



Terms and Conditions of Knapp Inc. (KNAPP) Purchase Order to Vendor

1. These Terms and Conditions are incorporated into the body of the Purchase Order by reference as if fully set forth therein. **VENDOR REPRESENTS AND WARRANTS THAT KNAPP'S TERMS AND CONDITIONS APPLY TO THE EXCLUSION OF ANY OTHER TERMS THAT MAY BE PROPOSED BY VENDOR. ANY ADDITIONAL OR CONTRARY TERMS PROPOSED BY VENDOR ARE EXPRESSLY REJECTED. THIS PURCHASE ORDER ALONG WITH KNAPP'S TERMS AND CONDITIONS CONSTITUTE THE ENTIRE AGREEMENT OF THE PARTIES AND SUPERSEDE ALL PRIOR WRITTEN OR ORAL AGREEMENTS WITH RESPECT TO THE SUBJECT MATTER OF THE PURCHASE ORDER. THE PURCHASE ORDER MAY NOT BE MODIFIED EXCEPT IN ACCORDANCE WITH THE REQUIREMENTS OF THESE TERMS AND CONDITIONS.** This Purchase Order shall be deemed accepted by Vendor if a) Vendor begins performance of the Work that is the subject of the Purchase Order or b) Vendor does not notify KNAPP of rejection of the Purchase Order within five (5) business days from receipt of the Purchase Order. It is understood between the parties that **TIME IS OF THE ESSENCE** for the performance of KNAPP's and Vendor's obligations under this Purchase Order.
2. For purposes of this Purchase Order the work, services, materials, goods, and equipment are collectively referred to herein as the "Work." "Contract Documents" are defined as this Purchase Order, any and all documents referenced by or included as part of this Purchase Order, any subcontract or work order between KNAPP and Vendor, and any Specifications provided to the Vendor by KNAPP. The Vendor agrees to proceed at once with the preparation of any drawings and the procurement of materials required for the Work; to be prepared to start delivery, and to fully complete the Work of the Purchase Order within the time schedule required by the Contract Documents. If the Vendor falls behind schedule for any reason, KNAPP may require the Vendor to work additional days, work additional hours or add additional staff. In this case KNAPP will not be required to pay for any of the additional hours worked including any second or third shift premiums, overtime, premium time or holiday pay. The Vendor shall promptly increase his work force, accelerate its performance, work overtime, work Saturdays, Sundays and holidays, all without additional compensation, if, in the opinion of KNAPP, such work is necessary to maintain proper progress. In the event that Vendor's Work is delayed, other than as a result of an event of Force Majeure, amendment(s) to the Contract Documents, a delay caused by KNAPP or KNAPP's Customer, or KNAPP's failure to satisfy its obligations hereunder, Vendor shall be responsible for damages incurred by KNAPP as a result of such delay to the extent, and in the proportion, caused by Vendor or anyone for whom Vendor is responsible.
3. Materials, equipment, and services purchased are subject to inspections and approval at any time or location of KNAPP's choosing. KNAPP reserves the right to reject and refuse items which are not in accordance with the instruction, specification, drawings and data or vendor's warranty, express or implied. Defective materials will be returned at Vendor's expense for immediate repair, replacement or refund (at KNAPP's sole discretion). All goods shall be subject to KNAPP inspection and rejection at the place specified in this Purchase Order. Payment for any articles shall not be deemed an acceptance of defective or non-conforming goods or services.
