



## PURCHASE ORDER TERMS AND CONDITIONS

Each Purchase Order placed by Buyer for Goods and/or Services is subject to these standard purchase terms and the terms of the applicable Purchase Order, and is conditional upon Supplier's agreement to such terms. Supplier shall be deemed to have agreed to be bound by such terms by accepting the Purchase Order, delivering the goods, and/or performing the services.

1. **Definitions.** For purposes of these Terms and Conditions, the following definitions apply:
  - a. "Buyer" means QRS Calibrations, LLC d.b.a. QRS Solutions, located at 4501 Waldemar St., Haltom City, TX 76117, as well as QRS Calibrations, Inc. d.b.a. QRS Solutions, located at 22620 Goldencrest Drive, D-115, Moreno Valley, CA 92553.
  - b. "Delivery Point" is the location identified by Buyer in the Purchase Order to which the Supplier is to deliver Goods and/or perform the services, or such other delivery area or point which is specified in writing by Buyer.
  - c. "Supplier" means the party indicated on the face page of the Purchase Order that is contracting with Buyer for the purchase and sale of Goods and/or Services
2. **Agreement.** The Agreement consists only of (a) these Purchase Order Terms and Conditions; (b) the applicable Purchase Order; and (c) any specifications or other documents expressly referenced in the Purchase Order. Any reference in the Purchase Order to any Supplier Proposal, Quote, Estimate Price Sheet, or other sales/marketing documentation is solely for the purpose of incorporating the descriptions and specifications of the Goods and/or Services contained in the Proposal, Quote, Estimate, Price Sheet, or other sales/marketing documentation and only to the extent that the terms of the Supplier Proposal do not conflict with the descriptions and Specifications set out in the Purchase Order. Buyer's acceptance of, or payment for, Goods and/or Services will not constitute Buyer's acceptance of any additional or different terms in any Supplier Proposal, unless otherwise accepted in writing by Buyer. If there is any conflict or inconsistency between the documents constituting the Agreement, then unless otherwise expressly provided, these Purchase Order Terms and Conditions apply. Modifications to this Agreement require modified confirming Purchase Order, or written documentation from Buyer.
3. **Delivery of Goods and Services**
  - a. Supplier agrees to supply and deliver the Goods to Buyer and to perform the Services, as applicable, on the term set out in the Agreement.
  - b. Supplier shall deliver Goods to the Delivery Point in accordance with the delivery terms, shipping, packing, and other instructions printed on the face of the Purchase Order or otherwise provided to Supplier by Buyer in writing. No charges will be allowed for freight, transportation, insurance, shipping, storage, handling, demurrage, cartage packaging, or similar charges unless provided for in the applicable Purchase Order or otherwise agreed to in writing by Buyer.
  - c. Time is of the essence with respect to delivery of Goods and performance of Services. Goods shall be delivered and Services performed by the applicable Delivery Date. Supplier must immediately notify Buyer if Supplier is likely to be unable to meet a Delivery Date. At any time prior to the Delivery Date, Buyer may, upon notice to Supplier, cancel or change a Purchase Order, or any portion thereof, for any reason, including, without limitation, for the convenience of Buyer or due to failure of Supplier to comply with this Agreement, unless otherwise noted.
  - d. Title and risk of loss or damage shall pass to Buyer upon receipt of Goods at the Delivery Point, unless otherwise agreed to by the Buyer in writing. Buyer has no obligation to obtain insurance while Goods are in transit from Supplier to the Delivery Point.
  - e. Supplier shall furnish with the delivery of Goods and performance of Services, all certifications, test reports, and other documents (hereafter collectively referred to as "Certifications"), issued by the Supplier or by Supplier sub-tier sources that are required by the specific Purchase Order. Supplier is responsible to ensure that all certifications furnished by the Supplier, or by Supplier's sub-tier sources, are complete, legible, and reproducible, accurate and in compliance with all contractual requirements. Buyer reserves the right to return all products to the Supplier, at Supplier's expense, when the Certifications that support the Goods and/or Services are not properly executed. When the Agreement includes provisions for incremental deliveries by Supplier, after the initial delivery of Goods and/or Services and required Certifications, Supplier may, on subsequent deliveries, either provide additional copies of the Certifications, or note on the packing list reference to the Certificates applicable to the current delivery.
4. **Calibration Vendors.** Calibration vendors for QRS primary standards are required to be certified to the latest version of ISO 17025. Calibration vendors are required to perform calibrations and issue certificates of calibration in compliance with ISO 17025. QRS requires its vendors to apply binary decision rule with simple acceptance and record 12 month interval on the calibration certificates. Vendors are required to notify and receive approval from QRS prior to outsourcing any work.
5. **Proficiency Testing Providers.** Proficiency Testing providers are required to be ISO 17043 Accredited.

