

Great Plains Industries, Inc

5252 E. 36<sup>th</sup> St N.

Wichita, KS 67220

**Purchase Order Terms and Conditions**

**1. ACCEPTANCE**

This Purchase Order constitutes an offer which can be accepted by the Seller only under its exact Terms and Conditions by commencing work and any products or services ordered; or shipping any of the products or providing any of these services ordered; or by Seller's Acknowledgement (by its acknowledgement form) or otherwise to the Buyer. No provisions of Seller's Acknowledgement, which conflicts with or are additional to the Terms and Conditions of this Purchase Order shall apply. When accepted this Purchase Order shall be the sole and entire contract.

**2. PRICES AND EXTRA CHARGES**

Seller's prices shall not be (i) higher than the prices stated on the Purchase Order; and (ii) shall be lower if Seller's prices for products or services of like grade and quality are lower than the Purchase Order prices. Seller's prices where no prices are stated, shall be (i) the Seller's lowest prices for products or services of like grade and quality; or (ii) the fair market prices of the products or services whichever are lower. In all events, Buyer shall receive the benefit of all price reductions by Seller. Buyer shall not be liable for any extra charges including but not limited to charges for drayage, freight, packaging, storage, taxes, tooling, or tool maintenance unless specifically agreed to in writing.

**3. QUANTITIES**

Unless otherwise agreed to in writing, the obligation of the Buyer is limited to the specific quantities set forth in the Purchase Order. Seller warrants that all markings of weight or measurement shall be true and correct. Seller warrants that actual amounts received will not vary more than +5% and -0% from quantity ordered.

**4. SPECIFICATIONS**

Specifications describe the products or services to be furnished including but not limited to the descriptions of the dimensions, finish, functional characteristics, general quality, material, manufacturing methods, quality control procedures, and tolerances of the products or services. Specifications are furnished in various forms including, but not limited to, blueprints, catalogs, designs, drawings, engineering instructions, quality control procedures, and written specifications. If any specification or instruction, in whatever form, supplied by the Buyer appears to be in conflict with another specification or instruction or is insufficient or unclear, it shall be the duty of the Seller to request clarification from the Buyer. Buyer shall be the final judge of whether the products or services are nonconforming under the specifications and under this Purchase Order.

**5. DELIVERY**

Time is of the essence of this Purchase Order. Products shall be delivered and services provided in accordance with the shipping and delivery instructions provided by the Buyer. Unless otherwise specified all products shall be tendered in a single delivery. Seller shall immediately notify the Buyer whenever the Seller has reason to believe that any scheduled delivery will be late.

All delivery schedules are of such critical importance as to warrant a late charge for receipts by Buyer after the mutually agreed upon delivery date. Unless otherwise specified, late charges shall be assessed in accordance with the following schedule:

- 1-10 working days late – 1% of Total P.O. Value
- 11-20 working days late – 2% of Total P.O. Value
- 20-29 working days late – 5% of Total P.O. Value
- 30 working days late – 10% of Total P.O. Value
- Over 30 working days late – Seller assumes buyers liability for all direct incidental consequential damages resulting from late deliveries in excess of one month.

Any subsequent changes to the order by Buyer are grounds for re-negotiation of late charge obligation to Seller. Late charge assessments shall apply to products or services as described on the face of the order at the time such order is accepted by Seller.

**6. INSPECTION**

Seller shall employ adequate quality control procedures and comply with the quality control procedures provided by the Buyer. Buyer shall have the right to inspect and test all products and services, either before shipment, upon delivery, or at any time after delivery. Buyer's right of inspection shall survive any resale by the Buyer. Seller shall supply 1<sup>st</sup> article inspection reports with

all 1<sup>st</sup> article parts. Seller shall be responsible for all rework charges in relation to defective material including defective material shipped to Buyer's customers.

**7. BILLING AND PAYMENT**

Invoices and shipping documents shall be mailed postage prepaid to the address shown on the face of this Purchase Order. The Purchase Order number, Part number and quantity must appear on all shipping documents, invoices, and correspondence. All products delivered after the 25<sup>th</sup> of the month shall be billed as the first of the following month. The payment date and discount period will be calculated from the date the invoice is received by the Buyer or the goods are received by the Buyer, whichever is later, provided, however, that the payment date and discount period shall be calculated from the scheduled date if delivery of the deliveries and invoicing are made ahead of schedule. Progress payments for construction work are subject to a 10% retention until final acceptance of the construction work by the Buyer. No payments for construction work shall be made or due without release of mechanic's lien from all contractors, subcontractors and material men.

