

Sales Order Terms & Conditions

GENERAL

These terms and conditions of sale (“**T&C**”) apply to the sale of products and services (“**Products**”) offered by Harper Engineering Company or any of its divisions and subsidiaries (“**Harper**”) to the buyer listed on the Order (“**Buyer**”). Any terms and conditions proposed in Buyer’s purchase order which vary, add to or conflict with these T&Cs are expressly rejected and are not binding on Harper. Harper will not be deemed to have waived these T&Cs if it fails to object to provisions submitted by Buyer. Buyer’s silence or acceptance or use of Products constitutes its acceptance of these T&Cs. Any modification or addition to these T&Cs will only be effective if accepted in writing by an authorized representative of Harper. In the event different terms are specifically agreed to in writing, those terms shall apply only as to the particular subject(s) covered.

ORDERS

Buyer’s purchase orders (“**Orders**”) must specify, at a minimum: (1) Harper’s Products part number or the exact specifications and drawings; (2) requested delivery dates; (3) applicable price; (4) quantity; (5) delivery location of the Products; (6) any special requirements; and (7) location to which invoices will be sent for payment. Orders are subject to acceptance by Harper. Harper’s order acknowledgment will not constitute acceptance. Any additional or conflicting terms on Orders will not apply unless specifically agreed to in writing by an authorized representative of Harper. Harper will schedule delivery in accordance with its standard lead time (calculated from the date an Order is accepted) unless Buyer’s Order requests a later delivery date or Harper agrees in writing to a separate delivery date. Order cancellations must be agreed to in writing by Harper, and Buyer shall be responsible for cancellation fees and any costs and expenses incurred by Harper as a result of the cancelled Order.

DELIVERY TERMS

ExWorks, Harper facility (Incoterms 2020). Risk will pass to Buyer when Harper places the Product at the disposal of Buyer or Buyer’s carrier at Harper’s facility.

CURRENCY

US Dollars.

PAYMENT TERMS: Upon approved credit, payment terms are net 30 days from the date of invoice unless otherwise stated on the Order. A monthly invoice carrying charge interest on delinquent amounts at a rate of 1.5% per day or the maximum rate permitted by law, may be assessed for invoices not paid in net 30 days. If, in the sole judgment of Harper, the financial condition of Buyer does not support commencement or continuance of any manufacture of Products or shipment of completed Products, Harper may make a written demand for full or partial payment in advance, deliver

future shipments on a cash with Order or cash in advance basis; charge storage or inventory carrying fees on Products; recover all costs of collection including, without limitation, reasonable attorneys’ fees. At Harper’s sole option, it may suspend performance until such payment is received and cancel if such payment is not received within 30 days of such demand. Harper may combine any of the above rights and remedies as may be permitted by applicable law. The above remedies are in addition to all other remedies available at law or in equity. Buyer will not set off or recoup invoiced amounts or any portion thereof against sums that are due or may become due to Harper, its parents, affiliates, subsidiaries or other divisions or units unless agreed to in writing by Harper.

BUYER-SUPPLIED MATERIALS

For any Buyer-supplied material, parts or hardware, Harper will be held responsible only for the value-added labor and material content provided by Harper during manufacture of the Products. Buyer agrees to indemnify and hold Harper harmless for all claims, costs and damages incurred by Harper as a result of defective, inaccurate or incomplete Buyer-supplied material, parts or hardware.

TAXES

Orders and prices will not include any taxes for which Buyer has furnished a valid exemption certificate or other evidence of exemption. Both Parties agree to cooperate to mitigate the tax impact and exposure generated under this Agreement.

Taxes, whether sales, value added, goods and services, consumption, or similar (but excluding corporate income taxes and similar), if not exempted, will be added to the Order in an amount equal to the taxes paid by Harper, as evidenced by a tax invoice or other appropriate document complying with the relevant tax legislation, and will be payable by Buyer or other recipient of the Products.

If any taxing authority claims payment for taxes that would be otherwise exempt, Harper will promptly provide Buyer written notice, and will take action as Buyer directs, including payment or protest of such taxes, or defense against such claim. Buyer will, as applicable:

- 1) Pay or reimburse Harper for substantiated direct costs, excluding profit and overhead, of such defense;
- 2) Pay or reimburse Harper for any sales taxes ultimately determined as due and payable;
- 3) Receive immediate refund from Harper of all monies recovered by Harper in case Harper or Buyer is successful in defending such claim.

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EXCUSABLE DELAY

Harper shall not be liable for failure to perform or for delay in performance due to any cause beyond its reasonable control including but not limited to fire, flood, strike or other labor difficulty, act of God, any legal proceeding, act of any governmental authority, act of the Buyer, war, riot, sabotage, civil disturbance, embargo, fuel or energy shortage, wreck or delay in transportation, major equipment breakdown, epidemics, quarantine restrictions, inability to obtain necessary labor, materials or manufacturing facilities from usual sources, or any act, delay or failure to act of Harper's suppliers and subcontractors of any tier beyond Harper's or such supplier's or subcontractor's reasonable control. In the event of delay in performance due to any such cause, the date of shipment or time for completion will be extended by a period of time reasonably necessary to overcome the effect of such delay.

WARRANTY; LIMITATIONS OF LIABILITY

See SMP4300 for Harper Engineering Company Manufacturer's Warranty.

CHANGES

Harper will use commercially reasonable efforts to meet Buyer needs and accommodate Buyer Order changes. Any changes in Orders requested by Buyer, including without limitation, Product design, scope of work, delivery, scheduling, or increase or decrease in quantities shall only be effective if accepted in writing by Harper. Such changes, including holds and stop work orders, may require other terms and conditions to be modified, including price terms, and Harper reserves the right to make such equitable adjustments.

GENERAL

These T&Cs do not supersede any confidentiality agreement executed by Buyer and Harper that otherwise applies to products, services, technical data or other information delivered in connection with an order. In the absence of such an agreement, Buyer may use Harper's confidential information only in the normal operation of Harper's Products. Further, Buyer may disclose information only on a need-to-know basis, will protect against inadvertent disclosure, and will not disclose information to any third party without Harper's prior written consent. Both parties shall comply with all applicable import and export laws. The contract arising pursuant to this order shall be governed by the laws of the State of Washington without giving effect to its conflict of law principles, and be conducted in King County. The Parties exclude the application of the United Nations Convention on Contracts for the International Sale of Goods. Harper's remedies provided herein shall be cumulative and in addition to any other remedies provided by law or equity. Either party's failure to insist on performance of any of these T&Cs or exercise any right shall not be deemed a waiver unless in writing signed by the party waiving performance. A waiver on one occasion shall not thereafter operate as a waiver of any other terms, conditions or rights, whether or the same or similar type.

Revision History

Revision	Changes	Date	By
NEW	Initial Release	11/05/2020	T. Commare