4. Vendor expressly warrants that all goods, equipment, materials and services furnished under this Purchase Order (a) will be completed by Vendor in accordance with any equipment manufacturers' instructions and in accordance with applicable Contract Documents. (Vendor shall carefully study and compare all manufacturer's numbers, quantities, descriptions, special instructions and discrepancies the Vendor observes, and shall at once report to KNAPP any error, inconsistency or omission so discovered); (b) will be free from defects in labor, materials or fabrication for the warranty period specified in the Contract Documents, or one (1) year from the date of KNAPP's acceptance of the Work, whichever is longer; and (c) will be fit for the use intended by KNAPP. Work not conforming to these requirements including substitutions not properly approved and authorized may be considered defective. All of said warranties shall survive acceptance and/or termination of the Purchase Order and shall run to KNAPP, its successors and assigns, and all of said warranties shall be construed as conditions as well as warranties and are in addition to and not to the exclusion of other warranties, express or implied. Vendor, at KNAPP's written or electronic request, at no charge to KNAPP and without limiting any other rights or remedies that may be available to KNAPP, will promptly repair and/or replace (at KNAPP's sole discretion) any Work that does not conform to any of the representations, warranties, and covenants set forth in these Terms and Conditions.
5. The Work to be delivered hereunder shall consist of new materials, not used, or reconditioned, remanufactured, or of such age as to impair its usefulness or safety.
6. Vendor shall provide and maintain a quality control system to an industry recognized Quality Standards applicable to the Work that is the subject of the Purchase Order and in compliance with any other specific quality requirements identified in this Purchase Order.
7. Unless otherwise specified in the Contract Documents, all Work furnished hereunder must satisfactorily perform the function for which it is intended. All deliveries shall be made Delivery At Place, destination specified on the Purchase Order or otherwise by KNAPP in writing pursuant to Incoterms 2020. The Purchase Order Price is inclusive of goods and equipment delivery, transportation and insurance costs to destination. Title to the Work shall pass to KNAPP upon payment therefor. Risk of loss for the Work shall transfer upon KNAPP's acceptance of the Work. Vendor will be solely liable for and will defend, indemnify, and hold KNAPP harmless against any liability or damages arising out of Vendor's breach of this Section 7, including, without limitation, any taxes, duties, interest, and/or penalties that may be owed to authorities with jurisdiction.
8. Vendor will comply with all laws, regulations and codes applicable to its Work. Vendor acknowledges and agrees that the deliverables for the Work may be subject to export and import controls under the regulations of the United States and other countries, and Vendor shall comply with all export and import control regulations of such countries. Vendor shall be responsible for procuring all required permissions for delivery of the Work.
9. The Price is inclusive of all work, services, deliveries and obligations of Vendor. Without limiting the generality of the foregoing, there shall be no additional charge by Vendor for any of the items listed in this Purchase Order or any of the following: legal fees, taxes, licenses or permit fees and duties, as they occur during transport or due to federal or state or local laws or regulations; travel expenses; second or third shift premiums, overtime, premium time or holiday pay. Payment terms will be according to the Payment Schedule mutually agreed between the Parties and set forth in the Contract Documents. Payment will be made by KNAPP to Vendor after successful completion of each Milestone according to the Contract Documents. Vendor will submit an application for payment to KNAPP according to the agreed payment terms and including all required supporting documentation: (a) an invoice describing the Milestone(s) achieved by Vendor; (b) information as reasonably required by KNAPP to verify the full satisfaction of such Milestone(s), (c) an affidavit showing that all of Vendor's materials, labor and other bills have been paid, (d) a partial waiver of lien in a form accepted or required by applicable law in the amount of all previous payments made to Vendor and the amount of Vendor's pending invoice, and (e) all required submittals and deliverables required by the Contract Documents. KNAPP shall not be required to pay any invoice of Vendor until these affidavits and waivers are furnished by the Vendor. KNAPP reserves the right to demand and receive similar affidavits and waivers of lien from Vendor's sub-tier contractors and suppliers as a condition precedent to payment being due Vendor. Invoices that are incorrect or lacking required supporting information will not be paid. Final payment for Vendor's Work will be subject to KNAPP's acceptance of the Work as set forth in the Contract Documents, such acceptance shall not be unreasonably withheld.
