

Purchase Order – Terms & Conditions

All affiliated companies and divisions of SG Holdings I LLC

CONTRACT: Unless otherwise specified, this Purchase Order may be placed by Buyer on behalf of SG Holdings I LLC, all affiliates and subdivisions of SG Holdings I LLC, including Serva Group LLC and Serva Group (Canada) ULC. No conditions of acceptance by Vendor or modifications to the terms of this Purchase Order – whether made verbally or in writing – shall be binding upon Buyer unless an authorized representative of Buyer agrees to the same in a signed, written document. The preferred method of communication is email unless otherwise requested.

WARRANTY: Buyer's Purchase Order is specifically conditioned upon the existence of Vendor's implied warranty of merchantability, express warranties of description and any implied warranties of fitness for a particular purpose arising in the transaction. Vendor warrants that the goods covered by this Purchase Order are free from defects in material and workmanship, as well as design (if designed by Vendor), and are fit and sufficient for the purpose intended by Buyer and its customers. Such warranties in favor of Buyer and its customers, together with full remedies available under the Uniform Commercial Code are a condition of this Purchase Order. All descriptions, if not otherwise provided, shall refer to industry standards or past practice and dealing between the Parties, if more restrictive. If applicable, Vendor agrees to provide the purchased goods in compliance with all relevant industrial and/or governmental standards and to hold harmless and indemnify Buyer for all losses, including damage to property or injury to persons, caused by any breach of the terms of this Purchase Order that are incurred by Buyer's customers or any third party associated with Buyer's customers. Seller liable (all parts and labor to resolve) for any product failure within two years of installation.

SPECIFICATION OF GOODS: Where Buyer specifies an association number as a part of the description of goods, all specifications associated with such goods – such as tolerance, strength of material, mechanical and physical, quality control and measurements – are to be deemed incorporated in this Purchase Order.

SHIPMENT OF GOODS: Vendor agrees to ship merchandise using Buyer's specified carriers. Buyer's Purchase Order and part numbers must appear on all invoices, correspondence, packing slips and labels. (No charge by Vendor for packaging will be accepted).

ORDER AND PAYMENT TERMS: Vendor shall acknowledge, within 24 hours, receipt and acceptance of Buyer's Purchase Order, by email unless otherwise requested, and in doing so shall confirm terms as to quantity, description of goods, quoted prices and firm shipping and/or delivery dates. If confirmed prices are higher than shown hereon or than as last quoted to Buyer if purchased within the last 365 days, notify Buyer at once before processing the Purchase Order. Any price increase above pricing previously agreed to by the Parties requires ninety (90) days' notice and written acceptance by Buyer to become effective. Changes in payment terms from those previously agreed to by the Parties shall also be subject to written acceptance by Buyer to become effective. Payment shall be made by Buyer per effective payment terms listed on the Purchase Order; in no event, however, shall Buyer be required to remit payment to Vendor prior to receipt of goods or invoice from Vendor and/or if Vendor has provided payment terms that have not been accepted by Buyer. Discount terms may be accepted. C.O.D. terms will not be accepted unless noted on the body of the Purchase Order and accepted by Buyer.

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INSPECTION AND REJECTION: In case of any defect or noncompliance with any provision of this Purchase Order, Buyer shall have the right to reject, at any time, any goods or services covered by this Purchase Order. Payment for any goods shall not be deemed an acceptance thereof. The receipt, transfer or unloading of shipments of goods by the Buyer and affiliated companies and divisions receiving department, or by a third party logistics carrier contracted by “Buyer”, acknowledges quantity only, and specifically does not constitute an acceptance or acknowledgment with regard to compliance of materials and/or services. Vendor shall bear all risks as to rejected goods/services, except for loss, destruction or damage to the goods or service caused by Buyer’s gross negligence or by Buyer’s logistics carrier. Rejected goods shall be returned at Vendor’s expense. Alternatively, solely at the option of Buyer, Buyer may request Vendor to promptly replace the rejected and/or defective goods with new goods or service, at the sole expense of Vendor, and/or Buyer may replace such goods with new goods, the cost of which shall be bourn exclusively by Vendor. Buyer may charge Supplier for all costs and damages that relate to shipping, handling, inspecting, and replacing rejected and/or defective goods, including costs related to delays in production at the cost of \$65/hour or up to \$3000 per missed shipment as a result of ‘quality’ issue whichever is higher.

