

Part 1: General Terms & Conditions

(Applies to all Suppliers)

1. Formation of Contract. Supplier's commencement of work or shipment of goods (whichever occurs first) constitutes acceptance of the Thompson's offer to purchase contained in any Thompson Purchase Order (herein after referred to as a "PO"). All POs and agreements with Supplier are subject to Parts 1 through 5 of this Acceptance Form. Any reference to PO in Parts 1 through 5 hereof also means and includes any agreement between Supplier and Thompson for goods and/or services. Any proposal for additional or different terms or any attempt by Supplier to vary in any degree any of the terms of this PO in Supplier's acceptance is hereby rejected, but such proposal shall not operate as a rejection of Thompson's offer to purchase set out in the PO. Acceptance of a prior offer by Supplier is limited to the express terms contained in and incorporated by reference into the PO.

2. Cancellation. Thompson reserves the right at any time for its convenience to cancel this PO as to all or any portion of the goods then not shipped or services then not performed, subject to an equitable adjustment between the parties as to any work or materials (but not to include standard stock) then in progress. Supplier shall not be paid for any amount of lost profits on canceled orders, or for any avoidable costs incurred after receipt of notice of cancellation, including, but not limited to, any costs incurred by Supplier's suppliers or subcontractors which Supplier could reasonably have avoided. No termination for convenience shall relieve Supplier or Thompson of its obligations as to any goods or services delivered hereunder. Any claim for adjustment hereunder must be asserted within thirty (30) days after the date of Supplier's receipt of notice of cancellation.

3. Termination For Cause. Thompson may terminate this PO or any part hereof at any time for cause in the event Supplier fails to comply with any of the terms and conditions of this PO, including without limitation, late delivery or performance, the delivery of defective or non-conforming goods or services, or failure to provide Thompson with reasonable assurances of future performance. In the event of termination for cause, Thompson shall not be liable to Supplier for any amount, and Supplier shall be liable to Thompson for any and all damages sustained by reason of the default which gave rise to the termination.

4. Warranty. Supplier expressly warrants that all goods and services furnished and deliverables created under this PO shall conform to all specifications and appropriate standards, all applicable laws and regulations and will be free from defects including, but not limited to, defects in material, workmanship, and title, and acknowledges that any goods and deliverables to be provided Thompson are works made for hire and to the extent not deemed to be such hereby assigns, and will cause its employees and agents to assign, all right, title, and interest in and to the foregoing to Thompson, unless otherwise agreed in writing signed by Thompson at the time of purchase. Supplier warrants that all goods and services furnished hereunder will be merchantable, safe, and appropriate for the purposes for which goods and services of that kind are normally used. If Supplier knows or has reason to know the particular purpose for which Thompson intends to use the goods or services, Supplier warrants that such goods and services will be fit for such purpose. Supplier warrants that goods and services furnished will conform in

all respects to samples, advertisements, and other representation made to Thompson regarding same and that Supplier's price for such goods and/or services does not include any tax imposed on Supplier by any taxing authority.

Inspection, test, acceptance or use of the goods or services furnished hereunder shall not affect the Supplier's obligations under this warranty, and such obligations shall survive inspection, test, acceptance and use. Supplier's warranties shall run to Thompson, its successors, assigns and customers, and users of products or services sold by Thompson. Seller agrees to promptly replace or correct defects of any goods or services not conforming to the foregoing warranties, without expense to Thompson, when notified of such nonconformity by Thompson if Thompson elects to provide Supplier with the opportunity to do so. In the event of failure of Supplier to correct defects in or replace nonconforming goods or services promptly, Thompson, after reasonable notice to Supplier, may make such corrections or replace such goods and services and charge Supplier the cost incurred by Thompson in doing so. These warranties are in addition to those otherwise offered by Supplier and manufacturer.

5. Rebates and Credits. Supplier rebates and credits, including but not limited to those for correction of invoice discrepancies, returned goods, good-faith or performance offsets, and volume/price tier rebates, must be issued in the form of a check made payable to Thompson and sent to Financial Services, 350 Parrish Street, Canandaigua, New York 14424. Checks must be: a) timely delivered and b) clearly labeled "Rebate" specifying either the Supplier's contract or the applicable PO.

