



General Terms & Conditions

SOP-12, Appendix B, Rev. A

Release Date: 9/3/2020

Approved By: Jason Simmons

- 1. DEFINITION OF THE PARTIES.** System Integrity Engineering, Inc (dba Structural Integrity Engineering or SIE), a California corporation, and its parents, subsidiaries, and affiliates are herein identified as "Buyer."
- 2. ACCEPTANCE.** Any change in the order, including but not limited to specification modifications, quantity, shipping date or any other term shall require written confirmation by Buyer. Seller shall not alter the specification of any good material or process purchased hereunder without the prior written permission of the Buyer. Seller shall not perform any work not agreed in the purchasing contract.
- 3. PACKING & MARKING.** All goods shall be packed or otherwise prepared for shipment, to secure the lowest transportation and insurance rates, and to meet Buyer's carrier's requirements. Unless otherwise specified in the purchase order, packaging, freight, or other charges may not be added.
- 4. PRICING & INVOICES.** Pricing shall be at no more than Seller's written quoted prices and which shall be good for a period of 75 days. Seller must show the method of transportation, and whether the goods are sent prepaid or C.O.D. or any other terms.
- 5. DEFAULT.** Should Seller fail to provide the items described on the purchase order as specified, the Buyer may elect to hold Seller in default, on reasonable notice not to exceed ten days. The Buyer may elect to waive a provision of the terms of this agreement, but such waiver is limited. It is understood by the parties hereto, however, that such waiver does not constitute a waiver of any other provision or term of this agreement or any related document, nor an agreement to waive in the future this covenant or any other provision or term of this agreement or any related document. Buyer may proceed to acquire the items purchased herein from other sources upon election, and Seller shall be liable to Buyer for any increased costs incurred by the Buyer as a result of Seller's default. Buyer may elect to treat a default on any single purchase order in effect between Buyer and Seller as a default with respect to all purchase orders then still open. Furthermore, such action shall incur no liability on the part of the Buyer.
- 6. INSPECTION.** All goods or materials ordered will be subject to final inspection and approval by the Buyer's inspectors. Buyer may return any rejected good to the Seller for full credit or reimbursement, including transportation and the cost of material when provided by the Buyer, at the Seller's expense.
- 7. DELIVERY.** If the Buyer is to provide forming tools, dies, or other manufacturing equipment and/or material from which any good is to be made, the date of delivery shall be extended until such dies, tools, and/or materials are delivered unless otherwise specified in writing. This contract may be cancelled by Buyer in writing without penalty or payment of any kind, for any reason if Buyer shall not deliver such dies, tools, or material to the Seller.



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- 8. CONFIDENTIAL.** Seller shall not, without first obtaining written consent of Buyer, in any manner advertise or publish the fact that Seller has furnished or has contracted to furnish to Buyer the goods herein mentioned. Seller shall not disclose any of the details connected with this order to any third party except for the purpose of ordering materials necessary to the fulfillment of this order.
- 9. CONTRACT TERMINATION.** Buyer shall have the right to terminate this purchase order without cause by delivering written notice to Seller of the intention to terminate. In the event of such termination, Buyer shall be liable for and pay Seller only for actual out of pocket labor and material costs incurred by Seller for specially manufactured goods only manufactured to that date.
- 10. TOOLING.** Special dies, tools, patterns and drawings used in the manufacture of the goods contracted for herein, shall be the property of Buyer (collectively "Buyer's Property"). They shall be used in accordance with their specifications and stored and kept in good condition without expense to Buyer.

Any changes to Buyer's Property or replacements necessary due to normal wear and tear at the end of its normal useful life shall be at Buyer's expense. Buyer's Property shall be used only for Buyer's work and Seller shall keep all of Buyer's Property in a confidential, safe and secure manner.

- 11. PATENT PROTECTION.** By accepting this order, Seller agrees to indemnify and hold harmless and protect Buyer, its successors, assigns, customers and the users of its products, from and against all loss, liability, claims, demands and suits, at law or equity, for actual or alleged infringement of any Letters Patents, Trade Marks, or corresponding rights granted by the United States of America, or any of the states, by reason of the use or sale of any of goods hereby ordered.

If any of the goods ordered are protected by one or more patents, and a decree or judgment be entered in a court of competent jurisdiction holding any such patent or any of its claims invalid, or so limited in scope as to impair its protection commercially, this contract may forthwith be cancelled by Buyer.

