



935 Mearns Road Warminster, PA 18974 800.523.2327 Phone: 215.672.7800 Fax: 215.672.7807 www.spindustries.com

## **Purchase Order Terms and Conditions**

(Last Revised 24June2015)

**Offer and Contract:** The following terms and conditions apply to all SP Industries, Inc. (hereinafter “SP Industries”) purchase orders, which includes any terms set forth on the face of an individual purchase order, any plans, specifications or other documents (including Seller proposal or invoice) attached or incorporated by reference into the purchase order (collectively the “Purchase Order”). SP Industries hereby gives notice of its objection to any different or additional terms. Purchase Orders are valid only as written. If price, terms, shipping date or any other expressed condition of the Purchase Order is not acceptable, SP Industries must be notified and must accept in writing any variation prior to shipment or delivery. The Purchase Order shall be deemed to have been accepted (i) in the absence of written notification of non-acceptance by the Seller within a reasonable period of time, or (ii) upon timely delivery of the goods or services identified herein to the shipping address specified on the face of the Purchase Order.

**Changes:** SP Industries may make changes to the Purchase Order at any time, and Seller shall accept such changes. If a change causes an increase or decrease in cost and/or time required for performance, an equitable adjustment shall be made and the Purchase Order modified in writing accordingly.

**Termination for Convenience or Cause:** SP Industries may terminate the Purchase Order or any part thereof for its sole convenience. Upon notice of such termination, Seller shall immediately stop all work and/or shipment of goods hereunder and cause its suppliers and/or subcontractors to cease their work against the Purchase Order. Seller shall be paid a reasonable termination charge consisting of a pro rata percentage of the Purchase Order price reflecting the percentage of work performed prior to notice of termination, plus actual direct costs resulting from termination. Seller shall not be paid for work performed or costs incurred after receipt of notice of termination, or for costs incurred by Seller’s suppliers that Seller reasonably could have avoided. SP Industries may terminate the Purchase Order or any part hereof for cause if Seller defaults, fails to comply with any terms and conditions of the Purchase Order, becomes insolvent or files for bankruptcy protection. Late delivery of goods that are defective or do not conform to the Purchase Order or performance of services that fail to meet commercially reasonable standards shall, without limitation, be causes allowing SP Industries to terminate the Purchase Order for cause. In this event, SP Industries will not be liable to Seller for any amounts; but Seller shall be liable to SP Industries for all losses, damages, and expenses, including costs or cover, resulting from the default that caused the termination.

**Confidential Information:** Any information, conveyed to Seller by SP Industries, either orally or in writing, in whatever medium, shall be considered SP Industries Confidential Information. Seller shall not disclose SP Industries Confidential Information to any third party or use any SP Industries Confidential Information, without the consent of SP Industries, except for the express purposes of this Purchase Order.

**Delivery:** Time is of the essence of the Purchase Order. If delivery of goods or services is not complete within the time specified, SP Industries may, without liability and in addition to its other rights and remedies, terminate the Purchase Order, by notice effective when received by Seller, as to goods not yet delivered or services not yet rendered. SP Industries may purchase substitute goods or services elsewhere and charge Seller for any additional expense incurred. Acceptance of any part of the Purchase Order shall not bind SP Industries to accept any future shipments nor deprive it of the right to return goods already accepted.

**Force Majeure:** Neither party shall be liable for any delays or non-performance of the Purchase Order arising from civil disorders, act of war, strikes, or other unforeseeable or similar catastrophes including, but not limited to severe weather or other acts of God.

**Warranties:** Seller expressly warrants all goods provided hereunder will conform to applicable plans, and specifications, (as delineated in the Purchase Order) and will be merchantable, of good quality and workmanship and materials, and free from defect, claim, encumbrance or lien, and shall be suitable for the particular purpose intended by SP Industries. Services shall be performed to the highest commercial standards. This express and implied warranty shall not be waived by reason of the acceptance of the goods or payment therefore by SP Industries.

**Compliance:** In performing its obligations hereunder Seller shall comply with all applicable federal, state, municipal, or local laws, rules, regulations, orders, decisions or permits of any relevant jurisdiction, including Executive Orders relating to matters including, but not limited to employment, safety, health, environmental standards and requirements, non-discrimination, equal employment opportunity, import/export and privacy protection. Such laws include, but are not limited to the Occupational Safety and Health Act, the Fair Labor Standards Act, and the Food and Drug Cosmetic Act.





