



CHANNELLOCK, INC. PURCHASE ORDER TERMS & CONDITIONS

The Terms and Conditions posted here apply to all Channellock, Inc. purchase orders.

PURCHASE ORDER TERMS AND CONDITIONS

This Purchase Order by Channellock, Inc. (hereinafter referred to as "Buyer") becomes a binding contract, subject to the terms and conditions hereof, upon confirmation of this Purchase Order or upon the commencement of performance by the Seller (the party accepting this Purchase Order). ANY CHANGE, ADDITION OR MODIFICATION TO THIS PURCHASE ORDER MUST BE AGREED TO IN WRITING BY THE BUYER. If the parties intend that Seller furnish personal services to Buyer at Buyer's facilities or work sites under this contract the terms and conditions set forth in the General Conditions for Field Services attached hereto shall also apply.

1. **INVOICING.** Seller agrees to submit an invoice with each shipment showing the Purchase Order number. All invoices should be issued to Channellock, Inc., c/o Accounts Payable. The period of any cash discount period available to Buyer will date from the date of the invoice. When freight is prepaid for account Seller must show freight charges separately and sales tax, if any, must be computed before adding freight charges, and a copy of the freight bill must be submitted with the invoice. No allowance will be made for boxes, reels, drums or other returnable containers unless so stated in the order and invoiced separately. Invoices shall be dated no earlier than date of shipment or delivery of service. Payment will not be deemed acceptance by Channellock, Inc. Channellock, Inc. may adjust the amount due on any invoice for shortage, rejection, or revocation of acceptance. Channellock, Inc. may refuse payment or refuse to accept shipment if proper and accurate Certificate of Origin and Affidavits of Origin are not provided to Channellock Purchasing Department for finished goods such as resale items and all finished component parts.

2. **TITLE.** Title to the goods purchased by the Purchase Order remains with the Seller until they are off-loaded at Buyer's facility, or site otherwise specified on the face of this Purchase Order. However, in all cases Seller must bear all risks of loss or damage in transit.

3. **DELIVERY AND SHIPPING:** Seller shall be responsible for proper packaging, loading, and tie-down to prevent damage during transportation. Buyer's weight and/or count will be accepted as final and conclusive on all shipments not accompanied by a packing list. Time is of the essence of this order. If Seller fails to ship on time, Buyer may purchase elsewhere and, unless Seller's delay was due to unforeseeable causes beyond its control and without its fault or negligence, may charge Seller with all losses incurred. Seller shall not make commitments beyond those necessary to meet Buyer's delivery schedule for goods or services covered by this Order and any excess commitments shall be at Seller's own risk. Failure to accurately follow the shipping terms and instructions as stated may result in one of the following: (1) a chargeback for the freight cost difference; (2) a chargeback for the freight cost difference plus an administrative charge; or (3) a chargeback for the full cost of the freight.

4. **FOREIGN RELEASES:** For each international shipment, Seller shall include a priced invoice with the master packing slip. Seller agrees to promptly mail all bills of lading, copy of Invoice, GSP declaration, Fumigation/Disinfection Certificate and other required documentation via fax (814-336-6040), Priority Mail, or electronic to the Channellock Purchasing Department. The country of origin of the materials used in the goods will be clearly identified and the value added thereto in each country. If Buyer is required to pay full duty on imports of goods furnished hereunder as a result of Seller's failure to furnish any required documents, Seller shall reimburse Buyer the full amount of such duty upon Buyer's demand and any other fees applicable. Buyer shall be importer of record absent a written agreement between the parties to the contrary. Seller and Buyer agree that the terms of the CISG do not govern this Order. Terms of sale are Incoterms 2010 unless otherwise stated.

5. **INSPECTION.** All goods purchased are subject to inspection, test and approval at destination by the Buyer, notwithstanding prior payments or inspections at the source. The Buyer, without limitation to its other rights under this Purchase Order, may reject any goods that contain defective materials or workmanship, do not meet the specifications, or otherwise do not conform to this Purchase Order. Defective material or material not in accordance with Buyer's specifications will be held for Seller's instructions and at Seller's risk and expense. Acceptance of any goods shall not be deemed to alter or affect the obligations of the Seller or the rights and remedies of the Buyer under any other provision of this Purchase Order. Buyer reserves the right, at Seller's expense, to inspect before shipment, or during the process of manufacture, any goods on this order.

6. **OVERSHIPMENT.** Quantities in excess of that shown in this Purchase Order, if rejected, will be returned at Seller's risk and expense. Any excess quantities that the Buyer accepts shall be at the Purchase Order price.

7. **CHANGES.** Buyer 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 costs, or the time required for the performance, an equitable adjustment shall be made and this agreement shall be modified in writing accordingly. Seller agrees to accept any such changes subject to this paragraph. It is Seller's responsibility to comply with this Purchase Order and all referenced documents, and to clarify with Buyer any inconsistencies or conflicts in any parts of the Purchase Order or referenced documents. Should Seller fail to contact Buyer to resolve conflicts or inconsistencies, Seller will be solely responsible for errors resulting from said conflicts or inconsistencies. Where documents are referenced, the version in effect at the time of order placement shall apply.

8. **INTELLECTUAL PROPERTY INDEMNIFICATION.** Seller warrants that there has been no violation or infringement of any copyright, trade name, trademark, patent or related property right, as a result of manufacturing, producing or selling the goods. Seller further agrees to defend, indemnify and hold harmless the Buyer, its officers, agents and employees from all claims, expenses and liabilities arising from any actual or alleged violation or infringement.

9. **WARRANTY.** Seller expressly warrants that all goods furnished pursuant to this Purchase Order will be free from defects in material, workmanship and title. Further, Seller warrants all goods will conform to all applicable specifications, drawings, and shall be fit for its intended use and service. If it appears, within one year of the date of delivery, that the goods delivered hereunder do not meet the warranty specified above, Buyer shall promptly notify the Seller; the Seller shall thereupon correct any defect either by repair or replacement of the defective goods subject to the approval of the Buyer, at Seller's expense, provided that the Buyer's continued use of said defective goods pending repair or replacement shall not constitute a waiver by the Buyer under this Purchase Order. Seller further warrants that all articles and services covered by this Purchase Order meet or exceed the safety standards established and promulgated under the Federal Occupational Safety and Health Law (Public Law 91-956) and its regulations in effect as of the date of this order.

10. **TERMINATION.** The Buyer reserves the right to cancel this Purchase Order or any part thereof without penalty if Seller breaches any of the terms hereof.

11. **COMPLIANCE WITH LAWS.** Seller warrants that all goods and services sold hereunder shall have been produced, sold, delivered and furnished in strict compliance with all applicable laws and regulations including EEO, Affirmative Action, NAFTA and CBP of which they are subject. Seller shall execute and deliver such documents as may be required to effect or to evidence compliance, including Certificates of Origin, Affidavits of Origin and any other documentation necessary for optimum business transactions. Seller shall at all times comply with all applicable federal, state and local laws, rules and regulations. Seller shall defend, indemnify and hold harmless Buyer against all claims, actions, liabilities and fees arising out of any actual or alleged violation of applicable laws by Seller or its employees or subcontractors.

12. **INDEMNIFICATION.** Seller agrees to indemnify and hold harmless the Buyer from and against all demands, claims, suits, costs of defense, liabilities and other expenses for damage or damage to property or for injury or injuries to or death of any person or persons in any way arising from the furnishing of any goods and services provided under this Purchase Order except liability or damage arising from the sole negligence or willful misconduct of the Buyer, its agents or employees. This indemnification shall be in addition to the warranty obligations of Seller. Seller also agrees to indemnify and hold harmless the Buyer from and against any and all demands, claims, suits, costs of defense, liabilities and other expenses that are a result of any NAFTA, Made in USA or any other country of origin claim that is asserted against Buyer that is the result of any incorrect/inaccurate information or document provided by Seller.

13. **ASSIGNMENT.** Nothing in this Purchase Order, or any interest under it, shall be assigned by the Seller without the prior written consent of the Buyer.

14. **JURISDICTION AND VENUE.** For any suit or proceeding to enforce the provisions of this Agreement, Seller irrevocably consents to the jurisdiction of the Courts of the State of Pennsylvania. Furthermore Seller agrees that this Agreement shall be interpreted, construed and enforced in all respects in accordance with the laws of the State of Pennsylvania, without giving effect to its principles of conflict of law.

15. **CONFIDENTIALITY; LIMITED USE:** Unless otherwise agreed by Buyer in writing, Seller shall keep confidential and not disclose to any third party, any confidential and/or proprietary materials provided by Buyer to Seller in connection with Seller's performance of this Purchase Order or prepared by Seller specifically for Buyer pursuant to this Purchase Order, including but not limited to any drawings, masters, software, specifications, raw materials, components, data, business information or plans, customer lists or other customer information ("Confidential Information"). Seller shall not make any copies of Confidential Information except as specifically authorized by Buyer in writing. At the completion of this Purchase Order, or upon Buyer's request, Seller shall promptly return to Buyer all Confidential Information not consumed in the performance of this Purchase Order, together with any copies in Seller's possession. Seller shall use Confidential Information solely for Seller's performance of this Purchase Order for Buyer, and Seller shall not, without Buyer's written consent, directly or indirectly use Confidential Information or information derived there from in performing services or providing goods for any other customer of Seller, or any other person or entity.

END OF PURCHASE ORDER GENERAL TERMS AND CONDITIONS