



Vendor Terms And Conditions

Big Tex Trailer Manufacturing, Inc. and its affiliates and subsidiaries (individually, or collectively, "Buyer") have established a business relationship with Vendor, who will supply products and/or services to Buyer. In addition to the terms and conditions of any contract, agreement, purchase order or sales order received from Vendor, Vendor agrees to be bound by and comply with the following mandatory Vendor Requirements:

1. OFFER, ACCEPTANCE, MODIFICATION. Written acceptance of this Purchase Order, or commencement of performance of any work or services pursuant to this Purchase Order, shall constitute acceptance of this Purchase Order.

Such acceptance is limited to these terms and conditions. All terms and conditions proposed by Vendor that are different from or in addition to this Purchase Order must be accepted in writing by Buyer. No purported verbal agreement or other understanding that attempts in any way to modify the conditions of the agreement resulting from this Purchase Order will be binding upon Buyer. Any modification to this Purchase Order shall be made only in writing signed by both parties to this Purchase Order. The placement of this Purchase Order by Buyer is specifically conditioned upon the terms and conditions stated herein and entirely excludes any terms and conditions that Vendor may seek to impose in its invoice or any other communication, except to the extent that such terms and conditions have been expressly agreed in writing by Buyer.

2. PRICE. This Purchase Order shall not be executed at prices higher than those specified on the Purchase Order, unless otherwise agreed to in writing by the Buyer. The price specified on this Purchase Order includes all subcontracting costs associated with this Purchase Order. Buyer shall have no responsibility for any increased costs incurred by Vendor in connection with any material procured, labor or subcontractors, unless such additional costs shall have been negotiated and agreed to in writing by Buyer.

- Unless otherwise agreed to in writing by the Buyer, the price specified on this Purchase Order includes all charges for packing, cartage, storage, drayage, and transportation to the F.O.B. point. Vendor shall pay all delivery charges in excess of that Buyer has agreed to pay.
- Vendor represents and warrants that, during the term of this Agreement, the pricing agreed upon hereunder as may be modified in accordance with the terms hereof from time to time, together with any other charges, rebates and discounts agreed upon by the parties (collectively, "Pricing Terms"), offered to Buyer under this Agreement, are and will remain as favorable as, or better than the Pricing Terms offered by Vendor to any other customer for like goods or services. In the event that Vendor at any time agrees, in writing or otherwise, to Pricing Terms with another customer that are in any way more favorable than the Pricing Terms agreed to with Buyer, Vendor shall promptly notify Buyer in writing and offer such terms to Buyer. In the event Buyer accepts such modified terms, the parties shall promptly prepare and execute an amendment to the applicable Purchase Order or Agreement reflecting such terms. Vendor (or its applicable subsidiary) shall annually on the anniversary of this Agreement, certify to Buyer that Vendor remains in compliance with this provision.

Vendor warrants that the prices will comply with applicable government law and regulations. Buyer shall in no event, be responsible for any liability that may become due on account of any alleged non-payment of any or all taxes, levies, duties, assessments, deductions, penalties or interest thereon.

3. SHIPPING AND PACKING. All shipments must be accompanied by a packing slip, which describes the articles, states the Purchase Order number, and shows the shipment's destination. Vendor agrees to promptly forward the original bill of lading or other shipping receipt for each shipment in accordance with Buyer's instructions. No charges will be allowed for packing, crating, and transportation unless stated in this Purchase Order.

4. DELIVERY – RISK OF LOSS. Deliveries shall be made both in quantities and at times specified on the face of this Purchase Order or in Buyer's schedules and time is of the essence. Buyer shall not be required to make payment for goods delivered to Buyer that are in excess of quantities specified in Buyer's delivery schedule on this Purchase Order or in written releases issued by Buyer. Buyer may reject any deliveries made more than two weeks after or before the specified delivery date.

