); however, Seller's obligation hereunder to carry out Buyer's direction as to delivery, protection, and preservation shall not be contingent upon prior agreement as to such amount.

12. TERMINATION FOR CONVENIENCE - (a) Buyer may terminate, for its convenience, this order, in whole or in part, at any time by written notice; (b) In the event of termination pursuant to this provision, Seller shall, to the extent and at the times specified by Buyer, stop performance under this order,

assign to Buyer all of Seller's interests under terminated subcontracts and orders, settle all claims thereunder after obtaining Buyer's approval, protect all property in which Buyer has or may acquire an interest, and transfer title and make delivery to Buyer of all Products, Products in process, or other things held or acquired by Seller in connection with the terminated portion of this order. Seller shall proceed to comply with Buyer's directions without awaiting settlement or payment of its termination claim. Within three (3) months from termination pursuant to this provision Seller may submit to Buyer its written claim for termination charges, in the form and with the certifications prescribed by Buyer. Failure to submit such claim within such time shall constitute a waiver of all claims and a release of all of Buyer's liability arising out of such termination. Seller shall not be able to recover any profit. Payments made under this provision shall not exceed the aggregate price specified in this order, less payment otherwise made or to be made. There shall be excluded from any amounts payable to Seller under this provision all amounts payable in respect to property lost, damaged, stolen or destroyed prior to delivery to Buyer.

13. WAIVER - The failure of Buyer to enforce at any time any of the provisions of this order, to exercise any election or option provided herein, or to require at any time performance by Seller of any of the provisions hereof shall in no way be construed to be a waiver of such provision, nor in any way to affect the validity of this order or any part thereof, or the right of Buyer thereafter to enforce each and every such provision.

14. SEVERABILITY - If anyone or more of the terms or provisions of this order shall be for whatever reason held invalid, then such terms or provisions shall be deemed severable from the remaining terms or provisions contained herein and shall in no way affect the validity of the other provisions contained herein.

15. DAMAGES - In no event shall Seller be entitled to anticipatory profits or to special or indirect or consequential damages.

16. SUBCONTRACTING - No subcontracting shall be made by Seller with any other party for furnishing any Products without the prior written approval of Buyer.

17. INDEMNIFICATION - (a) Seller agrees to defend, indemnify and hold harmless Buyer, its agents, customers, successors and assigns, against any loss, damage and liability, including costs and expenses, for actual or alleged infringement of any patent, copyright, trademark or other intellectual property right arising out of the use or sale by Buyer, its agents, customers, successors or assigns, of the Products or any foreseeable use or modification thereof. Buyer shall notify Seller of any suit, claim or demand involving such infringement and shall permit Seller reasonable control in defending against or settling the same. If any injunction is issued as the result of any such infringement, or Buyer reasonably concludes an injunction or finding of infringement is possible, Seller agrees, at Buyer's option, to (i) refund to Buyer the amounts paid to Seller hereunder, or (ii) furnish Buyer with an acceptable and non-infringing substitute Product. (b) Seller agrees to indemnify and save harmless Buyer from and against any and all suits, claims, expenses, costs and damages caused by or resulting from any alleged or claimed defect in any Products, whether latent or patent, including allegedly improper construction and design, from the failure of Products to comply with specifications, breach of any warranty from Seller to Buyer, or from performance, completion or use of the Products ordered herein, or the sale, distribution, use or recall of any of the materials used in connection with the Products or performance hereunder. (c) Seller further agrees that all Products supplied will be free from liability of royalties, mechanics liens, or other encumbrances, and Seller agrees to indemnify and hold Buyer harmless from these liabilities. The obligations of this clause survive cancellation, termination or completion of this order.

18. REMEDIES - In addition to Buyer's remedies under the provision entitled "INDEMNIFICATION", Seller agrees either to reimburse Buyer monies paid under this order, or, correct at no additional charge to Buyer any defects in Products not performed in accordance with the terms and conditions of this order. Seller acknowledges and agrees that any breach of this order by the Seller shall cause Buyer irreparable harm, and Buyer, in addition to any other remedies available at law or in equity, shall

be entitled, without the requirement of posting a bond or other security, to equitable relief with respect to such breach, including injunctive relief and specific performance. If any Materials delivered hereunder do not meet the warranties specified herein or otherwise applicable, Seller shall, at its option, (i) correct at no cost to Buyer any defective or nonconforming Materials by repair or replacement within 60 days; or (ii) accept the return of such defective or nonconforming Materials at its expense and risk of loss while in course of return transit, and reimburse Buyer for the order price thereof. The foregoing remedies are in addition to all other remedies at law or in equity or under this order and shall not be deemed to be exclusive.

19. BUYER'S PROTECTION IN CONNECTION WITH WORK DONE AT ITS PLANT - Seller shall take such steps as may be reasonably necessary to prevent personal injury or property damage during any performance hereunder that may be performed by any employees, agents or subcontractors of Seller at Buyer's plant, and Seller shall indemnify and hold harmless Buyer from and against all loss, liability, and damages arising from or caused directly or indirectly by any act or omission of such agents, employees, or subcontractors of Seller, and Seller shall maintain such insurance against public liability and property damage, and such Employee's Liability and Compensation Insurance, as will protect Buyer against the aforementioned risks and against any claims under any Workmen's Compensation and Occupational Disease Acts. Seller will prohibit its employees, and will cause its subcontractors and agents to prohibit their employees from the use, sale concealment, transfer, or presence in the body of illegal drugs (or their metabolites), controlled substances, mood-or-mind-altering substances, "look-alike" substances, designer and synthetic drugs and/or alcoholic beverages at Buyer's plant.