10. Vendor shall not be entitled to receive extra compensation for changes or additions of any kind regardless of whether the same was ordered by KNAPP or any of its representatives unless a revised Purchase Order therefore has been issued in writing by KNAPP. Vendor also shall be responsible for any costs incurred by KNAPP for changes of any kind made by the Vendor that increase the cost of the work for either KNAPP or other vendors when the Vendor proceeds with such changes or additions without a written approval therefore.
11. Vendor will perform all design and engineering in accordance with good engineering practices and industry standards.

12. Within (10) days of the date of this Purchase Order Vendor will submit to KNAPP a complete list of items and information required by Vendor to be supplied by KNAPP in order for Vendor to complete the Work in accordance with the schedule.
13. Any revision or new version of this Purchase Order replaces the previous revision or version.
14. Vendor shall provide, at a minimum and at the discretion of KNAPP, the following documentation: approval drawings, detail drawings, sequence of operation documents, spare part list, exploded view drawings with part identification, operation and maintenance manuals and as-built drawings for all equipment. Documentation shall be provided on electronic media in a format specified by KNAPP. Vendor shall also provide progress reports on a monthly basis in a format acceptable to KNAPP.
15. If applicable as part of a Purchase Order, Vendor shall provide, at minimum and at the discretion of KNAPP, the following software: backup PLC program, backup software programs and source code for all software. Software shall be provided on electronic media in a format specified by KNAPP.
16. Vendor must provide support services for the Work as defined in the Contract Documents. When applicable, Vendor will provide spare parts for use during installation and commissioning of the Project.
17. Except as expressly provided herein, each party retains all right, title and interest in and to its respective intellectual property rights associated with this Purchase Order. By accepting the Purchase Order, Vendor grants to KNAPP a global, perpetual, transferable, royalty free license to use Vendor's existing intellectual property rights associated with a Purchase Order. In the event that KNAPP specially purchases IP Work Product from Vendor as part of a Purchase Order, then Vendor shall assign all rights, title and interest in such IP Work Product to KNAPP. For purposes of this agreement, "IP Work Product" refers to Vendor's drawings, concepts, data, designs, developments, documentation, improvements, know-how, techniques, software, which may be specially ordered by KNAPP.
18. For any dispute, controversy or claim arising out of or in conjunction with the Purchase Order including any question regarding its existence, validity or termination ("Dispute") which cannot be resolved by the parties during the normal course of business, the parties shall attempt in good faith to resolve the Dispute promptly and not later than fifteen (15) days by negotiation between executives or managers who have authority to settle the Dispute, and who are a higher level of management than those persons who have direct responsibility for the day to day performance of the agreement. Any Dispute not resolved by negotiation, shall be finally resolved by arbitration, as set forth herein, by a panel of three (3) qualified arbitrators. Unless KNAPP and Vendor mutually agree upon another procedure, the parties shall each appoint an arbitrator of their trust who shall, in turn, appoint the third arbitrator. Arbitration shall take place in Cobb County, Georgia and shall follow the American Arbitration Association under its Commercial Arbitration Rules and Mediation Procedures in force at the date of the request for arbitration, ("AAA Rules"), which AAA Rules are deemed to be incorporated by reference into this Section. The party that shall resort to arbitration shall be required to notify the other party of its intent and shall inform the other party of the name of its arbitrator, whereas the other party shall have fifteen (15) days to appoint its own arbitrator. The substantive law to be applied is the law of the state of Georgia, United States of America and the language of the arbitration shall be English. The arbitration award will be binding upon the parties and not subject to appeal, and may be entered in any court having jurisdiction thereof. Notwithstanding anything contained in this agreement to the contrary, nothing in this agreement is intended to, nor shall it, prevent the parties from seeking injunctive relief at any time as may be available under law or in equity. **THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THIS SECTION 18 AND AGREE WILLINGLY TO ITS TERMS.** If either party commences a proceeding to determine or enforce its rights hereunder, the prevailing party will be entitled to recover from the losing party all expenses reasonably incurred, including court costs, reasonable attorneys' fees, expert witness fees, and costs of suit as determined by the arbitrator(s). For purposes of this Section, the "prevailing party" shall be the party that was successful on the substantial issues of the Dispute even if that party did not prevail on all issues.
19. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL KNAPP BE LIABLE TO VENDOR FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR DELAY, OPERATING COSTS, LOSS OF USE OR LOSS OF PROFITS OR INCOME, ARISING FROM OR RELATED TO THE PURCHASE ORDER AND/OR ANY SERVICES PROVIDED HEREUNDER OR THE PERFORMANCE OR FAILURE TO PERFORM UNDER THIS AGREEMENT.
20. Notwithstanding any other provision contained in this Agreement and to the fullest extent permitted by applicable law, Vendor agrees that KNAPP's liability for any cause whatsoever related to the Purchase Order and, regardless of the form of action, whether in contract or in tort, shall be limited to the Price for the Purchase Order associated with the alleged breach by KNAPP
21. Vendor shall, at its sole expense, procure and maintain, during the life of the agreement and any applicable warranty period, adequate insurance as required by KNAPP. The insurance coverage required shall be of sufficient type, scope and duration to ensure coverage for KNAPP and KNAPP's Customer for liability related to any manifestation date within the applicable statutes of limitation which pertains to any Work performed by Vendor in relation to the Project. KNAPP and Vendor hereby waive all rights of subrogation against each other and any of their subcontractors, sub-subcontractors, agents, affiliates, and/or employees (as applicable) for damages that are covered by applicable insurance, except such rights as they may have to the proceeds of such insurance.
22. To the fullest extent permitted by applicable law, Vendor agrees that it shall defend, indemnify and hold KNAPP harmless from any claims, demands, liabilities, losses, damages, judgments or settlements, including all reasonable costs and expenses related thereto including attorney's fees, directly or indirectly resulting from any damage (including personal injury or death) arising from Vendor's breach of this agreement, any claimed intellectual property rights infringement related to the Work, or caused by the negligence or alleged negligence of Vendor, its affiliates, agents, contractors, and/or sub-tier contractors and related to this agreement; but only to the extent that such damage was not solely caused by KNAPP. All Confidential Information will remain the sole property of the disclosing party and the receiving party will have no ownership or other rights in the disclosing party's Confidential Information, except as otherwise provided in this agreement. "Confidential Information" means information relating to either party's business which is not generally known to the public, as well as information relating to the business of KNAPP's Customer. Confidential Information includes, without limitation, technical and business information relating to a party's technology, product research and development, production, manufacturing and/or engineering processes, computer software, business plans, finances, customers, employees, personal health information (PHI) and personally identifiable information (PII). KNAPP and the Vendor mutually agree that they will not use any Confidential Information of the other except for the purpose of performing the obligations of the Purchase Order, will not disclose, distribute, or transfer any Confidential Information of the other to any third party (except as provided below) without the prior written consent of the other party and will not copy, reproduce, or duplicate the Confidential Information of the other except to the extent provided for herein or reasonably necessary in order to allow the other party to perform its obligations and obtain the benefits of the Purchase Order. Each party hereby consents to the disclosure, distribution, and dissemination of its Confidential Information to KNAPP personnel and Vendor personnel, as the case may be, to the extent reasonably necessary in order to allow the other party to perform its obligations under the Purchase Order and obtain its benefits; provided, however, that the Confidential Information of the disclosing party shall only be provided to KNAPP personnel or Vendor personnel, as the case may be, who have agreed in writing to receive it under nondisclosure terms at least as restrictive as those specified in this agreement. Each party further agrees to treat all Confidential Information of the other in the same manner (and using the same

"This Vendor shall 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 veterans or individuals with disabilities, and 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, national origin, protected veteran status or disability. Vendor agrees to comply with all the provisions set forth in 29 CFR Part 471, Appendix A to Subpart A (Executive Order 13496)."