- In the event Vendor fails to meet the agreed upon delivery requirements for reasons other than those specified in paragraph 12 below, and Buyer requires a more expeditious method of transportation for the goods than the transportation method originally specified, Vendor shall ship the goods as expeditiously as possible at Vendor's expense and invoice Buyer for the amount that Buyer would have paid for normal shipment.
- Unless provided otherwise in this Purchase Order, all goods shall be sold F.O.B destination. Vendor shall be responsible for and bear the risk of any loss or damage to the goods until received by the Buyer. It shall be the responsibility of the Vendor to arrange insurance of the goods during the aforesaid transit. The Buyer agrees to furnish all such information as may be required by the Vendor to effect the aforesaid insurance.

5. INVOICING. Vendor agrees to promptly render after delivery of goods or performance of services, correct and complete invoices. Price variances from this Purchase Order and or additional cost not contained in this Purchase order must have prior approval from Buyer in writing for payment consideration.

Unless different terms are specified in the Buyer's Purchase Order, payment terms will be 2% 10-Net 30 from the latter of Buyer's receipt of Vendor's Invoice or the delivery of the goods or services.

6. WARRANTIES OF VENDOR. Vendor expressly warrants that all goods or services covered by this Purchase Order (i) conform to the Purchase Order, specifications, drawings, samples, and descriptions furnished to or by the Buyer, (ii) are merchantable, of good material and workmanship, and free from defect, and (iii) are fit and sufficient for the particular purpose intended by Buyer. If Vendor has participated in the design of the item or approved the design, Vendor also warrants that the items are free from defects in design. All goods and services are subject to Buyer's inspection. Payment for, inspection of, or receipt of goods or services shall not constitute acceptance of the goods or a waiver of any breach of warranty.

7. REJECTION OF GOODS. Buyer will be entitled to notify Vendor of any shortages or damages to the goods up to 10 days from the date on which the goods are delivered to Buyer. Nonconforming or defective goods may be returned to the Vendor for, at the Buyer's option, full credit or replacement with new goods at the Vendor's risk and expense, including all expenses for labor and materials in dealing with or removing the defective parts, all charges for handling, sorting, packaging and transportation both ways. No replacement of nonconforming goods may be made except as authorized by a replacement order signed by Buyer. Vendor shall be given a reasonable opportunity to inspect the damaged goods at its own cost within a period of 10 days from the date of notification of rejection of nonconforming or defective goods.



8. CHANGES. Buyer at any time in writing may make changes in the drawings, designs and specifications of the goods or otherwise change the scope of the work covered by this Purchase Order, including work with respect to such matters as drawings, designs, specifications, inspection, testing or quality control, the method of packing and shipping, the place of delivery, shipping instructions, and quantity or delivery schedules. Vendor agrees to promptly make such changes. If such changes affect the cost or time required for performance, and if Vendor makes claim for adjustment in writing within fourteen (14) days of receipt of notification of change, an equitable adjustment shall be made by the parties, and this Purchase Order shall be modified accordingly. Otherwise, such claim for equitable adjustment is waived and the Purchase Order shall be deemed to be modified. Vendor shall diligently continue performance of the Purchase Order, as changed, pending agreement on the amount of an equitable adjustment. Nothing contained in this Purchase Order shall relieve or excuse Vendor from proceeding without delay in performing this Purchase Order as changed. Vendor shall not make any change in design, processing, packing, shipping, or place of delivery without Buyer's prior written approval.

9. TERMINATION FOR BANKRUPTCY. Buyer may immediately terminate this Purchase Order without liability upon the happening of any of the following or any other comparable event: (i) insolvency of the Vendor; (ii) filing of a voluntary or involuntary petition in bankruptcy by or against Vendor; (iii) appointment of a receiver or trustee for Vendor; (iv) any accommodation by Buyer, financial or otherwise, not contemplated by this Purchase Order, that are necessary for Vendor to meet its obligations under this Purchase Order; or (v) execution of an assignment for the benefit of creditors by Vendor, provided that such petition, appointment, or assignment is not vacated or nullified within fifteen (15) days after such event. Vendor will reimburse Buyer for all costs Buyer incurs in connection with any of the foregoing whether or not this Purchase Order is terminated, including, but not limited to, all attorneys' or other professional fees.

