



insulation supply company

## QA Provisions and Purchase Order Terms and Conditions

**CORRECTIVE ACTION** - Materials or supplies which do not conform to (i) the specified quality assurance provisions, or (ii) inspections and/or tests as required by the purchase order will be returned to the Seller along with a request for corrective action form which must be promptly completed and returned to Insulation Supply Company for evaluation and approval. Failure to respond will be grounds for removal from our approved list. If the materials are subject to Government Source Inspection, corrective action must be coordinated with the appropriate government representative.

**EXCLUSIVE AGREEMENT** - The terms and conditions on the pages of this purchase order constitute the entire agreement between the parties.

**CHANGES** - The purchaser may at any time make changes within the general scope of this order in anyone or more of the following: (i) drawings, designs or specifications, (ii) method of shipment or packing, (iii) place of inspection, acceptance, or point of delivery, and (iv) delivery schedule. Should any such change require an adjustment in the price or time for performance, Seller shall notify the Purchaser immediately and thereupon an equitable adjustment may be negotiated.

**QUALITY ASSURANCE AND INSPECTION** - Seller shall provide and maintain a quality control system acceptable to Purchaser. During the performance of this order, such quality assurance and related inspection systems are subject to review, analysis and verification by Purchaser. Purchaser may reject and hold at Seller's expense, subject to Seller's reasonable disposal instructions, materials and supplies which do not conform to applicable specifications, drawings, samples or descriptions or which are defective in material, design or workmanship. Without limiting any other rights Purchaser may have, Purchaser at its option may require Seller (i) to repair or replace at Seller's expense any nonconforming materials or supplies; or (ii) refund the price of any such item.

**RIGHT OF ACCESS** - Supplier shall agree to grant the right of access to our organization, our customer and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

**FLOW DOWN OF ADDITIONAL REQUIREMENTS** - Seller shall pass on all applicable requirements including additional requirements that may be specified by our customer.

**REMAINING SHELF LIFE** - Materials supplied under this order must have a minimum of 80% of their original shelf life remaining. Materials which do not conform to this requirement will be returned at Seller's expense.

**RECORDS** - Quality records shall be maintained to demonstrate achievement of the required quality and the effective operation of the quality system. Pertinent subcontractor quality records shall be an element of this data. All quality records shall be legible and identifiable to the product involved. Retention time of records shall be seven (7) years, unless stated otherwise in this purchase order document.

**DELIVERY** - Delivery according to schedule is a major condition of this order. If the Seller's deliveries fail to meet the specified schedule, Purchaser shall be entitled to request delivery by the most expeditious method of transportation, and the expenses shall be borne solely by the seller. Payment of Supplier Invoice will be based on the date of receipt including all required documentation.

**TERMINATION FOR CONVENIENCE/STOP WORK** - By written notice, Purchaser may terminate for convenience all or any part of this order. In such event, Seller and Purchaser will agree upon an equitable adjustment of the order price, provided that (i) such adjustment shall not exceed the original order price; (ii) no amount shall be allowed for anticipated profit for performance not rendered, and (iii) Seller's written intent to file a claim for adjustment is received with thirty (30) days from the effective date of termination.

**CHOICE OF LAW** - This purchase agreement and any orders placed under this agreement shall be governed and construed in accordance with the laws of the State of California.