security precautions) as it treats its own Confidential Information, but in no case will the degree of care used by such party be less than reasonable care. Each party shall promptly notify the other party of any suspected or known breach of the obligations and/or restrictions set forth herein with respect to the protection of such other party's Confidential Information. Except as otherwise provided herein, the parties agree that upon termination of this agreement for any reason, each party shall immediately return to the other all Confidential Information then in such party's possession, custody, or control, and within ten (10) business days of the disclosing party's written request. Neither Vendor nor any of its sub-tier contractors shall use the name, logo, trademarks or trade names of KNAPP or any photographs of the products or work associated with this Purchase Order in publicity or press releases, promotional material, customer lists, advertising, website postings, marketing or business-generating efforts, whether written or oral, without obtaining KNAPP's prior written consent, which consent may be given at KNAPP's sole discretion. If performance of the Work involves the use or disclosure of Protected Health Information (PHI), as that term is defined in 45 C.F.R. § 160.103, then Vendor shall abide by all HIPAA regulations pursuant to any terms as may be contained in a Business Associate Agreement as heretofore or hereinafter may be executed between KNAPP and KNAPP's Customer. Vendor shall incorporate the requirements of this Section in all of its sub-tier contracts. Vendor agrees to defend and indemnify KNAPP from and against all claims related to breach of this Section.

23. KNAPP will not be liable for any delays in the performance of any of its obligations hereunder due to causes beyond its reasonable control, including, but not limited to, fire, labor dispute, wars, riots, acts or orders of any civil or military authority, acts of God, judicial action, embargo, epidemics, pandemics, disease, whether local or national.
24. The provisions of Sections 1, 4, 7, 8, 13, and 17 through 24 shall survive the termination, cancellation, or expiration of this agreement or any Purchase Order issued to Vendor.
25. If Vendor (a) fails or refuses to proceed with or to perform its work properly as directed by KNAPP, (b) fails or refuses to perform properly or abide by any terms, covenants, conditions or provisions herein (c) fails or refuses to obey laws, ordinances, regulations or other codes of conduct, (d) becomes insolvent, or (e) fails to pay its sub-tier contractors or suppliers when due, then Vendor will be in default of these terms and conditions. In the event Vendor is in default, KNAPP shall have the right to supplement Vendor's forces without terminating this Purchase Order for default and deduct the cost of the same from any amounts otherwise due Vendor. KNAPP shall also have the right to terminate this Purchase Order for default. If the Purchase Order is terminated for default, Vendor shall not be entitled to receive any further payment until after the Project that is the subject of this Purchase Order has been completed. All monies expended and all costs, losses, damages and extra expenses, including all management, administrative and other direct and indirect expenses (including attorneys' fees, arbitrator's fees, filing fees, expert fees, and all other costs and expenses associated with the default) incurred by KNAPP incident to such completion, shall be deducted from all amounts potentially owed Vendor. If such expenditures, together with said costs, losses, damages and extra expenses, exceed the unpaid balance of this Purchase Order, Vendor shall pay promptly to KNAPP, the full amount of such excess, including costs of collection, attorneys' fees and interest thereon at the maximum legal rate of interest until paid.
26. KNAPP shall have the right to terminate this Purchase Order without cause upon seven (7) calendar days' written notice to Vendor. In the event of such termination for convenience, Vendor's recovery against KNAPP shall be limited to that portion of the Purchase Order Price(s) earned through the date of termination, calculated on a percent complete basis, together with any retainage withheld, and Vendor shall not be entitled to any other recovery against KNAPP, including, but not limited to, anticipated profit on work not performed.

“This Vendor shall 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 veterans or individuals with disabilities, and 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, national origin, protected veteran status or disability. Vendor agrees to comply with all the provisions set forth in 29 CFR Part 471, Appendix A to Subpart A (Executive Order 13496).”