



VAM USA,
19210 Hardy Rd.
Houston, TX 77073 US
Phone + 1 281 821 5510, Fax: 281 784 5644

VAM USA, LLC

Terms and Conditions

===== PURCHASE ORDER TERMS AND CONDITIONS =====

1. ACCEPTANCE

Acceptance of the Purchase/ Work Order that accompanies these Terms and Conditions (hereinafter referred to as the "Order") is made expressly conditional on Seller's assent to the exact terms contained herein. Any delivery made in accordance with this Order constitutes an acceptance. Where this Order includes services, all references to "goods" or "articles" hereunder shall apply to the services to the fullest extent practicable. Upon acceptance of this Order, the terms and conditions hereof and any supplemental terms and conditions as agreed to in writing and signed hereby constitute the entire agreement between the parties. No other agreement or stipulation including terms and conditions stated by Seller in accepting this Order shall be binding unless made in writing and signed by the authorized representatives of the parties hereto. Notice is hereby given to Seller that Buyer objects to any and all additional terms that are not stated herein or separately agreed to in writing.

2. PRICING

The articles shipped or work performed against this Order must not be invoiced at a price higher than that shown on the Order without the written consent of Buyer. Except as may be provided on the face of the Order, Seller shall pay all sales, consumer, user and other similar taxes and import duties required by law on the sale of the goods or services to be performed, and shall secure, at Seller's expense, all permits, fees and licenses necessary for the execution of any services unless otherwise instructed by Buyer in writing.

3. PACKING, LABELING, AND SHIPPING

Seller shall ship all articles in accordance with instructions of Buyer. If Buyer does not specify the method of transportation or the route of the shipment, Seller shall select such method and such route as shall provide the most expeditious delivery consistent with the lowest practicable transportation cost. Any freight charges for delivery of goods that are paid by Seller and added to Seller's invoice shall be supported by copies of receipted freight bills evidencing such payment. All articles purchased or processed pursuant to this Order shall be properly packed and marked by the Seller in accordance with the requirements of the common carrier selected to transport such articles. Seller shall supply material safety data sheets with each Order as required by federal, state or local law. Seller shall enclose packing slips with all shipments showing purchase order number, description, part number and quantity. If improper packing or marking by Seller shall cause loss or additional expense to Buyer, the Seller shall, upon receipt of proof of such loss or expense, promptly reimburse Buyer therefore. Separate invoices must be rendered for each Order. No charge will be allowed for packing, crating, boxing, storage, dunnage, drayage, freight, express or cartage unless shown on the Order. Where Buyer has agreed to accept such changes, the invoice must itemize transportation charges and taxes as separate items. Seller shall comply with all applicable laws and regulations relating to the inclusion of all warnings, instructions as to use, disclosure of country of origin, classification of the articles and any other packaging and labeling requirements applicable to the articles in the United States and/or other countries to which the articles may be shipped.

Seller shall comply with all customs laws and requirements of the United States and of each country in which articles are made or are likely to transit under this Order with respect to (a) the labeling of the articles and their packaging, (b) the export and import of the articles and the subsequent distribution of the articles to Buyer and/or directly to the Buyer's customers, including but not limited to the completion and submission of all required documentation, and the payment of all taxes, duties, tariffs and similar expenses.

4. DELIVERY/PERFORMANCE

If this Order specifies a delivery date, Seller, by accepting this agreement, undertakes to deliver to Buyer on such date the articles specified herein and agrees to be responsible for, and indemnify Buyer against, all loss or claims for loss caused by delivery after such date. If Seller learns that timely delivery cannot be made, Seller shall immediately give written notice thereof to Buyer setting forth the cause of delay and probable delivery date. Buyer shall use reasonable diligence in attempting to reduce such loss so far as practicable. Upon receipt of such notice, or upon occurrence of an actual delay or Seller's refusal to make timely delivery, Buyer may, in its sole discretion without liability to Seller, (a) direct expedited routing of the goods or (ii) cancel the Order or any part thereof by written notice to Seller and purchase substitute goods elsewhere. In all such cases the Seller shall be responsible for all resulting excess costs, including without limitation, any increase in the price paid for the goods and any expenses to expedite routing of the substitute goods.

