



WAUSEON MACHINE

SUPPLIER GUIDE



Wauseon Machine Supplier Guide

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1 COMPANY OVERVIEW

Wauseon Machine started as a small machining shop in 1983 specializing in build-to-print tooling, prototypes, and machined parts. Today we have over 100 CNC machines and are capable of producing parts for our customers ranging from low volume to high volume production quantities.

In 1988, we designed and built our first ram tube end forming machine. Today we have a standard line of tube end forming, decoating, and crimping machines with an installed base in 22 countries.

In 2002, we began our journey in automation by integrating robots with our end forming equipment. Today, we have extensive experience designing, building, and installing automation solutions leveraging a broad range of application capabilities.

In 2022, we acquired McAlister Design and Automation located in Greenville, SC to expand our Automation Solutions footprint, customer base, and application capabilities. Today we are well positioned to service the automation needs of our customers.

Technology has changed over the past 40 years, but our mission at Wauseon Machine remains the same – take on and solve challenges for our customers that helps improve their business.

Vision: Delivering innovative solutions for tomorrow's manufacturing challenges.

Mission: Be the recognized leader and preferred partner in robotic automation, precision machining, and tube forming technologies through excellence in people, quality, delivery, and cost with an unwavering commitment to create value for our employees, customers, suppliers, and communities.

Values:

- integrity
- trust and respect
- delight the customer
- teamwork
- ownership and accountability
- embrace diversity
- continuous improvement mindset

2 INTRODUCTION

Our Suppliers

Wauseon Machine recognizes the very important role our Suppliers have in the value we offer our customers. As an extension of our own operations, we rely on our Suppliers to provide material, products, and services which meet all the requirements of Wauseon Machine contracts, applicable specifications, and the quality management requirements outlined herein.

Purpose

Wauseon Machine serves diverse market sectors, such as industrial, automotive, aerospace, and biomedical. The purpose of this guide is to inform our Suppliers of the core expectations we have regarding quality management systems, design requirements, and manufacturing process controls as part of doing business together.

Scope

This guide applies to all Suppliers providing Wauseon Machine with materials, products, processing, and related services, and when applicable, to Supplier sub-tier sources. The general requirements outlined herein do not supersede conflicting requirements in the Wauseon Machine contract, or drawing, including applicable engineering specifications and process specifications, or applicable long-term agreement(s).

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3 SUPPLIER CODE OF CONDUCT

Suppliers shall ensure operations are being performed in a manner that is appropriate, as it applies to their ethical, legal, environmental, and social responsibilities. Below is a listing of the basic requirements:

- Compliance with Local Laws and Regulations.
- Compliance with Environmental, Health, and Safety Laws
- Adherence to Product Safety
- Code of Conduct and Policy Enforcement
- Confidentiality

4 SUPPLIER APPROVAL PROCESS

Wauseon Machine requires all Suppliers to be approved prior to the issuance of purchase orders and/or contracts. All Suppliers must be approved by Wauseon Machine, regardless of approvals by customers or other entities.

New Supplier Form

A new supplier form will need to be completed by the supplier and approved by the Supply Chain Director as the first step in being added to the approved supplier list.

Supplier Risk Assessment

Suppliers that provide goods and services involved in the manufacturing process will undergo a risk assessment as a secondary criterion to becoming an approved supplier. A high-risk assessment score may warrant a supplier survey to take place which could be onsite or over the phone.

On-Site Assessment

Wauseon Machine and/or its customers, due to product/process complexity or criticality, may elect to conduct on-site assessments of a Supplier's product or process capabilities. As a result, findings may be issued. These assessments could include:

- | | |
|--|-------------------------------------|
| a) Quality Management System (QMS) | c) Continual Improvement Initiative |
| b) Business and Manufacturing Operations | d) Technology Assessment |
| | e) Sub-Tier Supplier Control |

5 QUALITY SYSTEM REQUIREMENTS

Suppliers shall maintain a Quality Management System (QMS) suitable to the products and services provided to Wauseon Machine.

Training of Supplier Personnel

Suppliers are responsible for ensuring all personnel to be adequately trained and/or qualified for the roles and responsibilities they are performing to ensure the quality of the product being supplied.

