



RECREATIONAL EQUIPMENT, INC. STANDARD
ORDER TERMS AND CONDITIONS

1. General. The following terms and conditions (referred to herein as the “Terms”), together with such terms as are set forth in an applicable order (the “Order”), with such plans, specifications or other documents as are incorporated by reference, as amended in any subsequent authorized writing from Recreational Equipment, Inc. (“REI”) (collectively, the “Agreement”) shall constitute the entire contract between REI and the vendor identified in the Order (“Vendor”). Notwithstanding the foregoing, if any portion of the Order (which may include or be supplemented by bid documents, performance specifications, technical product descriptions or other similar descriptive materials) or other documents submitted by Vendor in connection therewith conflict with the Terms, the Terms shall control, but to the extent that such materials are not inconsistent with the Terms, they shall constitute a part of the basis hereof. **Notwithstanding anything to the contrary in these Terms, in the event that REI and Vendor have separate written terms and conditions (the “Negotiated Terms”) executed by REI for the products or services described in an applicable Order, the Negotiated Terms shall govern Vendor’s provision of the products or services to REI under that Order and in the event of any conflict between documents, the Negotiated Terms shall prevail, followed thereafter by the Terms.**

2. Products and Services. Vendor will perform the services (the “Services”) or supply the products (the “Products”) as described on Orders accepted by Vendor. If Vendor does not accept REI’s requests for such Products or Services within forty-eight (48) hours of REI’s submission of such Order to Vendor, then REI may use a different vendor.

2.1. Changes to Scope of Services. REI may at any time, upon written notice, or by entering a “change order” modifying the applicable Order, make changes to (i) the Products or Services, including adjustments in the compensation and schedule, (ii) the method of shipment and/or packing, (iii) the designs, drawings or other specifications to which the Products or Services are to conform, or (iv) the place or time of delivery or rendering of the Products or Services. Within 15 days after REI notifies Vendor of any such change, Vendor shall notify REI in writing of any increases or decreases in costs and any delays of performance caused by any such change, with an equitable adjustment of prices or other terms hereof to be agreed upon in a written amendment to the Agreement signed by REI.

2.2. Review; Acceptance. REI may reject any noncompliant Products or Services within thirty (30) days of Vendor’s provision of the Products or performance of the Services. Vendor, at its own cost and expense, will correct any such non-conformities within ten (10) business days of REI’s notice thereof.

- 2.3. **Personnel.** Vendor will provide experienced and qualified personnel to perform the Services. Vendor will ensure that all of its employees, agents and subcontractors who perform the Services (“Personnel”) comply with REI’s requests, rules, and policies regarding professional conduct that are communicated to Vendor or its Personnel. REI may require Vendor to cease using any Personnel whom REI reasonably deems unacceptable. Vendor will be responsible for the performance of its Personnel under this Agreement. Vendor may subcontract the provision of Services to subcontractors, provided that Vendor gives REI advance notice of the same and Vendor retains responsibility for (a) communicating terms and conditions to the subcontractor and (b) subcontractor’s acts and omissions.
3. **Compensation; Books and Records.** Unless otherwise agreed to by the parties, REI will pay each invoice in full within sixty (60) days after receipt of Vendor’s invoice for Services rendered or for Products delivered or upon acceptance of the Products or Services covered by the invoice, whichever last occurs. All Products and Services furnished under this Order shall be subject to inspection and testing by representatives of REI, its customers or agents. Payments for Products prior to inspection shall not constitute acceptance and REI reserves the right to hold for Vendor or return to Vendor, at Vendor’s expense, any rejected Products. Vendor will keep copies of books and records related to Vendor’s fees, of which REI may, on reasonable notice and during normal business hours, examine and make copies of for audit purposes. All invoices shall be submitted to REI within thirty (30) days of the date in which the Products were accepted, the Services were performed, or if applicable, expenses were incurred. No payments shall be issued for any invoices received more than ninety (90) days after the date in which the Products were accepted, the Services were performed, or if applicable, expenses were incurred. Upon REI’s request, Vendor shall submit all invoices via REI’s Ariba Procure-to-Pay solution, or such other Procure-to-Pay solution used by REI to, and Vendor shall otherwise make use of such solution as reasonably requested by REI.
4. **Shipping; Freight Terms.** Vendor shall suitably pack, mark and ship any Products purchased hereunder in accordance with any instructions from REI and the requirements of common carriers so as to secure the lowest transportation cost and to prevent damage to the Products while in transit. Vendor shall be liable for any increased shipping charges or damage to the Products due to its failure to comply therewith. Transportation costs on Products on back order shall be paid only at the rates which would have been applicable had the complete order been shipped at one time. All excess costs shall be borne by the Vendor. Products must be packed, shipped and described on bills of lading in accordance with applicable freight tariffs and U.S. Government Regulations. Two or more shipments being forwarded to the same destination on the same date must be combined and shipped on a single bill of lading.
5. **Risk of Loss, Insurance.** If shipping collect or prepaid via REI’s preferred carrier, Vendor shall bear the risk of loss until delivery of the Products to the preferred carrier. If not shipping via REI’s preferred carrier, Vendor agrees to insure the Products from and against all reasonable and customary hazards and risks of injury or destruction occurring from the time the Products are identified to the time of REI’s acceptance. Such insurance shall be placed with reputable underwriters and shall name REI as a loss payee, with all losses payable to Vendor and REI as their interests may appear, and shall contain a waiver of subrogation rights against REI acceptable to REI.

