

**PRIDE Industries**  
**Purchase Order Terms and Conditions**

**1. PO Terms Applicability.** Unless a separate agreement has been executed by both parties or attached to the Purchase Order these Purchase Order Terms and Conditions ("PO Terms") in addition to the terms as set forth in the Purchase Order ("PO") sets forth the entire agreement between the parties and shall govern all orders for goods or services with Seller, and shall prevail over any terms or conditions contained in any Seller documentation unless approved in writing by an authorized representative of PRIDE. No waiver or modification of any term or condition of the PO shall be binding unless in writing and signed by each party.

**2. Acceptance & Agreement.** Unless a separate agreement has been executed by both parties or attached to the PO, Seller's commencement of work on the goods or services subject to these PO Terms shall be deemed acceptance of the PO Terms. Any acceptance of this PO is limited to the express terms herein. Any proposal for additional or different terms shall have no effect on this agreement unless approved by an authorized representative of PRIDE. Seller's proposal shall not operate as a rejection of this PO unless the proposal offers material alteration of the description, quantity, price, or delivery schedule of the goods or services.

**3. Shipment.** If delivery is not made by the date indicated on the PO, PRIDE may, in addition to all available rights and remedies, cancel this PO, without any liability whatsoever. If Seller must in ship by a more expensive way than specified in the PO to comply with PRIDE's required delivery date, any increased shipping costs resulting therefrom shall be paid by Seller unless the necessity for such rerouting or expedited handling was caused by PRIDE. PRIDE reserves the right to refuse C.O.D. shipments.

**4. Written Orders; Changes.** All orders must be in writing. PRIDE shall have the right at any time to make changes in quantity required, drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation prior to shipment. If any such change causes an increase or decrease in the cost or time required for performance, an equitable adjustment shall be made and this PO shall be modified in writing accordingly. Seller agrees to accept any changes resulting from such modification. Seller shall not make any process or design changes affecting goods or services that are subject to the PO without PRIDE's prior written consent.

**5. Price & Payment.** Seller warrants that the prices for the goods and services on the PO are not less favorable than those currently extended to any other of Seller's customers for the same or similar goods or services in similar quantities. In the event Seller reduces its price for such goods or services during the term of performance under the PO, Seller agrees to reduce the price herein correspondingly. The price stated in this PO includes all charges for packaging, boxing, crating, special handling, and freight, F.O.B. destination. No modification or adjustment of the stated price may be made without the written agreement of PRIDE. If the price is not stated on the PO, the price shall be the lowest of the following: (i) the last price paid; (ii) the last price quoted; or (iii) the prevailing market price, as determined by PRIDE.

Payment due date is determined by the preferred payment method selected by Seller, as follows: (a) PRIDE credit card = Net 25 days from date of Seller invoice; (b) PRIDE ACH = Net 30 days from

date of Seller invoice; or (c) PRIDE check drawn against its general operating banking account(s) = Net 45 days from date of Seller invoice. Seller shall indicate its preferred payment option upon acceptance of the PO. If no selection is made by Seller at time of order placement, PRIDE shall make payment utilizing a credit card and all associated merchant fees associated with such transaction shall be borne by Seller. Payment will not constitute acceptance of goods or services or impair PRIDE's right to inspect.

**6. Invoicing.** Each invoice shall fairly and accurately describe in reasonable detail the goods delivered or the actual services performed, the person(s) or entity(ies) who performed such services, the dates on which such goods were delivered or services were performed, the fees and expenses payable by PRIDE for such goods/services, and any reimbursable expenses. Unless other arrangements have been made and included in the PO, each invoice shall show shipping charges as a separate item and shall contain a copy of the bill for shipping charges indicating that payment has been made.

PRIDE shall not be required to make payment on any invoices if such documentation is not furnished by the Seller as herein provided, or if any invoices with respect to the same is rendered more than ninety (90) days after the expenses were incurred, and Seller shall be solely and exclusively responsible for payment of same at its own cost and expense. PRIDE may refuse payment with respect to any invoice that fails to comply with the requirements contained in this section. Nothing contained herein shall be interpreted to mean that PRIDE is required to pay any amount that PRIDE disputes.

**7. Confidentiality.** Seller agrees to treat as strictly secret and confidential all specifications, drawings, blueprints, nomenclature, samples and models and other information supplied by PRIDE, and Seller shall only use and disclose such confidential information in the performance of this PO and for no other purpose. Unless written consent of PRIDE is first obtained, Seller shall not in any manner advertise, publish or release for publication any statement mentioning PRIDE or the fact Seller furnished or contracted to furnish PRIDE any goods or services required by this PO. Seller shall not disclose any information relating to this PO to any person not entitled to receive it.

