



# Purchase Order Terms and Conditions

## 1. ACCEPTANCE AND ORDER OF PRECEDENCE

This purchase order (Order) constitutes Buyer's complete offer to purchase the Items (products, materials, or services) specified herein. Seller's acceptance is limited to these terms only. Buyer objects to and will not be bound by any additional or different terms proposed by Seller, whether in acknowledgments, invoices, shipping documents, or Seller's standard terms and conditions. Commencement of performance, shipment, or acceptance of payment constitutes Seller's agreement to this Order as written.

**Order of precedence:** In the event of conflict, the following documents control in this order: (1) terms on the face of this purchase order; (2) referenced drawings and specifications; (3) these Terms and Conditions; (4) Harley & Son Quality Requirements (Form F-810-012, current revision).

**Customer-specific requirements:** Where indicated on the purchase order face, Seller shall comply with customer-specific requirements incorporated by reference. Such requirements supplement these Terms.

## 2. QUALITY AND DOCUMENTATION

**Quality Requirements:** Seller shall comply with Harley & Son Quality Requirements (Form F-810-012). Seller shall deliver zero defects and achieve 100% on-time delivery.

**Documentation:** Each shipment shall include: (a) packing list with PO number, line item, part number, quantity; (b) Certificate of Conformance; (c) material certifications and test reports when applicable. Incomplete documentation may result in rejection and return at Seller's expense.

**Flow-down:** Seller shall flow down all applicable requirements from this Order, including drawings, specifications, and quality requirements, to sub-tier suppliers at all levels.

## 3. INSPECTION, ACCEPTANCE, AND WARRANTY

**Inspection rights:** All Items are subject to Buyer's inspection and acceptance after delivery. Payment, prepayment, or taking possession do not constitute acceptance. Buyer may inspect Items at Seller's facility before shipment at Buyer's discretion.

**Inspection period:** Buyer shall have unlimited time to inspect Items and identify defects, including latent defects not discoverable upon receipt inspection. Any time limits in Seller's terms for reporting defects are expressly rejected and void.

**Warranty:** Seller warrants that all Items delivered shall: (a) conform to drawings, specifications, and requirements; (b) be free from defects in material and workmanship; (c) be manufactured from new materials unless otherwise specified; (d) be fit for their intended purpose; and (e) be delivered free from liens. This warranty survives inspection, acceptance, and payment and remains in effect for three (3) years from delivery.

**Rejection rights:** Buyer may reject non-conforming Items and require correction, replacement, or refund at Seller's expense, including all shipping charges. Acceptance may be revoked upon discovery of defects.

## 4. NON-CONFORMANCE COSTS AND LIABILITY

**Seller's Liability:** Seller shall be liable to Buyer for reasonable costs of repair, replacement, and rework associated with delivery of non-conforming Items, including:

- Return shipping and handling costs
- Expediting replacement Items
- Costs of rework to bring Items into conformance
- Sorting and reinspection costs beyond normal receiving inspection

Buyer shall provide reasonable documentation of costs claimed under this section.



**Indemnification:** Seller shall indemnify and hold harmless Buyer from all third-party claims arising from: (a) defects in Items supplied by Seller; (b) Seller's negligence or misconduct; (c) breach of warranty; or (d) material misrepresentation or false certifications. This indemnification includes reasonable attorneys' fees and costs.

## 5. DELIVERY AND TITLE

**Delivery terms:** Items shall be delivered per the schedule and ship-to address on this Order. TIME IS OF THE ESSENCE. Late delivery may result in: (a) cancellation without liability; (b) expedited shipping at Seller's expense; (c) cover purchases with Seller liable for excess costs; or (d) termination of future orders.

**Title and risk of loss:** Title and risk of loss pass to Buyer upon delivery to the specified destination and Buyer's acceptance after inspection.

**Partial shipments:** Seller may not make partial shipments without Buyer's prior approval.

## 6. PRICING AND PAYMENT

**Pricing:** Prices are as stated on this Order and are firm unless otherwise specified. Prices are inclusive of all surcharges (including environmental fees, hazmat charges, and any percentage adders regardless of characterization) unless explicitly itemized on the purchase order face. No charges for packaging, handling, or shipping unless explicitly included.

**Payment terms:** Payment terms are specified on the Order face. Prepayment or advance payment does not constitute acceptance, and Items remain subject to inspection and rejection after payment.

**Payment disputes:** Buyer may withhold payment or offset amounts owed for: (a) non-conforming Items; (b) costs incurred due to Seller's breach; (c) prior underpayments or overpayments; or (d) damages owed under this Order.

