



# Terms and Conditions

## Definitions

"Buyer" means C-A-T Resources, LLC and its affiliates, subsidiaries, successors or assigns.

"Seller" means the person, firm or company to whom this Purchase Order is addressed on the face sheets of this Purchase Order.

"Goods" means all goods and services or any parts thereof to be supplied under this Purchase Order. As used herein, the definition of Goods shall include services, as the context requires.

"Purchase Order" means the contract arising between the Buyer and Seller for the supply of Goods including all instructions, documents, specifications and drawings (if any) referenced therein.

## Entire Agreement

This Purchase Order becomes the exclusive agreement between the parties for the Goods, subject to the terms and conditions hereof, when accepted by acknowledgment or commencement of performance. No change in, modification of, or revision to this Purchase Order shall be valid unless in writing and signed by an authorized representative of Buyer's Purchasing Department. Any conflicting conditions contained on the face sheets of this Purchase Order shall supersede these Purchase Order Terms and Conditions.

## Acceptance – Complete and Exclusive Agreement

Any acceptance of this Purchase Order is limited to acceptance of the express terms of the offer contained on the face and website hereof. Any additional terms which may be contained in any documents furnished by Seller are deemed to be material and are hereby objected to and rejected. Purchase Order acknowledgment forms must be completely filled in, properly executed and returned immediately.

## Warranties

By accepting this Purchase Order, Seller warrants that the goods and services furnished will be free from defects in materials and workmanship, merchantable and in full conformity with Buyer's specifications, drawings, and data, and Seller's descriptions, promises, or samples, and that such goods will be fit for the Buyer's intended use, provided Seller has reason to know of such use, and that Seller will convey good title to the goods, free and clear from all liens, claims, and encumbrances. Upon Buyer's request, Seller shall furnish Buyer with a formal waiver or release of all liens by Buyer and/or Buyer's suppliers. Seller warrants that goods or services covered by this Purchase Order shall not infringe any patent, design, mask work, copyright or trademark, of any third party, either directly or contributory. Seller agrees to indemnify Buyer and hold Buyer harmless from and against all liability, loss, damage and expense, including reasonable counsel fees and costs of litigation, resulting from any claim of infringement and any litigation relating thereto. In the case where goods or a part thereof are held to constitute infringement and the use of the goods or a part thereof is enjoined, Seller shall, at the expense of Seller, either (a) procure for the Buyer the rights to continue to using the goods, (b) replace the goods so that the goods become non-infringing, or (c) retake the goods and refund the purchase price and transportation and installation cost of the goods to Buyer. Such obligations shall survive acceptance of the goods or services and payment therefore by Buyer. Where applicable, the Seller warrants that the goods covered by this Purchase Order are in compliance with all laws, regulations, rules, and orders relating to the importation of goods into the United States, the exportation of goods out of the country of origin, the transit of goods through intermediate countries and the sale and use of foreign made goods in the United States. Seller further warrants that it has obtained all permits, licenses, and certifications necessary for the goods to be exported out of the country of origin, imported in the United States, delivered to Buyer and used or sold within the United States.

## Purchase Price

The supplier will ensure that all prices for products and services offered C-A-T Resources will be the most competitive and will undertake all actions to reduce its prices periodically. The prices for the products and services must not differ from the initially agreed and quoted prices. The quotation should be honored for a minimum period of 30 days.

## Price Increase

The supplier is expected not to increase prices for its products and services. If the price increase is necessary for supplier survival it must be requested in writing at least 90 days prior to the increase. Based on the annual accumulated increase the appropriate C-A-T Resources Manager / Director will be involved.

## Payments

C-A-T Resources has an objective of achieving payment terms of 30 days from invoice receipt. The supplier invoice should mirror Purchase Order prices and quantities. Valid C-A-T Resources Purchase Order Number and supplier delivery note number should be clearly visible on the invoice. Failure to do so will result in the delay in processing the payments.

Suppliers will be requested to submit an improvement plan should the number of inquiries relating to the invoice rises above the critical level. All invoice problems should be addressed by the supplier within 24 hours. Unanswered invoice queries will not be processed and the payment will not be made which must not affect supplier's delivery.



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## Indemnification and Insurance

In the event Seller, its employees, agents, subcontractors, and/or lower tier subcontractors enter premises occupied by or under the control of Buyer or third parties in the performance of this order, Seller shall indemnify, hold harmless and defend Buyer, its officers, and employees from any loss, cost, damage, expense, or liability by reason of property damage or personal injury to any person, including Seller's employees, of whatsoever nature or kind arising out of, as a result of, or in connection with such performance occasioned in whole or in part by the actions or omissions of Seller, its employees, agents, subcontractors, and/or lower tier subcontractors. Without in any way limiting the foregoing undertakings, Seller and its subcontractors and/or lower tier subcontractors shall maintain adequate insurance to cover any public liability, property damage, and automobile liability or any damage incurred in connection with Seller's performance of any work on or about Buyer's premises and shall maintain proper Workmen's Compensation insurance covering all employees performing this order.

## Delivery Performance Expectation

The supplier shall provide 100% conformance to the delivery requirements as specified by the C-A-T Resources user site. Costs incurred as a result of delivery non-conformance shall be the responsibility of the supplier. When notified of a delivery non-conformance the supplier shall provide a formal corrective action report in line with the established C-A-T Resources non-conformance process.

Supplier quoted Lead Time specified on the Quotation Form should be honored for a period of minimum -30 days and must not be changed once the Purchase Order is placed (unless at the request of C-A-T Resources).

