

# Purchase Order Terms and Conditions

Last updated: January 07, 2026

In addition to any terms stated on the face of this Purchase Order, and **unless otherwise agreed to in writing**, the following provisions shall apply:

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## 1. Applicability

These Arc Boat Company Inc's Standard Terms and Conditions of Purchase shall apply to every purchase of goods or services by Arc Boat Company, Inc. ("Arc"). The word "Purchaser" whenever used herein shall mean Arc Boats, Inc or its affiliates. The party with which an order is placed is referred to herein as "Seller." The terms "Purchase Order," herein and "hereto" refer to and include any Purchase Order submitted by Purchaser to Seller, these Standard Terms and Conditions, any Supplier Agreement between the parties, and any other documents specifically made a part of or incorporated by reference into this Purchase Order. The products, machinery, equipment, supplies and/or labor or services covered by this Purchase Order are referred to herein as "Goods." This Purchase Order is the contract between Purchaser and Seller relating to the purchase and sale of Goods or services hereunder.

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## 2. Pricing and Payment

Seller agrees that the prices charged for goods or services under this order shall not exceed those stated on the Purchase Order, unless otherwise authorized in writing by Purchaser. If no price is specified, the price shall be the lower of:

- a) the prevailing market rate on the date of shipment, or
- b) the price charged by Seller to Purchaser for the same or similar goods or services on the most recent order.

Seller shall issue invoices for Goods delivered in accordance with these Terms, and Arc shall pay all properly invoiced amounts within sixty (60) days of receipt, excluding any amounts disputed in good faith. All payments shall be made in U.S. dollars unless otherwise agreed in writing. Arc may, without prejudice to any other rights or remedies, set off any amounts owed to it by Seller against amounts payable to Seller.

Seller will comply with Purchaser's invoicing requirements as defined by Purchaser. Unless otherwise agreed to, invoices shall be submitted electronically to [billing@arcboats.com](mailto:billing@arcboats.com). Sellers shall submit invoices only electronically and shall not duplicate such electronic submissions with hard copy submissions of the same invoice. Unless otherwise expressly stated herein, invoices dated prior to delivery of Goods will not be accepted.

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### 3. Delivery

Purchaser's production schedules and sales plans are based upon the agreement that the Goods will be delivered to Purchaser in accordance with the delivery requirements set forth in the Purchase Order. Therefore, time is of the essence, and Seller shall deliver Goods in accordance with the quantities and on the date(s) specified by Arc in this Purchase Order.

Seller shall promptly notify Purchaser in writing of any expected delay. If delivery is delayed, Purchaser may, after written notice, cancel the affected portion of the order or obtain substitute goods or services and charge Seller for any reasonable additional costs. Title and risk of loss transfer to Purchaser only upon delivery and acceptance at the destination specified.

Delivery will be considered timely only if Goods are delivered in the correct quantity, and at the time, date and location specified in the Purchase Order, subject to the Delivery Tolerance below. If necessary for Seller to meet its delivery requirements, Seller, at its sole expense, will use expedited delivery methods to complete and deliver the Goods.

Delivery Tolerance. A tolerance around the required delivery date is provided in order to support both Purchaser and Seller. Seller's delivery is said to be on-time if the correct quantity is received by the Purchaser's applicable facility as follows:

- a. Deliveries made within a window of the delivery date minus 7 days will be considered on-time.
- b. Deliveries made on the required delivery date, prior to 1500hrs (3:00pm) local time will be considered on-time.

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### 4. Shipping

All goods must be delivered to the address specified in this Order (the "Ship To"). Unless Arc specifies otherwise on the Order, Delivery shall be made FOB Destination, Incoterms® 2020 with full value insurance. Under these terms:

- a) Risk of Loss: Title and risk of loss shall remain with Seller until goods are delivered to and accepted at Arc's facility located at 2100 W. 195th St., Torrance, CA 90501. Seller bears all risk of loss or damage during transit.
- b) Insurance Costs: Seller shall be responsible for all insurance costs to Arc's facility. Goods must be insured for their full invoice value during transit, with Arc named as loss payee.
- c) Delivery Requirements: Seller shall:
  - i) Properly package and prepare all goods for shipment to prevent damage during transit
  - ii) Arrange delivery to Arc's facility during normal business hours
  - iii) Provide Arc with advance notice of shipment, including carrier information, tracking details, and expected delivery date
  - iv) Provide all necessary documentation, including packing lists, bills of lading, certificates of conformity, and invoices
  - v) The packing slip as described above shall be placed on an external surface of the first box or pallet of the shipment. It shall be secured in a clear envelope and be protected from weather and shipping damage during transit.
- d) In each shipment, Seller shall provide Arc, in writing, sufficient advance warning and notice (in addition to including appropriate labels on Goods, containers, and packing) of any hazardous or restricted material that is an ingredient or a part of the shipment, together with such special handling instructions as may be necessary to advise logistics providers, handlers of the Goods and personnel of how to exercise that measure of care and precaution that will comply with applicable laws and prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the Goods, containers, and packing.

