

PURCHASE ORDER TERMS AND CONDITIONS



1. **Sale and Purchase of Goods and/or Services:** Supplier's provision of all goods and/or services (the "Goods/Services"), as set forth in the Purchase Order (including the Additional Terms and Conditions to the Purchase Order attached to the Purchase Order as Exhibit "A") (collectively, the "PO"), to SKAPS Incorporated ("SKAPS"), or to any of SKAPS subsidiaries or affiliates (collectively, "SKAPS"), shall be governed by these General Terms and Conditions for Goods and Services (these "General Terms"). If a Master Vendor or Supplier Agreement exists between Supplier and SKAPS covering such Goods/Services, the provision of such Goods/Services also shall be governed by the terms and conditions of such Master Vendor or Supplier Agreement. In the event of any conflict among the PO, these General Terms, any applicable Special Terms and any Master Vendor or Supplier Agreement, the order of preference shall be as follows: (i) the Master Vendor or Supplier Agreement, (ii) the PO, (iii) the applicable Special Terms, and (iv) these General Terms. The PO, together with any existing Master Vendor or Supplier Agreement, these General Terms and any applicable Special Terms shall hereinafter be collectively referred to as the "Agreement".
2. **Pricing:** Pricing for the Goods/Services is specified on the PO. Such prices are exclusive of any applicable sales tax but include any and all fees and charges (including delivery fees) imposed or incurred by Supplier for materials shipped. Except for those specifically described on the PO, no additional costs, fees, and/or charges will be reimbursed without SKAPS prior written approval.
3. **Purchase Requirement; Exclusivity:** Nothing in the Agreement shall be construed to require SKAPS to purchase from Supplier any minimum quantity or volume of the Goods/Services to Supplier. The Agreement does not create an exclusive relationship between the parties, and
4. **Delivery; Inspection; Title and Risk of Loss:** The Goods/Services shall be delivered FOB to the destination(s) specified on the PO (each, a "Destination") within the time period specified on the PO. Title and risk of loss of all Goods/Services shall pass to SKAPS upon delivery to the Destination and upon SKAPS's acceptance of such Goods/Services. Notwithstanding the foregoing, SKAPS shall have the right to inspect the Goods/Services upon receipt and notify Supplier of any claim for damages, discrepancies, deficiencies, or non-conformities with the Goods/Services within the time period specified on the PO. Supplier's liability to reimburse SKAPS's acceptance of any Goods/Services shall not be deemed a waiver by SKAPS of any rights with respect to the accepted Goods/Services or any other Goods/Services. Unless otherwise requested, route to protect lowest Tariff Rate. If shipment is forwarded via higher rated route, excess charges will be for account of Shipper. All packaging
5. **Invoicing and Payment:** Unless otherwise specified on the PO, Supplier shall invoice SKAPS no later than sixty (60) days after delivery of the Goods/Services. SKAPS, in its sole discretion, may accept or reject invoices received after the sixty (60) day period. SKAPS shall pay the amount due within forty-five (45) days after the date of an approved original invoice. SKAPS will not recognize the payment obligation until all data requirements are met and a valid invoice has been received. Supplier shall submit invoices with reasonable detail, including such information as SKAPS may reasonably request from time to time. Current format and content requirements are located at <https://SKAPS.com/invoicing>. If there is a dispute as to the amount due, SKAPS shall pay the undisputed portion of the invoice, and the parties shall cooperate in good faith to promptly resolve the dispute. Supplier shall be responsible for, and indemnify and hold SKAPS harmless from, liability for any and all obligations to Supplier's vendors, agents or subcontractors utilized in the supplying of Goods and/or performance of Services. Any invoices from Supplier's subcontractors or other third parties will not be paid by SKAPS, and Supplier shall be responsible, and reimburse SKAPS, for any charges associated with the transmittal and rejection of such invoices. SKAPS may also set off against any payment due to Supplier under the PO any Losses (as hereinafter defined) that SKAPS incurs or anticipates it could incur as a result of Supplier's failure to supply the Goods and/or perform Services in accordance with the terms of the Agreement or as a result of the breach by Supplier of any representation, warranties, covenants and agreements of Supplier under the Agreement. "Losses" means all threatened or actual claims, losses, liabilities, damages, costs or expenses (including attorneys' fees, expert witness fees, litigation expenses, and court or other costs incurred in any