TIME OF ESSENCE: Buyer uses the “just in time” inventory system. As such, all terms relating to the time and manner of shipment and delivery are of the essence and must be strictly compliant with by the Vendor. Costs associated with delivery delays per Purchase Order’s acknowledged promised delivery date (excluding weather/Act Of God) or delivery of non-conforming goods, which impact Buyer’s production, shall be charged back to Vendor.

EQUAL OPPORTUNITY, AFFIRMATIVE ACTION AND EXPORT CONTROL: Vendor warrants and certifies that, unless exempt, it will comply with all laws, rules, regulations and orders of the United States, and/or of any state or political subdivision thereof, and in particular those pertaining to equal opportunity in employment, Executive Order Nos. 11246, 11701 and 11758, and any amendments thereof. Vendor further warrants it shall abide by the requirements of 41 CFR sections 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 veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability. Furthermore, to the extent applicable to Vendor, Vendor certifies that it is the policy of Vendor to comply fully with all applicable export control laws and regulations of the United States, including, but not limited to, the Arms **Export Control Act, 22 U.S.C. §§ 2778-2994; the International Traffic in Arms Regulations, 22 C.F.R. parts 120-130; U.S.C. §§ 1701-1706; the Export Administration Regulations, 15 C.F.R. parts 730-774; and Office of Foreign Assets Control regulations.** Upon request from Buyer, Vendor shall supply Buyer with ECCN numbers, HTS Codes (Harmonized Tariff Schedule), Certificate of Origin certifications, and other information regarding Vendor’s goods that may be necessary for the export of Buyer’s finished products outside of the United States.

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OSHA: Vendor agrees to comply with the provisions of the Occupational Safety and Health Act of 1970, and any amendments thereto, and the standards and regulations issued thereunder of any other federal, state or local law or regulation of the same or similar nature, and certifies that all items furnished under this order will conform to and comply with such laws, standards and regulations. Vendor agrees to hold harmless and indemnify Buyer for all damages and expenses incurred as a result of any breach of the foregoing.

PATENT INDEMNITY: As to any item, the design of which is not furnished by Buyer, Vendor shall defend any action against the Buyer or its customers for patent infringement, and Vendor shall hold harmless and indemnify such persons from all damages (direct as well as incidental and consequential) and expenses, including attorney's fees.

BUYER'S PROPERTY: All designs, tools and materials furnished by Buyer, together with any replacements or additions, shall remain the property of Buyer and shall not be used for any purpose other than this or other orders placed by Buyer with Vendor, nor disclosed to any other person without Buyer's permission; and, in addition, shall be returned to Buyer on demand.

NON-WAIVER: Buyer's failure at any time to require strict performance by Vendor of any provision of this Purchase Order shall not waive Vendor's obligation to comply with other provisions hereof; nor shall it waive Buyer's right thereafter to demand strict compliance with such provisions.

TERMINATION: In the event of Vendor's failure to comply with any term of this Purchase Order, including a schedule for shipment and delivery, Buyer may terminate this Purchase Order upon written notice to Vendor. Buyer may then substitute for such goods covered by the Purchase Order, and may charge all costs (including incidental and consequential damages) for substituting such goods.

GOVERNING LAW: This Purchase Order, and any ensuing contract or transaction, shall be governed by, construed and enforced in accordance with the laws of the State of Oklahoma, without regard to its choice of law principles. The courts of Tulsa County, Oklahoma and/or the United States District Court for the District of Oklahoma and their respective Appellate Court system shall have exclusive jurisdiction over the Parties with respect to any dispute or controversy, cause of action, lawsuit, Appellate action and related mediation or other dispute resolution among them arising under or in connection with this transaction and/or Purchase Order. The Parties hereby agree to submit to the exclusive jurisdiction of the state and/or Federal courts in Oklahoma and to waive trial by jury.

Buyer reserves the right to cancel this Purchase Order in full or in part, due to defects in materials, workmanship, or quality, if not shipped as specified herein, or if goods are not in accordance with drawings, prints, approved samples or specifications provided by Buyer.

Vendor's Acknowledgement of Buyer's Purchase Order implies acceptance of these Purchase Order terms.

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Supplier: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Buyer: _____

Signature: _____

Printed Name: _____

Title: _____

Date: _____