- 6. Term.** The Terms are effective (and term of the Agreement will begin) on the Effective Date of the Order and will continue during the performance of all Orders accepted by Vendor. If any of these Terms conflict with terms in an existing Master Services Agreement, the Master Services Agreement will govern.
- 6.1. Termination for Convenience.** REI may terminate the Agreement at any time on prior written notice to Vendor and without incurring liability to Vendor for lost profits or any other costs other than the value of conforming work completed on site or Products delivered. The following Sections will survive the termination of this Agreement: Section 3 (with respect to amounts accrued but unpaid as of termination), Sections 9-12, and Sections 17-19.
- 7. Non-Conformance.** In the event Vendor is unable to deliver any part or all of the Products called for by this Order, Vendor agrees to notify REI immediately. Such notice will not limit the remedies available to REI or liability of Vendor for non-performance. REI or REI's agent may refuse delivery or return F.O.B. REI's dock: (a) shipments made before the earliest ship date or after the latest ship date specified on the face of this Order, time of shipment being of all the essence of this Order; (b) shipments of less than or in excess of quantities ordered; (c) Products which are not specified in this Order; (d) Products which are not as represented or as warranted; or (e) shipments which are not in compliance with the packing instructions and invoicing instructions specified on the face of this Order.
- 8. Time.** If delivery or completion dates cannot be met, Vendor shall inform REI immediately. Such notice shall not, however, constitute a change to the delivery or completion terms of this Order unless REI modifies this Order in writing. If any element of the Services is not completed, or if any Products are not provided in full, by the date specified, REI, at REI's option and without prior notice to Vendor may either approve a revised date or may cancel this Order and may obtain such Products or Services elsewhere and in either event the Vendor shall be liable to REI for any resulting loss incurred by REI. Vendor's sole remedy for a delay caused by REI shall be an extension in the time for Vendor's performance equal to the duration of REI's delay. Vendor shall not be liable for damages resulting from Vendor's failure to deliver or complete, or for delays in delivery or completion occasioned by strikes, lock-outs, fires, war or acts of God. TIMING OF DELIVERY AND PERFORMANCE OF THE WORK IS OF THE ESSENCE OF THIS ORDER.
- 9. Confidentiality.** "Confidential Information" of a party means all confidential or proprietary information, including all information not generally known to the public. Confidential Information includes all data and information that is submitted to or learned by either party in connection with this Agreement, including this Agreement and Orders, and information relating to either party's customers, technology, operations, facilities, products, systems, procedures, practices, research, development, employees, business affairs and financial information. All Confidential Information relating to a party will be held in confidence by the other party at least to the same extent and with at least the same degree of care as the party uses to protect its own Confidential Information. Neither party may disclose Confidential Information of the other party to, or for the use or benefit of, any third party without the other party's prior written consent. The obligations in this Section do not restrict any disclosure by either party (i) pursuant to any applicable law, or by order of any court or government agency (provided that the disclosing party

will give prompt notice to the non-disclosing party of the order); or (ii) to either party's accountants, legal advisors, REI property or construction managers, auditors and financial advisors. If a party breaches this Section or becomes aware of a compromise of the other party's Confidential Information, such party will immediately provide written notice to the other party. On request and/or on termination of this Agreement for any reason, Vendor will return or destroy and provide evidence of destruction of any and all Confidential Information of REI.

