

**STRATEGIC SYSTEMS, INC.**  
**STANDARD TERMS AND CONDITIONS**  
**FOR ITS QUOTES AND PURCHASE ORDERS**

**ENTIRE AGREEMENT:** All Strategic Systems, Inc. (“SSI”) Quotes and Purchase Orders, when issued by SSI and accepted, shall be the entire agreement of the parties relating to the good(s) or service(s) ordered and shall supersede any other agreement whether written or oral. **YOUR ACCEPTANCE OF SSI’S QUOTE OR PURCHASE ORDER IS EXPRESSLY CONDITIONED UPON YOUR ACCEPTANCE OF SSI’S TERMS AND CONDITIONS STATED ON THE FACE OF SSI’S QUOTE OR PURCHASE ORDER AND SSI’S STANDARD TERMS AND CONDITIONS FOR ITS QUOTES AND PURCHASE ORDERS, AS CONTAINED IN THIS DOCUMENT. DIFFERENT OR ADDITIONAL TERMS IN YOUR REQUEST FOR QUOTE, REQUEST FOR PROPOSAL, OFFER, QUOTE, ACKNOWLEDGMENT, YOUR RESPONSES, ANY CHANGE ORDER, OR ANY OTHER DOCUMENT RELATED TO SSI’S QUOTE OR PURCHASE ORDER, ANY INVOICES, OR ANY OTHER DOCUMENT GENERATED BY YOU TO SSI, ARE HEREBY REJECTED AND NO PRIOR OR SUBSEQUENT CONDUCT OF SSI SHALL BE DEEMED TO BE AN ACCEPTANCE OF DIFFERENT OR ADDITIONAL TERMS.** No modification of the agreement shall be valid unless in writing and signed by each of the parties, however **THE TERMS AND CONDITIONS CONTAINED IN THIS DOCUMENT SHALL NOT BE MODIFIED UNLESS CHANGES ARE MADE IN WRITING UPON A PRINTED VERSION OF THIS DOCUMENT, WITH SUCH CHANGES INITIALED AND WITH THE DOCUMENT SIGNED BY EACH OF THE PARTIES. ONLY SSI’S PRESIDENT HAS THE AUTHORITY TO SIGN MODIFICATIONS HEREOF UPON A PRINTED VERSION OF THIS DOCUMENT.**

**ACCEPTANCE OF OFFER:** SSI’s Quote or Purchase Order constitutes an offer by SSI to you. Any documentation generated prior to SSI’s Quote or Purchase Order constituting an offer or solicitation from you upon the subject of SSI’s Quote or Purchase Order is specifically rejected. You may accept SSI’s Quote or Purchase Order: (1) in writing; (2) by acceptance or delivery of all or part of the good(s) or service(s) specified in the Quote or Purchase Order; or (3) by invoicing or accepting payment to/from SSI for all or part of the good(s) or service(s) made the subject of SSI’s Quote or Purchase Order, but no matter the form of your acceptance, your acceptance is expressly conditioned upon acceptance of SSI’s specific terms and conditions as contained in the Quote or Purchase Order and in this document.

**WARRANTIES:** For any good(s) and services(s) made the subject a Purchase Order from SSI, you warrants that you have absolute title and full right to transfer good and merchantable title to all good(s) and service(s) delivered or provided to SSI; that the good(s) are now and at the time of delivery shall be free of any security interest, lien or encumbrance; and that all good(s) and service(s) provided to SSI shall strictly conform to the descriptions and specifications set forth or referred to in SSI’s PO, shall be new and shall be of merchantable quality for the industry, shall be free from defects in workmanship, material and design, and shall be fit for the purpose intended and shall perform the required functions in a manner satisfactory to SSI. Such warranties shall extend for a period not less than one (1) year or for any longer period as the you or the manufacturer of the good(s) normally provides. You agree to protect and hold SSI harmless from any loss or claim arising out of your failure to comply with the foregoing warranties.

**INSPECTION:** For any good(s) and services(s) made the subject a Purchase Order from SSI, SSI reserves the right of inspection prior to final acceptance and such inspection and acceptance shall be at SSI’s premises by SSI. SSI may inspect goods at your plant or place of business, but inspection by SSI prior to delivery does not relieve you from responsibility of furnishing goods in strict compliance with specifications, nor preclude SSI’s subsequent rejection if the good(s) or service(s) fail to comply with your warranties as contained in SSI’s Terms. At SSI’s election, it may correct any non-conforming good(s) and service(s) at your expense, replace any non-conforming or rejected goods if adequate assurances are not timely provided, hold any non-conforming or rejected good(s) at your risk to cover, and/or return any rejected and non-conforming good(s) to you at your expense. Payment by SSI shall not be construed as constituting acceptance of good(s) or service(s) if these fail to comply with your warranties as contained in SSI’s Terms. Inspection may involve sampling or testing, and SSI’s acknowledgment of delivery does not constitute final acceptance hereunder.

