

160 King Street Elk Grove Village, IL 60007 Phone (847) 220-4327 Fax (847) 220-4329 www.emcogears.com

## TERMS AND CONDITIONS OF PURCHASE ORDERS

- 1. By accepting this order, seller warrants that items or services furnished conform to the order. EMCO Gears reserves the right to reject and refuse acceptance of items or services which are not in accordance with the instructions, specifications, drawings, or data. Seller agrees to refund any payments made including original shipping expense for items or services found not in accordance with the order.
- 2. All specifications, drawings, and data submitted to the seller with this order are part of the order. All specifications, drawings, and data are confidential and will not be shared with any third party. Seller shall use customer approved sources when the use of sub-tier suppliers is required. Seller agrees to flow-down, as required, all applicable documentation, including key characteristics to its sub-tier suppliers. Flow down to any sub-tier supplier must be approved by EMCO Gears in writing in advance. EMCO Gears delegates verification activities (inspections, tests, and first articles) to the supplier. By accepting this purchase order for the parts or processes indicated, Seller grants right of entry by EMCO Gears, EMCO Gears customer, and regulatory authorities to the seller's facilities and all applicable records. EMCO Gears, EMCO Gears customers, and the customer's representative and government authorities intend to perform verification activities at supplier's premises when warranted and to assure product and services conform to specified requirements. Advanced notification will be provided.
- 3. The seller is required to retain inspection and test records indefinitely. If records cannot be retained indefinitely, then seller must notify EMCO and negotiate a definite term that complies with EMCO's customer requirements. Should any reason arise that would lead to the destruction or loss of the aforementioned records, then EMCO must be notified at least 4 weeks in advance so appropriate action may be taken.
- 4. Contact EMCO Gears before beginning the order if anything regarding this order is not understood. Seller shall notify EMCO Gears of any changes in the product, process, supplier's and or facilities. Advanced written approval of changes shall be obtained from EMCO Gears.
- 5. Written certification of work performed to required drawings and specifications must accompany shipment of completed parts. Identification and traceability for each order must be maintained and linked to the certification.
- 6. Seller shall notify EMCO Gears immediately of nonconforming product or process. EMCO Gears shall notify seller of the disposition of nonconforming product or process. Root cause analysis and timely, effective corrective actions are required when EMCO Gears determines the supplier is responsible for the root cause of a problem.
- 7. Prices charged by the seller shall be those quoted in writing or mutually agreed to verbally prior to award of this purchase order. Price changes by the seller must be made in writing and do not apply to this order.