

**WAYNE WIRE CLOTH PRODUCTS, INCORPORATED**  
Terms and Conditions of Purchase of goods (Rev B9 08-11-15)

1. EFFECT OF THESE TERMS AND CONDITIONS OF SALE. The following terms and conditions shall apply to all purchases by Purchaser of Seller's goods. Purchaser shall not be deemed to have waived any of the following terms and conditions, even if Purchaser fails to object to any contrary or inconsistent provision appearing on, attached to, or incorporated by reference in any quotation, order acknowledgement or other document issued by Seller. Seller's acceptance, commencement of production or shipment of any goods ordered by Purchaser, shall constitute Seller's acceptance of the following terms and conditions. Other general terms and conditions of business of the supplier shall not apply even if no objection was made to them in individual cases. If WWCPPI receives goods or other services without raising a specific objection or if payments are made by WWCPPI without objection, this does not imply acceptance of the general terms of business of the supplier in any manner whatsoever.
2. ISO COMPLIANT. Seller shall be compliant to ISO9001. Compliance is demonstrated with a completed supplier survey and/or supplier audit that has been approved by Buyer. Seller is encouraged to be certified to IS9001, AS9100 or other quality management systems and maintain scheduled third party audits. \*Calibration vendors must be certified to ISO17025. Seller is required to notify Buyer in the event their certificate is suspended or revoked. Seller must be able to provide objective evidence of full traceability thru all of the supply chain to the manufacturer of the materials.
3. MATERIAL MANUFACTURING STANDARDS/TOLERANCES. Unless otherwise specified on the purchase order raw materials are to be manufactured in accordance with the following standards. (a). Wire Cloth - ASTM E 2016 (b). Perforated material – IPA CQ Standards (c). Sheet/Coil – ASTM A 480/A 480M and (d). Machined Fittings – Per drawing supplied by WWCPPI. Unless otherwise noted all products are to be produced to the latest Rev level and included on the sellers material certification. For materials with a shelf life, the material must have at least 80% of the shelf life remaining. 1.Handling, storage, packaging, preservation and delivery practices shall be established to prevent handling damage and where appropriate to provide special storage and usage requirements (limited life, etc.) and to assure that material is clean, dry and undamaged. 2. Any ownership, manufacturing changes or plant relocation changes including any significant process, product or inspection technique changes shall require Buyer notification and approval before any activities commence. 3. The seller will flow down to sub-tier supplier the applicable requirements in the purchasing documents, including key characteristics where required.
4. Control of Records: All quality records must be controlled, retained and retrievable per requirements of ISO 9001.  
Examples of Quality Records to be retained are, but not limited to:
  - First article inspection reports
  - In process/final inspection & test records
  - Training records
  - Manufacturing/fabrication records
  - Nonconforming material disposition
  - Procurement documents
  - Process control records
  - Receiving inspection Records etc.

- Aerospace records must be maintained indefinitely or delivered to Wayne Wire Cloth Products, Inc. as per end use customer requirements. Contact your buyer for further information.
5. **PRICES.** Unless otherwise agreed upon in writing by Purchaser, all prices, payments and references thereto shall be in U.S. dollars. Seller warrants that all prices charged by Seller for goods sold to Purchaser shall be no less favorable than those charged by Seller to any other customer of Seller for the same or similar goods ordered in equal or less quantities. In the event that Seller reduces the price of such goods during the term of a pending order by Purchaser, Seller shall correspondingly reduce its price to Purchaser. Unless otherwise agreed upon in writing by Purchaser, Seller's prices shall include all applicable federal, state and local taxes, duties or customs. No additional charge by Seller for special permits, licenses, drayage, insurance or other extras shall be permitted in the absence of Purchaser's prior written consent.
  6. **SERVICE AND REPLACEMENT PARTS.** Seller will sell to the Purchaser the goods necessary for the Purchaser to fulfill its current model service and replacement parts requirements at the prices set forth in the current purchase order. Unless otherwise agreed to by the Purchaser, the first three years will be at the same prices as at the end of the current model purchases. The following years will be at the same prices as the first three years of Service and Replacement Parts with an additional agreed upon adjustment, by Seller and Purchaser, for reduced volumes.
  7. **QUANTITIES.** Purchaser shall not be required to accept or pay for any goods produced or shipped by Seller in excess of quantities ordered by Purchaser. Quantities noted as "planning" or with words of similar meaning are for Seller's planning purposes only and do not constitute a commitment by the Purchaser to purchase such quantities. Purchaser shall have the right to reject, return, or retain at Seller's expense and risk, all or any portion of such excess quantities of goods. Upon decision to retain the product; payment will be withheld maintaining payment terms by means of the scheduled delivery date. Quantities driven by the Purchaser's customer may exceed the quoted volumes or capacity of the Seller. Seller will be responsible to provide requirements up to, but not limited to 15% beyond the quoted volumes or capacities. Suppliers are expected to maintain a 100% quality rating and will be evaluated on a quarterly basis. Under no circumstances may nonconforming product be shipped to WWCPPI without authorization. Any nonconforming material returned to WWCPPI must be shipped separately from conforming material and must be clearly identified as nonconforming. Supplier product found nonconforming by WWCPPI will generate a SCAR. This request must be investigated by the Supplier and answered by the date stated on the request (typically within 30 calendar days).  
**Suppliers who fail to respond to the NCR/CARs will be evaluated for removal from the WWCPPI Approved Supplier List.**

