Skills Inc. Terms and Conditions

Purchase Order Terms and Conditions

1. ACCEPTANCE OF PURCHASE ORDER

This order, the referenced specifications and standards, and any other written correspondence constitute the entire purchase agreement. This offer shall become a binding contract on terms stated herein when it is accepted either by acknowledgement, performance, or delivery. Any term or condition stated by seller in any prior proposal or in acknowledging or otherwise accepting this order or any agreement or understanding modifying this order shall not become part of the contract or binding upon Buyer unless specifically accepted in writing by Buyer.

2. PACKING AND SHIPPING

All items must be suitably packed and prepared for shipment. Seller is expected to obtain the most favorable freights in anticipation of further orders from Skills. No charges will be paid by Buyer for packing, crating, or cartage unless stated in the order. Two copies of packing sheets showing purchase order numbers shall be attached to each container of each shipment. Freight should be prepaid and billed on the invoice for the goods. Seller shall make no declaration concerning value of goods shipped, except on goods where the tariff rating or rate is dependant upon the released or declared value, in which event such value shall be released or declared at the maximum value for the lowest rating or rate.

3. SHIPMENT AND DELIVERY

Time is of the essence in the performance of this agreement. Shipments or deliveries (as specified in the order) shall be strictly in accordance with the quantities and schedule specified in the order. If at any time it appears Seller will not meet such schedule, Seller shall promptly notify Buyer of the estimated duration of the delay and, if requested by Buyer, ship via air or expedited routing to avoid or minimize delay. Such added costs will be borne by Seller. Except as otherwise provided in this order, the Seller shall be responsible for the supplies covered by this order until they are delivered at the designated F.O.B. point, regardless of the point of inspection, and the Seller shall bear all risks as to rejected supplies.

4. INVOICE AND PAYMENT

A separate invoice shall be issued for each shipment. Unless otherwise specified in the order, no invoice shall be issued prior to shipment of goods and no payment will be made prior to receipt of goods and correct invoice.

5. WARRANTIES

In addition to any other express or implied warranties Seller warrants that all items delivered under this order will be merchantable, free from defects in materials and workmanship, that all items will conform to the requirements of this order including but not limited to, the applicable descriptions, specifications, and drawings, and to the extent such items are not manufactured pursuant to detailed designs furnished by Buyer that all items will be free from defects in design and suitable for the purposes intended by Buyer. Seller's liability under this warranty clause shall include, at the Buyer's election, repair, replacement, or return for credit all defective or nonconforming items and the payment of all packing and transportation costs attributable to accomplishment of the above all at Seller's expense.

6. PRICE WARRANTY

Seller warrants that the prices of the items set forth herein do not exceed those charged by the Seller to any other customer purchasing the same items in like or smaller quantities.

7. QUALITY

Refer to SKQ_3420 Skills Inc. Quality Requirements on the Skills website, www.skillsinc.com.

8. REJECTION

Buyer shall have the right to reject correction or accept with an equitable adjustment in price, any goods delivered or services performed hereunder which are defective or otherwise not in strict conformance with the requirements of this order. Buyer shall notify Seller of such rejections or other actions and at Buyer's election and Seller's risk and expense such items shall be held by Buyer or returned to Seller for credit, refund, rework, or replacement as directed by written instructions from buyer. If after being requested by Buyer, the Seller fails to promptly replace or correct any defective article within the contractual delivery schedule Buyer may require a reduction in price which is equitable under the circumstances.

9. CHANGES

Buyer may at any time, by a written order, make changes within the general scope of this order, in any one or more of the following: 1) drawings, designs, or specifications; 2) method of shipment or packing; 3) place of inspection, delivery or acceptance; 4) reasonable increases in quantities; and 5) reasonable changes in delivery schedules. Seller shall proceed immediately to perform this order as changed. If any such change causes an increase or decrease in the cost of or in the time required for the performance of any part of the work under this order, whether changed or not changed by any such order, an equitable adjustment shall be made in the purchase price or delivery schedule, or both and this order shall be modified in writing accordingly. Unless otherwise agreed, any claim by Seller for adjustment under this clause must be asserted within thirty (30) days from the date of receipt by Seller of such written order or if Seller considers that conduct of Buyer has constituted a change hereunder. Buyer has the right to examine any of Seller's pertinent books and records for the purpose of verifying Seller's claim. Nothing in this clause shall excuse Seller from proceeding with this order as changed including failure of the parties to agree upon any adjustment to be made under this clause.

