

# Conditions and Instructions Between BlueCross BlueShield of Tennessee (Buyer) and Supplier

Supplier expressly warrants that all the materials and articles covered by this order or other description or specification furnished by Buyer will be in exact accordance with such order, description or specification and free from defects in material and/or workmanship, and merchantable. Such warranty shall survive delivery, and shall not be deemed waived either by reason of Buyer's acceptance of said materials or articles or by payment from them. Any deviation from this order or specifications furnished hereunder, or any other exceptions or alterations must be approved in writing by Buyer's Purchasing Department.

Goods purchased are subject to our inspection and approval. If rejected they will be held subject to your order and/or returned at your expense. Payment for goods on this order prior to inspection shall not constitute acceptance thereof and is without prejudice to any and all claims that buyer may have against Supplier. All installation work is subject to the inspection and approval of an authorized representative of BlueCross BlueShield of Tennessee. Deliveries must be made to Buyer's receiving dock unless otherwise instructed in writing.

Buyer reserves the right to cancel all or any part of the undelivered portion of this order if Supplier does not make delivery as specified, time being of the essence of this Contract, or if Supplier breaches any of the terms hereof including, without limitation, the warranties of Supplier.

The specific quantity ordered must be delivered in full and not changed without Buyer's consent in writing. Any unauthorized quantity is subject to our rejection and return at Suppliers expense. If price is not stated in this, it is agreed that the goods shall be billed at the price last quoted, or billed at the prevailing market price, whichever is lower. This order must not be filled at a higher price than last quoted or charged without Buyer's specific authorization.

Invoices must show taxes and transportation charges separately. Freight charges must be supported by copy of original freight bill. No additional charges of any kind, including charges for boxing, packing, cartage, or other extras will be allowed unless specifically agreed to in writing in advance by Buyer. "Prepay" all shipping charges when applicable. It is understood that the cash discount period will date from the receipt of the goods or from the date of the invoice, whichever is later. C.O.D. shipments will not be accepted. Drafts will not be honored.

Payment for goods or services will be held if BCBST does not have a 'complete' Supplier Enrollment form on file.

Supplier agrees that the cost of composition, artwork, negative, and plates is included in the price stated herein and are therefore the property of BlueCross BlueShield of Tennessee.

This purchase order or contract may be subject to certain federal procurement clauses, as amended from time to time, including but not limited to: 52.203-13 Contractor Code of Business Ethics and Conduct (DEC 08), 52.209-6 Protecting the Government's Interest When Subcontracting With Contractors Debarred, Suspended or Proposed for Debarment (SEP 06), 52.215-2 Audit and Records – Negotiation (JUN 99), 52.219-8 Utilization of Small Business Concerns (MAY 04), 52-219-9 (Small Business Subcontracting

Plan); 52.221-21 Prohibition of Segregated Facilities (FEB 99), 52.222-26 Equal Opportunity (MAR 07), 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and other Eligible Veterans (SEP 2006), 52.222-36 Affirmative Action for Workers with Disabilities (JUN 1998), 52.222-39 Notification of Employee Rights Concerning Payment of Union Dues or Fees (DEC 04), 52.222-41 Service Contract Act of 1965, as amended (NOV 07), 52.215-2 Audit and Reports-Negotiations and 52.222-54 Employment Eligibility Verification (JAN 2009).

This contract shall be construed under the uniform commercial code as adopted. This contract may not be assigned by Supplier without Buyer's written consent.

Supplier agrees that goods shipped to Buyer under this order will be produced in compliance with the Fair Labor Standards Act.

These provisions are hereby incorporated and made a part of this purchase order or contract. In each provision, "Contractor" shall mean "Supplier" and "Contracting Officer" and "Government" shall mean "BCBST ( or its affiliate) or the U.S. Government" as necessary to fulfill the intent of this provision for the purposes of a subcontract under a U.S. Government prime contract issued to BCBST (or its affiliate). These provisions have the same source and effect as if they were stated in their entirety. The full text may be found at <http://www.arnet.gov/far/>.

The supplier will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The supplier will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

The supplier will comply with all provisions of Executive Order No. 11246 on Sept. 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

Supplier represents that the merchandise covered by this order was not manufactured and is not being sold or priced in violation of any federal, state, or local law.

Supplier agrees to indemnify BlueCross BlueShield of Tennessee against expense and legal liability for damages resulting from any injury to person or property from death, caused by delivery of merchandise or the installation of any work called for in this order.

Supplier warrants the material purchased hereunder does not infringe any letters of patent granted by the United States and covenants and agrees to save harmless and protect the Buyer, its successors, assigns, customers and users of this product, against any claim or demand based upon such infringement, and after notice, to appear and defend at its own expense any suits at law or in equity arising there-from.

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