

SUPPLIER TERMS & CONDITIONS

Revision 2



Contents

1.0 REVISION HISTORY..... 1

2.0 PURPOSE..... 2

3.0 TIER DEFINITION..... 2

 3.1 TIER 1..... 2

 3.2 TIER 2..... 2

 3.3 TIER 3..... 2

4.0 TERMS & CONDITIONS..... 2

 4.1 TIER 1..... 2

 4.2 TIER 2..... 5

 4.3 TIER 3..... 8

1.0 REVISION HISTORY

Version	Date	Description
1	3/24/20	Draft release for review
2	3/24/20	Updated template. Added purpose and tier descriptions



2.0 PURPOSE

The purpose of this document is to define the Terms & Conditions that companies providing parts or services (“Suppliers”) to Porticos must comply with. All Porticos Purchase Orders will identify the Supplier’s tier level and provide information needed by the Supplier to access the Terms & Conditions

3.0 TIER DEFINITION

3.1 TIER 1

Partners, consultants and/or Companies providing services EXCLUSIVE of custom components or assemblies that Porticos delivers to their customer; either directly or integrated within other Porticos services.

3.2 TIER 2

Companies providing custom components or assemblies; physical items that are not Off-The-Shelf and require Porticos provides information that a customer may consider sensitive or confidential.

3.3 TIER 3

Companies, Distributors and/or Online catalog sources providing Off-The-Shelf, common or standard components, materials or supplies.

4.0 TERMS & CONDITIONS

4.1 TIER 1

Electronic Signature & Issuance:

It is the desire and intent of Porticos (Purchaser) and Supplier (Seller) to use electronic transactions as the preferred means of communication and conducting business together during the performance period of this Purchase Order (Order). By affixing the Porticos representative’s signature on the face of this order, Porticos has created an electronic signature and signed this Purchase Order. Supplier shall regard such electronic signature as contractually binding and with the same force and effect as a signed paper document.



Price & Terms of Payment:

The payments terms governing this Order shall be shown on the face of this Order. The time in connection with any payment will be computed from the date of delivery at the destination of items ordered or services rendered, or from the date the correct bill is received by Purchaser's Accounts Payable Department, if the latter date is later than the aforesaid date of delivery. Payment will be in United States dollars unless otherwise stated on the face of this Order. Invoices shall contain the following information: Purchase Order number, item number, description of articles, sizes, quantities, unit prices and extended totals. If Seller's price or the regular market price of the items covered hereunder is lower than the price stated in this Order on the date of shipment of the item, Seller agrees to give Purchaser the benefit of such lower price on any such item.

Taxes, Duties, etc.:

Purchaser and Seller agree that all customs duties, Value Added Tax (VAT), sales tax, and other applicable taxes, imposed by the country or state in which services are performed or delivered are included in the prices provided by Seller, or are billed to Purchaser as separate items in accordance to the applicable taxing jurisdictions' laws at the time the Seller submits the invoice for items or services provided. Seller acknowledges that Purchaser does not have a tax exemption identification number.

Packaging & Shipment:

Seller is responsible to ensure items are adequately packaged to prevent damage during shipping or handling and are delivered free and clean of all foreign matter. No charges for boxing, crating, etc. are allowable unless Purchaser has previously approved. Unless otherwise noted Seller is responsible for carrier selection and will bill Purchaser for carrier fees as a separate item at the time the Seller submits the invoice for items or services provided. All shipping boxes, crates, etc., shall be clearly marked with the following: Purchase Order number, item number, item revision status, and date code.

Notification of Seller's Changes:

Seller shall inform Purchaser in writing about any and all changes that may impact the quality of the items or services being provided under this Order. These changes include without limitation (i) a change in the manufacturing, assembly or test location; or (ii) removal or reduction of inspection or test procedures and/or methods associated with the items or services as of the date of this Order; or (iii) any substantive changes in the item components or materials (including changes in the item bill of materials), manufacturing process, and/or the processes and procedures used in performing the services or the design of the items. The Seller agrees to flow down the substance of this clause to its suppliers and to report the supplier's change information to Purchaser in writing.