6. Set-off. All claims for money due or to become due from Thompson shall be subject to deduction or set-off by Thompson by reason of any counterclaim arising out of this or any other transaction with Supplier.

7. Waiver. Thompson's delay or failure to enforce any term or condition of this PO shall not operate to waive it. Any such waiver must be expressed by Thompson in an authorized writing.

8. Delivery. Wherever this PO sets a date or time for the delivery of goods and services, time is of the essence. Thompson may regard the failure to deliver in a timely manner as a material breach of these terms and conditions, entitling Thompson to all rights and remedies at law, in equity, and under the specific remedies of this PO. Title and risk of loss or damage to items ordered herein shall remain with Supplier until delivered to and accepted by Thompson.

9. Indemnification. Supplier shall indemnify, hold harmless, and, if requested, defend, Thompson and any entity directly or indirectly owned by Thompson (hereinafter, its "Affiliates"), their respective directors, officers, employees, agents, and volunteers (collectively "Indemnitees") from all liability, damages, and replacement costs if damaged property cannot be repaired, expenses, and losses, including without limitation legal costs and attorney's fees, (collectively "Liabilities") arising out of (a) Supplier's and Supplier's suppliers and subcontractors' acts, omissions, or breach of this PO, including but not limited to those that result in personal injury, death, or property damage or destruction, and/or (b) claims that goods and/or services provided by Supplier infringe any patent or copyright, or misappropriate or violate any trade secret rights, or other intellectual property rights of another person or entity, except where the Liabilities are due solely to the negligence or wrongful acts of an Indemnitee. This provision shall survive the termination or completion of the work or expiration of this PO.

10. Insurance. Supplier must provide to the Thompson's Purchasing Department a Certificate of Insurance and an Additional Insured Endorsement for Commercial General Liability with proof of the following amounts of coverage and the requirements set forth after subsection 10(d) before commencement of work or shipment of goods unless greater coverage amounts are determined to be required by Thompson's Purchasing Department:

(a) Commercial General Liability insurance written on **occurrence basis** with the following limits:

General Aggregate Limit	\$2,000,000
Products/Completed Operations	\$1,000,000 aggregate
Personal Injury and Adv. Injury Limit	\$1,000,000 ea. person/organization
Bodily Injury & Property Damage Limit	\$1,000,000 each occurrence
Fire Damage	\$50,000 (any one fire)
Medical Expense	\$5,000 (any one person)

(Pollution Liability Endorsement of \$1,000,000 per occurrence will also be needed in the event hazardous materials are to be involved.)

No exclusions for: Product/Completed Operations; Contractual Liability; Independent Contractors; Personal & Advertising Injury.

(b) Automobile Liability: Any Auto Owned, Hired and Non-Owned
(Pollution Liability of \$1,000,000 each accident will also be needed in the event hazardous materials are to be involved.)

Combined Single Limit for
Bodily Injury & Property Damage \$1,000,000 ea. accident/aggregate

(c) Excess "Umbrella" Liability \$3,000,000 ea. occurrence/aggregate
The umbrella coverage shall be no more restrictive than underlying coverage.

(d) Workers' Comp. & Employer's Liability Statutory Coverage as required by law

Supplier's Certificate of Insurance and Additional Insured Endorsement provided to Thompson's Purchasing Department must, in addition to confirming coverage amount, must substantiate that Supplier's liability policies, except for professional liability, workers compensation and employers liability, (i) name Thompson or its Affiliate (whichever issues the PO) as an additional insured and cover all of Supplier's projects at all locations owned or operated by Thompson or its Affiliates (whichever issues the PO) (ii) waive any claim of subrogation against Thompson and its Affiliates, and their respective board of directors, officers, employees, agents, and volunteers, and (iii) be primary and non-contributory to any other insurance carried by, or available to, Thompson. *Supplier or its insurance broker must mark the Endorsement or provide the policy provision where requirements (i) through (iii) are specified prior to submission to Thompson's Corporate Purchasing.* The foregoing insurance and limits of coverage are to be considered as minimum requirements under this Agreement, and in no way shall limit Supplier's liability, or the right of Thompson or its Affiliate to require that Supplier provide other insurance or greater coverage amounts. Each policy of insurance shall be issued by a company or companies licensed to do business in New York State. Supplier will provide written notification to Thompson or Affiliate, whichever issued the PO, at least thirty (30) days prior to termination or restrictive amendment of the above referenced policies, subject to Supplier having notice from its carrier.