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6. **Assignment.** Supplier's permitted assignment or subcontracting of this Agreement or any part thereof will not release Supplier of its obligations under this Agreement, and it will remain jointly and severally liable with the assignee or subcontractor for any obligations assigned or subcontracted. The acts of omissions of any subcontractors of Supplier will be deemed to be the acts and omissions of the Supplier. Buyer may assign this Agreement, in whole or in part, to any Affiliate of Buyer, without the consent of Supplier. This Agreement shall enure to the benefit of and be binding upon the parties and their respective legal personal representatives, heirs, executors, administrators, assigns or successors.
7. **Flow Down.**
  - a. Supplier is required to flow down the requirements of this Agreement, including these Terms and Conditions to the Supplier's subcontractors.
  - b. Supplier agrees that in delivery of all Goods and performance of Services under this Agreement that it shall comply and be subject to all contractual obligations undertaken by Buyer in its Agreements with its Customers (Flow Down Clauses) which can be found on the face of the Purchase Order. In the event of a conflict between the terms and conditions of any Flow Down Clause and any term of this Agreement, the term of the Flow Down Clause shall prevail.
8. **Inspection; Acceptance and Rejection.**
  - a. All shipments of Goods and performance of Services shall be subject to Buyer's right of inspection. Buyer shall have ninety (90) days (the "inspection period") following the delivery of the Goods at the Delivery Point or performance of the Services to undertake such inspection, and upon such inspection Buyer shall either accept the Goods or Services ("Acceptance") or reject them. Buyer shall have the right to reject any Goods that are delivered in excess of the quantity ordered or are damaged or defective. In addition, Buyer shall have the right to reject any Goods or Services that are not in conformance with the Specifications or any term of this Agreement. Transfer of title to Buyer of Goods shall not constitute Buyer's Acceptance of those Goods. Buyer shall provide Supplier within the Inspection Period notice of any Goods or Services that are rejected, together with the reasons for such rejection.
  - b. Buyer's inspection, testing, or Acceptance or use of the Goods or Services hereunder shall not limit or otherwise affect Supplier's warranty obligations hereunder with respect to the Goods or Services, and such warranties shall survive inspection, test, Acceptance and use of the Goods or Services.
  - c. Buyer shall be entitled to return rejected Goods to Supplier at Supplier's expense and risk of loss, for, at Buyer's option, either: (i) full credit or refund of all amounts paid by Buyer to Supplier for the rejected Goods; or (ii) replacement Goods to be received within the time period specified by Buyer. Title to rejected Goods that are returned to Supplier shall transfer to Supplier upon such delivery and such Goods shall not be replaced by Supplier except upon written instructions from Buyer. Supplier shall not deliver Goods that were previously rejected on grounds of non-compliance with this Agreement, unless delivery of such Goods is approved in advance by Buyer, and is accompanied by a written disclosure of Buyer's prior rejection(s).
  - d. Buyer reserves the right to audit Supplier's facilities, policies, procedures, and records related to the delivery of Goods or performance of Services under this Agreement to ensure compliance with this Agreement upon at least ten (10) days notice. Notwithstanding the foregoing, the Parties agree that Buyer may conduct an audit at any time, in the event that (i) audit is required by Buyer's governmental or regulatory authority, (ii) audit is required by Buyer's Customer, (iii) Buyer reasonably believes that an audit is necessary to address a material operational problem or issue that poses a threat to Buyer's business.
9. **Price/Payment Terms.** Prices for the Goods and/or Services will be set out in the applicable Purchase Order. If no price is included in the Purchase Order, the Price shall be the price set out in Supplier's published price list as of the date of the Purchase Order, unless otherwise agreed by the parties in writing. Price increases or charges not expressly set out in the Purchase Order shall not be effective unless agreed to in advance in writing by Buyer. Supplier will issue all invoices on a timely basis. All invoices delivered by Supplier must meet Buyer's requirements, and at a minimum shall reference the applicable Purchase Order. Buyer will pay the undisputed portion of properly rendered invoices thirty (30) days from the invoice date. Buyer shall have the right to withhold payment of any invoiced amounts that are disputed in good faith until the parties reach an agreement with respect to such disputed amounts and such withholding of disputed amounts shall not be deemed a breach of this Agreement nor shall any interest be charged on such amounts. Notwithstanding the foregoing, Buyer agrees to pay the balance of the undisputed amounts on any invoice that is the subject of any dispute within the time periods specified herein.
10. **Taxes.** Unless otherwise stated in a Purchase Order, all prices or other payments stated in the Purchase Order are exclusive of any taxes. Supplier shall separately itemize all applicable taxes each on each invoice and indicate on each invoice its applicable tax registration number(s). Buyer will pay all applicable taxes to Supplier when the applicable invoice is due. Supplier will remit all applicable taxes to the applicable government authority as required by applicable

