PURCHASE ORDER TERMS & CONDITIONS
(Critical Components)

1. Acceptance of Purchase Order
This Purchase Order ("PO") is Buyer's offer. Seller accepts by acknowledging, shipping goods, or beginning performance. Any additional or conflicting Seller terms are rejected unless expressly agreed to in writing by Buyer.

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2. Pricing
PO prices are firm. No additional charges—including shipping, handling, packaging, duties, or tariffs—are permitted unless approved in writing by Buyer.

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3. Delivery Requirements
Time is of the essence. Seller must meet all delivery dates and promptly notify Buyer of any delays. Buyer may cancel all or part of the PO without penalty if delivery is late or at risk of delay.

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4. Shipping, Title & Risk of Loss
Unless otherwise stated, shipments shall be made in accordance with the Incoterms specified in the applicable Purchase Order. Title and risk of loss shall transfer as defined by such Incoterms, subject to Buyer's right of inspection and acceptance.

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5. Inspection, Testing & Rejection
All goods are subject to Buyer's inspection, testing, and approval. Buyer may reject goods that are defective, damaged, non-conforming, or not per specifications. Rejected goods are returned at Seller's expense, and Buyer may require refund, credit, or replacement.
Buyer's failure to detect a defect during incoming inspection does not waive Seller's responsibility for full compliance.

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6. Warranties
Seller warrants that all goods and services:

- Are new, free of defects, and conform to all specifications, drawings, certifications, and performance requirements.
- Are free of liens and encumbrances.
- Comply with all applicable laws and regulations.
- Will perform as intended for at least **12 months** from delivery or the stated warranty period, whichever is longer.

Services must be performed professionally and consistent with industry standards.
If any defect is discovered, Seller shall, at Buyer's option, promptly replace, repair, or refund the goods at Seller's expense.

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7. Quality, Sourcing, Traceability & Compliance
Seller shall maintain quality management systems and controls appropriate for the nature of the goods, including enhanced controls for safety-critical or mission-critical components. Without limiting the foregoing:

(a) Authenticity & Sourcing.
All components, raw materials, and subcomponents provided under this Purchase Order shall be new, authentic, and unused, and shall be sourced only from the original manufacturer (OEM) or an OEM-authorized distributor, unless Buyer approves otherwise in writing.

(b) Traceability.
Seller shall maintain full and complete traceability of all materials and components to the original manufacturer, including lot numbers, batch records, and country of origin, as reasonably applicable. Seller shall provide certificates of conformance, test reports, or other documentation upon request.

(c) Sub-tier Supplier Responsibility.
Seller is fully responsible and liable for the acts, omissions, quality, compliance, and performance of all sub-tier suppliers, subcontractors, and distributors used in connection with this Purchase Order, as if such acts or omissions were Seller's own.

(d) Change Control.
Seller shall not make any changes to materials, components, suppliers (including sub-tier suppliers), manufacturing processes, equipment, testing methods, or manufacturing locations without Buyer's prior written approval.

(e) Compliance.
Goods shall comply with all applicable laws, regulations, and industry standards, including those related to safety, environmental compliance, and hazardous or intrinsically safe equipment, as applicable.

(f) Nonconformance Notification.
Seller shall immediately notify Buyer of any actual or suspected nonconformance, counterfeit risk, quality issues, or deviation from specifications.

(g) Audit Rights.
Buyer may audit Seller's facilities, processes, and records relating to the goods to verify compliance with this Section. Routine audits shall be conducted upon reasonable advance notice. However, Buyer reserves the right to conduct unannounced audits where Buyer has a reasonable basis to suspect material nonconformance, quality issues, or compliance failures.

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8. Changes
Buyer may request changes to specifications, quantities, or schedules. If changes affect cost or timing, Seller must notify Buyer within five (5) business days. No adjustment is binding unless agreed to in writing.

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9. Intellectual Property
All Buyer-provided drawings, specifications, and tooling remain Buyer's property and may be used only to fulfill this PO. Seller shall not disclose or use Buyer's IP for any other purpose.

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10. Confidentiality
Seller shall keep all non-public information from Buyer confidential and use it only to perform the PO.

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11. Indemnification
Seller shall indemnify, defend, and hold Buyer harmless from all claims, damages, losses, liabilities, and expenses arising from:

- Defective, non-conforming, or unsafe goods or services
- Seller's negligence, misconduct, or failure to comply with specifications
- IP infringement related to the goods or services
- Field failures, recalls, or regulatory actions caused by Seller's goods

This obligation survives completion or termination.

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12. Insurance
Seller shall maintain commercially reasonable insurance, including general liability, product liability, and workers' compensation, and provide certificates upon request.

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13. Termination
Buyer may terminate:

- **For convenience**, with reasonable notice; or
- **For cause**, immediately, if Seller breaches, fails to deliver, or becomes insolvent.

Buyer will pay only for conforming goods delivered and accepted before termination.

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14. Force Majeure
Neither party shall be liable for failure or delay in performance caused by events beyond its reasonable control, including acts of God, natural disasters, war, terrorism, riots, government actions, or other similar events ("Force Majeure Event"), provided that the affected party:
(a) promptly notifies the other party of the Force Majeure Event;
(b) uses commercially reasonable efforts to mitigate the impact and resume performance as soon as practicable; and
(c) provides reasonable updates regarding status and expected duration.
Supplier-specific or internal business issues, including but not limited to sub-supplier failures, labor shortages, capacity constraints, cost increases, or financial distress, shall not constitute a Force Majeure Event unless directly caused by an independent Force Majeure Event described above.
Buyer may procure substitute goods or services from alternate sources during the period of delay without liability or prejudice to Buyer's other rights and remedies.

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15. Governing Law
This PO is governed by the laws of the State of Texas. Venue for disputes is exclusively in Texas.

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16. Entire Agreement
This PO and these Terms & Conditions constitute the entire agreement unless a separate written agreement is executed by both parties.