

Terms and Conditions

1. *Terms and acceptance.* This Purchase Order (this “Order”) between Vendor and NIC Global Manufacturing Solutions (NIC) becomes a legally binding contract

- (a) when signed and returned by Vendor to NIC, or
- (b) when the first shipment of all or any portion of the goods covered by this Order occurs.

All purchases of the goods covered by this Order will be in accordance with, and will be deemed to incorporate, the terms and conditions of this Order, and NIC’s standard terms and conditions contained in any form of documentation relating to such purchases. No other or inconsistent terms or conditions contained in any acknowledgement, invoice or other form of documentation of Vendor, whether preprinted or otherwise, will apply, unless the parties specifically agree otherwise in writing referencing this Order and the specific provision to be modified. In the event of any inconsistency between the terms of this Order and the terms contained in any such acknowledgement, invoice or other form of documentation the terms of this Order will control unless the parties otherwise agree in writing on the confirmed NIC Purchase Order.

2. *Cancellation of Orders.* NIC may at any time cancel all or any part of this Order by giving Vendor two (2) weeks prior notice without incurring any costs, expenses or penalties, or being obligated to make any payments to Vendor unless noted on purchase order.

3. *Delivery.* NIC will have the right to specify the date of delivery if not otherwise provided in this Order. NIC also reserves the right to change or extend any delivery date upon written notification to Vendor given at least (5) days prior to the originally agreed upon or previously modified delivery date. Title will shift to NIC in accordance with the FOB statement on purchase order – vendor will bear all risk of loss or damage to the goods until title transfers. Vendor is responsible for adequately packaging goods for transit – for FOB Origin terms, any damage/loss due to insufficient packaging will be at Vendor’s expense.

4. *Shipping and Delivery Tolerance.* 0% under and 3% over, except with prior written approval from NIC for shipping tolerance. Three business days early and zero days late for delivery tolerance. Material shipped in excess of quantity ordered will be held at Vendor’s risk and may be returned at Vendor’s expense.

5. *Warranties.* NIC will have the benefit of all warranties implied at law, and all warranties, express or implied, made by Vendor. In addition to all other express or implied warranties, Vendor expressly warrants that (a) all article, materials and work will conform to the applicable drawings, specifications, samples or other descriptions given in all respects, (b) the goods delivered hereunder will be of good quality, material and workmanship, merchantable and free from defects, and (c) Vendor will otherwise comply with the terms and conditions of this Order. These warranties, and all other warranties, express or implied, will survive any inspection, acceptance or payment by NIC, and will be enforceable by NIC, NICs customers and any subsequent owner or user of the goods. Any inspection or acceptance of such goods by NIC will not be deemed to alter, waive, extinguish or otherwise effect the obligation of Vendor or the rights of NIC, its customers or subsequent owners and users under these warranties.

6. *Inspections.* Goods delivered are subject to inspection, testing and approval by NIC at NIC’s facilities or designated locations before acceptance. Payment or acknowledgment of receipt and packing slip or bill of lading by any person will not constitute acceptance. Goods which are delivered in quantity may be inspected by sampling and NIC reserves the right to reject any portion of such goods found within three (3) months of the date of delivery to be nonconforming when drawn from inventory.

7. *Nonconforming Goods, Rejection and Remedies.* NIC may reject and refuse acceptance of some or all of the goods which do not comply with the warranties in this Order or are not timely delivered. Non-conforming goods will be held by NIC at Vendor's risk pending Vendor's instructions. NIC will provide Vendor with notice of such noncompliance within 24 hours of knowledge of defect and following Vendor’s receipt of such notice (a) Vendor will promptly replace or rework any such goods which does not meet the warranties at no cost to NIC (including any additional freight costs incurred), or issue a credit or refund to NIC, as determined by NIC, or, alternatively, as determined by NIC, (b) NIC may (i) rework any such goods and Vendor will promptly reimburse NIC for all related efforts, including sorting, inspection and rework, based upon NIC’s then current shop rates (2018 rate is currently \$60 an hour), or (ii) cancel this Order in whole or in part and purchase comparable goods elsewhere and hold Vendor accountable for any loss or additional cost arising from such expedited delivery or cancellation. Any goods and/or services corrected or furnished in replacement will, from the date of delivery of such corrected or replacement goods and/or services, be subject to the provisions of this Order for the same period and to the same extent as goods and/or services initially furnished pursuant to this Order.

