

## Trace-A-Matic Corp Purchase Terms and Conditions

1. **Acceptance** - Seller shall accept this order by acknowledgment hereof within seven days of the date of issue. Buyer may terminate this order at any time at any time prior to such acceptance, with or without cause. This order is subject to these terms and conditions and Seller's acceptance is conditional on Seller's assent to these terms and conditions. Any provision of Seller's quotation, proposal, acknowledgment, confirmation or other form or writing inconsistent with or in addition to these terms and conditions contained in this order are hereby objected to and rejected by Buyer and will not constitute a part of the contract of sale.
2. **Warranty** - Seller warrants that all the materials and articles furnished hereunder will be exact conformity with this order and with any other description, specification, drawing or sample supplied by Buyer or Seller; shall be free from defects in material and/or workmanship and shall be merchantable and fit for the purpose, if any, indicated by Buyer to Seller.
3. **Inspection and Acceptance of Goods** - All goods shall be delivered subject to Buyer's right of inspection and rejection. Defective goods or goods which fail to conform in any respect with Buyer specifications will be held for Seller's instructions for resolution. Buyer shall have the right to cancel those goods and any unshipped portion of the order. Payment for goods on this order prior to inspection shall not constitute acceptance thereof and acceptance of the goods by Buyer shall not relieve Seller from any of its obligations and warranties.
4. **Extra Charges** - No additional charges of any kind, including charges for boxing, packing, crating or other extras will be allowed unless agreed to in writing in advance by Buyer. Before proceeding with any work or shipping any goods involving possible claims by the Seller for extra compensation above the price specified in the order, Seller shall submit to Buyer a detailed statement of such items together with the price thereof.
5. **Invoices** - Separate invoices must be rendered for each shipment to show Buyer's purchase and part numbers and the invoice with the last shipment shall be labeled "Order Complete". Bill of lading or express must accompany invoices and must include weight and rate of freight. A packing list must be placed in all packages and boxes and a purchase order number must appear on all invoices, packing lists, and bills of lading.
6. **Installation** - In the event that the goods ordered hereunder require connection or installation thereof, the Seller agrees to furnish the services of a supervisor or expert connected with the Seller, either without charge or at an agreed upon rate per day. Such supervisor shall not be deemed an agent of employee of Buyer while performing his duties with respect to goods covered by this order, and Seller will assume full responsibility for acts and omissions of such party.
7. **Miscellaneous** - The interpretation, validity and enforcement of this agreement shall be interpreted according to the internal laws of the state of Wisconsin. It constitutes the entire agreement between the parties and may not be modified or amended except in

writing signed by Buyer. It may not be assigned by Seller without Buyer's prior written consent. Any remedy provided herein shall not be exclusive of any remedy provided under any other applicable law, regulation, rule, or ordinance.

8. **Property** - All tools, gauges, dies, fixtures, and patterns furnished by Buyer or which Buyer specifically authorizes Seller to acquire for work on this order shall be the property of Buyer. They shall be listed and maintained in an appropriate condition so that they do not degrade and that they remain without defect.
9. **Notification of Nonconforming Material** - Seller agrees to notify Buyer prior to the shipping of any material that is suspect of non conformance to a specified requirement. This notification must be in such a manner that Buyer can provide a timely agreement to accept such material.
10. **Notification of Changes In-process, Material, Manufacturing or Production Facilities** – Seller agrees to notify Buyer in the event that an agreed upon process will be or has changed to the degree it MAY affect the products performance either at Buyer or the end user. Once a manufacturing or production facility has been awarded a contract the Seller may not move Buyer business without notification and approval by Buyer. In the event that multiple facilities are with in the business scope of the Seller, the processes, manufacturing and/or product are to remain at the production or manufacturing location unless agreed upon by Buyer in writing.
11. **Right to Access** – When deemed necessary by Buyer the Seller shall allow for source or on sight inspection by either Buyer, its customer or both. The Seller will be provided reasonable notification of any such inspection.
12. **Requirements of the Seller** – Seller must meet the following requirements. Exceptions are to be addressed with the Buyer on an individual basis.
  - Implement and maintain a quality management system
  - When directed, use Buyer designated or approved external providers
  - Prevent the use of counterfeit parts
  - Flow down to Seller's external providers applicable requirements
  - Retain documented evidence for a minimum of 10 years
13. **Seller's Contribution** – Seller acknowledges the following:
  - They contribute to the Buyer's overall product conformity
  - They contribute to the Buyer's overall product safety
  - They are to act in an ethical behavior
14. **Buyer's Provision of Requirements to the Seller**- Based on customer and/or QMS requirements, the buyer shall flow down to the seller on the purchase order any applicable requirements for:
  - Competence, including any required qualification of persons

- The external providers' interactions with the organization
- Control and monitoring of the external providers' performance to be applied by the organization
- Test, inspection, and verification (including production process verification)
- The use of statistical techniques for product acceptance and related instructions for acceptance by the organization
- Key Characteristics- When key characteristics have been identified by the Buyer, the Seller agrees to flow down all applicable requirements to any sub-contracted work in which they are being compensated for including but not limited to:
  - Drawings
  - Product Specifications
  - Regulatory requirements
  - Documentation (written or electronic media)

15. **Packaging** – Seller shall protect the product from contamination and/or damage by foreign objects (FOD) during manufacturing, test, packaging, and transportation. When packaging of material is supplied to the Seller for the purpose of returning material or product to Buyer the Seller shall maintain the packaging in the condition it is received.
16. **Records** - When directed by Buyer all quality records (as defined in Q9000-2005) must be maintained in retrievable form or format for the specified time in the contract. When no retention time is specified records will be maintained and retrievable for 3 years.
17. **Failure of Delivery or Delay** – If Seller is more than 15 days past due of the delivery date specified in this order, Buyer may cancel this order, or the unfulfilled portion of this order, without penalty or other cost to Buyer. In the event that Buyer elects not to terminate this order pursuant to its rights under this section, Seller agrees that such election does not relieve Seller from liability for any damages that may inure to Buyer, and any assistance given by Buyer to Seller shall not release Seller from the faithful performance of this order.
18. **Revision Levels** – Unless otherwise specified industry specifications listed on purchase orders or accompanying documents are to be to the latest revision.