**DELIVERY:** For any good(s) and services(s) made the subject a Purchase Order from SSI, unless otherwise agreed by the parties, in writing, each package shall be numbered and labeled by you with SSI’s Purchase Order number, part number, contents and weight, shall contain an itemized packing slip and shall be properly packed for shipment. Invoices must accurately reflect price and quantity and show terms of payment and delivery. Bills of lading, express receipts, invoices, etc. must be sent forward on the day shipment is made and all shipments must be made in your name. Delivery shall be made F.O.B. SSI’s premises unless otherwise specified by SSI. Notwithstanding any agreement to pay freight, express or other transportation charges, the risk of loss or damage in transit shall be upon you. Title shall pass to SSI on delivery of the conforming good(s) or service(s) to SSI’s premises. Delivery shall not be complete until the good(s) or service(s) have been actually received, inspected, tested and accepted by SSI as provided in this Agreement. TIME IS OF THE ESSENCE IN CONNECTION WITH DELIVERY HEREUNDER. If any good(s) or service(s) are not delivered within the time specified in SSI’s Purchase Order or within a reasonable time, if no time is so specified, or if you are not in compliance with any schedule or timetable developed hereunder, SSI, in addition to other remedies, shall have the right to refuse acceptance of such good(s) or service(s) and/or terminate the Purchase Order.

**TERMINATION:** For any good(s) and services(s) made the subject a Purchase Order from SSI, SSI may terminate the Purchase Order for any reason at any time in whole or part as to undelivered good(s) or as to unperformed service(s), including but not limited to any default in the terms of the Purchase Order by you or

your subcontractors at any tier (“Your Default”). Upon a termination of the Purchase Order by SSI for Your Default, in addition to any other remedies available, SSI may procure upon such terms as it deems appropriate goods or services similar to those so terminated and recover the increase in the cost of procuring such goods or services from you. The rights and remedies of SSI provided in this article shall not be exclusive and are in addition to any other rights or remedies provided by law or under the Purchase Order. In event of termination, provided you are not in default as to any requirement hereunder and excluding termination for late delivery or noncompliance with scheduling, SSI and you will negotiate an equitable settlement of the terminated portion of the Purchase Order, which settlement shall consist only of your actual costs to the date of termination, including an allowance for obsolescence, rework or scrapage, if any, but only for work in process within your normal manufacturing cycle required to meet the delivery schedule, plus a reasonable profit thereon, less any value thereof to you. In no event shall such settlement exceed the amount which would have been payable under SSI’s Purchase Order for such terminated portion, had the Purchase Order been completed by you.

**SSI’S INFORMATION/CONFIDENTIALITY:** Any intellectual property, programming, coding, specifications, drawings, sketches, models, samples, patterns, dies or other tools, technical information or data, whether written, oral, graphic, electronically stored, or otherwise (all hereinafter called “Information”), furnished to or left with you by SSI in contemplation hereof or in connection herewith shall be and remain SSI’s property and shall be kept confidential by you. All copies of such Information in written, oral, graphic, electronically stored, or in any other form upon completion of performance under SSI’s Quote or Purchase Order shall be returned to SSI unless specified or directed otherwise by SSI, in which case you shall follow SSI’s directions with respect to the return or destruction of such Information and if instructed to destroy such Information, upon such destruction you shall confirm that fact to SSI in writing.

**INFRINGEMENT OF PATENTS, PROPRIETARY INFORMATION, TRADE-MARKS OR COPYRIGHTS:** For any good(s) and services(s) made the subject a Purchase Order from SSI, you shall indemnify and hold harmless SSI, its customers and agents, for any costs, loss, damage, expense, or liability including, but not limited to, attorney’s fees and costs of litigation that may result by reason of any claim, suit, action or proceeding by reason of alleged infringement of any patent, proprietary information, design, appearance, trademark or copyright or alleged unfair competition based on the manufacture, use, sale, delivery or disposal of the good(s) or service(s) furnished under the Purchase Order, as well as for the cost of replacing such good(s) or service(s).

**INDEMNITY:** For any good(s) and services(s) made the subject a Purchase Order from SSI, to the fullest extent permitted by law, and without limiting any other rights or remedies, you agree to indemnify and hold SSI harmless from any and all costs, loss, damage, claims and liability, including but not limited to all costs, expenses, attorney’s fees and costs of litigation, regardless of the nature thereof or person asserting such claim and despite the sole or concurrent or gross negligence of SSI, caused by, incident to or resulting from the good(s) or service(s) supplied pursuant to the Purchase Order, or arising from or related to any acts or failure to act, in whole or in part, of you, your agents or employees, in the performance of any aspect of the Purchase Order.

**NON-WAIVER:** The failure of SSI to insist upon strict performance of any term or condition herein shall not be deemed to be a waiver of any rights or remedies that SSI shall have and shall not be deemed to be a waiver of any subsequent default of such term or condition by you.