Where required Seller must inform Purchaser of any change in organization or process. In specified cases approvals must be requested by Seller from Purchaser of any process change.

Seller must flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required.

8. **FEES.** A \$100 administrative fee will be assessed to Seller any time required paper work and certifications are not provided with material. This fee will be assessed per incident.

9. COUNTERFEIT MATERIALS. Suppliers shall establish and maintain a Counterfeit Parts\Materials Prevention and Control Plan using AS6174 (Reference elements of Section 3) to ensure that counterfeit goods are not delivered to WWCP. The purpose of the control plan shall be to develop a robust process to prevent the delivery of counterfeit commodities and control commodities identified as counterfeit.

Suppliers shall only provide products/materials that will deliver authentic and conforming material. These products shall have verification that goods are traceable. If goods can only be acquired from independent distributors or brokers in cases of diminishing material supply (DMS) or obsolescence, written notice shall be provided to WWCP procurement, prior to procurement of these goods. After written approval by WWCP is received by the supplier, goods shall be subjected to testing and screening process appropriate to the commodity (in accordance with AS6174). Records of evidentiary tests and inspections performed that ensure verification of the goods shall be provided to WWCP for review and approval by WWCP prior to delivery. Written notice is not required for raw material and standard hardware purchased from independent distributors or brokers, but products must be able to provide commodity level traceability to the OCM/OEM.

NOTE: As part of WWCP review of written requests to use independent distributors or brokers, WWCP shall review customer requirements to ensure compliance prior to providing approval.

Supplier shall provide, within 24 hours, written notification to WWCP if supplier becomes aware or suspects that it has furnished Counterfeit Goods. Supplier shall provide to WWCP upon request, the supply location of all the supply chain intermediaries from the part manufacturer to the direct source of the product. Suppliers shall have a documented process in place to ensure Counterfeit goods are contained and do not reenter the supply chain.

Supplier shall include clause or equivalent provisions in lower tier subcontracts for the delivery of items that will be included in or furnished as goods to WWCP as applicable.

Supplier shall ensure their Counterfeit Avoidance program includes training of applicable personnel to the requirements within this procedure.

10. CONFLICT MINERALS. \*On August 22, 2012, the U.S. Securities and Exchange Commission (SEC) adopted final rules implementing 1502 of the Dodd-Frank Act. The Act imposes requirements relating to "Conflict Minerals". Specifically, section 1502 of the Act imposes Security and Exchange Commission (SEC) reporting requirements upon publicly traded companies whose products contain metals derived from minerals defined as "Conflict Minerals, which include columbite-tantalite (tantalum), cassiterite (tin), wolframite (tungsten), gold and their derivatives. The intent of the provision is to reduce or eliminate the flow of funds derived particularly from the sale of these minerals that is believed to be supporting the various warring factions in the region.

The legislation requires SEC-registered companies to report annually to the SEC on (a) their worldwide use of "Conflict Minerals" in products they manufacture or contract to manufacture, and (b) the cooperation of their supply chains in identifying the use of "Conflict Minerals" and identifying the country of origin for any "Conflict Minerals" from

the Democratic Republic of Congo (DRC), Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda or Zambia region.

Please note that these requirements apply equally to U.S. and non-U.S. suppliers. In addition, information reporting may be required by customers from companies that are not SEC registrants if they are supplying, through the supply chain, manufacturing companies that are themselves SEC registrants.

