

VIRTEX MN, Purchasing Order Terms & Conditions

All orders, including the Terms and Conditions contained hereto and including all public laws applicable to Government contracts if subject thereto, contains the complete subject of Buyer's offer. Any additional or different terms proposed by Seller in any quotation, acknowledgment or other document are hereby deemed to be material alterations and notice of objection to them is hereby given. Any such proposed terms shall be void.

If a Prime Contract # is entered hereon or referenced on a purchase order, this procurement is certified for National Defense use and the Contractor/Supplier shall follow all the requirements of the Defense Priorities and Allocations Systems Regulation (15CFR350). When specified, ITAR regulations may be required with or without a Prime Contract # being identified.

Suppliers shall flow-down to Sub-Tier Suppliers the applicable requirements as required by the purchase order, either specifically or by reference, for raw materials, manufactured components and products, as well as to a Supplier performing any special processes such as, but not limited to: component repackaging, coatings, nonconventional machining, etc.

The right of access to suppliers, and as applicable to sub-tiers, facilities and applicable records is required: applicable to the organization, customers, and regulatory authorities. Supplier is to maintain contractual visibility over their suppliers, and sub-tier suppliers, and the selection of sources for special processes or services. All Supplier, and sub-tier Suppliers, must conform to the Buyer's quality assurance standards and requirements. Prior to implementation, suppliers must agree to notify VIRTEX Enterprises, LP (VIRTEX) of any product or process change that affects the ability of the purchased product to meet all purchase order requirements, including traceability. Any change in a Suppliers registrar or regulatory approval status, a change in an external provider, location or ownership, may be subject to re-evaluation and approval.

Supplier must have a quality control system including pre-packaging and pre-shipping inspection and/or test activities, a documented traceability system for mechanical and/or electrical parts and supplies, and have evidence available for review throughout the life of the order/contract. Unless otherwise specified differently, all records related to the item being ordered, along with general management systems records, are required to be retained by the supplier for a minimum of five (5) years.

All components must be received within 18 months of the manufacturers date code, and products with an expiration date must have at least 70 % remaining shelf life. Written Buyer approval must be received by the Supplier for any non-conformances, product and/or process configuration changes, including changes to location of manufacturing facilities.

To prevent the purchase of counterfeit or suspect / unapproved products and to ensure product identification and traceability (and for other reasons), Supplier will institute controls that include the requirement of Material Certificates, Certificates of Conformity, and/or other supporting documentation as is appropriate. Material and/or part substitutions are not allowed.

When indicated on the purchase order, the Supplier shall be required to submit a written Inspection Plan, and/or a First Article Inspection Report, which may require approval and/or acceptance. Upon shipment of those items requiring a report or plan, the Supplier is to clearly identify the lot/date code, all parts, supplies, and associated documentation with indications of the inspection status, any inspection/test/statistical records, and records as to functional, chemical, and/or physical properties of the items being produced. The Supplier will use a C=0 sampling plan with an AQL of 1 or 100% inspection, unless otherwise specified or agreed upon in writing by Altron Inc. An item is not considered accepted by VIRTEX until approval and acceptance of the first article.

Printed circuit boards are to be shipped with a minimum of one (1) solder sample, or test coupon, for each date code unless otherwise authorized differently by the buyer or purchase order. The solder sample cannot be contained within a functional array and need not be an electrically good board. A shipment of boards will not be accepted if the quantity of x-outs, or supplier identified failed boards, exceeds 10% of the total quantity ordered.

For calibration Purchase Orders, all gauges and instruments must be calibrated using standards whose accuracies are traceable to the National Institute of Standards and Technology, the General Conference of Weights and Measures, or fundamental or natural physical constants. All provided calibration certifications must specifically state this traceability.

Chemical and physical analysis of raw materials used in the Supplier's production, and/or of raw material shipped, should be available upon request. All minerals required in the manufacturing of items being produced shall be compliant in accordance with Section 1502-Conflict Minerals of the Dodd-Frank Wall Street Reform and Consumer

Protection Act of 2010. Products shall contain no metallic mercury and must be free from contamination by mercury. The Supplier shall not use mercury, mercury components or mercury bearing instruments or equipment that could cause contamination during the manufacture, service, assembly, or test of materials.

A Certificate of Compliance, or a Certificate of Conformance (CofC), and a Suppliers packing slip must be included with each shipment. The documents are to indicate the VIRTEX purchase order number, an VIRTEX part number, the shipping quantity, the manufacturers name and part number, and when applicable the manufacturers date code, lot/batch number, drawing number and revision, serial number, and any additional requirements as required by the VIRTEX purchase order. An authorized signature, or an electronic signature, is required on the CofC. Any chemicals, shall include an SDS, and/or indicate where one can be obtained, along with the lot code, date of manufacture, and as applicable any shelf-life limitations, storage control and/or disposal requirements. The VIRTEX purchase order must appear on all invoices, bills of lading, and packing slips.

Any corrective action issued to the Supplier, becomes the responsibility of the Supplier to coordinate all sub-tier Suppliers as appropriate, and respond back in writing within 10 days of the initial request. Failure to respond within 10 days may result in product being quarantined, returned, or disqualification as an approved Supplier.

When requested a tool report should be made available indicating all tools, dies, fixtures, etc. that are owned by VIRTEX, and those that are to be maintained by the Supplier throughout the life of the order/contract. The Supplier is contractually obligated to notify the buyer prior to the disposal, or removal from a usable state, all tooling whether owned or maintained by the supplier.

Supplier must be committed to the highest standards of ethics and business conduct. Supplier must comply with the law, honor commitments, act in good faith, and be accountable. Supplier must strive to maintain full compliance with all laws and regulations applicable to the operation of the business and customer relationships. Supplier must not offer, promise, authorize, or provide, directly or indirectly, any gratuities with the intent or effect of inducing anyone to engage in unfair business practices. Supplier will avoid involvement in activities that may be perceived as a conflict-of-interest. Supplier will respect the legitimate proprietary rights and intellectual property rights of customers and Suppliers and take proper care to protect sensitive information, including confidential, proprietary and personal information.

Supplier will support product safety by ensuring robust management of special requirements, critical items and key characteristics. If there are concerns with respect to product safety, Supplier will communicate them directly to VIRTEX. If there is a concern at the Supplier's premises with respect to safety during the manufacture of the product, Supplier will notify its own employees of the concern and whenever possible, mitigate the concern.

Supplier will ensure that employees, and people working on its behalf including sub-tier suppliers, are aware of their contribution to product or service conformity, their contribution to product safety and the overall importance of ethical behavior.

In addition to the other requirements recorded within this document, Suppliers shall hold all information received from VIRTEX in confidence and no third-party request for information will be authorized unless approved, in writing, by VIRTEX.

04/18/18 DLG