



27850 COMMERCIAL PARK DRIVE | TOMBALL, TEXAS 77375 | 281-357-0101 | WWW.CHEMVALVE.COM

Standard Terms and Conditions of Purchase

1. **Acceptance of Order:** This Purchase Order ("PO") is Buyer's offer to purchase the goods or services described herein. Seller accepts by signing, acknowledging, shipping goods, or beginning performance. Any additional or different terms proposed by Seller are rejected unless expressly accepted in writing by Buyer.
2. **Price and Payment:** Prices are firm and may not be increased without Buyer's written approval. Buyer will pay invoices within the period stated on the PO after receiving conforming goods or services. Buyer may offset amounts owed to Seller against amounts due from Seller.
3. **Delivery and Risk of Loss:** Delivery must occur by the date specified in the PO unless agreed otherwise in writing. Risk of loss transfers to Buyer only upon delivery to the designated location. Buyer may reject late deliveries or cancel the PO for delay.
4. **Inspection and Rejection:** Buyer may inspect goods upon delivery. Goods or services that do not meet PO requirements may be rejected and returned, replaced, or refunded at Seller's expense. Payment does not constitute acceptance.
5. **Warranties:** Seller warrants that all goods and services:
 - Are free from defects in materials and workmanship
 - Conform to Buyer's specifications and the PO
 - Comply with all applicable laws
 - Are new unless otherwise agreed
6. **Confidentiality:** Seller must not disclose Buyer's confidential or proprietary information without Buyer's prior written consent.
7. **Indemnification:** Seller shall indemnify and hold Buyer harmless from claims, losses, or damages arising out of defective goods, negligence, breach of warranty, or non-compliance.
8. **Intellectual Property:** Any intellectual property created specifically for Buyer under this PO belongs to Buyer unless otherwise agreed in writing.
9. **Termination:** Buyer may terminate this PO for convenience with written notice, or immediately for breach, insolvency, or failure to deliver. Upon termination, Seller shall cease work and deliver completed or in-process materials as instructed. Any cancellation charges must be agreed to in writing by both parties.
10. **Compliance with Laws:** Seller shall comply with all applicable federal, state, and local laws, including labor, safety, environmental, and trade regulations.
11. **Governing Law:** This PO shall be construed, interpreted and the rights of the parties determined in accordance with the laws of the State of Texas without giving effect to conflict of law principles.
12. **Entire Agreement:** This PO and its attachments constitute the entire agreement between Buyer and Seller. No amendment is valid unless agreed in writing by Buyer.
13. **Verification Requirements (AAR M-1003 §2.9.2.4):**

Seller shall comply with all verification requirements specified in the PO. At minimum, Seller shall provide:

 - Certificates of Compliance
 - MTR's, test reports and inspection results, where applicable
 - Traceability documents (lot, batch, heat number, etc.), where applicable
 - Any documentation expressly required by Buyer's technical specification

Buyer reserves the right to:

 - Review or audit verification activities at Seller's facility including onsite inspection at seller's premises when required by contract
 - Request additional inspection or testing
 - Reject materials lacking required objective evidence or failing to pass buyer's incoming inspection
14. **Method of Product Release (AAR M-1003 §2.9.2.4):**

Seller shall not release or ship product until all required inspections, tests, certifications, and documentation are complete. Product may only be released when:

 - Seller's Quality representative has approved the item for shipment.
 - All required documentation accompanies the shipment.
 - Buyer will place incoming material into Receiving Hold until Buyer's Quality Department verifies compliance.
 - No material is released to production until Buyer completes and records acceptance.
15. **Supplier Qualification and Control (AAR M-1003 §2.9.1 / 2.9.3):** Seller must maintain an effective quality system ensuring purchased materials meet Buyer's requirements. Seller shall notify Buyer of any changes to processes, materials, sub-suppliers, or certifications. Buyer reserves the right to approve or disapprove sub-suppliers.
16. **Records Retention (AAR M-1003 Chapter 7):** Seller shall retain quality, inspection, and traceability records related to this PO for no less than three (7) years, unless a longer period is required by Buyer in writing.
17. **Nonconforming Product (AAR M-1003 NC Control Requirements):** Seller shall immediately notify Buyer of any known or suspected nonconformance related to the order. Shipment of nonconforming material without Buyer's written authorization is prohibited.