10. TERMINATION FOR CONVENIENCE. In addition to any other rights of Buyer to cancel or terminate this Purchase Order, Buyer may terminate all or any part of this Purchase Order at any time and for any reason by giving written notice to Vendor. Upon receipt of such notice, Vendor will immediately stop work on this Purchase Order or the terminated portion thereof, and notify any subcontractors to do likewise. Buyer shall pay to Vendor the Purchase Order price for all goods or services that have been completed in accordance with this Purchase Order and not previously paid for. Where articles or materials are to be specifically manufactured for Buyer hereunder and where Vendor is not in default, an equitable adjustment shall be made to cover Vendor's actual cost, excluding profit, for work-in-process and raw materials as of the date of termination to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted accounting principles to the terminated portion of this Purchase Order. Buyer will not be liable for any charges or expenses incurred by Vendor in advance of the normal lead time necessary to meet scheduled delivery dates nor for any expenses, charges or liability incurred subsequent to the giving of notice of cancellation. Buyer will make no payments for finished goods, work-in-process, or raw materials in amounts in excess of those authorized by Buyer or for any undelivered goods which are in Vendor's standard stock or which are readily marketable. Vendor shall submit any claim to Buyer within thirty (30) days after the date of termination or such claim shall be waived. Payments made to Vendor under this Section 10 represent the sole responsibility of Buyer in case of cancellation of the Purchase Order and Vendor agrees not to charge any other costs, expenses or fees to Buyer nor shall Buyer be liable for any other costs, expenses or fees arising out of the cancellation or termination of the Purchase Order under this Section 10.

11. TERMINATION FOR DEFAULT. In addition to any other remedies or rights afforded by law, Buyer reserves the right to cancel all or any part of this Purchase Order, for default of Vendor, if Vendor: (i) repudiates or breaches any of the terms of this Purchase Order, including Vendor's warranties; (ii) fails to perform services or deliver goods as specified by Buyer; or (iii) fails to make progress so as to endanger timely and proper completion of services or delivery of goods, and does not correct such failure or breach within ten (10) days after receipt of written notice from Buyer specifying such failure or breach. If Buyer terminates its purchase obligations pursuant to this paragraph, Buyer shall have no obligations to Vendor in respect of the terminated portion of this Purchase Order and Buyer's liability shall be limited to the delivered portion of this Purchase Order at the rate specified on the face hereof. Buyer shall be entitled to recover all damages or losses attributable to such repudiation, breach, or failure by Vendor.

12. EXCUSABLE DELAYS. Neither party shall be liable for a failure to perform which arises from causes or events beyond its reasonable control and without its fault or negligence, including but not limited to acts of God or the public enemy, actions by any domestic or foreign governmental authority (whether valid or invalid), fires, riots, wars, sabotage, acts of terrorism, labor problems (including lockout strikes and slowdowns), or inability to obtain materials. The affected party shall give written notice of such delay, including the anticipated duration thereof, to the other party within ten (10) days of the beginning of the delay. If Vendor is the affected party, Vendor shall take all reasonable action, including, but not limited to, utilizing temporary production facilities or a temporary workplace, or moving existing tooling to third party production facilities in order to ensure that the supply of product meets the requirements of this order. During the period of such delay or failure to perform by Vendor, Buyer may purchase goods from other sources and reduce its schedule to Vendor by such quantities without any liability. If requested by Buyer, Vendor shall, within ten (10) days of such request, provide adequate assurances that the delay shall not exceed thirty (30) days. If the delay lasts more than thirty (30) days or Vendor does not provide adequate assurances that the delay will cease within thirty (30) days, Buyer may immediately cancel this Purchase Order without liability.

13. LABOR DISPUTES/ INVENTORY. Vendor will notify Buyer immediately of any actual or potential labor dispute delaying or threatening to delay the timely performance of any open purchase order. If requested by the Buyer, Vendor will establish, at Vendor's expense, a 30-day inventory of finished goods, at a site mutually agreed upon with Buyer.