Unless otherwise specified herein, title to goods shall pass to Buyer at the delivery location(s) specified by Buyer. Delivery by carrier will be at Seller's risk. Custom duties, consular fees, insurance charges and other fees related to exportation and importation shall be borne by Seller. Buyer shall not be liable for an error in shipment, such as shipments in excess of quantities specified or for shipment of the wrong goods, and Buyer may return such shipments at Seller's expense that shall include transportation charges both ways. Buyer shall not be liable for any prevention or delay in its performance resulting, in whole or in part, directly or indirectly, from fires, floods, or other acts of God, strikes, lockouts, or labor disputes, wars, riots, or embargoes, actions by foreign, federal, state or local governments, shortages of transportation equipment, fuel, or labor, or any other circumstance beyond Buyer's reasonable control.

TIME IS OF THE ESSENCE UNDER THIS ORDER.

5. CHANGES

Buyer shall have the right to make changes by a purchase order supplement delivered to Seller including but not limited to changes in (1) the specifications, drawings and samples; (2) the method of shipment or packaging; (3) the place and timing of performance; and the articles and materials, including the quantity thereof, to be furnished by Seller. If any such change causes an increase or decrease in the cost of, or time required for performance of the Order, an equitable adjustment shall be made in the contract price or performance schedule, or both, by mutual written agreement. Upon receipt of such supplement or notice thereof, Seller shall promptly take all practicable action to prevent such change from causing any unnecessary or unreasonable cost to Buyer. Buyer shall have no obligation to pay Seller for any standard articles normally stocked by Seller and ordered herein unless Seller shall have shipped such articles to Buyer prior to receipt by Seller of such supplement or notice thereof. Buyer shall pay reasonable compensation to Seller for work done prior to receipt by Seller of such supplement or notice thereof where this agreement covers articles to be manufactured, processed or fabricated to Buyer's specification or specifications specially prepared by Seller for Buyer, and Seller shall credit Buyer for all savings caused by such change. Any claim by Seller for adjustment under this clause must be asserted as soon as is practical, but in no event more than thirty, (30) days from the date of receipt by Seller of the notification of change.

6. CANCELLATION

Buyer may cancel the Order and terminate performance there under in whole or in part for any or no reason by providing thirty, (30) day written notice to Seller. Seller will stop work on the date and to the extent specified in the notice and terminate all orders and subcontracts to the extent they relate to the terminated work. Seller will promptly advise Buyer of the quantity of applicable work and material on hand or purchased prior to termination and the most favorable disposition that Seller can make thereof. Seller will comply with Buyer's instructions regarding transfer and disposition of title to the possession of such work and material. Within thirty, (30) days after receipt of such notice of termination, Seller will submit all claims resulting from each termination. Buyer will have the right to investigate such claims, at any reasonable time or times, by inspecting and auditing the records, facilities, work or materials of Seller relating to this Order. In the event of such termination, Buyer will pay to Seller the Order price for finished work accepted by Buyer and the cost to Seller of work in process and raw material allocable to the terminated work, based on any audit Buyer may conduct and generally accepted accounting principles. Payment under this clause will constitute Buyer's only liability in the event this Order is terminated hereunder. Except as otherwise provided in the Order, the provisions of this clause will not apply to any cancellation by Buyer for breach or default by Seller or for any other cause allowed for under law. </

Buyer may immediately cancel the Order by providing written notice to Seller if Seller breaches any term or condition contained herein or in any other agreement between Buyer and Seller, becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition in bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under any bankruptcy or any insolvency law, whether domestic or foreign, or has wound up or liquidated its business voluntarily or otherwise. In the event of Seller's failure to perform any of its obligations hereunder, Buyer may, at its option, recover from Seller its expenses, cancellation fees, foreign exchange losses, the Order price less market value differential at the point of delivery, reasonable attorneys' fees, and any other actual, incidental, indirect, special or consequential damages, and may exercise any and all rights and remedies as may be available to Buyer under the Uniform Commercial Code, common law, applicable statutes or equity. Notwithstanding anything herein to the contrary, nothing in the Order shall be deemed to limit any rights Buyer may have against Seller either in law or equity.