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## 5. Packaging

Goods shall be delivered in packaging that meets industry standards and adequately protects the contents during transit and storage, including proper palletization and, where applicable, measures to prevent damage from stacked pallets. Any special packaging requirements must be documented and mutually agreed upon by Seller and Purchaser. Each package (box, container, sleeve, roll, etc.) must be clearly labeled to identify its contents.

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## 6. Inspection and Acceptance

Arc reserves the right to inspect all goods upon delivery, and no goods shall be deemed accepted until Arc has had a reasonable opportunity to verify that they are in working order and conform to all purchase order specifications. Arc shall have fifteen (15) business days from the date of delivery to inspect the goods and notify Seller of any defects, shortages, or non-conformities. Upon such notice, Seller shall, at Arc's election and at Seller's sole expense, promptly repair or replace any goods that are defective, damaged, or otherwise non-conforming.

Title shall not pass to Arc until goods are delivered to Arc's facility, inspected, and accepted as conforming and in working order.

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## 7. Changes

Purchaser may modify quantities, delivery schedules, or specifications by providing notice to Seller. Any resulting price or schedule adjustments must be agreed upon in writing by both parties.

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## 8. Assignment

Seller shall not assign, transfer, or delegate any rights or obligations under this order without Purchaser's prior written consent.

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## 9. Warranty

Seller warrants that all goods provided under this order shall be free from defects in material and workmanship and will be suitable for the intended purpose, including any special uses known to Seller. This warranty is in addition to, and does not limit, any other warranties provided by Seller or implied by law.

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## 10. Indemnification

Seller agrees to indemnify, defend, and hold harmless Purchaser from any and all claims, damages, losses, expenses, or liabilities (including shipping, labor, administrative, and legal costs) arising from or related to:

- a) the goods, materials, or services provided by Seller;
- b) work performed by Seller on property owned or controlled by Purchaser;
- c) representations or warranties made by Seller; or
- d) any negligent act or omission by Seller, its employees, officers, or agents.

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## 11. Confidential Information

All non-public information relating to Arc, the Goods, the Services, or any Order, including specifications, samples, patterns, designs, software or hardware, data, drawings, documents, business operations, tooling, customer lists, intellectual property, pricing, development work, marketing plans, trade secrets, and other technical or commercial know-how (whether oral, written, electronic, or otherwise, and whether or not marked as confidential), is Arc's confidential information. Such information may be used by Seller solely to perform its obligations under the Order and may not be disclosed, copied, or used for any other purpose. Upon Arc's request, Seller shall return all confidential information within three (3) days. Arc is entitled to seek injunctive relief for any violation of this Section.

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## 12. Taxes

Seller is responsible for all taxes applicable to this order unless Purchaser provides valid tax exemption certificates acceptable to the taxing authority. If any taxes are collected in error, Seller shall promptly notify Purchaser and assist in obtaining a refund.

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## 13. Legal Compliance

Seller warrants that all goods and services provided comply with applicable federal, state, and local laws, including the Fair Labor Standards Act (as amended), and all related regulations.

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## 14. Force Majeure

Purchaser shall not be liable for delays or failure to accept delivery caused by events beyond its reasonable control, including but not limited to natural disasters, labor disputes, acts of war, government restrictions, transportation issues, or equipment failures. Purchaser may cancel or postpone affected deliveries without penalty.

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## 15. Insolvency

Either party may terminate this order if the other becomes insolvent, files for bankruptcy, or has a receiver appointed and such proceedings are not dismissed within ten (10) days.

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## 16. Government Contracts

If this order is placed in connection with a government contract or subcontract, all applicable government procurement terms and conditions are incorporated herein by reference.

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## 17. Governing Law and Jurisdiction

### 17.1 Governing Law

This Purchase Order and any dispute, claim, or controversy arising out of or related to it shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of law principles.

### 17.2 Binding Arbitration

Any dispute, claim, or controversy arising out of or relating to this Purchase Order, or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by binding arbitration in Los Angeles County, California. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

### 17.3 Jurisdiction and Venue

To the extent any matter is not subject to arbitration or for purposes of enforcing any arbitration award, the parties agree that any legal action or proceeding shall be brought exclusively in the state or federal courts located in Los Angeles County, California, and each party hereby irrevocably submits to the personal jurisdiction and venue of such courts.