**8. Warranty.** Seller expressly warrants that all goods and services furnished under the PO: (i) conform to all specifications and appropriate standards, will be new, and will be free from defects in material or workmanship; (ii) conform to any statements made on the containers or labels or advertisements for such goods or services, and that any goods will be adequately contained, packaged, marked, and labeled; (iii) conform in all respects to samples; (iv) will be free of any encumbrances or liens; and (v) services, if provided, will be in conformity with the standards of Seller's profession. Inspection, test, acceptance or use of the goods and services furnished hereunder shall not affect the Seller's obligation under this warranty, and such warranties shall survive inspection, test, acceptance and use. Seller's warranty shall run to PRIDE, its successors, assigns, customers, and users of products sold by PRIDE. Seller agrees to replace or correct defects of any goods or services not conforming to the foregoing warranty promptly, without expense to PRIDE, when notified of such

nonconformity by PRIDE, provided PRIDE elects to provide Seller with the opportunity to do so. In the event of Seller's failure to correct defects in or replace nonconforming goods or services promptly, PRIDE, after reasonable notice to Seller, may make corrections or replace the goods and services and charge Seller for the cost incurred by PRIDE in doing so.

**9. Indemnification.** To the full extent allowable by law, Seller shall indemnify, defend and hold PRIDE, its officers, directors, employees and customers harmless against all damages, claims or liabilities and expenses arising out of or resulting in any way from the goods or services, or both, provided pursuant to the PO, or from any act or omission of Seller, its agents, employees or subcontractors, except to the extent caused by PRIDE. This indemnification shall be in addition to the warranty obligations of Seller.

**10. Nonconforming Goods.** PRIDE may inspect and/or test all or a sample of the goods or services on or after the Delivery Date. PRIDE, at its sole option, may reject all or any portion of the goods or services if it determines they are nonconforming or defective. If PRIDE rejects any portion of the goods or services, PRIDE may, upon written notice to Seller: (a) cancel this PO in its entirety and receive a refund; (c) accept the goods at a reasonably reduced price; or (c) reject the goods and require replacement thereof. If PRIDE requires replacement of the goods or services, Seller shall, at its expense, promptly replace the nonconforming goods and pay for all related expenses, including but not limited to transportation charges for return of the defective goods and delivery/performance of replacement goods/services. If Seller fails to timely deliver replacement goods/services, PRIDE may replace them with goods/services from a third party and charge Seller the cost thereof and terminate this PO for default. Any inspection or other action by PRIDE hereunder will not reduce or affect Seller's obligations.

**11. Toxic or Hazardous Substances.** In addition to the warranties and obligations of Seller set forth herein, if goods contain hazardous or toxic substances, Seller shall ensure all rules and regulations concerning such material under applicable state and federal law, including but not limited to its bills of lading, packaging, transport, and other duties and obligations shall be performed by Seller, and any associated Safety Data Sheets ("SDS") will be promptly provided to PRIDE upon delivery.

**12. Delivery Date.** Seller shall deliver the goods in the ordered quantities on the date(s) specified in this PO or as otherwise agreed in writing by the parties (the "Delivery Date"). Timely delivery of the goods is of the essence. If Seller fails to deliver the goods or services in full on the Delivery Date, PRIDE may terminate this PO immediately by written notice to Seller and Seller shall refund any amounts paid for the non-delivered goods/services and indemnify PRIDE against all losses, claims, damages, and reasonable costs and expenses attributable to Seller's failure.

**13. Delivery Location.** All goods shall be delivered to the address specified in this PO (the "Delivery Location") or as otherwise instructed by PRIDE.

**14. Title/Risk of Loss.** Title passes to PRIDE upon delivery of the goods to the Delivery Location. Seller bears all risk of loss or damage to the goods until delivery to the Delivery Location.

**15. Packaging.** Goods must be packaged for shipment according to PRIDE's written instructions, or if no instructions are provided, in a manner reasonably sufficient to ensure the goods are delivered in undamaged condition. Goods shall be marked and labeled in compliance with all applicable laws, standards and regulations. Seller must provide PRIDE prior written notice if it requires PRIDE to return any packaging material, which shall be performed by PRIDE at Seller's expense. All documents relating to this PO shall contain the applicable PO number. Packing lists shall be enclosed in every box or package shipped pursuant to this PO, indicating the content of such boxes or packages. If factory shipment, Seller will advise factory to comply.

**16. Intellectual Property Rights.** To the extent PRIDE has furnished Seller with any designs, specifications or schematics ("Design Documents") concerning the goods to be furnished hereunder, such Design Documents shall be deemed to be owned by PRIDE and/or its customers, and are considered the confidential and proprietary information of PRIDE and/or its customer. Neither PRIDE nor its customers grant any license to Seller to use such Design Documents for any other reason other than supply of the goods/services that are the subject matter of this PO. Except as may be required under applicable law, following PRIDE's written acceptance of the goods/services, Seller shall destroy any and all Design Documents in its possession and control (including any metadata) and certify such destruction in writing.