**8. RETURNS**

Buyer shall have the right to return any part or all the nonconforming products. Buyer shall have the right to return any part or all of the conforming products if quantities tendered or delivered are different than the quantities specified on the Purchase Order. All costs of return shipment shall be borne by the Seller including, but not limited to, packaging, handling and freight charges.

**9. RISK OF LOSS**

The risk of loss for conforming goods shall be on the Seller until the products are delivered to the destinations specified in the Purchase Order regardless of whether the Buyer or Seller is paying for the freight provided, however, that the Buyer shall assume the risk of loss for product while being transported on Buyer's vehicles. The risk of loss for nonconforming products shall be on the seller at all times.

**10. TOOLING, MATERIALS AND DOCUMENTS**

All tooling (including but not limited to dies, fixtures, gages, patterns, and tools), all materials (including but not limited to artwork, designs, film and samples) and all documents (including but not limited to blueprints, drawings and specifications) or other tangible items furnished by the Buyer or paid for by the Buyer either as a separate item or as a part of the unit price shall be and remain the property of the Buyer and will be delivered to the Buyer as its request in good condition, ordinary wear and tear excepted. Seller shall be responsible for tool maintenance and shall not use Buyer's tooling, material or documents to make products for anyone else. Risk of loss shall be the Seller's. To protect Buyer's interest, the Seller authorizes the Buyer to sign and file a UCC 1 Financing Statement covering the foregoing described property of the Buyer.

**11. CHANGES**

The buyer may make changes in specification packaging and methods of transportation without changes in prices unless the changes result in an increase or decrease in the marginal cost of the Seller.

**12. CANCELLATION**

Buyer may cancel this purchase order without any obligation or liability on the part of the Buyer if Seller should breach any provisions of the Purchase Order including but not limited to failure to deliver on time, delivery of nonconforming products or services, or breach of any warranties. Buyer also may cancel without liability in the event of Seller's insolvency or bankruptcy. Upon cancellation of any Purchase Order due to Seller's failure to perform, any prepayments made by Buyer to Seller for tooling, equipment or materials identified on the Purchase Order will be immediately refunded in full to Buyer.

**13. TERMINATION**

Buyer may terminate in whole or in part this Purchase Order without cause. In the case of special order products and services made and provided primarily in accordance with the specifications of the Buyer, the Buyer shall be liable only for marginal costs incurred by the Seller prior to the date of termination, less full credit for direct materials or tooling reusable by the Seller, and less the full scrap or salvage value for materials and tooling which cannot be reused by the Seller. In the case of all other products or services (including but not limited to

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those products or services where the Buyer's specifications are secondary or incidental) then the Buyer shall be liable for the Purchase Order price only for the products shipped or services provided prior to the date of termination.

**14. MODIFICATION, RECISION AND WAIVER**

This Purchase Order is intended by the parties, hereto as the final expression of their agreement and it is the complete and exclusive statement of the terms and conditions, thereof. No modification or recision of the Purchase Order by the Buyer or any waiver of rights under this Purchase Order by the Buyer shall be binding upon the Buyer unless it is in writing and signed by the Buyer.

**15. WARRANTIES**

Seller represents and warrants that Seller has special skills that Buyer is relying on the skill and judgement of the Seller to select and furnish suitable products or services. All written or oral statements of Seller as to functions, quality, suitability and use of the products or services are warranties of Seller. Seller represents and warrants that all products (including packaging) and services (including construction work) provided under this Purchase Order shall: (i) fully and strictly conform to specification; (ii) be free of defects; (iii) be of good material and workmanship; and (iv) are merchantable and fit for the general and particular purposes for which they are required. If any products or services are nonconforming, Seller shall, if Buyer requests, promptly and without charge repair or replace the products or provide replacement services. Seller shall be liable for all direct, incidentals and consequential damages resulting from nonconforming products or services, or breach of any other warranties or provisions of this Purchase Order.

