

PURCHASE ORDER TERMS AND CONDITIONS

TERMS OF ORDER. These terms and conditions set forth the entire understanding between the Vendor and API International, Inc. ("API") and supersede all other prior agreements, written or oral, between the Vendor and Purchaser with respect to the subject matter of this Purchase Order ("Order") (except where the Order explicitly incorporates or references a written agreement between Vendor and Purchaser, in which case the terms and conditions of that written agreement apply and supersede these standard Purchase Order Terms and Conditions) and any additional or conflicting terms contained on Vendor's acknowledgment, confirmation, invoice or similar documents. Any additional or conflicting terms will have no effect.

1. Engineering drawings furnished by API are the property of API. Seller shall not furnish or disclose such drawings, or manufacture the same or similar articles, to any third party without API's prior written consent.
2. A Mill Certificate bearing the official Mill stamp and a Material Test Report ("MTR") shall be provided with the invoice. Mill Certificates must include chemical composition and physical properties.
3. All OEM parts shall be subject to 100% inspection and all stock parts to a minimum 5% inspection prior to shipment. Dimensional inspection reports covering a minimum of 5%–10% of inspected quantities shall be provided prior to shipment.
4. Unless otherwise specified the Country of origin shall be clearly and permanently marked on all products, including samples.
5. Seller warrants that all goods furnished under this Order shall be free from defects in material, workmanship, and design (where applicable), and shall conform to API specifications, approved samples, or both. Seller shall indemnify, defend, and hold harmless API from any costs, claims, damages, or expenses, including attorneys' fees, arising from any breach of this warranty.
6. All tools, dies, jigs, molds, and similar items paid for by API, or furnished by API without charge, shall remain the property of API. Seller shall maintain such property in good condition and shall return it upon demand in good, serviceable condition. Tooling will be used solely for the purpose of fulfilling API's orders only and may not be used for any other purpose without the written permission of API.
7. API reserves the right to suspend shipments under this Order due to strikes, labor disputes, accidents, or other events beyond API's reasonable control.

8. Delivery dates are of the essence. Failure to meet the specified delivery schedule entitles API, at its sole discretion, to require the Vendor to bear all costs associated with expedited shipping, and/or to cancel this Order and source the materials from alternate suppliers.
9. If prices exceed those specified, Seller shall not ship and must notify API. If no price is stated, goods shall be billed at the lower of the last quoted price, last paid price, or prevailing market price.
10. No charges for packing, boxing, or cartage shall be allowed unless expressly authorized in writing.
11. Payment by API shall not constitute acceptance of nonconforming goods, waive any rights, or terminate any Seller warranties.
12. Goods rejected for quality or workmanship may be returned at Seller's expense or scrapped for credit. Replacement shall occur only upon receipt of a replacement purchase order from API.
13. Unless otherwise agreed upon, API assumes no obligation for quantities shipped in excess of the Order, credit in full may be required for any deviations. Invoice and import documentation must align with physical goods shipped. Invoices that do not align may have goods returned at the Seller's expense or credit for the value of the discrepancy applied and are subject to a \$125 documentation handling fee.
14. Seller represents and warrants compliance with all applicable federal, state, and local laws, regulations, and ordinances related to the manufacture, sale, and shipment of goods under this Order.
15. API reserves the right to cancel this Order for Seller's failure to comply with any instructions or terms herein.
16. These Terms and Conditions may not be modified except by a written instrument signed by an authorized representative of API.