14. PATTERNS, TOOLS, AND EQUIPMENT. Buyer shall have title to and the right of immediate possession of any pattern, tools, jigs, dies, equipment or materials furnished or paid for by Buyer, and Vendor shall not use such tooling while in its possession for any work other than that of Buyer. In the event Vendor purchases such tooling with Buyer's funds or is reimbursed by Buyer, Vendor shall execute a Bill of Sale and any and all other documents necessary to transfer title free and clear of any liens to Buyer. While in Vendor's possession, such property shall be held by Vendor as a bailee and shall be maintained in good and usable condition at no further cost to Buyer. Vendor shall maintain and administer a program for the maintenance, repair and preservation of such property, and appropriate identification of its ownership in accordance with sound industrial practice. When requested, Vendor shall furnish inventory schedules on the property, or return the property to Buyer in the condition in which it was received, except for reasonable wear and tear and consumption in the normal performance of work for Buyer. Any material furnished by Vendor and paid for by or charged to Buyer shall be owned by Buyer and held by Vendor as a bailee and Vendor shall assume the risk for any damage or loss thereto. Vendor shall indemnify and hold Buyer, its agents and employees, harmless against all claims, demands, liabilities, costs and expenses, based upon or arising out of the use, storage or handling of the equipment and/or tooling until returned to Buyer's possession. Vendor shall sign, or hereby authorizes Buyer to sign on its behalf, any documents deemed reasonably necessary by Buyer, to be filed with Federal, State or local officials to record Buyer's title and interest in any patterns, tools, jigs, dies, equipment or materials furnished or paid for by Buyer.



15. NON-DISCLOSURE OF INFORMATION, DESIGNS AND DATA. Vendor shall keep confidential, during the existence of this Purchase order as well as after, the features of any equipment, tooling, patterns, designs, drawings, processes, engineering and business data and other technical and proprietary information (without limitation), furnished by Buyer and use such items only in production of supplies under Purchase Orders from Buyer, unless Buyer's written consent is first obtained. Upon termination or completion of this Purchase Order, Vendor shall return all such items to Buyer or make other disposition, as directed by Buyer.

16. INTELLECTUAL PROPERTY. Vendor warrants that any materials, supplies or other goods furnished by Vendor or its affiliates to Buyer (except such goods which are manufactured by the Vendor strictly as per Buyer's specifications and designs) will not infringe any United States or foreign patent, trademark, copyright, or mask work right by reason of their manufacture, use or sale, and will not misuse or misappropriate any trade secret.

- Vendor agrees to (i) at its sole expense, indemnify, defend, and hold harmless Buyer, its agents, employees, successors, assigns and customers against all such claims, demands, losses, suits, damages, liabilities and expenses (including reasonable attorneys' fees) arising out of any suit, claim or action for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark, copyright, or mask work right by reason of the manufacture, use, or sale of the goods or services Purchase Ordered (except such goods or services as are manufactured by the Vendor as per Buyer's specifications and designs and those specifications and designs are alleged to be the infringing goods), including infringement arising out of compliance with specifications furnished by Buyer, or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Vendor's actions; (ii) waive any claim against Buyer under the Uniform Commercial Code or otherwise, including any copyright or mask work right infringement or the like, including claims arising out of compliance with specifications furnished by Buyer; and (iii) grant to Buyer a worldwide, non-exclusive, royalty-free, irrevocable license to repair and have repaired, to reconstruct and have reconstructed, the goods ordered by this Purchase Order. Vendor assigns to Buyer all right, title and interest in and to all trademarks, copyrights and mask work rights in any material created for Buyer under this Purchase Order.