11. Conflict of Interest. Supplier warrants that no Thompson employee, or that of its Affiliates

(or close relative or a member of such an individual's household) who (1) owns 5% (or more) stock or other interest in Supplier; (2) serves as an officer, director, employee, proprietor, partner, trustee, or consultant of Supplier; (3) stands to profit financially or personally in any way from the acquisition by Thompson of goods and/or services from Supplier; or (4) receives compensation in any form or in any amount from Supplier has participated, or will participate, in the decision to acquire goods and/or services from Supplier.

12. Confidential Information. "Confidential Information," means any and all information written and/or oral in whatever form or media pertaining to Thompson and/or its Affiliates and their operations, that is not generally known or readily ascertainable by other persons or entities including trade secrets, as well as personally identifying information referenced in Part 4, Section C.1 hereof, Protected Health Information as defined in Health Insurance Portability and Accountability Act, and any other information restricted by federal, state, and local statutes, regulations, and ordinances. Confidential Information includes, but is not limited to, technical and non-technical information materials, processes, ideas, and techniques, information pertaining to finances, processes, customers, clients, patients, employees, students, fees, rates, accounting data; statistical data, marketing, research and development plans, projects, and findings, business plans, and the terms of any contracts. As between Thompson and Supplier, all such Confidential Information, including but not limited to current and future products, processes, and techniques, research findings and data, systems, designs, ideas, computer programs, and related documentation, and technical information disclosed by or learned from Thompson or its Affiliates are acknowledged to be Thompson trade secrets. Confidential Information does not include information which Supplier can substantiate by written documentation became available to Supplier on a non-confidential basis from a source other than Thompson provided such source is not bound by a confidentiality obligation of secrecy to Thompson or another party.

Supplier may use Confidential Information only in the performance of its obligations to Thompson and may disclose such information only to its employees on a need-to-know basis provided Supplier has taken appropriate action to cause such persons not to misuse or disclose any such information, keep such information secure and not store or place same in any country outside the United States of America itself or through the service of any third party acting on behalf of Supplier in storing such information without the written permission of Thompson. Supplier's standard of care for maintaining the confidentiality and security of Confidential Information shall be no less than is reasonable for the kind and type information involved. Except as provided for in the next sentence, Supplier's obligations hereunder shall continue for five (5) years from the last to occur of (i) the date the particular Confidential Information was disclosed to Supplier or (ii) termination of the contract between Supplier and Thompson pursuant to which Supplier learned the particular Confidential Information. Supplier's confidentiality obligations imposed by statute, regulation, or ordinance shall continue indefinitely or for such period as is required by the applicable statute, regulation, or ordinance and Supplier's trade secret obligations shall continue for as long as trade secret status is maintained. No later than expiration of Supplier's applicable obligations period, Supplier shall destroy and dispose of Confidential Information in a secure manner. Supplier acknowledges that unauthorized disclosure or use of Confidential Information may cause Thompson irreparable harm, agrees to give Thompson written notice of any such event within two business day of discovery and to take all legal means to minimize any Thompson loss or damage due to any such event. Accordingly, Supplier agrees that Thompson shall have the right to obtain immediate injunctive relief for any breach of this section by Supplier, which shall be in addition to any other rights and remedies that it may have available.

13. Use of Thompson Name. Supplier agrees that it will not use Thompson's name or the fact that Supplier has a contract with Thompson in any press release, advertising or promotional materials, or public announcement.

14. Assignment. None of Supplier's duties or obligations under this PO may be delegated or assigned to another person or entity without the written consent of Thompson's Purchasing Department. Thompson may assign this PO to any Affiliate, or successor in interest to all or any part of its operations without prior notice to Supplier.