6 GENERAL REQUIREMENTS

Compliance to Contractual Requirements

Upon accepting a Wauseon Machine purchase order (PO), the Supplier is responsible for compliance to all document (e.g., engineering drawing, specification, purchase order) requirements and other related terms listed in the WM Terms and Conditions, **see Appendix A**. All documents, drawings, and specifications, regardless of origin, are applicable to the Supplier when specified in the contract or documents referenced in the PO are required to be used at all levels of the supply chain. Neither audit, surveillance, inspection, or tests made by Wauseon Machine employees, or its customer(s), at Supplier's facilities, at any sub-tier facilities, or

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upon receipt at Wauseon Machine, relieves the Supplier of the responsibility to furnish acceptable products or services that conform to all contract requirements; nor does it preclude subsequent rejection by Wauseon Machine or its customers.

Wauseon Machine Designated Sources

Where specified by contract, the Supplier shall purchase products, materials, or services from Wauseon Machine designated sources. However, the Supplier is responsible to ensure that items procured from such sources meet all applicable technical and quality requirements as outlined in this guide.

Control of Sub-Tier Suppliers

The Supplier, as the recipient of the contract, is responsible for meeting all requirements, including work performed by the Supplier's sub-tier Suppliers (also known as Sub-Suppliers or subcontract Suppliers). When the Supplier uses sub-tier sources to perform work on products and/or services scheduled for delivery to Wauseon Machine, the Supplier shall include (flow-down) on contracts, to its sub-tier sources, all of the applicable technical and quality requirements contained in the Wauseon Machine contract, including quality system requirements, regulatory requirements, the use of Wauseon Machine designated sources, and the requirement to document and control 'key characteristics' and/or 'key processes,' and to furnish certifications and test reports as required. Wauseon Machine and its customers reserve the right of-entry to sub-tier facilities, subject to proprietary considerations.

Control and Release of Wauseon Machine Furnished Documents

Documents furnished by Wauseon Machine to the Supplier are furnished solely for the purpose of doing business with Wauseon Machine. Proprietary documents may be furnished to the Supplier in hard copy, electronic or other media. The Supplier is responsible for controlling and maintaining such documents to preclude improper use, loss, damage, alteration and/or deterioration. Unless authorized by the Wauseon Machine Buyer in writing, the Supplier may not transmit or furnish any Wauseon Machine furnished documents, or copies of such documents, to anyone outside the Supplier's business organization except to a sub-tier source used by the Supplier for performance of work on the Wauseon Machine contract. The Supplier shall return to Wauseon Machine, or purge electronic copies of, all proprietary documents with the last delivery of products or services on the contract. Wauseon Machine may request the Supplier to furnish objective evidence or certification that proprietary documents have been purged. The Supplier shall flow down this requirement to all sub-tier sources.

7 PRODUCT QUALIFICATION

This section defines the generic requirements for production part qualification and approval. The purpose is to determine if all Wauseon Machine design and specification requirements are properly understood by the Supplier and that the manufacturing processes have the capability to consistently meet these requirements. In all instances where a product is manufactured to a new design, for a new system, or for a new application, it is important that Supplier and Wauseon Machine allocate responsibility for assuring that all performance, endurance, maintenance, safety and warning requirements are met.

8 PROCESS CONTROL

Special Characteristics

The Supplier shall demonstrate conformity to those special characteristics designated by Wauseon Machine through means of documentation and appropriate control methods. In addition to any special characteristics identified by Wauseon Machine, the Supplier shall also review, identify, document, and control other product and process characteristics that are key to achieving quality.

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Control of Monitoring and Measuring Devices

The Supplier shall determine the monitoring and measurement to be undertaken and the monitoring and measuring devices needed to provide evidence of conformity of product to determined requirements. As a minimum, where necessary to ensure valid results, measuring equipment shall:

- be calibrated or verified at specified intervals, or prior to use, against measurement standards traceable to international or national measurement standards; where no such standards exist, the basis used for calibration or verification shall be recorded; and
- be identified to enable the calibration status to be determined.

Source Inspection

Supplier's products or services may be subject to source inspection by Wauseon Machine, representatives of Wauseon Machine or applicable government or regulatory agencies. Source inspection requirement will be included on the contract and may apply to any and all operations performed by the Supplier or the Supplier's sub-tier sources, including prior to delivery of products to Wauseon Machine. The Supplier shall provide the necessary access, equipment and resources required to effectively accomplish the source inspection.