It is the suppliers responsibility to review with their suppliers and report any materials being supplied to Wayne Wire Cloth Products, Inc. that is deemed to be "Conflict Minerals"

11. ANTI-KICKBACKS. "Kickback" means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any contractor, subcontractor, or any of their officers, partners, employees or agents, for the purpose of improperly obtaining or rewarding favorable treatment is not acceptable and will not be tolerated.
12. PACKAGING AND SHIPMENT. Unless otherwise agreed upon in writing by Purchaser, all goods ordered by Purchaser shall be produced, stored, packed, boxed, and crated at Seller's expense, in accordance with Purchaser's requirements and in a manner reasonably designed to prevent loss or damage during shipment. Seller shall be liable for any delays, claims, losses and additional costs resulting from Seller's failure to comply with Purchaser's shipping instructions. If Purchaser does not specify a carrier, route or manner of shipment, Seller shall ship the goods at the lowest available rates.
13. DELIVERY. Time is of the essence. Where Seller has reason to believe that a delivery of goods will not be made as required by Purchaser, Seller shall immediately give notice to Purchaser, specifying when such goods can reasonably be expected to be delivered. In the event of a threatened or actual delay in delivery, Purchaser shall have the right, without liability and addition to any other remedies, (a) to direct expedited routing of the goods at Seller's expense, and/or (b) to terminate its order with respect to all or any portion of goods not yet shipped and to purchase substitute goods from another source, with Seller bearing full liability for all costs and losses thereby incurred by Purchaser.  
\*Acceptable delivery performance is up to 3 days early and 0 days late.
14. RISK OF LOSS. Seller shall bear all risk of loss and damaged to the goods until delivered to the f.o.b. point specified by Purchaser, and if no f.o.b. point is specified, until delivered and accepted by Purchaser at its facility.
15. INSPECTION AND TESTING. All goods delivered to Purchaser shall be subject to Purchaser's inspection and testing. In the event that any goods are found not to meet Purchaser's requirements. Purchaser shall have the right to reject and return such goods at Seller's expense for full credit. Purchaser's previous payment for goods later found to be defective shall not preclude Purchaser's return of such goods pursuant hereto.
16. PAYMENT. The agreed upon time period for Purchaser's payment of Seller's invoices shall commence as of the date of (a) Purchaser's receipt of Seller's invoice, (b) Purchaser's acceptance of the subject goods, or (c) Seller's compliance with all applicable requirements of Purchaser, whichever occurs later. In no event shall Purchaser be liable for late fees, interest or similar charges. Terms are net 45 unless previous arrangements have been made and are stated on the front of the purchase order.

17. **RIGHTS TO DESIGNS AND DATA.** All designs, drawings, specifications, data and other information provided by Purchaser to Seller are the property of Purchaser, and are furnished solely for the purpose of facilitating Seller's production of the goods ordered by Purchaser. Seller shall not use any such information for any other purpose, or disclose any such information to any other person or entity, without Purchaser's prior written consent. Seller shall promptly return all such information upon Seller's completion of the goods, or earlier if requested by Purchaser. Said obligations shall survive the completion, cancellation or other termination of any order.
18. **WARRANTY.** Seller warrants that all goods delivered to Purchaser shall be free and clear of all liens, encumbrances, and claims, and that Seller shall have good and marketable title to same. Further, Seller warrants that all goods delivered to Purchaser shall meet all requirements of Purchaser, free from any defects in material or workmanship, and in full compliance with all applicable laws, conventions, statutes, regulations, orders and rules. Purchaser's acceptance, inspection, testing, use, payment for, or sale of the goods shall not affect Seller's warranty hereunder. In the event of a breach of this warranty, Seller shall bear full liability for all nonconforming goods, including all material, shipping, labor and travel expenses required to replace such goods or otherwise remedy said nonconformance, and all losses, damages and costs relating thereto (including without limitation, Purchaser's attorneys' fees and court costs). In the event of Seller's failure to meet its obligations hereunder, Purchaser may take such action as Purchaser, in its discretion, deems appropriate in response thereto, and Seller, upon demand, shall reimburse Purchaser for all losses, damages and costs thereby incurred by Purchaser (including, without limitation, Purchaser's attorneys' fees and court costs). This warranty shall inure to the benefit of Purchaser, its parent, subsidiaries, affiliates, successors and assigns, and all purchasers and users of such goods. Seller does not warranty fit for function only that product will meet buyers quoted design. All orders will meet the minimum standard set forth unless otherwise stated on the purchase order. Seller shall not subcontract work to another supplier/vendor without prior written consent from Purchaser.
19. **INSURANCE COVERAGE REQUIREMENTS.** Seller shall maintain Comprehensive General Liability Insurance with a limit of not less than \$1,000,000 per occurrence as respect to Bodily Injury, Personal Injury and Property Damage. The General Aggregate limit of liability must not be less than \$2,000,000 and the Products Liability Aggregate limit of liability must be not less than \$1,000,000. Umbrella Liability Insurance must be maintained with a limit of not less than \$5,000,000. Workers Compensation and Employers liability insurance must be maintained with a limit of not less than \$1,000,000 which must be in compliance with all statutory requirements of all applicable jurisdictions. All insurance must be written by carriers, which have received a current A.M. Best Company rating of at least A-. WWCPPI, its subsidiaries and affiliated entities, must be named as additional insured/vendors. All of the above named insurance policies shall contain an unequivocal agreement on the part of the insurer to notify WWCPPI of the cancellation of, or any material changes in insurance coverage at least thirty days prior to the effective date of such cancellation or change.
20. **FORCE MAJEURE.** Upon the occurrence of any event beyond the reasonable control of Purchaser which materially affects Purchaser's ability to receive or use the goods, including strike, fire, flood or other cause. Purchaser shall have the right, upon notice to Seller, and without penalty or other liability, to suspend the production and shipment of all or any portion of the goods for a period not to exceed 180 days.