If applicable, the goods/services delivered by Seller under this PO are "works made for hire" (as such term is defined under U.S. copyright law) with PRIDE having ownership and being the author of any deliverables. If the good/services are deemed to not be works made for hire, Seller hereby irrevocably and unconditionally assigns to PRIDE, its successors, and assigns, all right, (including without limitation sublicensing rights), title, and interest in and to all such deliverables. PRIDE will be deemed to own, without any restrictions or limitations whatsoever, the sole and exclusive rights to prepare derivative works based on the goods/services.

**17. Taxes.** Unless otherwise indicated in this PO, PRIDE agrees to pay sales or use taxes where PRIDE is not exempt from such taxes. Seller will not charge federal excise taxes, and PRIDE agrees to furnish Seller with an exemption certificate, upon Seller's request. Seller will not invoice for any taxes for which PRIDE has provided a valid resale or exemption certificate. All taxes, if applicable, shall be delineated separately in Seller's invoice.

**18. Antitrust Assignment Clause.** Seller and PRIDE acknowledge that overcharges by manufacturers are borne by PRIDE. Seller agrees to assign to PRIDE any claims that Seller may have for overcharges for goods and materials under this PO and arising out of antitrust or similar actions, except overcharges that are not passed on to PRIDE.

**19. Equal Opportunity.** Seller agrees to abide by the requirements of 41 CFR §§ 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected individuals based on their race, color, religions, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.

**20. Compliance with Laws:** Seller warrants that all goods and services sold hereunder shall have been produced, sold, delivered and furnished in strict compliance with all applicable laws and regulations, including Equal Employment Opportunity and Affirmative Action, to which Seller is subject. Seller shall execute and deliver such documents as may be requested by PRIDE to evidence compliance. All laws and regulations required in agreements of this character are hereby incorporated by this reference, as applicable, including 38 U.S. Code 4212, Executive Orders, 11375, 11701, 11758, 12086, 13201, 29 CFR Part 470 as amended, and any subsequent executive orders relating to equal opportunity for employment on government contracts.

If this PO includes work or services to be performed on PRIDE's, or any PRIDE-directed premises, Seller will observe the highest safety standards, comply with all applicable laws and regulations including without limitation, the Occupational Safety and Health Act and PRIDE's policies and regulations. Seller will maintain adequate commercial general liability and worker's compensation insurance and furnish evidence of the same at PRIDE's request.

**21. Term.** Except for PRIDE's ability to terminate the PO as set forth below, the term of the PO shall continue until the goods/services that form the subject of the PO are delivered by Seller and paid by PRIDE or the services rendered from Seller are complete to PRIDE's satisfaction or acceptance. However, Seller's obligations of warranty, indemnification and any other provision hereunder shall continue in force and effect for the term stated, or if no term is stated, the duration and effect of such provision shall extend beyond termination in accordance with the laws of the jurisdiction indicated herein.

**22. Termination.** PRIDE reserves the right to terminate the PO or any part hereof for its sole convenience. In the event of such termination, Seller shall immediately stop all work hereunder, and shall immediately cause any of its suppliers or subcontractors to cease such work. Seller shall not be paid for any work done after receipt of the notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors that Seller could reasonably have avoided.

PRIDE may terminate the PO or any part hereof for cause in the event of Seller's default by or failure to comply with any term or condition of the PO. Causes to terminate the PO include, but are not limited to, late deliveries, deliveries of defective or nonconforming products, and failure to provide PRIDE, upon request, reasonable assurances of future performance. In the event of termination for cause, PRIDE shall not be liable to Seller for any amount, and Seller shall be liable to PRIDE for all damages sustained by reason of the default which gave rise to the termination.

**23. Bankruptcy.** In the event of any proceeding, voluntary or involuntary, in bankruptcy or insolvency by or against Seller, including any proceeding under the United States bankruptcy laws, or in the event of the appointment, with or without Seller's consent, of a receiver of an assignee for the benefit of creditors, PRIDE shall be entitled to cancel any unfilled part of this PO without any liability whatsoever.

**24. Independent Contractor.** Seller, its employees and persons under contract to Seller will perform under this PO as an independent contractor and not as PRIDE's employees.

**25. Insurance.** Seller shall maintain all necessary and proper insurance coverage, including, but not limited to, automobile, commercial general liability, professional liability, cyber/privacy, and Workers' Compensation insurance as required by law.