## 7. CHANGES AND CONFIGURATION CONTROL

**Buyer changes:** Buyer may direct changes to quantities, specifications, delivery schedules, or other requirements. Seller shall promptly notify Buyer of any cost or schedule impacts for equitable adjustment.

**Seller changes:** Seller shall not make any changes to product design, materials, processes, sub-tier suppliers, manufacturing location, or inspection methods without Buyer's prior written approval. Unauthorized changes may result in rejection of Items.

## 8. TERMINATION

**For convenience:** Buyer may terminate this Order in whole or in part at any time by written notice. Seller shall immediately stop work and mitigate costs. Buyer's liability is limited to:

- Payment for completed Items delivered and accepted
- Raw materials purchased specifically for this Order that Seller cannot reasonably use elsewhere, at Seller's actual documented cost (not to exceed prorated contract price). Materials reimbursed by Buyer shall become property of Buyer and shall be returned to Buyer within 180 days.

Seller shall not recover: labor, overhead, anticipated profits, consequential damages, or costs for standard materials. Termination claims must be submitted within 21 days with supporting documentation subject to Buyer's audit.

**For default:** Buyer may terminate immediately without liability if Seller: (a) fails to deliver on time; (b) delivers non-conforming Items; (c) breaches any material term; or (d) becomes insolvent. Buyer may cover and charge Seller for excess costs.

## 9. COMPLIANCE REQUIREMENTS

**Export control:** Seller shall comply with all U.S. export laws including ITAR, EAR, and OFAC sanctions. For ITAR Items, Seller shall provide written confirmation of DDTC registration. Seller shall screen all personnel against denied party lists.



**Data security:** Seller shall protect all technical data, proprietary information, and controlled unclassified information (CUI) provided by Buyer. Such information shall not be stored, transmitted, or processed outside the United States without prior written approval. Seller shall notify Buyer within 24 hours of any data breach or cybersecurity incident.

**Confidentiality:** All information disclosed by Buyer is confidential and shall not be disclosed to third parties or used except to perform this Order. This obligation survives for five (5) years after final delivery.

**Conflict minerals:** Upon request, Seller shall provide conflict minerals disclosure per Dodd-Frank Section 1502 using the current CMRT template.

## 10. CONFIDENTIALITY AND BUYER PROPERTY

**Confidential Information:** All drawings, specifications, technical data, business information, and other information provided by Buyer or Buyer's customers is confidential and proprietary. Seller shall: (a) use such information solely to perform this Order; (b) not disclose to third parties without prior written consent; (c) protect information with same care as Seller's own confidential information; and (d) return or destroy all confidential information upon request or Order completion. This obligation survives for five (5) years after final delivery.

**Restrictions on Use:** Seller shall not: (a) manufacture items using Buyer-provided drawings or specifications for any other customer; (b) reverse engineer any items provided by Buyer; (c) retain copies of Buyer's drawings or technical data after Order completion without authorization; or (d) use knowledge gained from this Order to compete for Buyer's customers.

**Buyer-Furnished Property:** All tooling, fixtures, gauges, equipment, and materials furnished by Buyer remain Buyer's property. Seller shall: (a) clearly identify and segregate such property; (b) maintain in good condition; (c) use only for Buyer's work; (d) maintain insurance coverage; and (e) return upon request or Order completion. Seller is liable for loss or damage beyond normal wear.

## 11. INSURANCE

Seller shall maintain commercial general liability insurance (including products liability) and workers' compensation insurance adequate to cover risks of Seller's operations. Upon request, Seller shall provide certificates naming Buyer as additional insured.

## 12. GENERAL PROVISIONS

**Assignment:** Seller may not assign this Order or subcontract work without Buyer's prior written consent.

**Dispute resolution:** Disputes shall first be addressed through good-faith negotiations between authorized representatives. Given the typically fast-paced nature of aerospace work, issues should be escalated promptly rather than allowed to fester.

**Governing law:** This Order is governed by California law without regard to conflicts principles. Exclusive jurisdiction and venue is in Los Angeles, California. The UN Convention on International Sale of Goods does not apply.

**Severability:** If any provision is held invalid, the remaining provisions continue in full force. Parties shall negotiate a replacement provision that accomplishes the original intent.

**Waiver:** Failure to enforce any provision does not waive Buyer's right to later enforce that or any other provision.

**Entire agreement:** This Order (including documents incorporated by reference) constitutes the complete agreement and supersedes all prior negotiations, representations, and agreements. No amendment is binding unless in writing signed by authorized representatives of both parties.