Supplier Purchase Terms and Conditions

Supplier-facing | Specialty Machine as Buyer

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Status	FINAL

Applicability and precedence

Applies to purchase orders that expressly reference these terms. Specialty Machine is the BUYER and the supplier is the SELLER. Do not attach customer-facing Sales Terms to supplier purchase orders.

1. Parties; acceptance; order of precedence

These Supplier Purchase Terms govern purchase orders issued by Cryer Limited Partnership d/b/a Specialty Machine ("Buyer") to the supplier ("Seller"). An order becomes binding upon Seller's written acceptance, commencement of performance, or shipment. Seller's inconsistent boilerplate is rejected unless Buyer expressly accepts it in a signed writing. Order of precedence: (1) signed master agreement or order-specific amendment; (2) purchase order and its express customer/regulatory flow-downs; (3) drawings, specifications, and approved revisions; (4) SM-QA-001 Supplier Quality Requirements; (5) these purchase terms. Resolve discrepancies with Buyer before proceeding.

2. Price; invoices; taxes

The accepted purchase-order price includes all charges unless expressly itemized and approved. Seller shall reference Buyer's PO number, line item, and shipment on invoices. Payment is net 30 days after receipt of a correct invoice and conforming goods or services, unless the PO states otherwise. Buyer may withhold genuinely disputed amounts while paying undisputed sums. Seller shall not substitute material or add surcharges without written approval. Applicable taxes shall be separately stated where required.

3. Delivery; packing; title; risk

Time is of the essence for firm PO dates. Seller shall notify Buyer promptly of actual or anticipated delay and provide a recovery plan. Partial or early shipments and excess quantities require prior written authorization. Seller shall pack, label, preserve, and ship goods to prevent damage and ensure traceability in accordance with the PO. Unless the PO states otherwise, title and risk of loss pass to Buyer upon receipt at the designated destination, without limiting Buyer's rejection rights. Seller is responsible for costs of unauthorized excess quantities and nonconforming deliveries.

4. Conformity; inspection; acceptance

Goods and services must meet the accepted PO, drawings, specifications, revisions, and applicable requirements. Buyer, its customers, and regulatory authorities may inspect and verify relevant work and records under SM-QA-001 and the PO. Receipt, payment, source inspection, or preliminary acceptance does not waive rights concerning latent defects or nonconformities. Buyer may reject nonconforming goods and require, at Seller's reasonable expense, prompt replacement, rework authorized by Buyer, or refund; equitable price adjustment may be agreed. Seller shall not perform unauthorized repair or use-as-is disposition.

5. Supplier quality; flow-down

Seller shall comply with SM-QA-001 to the extent specified by the PO and its applicability matrix, and flow down applicable requirements to sub-tier providers. Seller remains accountable for sub-tier performance. Buyer may monitor delivery, quality, corrective actions, and contract compliance and use documented results for supplier approval or re-evaluation.

6. Changes; deviations; subcontracting

Seller shall not change controlled product design, specified material, approved special processes, qualified source, manufacturing location, or other characteristics affecting conformity, traceability, regulatory compliance, or customer approval without prior written authorization when required by the PO, drawing, or SM-QA-001. Routine internal changes that do not affect those characteristics may be managed under Seller's quality system. Seller shall obtain approval for deviations before shipment. Subcontracting is permitted only subject to required approval, confidentiality, export controls, and effective flow-down.

7. Records; audit; access

Seller shall maintain objective evidence and records required by SM-QA-001, the PO, and applicable law and make relevant records available upon reasonable request. Buyer, its customer, and regulators shall have contractual access to applicable facilities and records as required, subject to safety, security, confidentiality, export-control, and reasonable notice constraints except for urgent regulatory or quality needs.

8. Buyer property; confidentiality; controlled data

Buyer-owned materials, tooling, drawings, and data remain Buyer property, must be identified, safeguarded, and used only for authorized work, and returned upon request subject to lawful retention obligations. Seller shall protect Buyer confidential information and shall not disclose or transfer it to unauthorized persons or locations. ITAR, EAR, CUI, and contractual cybersecurity restrictions apply when identified in the PO or required by law; no foreign-person access or offshore transfer is authorized by this clause. Seller shall promptly report loss, compromise, or unauthorized disclosure in accordance with applicable requirements.

9. Intellectual property

Each party retains its pre-existing IP. Buyer owns its designs, specifications, and paid-for deliverables only to the extent expressly provided in the PO or a signed development agreement. Seller grants Buyer a nonexclusive license to use embedded Seller IP solely as necessary to use, maintain, resell, and support purchased goods; no blanket license to unrelated inventions or manufacturing know-how is granted. Seller warrants it has authority to supply the goods and shall indemnify Buyer against infringement caused by Seller-originated designs, except to the extent infringement results solely from Buyer-furnished detailed designs.

10. Warranty; corrective action

Seller warrants for 18 months after Buyer's receipt, unless the PO specifies otherwise, that goods conform to applicable requirements and are free of defects in Seller's workmanship and materials. Seller shall promptly contain suspected nonconformity, notify Buyer when required, and support root-cause and corrective-action requests under SM-QA-001. Remedies are cumulative to the extent permitted by applicable law, subject to the agreed liability provisions.

11. Ethics; labor; environment; sourcing

Seller shall comply with applicable anti-bribery, labor, occupational safety, environmental, sanctions, and trade laws and SM-CO-001 where incorporated into the PO. Seller shall use reasonable due diligence and provide requested

declarations concerning conflict minerals and other regulated sourcing; no blanket ban on all products containing 3TG minerals is intended. Seller shall disclose material compliance concerns affecting Buyer's goods.

12. Indemnification; liability

Seller shall defend and indemnify Buyer against third-party claims to the extent arising from Seller's negligent acts, willful misconduct, or material breach, excluding losses attributable to Buyer. Buyer shall not be liable for Seller's lost profits or indirect, incidental, special, punitive, or consequential damages except where prohibited by law. Neither party's liability limitations excuse fraud, willful misconduct, or legally non-waivable duties. Any additional cap or insurance obligation must be specified in the PO or a signed agreement.

13. Cancellation; termination; force majeure

Buyer may terminate an order for convenience on written notice and shall pay for conforming completed goods and reasonably documented, noncancelable costs directly incurred before notice, less mitigation and amounts previously paid; no anticipated profit on unperformed work is due unless agreed. Buyer may terminate for material breach not cured within 15 days after notice, or immediately for serious safety, export-control, fraud, or counterfeit concerns. Neither party is responsible for delays beyond reasonable control if it gives prompt notice and mitigates; Buyer may source elsewhere if disruption materially threatens delivery.

14. Governing law; disputes; general

Texas law governs, subject to mandatory federal law. The parties shall first attempt management-level resolution. Exclusive venue is the state or federal courts having jurisdiction in Travis County, Texas, unless a signed agreement states otherwise. Changes require authorized writing; invalid provisions are severable; no waiver arises from non-enforcement.