6. **Supplier's Representations and Warranties:** Supplier represents and warrants to SKAPS that the Goods/Services, together with anything else furnished by Supplier, shall: (a) be free from defects in design, workmanship and materials; (b) be suitable and fit for their intended purposes and conform to any warranty, description or sample provided to SKAPS or set forth in the Agreement; (c) be in compliance with all applicable federal, state, and local statutes, laws, ordinances, regulations, rules, codes, governmental orders, requirements, permit laws (including applicable laws) and industry standards; (d) not infringe or encroach upon any other party's personal, contractual or proprietary rights, including patents, trademarks, trade names, copyrights, rights of privacy, trade secrets and other intellectual property rights; (e) conform to all of SKAPS's specifications provided to Supplier and to any data, drawings, representations, specifications and documentation Supplier provided to SKAPS. In addition, Supplier represents and warrants that: (i) the Agreement has been validly executed and delivered and constitutes a legal, valid and binding obligation enforceable against Supplier in accordance with its terms; (ii) Supplier has the requisite capacity and authority to enter into the Agreement; (iii) Supplier has the legal right to sell or provide the Goods/Services; (iv) no consent of any other person or entity is necessary for Supplier to enter into and fully perform the Agreement; and (v) all information, invoices and documents provided to SKAPS by Supplier are and will be true, complete and accurate. The foregoing warranties are in addition to all warranties implied by Applicable Laws. All warranties shall survive delivery and/or performance of the Goods/Services and shall not be deemed waived, terminated, or merged by SKAPS upon acceptance of or payment for the Goods/Services. Supplier is not relying on any warranties.
7. **Patents:** The Seller will protect and reimburse SKAPS for all cost, fees, expenses or damages arising from the infringement or alleged infringement of letter patent by the material or equipment furnished pursuant to the order, or by the necessary or contemplated use of the material or operation of the equipment so furnished.
8. **Termination:** SKAPS shall have the right to terminate the Agreement immediately, upon written notice to Supplier (a) upon the filing of any petition, consent or application under any federal or state bankruptcy law or any other law in which Supplier is alleged to be insolvent or unable to pay its debts as they become due, or of an assignment for the benefit of creditors; (b) upon Supplier's failure to perform any obligation relating to maintaining required permits or licenses for the provision of Goods or performance of the Services, or breach of any of its obligations under the Agreement; (c) upon the termination or expiration of SKAPS's agreement with its customer, if applicable; or (d) if Supplier breaches any terms and provisions of these General Terms or any applicable Special Terms, including, without limitation, any exhibits or schedules thereto. SKAPS shall have the right to terminate for any other reason or for no reason upon thirty (30) days' written notice to Supplier, and SKAPS shall pay Supplier only for Goods/Services provided or completely performed prior to the termination date, subject to SKAPS's right to offset against payments due hereunder for any damage due to Supplier's breach of the Agreement. Thereafter, SKAPS shall have no liability for any further charges from Supplier.
9. **Remedies:** For any breach of the agreement by Seller, SKAPS may recover, without limitation, all of its direct, indirect, consequential, incidental and other damages, to the fullest extent permitted by law. The remedies herein reserved shall be cumulative and additional to any other or further remedies provided in law or equity. No waiver of a breach of any provision of this contract shall constitute a waiver of any other breach, or of such provision.
10. **Drafts:** SKAPS will not honor drafts under any circumstances.
11. **Assignment; Binding Effect:** Supplier shall not subcontract or assign (whether by assignment, transfer of assets, merger or operation of law) the Agreement or its rights or obligations under it without SKAPS's prior written consent, which SKAPS may grant or withhold in its sole and absolute discretion. SKAPS may assign the Agreement or its rights under it without Supplier's consent; provided, however, that in the case of any such assignment, SKAPS shall cause the assignee to assume SKAPS's obligations under the Agreement. The Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and permitted assignees.
