



# Standard Purchase Order Terms and Conditions

The following terms and conditions are made a part of this purchase order and are agreed to and are binding upon SOR and the Vendor:

1. **Acceptance by Vendor.** Acknowledgement of the purchase order, promise to ship, shipment of goods, or performance of service shall constitute acceptance of the purchase order. Vendor must notify SOR of any inconsistency, conflict, or ambiguity in or created by the purchase order prior to shipment. Where an offer is made by Vendor, SOR's acceptance is conditional on Vendor's assent to the terms of this purchase order.
2. **Delivery.** All items to be delivered in connection with this purchase order shall be packaged to insure safe arrival of undamaged goods at their destination and to comply with the specified shipping methods stated on the face of the purchase order. Delivery must be in strict compliance with the required schedule in conjunction with this purchase order or blanket order release. SOR's purchase order number and item part number must be plainly marked on all invoices, packing lists, and correspondence. Goods are not deemed to be received unless packing lists, Mill Test Reports (CMTR), Certificate of Compliance (C-of-C), Quality charts, and/or Material Safety Data Sheet (MSDS) accompany the shipment.

Unless otherwise provided in the purchase order, delivery shall not be made more than 7 days prior to the delivery date specified in the agreement, without prior approval. SOR may return early deliveries at Vendor's expense. Vendor must immediately notify SOR of any difficulties in meeting the delivery schedule, including details, if any, of planned corrective action. SOR shall have the right to cancel the purchase due to Vendor's failure to deliver the goods as required.

Unless otherwise specified in the purchase order: All goods are to be cleaned, deburred, and free of oil, grease, or contamination.

3. **Inspection.** All goods are subject to inspection and testing by SOR. If the items fail to conform to this purchase order, SOR may, within 30 days, reject the entire shipment, accept the entire shipment or accept any viable goods and reject the balance of the shipment. Defective goods will be returned to the Vendor at Vendor's expense.

SOR requires the right of access to plant facilities and records during business hours for source inspection and/or audits.

4. **Overshipment.** The purchase order shall specify any quantity and shipping tolerance as applicable to the items being shipped. Vendor is liable for returned shipment costs for any quantities delivered that are in excess of 2% of the delivery quantity.
5. **Price Warranty.** Vendor warrants that the prices for goods stated on this purchase order are complete and that no additional charges shall be added without SOR's express written consent.
6. **Payment.** Payment shall be made after receipt of Vendor invoices for goods delivered and accepted by SOR in accordance with this purchase order. SOR may make adjustments in Vendor's invoice due to shortages, rejection of goods, or other failure to comply with the provisions of this purchase order.
7. **Right of Access.** SOR requires the right of access to plant facilities and records during business hours for source inspection/audit.
8. **Express Warranties.** By acceptance of this purchase order, Vendor warrants that the goods: (a) conform to SOR's specifications and drawings; (b) conform to the Vendor's published specifications or samples provided; (c) are new and free from defects in material or workmanship.

If SOR discovers a failure in material or workmanship of goods, it will notify the Vendor, who will correct the non-conformance by either (1) correction or repair of the defective or nonconforming goods, or (2) replacement of the nonconforming goods and delivery to SOR of replacement goods. Any repair or replacement, including transportation, is at the Vendor's expense. If the Vendor is unable to repair or replace the nonconforming goods, SOR, at its option, may request a full refund of the purchase price.

9. **Warranty of Title Patents, and Copyrights.** In addition to the warranties set forth in the previous paragraphs, Vendor warrants that it has good title to the goods, that they are free from any encumbrance, and that the goods shall be delivered from the rightful claim of any third person for infringement of patent or copyright. The Vendor shall defend and indemnify SOR against any claim to infringement and will pay resulting costs, damages, and attorney fees awarded.

