



Terms & Conditions Purchasing / Supplier Quality Requirements

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1. SCOPE

- 1.1. This document establishes the Quality Assurance requirements for suppliers performing work pursuant to Qualitetch Components Ltd purchase orders.
- 1.2. The requirements of this document are contractually binding on the supplier accepting a Qualitetch Components Ltd purchase order that references this procedure. If the purchase order defines requirements different from those quoted in this document, the purchase order requirements shall prevail.
- 1.3. Authorised Qualitetch Components Ltd representatives, its customers and other authorities shall be allowed access to the supplier's premises at mutually agreed times to carry out surveillance of the supplier's quality system and product verification when necessary

2. INTRODUCTION

The document is based on AS9100 & BS EN 9001:2008 and includes the requirements of both, regulatory authorities and customers of Qualitetch Components Ltd.

3. SUPPLIER DEFINITIONS

- 3.1. The term "Supplier" used throughout this document refers to any company accepting a purchase order from Qualitetch Components Ltd for the supply of products or services.
- 3.2. All suppliers are classified based on their approvals, scope of approval and the type of product they supply to Qualitetch Components Ltd. These classifications are for Qualitetch Components Ltd use only and are used to determine surveillance

4. QUALITY MANAGEMENT SYSTEM

APPROVAL

- 4.1. All suppliers must be approved by Qualitetch Components Ltd but may also be registered by third party approval to national or international standards. The level of approval required is dependent on the supplier classification. Supplier approval and reassessment is based on a review of the supplier's capabilities, performance and quality system. This may include:
 - Supplier questionnaire.
 - Site assessment / audit including desk top audit
 - Data taken from ERP system (Quality, OTD & Price)Qualitetch Components Ltd approval of a supplier means that the said supplier satisfies the requirements of this document and / or the requirements at the time of assessment

SURVEILLANCE

- 4.2. Qualitetch Components Ltd will perform scheduled assessments of suppliers which will include Quality Systems / Approvals and performance. The frequency of these assessments may vary depending upon the supplier's classification and also on:
 - The Approvals held by the supplier.
 - Supplier performance.
 - The frequency of orders placed on the supplier.

MONITORING OF DELIVERIES

- 4.3. Suppliers are totally responsible for ensuring that 100% defect free goods are delivered within the agreed timescales. Qualitetch Components Ltd monitors the quality level of successive batches from individual suppliers. Based on performance, the intensity of "On Receipt" inspection may be adjusted accordingly. When a delivery fails to comply with order requirements Qualitetch Components Ltd will review the situation with the supplier and with appropriate Qualitetch Components Ltd representatives to determine the cause and agree remedial action as necessary. Products from suppliers may be subject to Receipt Inspection, or where applicable, Source Inspection. You will make sure that the goods will be of satisfactory quality, comprise genuine, new materials (which are not used, refurbished, reconditioned, remanufactured, counterfeit or of such age as to impair usefulness or safety) and be fit for any purpose notified by us to you;

SUPPLIER PERFORMANCE

- 4.4. Supplier performance on delivery and quality is continually monitored. Suppliers falling into an unsatisfactory rating will be advised that immediate improvement is required. Failure to improve their rating may result in risk-based restrictions being placed on the supplier or removal from the Register of Approved Suppliers.

QUALITY SYSTEM

- 4.5. The supplier shall ensure that Quality System procedures are readily available to Qualitetch Components Ltd, our customers and/or regulatory authorities.

DOCUMENT CONTROL

- 4.6. The supplier will be responsible for maintaining their copies of all Qualitetch Components Ltd customer drawings and specifications, which are applicable to the purchase order or part(s) under supply or manufacture. Issue status for these documents shall be verified against the Purchase Order and any obsolete documents destroyed on behalf of Qualitetch Components Ltd. The supplier will be responsible for obtaining and maintaining the latest copies of National / International / Proprietary / Military / Defence standards as applicable.