- 12. WARRANTY.** Seller warrants that the goods to be supplied under this contract are fit and adequate for the purposes intended, that they are merchantable, of good quality, and free from defects, whether patent or latent, in materials and workmanship, and all specifications of Buyer applicable to said goods.

Seller agrees at its own expense and whenever and as often as requested by Buyer so to do to furnish and deliver to Buyer evidence in form and substance satisfactory to Buyer showing that each and all said specifications have been fully and completely complied with and that the goods supplied hereunder fully and completely conform to such specifications.

Seller warrants that it has good title to the goods to be supplied and that they are free and clear from all liens or encumbrances. Seller agrees that it shall hold Buyer harmless from any claim asserted by any third party, on any legal theory, arising from any defect in material or workmanship of the items purchased hereunder.



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- 13. INDEMNITY.** Seller shall indemnify, hold harmless and defend Buyer, its parents, subsidiaries, and affiliates, their direct and contract employees, agents, officers, directors and shareholders, successors and assigns from and against all claims, actions, damages and losses, liabilities and expenses (including outside reasonable attorneys' fees), arising out of any breach by Seller of any its representations, warranties, undertakings or agreements that Client. Seller represents and warrants that Seller has the authority and is free to enter into this agreement, that all material, ideas, designs contributed by Seller and by other personnel engaged by Seller in connection with the goods sold will be the original work and creation of Seller and/or will not infringe upon or violate any right or property of any other party.
- 14. COMPLIANCE WITH LAWS.** (a) FEDERAL, STATE, AND LOCAL LAWS. Seller warrants that in the performance of this order, it will comply with all applicable Federal, State, and local laws. On its invoice or in other form satisfactory to Buyer, Seller shall submit certification that the goods covered by this order were produced in compliance with all applicable requirements of Sections 6, 7, & 12 of the Fair Labor Standards Act (29 U.S.C. 201-219) as amended, and of regulations and orders of the U.S. Department of Labor Issued under Section 14 thereof. (b) EQUAL OPPORTUNITY. The "Equal Opportunity" clause in ASPR 12-804(a) is incorporated herein by reference, except "Contractor" means Seller. If on the face of this order or in supporting documents the order refers to a Government contract, Seller agrees, in accepting this order, to abide by all applicable regulations, rules, and laws involving this order and the government contract covered in this order.
- 15. SUBCONTRACTING.** Seller shall not subcontract any part of its performance pursuant to this purchase contract unless such subcontracting is approved by the Buyer and specified in writing in the purchase order or by a later written modification to the purchase order signed and approved by Buyer. SIE hereby approves suppliers to outsource special processes to Nadcap approved sub-tier suppliers. All non-accredited Nadcap sub-tier suppliers performing special processes shall be identified to SIE in writing prior to commencement of any work.
- 16. ARBITRATION.** Any dispute, except an application for an injunction, shall be resolved by binding arbitration before a single arbitrator in Los Angeles, California. The arbitrator shall apply California substantive law and may award any legal and equitable remedy. Except as provided above, the arbitration shall be conducted pursuant to Part 3, Title 9, of the California Code of Civil Procedure, §§1281 et seq. The parties waive all rights to a jury trial in any litigation relating to this Agreement.
- 17. ATTORNEYS FEES.** In any arbitration before a duly appointed arbitrator or any litigation or proceeding before a court of competent jurisdiction, the prevailing party shall be entitled to recover his, her or its reasonable outside attorneys' fees, expert fees, court costs and filing costs.
- 18. ENTIRE AGREEMENT.** No provision of the Purchasing Contract, Quality Terms and Conditions (SOP-12, Appendix A), and related General Terms and Conditions (SOP-12, Appendix B) shall be interpreted for or against any party because that party or its legal representative drafted the provision. If a court of competent jurisdiction or a duly appointed arbitrator determines that any provision of this Statement of Work and related Terms and Conditions is unenforceable or invalid, the remaining provisions shall remain in full force and effect. These General Terms and Conditions, and Quality Terms and Conditions together with the Purchasing Contract are the entire agreement between the parties respecting the subject matter hereof and supersede all prior or contemporaneous agreements, oral or written, between the parties respecting the subject matter hereof. This Purchasing Contract, Quality Terms and Conditions, and related General Terms and Conditions shall bind and inure to the benefit of the successors, licensees, assigns, personal representatives, heirs and legatees of the parties. Each party represents that it has fully authorized its signatory below to sign this Statement of Work and the related Terms and Conditions on its behalf, respectively.