10. **Implied Warranties.** The foregoing warranties do not constitute a waiver or disclaimer of any other express or implied warranties. SOR expressly reserves its rights to all warranties provided under the common law or the Uniform Commercial Code, including the implied warranties of merchantability and fitness for a particular purpose. Moreover, SOR expressly reserves its rights to all remedies including, but not limited to, special incidental or consequential damages based upon breach of warranty, breach of contract, Negligence, strict tort, or any other legal theory. Such damages may include, but are not limited to, loss of profits, loss of savings or revenue, loss of use of the items or any associated equipment, cost of capital, cost of any substitute goods, equipment, facilities and services, down time, claims of third parties, and injury to property.
11. **Furnished Material or Supplies.** SOR may furnish Vendor with materials or supplies which are required by the Vendor for the performance of this purchase order. If such materials or supplies are shipped directly from another SOR supplier, the packing list, or copy, must be sent to SOR upon receipt by the Vendor.
12. **Termination without Cause.** SOR reserves the right to terminate this purchase order or any part hereof without cause. In the event that the Vendor has begun production of a custom-made good, or has committed to procure an item solely used for SOR's order, SOR shall accept such costs that the Vendor may incur as a result of this cancellation, providing documentation is provided to confirm these charges.
13. **Termination for Cause.** SOR may terminate this purchase order for cause in the event of any default by the Vendor, or if the Vendor fails to comply with any of the terms and conditions of the purchase order. Failure to perform includes, but is not limited to late deliveries, delivery of defective or non-conforming goods, or failure to provide required documentation. Such termination by SOR will not be a breach of the terms of the purchase order, nor create any liabilities on the part of SOR for goods not accepted. Vendor shall remain liable to SOR for any and all damages sustained as a result of the default which gave rise to the termination for cause.
14. **Property of SOR.** All tooling, parts, fixtures, specifications, drawings and documentation, and any other property furnished to Vendor by SOR, or paid for by SOR, shall be the property of SOR, clearly so identified, and subject to removal at any time upon SOR's demand. This property and tooling shall only be used in the fulfillment of orders by SOR.
15. **Prohibition of Assignment and Subcontracting.** No part of the purchase order may be assigned or subcontracted without prior approval of SOR.
16. **Modifications.** SOR reserves the right to make changes in design, drawings, specifications, materials, packaging, delivery, or mode of transportation. If such changes cause an increase or decrease in the cost or time required for performance, the parties may modify this agreement accordingly, in writing, so that an equitable adjustment may be made.
17. **Scope of Agreement.** Unless modified in writing and signed by both parties, this agreement is understood to be the complete and exclusive agreement between SOR and the Vendor, superseding all prior agreements, oral or written, and all communications between parties relating to the subject matter of this agreement.
18. **Acceptance of Terms.** This agreement allocates the risk of product failure or defects between SOR and the Vendor. This allocation is recognized by both parties and is reflected in the price of the goods. The Vendor acknowledges that it has read this agreement, understands it, and is bound by its terms.
19. **Severability.** In the event that any of the provisions of this purchase order are found to be unenforceable, that provision is severable from the remaining conditions, and the remaining conditions may be enforced in full.
20. **Equal Opportunity and Diversity.** It is the policy of SOR to encourage the use of Minority, Women, Veteran, and Disabled owned business enterprises through development of our Supplier Diversity Program. SOR encourages developing strong supplier relationships regardless of race, color, religion, sex, age, or national origin, and believes the utilization of a diversified supplier base is beneficial to the communities in which we reside, our global community of customers, and our company's corporate growth. We are committed to utilizing the products, materials, and services of suppliers that meet the quality, cost, delivery, service, and business requirements of SOR.
21. **Disclosure and Consent.** Vendor will not disclose to third parties, information relative to the purchase order of other business regarding SOR without prior consent. Vendor will not utilize the SOR brand or individual names in any manner not related to this purchase order without prior consent.
22. **Counterfeit, Fraudulent, or Substandard Item (CFSI) Restrictions.** Items must be new – not reconditioned, used, salvaged, or repaired – unless specified by SOR. Delivery or use of Suspect and/or Counterfeit, Fraudulent, or Substandard Items (CFSI) is prohibited. Suppliers must flow this requirement down through all sub-suppliers back to the original manufacturer of the material or component. If the supplier determines, suspects, or deems that it has furnished CFSI goods to SOR, supplier shall immediately notify the buyer at SOR.