Raw Material Lot Control

When specified on the Purchase Order and where the Supplier elects to use more than one lot of raw material, the Supplier shall ensure, document, and furnish positive traceability of each individual product to the raw material certification/test report that represents the raw material from which each of the products was manufactured. Traceability shall be provided by identifying the raw material heat, lot, batch or melt number from the certification/test report on the product and/or on packaging (when used), or the products segregated and identified.

Counterfeit Parts Prevention

Supplier shall acknowledge that all material and parts supplied are genuine and made by the supplier's approved manufacturer. Supplier shall ensure that counterfeit work is not delivered to Wauseon Machine.

9 CHANGE CONTROL

The Supplier is responsible for controlling changes and notifying the Wauseon Machine Buyer of all changes to the approved part design, manufacturing process, or site.

Change Control Process

The Supplier shall have a process to ensure that relevant versions of applicable documents furnished by Wauseon Machine (as well as those specified of external origin) are available at points of use. The Supplier shall maintain a record of the date on which each change is implemented in production.

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Supplier Change Requests

Suppliers shall not make changes to their processes, location, facilities, equipment, material, product design (or any change which may affect product design or function) without written approval from the Wauseon Machine Buyer for:

- Correction of a discrepancy on a previously submitted part.
- Product modified by an engineering change to design records, specifications, or materials; or
- Any planned changes by the Supplier to the design, process, or manufacturing location, such as:
 - a) Use of other material than was used in previously approved part or product
 - b) Production from new, additional, replacement or modified tools, dies, molds, patterns, etc.
 - c) Production following upgrade or rearrangement of existing tooling or equipment
 - d) Production from tooling and equipment transferred to a different plant site or from an additional plant
 - e) Change of sub-tier Supplier for parts, nonequivalent materials, or services (e.g., heat treating, plating, etc.)
 - f) Product produced after tooling has been inactive for production for 12 months or more
 - g) Change to test/inspection method – new technique (no effect on acceptance criteria)
 - h) For bulk materials: new source of raw material from new or existing Supplier, or change in product appearance attributes, etc.

10 CONTROL OF NONCONFORMING MATERIAL

For nonconforming products supplied to Wauseon Machine, including those that reach a Wauseon Machine customer, the Supplier may be requested to cover Wauseon Machine costs to correct the nonconformance.

Non-Conforming Materials – Supplier Location

The supplier is expected to have a process to prevent the production of material that is defective or nonconforming. Nonconforming products should be identified, segregated, and dispositioned in a manner that prevents the unintended use or delivery to Wauseon Machine.

Supplier Request for Nonconformance Deviation

A Supplier shall not knowingly ship products that deviates from the drawing, specification limits, or design intent without prior written authorization from the Wauseon Machine Buyer. If such a condition exists, the Supplier may petition the Wauseon Machine Buyer, in writing, to allow shipment of the product under a written nonconformance deviation.

The cost of shipping, inspection, and testing to determine the potential acceptability of such product will be charged to the Supplier. Wauseon Machine approval of a deviation is specific to the products for which it has been submitted and approved and shall not to be construed as a permanent engineering change. The Supplier must begin work immediately on corrective action. In all cases, the Supplier shall fully contain all product suspected of being nonconforming. In addition, nonconforming product may be returned to the Supplier at Supplier expense, or the Supplier may be required to sort any suspect product already shipped to Wauseon Machine sites or be charged back for the cost of sorting by Wauseon Machine. Any parts shipped to Wauseon Machine that have been approved for deviation shall be clearly identified as such externally on the box, container, or other packaging and on shipping documentation.

Control of Reworked Product

Rework is defined as additional operations that are not part of the basic production process flow, which will bring product in full compliance with applicable drawings and specifications. Instructions for rework, including re-inspection requirements, shall be accessible to and utilized by the Suppliers appropriate personnel. All rework shall be documented and accepted by Wauseon Machine Buyer or Quality Manager.

Non-Conforming Materials - WM location

Wauseon Machine will issue a Non-Conformance (NC) Report to the Supplier upon which the supplier will need to fill out the investigation section of the NC report. If required, the Supplier shall provide documented

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evidence with subsequent shipments that such product has been inspected for the identified nonconformances and meets all applicable requirements.