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**Risk of Loss:** Seller assumes all risk of loss of or damage to all goods ordered and all work in progress, materials, and other items related to this Purchase Order until the same are finally accepted by SP Industries. Seller also assumes all risk of loss of or damage to any goods, work in progress, materials, and other items rejected by SP Industries until the same are received by Seller or accepted by SP Industries.

**Inspection:** Payment for goods or services provided under the Purchase Order shall not constitute acceptance thereof. SP Industries may inspect and test such goods or services and reject any or all items that are, in SP Industries' sole judgment, nonconforming. Goods rejected or supplies in excess of quantities ordered may be returned to Seller at its expense. Failure by SP Industries to inspect and test the goods or services shall not relieve Seller of responsibility.

**Hold Harmless:** Seller shall defend and hold harmless SP Industries, its directors, overseers, officers, agents and employees against and from any and all claims, liabilities, losses, damages, expenses, and legal fees whatsoever, without limitation, arising in connection with any goods or services provided hereunder or from any act, omission, operation, product or service of Seller, its employees, agents, suppliers, and subcontractors.

**Insurance:** Seller shall maintain adequate insurance in any an all forms necessary to protect both Seller and SP Industries against all liabilities, losses, damages, claims, settlements, expenses, and legal fees arising out of or resulting from performance of this agreement.

**Limitations:** In no event shall SP Industries be liable for any incidental, indirect, special, consequential or punitive damages even if SP Industries knew or should have known of the possibility of such damages. SP Industries' liability on any claim for loss, damage or expense arising in connection with this agreement shall not exceed the amount of the Purchase Order which gives rise to the claim. Any action caused by any alleged breach of this agreement by SP Industries must be commenced within one year after the cause of action has accrued.

**Indemnification-Patents/Copyright:** The Seller agree to indemnify SP Industries and to hold SP Industries harmless from the against all claims, liability, loss, damage, and expenses including legal fees, arising from or due to any actual or claimed trademark, patent, or copyright infringement and any litigation based thereon, with respect to any part of the goods and work covered by the Purchase Order. The Seller shall defend any such litigation brought against SP Industries. The Seller's obligations hereunder shall survive acceptance of the goods and payment therefor by SP Industries. All services and goods provided hereunder are "works made for hire" and SP Industries shall retain sole and exclusive ownership of any intellectual property related to this Purchase Order.

**Independent Contractor:** The Seller and Buyer are independent contractors. Nothing in this Purchase Order shall be deemed to create a partnership, joint venture, franchise, employment, or agency relationship between the parties. Neither party shall have the power or authority to bind or obligate the other party.

**Use of the Name:** The Seller shall not use the name of SP Industries or of any SP Industries employee, or any SP Industries trademark, or other proprietary information, in its sales promotion, advertising, or any other publication without SP Industries' prior written consent.

**Assignment:** No part of the Purchase Order may be assigned, transferred, or subcontracted by Seller without SP Industries' prior written consent.

**Non-Waiver:** SP Industries' failure to insist on performance of the terms and conditions herein or to exercise any right or remedy shall not be deemed a waiver of any other right hereunder.

**Severability:** If any part of this agreement is found to be illegal or unenforceable, that part shall be severed from the contract and the rest of the agreement shall be enforceable as written.

**Invoicing:** All invoices shall be submitted to SP Industries, 935 Mearns Road, Warminster, PA USA, Attn: Accounts Payable. Payment will be made by SP Industries within forty five (45) days of receipt of invoice.

**Governing Law:** This agreement shall be construed and enforced in accordance with the laws of the State of Pennsylvania.





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**Compliance with Law:** Supplier represents and warrants that the Products shall comply with all applicable laws, rules and regulations. Supplier warrants that all Products supplied to Buyer shall comply with, and Supplier agrees to be bound by, all applicable foreign, United States federal, state and local laws, orders, rules, regulations, guidelines, standards, limitations, controls, prohibitions, or other requirements which are contained in, issued under, or otherwise adopted pursuant to such laws. Supplier further represents that neither it nor any of its subcontractors will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of goods or provision of services under this contract. At Buyer's request, Supplier shall certify in writing its compliance with the foregoing

**Entire Agreement:** This Purchase Order, including any attachments or documents incorporated by reference constitutes the entire agreement between SP Industries and Seller and supersedes all previous negotiations, communications, representations, either oral or in writing, between the parties.