

TERMS AND CONDITIONS

1. The terms and conditions stated herein shall constitute the entire contract between Buyer and Seller and no agreement or other understanding in any way modifying the same will be binding unless made in writing signed by a duly authorized representative of each.
2. Prices stated on the face of this purchase order include, all local taxes and federal taxes, if any, applicable to this order unless otherwise expressly stated herein. No charges will be allowed for containers, crating, boxing or bundling unless stated herein. If this Purchase order carries no provision as to price, the price to be paid is to be the last quoted price or the market price at the time of delivery, whichever is lower.
3. Invoices shall be paid according to discount terms, or if no discount is offered within forty five (45) days. Payment and discount periods shall be computed from either date of delivery of the goods or date of receipt by Buyer of correct invoices accompanied by a bill of loading, whichever is later.
4. Shipment must be made within the time specified on this purchase order, failing which Buyer reserves the right, in addition to its other rights and remedies, at its option to cancel or provided a situation specified in Paragraph 8 does not exist, to demand the goods and charge Seller with any loss caused by said failure unless deferred shipment has been authorized.
5. Seller hereby warrant that the goods delivered pursuant to this purchase order are of the quality specified. In addition to its other rights and remedies, Buyer reserves the right to cancel this Purchase Order in its entirety or in part if the goods are defective or not in conformity with specifications or drawings, if any. The goods are subject to Buyers inspection and approval at destination. Payment for goods specified herein shall not constitute an acceptance thereof, but such goods shall be received subject to Buyers acceptance or rejection. If non-conforming, the goods may be rejected by returning them without notice for credit or replacement at Sellers risk and all handling and transportation expenses both ways will be assumed by Seller. All warranties survive delivery to and reception by the Buyer.
6. Buyer reserves the right at its convenience to return any amount of goods shipped in excess of the amount specified, and all handling and transportation expenses both ways on such excess amount will be assumed by Seller.
7. In the event any proceedings in bankruptcy are instituted by or against Seller, the Buyer may at its option cancel this contract.
8. Neither Buyer nor Seller shall be liable for delays or defaults in the performance of this contract due to causes beyond it respective control, including, but not limited to Acts of God, accidents, riots, war, Government interference, embargoes and strikes. Either Buyer or Seller shall notify the other in writing of the cause of any excusable delay promptly after the date it appears that such cause will make delay necessary. During the period of such delay by Seller, the Buyer may purchase its requirements elsewhere and at Buyers sole option apply such purchases to reduce the quantities due under this Purchase Order.
9. Seller warrants that the sale, re-sale and use of the goods described in this Purchase Order will not infringe (directly or contributorily) any patent, and Seller agrees to hold Buyer, as well as Buyers subsidiary and affiliated Companies, harmless to the extent of all damages assessed and all other expenses incurred as a result of any infringement (direct or contributory).

TERMS AND CONDITIONS

10. In accepting this order, Seller shall be deemed to represent and shall warrant that the goods to be furnished hereunder were or will be produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended.
11. Seller hereby guarantees that no food, drug, cosmetic or food additive comprising or being a part of any shipment or other delivery now or hereafter made to Buyer from Seller will be adulterated or misbranded within the meaning of the such Public Liability, Property Damage and Employees Liability and Compensation Insurance as will protect Buyer from said risks and from any claims under any Workmen's Compensation and Occupational Disease Acts. In addition to applicable any labor, materials, equipment and supervision; Buyer may specify and Seller shall pay all Social Security and employment taxes. Before full payment and upon Buyers request, Seller shall furnish evidence satisfactory to Buyer showing payment for all materials and labor used for the performance of this contract, Seller agrees that the labor furnished under this order or contract will work in harmony and accord with other labor groups engages on the Buyers premises.
12. If sellers work under the order involves operations by seller on the premises of the Buyer or one of its customers, Seller shall take all necessary precautions to prevent the occurrence of any injury to persons or damage to property during the progress of such work and except to the extent that any such injury or damage is due solely and directly to Buyers or its customers negligence, as the case may be Seller shall pay the Buyer for all loss which may result in any way from any act or omission of the Seller, its agents, employees or subcontractors, and Seller shall maintain such Public Liability, Property Damage, and Employees Liability and Compensation Insurance as will protect Buyer from said risks and from any claims underway Workmen's Compensation and Occupational Disease Acts. In addition, to applicable any labor, materials, equipment, and supervision, Buyer may specify, Seller shall pay all Social Security and employment taxes. Before full payment and upon Buyers request, Seller shall furnish evidence satisfactory to Buyer showing payment for all materials and labor used for the performance of this contract. Seller agrees that the labor furnished under this order or contract will work in harmony and accord with the other labor groups engaged on the Buyers premises.
13. Goods to be furnished hereunder shall be produced in compliance with Executive Order 11246 and upon request from Buyer. Seller will furnish evidence of compliance.
14. This Purchase Order shall be construed under the laws of the state of Missouri. Material purchased is for manufacturing and repacking and is covered by Missouri Statue Use Tax Licenses (RSMO. 1969).
15. During the performance of this contract, if it is \$50,000 or more, the Seller agrees as follows:
 - a. The Seller will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Seller will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment of recruitment advertising, layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. The Seller agrees to post in conspicuous places, available to employees

TERMS AND CONDITIONS

and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Equal Opportunity clause.

- b. The Seller, will, in all solicitations or advertisements for employees placed by or on behalf of the Seller, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- c. The Seller will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding a notice to be provided by the agency Contracting Office, advising the labor union or workers representative of the Seller commitments under this Equal Opportunity clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. The Seller will comply with all provisions of Executive order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- e. The Seller will furnish all information and reports required by Executive Order No 11246 of September 24, 1965, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records and accounts by the contracting agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders. The Seller will also furnish all information and reports required by 29 CFR Part 471, Appendix A to Subpart A, 41 CFR xx 60-1.4(a), 60-300.5(a) and 60-741.4(a) for purposes of investigation to ascertain compliance with such rules, regulations and orders.
- f. In the event of the Sellers noncompliance with the Equal Opportunity clause of this contract or with any of the said rules, regulations or orders, this contract may be canceled, terminated or suspended, in whole or in part , and the Seller may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as others provided by the law. In the event of the Sellers noncompliance with the 29 CFR Part 471, Appendix A to Subpart A, 41 CFR xx 60-1.4(a), 60-300.5(a) and 60-741.4(a) portion of this contract or with any of the said rules, regulations or orders, this contract maybe canceled, terminated or suspended, in whole or in part , and the Seller may be declared ineligible for further contracts.
- g. The Seller will include the provisions of paragraph (a) through (g) in every subcontract or purchase order unless exempt by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order No 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Seller will take such action with respect to any subcontract or purchase order as contracting agency may direct as means of enforcing such provisions, including sanctions for noncompliance. Provided however, that in the event the Seller becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction

TERMS AND CONDITIONS

by the contracting agency, the Seller may request the United States to enter into such litigation to protect the interests of the United States.

Unless otherwise obligated by contractual provisions signed and executed by duly authorized representatives of the Buyer and Seller, the general terms and conditions of ELANTAS PDG, Inc. shall prevail for all aspects of this Purchase Order.

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ELANTAS PDG INC