Upon receipt of any such notice of Cancellation, Seller shall not, unless the notice otherwise directs, ship any articles ordered hereunder and Seller shall immediately discontinue all work and place no further orders for materials and supplies in connection with this agreement, and shall immediately cancel, or attempt to cancel, all existing orders and subcontracts made pursuant hereto. In no event shall termination of work by Buyer, or any notice thereof, constitute a waiver by Buyer of any rights against Seller. Adjustments, if any, arising out of any such termination shall be made on an equitable basis.

7. WARRANTIES

Seller warrants that it will comply with all applicable federal and state laws, rules, regulations, codes and ordinances in the performance of the Order. Seller warrants that the goods and/or services supplied shall be of the highest grade and quality unless otherwise specified; shall conform to the specifications, drawings, samples or other descriptions contained in the Order or furnished or specified by Buyer; shall be performed in a workmanlike manner; shall be fit and sufficient for the purpose intended; and shall be merchantable, of good material and workmanship and free from defect. Seller further warrants that the goods furnished hereunder which are subject to the federal Occupational Safety and Health Act of 1970, as amended ("OSHA"), or any OSHA state equivalent statute and the rules and regulations there under, will conform to all applicable standards and requirements as set forth said rules and regulations. These warranties are in addition to those implied by or available at law to Buyer and shall exist notwithstanding the acceptance and/or inspection by Buyer of all or part of the goods or services. Seller agrees to furnish Buyer, at Seller's expense and upon Buyer's written request, such certificate or certificates as are normally furnished in the trade, by a person or firm satisfactory to Buyer, containing analysis of the type so requested by Buyer of the materials used in filling this Order. Seller's warranties shall survive cancellation of the Order or any part thereof and shall survive any intermediate or final inspections, delivery, acceptance, or payment by Buyer. All warranties shall run to Buyer, its successors, assigns, customers, and users of the goods. No warranties shall be deemed disclaimed or excluded except in writing signed by an authorized representative of Buyer. Seller shall make timely repair or replacement of defective goods without cost to Buyer, at any time within the applicable warranty period of the goods. Buyer shall have the option of requesting repair or replacement of defective goods.

8. RISK OF LOSS

Risk of loss and/or damage to any goods furnished hereunder shall be upon Seller until the goods are physically delivered to Buyer's facility specified on the face of the Order.

9. PAYMENT

Upon satisfactory performance by the Seller, the Buyer shall make provision for payment for delivered goods and/or services within a reasonable time after receipt of the goods and/or completion of the service, as agreed to by both parties. All payments to be made hereunder may be withheld by Buyer on account of (1) defective goods or services not remedied, (2) claims made or filed, (3) unsatisfactory performance, (4) failure of Seller to pay any subcontractors, or (5) any amounts owed by Seller to Buyer or its affiliates. The act of depositing or cashing any payment made by Buyer shall constitute Seller's release of any lien rights and any and all claims arising prior thereto which Seller may have against Buyer or Buyer's inventory, equipment, or property for the goods supplied or services performed by Seller for which payment was made. Should any fine, excise tax, countervailing, antidumping, or other duty or surcharge be assessed against a shipment, Seller shall be responsible for such fines, duties or charges, whether assessed against Seller, Buyer, or Buyer's customer.