Confidential Information:

Seller agrees that it will at all times hold in confidence for Purchaser all designs, know-how, techniques, devices, drawings, specifications, patterns, technical information, documents, business plans, item requirements, forecasts and similar data, oral, written or otherwise, conveyed by Purchaser to Seller in connection herewith or procured, developed, produced, manufactured or fabricated by Seller in connection with Seller's performance hereunder (collectively, "Information"). Seller shall exercise the same degree of care to prevent disclosure of any Information to others as it takes to preserve and safeguard its own proprietary information, but in any event, no less than a reasonable degree of care. Seller shall not, without the prior written consent of Purchaser, reproduce any Information; nor disclose Information to any party; nor use Information for any purpose other than performance for the benefit of Seller hereunder. Seller shall not, without prior written consent of Purchaser, issue any news release, publicity or promotion material regarding this Order or make public use of any Identification in any circumstances related to this Order. "Identification" means any semblance of any trade name, trademark, service mark, insignia, symbol, logo, or any other designation or drawing of Purchaser or its affiliate.

Inspection:

All items shall be received subject to Purchaser's inspection pursuant to this Order for compliance with the applicable drawings, specifications, samples and other descriptions that are given Seller in connection with this Order by Purchaser. Items that are defective in workmanship or material or otherwise not in conformity with the requirements of this Order may be rejected and returned at Seller's expense or may be accepted at an appropriate reduction in price. Seller shall indemnify and hold harmless Purchaser for all costs, expenses and damages, whether direct, indirect, or consequential, arising from Seller's failure to provide conforming items.

Right of Access:

Seller, without additional charge, shall permit reasonable access by representatives of Purchaser, Purchaser's customers and applicable regulatory agencies to Seller's premises (and the premises of Seller's subcontractors and supplier(s)) for the purpose of examining Seller's facilities, processes, goods, and records relating to this Order. Such examination may include inspection and testing of equipment, materials, parts, items (including software and licensed materials) to be furnished and services to be rendered, manufacturing and assembly processes, testing and quality procedures, and all applicable records relating to the manufacture, inspection, testing, and sale of such items and the furnishing of such services.



Termination:

Purchaser may terminate an Order in whole or in part at any time by written or electronic notice to Seller, effective upon receipt by Seller. Upon receipt of such notice of termination, Seller shall promptly discontinue performance and comply with Purchaser's instructions concerning disposition of completed and partially completed items, work in progress, and/or materials acquired for the applicable order. In the event of Termination for Convenience, Purchaser shall pay Seller for all goods produced or services performed prior to receipt of notice of termination. In the event of Termination for Cause arising from Seller's default in any one of the following circumstances; (i) if Seller fails to make shipment of items or fails to perform work within the time specified herein or any extension thereof; or (ii) if Seller fails to comply with other terms and conditions of this Order, Seller shall indemnify and hold harmless Purchaser for all costs, expenses and damage, whether direct, indirect, or consequential, arising from Seller's default.

Offer and Acceptance:

Acceptance, acknowledgment or shipment of any part of this Order constitutes an agreement to all terms and conditions set forth or referenced herein and, on the face, hereof and on attachments hereto and such terms and conditions shall constitute the entire agreement between Seller and Purchaser.

4.2 TIER 2

Electronic Signature & Issuance:

It is the desire and intent of Porticos (Purchaser) and Supplier (Seller) to use electronic transactions as the preferred means of communication and conducting business together during the performance period of this Purchase Order (Order). By affixing the Porticos representative's signature on the face of this order, Porticos has created an electronic signature and signed this Purchase Order. Supplier shall regard such electronic signature as contractually binding and with the same force and effect as a signed paper document.