Corrective Action Report

Wauseon Machine may issue a request for a Corrective Action Report (CAR) to the Supplier when nonconforming material, components, or assemblies are found.

Supplier Charge Back

Any costs incurred by Wauseon Machine that are associated with the failure to meet Wauseon Machine's quality requirements may be charged back to the supplier. Disputes over cost will be settled between WM Buyer and the supplier.

11 PACKAGING, LABELING, DELIVERY & RECORD RETENTION

Preservation

To detect deterioration, the condition of the product in stock should be assessed annually.

Contamination Control

The presence of any foreign substance shall be considered a contamination. The supplier shall minimize the possibility of contamination using good manufacturing processes, storage methods of raw materials, cleaning, and inspection. The supplier shall submit any appropriate Safety Data Sheets (SDS) along with shipment that might have residue chemicals, plating solutions, lubricants, or cooling agents used in the process.

Packaging

The Supplier must adequately plan for packaging designed to prevent product contamination, corrosion, dings, dents, deterioration, or loss and to eliminate shipping damage. Suppliers should provide expendable packaging or returnable containers, where appropriate, that provide sufficient density and protection from any likely damage that may occur. Unless otherwise specified or agreed upon, the following guidelines are to be followed:

- Boxes of weight greater than 50 pounds must be shipped on a pallet.
- Standard pallets of size 40"x48" or less should be used when a pallet is necessary. If oversized pallet is necessary, it must be forklift accessible on all sides.
- Loaded pallet height should not exceed 58" from ground level.

Cosmetic Part Protection

Cosmetic part surfaces must be protected from abrasions, scratches, corrosion, or other visible damage. This can be accomplished through use of partition cells, wraps, VCI paper or bags. Consideration should be given to provide easy access to protected parts; wherever possible packaging materials must be minimized to avoid unnecessary packaging material cost and reduce packaging labor.

Labeling

A "Packing Slip Enclosed" label shall be applied to the specific container that contains the packing slip. It shall be in an easily visible area, preferably below the required information label. Supplier compliance forms, part prints, certification papers or other pertinent information may be included with the packing slip.

Delivery

The Supplier should systematically inform Wauseon Machine of any delay in delivering product and provide a new dispatch date. The Supplier is responsible for additional transport costs due to delays.

Certificates of Conformance (CoC)

A signed CoC by the Suppliers head of quality or their authorized delegate attesting that all products and/or services delivered are following all contract requirements shall be furnished with each shipment to Wauseon

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Machine. Some customers may require CoC's must be in the English language and may be in electronic format with electronic signatures. The CoC shall include Supplier Name, part number, drawing/specification revision, Wauseon Machine purchase order number, part number, quantity delivered, packing list/shipper number. When additional certifications/test reports are required for special processing, raw material, etc. the requirements will be specified on the purchase order.

Record Retention

The Supplier shall retain quality records for seven years unless otherwise specified by the Wauseon Machine Purchase Order. Upon request, the Supplier shall be capable of retrieving and delivering required records.

12 SUPPLIER PERFORMANCE

Wauseon Machine 's evaluation system uses several factors, such as Quality and Delivery. This rating serves as an objective measure to determine whether Wauseon Machine expectations are being met. Suppliers with poor performance will be reviewed by the Supply Chain Director.

Performance Measures

Suppliers play an important role in the value we offer our customers. As an extension of our own operations, we rely on our Suppliers to provide material, products, and services which meet all the requirements of our purchase order, applicable specifications, and quality requirements. Supplier performance is evaluated on several factors such as quality and delivery.

Quality

This metric is based on the number of defects and total parts shipped. The definition of "rejected parts" is the total number of parts returned to the Supplier for any quality reason.

Delivery

This metric is based on the purchase order due date and actual delivery date. Suppliers on time delivery (OTD) performance is based on 100% on-time expectation. Orders received up to zero days late will be considered on time and weekends are excluded.

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A – Terms and Conditions

TERMS AND CONDITIONS

ARTICLE 1. ACCEPTANCE.