20. INSURANCE; CLAIM OR LOSS WAIVER Seller will maintain Commercial General Liability, including Contractual Liability and Completed Operations & Products Liability insurance, covering the subject of this order; Automobile Liability insurance covering all vehicles it uses to carry out this order; and Worker's Compensation, Employer's Liability, Third Party Liability, and General Aggregate Insurance. Such insurance shall be for amounts, terms and conditions as are customary for businesses similar in type and size to Seller's. Seller waives all right of recovery or subrogation with respect to damages, losses or claims, whether or not paid under any of the insurance it maintains.

21. ENVIRONMENTAL EXPOSURE -Seller agrees to indemnify and save harmless Buyer from and against any and all suits, claims, expense, costs and damages, or costs or expenses of investigation, testing, monitoring, neutralizing, detoxifying, treating, containment, clean-up, remediation or disposal resulting from, arising from, or incurred by Buyer as a result of allegations that Seller's Products or performance hereunder caused pollution or environmental injury or damage resulting in or causing personal or bodily injury to, illness of, disease of or death of persons, damage to, impairment of, destruction of or loss of use of property, land, soil, water or the atmosphere, and to defend Buyer, at Seller's own expense, against any and all suits and claims.

22. COMPLIANCE WITH LAWS - Seller warrants that all Products called for herein shall be produced, labeled, transported, provided and performed in compliance with all applicable federal, state and local laws, rules, ordinances and regulations and Seller agrees to indemnify and hold Buyer harmless from any liabilities or losses resulting from Seller's failure to do so. Without limiting the foregoing, Seller agrees to comply with such laws, rules and regulations. Seller shall maintain required permits, licenses, approvals, and documentation in order to provide and complete the Services in compliance with federal, state, and local laws, regulations, ordinances, and rules. If Seller determines that its employees, agents, or subcontractors have violated or are violating the law, Seller shall notify Buyer by telephone immediately, followed by notice in writing within five (5) days of such determination.

23. GRATUITIES - Seller warrants that it has not offered or given and will not offer or give to any employee, agent, or representative of Buyer any gratuity with a view toward influencing such person or securing any business from Buyer.

24. NON-DISCLOSURE OF CONFIDENTIAL MATTER - (a) Products purchased hereunder with Buyer's specifications or drawings shall not be quoted for sale to or discussed with others without Buyer's written authorization. Such specifications, drawings, samples, or other data furnished by Buyer shall be treated as confidential information by Seller, shall remain Buyer's property, and shall be returned to it on request by Buyer. (b) Seller shall hold in the strictest confidence all information that

Buyer or its affiliates may provide to Seller, and/or Seller may come into possession of through observation or otherwise while on Buyer's premises, which information may include, but is not limited to, technical and business information, plans, samples, and information related to products processes, equipment, and production facilities, taking all reasonable measures to ensure confidentiality. (c) The obligations of this clause survive cancellation, termination or completion of this order.

25. INDEPENDENT CONTRACTOR. Seller is and shall be an independent contractor of Buyer. Buyer shall not exercise control over Seller, its employees, subcontractors, or agents, except in so far as may be reasonably necessary to ensure performance under and compliance with this order. Nothing in this order shall be construed to designate Seller, its subcontractors, agents, or assigns as the employees, subcontractors, partners, or agents of Buyer or Buyer's affiliates, subsidiaries, or members.

26. ASSIGNMENTS - No right or obligation under this order (including the right to receive monies due hereunder) shall be assigned by Seller without the prior written consent of Buyer, and any purported assignment without such consent shall be void. Buyer may assign this order at any time if Buyer considers such assignment necessary in connection with a sale of Buyer's assets or a transfer of its obligations.

27. BUYER-FURNISHED PROPERTY - All property including but not limited to specifications, drawings, other documents, data, tools, dies, molds, jigs, fixtures, patterns, machinery, special test equipment, special taps, and gauges furnished by Buyer for use in the performance of this order shall remain the property of Buyer, shall be used by Seller in the performance of this order only, in accordance with the requirements of this order relating to such use, and shall be returned to Buyer when requested upon the completion or termination of this order to the extent not previously delivered to Buyer.

28. NOTICE OF LABOR DISPUTES - Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, Seller will immediately notify Buyer and the government representative designated by Buyer of such dispute and furnish all relevant details.

29. PATENT LICENSE - Seller, as partial consideration for this order and without further cost to Buyer, hereby grants, and/or agrees to obtain and provide, to Buyer an irrevocable, non-exclusive, royalty-free right and license to, and to have third parties on its or their behalf, make, use and sell (i) any and all inventions and discoveries made, conceived, or reduced to practice in connection with the performance of this order and (ii) products embodying, incorporating or produced or performed using any such inventions or discoveries.

30. APPLICABLE LAW - This order shall be governed by, subject to, and construed in accordance with the laws of the State of South Carolina.

(END)