

**PURCHASE ORDER TERMS AND CONDITIONS (rev. 12/15/2014)**

1. **Definitions:** The term "Company" means Southern Graphic Systems, LLC or any company that is a subsidiary of, an affiliate of, or related to Southern Graphic Systems, LLC. The term "Seller" means any individual, corporation or other entity who is to perform or provide the Work under this purchase order. The term "Work" means all items, materials, equipment, labor or other services that is the subject of this purchase order.
2. **Warranty:** Seller warrants that all Work will conform to all specifications, if any, and will be free from defects in design, material and workmanship for a period of one year after the final acceptance of the Work, or such longer period as may be otherwise provided. If Seller breaches this warranty, Seller, at Company's option, will either repair the defective Work, replace the defective Work or refund the purchase price. If Company selects repair or replacement, any defects will be remedied without cost to Company, including but not limited to, the costs of removal, repair and replacement of the defective Work, and reinstallation of new Work. All such defective Work that is so remedied will be similarly warranted as stated above. If the Work involves the sale of goods, this transaction will be governed by the Uniform Commercial Code, latest revision, as enacted by the Commonwealth of Kentucky, including all warranty protection (express or implied) and all buyer remedies.
3. **Patents:** Seller agrees to indemnify and save harmless Company from all claims arising out of any infringement of patents or copyrights arising out of Company's purchase, use or sale of the Work supplied under this purchase order, and to defend at Seller's expense, including reasonable attorney's fees, any and all suits or actions, based on such claims.
4. **Seller's Liability and Indemnification:** Seller will save and hold Company harmless from and against all liabilities, claims and demands, and damages on account of personal injuries, including death, or property loss or damage to Company or to others (including Seller and employees and invitees of Seller and of Company) arising out of or in any manner connected with the performance of such Work or any defect in the Work, and caused by the negligent or willful act or omission to act of Seller, or a supplier of Seller, or employees or invitees of either of them, and Seller will, at its own expense, defend any and all actions based on such negligent or willful acts or omissions to act, and will pay all charges of attorneys and all costs and other expenses arising out of these obligations of indemnification.
5. **Insurance:** If Seller, either as principal or by agent or employee, enters upon the property of Company in order to do any Work, Seller agrees to maintain the following types of insurance coverage: (a) Worker's Compensation Insurance or qualification as a self-insurer to satisfy the laws of the state in which the Work will be performed; (b) Employers' Liability Insurance for Bodily Injury per accident with limits of not less than \$1,000,000 and Bodily Injury by Disease with limits of not less than \$1,000,000 per policy; (c) Commercial General Liability Insurance for personal injury and property damage, including contractual liability insurance, with combined limits of not less than \$1,000,000 per occurrence; and (d) Automobile Liability Insurance for personal injury and property damage with combined limits of not less than \$1,000,000 per occurrence. Seller's insurer or Seller, if self-insured, agrees to waive all rights of subrogation against Company except for claims caused by Company's sole negligence. Additionally, the Seller's insurance certificates must contain the following statements:

**SOUTHERN GRAPHICS INC. AND ITS SUBSIDIARIES ARE HEREBY NAMED AS ADDITIONAL INSURED.**

**SELLER'S INSURANCE SHALL BE PRIMARY WITHOUT RIGHT OF CONTRIBUTION OF ANY OTHER INSURANCE CARRIED BY OR ON BEHALF OF THE COMPANY AND INCLUDE WAIVER OF SUBROGATION IN FAVOR OF THE CERTIFICATE HOLDER.**

Upon Company's request, Seller will provide Company with written certification, reasonably acceptable to Company, of Seller's compliance with the requirements listed in this Section 5. The requirements in this Section 5 are separate and distinct from any other obligations of Seller under this purchase order.

6. **Termination:** Company may terminate this purchase order at any time by giving written notice to Seller. After receiving written notice of termination, Seller will immediately cease the Work indicated in the notice of termination. In the event of such a termination, payment for costs incurred by Seller will be negotiated by Company and Seller on the basis of Seller's actual costs plus a reasonable profit for the Work completed as of the termination date.
7. **Liens:** Seller guarantees that no lien, encumbrance or security interest will be filed by anyone against Company, Company's property or the Work for materials or labor or both furnished under this purchase order and will defend and hold Company harmless from any such liens, encumbrances or security interests and will pay all attorney's fees and all other costs and expenses arising from such liens, encumbrances or security interests.

8. **Independent Contractor:** Seller is an independent contractor and not an employee or agent of Company. Company disclaims any right to control the manner of performance by Seller and Company will not control the manner of performance by Seller. Seller has no authority to direct or control the performance of any employee of Company. Seller's role will be that of an adviser and not of master to any Company employee. Seller does not have any Company title and Seller is not eligible for Company benefits or employee plans.
9. **Assignment:** The Work, as a whole, covered by this purchase order and amounts payable by Company to Seller under this purchase order are not assignable by Seller without the prior written consent of Company.
10. **No Violation of Law:** Seller warrants that it will comply with all foreign, federal, state and local laws and regulations.
11. **Environment, Health, Safety and Security:** If Seller, either as principal or by agent or employee, enters upon the property of Company, Seller agrees to comply with Company's rules and regulations including its environmental, health, safety and security rules and regulations.
12. **Hazardous and Dangerous Goods and Materials:** For any goods or materials furnished in accordance with this purchase order which are defined as hazardous or dangerous under applicable law, Seller will provide Company with hazardous warning and safe handling information in the form of a material safety data sheet (MSDS) and appropriate labeling for such goods or materials.
13. **Equal Employment Opportunity:** Unless this purchase order is exempted by law, Seller will comply with Executive Order 11246, the Rehabilitation Action of 1973, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, the Americans with Disabilities Act, as they have been or will be amended from time to time, and regulations implementing such statutes; and any similar state and local laws and ordinances and the regulations implementing such statutes. If requested by Company, Seller will furnish to Company an executed Certificate of Nonsegregated Facilities.
14. **Changes:** Company may, at any time, in writing, make changes to the general scope of this purchase order. If any such change causes an increase or decrease in the cost of or time required for the performance of any Work under this purchase order, an equitable adjustment will be made to the price or delivery schedule, or both, and this purchase order will be modified in writing accordingly.
15. **Electronic Commerce:** At Company's request, Company and Seller will facilitate business transactions by electronically transmitting data. Any data digitally signed pursuant to this section and electronically transmitted will be as legally sufficient as a written, signed, paper document exchanged between the parties, notwithstanding any legal requirement that the data be in writing or signed. Each authorized representative of a party will adopt a unique, verifiable digital identification consisting of symbols or codes to be transmitted with each transmission. Use of the digital identification will be deemed for all purposes to constitute a "signature" and will have the same effect as a signature on a written document.
16. **Entire Agreement:** This purchase order sets forth the entire agreement between Company and Seller. By accepting this purchase order it is understood that Seller agrees to Company's terms and conditions. Company objects to any additional or conflicting terms and conditions in Seller's acceptance of this purchase order. Any changes or amendments to the terms and conditions in this purchase order must be agreed to in writing by Company.