10. INDEMNIFICATION/ RELEASE

Seller agrees to indemnify, hold harmless, protect and defend Buyer, its officers, employees, successors, assigns, agents, guests, invitees, customers, and users of its products from and against any and all liability, loss, damage, fine, penalty, cost or expense (including attorneys' fees) by reason of any allegation, claim, action or suit, whether for death, personal injury, property damage or otherwise, arising out of (1) failure of the goods or services supplied to meet specifications or warranties (2) any alleged or actual, direct or contributory infringement or misappropriation of any patent, copyright, trademark, service mark, trade secret or other proprietary right arising from the design, manufacture, purchase, use or sale of such goods or services; (3) any leak or spill of any goods while being transported or delivered to Buyer; (4) any breach by Seller of any term or condition contained in the Order; (5) faulty workmanship or any defect in the goods and/or services; (6) Seller's use of faulty materials; (7) Seller's use, if any, of Buyer's property; and and/or (8) the acts, omissions, or willful misconduct of Seller, Seller's employees and subcontractors, including their agents and representatives, and all other persons performing any services under the Order with the Seller, whether or not caused in part by a party indemnified hereunder. In the event that the goods or services, in Buyer's reasonable opinion, are likely to infringe a patent, copyright, trademark or service mark, or misappropriate a trade secret (and in any event, if a court of law finds that the goods or services, in fact, do infringe or misappropriate), the Seller shall further provide Buyer one of the following forms of relief to be chosen by Buyer: (a) obtain a license on Buyer's behalf to continue to use or sell the goods or services; (b) redesign the goods or services so that they do not infringe or misappropriate; or (c) refund Buyer the price paid for the goods or services in question. In any and all claims against Buyer by any employee of Seller, any subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts any of them may be liable, the indemnification obligation under this Paragraph shall not be limited in any way by any indemnity or limitation on the amount or type of damages, compensation or benefits payable by or for Seller, any subcontractor, or anyone directly or indirectly employed by any of them under workers' compensation acts, disability benefit acts, or other employee benefit acts.

To the extent that this Order calls for work to be performed upon property owned or controlled by Buyer, it is agreed that Seller will indemnify, save harmless and defend Buyer from all liability for loss, damage or injury to person or property in any manner arising out of or incident to the performance of this Order. To the extent that this Order provides that the Seller will indemnify, save harmless and defend Buyer from liability, claims, demands or suits, it is the intention of Seller that such indemnity shall apply whether or not the liability, claims, demands or suits arise from the negligence of Buyer. Unless otherwise stated by agreement in writing, signed by an officer of Buyer, Buyer shall have no liability to Seller for the cost of materials specially stocked by Seller in excess of the amount of such materials actually used in filling this Order.

11. CONFIDENTIALITY

Seller, its officers, employees, agents, and assigns shall keep confidential all specifications, drawings, prints, technical information, data, and proprietary information furnished by Buyer or prepared by Seller in connection with the performance of the Order (including the existence and terms of the Order) and all other written or oral communications in connection therewith ("Confidential Information") and shall not divulge or use such Confidential Information for the benefit of itself or any other party, except as required for the efficient performance of the Order unless otherwise agreed to by Buyer in writing. Upon completion of the Order, Seller shall make no further use, either directly or indirectly, of any such Confidential Information and shall return it to Buyer upon request. Patent rights to any improvements embodied in designs, tools, patterns, drawings, information and equipment supplied by Buyer under this Order and exclusive rights for the use and reproduction thereof are reserved by Buyer. By accepting this agreement, Seller shall be liable for, and hold Buyer harmless against, all loss or damage to Buyer resulting from any wrongful disclosure of Confidential Information as described herein, including any wrongful delivery to persons other than Buyer of any articles, or copies thereof, manufactured by Seller for Buyer. No information or knowledge disclosed by Seller to Buyer shall be deemed confidential unless Buyer shall have acknowledged in writing, prior to receipt of same, that such information or knowledge is confidential. Buyer shall be bound only by such writing, and in the absence of such writing, shall be free to disclose any such knowledge or information.

12. INSPECTION / REJECTION OF GOODS

All articles purchased and received hereunder are subject to inspection by Buyer either at Seller's facility or upon arrival at Buyer's premises.