Price & Terms of Payment:

The payments terms governing this Order shall be shown on the face of this Order. The time in connection with any payment will be computed from the date of delivery at the destination of items ordered or services rendered, or from the date the correct bill is received by Purchaser's Accounts Payable Department, if the latter date is later than the aforesaid date of delivery. Payment will be in United States dollars unless otherwise stated on the face of this Order. Invoices shall contain the following information: Purchase Order number, item number, description of articles, sizes, quantities, unit prices and extended totals. If Seller's price or the regular



market price of the items covered hereunder is lower than the price stated in this Order on the date of shipment of the item, Seller agrees to give Purchaser the benefit of such lower price on any such item.

Taxes, Duties, etc.:

Purchaser and Seller agree that all customs duties, Value Added Tax (VAT), sales tax, and other applicable taxes, imposed by the country or state in which services are performed or delivered are included in the prices provided by Seller, or are billed to Purchaser as separate items in accordance to the applicable taxing jurisdictions' laws at the time the Seller submits the invoice for items or services provided. Seller acknowledges that Purchaser does not have a tax exemption identification number.

Packaging & Shipment:

Seller is responsible to ensure items are adequately packaged to prevent damage during shipping or handling and are delivered free and clean of all foreign matter. No charges for boxing, crating, etc. are allowable unless Purchaser has previously approved. Unless otherwise noted Seller is responsible for carrier selection and will bill Purchaser for carrier fees as a separate item at the time the Seller submits the invoice for items or services provided. All shipping boxes, crates, etc., shall be clearly marked with the following: Purchase Order number, item number, item revision status, and date code.

Notification of Seller's Changes:

Seller shall inform Purchaser in writing about any and all changes that may impact the quality of the items or services being provided under this Order. These changes include without limitation (i) a change in the manufacturing, assembly or test location; or (ii) removal or reduction of inspection or test procedures and/or methods associated with the items or services as of the date of this Order; or (iii) any substantive changes in the item components or materials (including changes in the item bill of materials), manufacturing process, and/or the processes and procedures used in performing the services or the design of the items. The Seller agrees to flow down the substance of this clause to its suppliers and to report the supplier's change information to Purchaser in writing.

Confidential Information:

Seller agrees that it will at all times hold in confidence for Purchaser all designs, know-how, techniques, devices, drawings, specifications, patterns, technical information, documents, business plans, item requirements, forecasts and similar data, oral, written or otherwise, conveyed by Purchaser to Seller in connection herewith or procured, developed, produced, manufactured or fabricated by Seller in connection with Seller's performance hereunder (collectively, "Information"). Seller shall exercise the same degree of care to prevent disclosure of any Information to



others as it takes to preserve and safeguard its own proprietary information, but in any event, no less than a reasonable degree of care. Seller shall not, without the prior written consent of Purchaser, reproduce any Information; nor disclose Information to any party; nor use Information for any purpose other than performance for the benefit of Seller hereunder. Seller shall not, without prior written consent of Purchaser, issue any news release, publicity or promotion material regarding this Order or make public use of any Identification in any circumstances related to this Order. "Identification" means any semblance of any trade name, trademark, service mark, insignia, symbol, logo, or any other designation or drawing of Purchaser or its affiliate.

Inspection:

All items shall be received subject to Purchaser's inspection pursuant to this Order for compliance with the applicable drawings, specifications, samples and other descriptions that are given Seller in connection with this Order by Purchaser. Items that are defective in workmanship or material or otherwise not in conformity with the requirements of this Order may be rejected and returned at Seller's expense or may be accepted at an appropriate reduction in price. Seller shall indemnify and hold harmless Purchaser for all costs, expenses and damages, whether direct, indirect, or consequential, arising from Seller's failure to provide conforming items.

Right of Access:

Seller, without additional charge, shall permit reasonable access by representatives of Purchaser, Purchaser's customers and applicable regulatory agencies to Seller's premises (and the premises of Seller's subcontractors and supplier(s)) for the purpose of examining Seller's facilities, processes, goods, and records relating to this Order. Such examination may include inspection and testing of equipment, materials, parts, items (including software and licensed materials) to be furnished and services to be rendered, manufacturing and assembly processes, testing and quality procedures, and all applicable records relating to the manufacture, inspection, testing, and sale of such items and the furnishing of such services.