21. MODIFICATIONS. Purchaser, upon notice to Seller, shall have the right to modify its requirements for the goods, including all or any portion of any designs, drawings, specifications, data, delivery dates and shipping instructions furnished to Seller, and Seller shall comply with all such modifications. If any such modification results in an increase or decrease in Seller's actual costs or required time for performance, the parties shall agree in writing to an adjustment of the price or time for performance. In the event that Seller fails to deliver to Purchaser an itemized request for adjustments within 15 days following Purchaser's notice of modification, Seller shall be deemed to have waived its right to request adjustments relating to said modifications. If the seller changes any process not called out on the purchase order they are obligated to inform the buyer prior to instituting that change. Modifications can only be approved by the buyer.
22. TITLE Seller warrants full and unrestricted title to Buyer for the goods and services furnished by Seller under the Purchase Order, free and clear of any and all liens, restrictions, reservations, security interests or encumbrances. If Buyer makes progress payments to Seller under the Purchase Order, title to the goods ordered hereunder shall pass to Buyer at the time identified in the Purchase Order. Seller shall clearly identify such goods by visible marking or tagging, and Buyer shall have the right, at Buyer's option, to inspect and verify that said goods have been identified as Buyer's property. Care, custody and control of such goods remain with Seller until such time as Buyer takes physical possession or otherwise agrees in writing by change order to the Purchase Order. All shop drawings, patterns, tools, dies or other items made preparatory to production of any goods are Buyer's property and shall be cared for in accordance with Buyer's instruction and, upon demand, shall be delivered to Buyer.
23. HAZARDOUS MATERIALS seller shall notify Buyer in writing upon receipt of the Purchase Order if any goods furnished are subject to laws or regulations relating to hazardous or toxic substances, or, when disposed of, to regulations governing hazardous wastes, or to any other environmental or safety and health regulations. Seller shall furnish all appropriate shipping certification and instructions for shipping, safety, handling, exposure and disposal in a form sufficiently clear for use by Buyer's non-technical personnel and sufficiently specific to identify all action which the user must take concerning the material. The following certification shall be made on the bill of lading: *"This is to certify that the above named articles are properly classified, described, packaged, marked and labeled and are in proper condition for transportation according to any applicable transportation regulations."*
24. REACH/RoHS COMPLIANCE. Seller shall notify buyer if any of the materials that is supplied contains any of the items listed on the European Union's Substances of Very High Concern List.
25. ANTI-TERRORIST POLICY. The supplier agrees to comply with Executive Order Number 13224 – blocking property and prohibiting transactions with persons who commit, or support terrorism, notice of September 24, 2001 – and further agrees to include this statement in each lower-tier subcontract or purchase order issued hereunder. The supplier shall verify that no sub-contractors working on the behalf are registered on the reference lists for persons linked to crimes of terrorism or subversion of the public order, namely the so-called black lists.
26. EXECUTIVE ORDER 11246 Wayne Wire Cloth Products, Inc. serves from time to time as a subcontractor for the United States government. In those cases, Seller shall comply with the federal laws, regulations, and rules applicable to subcontractors of government