QUALITY RECORDS

- 4.7. Records may be in the form of media such as hard copy or electronic data. Records will cover the entire manufacturing process e.g. raw material to despatch. Essential records must be retained for a minimum of thirty (30) years, Essential records are those that provide evidence of the quality or airworthiness of the product and include material certificates, certificates of conformity, manufacturing/assembly documentation and any records associated with design and certification. All other Quality records will be retained for minimum ten (10) years. The supplier shall refer to Qualitetch Components Ltd Quality Assurance for disposal instructions of any Quality records. In the event of a supplier being disapproved, all Quality records applicable to Qualitetch Components Ltd must be surrendered to Qualitetch Components Ltd. Note: The use of correction fluid is strictly prohibited on all quality records.

5. MANAGEMENT RESPONSIBILITY

- 5.1. The supplier shall define the functions of personnel who manage the organisation and show relationships of these positions on an organisation chart. The supplier's Quality representative shall have the organisational freedom to report quality matters.
- 5.2. The supplier shall formally advise Qualitetch Components Ltd Quality Department of any Organisational or Policy changes which directly or indirectly affects:
 - The Suppliers Quality Management System
 - Change of Ownership.
 - Change of premises.
- 5.3. If at any time the supplier should lose their Third-Party approvals, they must immediately inform Qualitetch Components Ltd quality department.
- 5.4. Where applicable, a detailed Quality Plan specifying the controls to be implemented, activities and milestones must be provided. The system shall incorporate where necessary the requirements of this document.

6. RESOURCE MANAGEMENT

PROVISION OF RESOURCES

- 6.1. By the acceptance of an order from Qualitetch Components Ltd the supplier is confirming that adequate resources to complete the order are available, and that these resources can meet the technical and commercial requirements of the order. The supplier must notify Qualitetch Components Ltd within 48hrs of receipt of the order, if after suitable risk assessment the supplier identifies that they are unable to meet either the technical or commercial requirements of the order

HUMAN RESOURCES

- 6.2. The supplier shall establish and maintain individual training for all personnel.

INFRASTRUCTURE AND WORK ENVIRONMENT

- 6.3. The supplier shall provide a suitable area where inspection can be carried out. This area shall be kept at a level of cleanliness appropriate to the task and will be illuminated to a suitable lighting level (at least 1100 lux is recommended).

7. PRODUCT REALISATION

CONTRACT REVIEW

- 7.1. Personnel having the relevant knowledge and experience must undertake contract reviews. The supplier shall ensure that its requirements and obligations are managed, directed and controlled at an appropriate level. No departure from the purchase order is allowed unless agreed by order amendment. Verbal instructions, which change any aspect of the purchase order, must not be accepted no matter from whom they originate. The supplier must ensure that the relevant documentation is to the correct issue.

PURCHASING

- 7.2. Suppliers may only use lower tier sources with national or internationally recognised approvals unless it can be clearly demonstrated that there are control mechanisms in place to adequately maintain an approved supplier list. In the event that there is doubt surrounding such approval or when Qualitetch Components Ltd believes it is necessary to specify a particular lower tier source, then only lower tier sources approved by Qualitetch Components Ltd may be used. Once a source has been selected and a First Article Inspection Report (FAIR) submitted, the source of supply shall not be changed without prior approval from the Qualitetch Components Ltd. Components supplied without prior agreement will be considered as non-conforming. All purchased material must be obtained from an approved source and must comply with all conditions of release.

8. PRODUCTION AND SERVICE PROVISION

GENERAL

- 8.1. Documentation shall be compiled by authorised personnel to give a comprehensive and clear method of manufacture, assembly, and inspection for all stages of the process. This should define:
 - Sequence of operations.
 - Details of operations / special tools / relevant standards.
 - Issue status of the documentation.Accountability for all product during manufacture (e.g., parts quantities, split orders, non-conforming product) Environmental facilities shall be established and maintained to a documented standard where applicable.
Note: - Suppliers shall comply with REACH & RoHS legislation and aid Qualitetch Components Ltd by providing relevant information where required