17. INDEMNIFICATION. Vendor shall, at its sole expense, indemnify, defend, and hold harmless Buyer, its directors, officers, employees, customers, and agents (the "Indemnitees") from and against any and all suits, actions or proceedings, at law or in equity, and from any and all claims, demands, losses, damages, judgments, awards, penalties or other costs, expenses, or liabilities of any kind (including, but not limited to, any reasonable attorneys' fees) resulting from the death or injury to any person or damage to any property, and defend, at Vendor's cost, each Indemnitee against any threatened, pending or initiated claim, action, litigation, suit, arbitration, mediation or proceeding, arising out of or in any way connected with the performance of this contract by Vendor or with the goods, products and/or services provided hereunder, or with respect to matters and allegations that the goods, products and/or services are defective, unfit or unsafe, that they do not meet applicable laws or regulations, for violation of law by Vendor, or for willful misconduct by any employee, agent, contractor, subcontractor or other representative of Vendor, even if the loss results from the concurrent or partial negligence of Buyer. Buyer shall notify Vendor as soon as reasonably practicable of any such claim, action, litigation, suit, arbitration, mediation or proceeding and provide Vendor with reasonable assistance in the defense thereof; provided that any delay or failure to deliver any such notice shall not relieve Vendor from its obligations under this provision except to the extent such delay or failure materially prejudices Vendor's obligations hereunder. Buyer shall have the right to participate with Vendor, at Vendor's expense, in any claim, action, litigation, suit, arbitration, mediation or proceeding and will provide Vendor with reasonable assistance in the defense, settlement, or appeal of any claim, demands, suits or actions connected with the performance of this contract, or arising from the goods or services provided by Vendor to Buyer. Vendor shall not admit liability for any claim, demand, suit or action involving goods or services provided by Vendor without the prior written consent of Buyer. Any settlement under this indemnification and insurance agreement, must have prior written consent of Buyer.

This indemnification supercedes and augments any existing contractual requirements and, except for limitations on consequential or punitive damages, precludes any limitation of liability in any such contract.

18. INSURANCE. Vendor agrees to maintain in effect insurance coverage with reputable insurance companies covering worker's compensation and employer's liability, auto liability, commercial general liability, including product liability / completed operations, all with such limits as are sufficient to protect Buyer and Vendor from the liabilities insured against by such coverage. Vendor's insurance described herein shall be primary and not contributory with Buyer's insurance with respect to obligations resulting from the negligence of Vendor.

All Vendors providing products and/or services for Buyer are to have the following minimum requirements on their Certificate of Insurance regardless of whether entering onto property or not. Buyer's insurance requirements are set out on Attachment A.

19. TECHNICAL INFORMATION. Vendor agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical information that Vendor has disclosed or may hereafter disclose to Buyer in connection with the goods or services covered by this Purchase Order.

20. COMPLIANCE. In providing goods or services hereunder, Vendor will comply with any and all applicable federal, state, local, and foreign laws and regulations.

- Vendor agrees to provide all information necessary for Buyer to comply with all applicable laws, regulations and related legal reporting obligations in the country(ies) of destination. Vendor agrees to provide all documentation and/or electronic transaction records to allow Buyer to meet customs related obligations, any local content/origin requirements, and to obtain all tariff and trade program duty avoidance(s) and/or refund benefits, where applicable. Vendor further agrees to assume, and to indemnify Buyer against, any and all financial responsibility arising from Vendor's failure to comply with these requirements and/or to supply Buyer with the information required to meet legal reporting obligations, including, without limitation, any fines, penalties, forfeitures, or counsel fees incurred or imposed as a result of actions taken by the importing country's government.

21. QUALITY CONTROL. Vendor shall maintain adequate and consistent quality control inspection and testing to assure that goods will consistently conform to specified requirements, and shall, at Buyer's request, furnish substantiated results of quality control inspections and testing. Vendor shall notify Buyer in writing before changing in any way Vendor's specified requirements or processes used in production of supplies ordered by Buyer under this Purchase Order. Buyer's specified requirements used in production must not be changed without Buyer's prior written consent.