10. Representations and Warranties. Vendor represents and warrants to REI that: (i) Vendor will provide the Services in a competent and professional manner in accordance with industry standards; (ii) neither the Services, nor REI's use of such Services, will infringe or misappropriate any third party's intellectual property or proprietary rights; (iii) Vendor will comply with all applicable laws, rules, regulations, and orders of any governmental authority in its performance of the Terms or under this Agreement; (iv) the Services will conform to the specifications set forth in each applicable Order; and (v) Vendor has the means and necessary authority to enter into this Agreement and carry out its obligations hereunder.

11. Right of Setoff. All claims for monies due or to become due from REI shall be subject to deduction by REI for any setoff or counterclaim arising out of this or any other of REI's orders placed with Vendor or contracts made with Vendor. REI expressly reserves all such rights against Vendor and its assignees, irrespective of any assignment occurring pursuant to the prior paragraph.

12. Indemnification. Vendor shall indemnify, defend and hold REI and its agents and employees harmless from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses (including attorney's fees) imposed on, or incurred or sustained by or asserted against REI by any person or persons whatsoever, based upon or arising from the purchase, sale or use of such Products, from any patent or hidden defects in the quality of such Products or the dangerous condition thereof, or from the Services provided by Vendor pursuant to this Order. Without limiting the generality of the foregoing, this indemnity shall cover any claims based on any actual or alleged violation or infringement of any copyright, trade name, trademark or patent (or any application for any of the foregoing), and any claims for injury to any person or loss of or damage to any property suffered or sustained as a result of any of the Products being other than as warranted or guaranteed. No limitation of liability of Vendor contained in any other writing shall be binding on or effective against REI. Vendor's indemnification obligations hereunder shall survive the expiration or earlier termination of this agreement.

13. Insurance.

13.1. Types and Amounts of Coverage. Vendor shall procure and maintain, at Vendor's expense, the following insurance coverage with insurance companies rated A-VII or better by A.M. Best Company and authorized to do business in the state(s) and/or jurisdiction(s) in which work will be performed. Certificates of Insurance evidencing such insurance listed below shall be provided to REI by sending through email to certs@rei.com within ten (10) days of the start of the Order and within ten (10) days of any insurance policy renewal or replacement. All such insurance shall be primary as to any insurance or self-insurance

carried by REI. Vendor shall also cause Vendor's subcontractors to maintain at their expense, insurance coverage of the types and with the coverage limits specified below:

13.1.1. Workers Compensation insurance on a statutory basis and Employer's Liability or Stop Gap Liability insurance with the following limits: Bodily Injury by Accident – \$500,000 (each accident), Bodily Injury by Disease – \$500,000 (each employee), and Bodily Injury by Disease – \$500,000 (policy aggregate). Every person who will be physically present at an REI location in the performance of work under this Order, including corporate officers, partners, LLC members, and sole proprietors, will be included in Workers Compensation coverage.

13.1.2. Automobile Liability insurance written on ISO standard policy form CA 00 01 (or equivalent) for all owned, non-owned, or hired vehicles used in the performance of the work with a \$1,000,000 Bodily Injury and Property Damage Combined Single Limit.

13.1.3. Commercial General Liability insurance written on ISO standard policy form CG 00 01 (or equivalent) including coverage for damage arising from bodily injury, property damage, personal and advertising injury, and products-completed operations, with the following limits: General Aggregate – \$2,000,000, Products/Completed Operations Aggregate – \$1,000,000, Personal and Advertising Injury – \$1,000,000, and Each Occurrence – \$1,000,000.

13.2. **Additional Requirements.** Vendor's Commercial Automobile Liability (if applicable) and General Liability policy must each include Recreational Equipment, Inc. as an additional insured. Each insurance policy above must contain a waiver of insurer's right to subrogate against REI. Vendor or Vendor's insurer(s) will give REI at least thirty (30) days prior written notice of cancellation or non-renewal of any required insurance coverage. If Vendor fails to keep in effect at all times such insurance coverage, REI may, in addition to and cumulative with any other remedies available, withhold payments due Vendor. Vendor's maintenance of insurance does not release, diminish, or limit Vendor's liability to REI or third parties, including liability under Section 12 (Indemnification).

Any deductible or self-insured retention contained in the insurance coverage required above is solely the responsibility of the Vendor.