Termination:

Purchaser may terminate an Order in whole or in part at any time by written or electronic notice to Seller, effective upon receipt by Seller. Upon receipt of such notice of termination, Seller shall promptly discontinue performance and comply with Purchaser's instructions concerning disposition of completed and partially completed items, work in progress, and/or materials acquired for the applicable order. In the event of Termination for Convenience, Purchaser shall pay Seller for all goods produced or services performed prior to receipt of notice of termination. In the event of Termination for Cause arising from Seller's default in any one of the following circumstances; (i) if Seller fails to make shipment of items or fails to



perform work within the time specified herein or any extension thereof; or (ii) if Seller fails to comply with other terms and conditions of this Order, Seller shall indemnify and hold harmless Purchaser for all costs, expenses and damage, whether direct, indirect, or consequential, arising from Seller's default.

Offer and Acceptance:

Acceptance, acknowledgment or shipment of any part of this Order constitutes an agreement to all terms and conditions set forth or referenced herein and, on the face, hereof and on attachments hereto and such terms and conditions shall constitute the entire agreement between Seller and Purchaser.

Purchaser's Property:

Title to and the right to immediate possession of all tools, molds, dies, parts, supplies, jigs, fixtures, plans, drawings, specifications and all other equipment, materials and property fabricated by Seller in connection with Seller's performance hereunder and paid for directly by Purchaser at all times be and remain with Purchaser. Seller shall be responsible for and shall bear all risk of loss or damage to all Purchaser's Property while in Seller's care, custody, possession or control, and shall insure such risks with full replacement value fire and extended coverage insurance reasonably satisfactory to Purchaser. Seller will use all Purchaser's Property solely and exclusively to perform for Purchaser's benefit hereunder, and not for the benefit of any other party.

4.3 TIER 3

Electronic Signature & Issuance:

It is the desire and intent of Porticos (Purchaser) and Supplier (Seller) to use electronic transactions as the preferred means of communication and conducting business together during the performance period of this Purchase Order (Order). By affixing the Porticos representative's signature on the face of this order, Porticos has created an electronic signature and signed this Purchase Order. Supplier shall regard such electronic signature as contractually binding and with the same force and effect as a signed paper document.

Price & Terms of Payment:

The payments terms governing this Order shall be shown on the face of this Order. The time in connection with any payment will be computed from the date of delivery at the destination of items ordered or services rendered, or from the date the correct bill is received by Purchaser's Accounts Payable Department, if the latter date is later than the aforesaid date of delivery. Payment will be in United States dollars unless otherwise stated on the face of this Order. Invoices shall contain the



following information: Purchase Order number, item number, description of articles, sizes, quantities, unit prices and extended totals. If Seller's price or the regular market price of the items covered hereunder is lower than the price stated in this Order on the date of shipment of the item, Seller agrees to give Purchaser the benefit of such lower price on any such item.

Taxes, Duties, etc.:

Purchaser and Seller agree that all customs duties, Value Added Tax (VAT), sales tax, and other applicable taxes, imposed by the country or state in which services are performed or delivered are included in the prices provided by Seller, or are billed to Purchaser as separate items in accordance to the applicable taxing jurisdictions' laws at the time the Seller submits the invoice for items or services provided. Seller acknowledges that Purchaser does not have a tax exemption identification number.

Packaging & Shipment:

Seller is responsible to ensure items are adequately packaged to prevent damage during shipping or handling and are delivered free and clean of all foreign matter. No charges for boxing, crating, etc. are allowable unless Purchaser has previously approved. Unless otherwise noted Seller is responsible for carrier selection and will bill Purchaser for carrier fees as a separate item at the time the Seller submits the invoice for items or services provided. All shipping boxes, crates, etc., shall be clearly marked with the following: Purchase Order number, item number, item revision status, and date code.