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laws. Notwithstanding any other provision of this Agreement, Buyer may withhold from all amounts payable to Supplier all applicable withholding taxes and to remit those taxes to the applicable governmental authorities as required by applicable laws.

11. **Product Warranties.** Supplier warrants to Buyer that during the Goods Warranty Period all Goods provided hereunder shall be: (i) of merchantable quality; (ii) fit for the purposes intended; (iii) unless otherwise agreed to by Buyer, new; (iv) free from defects in design, material and workmanship; (v) in strict compliance with the Specifications; (vi) free from any liens or encumbrances on title whatsoever; (vii) in conformance with any samples provided to Buyer; and (viii) compliant with all applicable federal, provincial, and municipal laws, regulations, standards, and codes.
12. **Service Warranties.** Supplier shall perform all Services: (i) exercising that degree of professionalism, skill, diligence, care, prudence, judgment, and integrity which would reasonably be expected from a skilled and experienced service provided providing services under the same or similar circumstances as the Services under this Agreement; (ii) in accordance with all Specifications and all Buyer policies, guidelines, by-laws and codes of conduct applicable to Supplier; and (iii) using only personnel with the skills, training, expertise, and qualifications necessary to carry out the Services. Buyer may object to any of the Supplier's personnel engaged in the performance of Services who, in the reasonable opinion of Buyer, are lacking in appropriate skills or qualifications, engage in misconduct, constitute a safety risk or hazard or are incompetent or negligent, and the Supplier shall promptly remove such personnel from the performance of any Services upon receipt of such notice, and shall not re-employ the removed person in connection with the Services without the prior written consent of Buyer.
13. **Intellectual Property Warranty.** Supplier further warrants to Buyer that at all times all Goods and or Services (including any Deliverables) will not be in violation of or infringe any Intellectual Property Rights of any person.
14. **Manufacturer Warranties.** Supplier shall assign to Buyer all manufacturer's warranties for Goods not manufactured by or for Supplier, and shall take all necessary steps as required by such third party manufacturers to effect assignment of such warranties to Buyer.
15. **Warranty Remedies.**
  - a. In the event of breach of any of the warranties in this Section 13 a or b, and without prejudice to any other right or remedy available to Buyer (including Buyer's indemnification rights hereunder), Supplier will, at Buyer's option and Supplier's expense, refund the purchase price for, or correct or replace the affected Goods, or re-perform the affected Services, within 10 day(s) after notice by Buyer to Supplier of warranty breach. All associated costs, including costs of re-performance, costs to inspect the Goods and/or Services, transport the Goods from Buyer to Supplier, and return shipment to Buyer, and costs resulting from supply chain interruptions, will be borne by Supplier. If Goods are corrected or replaced or Services are re-performed, the warranties in Section 13 a. will continue as to the corrected or replaced Goods for a further Goods Warranty Period commencing on the date of Acceptance of the corrected or replaced Goods by Buyer. If Supplier fails to repair or replace the Product within the time periods required above, Buyer may repair or replace the Goods at Supplier's expense.
  - b. In the event that any Goods provided by Supplier to Buyer are subject to a claim or allegation of infringement of Intellectual Property Rights of a third party, Supplier shall, at its own option and expense, without prejudice to any other right or remedy of Buyer (including Buyer's indemnification rights hereunder), promptly provide Buyer with a commercially reasonable alternative, including the procurement for Buyer of the right to continue using the Goods in question, the replacement of such Goods with a non-infringing alternative satisfactory to Buyer, or the modification of such Goods (without affecting functionality) to render them non-infringing.
16. **Confidentiality.** Supplier shall safeguard and keep confidential any and all information relating to Buyer obtained by it or provided to it by Buyer in connection with this Agreement, and shall use such information only for the purposes of carrying out its obligations under this Agreement.
17. **Insurance.** Supplier represents and warrants to Buyer that it has in place with reputable insurers such insurance policies in coverage amounts that would be maintained by a prudent supplier of goods and services similar to the Goods and Services provided hereunder, including, as applicable, professional errors and omissions liability insurance and comprehensive commercial general liability insurance (including product liability coverage, all-risk contractors' equipment insurance, and automobile liability insurance). In addition, Supplier will take out and maintain, at its own cost, such insurance policies and coverages as may be reasonably required by Buyer from time to time. Supplier will promptly deliver to Buyer, as and when requested, written proof of such insurance. If requested, Buyer will be named as an additional insured under any such policies. If requested by Buyer, such insurance will provide that it cannot be cancelled, or materially changed so as to affect the coverage provided under this Agreement, without the insurer providing at least thirty (30) days prior written notice to Buyer.