**16. PATENTS AND OTHER INTANGIBLE RIGHTS**

Seller represents and warrants that the products or services provided under this Purchase Order do not infringe, or contribute to or induce infringement of any United States or Foreign Letters, patent, trademarks, or copyrights and do not breach any employment agreements, restrictive covenants, or contracts or infringe any other intangible rights.

**17. COMPLIANCE WITH LAWS**

Seller represents and warrants that all products and services to be provided under this Purchase Order shall strictly comply with all Federal, State, Local and where applicable foreign laws, regulations, rules and ordinances including but not limited to the Fair Labor Standards Act of 1938 as amended, the Consumer Products Safety Act, the Textile Fiber Identification Act, the Occupational Safety and Health Act of 1970 as amended, of the President of the United States on Equal Employment Opportunity; and the Rules and Regulations pursuant thereto, the Environmental Protection Acts, the Motor Vehicle Safety Act and the Toxic Substance Control Act.

**18. WAIVER AND IDEMNITY**

Seller, its agents, contractors and employees waive any and all claims against Buyer for personal injuries or property damages arising out of or related to providing the products or services (including construction work) under this Purchase Order. Seller shall indemnify, defend, protect and hold harmless the Buyer from any and all actions, claims, costs, expenses, fees (including reasonable attorney's fees), investigations, liabilities, losses or suites arising out of or related to the products or services provided under this Purchase Order including but not limited to those which (1) involve any actual or alleged injuries or death to any person or property damage, resulting in whole or part, from defective or allegedly defective products or services; or (2) involve actual or alleged infringement of any United States or Foreign letters, patent, trademarks, copyrights, or other intangible rights by reason of the use or sale of any product or service; (3) involve actual or alleged violation of any law, regulation, rule or ordinance relating to the use or sale of any products or services, or (4) involve claims of the Seller, its agents, contractors and employees relating to personal injuries or property damages in providing the products or services (including construction work) under this Purchase Order.

**19. INSURANCE**

Seller agrees to obtain and maintain policies of insurance including but not limited to policies providing public liability, product liability with a broad form vendor's endorsement naming the Buyer, automobile liability, and workmen's compensation coverage in such amounts, with such companies and containing such other provisions which shall be satisfactory to Buyer relating to the products or services covered by this Purchase Order. Seller shall provide Buyer

with certificates of insurance and all such policies and certificates shall provide that the coverage provided by such policies shall not be terminated or cancelled without at least (10) days prior written notice to the Buyer.

**20. RECORDS**

Seller shall grant access to Buyer for the purpose of copying during business hours all records of Seller relating to the products or services to be provided under this Purchase Order.

**21. TRADE SECRETS AND CONFIDENTIAL INFORMATION**

Seller shall not disclose or use except to the extent required to fulfill this Purchase Order, any confidential matters or trades secrets of the Buyer.

**22. ASSIGNMENT**

This Purchase Order may not be assigned in or whole or in part by the Seller without the express written consent of the Buyer. Seller shall not issue any press releases or originate any publicity in any form regarding this Purchase Order without the prior written consent of the Buyer.

**23. GOVERNING LAW**

This Purchase Order including the provisions relating to the providing of services, shall be governed by the Uniform Commercial Code of the State of Kansas as such other laws of the State of Kansas that may be applicable to this Purchase Order.

**24. ERRORS AND OMISSIONS**

Errors or Omissions, including but not limited to stenographic and clerical errors, are subject to correction at any time.

**25. RIGHTS AND REMEDIES**

All rights and remedies set forth in this Purchase Order shall be in addition to and not in lieu of any rights or remedies provided by law and all rights and remedies of whatever nature shall be cumulative and the past waiver of or failure to enforce any right or remedy shall not constitute the waiver of that or any other right or remedy.

**26. Conflict Minerals**

Per section 1502 of the Dodd-Frank Act of 2010; publicly held companies are required to report the use of conflict minerals (cassiterite, columbite-tantalite, gold and wolframite) which originate in the Democratic Republic of the Congo (DRC) or nine adjoining countries. In cases where GPI is selling product to public companies, GPI may be required to report use of conflict minerals. The supplier should take reasonable efforts to insure the above materials do not originate from a covered country and to notify GPI of content from the defined countries.

**27. Enforcement of Provisions**

In the event any provision of this agreement shall be found to be void and unenforceable for any reason, such finding shall not effect the validity or enforceability of any of the remaining provisions hereof.