SPECIAL PROCESSES

- 8.2. Those processes which modify or change the inherent physical, chemical, electrical or metallurgical properties of a component, or non-conventional methods which remove or deposit material on a component during or after fabrication which cannot be fully evaluated by non-destructive means, or those used to maintain process control such as non-destructive testing are considered Special Processes. Where required by contract, NADCAP sub-tiers only shall be used for special processing. In special circumstances special process houses that are not NADCAP approved may be used if agreed in advance by the Qualitetch Components Ltd Quality Department and, if required by contract, our customer. For special processes where the specification requires testing of the components, a test piece made of similar material shall be provided to the special process supplier. The supplier shall validate the process using the test piece and evidence of this test is required on the C of C or route card. Suppliers must ensure techniques and facilities for special processes are controlled and must retain records of conformance checks. In all cases it is necessary for a Data Card to be completed and submitted for approval. All stages of heat treatment shall be planned and fully defined. All heat treatment operations shall quote times, temperatures etc. NDT inspection shall only be carried out by Level II and Level III approved personnel in accordance with the sub-contractor's written practice for training, qualification and certification. Level II and Level III inspectors shall be certified in accordance with the practices which have been compiled according to the requirements of MIL.STD.410 and are consistent with the UK National Scheme for Personnel Certification in NDT (PCN) scheme. The Level



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All individual employed shall have been duly certified by the American Society of Non-Destructive Testing or by an equivalent scheme which meets with approval of and the CAA. Once a First Article Inspection Report has been approved the source or method of any special process or NDT shall not be altered without Qualitetch Components Ltd prior approval.

PRODUCT IDENTIFICATION AND TRACEABILITY

8.3. The supplier shall ensure that the product is identified and associated manufacturing records are annotated for all stages of manufacture. All products are released with formal identification. Products need to be traceable back through the appropriate manufacturing stages including lower tier sub-contracting. This includes assembly parts, raw material and electronic components.

QUALITETCH COMPONENTS LTD SUPPLIED EQUIPMENT

8.4. All equipment used in the manufacture of parts for Qualitetch Components Ltd including measuring equipment, jigs, fixtures and tooling shall be traceable, calibrated and maintained in a satisfactory manner. It is the Suppliers responsibility to ensure that all gauges, jigs, and fixtures of Qualitetch Components Ltd origin, whilst in the Suppliers custody, are clearly identified as Qualitetch Components Ltd property and are properly preserved and maintained to prevent deterioration and damage.

QUALITY AND INSPECTION

8.5. The Products shall be of the best available design, of the best quality, material and workmanship, be without fault and will comply with all relevant specifications, packaging requirements, applicable work instructions and legislation and directives taken at the latest issue, supplement or amendment, unless otherwise stated. All Products may be inspected and tested by Qualitetch Components Ltd, its authorised agent or third party, its customers and higher tier contractors, on notice at all times and places. To facilitate inspection or testing, or for other reasons, such as, but not limited to auditing on the Supplier's premises, or the Supplier's subcontractor's premises, the Supplier shall provide, without additional charge, all reasonable facilities and assistance for such inspections and tests. In its internal inspection and testing of the Products, the Supplier shall, if required by Qualitetch Components Ltd, use an inspection system accepted by Qualitetch Components Ltd in writing. All inspection records relating to the Products shall be available to Qualitetch Components Ltd during the performance of the Order, and for such longer periods as may be specified. Final inspection and acceptance by Qualitetch Components Ltd shall be at the delivery destination unless otherwise specified in the Order. Such inspection shall be in accordance with Qualitetch Components Ltd customary established inspection procedures in place at the delivery destination of the Products. If rejection of a shipment would result from normal inspection level under such procedures, Qualitetch Components Ltd may, at its option, conduct an above-normal level of inspection, up to 100% inspection, and charge the Supplier the reasonable costs thereof. No inspection (including source inspection), tests, approval (including design approval), or acceptance of the Products shall relieve the Supplier from responsibility for any defects, including latent defects, in the Products, the Supplier's warranty obligations or other failures to meet the requirements of the Order. If the Products are defective or otherwise not in conformity with the requirements of the Order, Qualitetch Components Ltd may, by written notice to the Supplier, at its discretion (i) reject such Products (part or the whole of the Order) and return them to the Supplier at the risk and cost of the Supplier and obtain the refund all payments made by Qualitetch Components Ltd, (ii) accept such Products at a fair and reasonable reduction in price, (iii) reject such Products (the whole or part of the Order), return them to the Supplier at the risk and cost of the Supplier and require the delivery of replacements (deliveries of replacements shall be accompanied by a written notice specifying that such Products are replacements), (iv) replace or carry out any work necessary to make the Products comply with the Order and charge the Supplier the cost thereof (including any incidental costs), or (v) terminate the Order. Rights granted to Qualitetch Components Ltd under this clause are in addition to any other rights or remedies provided elsewhere in the Order or under law. In the event that it is impractical to return the rejected Products to the Supplier, Qualitetch Components Ltd may require the Supplier to carry out the necessary re-design, repair, modification or replacement as appropriate at the Supplier's expense where the Products are located. Qualitetch Components Ltd will suspend payment of any invoice relating to Products not in conformity with the Order.