**26. Limitation on Liability & Statute of Limitations.** In no event shall PRIDE be liable for Seller's anticipated profits or for incidental, consequential, punitive or exemplary damages. PRIDE's liability on any claim for any loss or damage arising out of or in connection with or resulting from the PO or from the performance or breach thereof shall in no case exceed the price allocable to the goods or services or unit thereof, which gives rise to the claim. PRIDE shall not be liable for penalties of any description.

Any action resulting from any breach on the part of PRIDE as to the goods or services delivered hereunder must be commenced within one year after the cause of action has accrued.

**27. Prime Contract.** If PRIDE engages Seller to perform/provide certain goods/services in order to assist PRIDE in performing its obligations to a client which is set forth in a prime agreement ("Prime Agreement"), Seller agrees to perform all of the obligations of PRIDE under the Prime Agreement that are applicable to Seller's performance, and Seller shall otherwise comply with the requirements of this PO and those requirements of the Prime Agreement that relate to its performance/delivery of services/goods *mutatis mutandis* (including without limitation, the applicable invoicing, testing, delivery, acceptance, auditing and accounting requirements). In the event of any conflict between the terms of this PO and the Prime Agreement regarding performance by Seller, the terms of this PO will govern and control. PRIDE shall make portions of the Prime Agreement available to Seller upon request, to the extent PRIDE is permitted to do so. If there is a Prime Agreement, this PO will automatically terminate, without any requirement of notice or other action, at the same time that the Prime Agreement expires or terminates or, if the goods/services are tied to a particular statement of work, at the same time that such statement of work expires or terminates.

**28. Government Contracts.** If the PO is issued for any purpose that is either directly or indirectly connected with the performance of a prime contract with a local, state or the federal government or a subcontract thereunder, all applicable provisions of the governmental agency agreement shall apply to Seller. With respect to federal government contracts, each of the following Federal Acquisition Regulation (FAR) clauses in effect on the date of the PO is incorporated herein by reference. The clauses apply to Seller as though Seller were a prime contractor, and in such manner as will enable PRIDE to meet its obligations arising out of the government contract.

FAR 52.202-1	Definitions
FAR 52.203-5	Covenant against Contingent Fees
FAR 52.210-5	New Materials
FAR 52.203-6	Restrictions on Subcontractor Sales to the Government

FAR 52.203-7	Anti-kickback Procedures	Transactions Relating to Iran-- Representation and Certifications
FAR 52.211-10	Commencement, Prosecution, and Completion of Work	FAR 52.232-1 Payments
FAR 52.212	Commercial Items	FAR 52.232-39 Unenforceability of Unauthorized Obligations
FAR 52.215-2	Audit Negotiation	FAR 52.233-2 Service of Protest
FAR 52.222-4	Contract Work Hours and Safety Standards Act – Overtime Compensation	FAR 52.233-3 Protest after Award
FAR 52.222-17	Non-displacement of Qualified Workers	FAR 52.233-4 Applicable Law for Breach of Contract Claim
FAR 52.222-20	Welsh-Healey Public Contracts Act	FAR 52.244-6 Subcontracts for Commercial Items
FAR 52.222-21	Certification of Non-segregated Facilities	
FAR 52.222-26	Equal Opportunity	
FAR 52.222.35	Affirmative Action for Special Disabled and Vietnam Era	
FAR 52.222.36	Affirmative Action for Handicapped Workers	
FAR 52.222.37	Employment Reports – on Special Disabled Veterans and Veterans of the Vietnam Era	
FAR 52.223-17	Affirmative Procurement of EPA-designated Items in Service and Construction Contracts.	
FAR 52.223-18	Encouraging Contractor Policies to Ban Text Messaging While Driving	
FAR 52.223-3	Clean Air and Water	
FAR 52.225-3	Buy American Act – Supplies	
FAR 52.225-13	Restrictions on Certain Foreign Purchases	
FAR 52.225-25	Prohibition on Contracting with Entities Engaging in Certain Activities or	

**29. Miscellaneous Provisions.** PRIDE does not waive any rights or remedies conferred upon a buyer by Article 2 of the Uniform Commercial Code. No part of the PO may be assigned or subcontracted without PRIDE’s prior written approval. PRIDE’s failure to insist on performance of any of the terms or conditions herein, exercise any right or privilege or waiver of any breach hereunder shall not waive any other term, condition, or privilege, whether of the same or similar type. The PO shall be governed and construed in accordance with the laws of the State of California, without regard for its conflict of laws principles. Any action instituted hereunder shall be filed exclusively in the applicable state or federal court with jurisdiction over actions occurring within Placer County, California. If any provision of the PO is held invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired thereby. The PO may be executed in several counterparts, each of which so executed shall constitute one and the same instrument.