

# NECAL Corporation

## Supplier Manual

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# NECAL Corporation Supplier Manual

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## Message to Our Suppliers

The purpose of this manual is to define policies, procedures and quality system requirements of NECAL Corporation. The procedures in this manual are designed to aid in the selection, development and continuous improvement of suppliers. Our objective is to establish a mutually beneficial long-term partnership with our suppliers.

Our Mission Statement and Quality Policy are located at [www.necal.com](http://www.necal.com) on the Quality Commitment Tab.

The procedures in this manual are to ensure that purchased materials and products meet or exceed NECAL's quality standards and help ensure that our products meet our customer's expectations.

Patty Herold  
Administration Manager  
NECAL Corporation

## Administration

Administration and control of this manual and all related procedures rests with the NECAL Corporation. This manual is “distributed” only via the posting on the NECAL website. Printed copies are uncontrolled documents. Suppliers are expected to remain up to date on NECAL Corporation requirements by visiting our website at [www.necal.com](http://www.necal.com).

## Supplier Confidentiality

All information, written or not, will be considered confidential to NECAL Corporation. Suppliers shall sign a NECAL Corporation confidentiality agreement upon request.

## Government Regulatory Compliance

Suppliers shall comply with all applicable governmental regulations. These regulations relate to the health and safety of the workers, environment protection, toxic and hazardous materials, and free trade. Suppliers should recognize that the applicable government regulations might include those in the country of manufacture, as well the country of sale.

## RoHS Compliance

As a supplier to NECAL Corporation you are required to provide a “Certificate of RoHS Compliance” or statement of compliance on raw materials and materials incorporated into components sold to NECAL Corporation. The purpose of this directive is to limit the amount of Lead, Mercury, Hexavalent Chromium, Cadmium, PBB (poly-brominated biphenyls) and PBDE (poly-brominated diphenyl ethers) found in products to be sold in Europe. You are required to report any of the aforementioned hazardous materials with values above the MCV’s Limits.

The hazardous substances are with the following Maximum Concentration Limits (MCV’s) will apply:

- \*Lead (Pb) 0.1 % by weight = 1000 ppm
- \*Mercury (Hg) 0.1 % by weight = 1000 ppm
- \*Cadmium (Cd) 0.01 % by weight = 100 ppm
- \*Hexavalent Chromium VI (Cr VI) 0.1 % by weight = 1000 ppm
- \*(PBB) Polybrominated Biphenyls 0.1 % by weight = 1000 ppm
- \*(PBDE) Polybrominated Diphenylethers 0.1 % by weight = 1000 ppm

## Supplier Selection, Criteria and Approval

Suppliers are required to comply with NECAL Corporation specific requirements defined in this manual. In addition, all suppliers of materials and services affecting production material are encouraged to demonstrate compliance to ISO 9001 or other applicable quality system/certification.

### General Requirements:

1. Suppliers will be evaluated by one or more of the methods contained in this manual.
2. Supplier will be evaluated on the following:
  - a. Quality
  - b. Delivery
  - c. Service

## New Supplier Selection

1. NECAL Corporation will initiate the selection process by sending the supplier a “Supplier Questionnaire and Assessment Packet”, NF- 56.
2. The Purchasing Manager will evaluate the Assessment Packet to determine if a potential supplier is an appropriate candidate. The risk level of the product, material, service supplied will be factors in determining approval.
3. The Supplier’s Quality System generally will be evaluated using the Initial Supplier Assessment Packet. NF- 56
4. Once approved, the supplier is expected to maintain an effective Quality System that meets or exceeds NECAL Corporation requirements. NECAL Corporation evaluates the suppliers Quality and Delivery performance from time to time, minimum at least once a year.
5. The suppliers deliveries are considered on time if they are no more than eight days early or four days late.

## Supplier Request for Change or Deviation

A Certificate of Analysis should accompany every raw material purchase. Suppliers shall submit a written notice and/or request for its planned product or process change that will or likely will result in a material effect upon the product, delivery or service provided to NECAL Corporation prior to implementing the change. Suppliers shall request, in writing, a deviation or concession before shipping non-conforming material to NECAL Corporation. A plan to return to normal production and product identification is required and shall be submitted at the same time as the written request. Material shipped under an approved deviation shall be labeled as such.

## Non-Conforming Material

In cases when a supplier ships non-conforming material. The supplier will be sent a notification of the non-conformance, requesting disposition of material.

Suppliers are responsible for all costs and expenses created by any defect on the material supplied. This may include, but is not limited to re-work cost, shipping and handling, expedited material replacement and potential costs of our customer.

## Terms and Conditions

### 1. Acknowledgement: Acceptance

Acceptance of this order shall be receipt by the Buyer of Sellers signed acknowledgment or any part of the goods shipped pursuant to this order. Seller's acknowledgement shall confirm the shipping date agreed to by Buyer and Seller. If not previously agreed to, Seller should insert promised shipping date. Buyer recognizes that Seller may for convenience use its own acknowledgment form. It is therefore agreed that any printed terms and conditions on such a form which modify, conflict with, or contradict any provisions of this order shall be deemed waived. If the Seller intends not to waive any such printed terms and conditions the Sellers acknowledgment form shall bear on the face thereof, in letters at least one-half inch high, the words "This is a counter offer." Negotiations for mutually acceptable terms and conditions shall then be entered into.