INSPECTION AND TEST STATUS

8.6. The supplier shall establish and maintain written procedures to identify the products conformance or non-conformance throughout the manufacturing process with regard to inspection and test status. All parts are required to be visually inspected to the appropriate drawing to ensure they are free of damage or deterioration. Damage with nicks or scratches are unacceptable if they exceed the surface finish requirement. All products inspected and released must be identified by an inspection stamp, signature or number, which identifies the individual inspector. Stamps shall be issued to suitably qualified personnel; stamp use shall be restricted to the person to whom it was issued. The supplier shall maintain records of stamp holders, scope of authority and issue/withdrawal dates. This shall also include periodic checks to assure availability and legibility of stamps.

9. HANDLING, STORAGE, PACKAGING, PRESERVATION & DELIVERY

HANDLING / STORAGE

9.1. Products are to be protected to prevent contamination, corrosion and metal to metal contact shall be avoided at all times where practicable. All supplier production and packaging areas shall be kept clean on a regular basis; this will include all floors / ceilings / ventilation ducts that shall be cleaned on a regular basis and precautions taken to prevent the risk of gross contamination. All racks / cupboards / shelves / cabinets / workbenches are to be cleaned on a regular basis so they are free of any debris. All dedicated packaging is to be cleaned on a regular basis to remove the risk of contamination. When appropriate, gloves shall be used on material susceptible to stains, corrosion or contamination. All incoming material and products must be held in a quarantine area until proof of compliance is established. Acceptable materials must be held in a secure area and be identified to provide traceability. Materials used for aerospace applications must be physically segregated from commercial material. The area shall be secure and limited life materials issued on a First in, First out basis. Suppliers shall maintain a system to ensure limited life materials are controlled to ensure "out of life" materials are not used from storage.

PACKAGING / PRESERVATION

9.2. The supplier shall ensure that all supplies to Qualitetch Components Ltd are adequately packed to prevent damage, deterioration, corrosion and other risk during transit, and are accompanied by the correct form of release documentation. All rubber items must be packed in accordance with the appropriate specifications. Limited life products shall have their expiry dates identified. Software packaging shall be defined and documented. Where possible a corrosion protective substance shall be applied to corrosion sensitive components that are to be supplied in an untreated / unplated condition. These parts shall be placed in sealed plastic bags and packaged as above. A product data and health and safety sheet shall be submitted to Qualitetch Components Ltd Quality Department for all substances used. The use of solid wood packaging materials is prohibited on all supplies from Asian countries. Plywood and corrugated cardboard is however acceptable. Every effort should be made to ensure supplies for delivery are packaged using materials suitable for recycling.

DELIVERY

9.3. For deliveries which require Special Storage Conditions, e.g. refrigeration / cold storage / Electro Static Sensitive Devices (ES SD's), these conditions shall be clearly labelled on all faces of the packaging, and on all incoming documentation. Where temperature sensitive materials are supplied, details of time at ambient shall be recorded and supplied with the material. Any hazardous materials must comply with the relevant COSHH requirement. Any parts supplied in response to an order requesting FAIR must be suitably labelled and accompanied by copies of the FAIR and all supporting documentation. Any part returned to the supplier must not be re-submitted to Qualitetch Components Ltd without reference being made to the previous rejection.