These Terms and Conditions, along with the Purchase Order or Contract (individually and together "Purchase Order") that are attached to, when transmitted are an offer to purchase ("Offer"). "Supplier's" (which includes references elsewhere in the Offer to Seller or Vendor) acceptance is limited to the terms and conditions embodied in this Offer. Upon Supplier's acceptance of the Offer, the Purchase Order along with these Terms and Conditions shall comprise the "Agreement". Buyer objects to and rejects every additional and/or different term or condition contained in: (a) Supplier's acknowledgment of this Offer; (b) any other Supplier response to this Offer; and/or (c) any other communication or document relating to this Offer. Supplier agrees to and acknowledges all Offer terms and conditions by proceeding with delivery of Goods and/or services. No addition or modification to these terms and conditions will be binding on Buyer unless agreed to in writing signed by an authorized representative of Buyer and Supplier. Buyer's acceptance and/or use of Goods or services provided hereunder shall not constitute Buyer's acceptance of any term or condition in addition to or different from those provided in the Offer and incorporated into this Agreement.

Buyer may make changes to the Offer and Agreement, such as in drawings, specifications, quantities, delivery schedules, or methods of shipment or packaging, which shall be authorized only by Buyer's properly executed Change Order or Purchase Order Revision (either a "Change Order"). If such changes result in an increase or decrease in costs or a change in time of performance, an equitable adjustment of price and/or delivery schedules may be made, or Buyer may, at its option, terminate this Agreement or an Order associated with this Agreement, without liability of any kind to Supplier, if agreement on an equitable adjustment cannot be reached. Supplier must assert claims for equitable adjustment within ten days of receipt of Buyer's Change Order or the Change Order will be incorporated into the Agreement. Purchase Orders and Change Orders are collectively referred to as "Order". Receipt shall mean a written notice from the Buyer.

ARTICLE 2. DOCUMENTS.

Buyer's Order Number and Item Number must be shown on all packing lists, containers, invoices and correspondence relating to this Agreement. Invoices and original bills of lading shall be submitted to Buyer as instructed on any Order.

ARTICLE 3. SHIPMENTS.

Shipments shall be made to meet the specified delivery dates and all items shall be suitably packed, marked with Buyer's Order Number and shipped in accordance with shipping instructions specified on the Order. Supplier shall, at no expense to Buyer, be liable to Buyer for any loss or damage resulting from Supplier's failure to provide adequate protection during shipment. Supplier is responsible for any additional expenses, charges or claims incurred as a result of non-compliance with shipping instructions.

Buyer reserves the right to withhold payment on early shipments until after the specified delivery dates. Buyer, without waiving any other legal rights, reserves the right to cancel without charge or to postpone deliveries of any of the Goods covered by the Agreement which are not shipped in time to reasonably meet said delivery dates. In the event Supplier suffers delay in performance due to an act of God, war, act of the Government that makes performance under this document substantially inequitable, Buyer's act, fire, flood, sabotage or other causes beyond Supplier's control, the time of completion shall be extended a period of time equal to the period of such delay if Supplier gives Buyer written notice of the cause of any such delay within a reasonable time after the beginning thereof.

All items shall be delivered F.O.B. Destination unless otherwise provided on an Order. Buyer has the right to suggest or request specific carriers. Buyer will not be charged for packing, boxing or cartage unless separately itemized on any Order. Supplier is responsible for additional expenses, charges or claims incurred by either party as a result of deviation from the specified carrier or route, noncompliance with other shipping instructions, or improper description of the shipment in shipping documents.

All shippers and transporters of hazardous materials to and from any Buyer facility must comply with 49 CFR Part 172 Subpart I. This includes the development and implementation of transportation security plans and employee training.

ARTICLE 4. INSPECTION.

Goods purchased hereunder shall be subject to Buyer's count, inspection, and testing at any reasonable time and from time to time before, during or after manufacture or delivery. Notwithstanding any payment that may be made, no Goods are to be deemed accepted until Buyer has had a reasonable opportunity to inspect and test them. If any inspection or test is to be made on the Supplier's premises, Supplier without additional charge shall provide all reasonable facilities and assistance for the safety and convenience of the inspectors in the performance of their duties. Buyer reserves the right to send an inspector into Supplier's plant to inspect material or equipment made to Buyer's specifications at any stage in the process of manufacture without waiving the right of subsequent rejection on account of undiscovered or latent defects. Buyer's inspection shall never constitute a waiver of the right to subsequent rejection by reason of any undiscovered patent or latent defect.