14. Limitations of Liability. Notwithstanding any other provision in this Order to the contrary, under no circumstances shall REI be liable for any incidental, indirect, special or consequential damages, including damages arising from third parties for loss of revenue, profits, data, use or security, even if REI was advised of the possibility of such damage and even if the remedy fails of its essential purpose. Under no circumstances shall REI's entire and aggregate liability under this Order exceed the amounts paid by REI to Vendor hereunder.

15. Work Performed by Vendor On-Site.

15.1. Services shall be performed in a first class and workmanlike manner by qualified and efficient workers who shall not cause labor conflicts with any workers employed by REI or others working at REI's facilities. The work shall be performed in conformity with the highest quality standards mandated and/or recommended by all generally recognized organizations establishing quality standards for work of the type to be performed hereunder. Vendor shall be solely responsible for controlling the manner and means by which it and its employees perform the Services, and it shall observe, abide by and perform all of its obligations in accordance with all legal requirements. Without limiting the foregoing, Vendor shall control the manner and means of the Services so as to perform them in a reasonably safe manner and comply fully with all applicable codes, regulations and requirements imposed or enforced by any government agencies, including all applicable requirements of the Occupational Safety and Health Administration (OSHA) and all safety codes and procedures mandated or recommended by insurance underwriting organizations and all generally recognized organizations establishing safety standards, including without limitation the National Fire Protection Association, for work of the type to be performed hereunder. Notwithstanding the foregoing, any stricter standard provided in plans, specifications or other documents incorporated as part of this Order shall govern.

15.2. While at any REI facility, Vendor shall (i) comply with REI's requests, rules, policies, and regulations regarding personal and professional conduct (including without limitation, the wearing of an identification badge, or personal protective equipment and adhering to regulations and general safety practices or procedures), and (ii) otherwise conduct themselves in a businesslike manner. In the event that REI determines in good faith that particular personnel, including employees, contractors, subcontractors and consultants, of Vendor is not acting in accordance with this Section, REI may provide Vendor with notice of such conduct, upon which Vendor shall immediately remove the particular personnel of Vendor and provide a replacement, as necessary.

15.3. With respect to all persons employed or contracted by Vendor to perform the Services at any of REI's locations or on REI's premises, Vendor shall insure that pre-employment or pre-contracting reference and background checks are conducted on all personnel performing such Services per the Terms and under this Agreement. Vendor will be responsible for insuring that criminal background checks are conducted on all personnel so employed or contracted and shall exclude from any direct participation in the performance of the Services any dishonest, unreasonably dangerous or otherwise unqualified persons. Vendor will abide by all applicable laws, rules and regulations including, but not limited to the Fair Credit Reporting act and/or any equal opportunity laws, rules, regulations, or ordinances.

15.4. Vendor is responsible for securing all applicable licenses and permits and compliance therewith and the price shall be deemed to include the cost of these items.

15.5. The site shall be kept free of waste and, on completion, left "broom clean." In case of dispute REI may remove waste at Vendor's expense.

15.6. If requested, Vendor shall furnish satisfactory evidence of the kind, quality and quantity of labor and materials used or to be used.

15.7. The Vendor, for itself and for all subcontractors, agrees that no mechanic's lien or other claim shall be filed or maintained by the Contractor or by any subcontractor, laborer or any other person, whatsoever, for or on account of any work done or materials furnished under this Order.

15.8. In every subcontract entered into by the Vendor after the execution and delivery of this Order or in connection herewith, the Vendor shall incorporate a provision, similar to the foregoing paragraph, to the effect that neither the subcontractor nor any party acting through or under him shall file or maintain any mechanic's lien or other claim against REI in connection with the work to be performed hereunder.

16. Independent Contractor. REI and Vendor are independent contractors. The provisions of this Agreement will not be construed to establish any form of partnership, agency or other joint venture of any kind between REI and Vendor, nor constitute either party as the agent, employee or legal representative of the other. All persons furnished by either party to accomplish this Agreement will be considered solely as the furnishing party's employees or agents and the furnishing party will be solely responsible for compliance with all laws, rules and regulations involving, among other things, employment of labor, hours of labor, working conditions, workers' compensation, payment of wages, and withholding and payment of all applicable taxes.