15. Access to Records. Supplier shall preserve and permit Thompson or any of Thompson's duly-authorized representatives to examine and audit all directly pertinent books, documents, papers and records of Supplier involving transactions related to this PO for the purpose of making audits, examinations, excerpts and transcripts for a period of three (3) years after final payment hereunder. Supplier agrees to refund to Thompson any overpayments disclosed by any audit.

16. Debarment. Supplier certifies that neither it nor any of its Principals (officers, directors, owners, partners, key employees, principal investigators, researchers or management or supervisory personnel) is presently debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in this transaction or in any federal grant, benefit, contract or program (including but not limited to Medicare and Medicaid and Federal Health Care Programs) by any Federal department or agency, or in the case of Medicaid, by the New York State Department of Health. (See 42 CFR Part 1001; Executive Orders 12549 and 12689, 10 NYCRR 504.7). To the extent necessary to assure accuracy of its certification, Supplier agrees to conduct searches of the List of Parties Excluded from Federal Procurement and Nonprocurement Programs maintained by the General Services Administration (<http://epls.arnet.gov/>), the List of Excluded Individuals and Entities maintained by the Department of Health and Human Services (<http://oig.hhs.gov>), and the List of Restricted, Terminated or Excluded Individuals maintained by the Office of the New York State Medicaid Inspector General at <http://www.omig.state.ny.us/data/content/view/72/52/> prior to making its certification. Supplier acknowledges that the certification is a material representation of fact upon which Thompson is relying in entering into this transaction. Supplier agrees to provide immediate written notice to Thompson if it learns at any time that its certification was erroneous when submitted or if, during the term of this PO, it, or any of its Principals, is debarred, suspended, proposed for debarment, declared ineligible or excluded from participation in this transaction or in any federal grant, benefit, contract or program, including Medicare, Medicaid and other Federal Health Care Programs. If subcontracting is permitted by this PO, Supplier agrees that it will include this clause, without modification, in all subcontracts and subprojects, and in all solicitations for subcontract and subproject proposals. Supplier agrees that debarment, suspension, proposed debarment or suspension, ineligibility or exclusion of Supplier, or any of its Principals or subcontractors shall constitute cause for immediate termination of this Agreement by Thompson.

17. Applicable Law. This PO shall be governed by the laws of the State of New York without giving effect to its conflict of law principles, and Supplier and Thompson consent to and acknowledge that the courts located in Monroe and Ontario County, New York, shall have sole and exclusive venue and jurisdiction to adjudicate any dispute arising under or relating to this PO.

Part 2: Service Terms

(Applies to all Suppliers providing Services)

S1. Independent Contractor. Supplier is an independent contractor, and shall not act or purport to act as an agent, representative or employee of Thompson. Supplier will determine the means and methods of performing its services. Supplier will supply all equipment, tools, materials, parts, supplies and labor (and the transportation of the same) required to perform except as Thompson has otherwise agreed in writing. Thompson shall have no responsibility for the loss, theft, mysterious disappearance of, or damage to, equipment, tools, materials, supplies, and other personal property of Supplier or its agents or employees, which may be brought onto Thompson premises or stored at Thompson, except for damage caused by direct and sole negligence of Thompson.

S2. Standard of Care. Supplier will provide sufficient and competent personnel and supervision thereof and will timely and properly perform the subject services with the high degree of care, skill, expertise, and diligence that should be exercised by suppliers regularly engaged in the business or profession of performing such services.

S3. Hazardous Materials. If Supplier intends to bring onto the premises or take away from Thompson any hazardous chemicals or intends to engage in any activities which might reasonably be expected to create a danger or hazard to employees or other persons at Thompson, then in advance of any such activity, Supplier shall submit to Thompson's Safety Officer for review and approval its program for compliance with the hazard communication requirements of the NYS Department of Environmental Conservation, 6NYCRR part 371, and its schedule and methods for performing such activities. Supplier will adhere to its approved program in the performance of all work to be done on Thompson premises. Supplier is given notice hereby that Thompson has a hazard communication program pursuant to the aforementioned regulation, and that Supplier should obtain further information regarding that program by contacting Thompson's Safety Officer at 585-396-6771.

