



01 May 2019

To: PO-required Payment Customers

Subject: Nelson Labs Purchase Order Policy ("PO Policy")

To aid in the timely processing of your orders and ensure a streamlined billing and payment process, Nelson Labs has developed the following PO Policy:

Beginning 01May2019, Nelson Labs will require that all submitted orders be accompanied with a copy of a valid PO (actual PO Document, not just the PO number), along with an accurate, complete, and signed Sample Submission Form (SSF).

A valid PO must:

- not be expired (i.e. date is valid and PO is active)
- have a valid PO number
- have a sufficient balance for work being performed
- have payment terms reflecting agreement with Nelson Labs
- include accurate line item descriptors (quantity, price, unit of measure) for line item POs

If Nelson Labs receives an order without a valid PO, one of our service team members will work diligently to contact you to secure one. We will do our best to start testing even without a valid PO. Nelson Labs will consider the submission of test samples as an implied contract and will process submitted samples for testing as soon as possible—as long as the test requirements are clear in the included submission paperwork. Samples without a complete SSF, or ambiguous paperwork, may result in delays in testing that are beyond Nelson Labs' control.

Nelson Labs reserves the right to delay testing or release a final report until all PO issues are resolved (e.g. until Nelson Labs receives a valid PO).

Payment Terms & Late Charges:

All customer payments are due based on the Nelson Labs Terms and Conditions (as posted on Nelson Labs website www.nelsonlabs.com/service-terms) or otherwise stated. Payment terms start from the date of invoice. If an invoice is requested to be updated due to a PO reconciliation, the due date for payment is based off the original invoice date.

- *Due to the technical nature of our testing, we recommend customers issue POs with at least a 10% buffer to cover unexpected additions to testing (e.g., identification of a detected organism, additional sterilizer cycles, etc.) Our team will contact you for approval when these services are required. This buffer is a benefit to you as it can minimize delays caused by follow up on small dollar differences.*

Product Storage Fee:

We want to help you with your testing needs, so Nelson Labs will make every effort to resolve PO and SSF issues as soon as possible. However, for shipments where a valid PO and SSF are not received within five business days of product receipt, Nelson Labs reserves the right to return the product to the customer at cost plus a storage and handling fee.



Blanket POs:

Customers that submit Blanket POs for annual or periodic testing must adhere to the valid PO requirements outlined above as well as the following:

1. Blanket POs are required to be submitted five business days prior to the previous POs termination date or before the prior blanket PO funds are exceeded (total dollar amount). **Failure to submit a new blanket PO will result in final reports being withheld until a valid PO is received.**
2. The dollar amount of all blanket POs should follow these guidelines:
 - i. Set at the greater of 110% of the maximum PO spend for the trailing period (Quarter or Twelve Months, depending on blanket PO type).
 - ii. Or use the forward-looking Customer/Nelson Labs Blank PO Period forecast.

If you have any questions related to this new policy, please do not hesitate to reach out to the Nelson Labs Service Center at +1 (801) 290-7500 or your account manager.