Inspection at Buyer's premises: Buyer shall make a visual inspection of such goods within a reasonable time after receipt and shall promptly thereafter accept or reject such goods, or any part thereof; provided however, that if the goods have defects of a type not discoverable by visual inspection, Buyer reserves the right to reject such goods when such defects are discovered. Buyer shall promptly notify Seller of any goods so rejected and shall return such goods to Seller. Upon receipt of such goods, Seller, if Buyer has already paid for same, shall promptly deliver to Buyer a credit memorandum in the amount of the price Buyer paid and shall, in any event, reimburse Buyer for transportation costs both to and from Buyer's location. Buyer reserves the right to determine whether any goods received pursuant to this Order are satisfactory for Buyer's purposes and in no event shall payment by Buyer to Seller constitute a waiver of Buyer's right to inspect nor shall such payment constitute a waiver by Buyer of any warranties or indemnities. Should delay in Buyer's payment of an invoice of Seller be caused by rejections, delivery, adjustments, errors, omissions or other faults of Seller, Buyer shall be entitled to the agreed cash discount when payment is made.

Inspection at Seller's facility: Buyer reserves the right to inspect any purchased material and/or equipment at Seller's facility during normal business hours unless otherwise agreed. The necessity and extent of the inspection activity will normally be planned prior to release of the Order and be reflected on the face of the Order. Omission of a source inspection requirement from the face of the contract does not preclude this activity if needed at any time, provided Buyer notifies Seller in advance of actual inspection. If any such inspection should be performed, the Seller shall furnish without additional charge all reasonable facilities and assistance necessary for such inspection.

The cost of inspection of goods or services rightfully rejected shall be charged to Seller. If reasonable inspection discloses that part of the goods or services received are defective or nonconforming, Buyer shall have the right to cancel any unshipped goods or unperformed services under the Order. Buyer may, at its option, purchase substitute goods in lieu of any rejected goods, with the Seller being responsible for all resulting excess costs, including, without limitations, any increase in the price paid for the goods and any expenses to expedite routing of the substitute goods. Payment for goods on the Order prior to inspection shall not constitute acceptance thereof and is without prejudice to any and all claims that Buyer may have against Seller. The making or failure to make any inspection of, or payment for, or acceptance of the goods or services, shall in no way impair Buyer's right to reject nonconforming goods or services, recover damages, or to exercise any other remedies to which Buyer may be entitled. Acceptance of any goods or services by Buyer after breach of the terms and conditions of the Order by Seller shall not waive any rights or remedies accruing to Buyer as a result of such prior breach.

13. COMPLIANCE WITH LAW/FAIR LABOR STANDARDS

Seller shall, in filling this Order, comply with all applicable federal, state and local laws, rules and regulations. Where applicable, Seller shall comply with the requirements of the Fair Labor Standards Act of 1938, as amended, in producing the goods or performing the services hereunder and all Seller's invoices delivered to Buyer shall contain a certificate stating compliance. Buyer is an Equal Opportunity Employer, and the Order is subject to the rules and regulations imposed upon contractors and subcontractors pursuant to 41 C.F.R. Chapter 60 and 61 and, unless the Order is exempt, there is incorporated herein by reference and Seller shall comply with: 41 C.F.R. Section 60-1.4; 41 C.F.R. Section 60-250.4, 41 C.F.R. Section 60-741.4; and 41 C.F.R. Section 61-250.10.

14. DISPUTES

Jurisdiction over any controversy or claim arising out of, or relating to the Order or the breach thereof, shall lie with the Court in the jurisdiction where Buyer's facility to which the goods and/or services are to be delivered is located. However, Buyer, at its discretion, may elect to have any controversy or claim arising out of, or relating to the Order or the breach thereof, settled by arbitration in the jurisdiction where Buyer's facility to which the goods and/or services are to be delivered is located, in accordance with the commercial rules (or in case of construction services, the construction rules) then, in effect of the American Arbitration Association, and judgment upon the award rendered may be entered in any court having jurisdiction as provided hereunder. Such arbitration award shall be final and binding and the arbitrator shall not be empowered to award punitive damages.

15. CHOICE OF LAW

The laws of the State of Texas shall govern the validity, construction, and interpretation of these terms and conditions. Seller shall comply with all applicable statutes, rules, by-laws, regulations and executive orders of the State of Texas or of any political or territorial sub-division thereof in connection with the production of the articles or performance of the service specified herein.