S4. Licensed Professions. Supplier represents and warrants that Supplier (and each person or entity, if any, acting for or on behalf of Supplier) has all licenses, certificates, and other professional credentials required by law to perform the purchased services. If Supplier, persons in Supplier's employ, or persons otherwise acting for or on behalf of Supplier are so required to maintain professional licensure, certification or similar credentials in order to perform the purchased services, then in addition to the requirements set forth in Section 10 of Part 1 above, Supplier must maintain Professional Liability coverage on all professionals with limits of at least \$1,000,000 per occurrence and \$3,000,000 aggregate, or such other amount as Thompson may be deemed appropriate. If professional liability insurance is required under this section, then proof of such coverage shall be included in Supplier's Certificate of Insurance.

Part 3: Federal Compliance Terms

(Applies to Suppliers paid with federally-sourced funds)

F1. Applicability. The terms of this Part 3 apply to the purchase of any goods and services by Thompson using federally-sourced funds, whether the funds are sourced from a federal grant or contract, or other federal means.

F2. Compliance. All goods and services sold hereunder shall be produced, sold, delivered and

furnished in compliance with all laws and regulations applicable to procurement under loans, grants or other financial support of the United States government agency or agencies which have provided that support ("Funding Agency"). This includes, but is not limited to, the Procurement Standards set forth in Subpart C of OMB Circular A-110 and the applicable provisions of the Federal Acquisition Regulation, together with any additions or supplements thereto promulgated by the Funding Agency ("FAR").

F3. Access to Records. Until the expiration of four (4) years after the furnishing of services provided under this Agreement, Supplier will make available to the Secretary, U.S. Department of Health and Human Services, and to the U.S. Comptroller General, and their representatives, this Agreement and all books, documents and records necessary to certify the nature and extent of the costs of those services. If Supplier carries out the duties of the contract with a subcontract worth \$10,000 or more over a 12 month period, with another organization, the subcontract will also contain an access clause to permit access by the Secretary, Comptroller General, and their representatives to the other organization's books and records.

F4. Equal Opportunity. To the extent applicable, all parties agree that they will abide by the provisions of *29 CFR Part 471 Appendix A to Subpart A*. Additionally, **this contractor and subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a), 60-300.10 and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.**

F5. Anti-Kickback. Supplier, if engaged hereby for construction or repair in an amount in excess of \$2000, shall comply with (a) the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor Regulations (29 CFR, part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States").

F6. Davis-Bacon. Supplier, if engaged hereby for construction or repair in an amount in excess of \$2000, shall comply with the Davis-Bacon Act (40 U.S.C. 276a to a-7), as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction").

F7. Hours and Standards. Supplier, if engaged hereby for construction in an amount in excess of \$2000 or other work in an amount of \$2500 that involves the employment of mechanics or laborers, shall comply with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5).

F8. Inventions. All rights of the Federal Government and Thompson to any resulting inventions are reserved to them in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements" and any applicable implementing regulations.

F9. Environmental. Supplier, if engaged hereby for an amount in excess of \$100,000, shall comply with all applicable standards, orders and regulations issued pursuant to the Clean Air Act

(42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations must be reported to Purchaser and/or federal agencies as required under OMB Circular A-110.

F10. Anti-Lobbying. Supplier, if engaged hereby for an amount in excess of \$100,000, shall comply with the requirements of the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352), by providing to Purchaser all certifications required there under regarding the disclosure of the use of funds for lobbying.

F11. Flow-Down. Supplier will assure that any subcontract let hereunder includes clauses, F3 through this F11, where such inclusion is required under OMB Circular A-110.