ARTICLE 5. CONDITIONS TO PAYMENT.

Buyer shall make payment in accordance with terms of payment specified on any Order from the invoice date, which may not precede the shipment date (unless otherwise agreed to in writing). Supplier shall timely submit invoices within three months of delivery of Goods. Failure to submit invoices to Buyer on a timely basis (within 5 business days) may result in nonpayment, at Buyer's discretion. All claims for money due or to become due from Buyer shall be subject to deduction or offset by Buyer by reason of any counterclaim arising under this Agreement.

Buyer may withhold or, on account of subsequently discovered patent or latent defect, nullify all or a part of any of Supplier's payment requests to such extent as Buyer may deem necessary to protect it from loss on account of, but not limited to: (a) defective Goods not remedied; (b) claims filed or reasonable evidence indicating probable filing of claims; or (c) Supplier's failure to make payment properly to subcontractors for material or services.

When the above objections are cured to the Buyer's satisfaction, payment shall be made for amounts withheld.

ARTICLE 6. INVOICE PREPARATION REQUIREMENTS.

- A. Invoices must include the following information and be supported by attachments documenting the following:
- (i) Agreement, Order number(s) and line item numbers;
 - (ii) Work description, quantity, unit price and price extension;
 - (iii) Quantities in the same unit of measure as the Order;

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- (iv) Sales tax if applicable;
 - (v) Total invoice amount;
 - (vi) Invoice period by actual dates;
 - (vii) For Work performed on a time and material basis, details showing the breakdown of Supplier's employees' titles/job classifications and hours and days worked. Offsite and travel hours are to be segregated from on-site Work time;
 - (viii) Details showing costs and description(s) of equipment and/or material provided;
 - (ix) Subcontractor's invoice (as applicable), delivery ticket or other relevant documentation. Supplier is responsible for verifying the accuracy of all Subcontractors' documentation, prior to submittal to Buyer.
 - (x) Mark-up percentage, if applicable;
- B. Each Order must be billed separately.
- C. If a Law requires Buyer to determine "units of property" segregated costs, Supplier agrees to furnish cost breakdowns to assist the Buyer in such determinations.

ARTICLE 7. WARRANTY.

In addition to its standard warranty, Supplier warrants that the Goods shall: (a) be free and clear of all liens and encumbrances, good and merchantable title to the Good so being in Supplier; (b) be free from any defects in design, material or workmanship and of good and merchantable quality; (c) conform to Buyer's specifications; (d) be fit for the purposes for which purchased hereunder, which Supplier acknowledges are known to it; (e) be designed so as to permit reasonable ease of maintenance, operation, repair and replacement; (f) conform to any sample(s) approved by Buyer; and (g) comply and have been produced, processed, delivered and sold in conformity with all applicable federal, state and other laws, administrative regulations and orders. Any term or condition of Supplier's or manufacturer's warranty applicable to such Goods shall apply when such warranty term or condition is more favorable to Buyer in any respect. Supplier further warrants that any services performed with respect to the Goods furnished hereunder shall be performed in a good and workmanlike manner, in accordance with the highest professional standards for such services and the best practices in Supplier's industry.

The foregoing warranties shall survive inspection, delivery and payment, and shall run in favor of Buyer and its successors, assigns and customers (whether direct or indirect).

Buyer may, at its option, retain Goods found to be non-conforming or unsatisfactory for any reason at an adjusted price or return them to Supplier for repair, replacement, or refund, as Buyer shall direct. Buyer shall also be reimbursed by Supplier for all of its expenses in connection with the handling and transporting of any such non-conforming or unsatisfactory Goods, and Supplier shall assume all risks of loss or damage in transit to Goods returned by Buyer pursuant to this Agreement. If any such repairs or replacements shall be found to be unsatisfactory for any reason, Supplier shall, at the request of Buyer, re-perform the services properly and promptly, without additional cost to Buyer, and without limiting Buyer's other remedies. Buyer's remedies hereunder shall be cumulative.

Supplier shall be responsible for complete fulfillment and compliance of all specifications contained in this Agreement.

ARTICLE 8. INTELLECTUAL PROPERTY.