16. REMEDIES, WAIVER, AND SEVERABILITY

All of Buyer's remedies arising under this agreement shall be cumulative and in addition to all other and further remedies provided by law. This agreement constitutes the entire agreement between Buyer and Seller. The terms and conditions herein may be waived, supplemented or altered only by instrument in writing executed by a duly authorized corporate officer of Buyer and by a duly authorized officer or employee

of Seller. A waiver by Buyer of any breach of any provision hereof shall not constitute a waiver of a subsequent breach of such provision nor a waiver of any breach of any other provision. If any provision hereof shall be held to be legally inoperative, the remaining provisions shall nevertheless continue in full force and effect.

17. NOTICE

Any notice given by one party hereto to the Order or otherwise shall be by letter or purchase order supplement and shall be deemed sufficient if given personally or by registered or certified mail, postage prepaid, or by any nationally recognized overnight delivery service, addressed to the party to be notified at the address set forth on the Order. Either party may, by notice to the other, change its address for receiving such notices.

18. ASSIGNMENT

Neither an assignment of this contract nor an assignment of any right hereunder including but not limited to the receivable arising out of its performance will be binding on Buyer unless agreed to in writing by an officer of Buyer.

19. COPYRIGHT

By filling this Order, Seller grants Buyer a royalty free license to copy and/or translate all documentation received as part of this Order, Buyer shall have the right to use this royalty free license without regard to any copyright notice and/or proprietary notice which Seller may place on such documentation.

20. BUYER'S AUDIT RIGHTS

During Seller's performance of the Order and for a period of three (3) years following completion of performance, Buyer shall have the right upon reasonable notice and during normal business hours to audit the facilities and records of Seller as reasonably necessary in order to ensure compliance with the terms of the Order or for any other reasonable purpose arising in any way out of the Order. Seller shall retain all records related to the Order for a minimum of three (3) years following completion of Seller's performance. Buyer shall use commercially reasonable efforts to minimize any inconvenience to Seller as a result of such audit.

21. NON SOLICITATION AND PUBLICITY

During the performance of the Order and for one (1) year thereafter (the "Restricted Period"), Seller, whether for its own account or the account of any other person or entity at any time, shall not, directly or indirectly, solicit for employment, any person who is (or was during the Restricted Period) an employee or agent of Buyer, or in any manner, directly or indirectly, induce or attempt to induce any employee of Buyer to terminate his or her employment with Buyer. Seller shall not issue or cause to be issued any press release, public announcement or disclosure of any kind or nature whatsoever or otherwise disclose the existence of the Order or the transactions contemplated hereby except as and to the extent that both parties jointly agree to such press release, public announcement or disclosure previously and in writing. Seller agrees that it will not use Buyer's name, trade name or trademark in any way without the prior express written consent of Buyer.

22. RELATIONSHIP OF THE PARTIES

This Order does not constitute either party as the agent or legal representative of the other for any purpose whatsoever.

23. GOVERNMENT CONTRACTS

If the articles or services to be furnished by Seller are to be used in the performance of a U.S. government contract or subcontract, those clauses of the applicable U.S. Government procurement regulation which are mandatory required by Federal Statute to be included in U.S. Government subcontracts shall be incorporated herein by reference including, without limitation, the Fair Labor Standards Act of 1938, as amended.

IN THE EVENT SELLER WILL PERFORM SERVICES HEREUNDER, ADDITIONAL CONDITIONS 24 THROUGH 27 SET FORTH BELOW SHALL ALSO BE APPLICABLE:

24. SELLER'S RESPONSIBILITIES

Seller shall be solely responsible for all construction methods and procedures and for coordinating performance of the Order, and shall provide and pay for all labor, materials, equipment, tools, construction equipment and machinery, transportation and other facilities and services necessary for the proper execution and completion of the Order. Seller shall give all notices and comply with all applicable laws, rules, regulations, codes and ordinances of any public authority bearing on the performance of the Order and shall notify Buyer if the drawings and specifications are at variance therewith. Seller shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Order and shall comply with all federal and state safety laws, rules, regulations, codes and ordinances as well as Buyer's facility's safety rules.