- contractors, including but not limited to those relating to equal employment opportunity and affirmative action in the employment of minorities (Executive Order 11246), women (Executive Order 11375), the handicapped (29 USC 793), and certain veterans (36 USC 2012), and contracting with women-owned or small and disadvantaged business concerns. Where applicable, Seller certifies that it maintains no segregated employee facilities as provided in CFR 60-1.8 and that it is not debarred from being awarded federal or federally assisted contracts.
27. **LAWS AND REGULATIONS** Seller warrants that all goods and services supplied pursuant to the Purchase Order will comply with all applicable federal and state laws, ordinances and regulations, including but not limited to those concerned with labor, environment and safety. Seller shall provide all permits, certificates and licenses which may be required for the performance of the Purchase Order. Seller also warrants that all goods furnished by Seller in performance of the Purchase Order shall comply fully with the Occupational Safety and Health Act of 1970 (84 USC 1590), as amended, and State plans approved under this Act; the Toxic Substance Control Act (15 USC 2601); and the regulations promulgated under both Acts, to the extent applicable to such equipment and in addition to any other rights or remedies which Buyer may have.
28. **CONFIDENTIAL INFORMATION** the Purchase Order and the documents incorporated herein and all information designated as confidential or proprietary shall be deemed "Confidential Information". Seller agrees to maintain and keep all Confidential Information in confidence and not to disclose it to any third party or use such information for any other purpose, except as authorized by Buyer for the performance of the Purchase Order. Seller shall not publicize the existence or scope of the Purchase Order without Buyer's written consent. Seller shall require these same agreements on the part of any sub-supplier to whom the information is disclosed. Seller shall return all Confidential Information and copies thereof to Buyer upon written request.
29. **RIGHT TO OFFSET** Buyer, without waiver or limitation of any rights or remedies of Buyer, shall be entitled from time to time, to deduct from any amounts due or owing by Buyer to Seller in connection with the Purchase Order, or any other Purchase Order or Contract with Buyer, any and all amounts owed by Seller to Buyer.
30. **CERTIFICATE OF ORIGIN** Seller agrees to provide Buyer with completed North American Free Trade Agreement (NAFTA) Certificate(s) of Origin, for all NAFTA qualifying products, supplies or other items identified in or sold to Buyer pursuant to the Purchase Order. For products or suppliers not qualifying for NAFTA treatment, seller agrees to provide Buyer with correct Country of Origin information for each such item. If Seller does not provide either the required Certificate(s) or correct Country of Origin information, Buyer may charge back to Seller the costs of any duties, penalties or other expenses (including reasonable attorney's fees) it is required to pay as a result of such failure.
31. **CANCELLATION.** Upon notice to Seller, Purchaser shall have the right, without cause, to cancel any order for goods. If the goods constitute standard stock products of Seller, Purchaser's sole obligation shall be to pay for goods delivered to Purchaser prior to Seller's receipt of Purchaser's notice of cancellation. If the goods constitute custom products being produced by Seller solely for Purchaser. Purchaser's sole obligation shall be to reimburse Seller for Seller's actual cost of materials and labor expended in respect of said goods prior to Seller's receipt of Purchaser's notice of cancellation.
32. **INFRINGEMENT.** Seller shall defend, indemnify and save Purchaser harmless from and against all liabilities, damages, fines, losses and costs (including, without limitation,

- Purchaser's reasonable attorneys' fees and court costs) arising out of or relating to any claim that any goods, other than any specific portion of such goods produced in accordance with specifications provided by Purchaser, which infringe or contribute to the infringement of any patent, copyright, trademark, service mark, trade name, trade secret, proprietary right or confidential information of any other person or entity.
33. ASSIGNMENT. Seller may not assign any of its rights or obligations with respect to any goods ordered by Purchaser without Purchaser's prior written consent. Any such attempted assignment shall be null and void.
  34. DISPUTES. The laws of the state of Michigan will prevail in any and all disputes.
  35. NOTICE. All notices and other communications required hereunder shall be in writing and delivered by facsimile, e-mail or registered mail, postage prepaid, return receipt requested. Any such notice shall be deemed to have been given on the date it is received during regular office hours at the address listed on the applicable order or at such other address as the affected party may have previously designated for notices.
  36. RIGHT OF ACCESS. Right of access by the organization, their customer, and regulatory authorities to all facilities involved in the order and to all applicable records.