CONTROL OF MONITORING AND MEASURING DEVICES

9.4. The supplier shall not use or allow the use of any inspection, measuring or test equipment that is not calibrated. The calibration must be traceable by certification to the equipment manufacturer or laboratories holding UKAS accreditation for the equipment they are calibrating. Laboratories outside the UK must hold an equivalent approval. A calibration system, techniques, and calibration intervals must be defined in written procedures based on the requirements of ISO 10012-1. If measuring or test equipment is found to be "significantly out of tolerance" (more than 25% of the product tolerance) and has been used to inspect product, which has been shipped, then the supplier shall notify Qualitetch Components Ltd Quality Department immediately.

10. MEASUREMENT, ANALYSIS AND IMPROVEMENT (INCLUDING INSPECTION, TESTING & RELEASE)

GENERAL

10.1. The supplier shall establish and maintain written inspection / test procedures and records, which provide objective evidence that the product has passed all defined inspection and test.

RAW MATERIAL

10.2. The supplier must ensure that all certification is received and is fully traceable. The supplier must ensure that the chemical and mechanical properties on the certification are as per the material specification. Each piece of raw material must be physically identified with a traceable number. Where there is a requirement by Qualitetch Components Ltd customers for a third-party analysis of chemical & material properties of raw material, appropriate notice will be given to the supplier by Qualitetch Components Ltd.

TEST PIECES

10.3. Test pieces must be identified, be retained as a quality record and must provide traceability to the part, material and manufacturing source/process.

FIRST ARTICLE INSPECTION

10.4. When requested by a purchase order or when parts have not been manufactured in the last eighteen (18) months then a FAIR will be completed and must accompany any delivery. FAIR reports shall be generated in accordance with the AS9102 requirements. Unless otherwise agreed a FAIR will comprise of:

AS9102 Form 1 – Part Number Accountability.

AS9102 Form 2 – Product Accountability – Raw material, Specifications, Special Process(es) and Functional Testing.

AS9102 Form 3 – Characteristic Accountability, Verification and Compatibility Evaluation.

Balloon drawing as AS/EN 9102 showing the correlation of each dimension Form 3.

All documents/release certificates to allow full traceability of raw material.

Traceability appertaining to any sub-tier operations including data cards for any special processes carried out.

Routings

Raw material test piece

Note - Products must not be reworked to satisfy FAIR requirements. When non-conforming parts are found the FAIR must be repeated on the next four (4) consecutive batches on the characteristic(s) that deviated. Failure to comply may necessitate corrective action. Note - Qualitetch Components Ltd will not accept delivery of parts that are not covered by a current FAIR.

SOURCE INSPECTION

10.5. Source Inspection may be applied at the discretion of the Quality Department Qualitetch Components

RELEASE REQUIREMENTS

10.6. A uniquely referenced Release Certificate, as appropriate to the conditions quoted in the purchase order, must accompany all consignments and the name of the supplier must be readily identifiable.

The Release Certificate shall include the following essential information where relevant:

The purchase order number, part number and full description of the supplied product.

The modification state or issue number of drawings and / or specification against which the supplied product has been produced / manufactured and the quantities consigned.

In the case of raw material, the specification numbers, heat-treated condition, batch or cast number and full details of chemical analysis and physical properties.

For parts produced from materials supplied by Qualitetch Components Ltd, the specification number, material batch number, and the Qualitetch Components Ltd release certificate number.

The condition of material or parts where these have been subjected to any form of special processing, heat treatment, or are released as incomplete to specification or drawing.

The cure date for supplies produced from rubber or similar 'Lifed' materials.

The reference number of any production permits or concessions granted by Qualitetch Components

A uniquely approved signature and the date of release.

Details of any subcontract operations including - sub-contractor name, release note number and description of process/operation performed.

Where applicable raw material supplier.



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An indication of the Quality Management System Approval held by the supplier and covering the release (i.e. AS9100, AS9120, ISO9001, etc.). If no third-party certification is held, the release certificate must indicate that it is made under Qualitetch Components Ltd approval.