Supplier shall pay all royalties and license fees associated with providing the Goods. Supplier warrants that the sale or use of Goods furnished under this Agreement will not infringe or contribute to the infringement of any intellectual property right in the United States or elsewhere. Supplier shall indemnify, defend, and hold harmless Buyer, its successors, assigns and customers (whether direct or indirect), against any and all losses, liabilities, claims, demands, damages and expenses (including but not limited to attorneys' fees and other costs of defending any infringement action, and attorneys' fees incurred by Buyer in enforcing this indemnity) which they, or any of them, may sustain or incur as the result of any breach of this warranty.

If any part of the Goods is claimed to constitute infringement, Supplier shall within a reasonable time at its cost and expense either: (a) secure for the Buyer the perpetual right to continue the use of such part of the Goods by procuring for the Buyer a license or such other permission as will enable Supplier to secure the Buyer's full use of the Goods; or (b) replace such part of the Goods with comparable non-infringing Goods or modify the Goods so that they are deemed non-infringing.

All reports, data, communications, material, information, deliverables, inventions, discoveries, or improvements reduced to practice, made or developed by Supplier in connection with this Agreement shall be promptly disclosed to, and be the sole property of, Buyer. Supplier hereby assigns to Buyer all right, title and interest in Work Product without any obligation on Buyer to pay royalties or other remuneration for the Work Product. To the extent the foregoing is copyrightable, it shall be deemed a "Work Made for Hire" under the U.S. Copyright Act of 1976 or any applicable foreign equivalent and shall become and remain the sole property of Buyer, if not, then Supplier hereby assigns such Work Product to Purchaser.

ARTICLE 9. INDEMNIFICATION.

Supplier shall indemnify, defend, and hold harmless Buyer and its successors, assigns and insurers from and against any and all claims, demands, losses, liabilities, damages and expenses incurred by or made against any of them in any way actually or allegedly arising out of any Goods furnished under this Agreement, and all attorneys' fees, legal expenses and other costs incurred in defending against said claims, whether said claims are based on negligence or other tort, breach of warranty, strict liability, or any other legal theory, except where the claim is based solely upon the alleged negligence of Buyer and the Buyer's negligence is determined to be the sole cause of all the damages claimed.

Buyer will give Supplier prompt written notice of any claim, cooperation in the defense of any such claim, and the assignment of the right to defend against any such claim with counsel of Supplier's choosing and to settle and/or compromise any such claim as Supplier deems appropriate.

ARTICLE 10. DRAWINGS, TOOLS & EQUIPMENT.

All tools, gauges, dies, jigs, fixtures, molds, and patterns (a) furnished by Buyer, or (b) which Buyer specifically authorizes Seller to acquire for work under this Agreement, shall be handled and maintained in suitable conditions to do the work, by and at the expense of Seller, and returned to Buyer at any time upon request, F.O.B. Destination.

With regard to design work, drawings, tools, molds or other equipment required to perform this Agreement: (a) Buyer shall not be required to furnish or pay for such items unless otherwise stated herein; (b) Buyer may, at its option, purchase any such item at its current basis for income tax purposes on Supplier's books; and (c) any such item furnished or purchased by Buyer or included in the price of this Agreement (whether or not separately identified) shall be Buyer's property, shall be delivered to Buyer upon request, shall not be used in work for others, while in Supplier's possession shall be adequately insured at Supplier's expense for Buyer's benefit against loss, theft or damage, and shall not be modified without Buyer's prior written consent.

ARTICLE 11. NON-ASSIGNABILITY.

Supplier shall not assign, delegate or subcontract the performance of or the provision of Goods under this Agreement, in whole or in part, whether voluntarily or by operation of law, without the prior written consent of Buyer; but this Article XI shall not restrict Supplier in the procurement of component parts or materials.

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ARTICLE 12. SEVERABILITY.

Invalidity of any provision of this Agreement, or in any given application of any provision, shall have no effect upon the legal enforceability of other provisions of this Agreement.

ARTICLE 13. HEADINGS OF ARTICLES.

The articles', sections', paragraphs' and other parts' headings are for convenience only and do not define, limit or construe the contents thereof.

ARTICLE 14. EXPORT CONTROLS.