10. PATENT INDEMNITY

Seller shall defend Buyer, Buyer's customers, and any subsequent Seller or user of the goods, against all claims and proceedings alleging infringement of any United States or foreign patent for any goods delivered under this order, and Seller shall hold them harmless from any resulting liabilities and losses provided Seller is reasonably notified of such claims and proceedings.

11. ASSIGNMENTS

No assignment of any rights, including rights to moneys due or to become due hereunder, or delegation of any duties under this order shall be binding upon Buyer until its written consent thereto has been obtained.

12. TITLE AND RISK OF LOSS

Unless otherwise provided in this order Seller shall have title to and bear the risk of any loss of or damage to the items purchased hereunder until they are delivered in conformity with this order at the F.O.B. point specified on the face of the order and upon such delivery title shall pass from Seller and Seller's responsibility for loss or damage shall cease except for loss or damage resulting from Seller's negligence or failure to comply with this order. Passing of title upon such delivery shall not constitute acceptance of the item by Buyer.

13. TERMINATION

The performance of work under this order may be terminated in whole, or from time to time in part, by Buyer for its convenience. Buyer may terminate the whole or any part of this order if any of the following circumstances occur. A) if Seller fails to deliver the supplies or to perform the services required by this order within the time specified herein, or any extension thereof granted by Buyer in writing; or B) if seller fails to perform any of the other provisions of this order, or so fails to make progress as to endanger performance of this order in accordance with its terms, and in either of these two circumstanced does not cure such failure within a period of ten (10) days after receipt of notice from Buyer specifying such failure; or C) if Seller becomes insolvent, or makes a general assignment for the benefit of creditors, or files or has filed against it a petition of bankruptcy or for reorganization, or pursues any other remedy under any other law relating to the relief for debtors, or in the event a receiver is appointed for Seller's property or business D) in the event of termination for default, Buyer may require Seller to transfer title and deliver to Buyer any or all property specifically produced or acquired for performance of this purchase order. Buyer shall have the further right to procure, on such terms and in such manners it may deem appropriate, supplies or services similar to those terminated, and to recover from Seller the excess cost for such similar supplies or services; provided, however, Seller shall not be liable for such excess costs where the failure upon which the termination is based has arisen out of causes beyond the control of Seller, its suppliers or subcontractors as set forth hereinafter E) such causes shall be limited to fires, floods, earthquakes, strikes, and acts of war. The rights of Buyer provided in this clause shall be in addition to any other rights provided by law or this order F) in the event Seller fails to make deliveries on schedule for causes beyond its control; Buyer may, in lieu of termination of this order, elect to extend the delivery schedule. Such extension shall not entitle Seller to any additional compensation. In the event of such schedule extension, Seller shall do everything possible to make delivery as soon as possible and to meet the new delivery schedule, including overtime work, extra shifts, and purchases from other suppliers and subcontractors whenever practicable. The rights and remedies of the Buyer provided in this Termination clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this order. G) in addition to the provision set forth in the Code of Basic Working Conditions and Human Rights in the contract, Seller further commits that any material violation of law by Seller relating to basic working conditions and human rights, including laws regarding slavery and human trafficking, applicable to Seller's performance under this Contract/ Agreement may be considered a material breach of this Contract/Agreement for which Buyer may elect to cancel any open Orders between Buyer and the Seller, for cause, in accordance with the provisions of this Contract/Agreement, or exercise any other right of Buyer for an Event of Default under this Contract/Agreement.

14. LABOR DISPUTE

Whenever any actual or potential labor dispute delays or threatens to delay the timely performance of this order, Seller shall immediately give notice thereof to Buyer. Seller shall insert the substance of this provision in its orders issued hereunder.

15. NON-WAIVER

Any failure at any time of Buyer to enforce any provision of this order shall not constitute a waiver of such provision or prejudice the right of Buyer to enforce such provision at any subsequent time.