STATISTICAL TECHNIQUES

10.7. Statistical sampling plans are not permitted unless authorisation has been given by Qualitetch Components Ltd quality department.

CONTROL OF NON-CONFORMING PRODUCT

10.8. It is Qualitetch Components Ltd policy not to accept non-conforming product unless formally agreed in advance. Product dispositioned for scrap shall be positively controlled and where appropriate, conspicuously and permanently marked, until physically rendered unusable at the recycling centre.

CORRECTIVE AND PREVENTIVE ACTION

10.9. Corrective action shall cover the actions taken on non-conforming items, stores stock and work in progress, together with the actions taken to prevent recurrence on future deliveries. The supplier shall establish and maintain written procedures on the above. These procedures shall identify the personnel responsible for controlling the corrective action cycle to ensure timely implementation. These procedures shall implement and record changes resulting from corrective action. Records shall be maintained to identify problems and trends with root cause and any necessary corrective action taken.

REJECTIONS AFTER DELIVERY

10.10. Should a non-conforming product be discovered after delivery to Qualitetch Components Ltd, which has not been previously covered by a Production Permit or Concession, the Supplier shall be notified by means of a Non-conformance Report. On receipt of the above, the Supplier shall ensure that action is taken to prevent the delivery of further non-conforming products and inform Qualitetch Components Ltd, in writing, the corrective action to be implemented by the Supplier to prevent re-occurrence. The supplier shall complete the Root Cause, Corrective & Preventative Action sections of the Non-conformance Report and return it to Qualitetch Components Ltd within twenty (20) working days, Supplier's response will be subject to Quality Assurance review and if found unsatisfactory could result in further action. Failure of suppliers to respond to the Non-conformance Report will be taken into account during supplier assessments and may result in withdrawal of supplier's Qualitetch Components Ltd approval.

General Terms & Condition of Purchase Order

11. ACCEPTANCE

- 11.1. These terms and conditions shall apply to the purchase of all products and any related services ("Products") by Qualitetch Components Ltd ("Qualitetch") from the supplier ("Supplier").
- 11.2. Qualitetch's purchase order for the Products ("Order") will specify the company submitting it and these terms and conditions shall be incorporated into the Order to the entire exclusion of all other terms and conditions.
- 11.3. Qualitetch will only be bound by the Order if it is submitted by an authorised member of the Qualitetch purchasing function ("Buyer"). Any variation to the Order, including a variation to these terms and conditions, shall have no effect unless expressly agreed in writing by the Buyer.
- 11.4. Any of the following acts by the Supplier shall constitute acceptance of the Order and these terms and conditions: (i) signing and returning a copy of the Order; (ii) commencement of performance of the Order or informing Qualitetch, in any manner, of commencement of performance; (iii) delivery of any of the Products ordered or (iv) returning the Supplier's own form of acknowledgement.
- 11.5. Any additional or different term or condition endorsed upon, delivered with or contained in the Supplier's acknowledgement form, or otherwise communicated by the Supplier in accepting the Order, shall be deemed to be a material alteration of the Order and is hereby rejected by Qualitetch. Any such term or condition shall be inapplicable to the Order unless specifically agreed to in writing and authorised by the Buyer. Acceptance of the Products will not constitute acceptance by Qualitetch of the Supplier's terms and conditions. To the extent the Order is in any way deemed to be an acceptance of a quotation or other offer by the Supplier, any such acceptance is expressly conditional upon the consent of the Supplier to the terms and conditions of the Order.
- 11.6. Where a Government condition or any other special condition is incorporated in the Order directly or by reference that condition will apply.
- 11.7. In the event of conflict between any other language version of these terms and conditions and the original English language version, the original English language version will prevail.

