

TERMS AND CONDITIONS FOR "PURCHASE ORDER-GOODS"

1. **Acceptance:** This Order constitutes CHS's offer to Supplier and becomes a binding contract, to be governed by the laws of the state of Minnesota, on the terms set forth herein when accepted by any of the following acts by Supplier: (i) acknowledgment by signing and returning a copy of this Order, (ii) delivery of any items ordered, or (iii) Supplier's commencement of performance of providing the items ordered hereunder. No revision of this Order shall be valid unless in writing and signed by CHS and no condition stated by Supplier in acceptance or acknowledging this Order shall be binding if such condition is inconsistent with or in addition to the terms and conditions herein.
2. **Price:** Supplier shall furnish the items stated on this Order in accordance with the price, dates, delivery, delivery locations and terms stated on its face. All prices include all applicable taxes required by law to be paid by Supplier and all packaging, handling, storage and transportation to F.O.B. point costs. All invoices to CHS shall indicate the quantity delivered, individual price, and extended price. Such invoice shall also include applicable taxes, VAT, Customs, or Duty related to such delivery.
3. **Quantities:** The quantity ordered must be delivered in full. Any unauthorized quantity is subject to rejection and return at Supplier's expense. Partial shipments are acceptable with prior notice and acceptance in writing by CHS.
4. **Inspection:** All items shall be received subject to CHS's right of inspection and rejection. Defective items or items not in accordance with CHS's specifications will be held for return to Supplier, at Supplier's risk and cost, and if Supplier so directs, will be returned at Supplier's expense. If inspection discloses that any items received are not in accordance with CHS's specifications or in accordance with the Order, CHS shall have the right to cancel any unshipped portion of this Order. Payment for items on this Order prior to inspection shall not constitute acceptance thereof and is without prejudice to any and all claims that CHS may have against Supplier.
5. **Warranty:** Supplier warrants that the items sold by Supplier to CHS hereunder will be of merchantable quality; will conform to applicable specifications, drawings, or descriptions furnished by CHS; will be free from defects in material and workmanship; and will be sufficient and fit for the purposes intended by CHS. CHS's approval of any design furnished by Supplier shall not relieve Supplier of its obligations under this paragraph. The warranties of Supplier, together with its service guarantees, shall apply to CHS and its divisions, subsidiaries, affiliates and assigns.
6. **Cancellation:** CHS reserves the right to cancel all or any part of the undelivered portion of this Order if Supplier does not make deliveries as specified, time being of the essence of this Order, or if Supplier breaches any of the terms hereof, including, without limitation, the warranties of Supplier. CHS will have the right to offset any monies or obligations which CHS owes to Supplier as of the date of cancellation against any amounts due to CHS.
7. **Delays in Delivery:** Supplier will not be liable for delays in delivery due to force majeure. However, in such event CHS at its option, may either approve a revised delivery schedule or terminate the Order either in whole or in part without liability.
8. **Indemnification:** Supplier shall indemnify and hold harmless CHS (and CHS's directors, officers, successors, assigns, agents and employees) from and against any and all losses, claims, demands, causes of action, injury, damages, liabilities and expenses of whatever kind or nature (including attorneys' fees) for damage, costs or loss or any kind caused by: (i) Supplier's negligent or intentional wrongful acts, (ii) items and goods furnished by Supplier pursuant to this Order, and (iii) services performed by Supplier pursuant to this Order.
9. **Applicable Laws:** Supplier warrants that the items covered by this Order were not manufactured, sold or priced in violation of any applicable law and that items shipped under this Order will be produced in compliance with the Fair Labor Standards Act and that Supplier is in compliance with all applicable international trade laws.
10. **Assignment:** This Order may not be assigned without CHS's written consent and any attempted assignment by Supplier shall be null and void. CHS may assign this Order in its sole discretion.
11. **Patents:** Supplier, its heirs, successors, assigns and legal representatives, shall forever protect, indemnify and hold harmless CHS, its agents, divisions, subsidiaries, affiliates and assigns, against all claims, suits, judgments, court costs, attorney's fees and other liabilities, demands or losses in any manner arising out of alleged infringement of any patent copyright or trademark rights because of their possession, use or sale of the subject matter to which this agreement relates, provided that Supplier shall be promptly notified of the bringing or said suits. Supplier shall have the right to be represented in the defense thereof by counsel of its own selection and at its own expense.
12. **Title:** Title to the items furnished hereunder shall remain with Supplier until delivery and actual acceptance thereof by CHS.
13. **Packing and Shipping:** Supplier shall not charge CHS any additional amounts for packaging, handling, storage or transportation of the items furnished hereunder to F.O.B. point. Items shipped pursuant to this Order shall be packaged, marked and prepared in accordance with good commercial practices and marked and labeled as required by applicable laws and regulations. An itemized packing list must accompany each shipment hereunder.
14. **Proprietary Information:** All information obtained by Supplier from CHS in connection with this Order, including "know-how," operating techniques, machines, processes, statistics, and trade secrets, is received in confidence and shall remain property of CHS and shall be used only for purposes of this Order and shall not be disclosed by Supplier without CHS's express written consent.
15. **Liens/Waivers:** Supplier shall furnish at CHS's request waivers by Supplier and all other persons entitled to assert any lien rights in connection with the performance of this Order.
16. **Independent Contractor:** This Order does not represent a contract of employment. While CHS may indicate the items to be provided hereunder, the manner and means of accomplishing such work are entirely under the direction and control of Supplier.
17. **Payment:** The manner, amount and time of payment shall be as stated on this Order. In the event that no terms are stated on the Order, standard payment terms shall be net sixty (60) days from the date of acceptance and invoice of the goods from Supplier.