17. Dispute Resolution. If a dispute or claim arises under this Agreement (a "Dispute") that the parties are unable to resolve, a party will notify the other party of the Dispute in writing (which may be via email) with as much detail as possible. REI and Vendor senior business representatives with full authority to resolve the Dispute will use good faith efforts to resolve the Dispute within ten (10) business days after receipt of a Dispute notice. If the parties' senior business representatives are unable to resolve the Dispute or agree on the appropriate corrective action to be taken, within the ten (10) business days, then either party may pursue any course of action available to it. Pending resolution of the Dispute, both parties will continue to perform their respective undisputed responsibilities under this Agreement. Nothing contained in this Section will limit or delay the right of either party to seek injunctive relief from a court of competent jurisdiction, whether or not the party has pursued informal resolution in accordance with this Section.

18. No Publicity. Neither party may use the other party's name or mark in any advertising, written sales promotion, press releases and/or other publicity matters relating to this Agreement without the other party's prior written consent.

19. Miscellaneous. This Agreement is governed by the laws of the State of Washington. Exclusive venue for any action hereunder will lie in the state and federal courts located in Seattle, King County, Washington and both parties hereby submit to the jurisdiction of the courts. To the fullest extent permitted by law, each party waives its right to trial by jury in connection with any action hereunder. Vendor may not assign this Agreement without REI's prior written consent.

This Agreement, together with all Orders, represents the entire agreement of the parties regarding the subject matter herein, and all other prior agreements related thereto are superseded hereby. The provisions of this Agreement may not be amended except by an agreement in writing signed by both parties. If any provision of this Agreement is invalid or unenforceable in any jurisdiction, the other provisions herein will remain in full force and effect.

20. Simplified Force Majeure.

20.1. REI reserves the right to defer any shipment under this Agreement, cancel or modify this Agreement or change any performance dates if Vendor's production is delayed on account of strikes in Vendor's plant or the plants of any of Vendor's suppliers, fire, an act of God, governmental order or regulation or other conditions beyond Vendor's control.

20.2. Vendor shall not be liable for delays or defaults in delivery due to fire, an act of God, governmental order or regulation or other unforeseeable causes beyond its control and without its fault or negligence, provided that Vendor notifies REI within ten (10) days after Vendor first knows of the same, the timing of such notification being of the essence.

21. Attorney's Fees. In any suit or action brought to enforce the Agreement, or to obtain an adjudication, declaratory or otherwise, of rights or obligations thereunder, or in the examination or determination of its rights (whether or not suit is filed or other action brought), the losing party shall pay to the prevailing party reasonable attorney's fees and all other costs and expenses which may be incurred by the prevailing party in such suit or action.

22. Notices. Except as may be otherwise set forth herein, all notices, requests, demands and other communications hereunder will be in writing and will be deemed to have been duly given: (i) on the date of acceptance or rejection if mailed by registered or certified mail; or (iii) on the date of delivery if delivered by overnight courier. To be effective, all notices must be sent, if to Vendor, to its address identified in the Order or, if to REI, to 1700 45th Street East, Suite 101, Sumner, WA 98390, Attn: Procurement.

23. Acceptance. THIS ORDER IS EXPRESSLY CONDITIONED ON VENDOR'S ASSENT TO ALL OF THE TERMS AND CONDITIONS CONTAINED HEREIN AND MUST BE APPROVED BY AN AUTHORIZED EMPLOYEE OF REI OR RECEIVED BY VENDOR ELECTRONICALLY FROM A KNOWN REI SOURCE. BY COMMENCING WORK, PERFORMANCE OF ANY SERVICES HEREUNDER OR MAKING SHIPMENT PURSUANT TO THIS ORDER, VENDOR AGREES THAT THE PRODUCTS ARE SOLD AND THE SERVICES RENDERED ON THE TERMS AND CONDITIONS CONTAINED HEREIN. Any additional or different terms or conditions which may appear in any communication from Vendor are hereby rejected to and shall not be effective or binding unless specifically recognized and assented to in writing by REI's authorized representative, and no such additional or different terms or conditions in any printed form of Vendor shall become part of this Order or any contract resulting therefrom unless REI so specifically signs or otherwise authenticates a writing providing for their inclusion.

24. No Assignment. Vendor agrees that it will not assign the Agreement, in whole or in part, nor delegate any or all of its duties or obligations hereunder without REI's prior written consent. Any attempted assignment or delegation without such consent so obtained shall be null and void.

25. Mechanic's Liens. Vendor shall not place any liens on REI property unless authorized by law and only after appropriate notice. In the event Vendor's subcontractor(s) place a lien on REI property, Vendor shall discharge same within three (3) business days of notice thereof at Vendor's sole cost and expense.