F12. Federal Acquisition Regulations. Incorporated herein by reference are those provisions of the FAR which by their terms are to be flowed down to a procurement of the sort provided for here. All such provisions are incorporated with the same force and effect as if they were given in full text and apply to Supplier as Contractor, including provisions for the further flow-down of such provisions to subcontracts entered into by Supplier. The FAR provisions are available on-line at <http://www.arnet.gov/far/>. By their terms, not all provisions apply to this transaction. In particular, and without limitation to the foregoing, in the acquisition of "commercial items" or "commercial components" (as those are defined 48 CFR 52.202-1), FAR provisions are not required to be included, other than those listed below to the extent they are applicable and as may be required to establish the reasonableness of prices under 48 CFR Part 15:

- 52.219-8, Utilization of Small Business Concerns (15 U.S.C. 637 (d)(2) and (3))(see 52.244-6 (c) (1)(i) for applications if any) to Supplier and sub-contractor of Supplier;
- 48 C.F.R. [52.222-26](#), Equal Opportunity (Mar 2007) (E.O. 11246) as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity, and as supplemented by regulations at 41 CFR, part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.";
- 48 C.F.R. [52.222-35](#), Equal Opportunity for Veterans (Sep 2010) ([38 U.S.C. 4212\(a\)](#));
- 48 C.F.R. [52.222-36](#), Affirmative Action for Workers with Disabilities (Oct 2010) ([29 U.S.C. 793](#));
- 48 C.F.R. [52.222-40](#), Notification of Employee Rights under the National Labor Relations Act (DEC 2010) (E.O. 13496), if flow down is required in accordance with paragraph (f) of FAR clause [52.222-40](#);
- 48 C.F.R. [52.222-50](#), Combating Trafficking in Persons (Feb 2009) ([22 U.S.C. 7104\(g\)](#));
- 52.247-64, Preference for Privately Owned U.S.-Flagged Commercial Vessels (46 U.S.C. 1241)(flow down not required for subcontracts awarded beginning May 1, 1996).

Part 4: Other Compliance Terms

(Section C1 applies to all Suppliers)

C1. Compliance Responsibilities. Supplier will comply with all applicable federal, state, and local statutes, regulations, and ordinances, including but not limited to New York State laws concerning social security numbers and other personally identifiable information, the Health Insurance Portability Accountability Act (HIPAA), the Health Information Technology for

Economic and Clinical Health Act (HITECH), and the Family Educational Rights and Privacy Act (FERPA), and with the rules and regulations of Thompson (collectively, the “Applicable Requirements”). Supplier will ensure it has an effective administrative, technical and physical controls environment to comply with above and its obligations pursuant to this Agreement. At no cost or expense to Thompson, Supplier shall promptly notify Thompson and, if directed to do so by Thompson, all others required to be notified by Applicable Requirements of any breach of the foregoing by Supplier, its employees, and agents and will permit Thompson officials to inspect Supplier's on site operations, if any, at any time. The foregoing will not limit or bar any other remedies or recourse Thompson may have against Supplier for other damages and expenses resulting from the breach.

(Section C2 applies to all contracts involving Thompson health care Affiliates)

C2. Medical Facility Responsibility. To the extent required by Section 400.4(a)(4) of Title 10 New York Codes, Rules and Regulations if Supplier is to provide any services for a medical facility that has been issued an operating certificate or certificate of approval by the New York State Department of Health, the parties agree that notwithstanding any other provision in this Agreement, the facility remains responsible for ensuring that any service provided pursuant to this Agreement complies with all pertinent provisions of Federal, State and local statutes, rules and regulations. This Section in no way abrogates or diminishes Suppliers duties and obligations pursuant to this Agreement.

(Section C.3 applies to all Suppliers furnishing or authorizing Medicaid health care items or services on behalf of Thompson, performing billing or coding functions, or is involved in monitoring of health care provided by Thompson)

Part 5: Health Information Terms

(Applies to Suppliers with access to individually identifiable health information maintained by Thompson and any of its Affiliates)

P1. Definitions. Terms used herein have the meanings ascribed to them in the Health Insurance Portability and Accountability Act, 42 U.S.C. §1320d (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act of 2009, 42 U.S.C. 17901 (“HITECH”), and the federal privacy and security regulations issued pursuant to HIPAA and HITECH and codified at 45 C.F.R. parts 160 and 164, as may be amended from time to time (the "Rules"). Protected Health Information ("PHI") means individually identifiable health information (as defined in HIPAA) in any form or medium that Supplier accesses, receives, creates, retains, maintains, modifies, records, stores, destroys, or otherwise holds, uses, discloses, or transmits on behalf of Thompson under this PO.