25. USE OF EQUIPMENT

Seller shall not use Buyer-supplied equipment, tools, scaffolding or other materials without Buyer's express consent. Seller hereby acknowledges that Seller shall inspect any Buyer-supplied equipment, tools, scaffolding and/or other materials, and that Seller will not use the same unless they are suitable for their intended use and conform with any and all applicable laws, rules, regulations, codes and ordinances. Seller assumes full responsibility for the proper use of such equipment, tools, scaffolding and/or other materials and shall return the same to Buyer in a like condition in which they were borrowed. Buyer reserves the right to withhold payment of Seller's invoice until Seller has returned all of Buyer's property in satisfactory condition or has reimbursed Buyer for the fair market value of all loss or damage, if any.

26. INSURANCE

Seller shall purchase and maintain such insurance as will protect it from claims for damages because of bodily injury, including death, and from claims for damages to property which may arise out of or result from the services performed under the Order, whether such services be performed by Seller, Buyer, or any of Seller's subcontractors or anyone directly or indirectly employed by any of the foregoing. Such insurance shall include, without limitation, Texas workers' compensation, employer's liability, commercial general liability (including personal injury and broad form property damage) and automobile liability. Such insurance shall be written for not less than \$2,000,000 per occurrence, or as required by law, whichever is greater, shall include contractual liability insurance as applicable to Seller's obligations hereunder, and shall include a waiver of subrogation in favor of Buyer. Certificates of such insurance, which shall name Buyer as an "additional insured" on the general and automotive liability policies, shall be filed with Buyer prior to commencement of services hereunder and upon policy renewals thereafter. Such insurance coverage shall provide that the policies will not be cancelled or materially altered until at least thirty, (30) days prior written notice has been given to Buyer.

27. CONSTRUCTION ZONE

To the extent possible, Buyer will relinquish control over the construction zone to Seller for the duration of any construction related services to be performed under the Order and Seller hereby assumes exclusive control over services performed in the construction zone. To the extent possible, Seller shall physically separate the construction zone from the remainder of the premises. To the extent possible, Buyer's use of the construction zone shall fully cease upon Seller's entrance to the construction zone. Seller is hereby assigned the full responsibility for safety and management over persons and property within the construction zone in conjunction with Buyer's safety policies and procedures. Seller agrees to explicitly warn and notify its subcontractors and its and their employees, agents, representatives, guests and visitors of any risks, hazards, or peculiar dangers associated with the construction zone for which Buyer has made Seller aware, or for which Seller should be reasonably aware. Seller shall periodically, as necessary, but not less than once a day, inspect the construction zone for risks, hazards and dangers, whether patent or latent, and Seller shall thereafter eliminate such risks, hazards or dangers, or to the extent not eliminated, warn its employees and visitor of such risks, hazards or dangers. The foregoing responsibilities of Seller shall continue throughout the period of construction.

28. Customs-Trade Partnership Against Terrorism (C-TPAT) CERTIFICATION

Seller shall:

1. Obtain certification in a supply chain security program being administered by a foreign Customs Administration;
2. Maintain container integrity to protect against the introduction of unauthorized material and/or persons;
3. Affix a high security seal to all loaded containers bound for the U.S. Such seals shall meet or exceed the current PAS ISO 1772 standards;
4. Verify the physical integrity of container structure prior to loading, to include the reliability of locking mechanisms;
5. Establish written procedures stipulating controls over distribution and affixing of seals including procedures for reporting compromised seals to US Customs;
6. Establish secured location for containers to prevent unauthorized access and/ or manipulation including complete perimeter fencing, barriers and deterrents
7. Establish physical access controls to prevent unauthorized access to Seller facility including positive identification of all persons at all points of entry.
8. Establish hiring practices to screen prospective employees, including verification of employment history, references, and completion of background checks
9. Establish security measures to ensure the integrity and security of processes relevant to the transportation, handling, and storage of cargo in the supply chain;
10. Take any additional action required under the direction of US Customs to address container security from possible use by terrorist organizations.