## Supplier Responsibility

The supplier is expected to notify C-A-T Resources of any product non-conformities prior to shipment of product. All quality issues should be addressed immediately with the supplier providing details of any implemented containment action to C-A-T Resources within 24 hours. Action plans and corrective action reports should be submitted within 5 days. Suppliers should respond to all RFQ inquiries within 48 hours of their receipt.

## Certificates of Conformance

If requested by C-A-T Resources the supplier must provide a signed Certificate of Conformance, Certificate of Analysis and/or capability data summary for each shipment of specified components or materials. The certificate of analysis must include the actual results of physical tests and/or measurements.

## Product Identification and Packaging

Each separate container/box/pallet of products shipped to C-A-T Resources will be identified as specified within the applicable Purchase Order and / accompanying drawing / specification. Identification shall permit traceability back to specific supplier and manufacturing records. Suppliers are responsible for ensuring that all products are packed, handled and transported in a manner that prevents damage, deterioration etc. Suppliers are responsible for maintaining written instructions detailing proper packaging, storage and shipping of its products that conform both to the C-A-T Resources user site requirements and any legislative requirements applicable to either the product itself and / or it's mode of transport.

## Quality Assurance and Inspection

- a. All Goods ordered may be subject to (i) Buyer source inspection, or in process inspection, during the period of manufacture prior to shipment and (ii) final inspection, testing and acceptance at destination notwithstanding any prior payment or inspection and acceptance. All Goods shall comply with all regulatory requirements.
- b. Seller shall provide and maintain a quality control system acceptable to Buyer and in compliance with those quality control standards (if any) specified on the face sheets of this Purchase Order. Seller's quality control system shall be subject to confirmation and acceptance by the Buyer and the regulatory agencies.
- c. Buyer maintains the right of access by their organization, their customer, and regulatory authorities to all Sellers facilities involved in the Purchase Order and to all applicable records and may require Seller to flow down to its sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristic where required.
- d. Seller shall notify Buyer in the event of any changes in Goods, product and/or process definition and, where required, shall obtain Buyers approval. Seller shall notify Buyer of any nonconforming Goods, product or material either while in production or as the final Goods or product.

## Non-Conformance Reporting

A supplier will be issued with a non-conformance report should a C-A-T Resources receive product which fails to conform to applicable quality and delivery specifications. The supplier is required to submit a formal corrective action plan detailing the containment actions implemented and potential root cause(s) of the concern.

A completed corrective action plan listing the root cause, corrective actions and system preventive actions should follow soon after. Any associated costs to a supplier non-conformance including shipping, handling, processing, reworking, inspecting and replacements will be charged back to the supplier.



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## Containment

Poor performance and/or failure to achieve goals and objectives will result in the supplier being required to:

- a) Establish and communicate an action plan to C-A-T Resources detailing their intentions of improvement to rectify the situation.
- b) Communicate the manner in which product will be identified as quality assured/inspected by container and individual product.
- c) If required provide on-site support at C-A-T Resources sites as part of the containment action.
- d) In the circumstances that prevent the supplier from providing expedient and efficient containment actions a C-A-T Resources approved third party inspection body will be utilized to reinforce containment action plans at the suppliers cost.
- e) The supplier where found to be the root cause of a concern, being responsible for all associated costs including: Shipping, Handling, Processing, Reworking, Inspecting and replacing defective product, including the costs of value added operations prior to the discovery of the non-conformance.

## Non-conforming Product Deviations

It is the policy of C-A-T Resources not to accept product that does not meet the requirements of the applicable drawings and specifications. Requests for deviations on non-conforming product shall be submitted to the C-A-T Resources user site for review and approval. This may require customer approval prior to shipment.

A deviation request shall be accompanied by an action plan identifying root cause analysis, details of any implemented containment actions, steps taken to implement a permanent corrective action, the date of quality assured product availability with confirmation of the product traceability, and the manner in which the product is identified should be included in the plan.

## Changes to Approved Product and Processes

Any changes to a product or process (other than standard set up activities) must be supported by a new PPAP submission reflecting the changes. Any cost impact must be brought to the attention of the C-A-T Resources purchasing contact. Approval from C-A-T Resources is required before any change is implemented.

## Verification Reviews of Purchased Product

When required the supplier shall allow C-A-T Resources the right to verify, at their facility, that the product and sub-contracted product(s) conform to specified requirements. Such verification activities may include process inspections / evaluations / audits / etc as appropriate.

## Sub-supplier Control

Each C-A-T Resources supplier is also responsible for the control and continuous improvement of its suppliers. All applicable requirements that are invoiced or applied to C-A-T Resources' Purchase Order, including this clause, shall be flowed down to the Supplier's sub-tier suppliers. C-A-T Resources reserves the right to visit sub-suppliers when required.

## Confidentiality Clause

The supplier shall keep in strict confidence all technical or commercial information, specifications, drawings, inventions, processes, trademarks or initiatives relating in any way to C-A-T Resources or C-A-T Resources products (confidential information). The supplier shall restrict disclosure of the confidential information to such of its employees as need to know, for the purposes of enabling the supplier to discharge its supply obligations to C-A-T Resources. The supplier shall ensure that all such employees are subject to these obligations of confidentiality, with respect to the confidential information. Disclosure of confidential information to third parties is forbidden, except by expressed by written agreement from C-A-T Resources Ownership of all intellectual property rights in the confidential information shall remain solely with C-A-T Resources at all times.