12. PRICE AND DELIVERY.

- 12.1. The Supplier shall furnish the Products in accordance with the prices and delivery schedule stated on the face of the Order. The Supplier shall offer its lowest prices and best delivery dates. The Supplier warrants that the prices charged for the Products will be as low as the lowest prices charged by the Supplier to any customers purchasing similar Products in similar quantities.
- 12.2. Prices will not be increased for the duration of the Order.
- 12.3. All prices, with the exception of VAT, shall include all other applicable taxes, fees and duties. No additional charges shall be made unless agreed in advance.
- 12.4. Qualitetch may return or store at the Supplier's expense, any Products delivered in advance of the delivery date specified for such Products. Unless otherwise stated on the face of the Order, no variation in quantity is permissible and Qualitetch may retain over shipments at no increase in price.
- 12.5. Any time for delivery, dispatch or completion shall be of the essence. The Supplier undertakes to notify Qualitetch in writing without delay of any change in circumstances which may delay delivery. Qualitetch shall be entitled to cancel the Order and/or claim reimbursement for all losses and expenses suffered in the event that; (i) the Supplier fails to deliver the Products in accordance with the terms of the Order; or (ii) the Supplier fails to make progress with the Order so as to jeopardise the purpose of the Order.
- 12.6. The Products shall be delivered to the Qualitetch nominated location, DDP (Incoterms 2010) unless otherwise specified on the Order. The Supplier shall bear all risk of loss or damage to the Products until delivery of the Products to the nominated address. All Products shall be packaged, marked, and otherwise prepared in accordance with good commercial practices to obtain lowest shipping rates and any instructions on the Order. The Products will be marked with Qualitetch's Order Number and accompanied by paperwork that identifies the Order, the quantity and the description (including where appropriate weights and dimensions) of the Products.
- 12.7. Ownership of the Products shall pass to Qualitetch upon delivery to the nominated address, or upon payment, whichever is the earlier.

13. INVOICING

- 13.1. After each delivery of Products provided under the Order, the Supplier shall send an invoice showing any VAT separately, referencing the Qualitetch's Order number and line item(s), accompanied (if applicable) by a bill of lading or express receipt. Payment of the invoice shall not constitute acceptance of the Products and shall be subject to appropriate adjustment for failure of the Supplier to meet the requirements of the Order. Qualitetch may set off any amount owed by the Supplier or any of its affiliated companies to Qualitetch against any amount owed by Qualitetch to the Supplier under the Order.
- 13.2. Payment shall be made by Qualitetch on the basis of a net two monthly account unless otherwise specified on the Order.

14. DATA AND SOFTWARE

- 14.1. For data other than computer software delivered pursuant to or in connection with the Order, the Supplier grants to Qualitetch, and all others acting on its behalf, a paid-up, non-exclusive, irrevocable worldwide license, including a right to sublicense to its subcontractors, customers and their end-users, of all such data, including copyrighted data, to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of Qualitetch for Qualitetch's, its subcontractors, customers' or their end-users' use or performance.
- 14.2. For computer software delivered pursuant to or in connection with the Order, the Supplier grants to Qualitetch, a paid-up, non-exclusive, irrevocable worldwide license, including a right to sublicense to its subcontractors, customers and their end-users, of all such computer software, including copyrighted or patented software, to reproduce, prepare derivative works, and perform publicly and display publicly, by or on behalf of Qualitetch for Qualitetch's, its subcontractors, customers' or their end-users' own use or performance.

15. COMPLIANCE WITH LAWS

- 15.1. The Supplier shall comply with all laws, statutes, ordinances, rules and regulations in the manufacture, sale and provision of the Products.
- 15.2. The Supplier undertakes to respect all legal rules and regulations in respect of employment of children and in particular the legal age of admission to work.
- 15.3. The Supplier undertakes to take into account the respect of the environment when taking decision having an environmental impact. The Supplier undertakes to observe all legal rules and regulations in respect of environment and to take the steps enabling it to prove, if requested by Qualitetch, the good performance of its obligations in respect of environment.