12. **Fair Labor Standards Act:** Seller agrees, in connection with the production of the articles specified herein to comply with all applicable requirements of Sections 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof. All invoices must contain a representation as to such compliance.
13. **Insurance and Indemnity:**
 - A. **Indemnity:** Seller shall protect, indemnify and hold harmless the Buyer, and any of its subsidiaries, of and from any loss, cost, damage or expense arising from any and all claims which may be made against Buyer, or any of its subsidiaries, by reason of commercial or economic loss, personal injury or property damage, suffered, or claimed to have been suffered, by any person, firm, corporation or other entity to which Buyer sold its products that included as component parts products purchased from Seller under this agreement. (3) any and all damage to property of Buyer, or any of its subsidiaries, including property occupied or used by or in the care, custody or control of Seller, caused by, or alleged to have been caused by, any act or omission negligent or otherwise, of Seller or any of Seller's employees, representatives or agents, and; (4) any and all claims which may be made against Buyer, or any of its subsidiaries, by reason of injury or death to person, or damage to property, however caused, or alleged to have been caused, and even though claimed to be due to the negligence of Buyer, or any of its subsidiaries, suffered, or claimed to have been suffered, or claimed to have been suffered by Seller, or any of Seller's employees, representatives or agents.
 - B. **General Liability and Automobile Liability Insurance:** Seller agrees to carry at its sole expense. Comprehensive General Liability Insurance including Contractual Liability Insurance and Completed Operations Insurance, covering all goods supplied and all operations and work hereunder in the amount of not less than \$1,000,000 for all liability arising out of injury to or death of one or more persons in any one occurrence, and not less than \$1,000,000 for all liability arising out of injury to or destruction of property in any one occurrence. Such insurance shall specifically refer to this contract and shall specifically cover the liability assumed by Seller under Section A hereof. In addition, such insurance shall include Buyer as an Additional Insured with respect to all goods supplied and all operations and work hereunder and such insurance shall provide that such insurance applies separately to each insured against whom claim is made or suit is brought. Seller also agrees to carry, at its sole expense, automobile non-ownership liability insurance, in the amount of not less than \$1,000,000 for all liability arising out of injury to or death of one or more persons in any one occurrence, and not less than \$1,000,000 for all liability arising out of injury to or destruction of property in any one occurrence.

Seller Shall furnish Buyer certificates of the insurance required under this Section B which shall be in companies and in form satisfactory to Buyer. Such certificates shall provide that thirty (30) days written notice shall be given to Buyer prior to cancellation of or material change in the coverages.
 - C. **Worker's Compensation and Employees Liability:** Seller and any of Seller's employees, representatives or agents shall comply with all requirements of the Worker's compensation laws of the States in which Seller is performing any work hereunder. Seller shall in addition carry Employer's Liability Insurance covering all operations and work hereunder in an amount net less than \$1,000,000 per person. Evidence of compliance with this Section C shall be furnished to Buyer upon request.
- D. The above insurance requirements are minimum requirements and shall not limit Seller's liability to Buyer in any manner.
14. **Civil Rights & Equal Opportunity:** The goods and services provided by the Seller (U.S. Seller only) pursuant to this order will be furnished in full compliance with all applicable Federal, State, and local laws and regulations.