**COMPLIANCE WITH LAWS:** You warrant your compliance with all applicable federal, state and local laws and regulations in the performance of the Purchase Order. Without limiting the foregoing, you warrant and agree to certify on the face of all invoices, if requested, (1) your compliance in the performance of the Purchase Order with the Fair Labor Standards Act of 1938, as amended, and all negotiations and orders thereunder; (2) the regulations of standards relating to pricing of products of any federal or state agency or price commission; (3) all requirements of the Federal Occupational Safety and Health Act of 1970, as amended, and all regulations and rules thereunder; (4) the provisions of 29 CFR Part 470; and (5) any and all other federal and state laws, orders or regulations applicable to good(s) or service(s) provided hereunder.

**INSOLVENCY OR FAILURE TO PAY:** SSI may forthwith cancel the Quote or Purchase Order or any contract resulting from the acceptance of the Quote or Purchase Order in the event of the happening of any of the following or of any other comparable event: your insolvency, the admission in writing by you of the inability to pay its debts; the filing by you of a voluntary petition in bankruptcy; the entry of any order for relief in an involuntary bankruptcy case against you; the appointment of a receiver or trustee for you; the execution by you of an assignment of substantially all its assets for the benefit of creditors; or your failure to make timely payments required under SSI’s Terms.

**ENVIRONMENTAL/SAFETY INDEMNITY:** For any good(s) and services(s) made the subject a Purchase Order from SSI, you agree to comply with all environmental laws, ordinances, rules, regulations, orders and decisions issued by any federal, state or local body or agency relating to your providing any good(s) and/or service(s) pursuant to the Purchase Order. You shall indemnify and hold SSI harmless from any claims or liabilities arising from any noncompliance by you with any such laws, ordinances, rules, regulations, orders or decisions. If applicable or unless otherwise waived by SSI, you shall supply to all of your employees, sub-contracted personnel, and independent contractors performing work or services on SSI’s premises or SSI’s client’s premises (excepting SSI’s Administration facility) such personal protective equipment as SSI requires. In addition, you shall supervise and be responsible for ensuring that all your employees, sub-contracted personnel, and independent contractors wear the required items of personal protective equipment at all times while on SSI’s premises or SSI’s client’s premises.

**APPLICABLE LAW/REMEDIES:** SSI's Quote or Purchase Order shall be governed by the laws of the State of Alabama, without regard to such state's principles of conflicts of laws. Jurisdiction and Venue for any cause of action between the parties shall lie exclusively in the Circuit Court of Morgan County, Alabama, and neither party shall have a right to bring or remove any action in or to any Federal Court. In the event any action between the parties is brought or removed to Federal Court, this exclusive venue clause shall be contractually controlling, and upon motion to transfer or remand by SSI, the Federal Court shall transfer or remand the action to the Circuit Court of Morgan County, Alabama despite any objection or opposition by you to such transfer or remand. Reference to specific remedies of SSI herein does not exclude other available remedies of SSI.

**EQUAL EMPLOYMENT OPPORTUNITY:** The non-discrimination clauses contained in Section 202 of Executive Order 11246 as amended, pertaining to equal employment opportunity for all persons, are incorporated herein. The affirmative action clauses pertaining to employment of the handicapped contained in 41 CFR 60-741.4 issued under Section 503 of the Rehabilitation Act of 1973, as amended, are incorporated herein. The affirmative action clauses pertaining to employment of disabled veterans and veterans of Vietnam Era contained in 41 CFR 60-250.4, issued under the Vietnam Era Veterans Readjustment Assistance Act of 1974, are incorporated herein. The Americans with Disabilities Act of 1990, as amended, is incorporated herein.

**PRICES:** For any good(s) and services(s) made the subject a Purchase Order from SSI, prices of the good(s) or service(s) covered by the Purchase Order shall not be increased except with the prior written consent of SSI. SSI shall be entitled to and protected against declining prices on any undelivered portion of the Purchase Order. You may elect to meet price reductions of other vendors or your own lower prices to other purchasers, but if you should refuse to do so, SSI shall have the right to cancel any undelivered portion of the Purchase Order without cost to SSI.

**ASSIGNMENT:** You shall not assign your right or delegate your performance, in whole or in part, under the Quote or Purchase Order, or upon any contract made the subject thereof, without the prior written consent of SSI and any attempted assignment thereof without such written consent shall be totally void.

**SEVERABILITY:** If any provision of the Quote or Purchase Order is determined by a court of competent jurisdiction to be unenforceable, such provision shall be reformed and construed so as to be valid, operative, and enforceable to the maximum extent permitted by law or equity while preserving its original intent. The invalidity of all or part of the Quote or Purchase Order shall not render invalid the remainder of the Quote or Purchase Order.

**CERTIFICATES:** You shall furnish to SSI any certificate required to be furnished by any provision of the Quote or Purchase Order, and any certificate required by any future law, ordinance, or regulation with respect to your compliance with the terms and provisions of such laws, ordinances, or regulations. As used in this article, the word "Certificate" shall include any plan or course of action or record keeping function.

Revised 8-15-18

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