### 2. Bill of Lading

Original bill of lading shall be sent with the shipment.

### 3. Rights of Inspection and Seller's Warranty

Seller expressly warrants that all material and/or work covered by this order shall conform to the specifications, drawings, plans or other descriptions furnished or specified by Buyer, shall be fit and sufficient for the purpose intended, merchantable, of good quality material and workmanship, and free from defects, and agrees that the material and work will be subject to inspection and rejection by Buyer, whether or not any prior payments shall have been made there on by Buyer. If materials are rejected, Buyer shall by writing, so notify Seller, and Buyer, at its option and at the expense and risk of Seller may either return such rejected materials to Seller or hold them for such disposal as Seller shall indicate, without notice to any other person whatsoever, notwithstanding any assignment by Seller of the order (where permissible) or of any sums there under. Any Payments made on such rejected material shall be immediately refunded to Buyer.

### 4. Cancellation

Failure to comply with the specifications, terms and conditions of this order or to deliver material in accordance with the Seller's promise shall be grounds for cancellation by Buyer without penalty.

### 5. Insolvency of Seller: Cancellation

Buyer may cancel the contract resulting from the acceptance of this order in the event of the happening of the following or of any other comparable event: insolvency of Seller; filing of a voluntary petition in bankruptcy; the filing of an involuntary petition to have Seller declared bankrupt provided that it is not vacated within thirty (30) days from the date of filing; the appointment of a receiver or trustee for Seller provided such appointment is not vacated within thirty (30) days from the date of such appointment; the execution by Seller of an assignment for the benefit of creditors.

### 6. Non-assignment

This order shall not be assigned, in whole or part, without Buyers written consent and shall be binding upon the successors and assigns of the parties hereto.

7. No Charges, Duties, Customs or Assessments without Written Consent

No charge will be allowed for boxing, packing, cartage, insurance, or taxes unless authorized in writing by Buyer. Buyer shall not be liable for any duties, customs or assessments in connection with the purchase and/or delivery of goods, ordered hereunder, except as are expressly set forth on the face hereof.

8. Patents

Seller will indemnify, save harmless and defend Buyer from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses and attorneys' fees incident to any infringement or to any claimed infringement of any patent or patents in the manufacture and sale, or either thereof, of the supplies or services covered by this purchase, or in any way connected therewith or with the use thereof by Buyer; provided, however, that Buyer may be represented in any such suits, actions, or legal proceedings by attorneys of its own selection at its own expense.

9. Fair Labor Standards Act

In accepting this order, Seller shall be deemed to represent that the goods to be furnished hereunder were or will be produced in compliance with all of the applicable requirements of section 6, 7 and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under Section 14 thereof and unless otherwise agreed in writing Seller shall insert a certificate on all invoices submitted in connection with this order stating that the goods covered by the invoice were produced in compliance with the above requirements. Seller further agrees to indemnify and hold harmless Buyer for all damages suffered by Buyer as a result of Seller's failure to comply with the Act and the standards issued thereunder and for the failure of the goods furnished under this order to so comply.

10. Occupational Safety and Health Act of 1970

Seller agrees to comply with the provision of the Occupational Safety and Health Act of 1970 and the standards and regulations issued there under and warrant that all goods furnished under this order will conform to and will comply with said standards and regulations. Seller further agrees to indemnify and hold harmless Buyer from all damages suffered by Buyer because of Seller's failure to comply with the Act and the standards issued there under and for the failure of the goods furnished under this order to so comply.

11. Nondiscrimination in Employment

This order and the contract resulting from Seller's acceptance hereof is subject to the provisions of Executive Order 11246, as amended, unless exempt there under by the Rules and Regulations of the Presidents Committee of Equal Employment Opportunity.

12. Seller's Compliance With all Laws

Seller agrees to comply with all applicable federal, state and local laws, orders and regulations covering the goods shipped under this order.

13. Governing Law

The interpretation or performance of the contract resulting from the Seller's acceptance hereof shall be governed by the laws of the State of Wisconsin.

14. Order is Complete Agreement: No Modification Unless in Writing

This order, including the terms and conditions, intended by the parties as a final expression of their agreement and is intended also as a complete exclusive statement of the terms of the agreement and no other agreement in any way modifying this order, including any of the terms and conditions, will be binding upon Buyer unless authorized in writing by Buyer.

15. Verification

The Buyer or the Buyer's customer reserves the right to verify purchased product at the Seller's premise. Verification would include inspection of any processes, equipment, or records, or anything else deemed pertinent to the conformance of the purchased product to specifications, as determined by the Buyer or Buyer's customer. The product will then be released as appropriate in the usual manner by the Buyer's Purchasing Department. Inspection by the Buyer or Buyer's customer does not relieve Seller of warranty and liability responsibilities.

16. Notification

In acceptance of this order the seller agrees to provide the buyer with notice prior to changes to the seller's process or materials. In addition, the seller agrees to provide the buyer sample material reflecting the change in sufficient quantity to allow the buyer to make sample submissions to their customer. The seller will not ship production material until the change is approved by the buyer.