22. BUSINESS ETHICS: Neither Party will offer or provide to the employees, agents or other representatives of the other Party any favors, gratuities, gifts, payments, part-time employment or anything of value, nor enter any other business transactions which might create a conflict of interest, whether or not in an attempt to influence such person's administration of the provisions of Agreement or to otherwise gain unfair advantage individually and/or relative to competing suppliers/vendors. Additionally, each Party will immediately report to the other Party any requests made for favors, gratuities, gifts, payments, or anything of value by employees, agents or other representatives of such Party or any employment relationships or business transactions between the Parties and/or their employees, agents or other representatives which might create any conflict of interest, and will cooperate with respect to any inquiry or investigation being conducted related to such activities or alleged activities. Report any unethical conduct to Buyer's Risk Management and Legal Administration Office at (903) 572-6675.

23. DISPUTE RESOLUTION: If a dispute arises from or relates to transactions between the Parties, the Parties shall endeavor to settle the dispute first through direct discussions and negotiations with the Parties' Executive Management. If the dispute cannot be settled through direct discussions, the Parties shall endeavor to settle the dispute by mediation under the Commercial Mediation Procedures of the American Arbitration Association before recourse to litigation. If a dispute has not been resolved within 90 days after the written notice beginning the mediation process (or a longer period, if the Parties agree to extend the mediation), the mediation shall terminate and the dispute shall be settled by litigation in the State and Federal Courts serving Titus County, Texas or such other location as agreed upon by the Parties.

24. JURISDICTION AND VENUE: The provision for products and/or services between Vendor and Buyer will be deemed to have been made and will be construed and interpreted in accordance with the laws of the State of Texas. If any matters in dispute are required to be settled by litigation which is initiated by Vendor, such trials will be decided solely by a judge. **THE VENDOR WAIVES TRIAL BY JURY IN ANY SUCH ACTION(S) AND CONFIRMS THAT THIS WAIVER IS A MATERIAL INDUCEMENT OFFERED TO BUYER TO ENGAGE IN BUSINESS TRANSACTIONS WITH VENDOR.** For any such action(s) related to their business transactions, the Parties submit themselves to the jurisdiction of the state or federal courts located in Mt. Pleasant, Texas.

25. NOTICE. Each notice described in these Terms and Conditions to either Party (including without limitation to change a Party's address) must be in writing and shall be sent to the intended recipient (with all fees paid) by express courier service or certified mail return receipt requested to Vendor at its principal place of business as listed with the Secretary of State of its home state and to Buyer in care of its Legal & Risk Management Department, 950 I-30 East, Mt. Pleasant, Texas 75455 and shall be considered effective or received when actually received or refused by such recipient, provided that the sending Party has written confirmation thereof and such refusal was not due electronic or mechanical malfunction or failure.



BUYER'S MINIMUM VENDOR INSURANCE REQUIREMENTS

All vendors providing products or services for Buyer are to have the following minimum requirements on their Certificate of Insurance.

General Liability

Each Occurrence	\$2,000,000
General Aggregate	\$3,000,000
Products/Completed Operations	\$2,000,000
and/or Professional Liability	\$2,000,000 (if applicable)

Automobile Liability

Combined Single Limit	\$1,000,000
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Workers Compensation

Statutory Limits of Insurance

Employers' Liability:

Each Accident	\$100,000 Minimum
Policy Limit	\$500,000 Minimum
Each Employee	\$100,000 Minimum

Motor Truck Cargo Coverage

Each Occurrence	\$100,000 Minimum
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Contingent Motor Truck Cargo Coverage (for trucking/freight brokers)

Each Occurrence	\$100,000 Minimum
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Warehouse Legal Liability or Property of Others Coverage

Each Occurrence	\$100,000 Minimum (To Be Determined by Risk Management)
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Buyer is to be listed as **Additional Insured on General Liability and Auto policies**. A **30-day notice of cancellation** is also required. Buyer reserves the right to modify these requirements as deemed necessary for the risk presented to Buyer.

The certificate holder address should read as follows:

**Big Tex Trailer Manufacturing, Inc.
Attn: Risk Management
950 I-30 East
Mt. Pleasant, Texas 75455**