15. **Force Majeure:** Any failure or delay in performance due to contingencies beyond a party's reasonable control, including, without limitation, riots, terrorist acts, compliance with Applicable Laws, fires, the loss, suspension, revocation or non-renewal of any permit, license or approval and/or acts of God (collectively, the "Force Majeure"), shall not constitute a breach of the Agreement, but shall entitle the affected party to be relieved of performance during the term of such Force Majeure event and for a reasonable time thereafter. Notwithstanding the foregoing, strikes or other labor disputes are not to be deemed a Force Majeure. Notwithstanding anything to the contrary set forth in the Agreement or otherwise, in the event Supplier sustains any such Force Majeure event that prevents its delivery of Goods or performance of some or all Services covered by the Agreement, SKAPS may, at Supplier's expense, temporarily contract for or perform for itself the Goods/Services during such period that Supplier's Force Majeure event exists, and, in the event such Force Majeure event continues to partially or totally prevent Supplier from delivering Goods or performing Services for a period in excess of thirty (30) days, SKAPS may terminate the Agreement or that portion of the Goods/Services subject to the Force Majeure event without any further liability to Supplier.
16. **Drug and Alcohol Free Workplace & Safety Requirements:** Supplier shall, at all times, maintain and enforce a Drug and Alcohol policy with its employees substantially equivalent to SKAPS's Drug and Alcohol Policy as such may be amended from time to time and copies of which shall be provided upon request, but in no event less stringent than required by Applicable Laws including U.S. Department of Transportation ("USDOT") regulations or any Flow-Down Terms. Supplier and its employees shall comply with all safety and health laws and standards required by applicable federal, state, and local law as well as industry standards, including, without limitation, USDOT regulations and standards published by the American National Standards Institute. Supplier must notify SKAPS as soon as reasonably possible, but no later than twenty-four (24) hours, following a USDOT Reportable Accident. Supplier shall at all times maintain (a) an Experience Modification Rate of 1.0 or less as determined according to the National Council on Compensation Insurance, and (b) a Total Recordable Injury Rate of 5.0 or less, as determined according to the U.S. Department of Labor, Bureau of Labor Statistics.
17. **Confidentiality:** As a result of its dealings with SKAPS, Supplier will be using, acquiring, or adding to the confidential information of SKAPS, and acknowledges that this confidential information is of special and unique value to SKAPS. Supplier shall not, without the prior written consent of SKAPS, disclose any such confidential information to any person, firm, corporation, or other entity for any purpose whatsoever, or use such information for any purpose not provided for in the Agreement. Further, Supplier shall keep the existence and terms of the Agreement confidential. Nothing in the Agreement shall constitute, or be deemed to constitute, an agreement or license by SKAPS to permit Supplier to use SKAPS's name or logo or any other trademark of SKAPS in any manner whatsoever, and such use is hereby expressly prohibited.
18. **Acceptance; Controlling Terms:** Supplier shall be deemed to have accepted SKAPS's terms and conditions contained herein and shall comply with and be bound by all of the terms and conditions in the Agreement by any of the following actions: (a) Hard Copy PO - by signing and returning a copy of the PO, these General Terms or any applicable Special Terms, (b) by commencing performance of any effort required to complete or deliver the Goods/Services requested in the PO, (c) informing SKAPS of commencement of any effort required to complete or deliver the Goods/Services, (d) shipping or delivering any Goods or providing any Services under the PO, (e) sending or providing an invoice or other request for payment to SKAPS for any Goods/Services provided by Supplier under the PO, or (f) any methods of acceptance under Section 13. The terms and conditions in the Agreement shall be the only terms and conditions relating to the Goods provided or Services performed. Any provision in Supplier's proposal, invoices, statements, acknowledgment forms or other documents of any nature shall be null and void and of no force or effect, and SKAPS hereby objects to any such provision.
19. **Electronic Transmissions:** Each party may initiate POs and other transactions electronically through means such as Quick Books, e-mail, or fax ("Electronic POs"). In addition to any methods of acceptance listed in Section 18, electronic POs shall be deemed as accepted upon SKAPS's receipt of a corresponding electronic acknowledgment, or the commencement of work, or delivery of Goods/Services, whichever occurs first. Unless promptly notified otherwise, SKAPS may treat any electronic transaction received as being (a) properly authorized or endorsed by the sending party, (b) considered "in-writing" and signed by Supplier, and (c) when printed from electronic files, shall be considered as an original commercial document. The parties will not contest the validity or enforceability of any transaction or whether certain agreements are to be in writing and signed by the party to be bound thereby. Properly authenticated evidence of Electronic POs and other transactions shall be admissible in any judicial, arbitration, mediation, or administrative proceedings, to the same extent and under the same conditions as other business records originated and maintained in paper.