8. *Regulatory Compliance; Country of Origin.* Vendor represents that the goods and/or services covered by this Order have been manufactured, sold, delivered and performed in compliance with the requirements of all foreign, federal, state and municipal rules and regulations. If such goods are goods of foreign origin, Vendor will cause all such goods and their containers to be marked with the country of origin, as required by United States law,

and will indicate the country of origin on all invoices for the goods. Upon NIC's request, Vendor will promptly complete and return to NIC certification(s) to evidence the origin of such goods.

9. *Patent and Copyrights.* Vendor warrants that the manufacture, sale, delivery, use and/or performance of the goods and/or services under this Order does not infringe any intellectual property rights, including without limitation any patent, trademark, trade secret or copyright, now or hereafter granted in any country in the world. Vendor will defend, at its own expense, any suit or claim that may be instituted against NIC or any customer of NIC for such alleged infringement, and Vendor will indemnify NIC and its customers for all costs and damages arising out of such alleged infringement.

10. *Indemnification.* Vendor and NIC agree to indemnify, defend, and hold each other harmless, and their respective successors and permitted assigns and the directors, officers, employees, and agents of each, from and against any and all claims, actions, losses, damages, liabilities, costs, and expenses, including reasonable attorneys fees, incurred in connection with any breach of any representation, warranty, covenant, or agreement contained in this Order.

11. *Outsourcing of Processes.* The supplier agrees to not outsource any or all manufacturing processes without the written approval of NIC. NIC reserves the right to approve any outsourced supplier per NIC's internal processes which may include site evaluation and written supplier evaluations. If the supplier outsources any processes without written notification the terms of this agreement may be considered at NIC's sole discretion to be null and void. The supplier also agrees not to change any aspect of the ordered material(s) without NIC's prior written approval.

12. *General Terms.*

a. *Waiver.* No waiver of any term or provision of this Order will be effective unless in writing signed by the party purporting to have waived such term or provision. The failure of any of the parties to insist upon the strict performance of any provision of this Order or to exercise any right, power or remedy upon a breach thereof will not constitute a waiver of that or any other provision of this Order, or limit that party's right thereafter to enforce any provision or exercise any right.

b. *Survival of Terms and Conditions.* The terms and conditions of this Order will survive the expiration or termination of this Order to the full extent necessary for their enforcement and for the protection of the party for whose benefit they operate.

c. *Successors and Assigns; No Assignment.* This Order will be binding upon and inure to the benefit of the parties their respective successors and permitted assigns; provided, however, that Vendor may not assign any of its rights or obligations under this Order without the prior written consent of NIC.

d. *Governing Law; Venue.* All questions relating to the legality, validity, enforceability, interpretation and performance of this Order will be governed by the laws of the State of Washington, U.S.A. without regard to its conflict of laws principles. The parties hereby irrevocably agree to submit to the exclusive jurisdiction of the United States District Court in Snohomish County, Washington with respect to any controversies or claims arising out of or related to this Order.

OPT OUT OF THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS; UCC TO APPLY. BUYER AND SELLER HEREBY SPECIFICALLY AGREE AND DECLARE THAT THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS SHALL NOT APPLY TO THE GOODS AND/OR SERVICES THAT ARE THE SUBJECT OF THIS ORDER; AND, INSTEAD, THE UNIFORM COMMERCIAL CODE SHALL APPLY TO THE GOODS AND/OR SERVICES THAT ARE THE SUBJECT OF THIS ORDER.

I hereby agree to the above NIC Global Manufacturing Solutions terms and conditions (2 pages).

Signature of Officer/Title /Company Name

Date