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18. *Indemnities:* Supplier shall indemnify, defend and hold harmless Buyer, its Affiliates, and their respective officers, directors, employees, consultants, and agents (the "Buyer Indemnified Parties") from and against any claims, fines, losses, actions, damages, expenses, legal fees and all other liabilities brought against or incurred by the Buyer Indemnified Parties or any of them arising out of: (a) death, bodily injury, or loss or damage to real or tangible personal property resulting from the use of or any actual or alleged defect in the Goods or Services, or from the failure of the Goods or Services to comply with the warranties hereunder; (b) any claim that the Goods or Services infringe or violate the Intellectual Property Rights or other rights of any person; (c) any intentional, wrongful or negligent act or omission of Supplier or any of its Affiliates or subcontractors; (d) Supplier's breach of any of its obligations under this Agreement; or (e) any liens or encumbrances relating to any Goods or Services.
19. **Limitation of Liability.** EXCEPT FOR SUPPLIERS OBLIGATIONS UNDER THIS AGREEMENT, AND EXCEPT FOR DAMAGES THAT ARE THE RESULT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF A PARTY, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING ANY LOST PROFITS, DATA, GOODWILL, OR BUSINESS OPPORTUNITY FOR ANY MATTER RELATING TO THIS AGREEMENT.
20. **Independent Contractors.** Supplier will perform its obligations under the Agreement as an independent contractor and in no way will Supplier or its employees be considered employees, agents, partners, fiduciaries, or joint venturers of Buyer. Supplier and its employees will have no authority to represent Buyer or its Affiliates or bind Buyer or its Affiliates in any way, and neither Supplier nor its employees will hold themselves out as having authority to act for Buyer or its Affiliates.
21. **QRS's Property.** The contents of the QRS website may not be copied, reproduced, distributed, republished, displayed, posted or transmitted in any form or by any means without the prior express written permission of QRS. The calibration certificate may not be reproduced, except in full, unless permission for the publication of an approved abstract is obtained in writing from the calibration organization issuing the report.
22. **Severance.** If any term or provision of these Terms and Conditions is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction such provision shall be severed and the remainder of the provisions hereof shall continue in full force and effect, as if these Terms and Conditions had been agreed with the invalid, illegal or unenforceable provision eliminated.
23. **Waiver.** No waiver of any provision of this Agreement shall be enforceable against that party unless it is in writing and signed by that party.
24. **Governing Law.** It is the intention of the Parties to this Agreement, that this Agreement, and the performance under this Agreement, and all suits and special proceedings under this Agreement, be construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the State of Texas, and county of Tarrant without regard to the jurisdiction in which any action or special proceeding may be instituted.