20. **Card Payment:** If Supplier is given access to SKAPS's Purchase Card system ("Purchase Card"), Supplier shall take all necessary precautions necessary to protect the security and confidentiality of SKAPS's Purchase Card data, and to use the Purchase Card only for the purpose of providing the Goods/Services that are ordered by SKAPS in the PO. In the event a Purchase Card number is compromised or in the event of a breach of any of its operating networks, and any of the Supplier Indemnifying Parties is found to be the cause, directly or indirectly, of the compromise, Supplier shall indemnify, defend, and hold the SKAPS Indemnified Parties harmless from any and all Losses arising from, caused by, or resulting from, and will assume full financial responsibility for, any such activities, including, without limitation, reimbursement of attorneys' fees and costs related to investigation and defense against claims.
21. **Financial Condition:** Supplier has, and shall maintain, a financial condition commensurate with its obligations under the Agreement and sufficient to allow it to readily and successfully fulfill all such obligations, in accordance with the Agreement. In the event the financial condition of Supplier changes during the term of the Agreement in such a manner as to adversely affect Supplier, Supplier shall promptly notify SKAPS in writing, reasonably describing the nature and extent of such change.
22. **Independent Contractor:** Supplier is an independent contractor and shall not be, or purport to be, an employee, agent or representative of SKAPS. Supplier shall provide the Goods/Services according to Supplier's own lawful means and methods of work, which shall be in the exclusive charge and control of Supplier, and not be subject to direct control or supervision of SKAPS.
23. **Taxes and Benefits:** Supplier acknowledges and agrees on behalf of itself, its affiliates and its agents and employees that (a) as an independent contractor to SKAPS, no federal, state, or local taxes or social security withholdings will be made by SKAPS from the payments to Supplier under the Agreement; (b) Supplier is solely responsible to report and pay any contributions for taxes, unemployment insurance, social security and other benefits (collectively, "Taxes") for itself and its employees; (c) neither Supplier nor any of its affiliates, agents or employees shall participate in, qualify for or in any way be entitled to any SKAPS benefits available to employees of SKAPS, including vacation benefits, 401(k) plan, insurance, or pension program.
24. **Miscellaneous:**
 - A. **Entire Agreement:** This order, including the terms and conditions on the face and reverse side hereof, contains the complete and final agreement between Buyer and Seller and no other agreements in any way modifying or adding to any of said terms and conditions will be binding upon Buyer unless made in writing and signed by Buyer's authorized representative. Any conflicting or additional terms and conditions supplied by Seller are hereby expressly objected to and rejected.
 - B. **Governing Law:** Any agreements arising from this purchase order shall be governed by and construed and enforced in accordance with the laws of the State of Georgia.
 - C. **Notices:** All notices or other communications required or permitted under the Agreement shall be in writing and addressed as follows: (i) if to SKAPS, then to SKAPS's signatory at the address set forth on the PO, with a copy to SKAPS's Chief Operating Officer at 335 Athena Drive, Athens, GA 30601; or (ii) if to Supplier, then to Supplier's signatory at the address set forth on the PO. Notices may be given by depositing the same in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, by overnight courier, or by delivering the same in person to such party at the address for such party shown on the PO.

Protecting SKAPS's Interests: In performing its obligations under the Agreement, Supplier and its personnel will act at all times in the best interests of SKAPS and will not commit any act or make any statement, oral or written, that would injure SKAPS's business, interests or reputation.
- D. **Severability:** If any provision of the Agreement is held to be invalid or unenforceable for any reason, the remaining provisions shall continue in full force and effect without being impaired or invalidated in any way.
- E. **Time of the Essence:** Time is of the essence in the performance of the Services and/or delivery of the Goods under the Agreement.
- F. **Survival:** Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17, 18, 20, 22, 23, shall survive the termination and expiration of the Agreement.