P2. Permitted or Required Uses and Disclosures of PHI by Supplier. Except as otherwise limited under this PO, Supplier may (a) use and disclose PHI only as reasonably necessary to perform its obligations under the PO, provided that such use or disclosure would not violate the Rules if done by Thompson; (b) use PHI for its proper management and administration and to carry out its legal responsibilities; and (c) disclose PHI to a third party for the purpose of Supplier's proper management and administration or to carry out its legal responsibilities, provided that: (i) the disclosures are required by law; or (ii) Supplier obtains reasonable assurances from the third party in writing that the PHI will be held confidentially and used or

further disclosed only as required by law or for the purpose for which it was disclosed to the third party, and the third party notifies Supplier of any instances of which it becomes aware in which the confidentiality of the PHI has been breached. Supplier will request, use and disclose the minimum amount of PHI necessary to fulfill its obligations under this PO. If the services provided by Supplier under this PO include the provision of data aggregation services to Thompson, Supplier may use and aggregate PHI for purposes of providing such services. Supplier shall not use the PHI for any other data aggregation.

P3. Restriction on Use or Disclosure of PHI. Supplier will not use or disclose PHI other than as permitted or required by this PO or as required by law.

P4. Safeguards. Supplier will use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this PO. Supplier will implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic PHI.

P5. Mitigation. Supplier will mitigate, to the extent practicable, any harmful effect that is known to Supplier of a use or disclosure of PHI by Supplier in violation of the requirements of this PO.

P6. Reporting. Supplier will promptly report to Thompson any use or disclosure of PHI that is not permitted by this PO or any security incident of which Supplier becomes aware.

P7. Agents and Subcontractors. Supplier will ensure that all of its subcontractors and agents that receive, use or have access to PHI agree, in writing, to essentially the same restrictions and conditions on the use and/or disclosure of PHI that apply through this PO to Supplier with respect to such information, and to implement reasonable and appropriate safeguards to protect such PHI.

P8. Access. At the request of, and in the reasonable time and manner specified by, Thompson, Supplier will provide access to PHI in a designated record set to Thompson, or, if directed by Thompson, to an individual in order to permit Thompson to meet applicable the Rules' access requirements.

P9. Amendment of PHI. At the request of, and in the reasonable time and manner specified by, Thompson, Supplier will make amendment(s) to PHI in a designated record set, in order to permit Thompson to meet the Rules' amendment requirements.

P10. Open Books. Supplier will make its internal practices, policies, procedures, books and records, relating to the use and disclosure of PHI available to the Secretary of Health and Human Services ("Secretary"), in the reasonable time and manner specified by the Secretary, for purposes of the Secretary determining Thompson's compliance with the Rules.

P11. Accounting of Disclosures. Supplier will document disclosures of PHI and information related to such disclosures as would be required for Thompson to respond to an individual's request for an accounting of disclosures of PHI in accordance with the Rules' requirements; and will provide such information to Thompson in a reasonable time and manner specified by Thompson, to permit Thompson to respond to an individual's request for an accounting of disclosures of PHI in accordance with the Rules' requirements.

P12. Return or Destruction of PHI. Within thirty (30) days of the termination of the PO,

Supplier will return to Thompson or destroy all PHI in its possession or control, including such PHI that is in the possession of Supplier's subcontractors and agents, certify in writing to Thompson that it has complied with the foregoing, and if feasible, retain no copies of such PHI. If Supplier considers return or destruction of the PHI infeasible, Supplier will notify Thompson of the conditions that make return or destruction infeasible, and if Thompson agrees that return or destruction is infeasible, Supplier may retain the PHI, provided that it will extend all protections contained in this PO to its use and/or disclosure of any retained PHI, and limit any further uses and/or disclosures to the purposes that make the return or destruction of the PHI infeasible. With respect to electronic PHI, destruction shall mean deleting all such PHI in accordance with the HITECH Act's standards.