For all Goods to be delivered and services to be provided according to this Agreement, Supplier shall comply with all applicable export control, customs and foreign trade regulations ("Foreign Trade Regulations") and shall obtain all necessary export licenses, unless Buyer or any party other than Supplier is required to apply for the export licenses pursuant to the applicable Foreign Trade Regulations. Supplier shall advise Buyer in writing as early as possible of any information and data required by Buyer to comply with all Foreign Trade Regulations for the Goods and services applicable in the countries of export and import.

ARTICLE 15. TAXES.

Supplier shall be responsible for all transaction taxes, including but not limited to, federal, state, regional and local taxes, goods and services taxes, value-added, gross receipts, gross margins, and any and all other transaction taxes, and income, social security, or other employment taxes in effect that are imposed on Supplier concerning this Agreement. Sales and use tax instructions shall be included in an Order.

ARTICLE 16. BUYER AUDIT RIGHTS.

Buyer or its authorized representatives will have: (a) full and complete access to electronic data related to this Agreement; and (b) full and complete access during normal business hours and upon reasonable notice to perform an audit of the Supplier's provision of the Goods and performance of the services and related books and records. Supplier shall provide the Buyer and its authorized representatives with such information and assistance as needed to perform the audits.

ARTICLE 17. WAIVER.

Any waiver of an Agreement provision shall not be deemed a waiver of any other provision or of Buyer's right to insist upon subsequent strict compliance with such provision.

ARTICLE 18. CANCELANON BY BUYER.

Buyer shall have the right to cancel this Agreement without cause. Buyer's liability for cancellation of the Agreement without cause shall be limited to Supplier's actual cost for work and materials applicable solely to the canceled Agreement which shall have been expended prior to the time Supplier receives notice of cancellation. Due allowance shall be made for salvage value.

ARTICLE 19. SET-OFF; RECOUPMENT.

In addition to any right of setoff or recoupment provided by law, all amounts due to Supplier will be considered net of indebtedness of Supplier and its affiliates or subsidiaries to Buyer. Buyer will have the right to set off against or to recoup from any payment or other obligation owed to Supplier, in whole or in part, any amounts due to Buyer from Supplier or its affiliates or subsidiaries. Buyer will provide Supplier with a statement describing any offset or recoupment taken by Buyer.

ARTICLE 20. CONFIDENTIALITY AND PUBLICITY.

All commercial information contained in this Offer or Agreement is proprietary to Buyer and shall be treated as confidential by Supplier. Such information shall not be published, released or disclosed, in whole or in part, to any other person without the Buyer's prior written consent.

Supplier shall not use Buyer's or any affiliates' name for any advertising or promotional purposes (including, but not limited to, advertisements, listings of clients and/or customers or press releases) nor shall Supplier grant press interviews, disseminate any information of a promotional nature or publish or provide for the publication of any information (including photographs) regarding this Agreement or the Goods unless, in each instance, Supplier first obtains Buyer's written consent, which consent may be withheld in Buyer's sole discretion.

ARTICLE 21. GOVERNING LAW.

This agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without regard to principles of conflicts of laws. Any action brought under this Agreement shall be filed in the Court of Common Pleas of Fulton County, Ohio.

ARTICLE 22. INDEPENDENT CONTRACTOR.

The relationship of the Parties is that of independent contractors. The Parties will not be deemed partners or joint ventures, nor will one Party be deemed an agent or employee of the other Party. Neither Party has any express or implied right to assume or create any obligation on behalf of, or in the name of, the other Party or to bind the other Party to any contract, agreement or undertaking with any third party, and no conduct of a Party shall be deemed to imply such right.

ARTICLE 23. SEVERABILITY.

If any provision of the Terms and Conditions or Supplemental Agreement is held to be invalid or unenforceable, the other provisions will not be affected by such invalidity or unenforceability.

ARTICLE 24. COMPLIANCE WITH LAWS; ETHICS.

Supplier will comply with all applicable laws, including rules, regulations, orders, conventions, ordinances and standards, that relate to the manufacture, labeling, transport, import, export, licensing, approval or certification of the Supplies, including laws relating to environmental matters, hiring, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health or safety and motor vehicle safety. This Agreement incorporates by reference all clauses required by these laws.

ARTICLE 25. ENTIRE AGREEMENT.

The Purchase Order along with these Terms and Conditions, contains the entire agreement between the Parties with respect to its subject matter, and supersedes all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter.