



PURCHASE ORDER TERMS AND CONDITIONS

(Effective June 1, 2019)

These Terms and Conditions (the “Terms and Conditions”) shall apply to all agreements entered into by Kason Industries, Inc., its subsidiaries and affiliates (“Kason”), for the purchase of tangible and intangible goods and services (collectively, “Product” or “Products”).

1. **Purchase Orders.** All purchase orders (“PO”) issued by Kason shall be governed by these Terms and Conditions. Acceptance / acknowledgement of order, the Seller accepts these conditions expressively.
2. **No Alteration.** These Terms and Conditions may not be altered, directly or indirectly, by the seller or ultimate provider (the “Seller”) or by conduct of Kason or Seller unless agreed upon by both parties.
3. **Modifications, Rescissions, or Waivers.** All modifications, rescissions, or waivers of any Kason PO or these Terms and Conditions shall be stated explicitly prior to order acceptance in writing signed by Kason and Seller.
4. **Seller as Independent Contractor.** Seller is an independent contractor in all its activities under any PO. Seller is responsible for all social security, unemployment insurance, worker’s compensation, income tax, and any other payments or deductions required by local, state or federal law or regulation. Seller has no authority to create any obligation or liability for or in the name of Kason.
5. **Good Title.** Seller shall convey all Products and constituent parts with good title, by rightful transfer, free from any security interest or other lien or encumbrance, and free of rightful claim of any third person by way of infringement or the like.
6. **Delivery.** All deliveries of Products shall be completed free on board to the destination(s) selected by Kason, at the delivery times specified in the PO or other written notice to Seller, and at the Seller’s full cost and risk of loss.
7. **Proof of Delivery.** Proof of all completed deliveries shall be signed clean Bill of Lading or signed copy of the packing slip by Kason’s authorized representative.
8. **Packaging.** Seller shall package all shipped Products, per furnished specifications, to prevent damage with prominent labeling of all packaging at Seller’s cost.
9. **Late Delivery Penalty.** Seller shall pay Kason late delivery penalties of 1.5% of unit price per calendar day of late delivery to an aggregate maximum of 30% of unit price for each day of late delivery for all Products not delivered by the delivery times specified in the PO or other written notice to Seller.
10. **Payment.** Kason shall pay for delivered Products within sixty (60) business days of receipt of delivered Products and Seller’s written invoice (or paid according to the agreed upon terms between both parties), unless Kason provides Seller a written notice of rejections within thirty (30) business days of receipt of delivered Products and Seller’s written invoice.
11. **Risk of Loss.** Risk of loss for all Products purchased by Kason shall pass to Kason upon actual delivery to the location(s) selected by Kason.
12. **Damaged or Destroyed Products.** Kason shall have the right to reject receipt of Products that are defective, damaged, or destroyed by giving written notice of rejection to seller within thirty (30) business days immediately following complete delivery to the location(s) selected by Kason.
13. **Defective Products.** Kason shall have the right to reject, with full refund of purchase price to Kason, or repair, at Seller’s expense, any defect in Products received by giving written notice to Seller within ninety (90) business days of discovery of any defect. Defects not subject to reasonable discovery after delivery shall be subject to Kason’s right to reject, with full refund of purchase price to Kason, or repair, at Seller’s expense, by Kason written notice of defect to Seller for a period of no more than ten (10) years immediately following complete delivery of the Products subject to defect(s).

14. **Intellectual Property Rights.** Any copyright, trademark, trade secret, software, data, idea, concept, process, formula, invention, system, report or other intellectual property resulting from any Seller work performed for the PO, derived from or based on information supplied by Kason, or conceived or reduced to practice by Seller using Kason's funds, will be the sole property of Kason. Seller agrees to assign and hereby assigns to Kason any interest Seller may have in such intellectual property right or invention conceived by Seller or reduced to practice by Seller.
15. **Intellectual Property Indemnity.** Seller shall save Kason, its agents, customers, and users of the Products harmless from all loss, damage, and liability incurred on account of any infringement or alleged infringement of a Patent, copyright, or trademark or misappropriation of a trade secret or other violation of an intellectual property right of a third party, arising out of the manufacture, sale, or use of such Products by Seller, Kason, Kason's agents, customers, or users of the Products.
16. **Hazardous Products or Materials.** Seller shall provide prior written notice to Kason of all hazardous Products or materials contained in Products including warning labels and material safety data sheets in compliance with 29 C.F.R. §1910.1200.
17. **Warranties.** Seller warrants that all Products delivered under the PO will be free from defects in design; material and workmanship will conform to applicable descriptions, specifications, and drawings and suitable for the purpose intended. THIS WARRANTY SHALL BE IN ADDITION TO ALL WARRANTIES ARISING AS A MATTER OF LAW AND SHALL SURVIVE ACCEPTANCE AND PAYMENT.
18. **Time of Essence.** Time is of the essence for all scheduled times and deadlines.
19. **Force Majeure.** The performance of any obligations by any party subject to these Terms and Conditions shall be excused from performance for the period of the interruption or delay caused by an act of God, act of the State, acts of war, riot, strikes, fire, flood, or the occurrence of any other event beyond the control of the performing party.
20. **Governing Law.** All Kason POs and these Terms and Conditions, including any ancillary documents thereto and hereto, shall be governed by the laws of the State of Georgia and applicable federal law of the United States of America, except for any conflicts of law principles.
21. **Limitation of Damages.** Kason shall not be liable to Seller, under any circumstances, for consequential damages, indirect damages, lost profits (direct and indirect), or exemplary or punitive damages.
22. **Exclusive Venue.** Exclusive, mandatory venue for all disputes, subject to the alternative dispute resolution provisions herein, shall be the state and federal district courts sitting in Coweta County, Georgia.
23. **Alternative Dispute Resolution.** Any controversy or claim arising out of or relating to these Terms and Conditions, PO, and document to which these Terms and Conditions, or PO apply, or the breach thereof, including the validity, scope and enforceability of this arbitration agreement, shall be settled by arbitration. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Any provisional remedy which would be available from a court of law shall be available from the arbitrator pending arbitration. The Federal Arbitration Act shall govern all arbitration proceedings. The arbitration shall be conducted in Newnan, Georgia, by one neutral arbitrator. Neither party nor the arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties. All fees and expenses of the arbitration shall be borne by the parties equally. Informing the arbitrator of a party's failure to pay its share of the requested deposits for the purpose of implementing this waiver provision shall not be deemed to affect the arbitrator's impartiality, neutrality, independence, or ability to proceed with the arbitration. This agreement to arbitrate shall survive the termination or repudiation of any agreement or contract to which these Terms and Conditions apply.