P13. Remedies. In the event of a material breach of this Part 5 by Supplier, Thompson may at any time thereafter, and in its sole discretion, either: (a) notify Supplier of the breach in writing, providing an opportunity for Supplier to cure the breach, and terminate this PO if Supplier does not cure the breach within the time specified by Thompson in such notice; or (b) immediately terminate this PO on written notice to Supplier. The foregoing will not limit or bar any other remedies or recourse Thompson may have against Supplier for other damages and expenses resulting from the breach.

P14. Breach Notification and Follow-Up. Supplier will notify Thompson of any breach of unsecured PHI, within five (5) days after Supplier's discovery of such event. Supplier will provide a follow-up report to Thompson in writing within fifteen (15) days of its discovery of the event, including: (a) the date of the breach; (b) the date of discovery of the breach; (c) a description of the types of PHI involved; (d) identification of each individual whose PHI has been, or is reasonably believed by Supplier to have been, accessed, acquired or disclosed; and (e) any other details necessary to complete an assessment of the risk of harm to the affected individual(s).

If Supplier is unable to provide a complete written follow-up report within fifteen (15) days of discovery of the breach despite its reasonable efforts and due to circumstances beyond its control, it will notify Thompson, and provide as much of the information as it can within the fifteen (15) day timeframe. The complete follow-up report must be provided to Thompson in writing within thirty (30) days of discovery of the breach.

Supplier will cooperate in Thompson's risk assessment to determine whether notification of breach is required; and otherwise take all steps requested by Thompson to comply and to assist Thompson in complying with statutory and regulatory breach notification requirements.

Thompson will be responsible for notifying affected individuals, the Secretary of HHS, and the media of any breach, as required by HITECH, and Supplier will not take any such actions except at the express written request of Thompson.

Supplier will pay the actual costs incurred by Thompson and/or Supplier for: notification of persons affected by the breach; notification of the media; and mitigation efforts directly related to the breach (e.g. credit monitoring) that are reasonably undertaken by Thompson in directly responding to the breach. The foregoing will not limit or bar any other remedies or recourse Thompson may have against Supplier for other damages and expenses resulting from the breach.

Supplier will investigate the breach, mitigate losses, and protect against future breaches of a similar nature, and will provide a written report to Thompson describing its investigation, conclusions, and processes implemented to avoid future Breaches within a reasonable timeframe.

P15. HIPAA and HITECH Obligations. Supplier acknowledges that HIPAA, HITECH, and their implementing regulations as promulgated or amended from time to time, impose certain obligations on Supplier related to security and privacy of PHI. Supplier hereby agrees to comply with such laws, regulations, and standards. Such requirements include, but are not limited to, the implementation of administrative, physical and technical safeguards with respect to electronic PHI in the same manner that such provisions relate to Covered Entities, and additional limitations on the use and disclosure of PHI by Suppliers.

P16. Notices. Supplier shall send all notices and reports required to be provided to Thompson under this Section to the Chief Privacy Officer, Thompson Health, 350 Parrish Street, Canandaigua, New York 14424 [if by fax, to fax number (585) 396-6222].



Acceptance Form

Please complete, print, sign, and mail all thirteen (13) pages of this Form and Agreement, Your Company's Size Certification and Conflict Information Form, and Your Company's Certificate of Insurance and Endorsements to:

Thompson Health
Materials Management
350 Parrish Street
Canandaigua, NY 14424
Fax: 585-396-6744

The Company below identified ("Supplier") agrees that Thompson's Terms and Conditions and Insurance Requirements, set out on the preceding 12 pages, apply for all business with Thompson should Supplier be awarded business with Thompson.

Thompson "Affiliates," meaning any entity directly or indirectly owned by Thompson, are entitled to the benefits of any Supplier offering to or agreement with Thompson, whether prior to or subsequent to its acceptance of these terms and conditions. Affiliates may issue their own purchase orders incorporating the above referenced terms and conditions except all references therein shall be deemed to be to the issuing Affiliate, rather than to Thompson.

Company

Address

Authorized Representative:

Signature

Name

Title

Date

Include reference # (assigned to your Supplier questionnaire)	
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Terms and conditions printed on Supplier's standard sales and other documents shall not apply to quotations submitted or any resulting contract or purchase order.