16. INDEMNITY

- 16.1. The Supplier shall keep Qualitetch indemnified in full against all direct, indirect or consequential liabilities (all three of which terms include, without limitation, loss of profit, loss of business, depletion of goodwill and like loss), loss, damages, injury, costs and expenses (including legal and other professional fees and expenses) awarded against or incurred or paid by Qualitetch caused by or resulting from (i) any claim made against Qualitetch in respect of any liability, loss, damage, injury, cost or expense sustained by Qualitetch's employees or agents or by any customer or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relates to or arises from the Products as a consequence of a direct or indirect breach or negligent performance or failure or delay in performance of the terms of the Order by the Supplier, its sub-contractors, agents or employees (ii) any breach of the warranty in clause 6 above, (iii) any failure to comply with the provisions of clause 10 or 11 above, or (iv) an infringement or alleged infringement of any Intellectual Property rights caused by the use, manufacture or supply of the Products, except where such infringement resulted from the Supplier's compliance with detailed designs provided by Qualitetch.
- 16.2. The Supplier shall carry and maintain insurance coverage sufficient to cover all obligations herein, and, upon Qualitetch's request, shall furnish Qualitetch with satisfactory evidence of such insurance.

17. EXPORT CONTROL OR SIMILAR REGULATIONS

- 17.1. The Supplier shall obtain at its own expense all export licences or similar authorisations required to supply the Products to the delivery location specified in the Order.
- 17.2. The Supplier warrants that it has complied with all export control provisions applicable to the Order and holds harmless and indemnifies Qualitetch against all consequences of any breach of such controls by the Supplier, its subcontractors or suppliers at any tier.
- 17.3. At the earliest possible opportunity and in no event later than acceptance of the Order, the Supplier shall provide to Qualitetch full details of any export, re-export, import, or similar controls applicable to the Products, components thereof, or related designs and specifications.

18. CONFLICT MINERALS.

- 18.1. The Supplier recognises, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act") and where appropriate, the implementation of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High Risk Areas, the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten and gold (the "Conflict Minerals") from the Democratic Republic of Congo and adjoining countries ("DRC Countries") and agrees that any product supplied to Qualitetch will be compliant with Section 1502 of the Act and will not contain Conflict Minerals that directly or indirectly finance or benefit illegal armed groups or result in human rights abuses which contribute to conflict in the DRC Countries.
- 18.2. In order for Qualitetch to make proper and accurate disclosures as and when required the Supplier shall have in place a supply chain policy and processes to undertake (1) a reasonable enquiry into the country of origin of Conflict Minerals incorporated into products it provides to Qualitetch; (2) due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the



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DRC Countries directly or indirectly support unlawful conflict and human rights abuses there, and (3) risk assessment and mitigation actions necessary to implement the country of origin enquiry and due diligence procedures. The Supplier shall take all other measures as necessary to comply with the Act and its implementing regulations, as they may be amended over time.

19. CESSATION OF PRODUCTION

If the production of any Products, is to be permanently discontinued by the Supplier at any time within two (2) years after the final delivery of such Products under the Order, the Supplier shall give Qualitetch at least one hundred and eighty (180) days prior written notice of such discontinuance. The Supplier shall accept Orders from Qualitetch for such quantity of Products as required by Qualitetch, at the prevailing quality and a maximum of the prevailing price until Qualitetch has secured an acceptable alternative source of supply or, at Qualitetch's option, agree free access rights to Qualitetch or a company designated by Qualitetch to the Intellectual Property in the Products.

20. CHANGES

- 20.1. Qualitetch may, at any time, in writing, suspend performance of the Order in whole or in part; make changes in the drawings, designs, specifications, method of shipment or packing, or time or place of delivery of the Products; or require additional or diminished Products. If any such change causes an increase or decrease in the cost, as evidenced by an account from the Supplier, of, or the time required for performance of the Order, a fair and reasonable adjustment shall be made to the contract price or delivery dates or both, and the Order shall be modified in writing accordingly.
- 20.2. Any claim for adjustment may, at Qualitetch's option, be deemed to be absolutely and unconditionally waived unless asserted in writing (including the amount of the claim) and delivered to Qualitetch within fifteen (15) days from the date of receipt by the Supplier of the change Order. If the cost of property made obsolete or excess as a result of a change is paid by Qualitetch, Qualitetch may prescribe the manner of disposition of such property.
- 20.3. Nothing herein shall excuse the Supplier from proceeding with the Order as changed.
- 20.4. The Supplier shall advise the Buyer in writing of all proposed changes in the specification or method of construction of the Products supplied including but not limited to changes in form, fit, function, service life, reliability, maintainability, interchangeability or safety. In the event of the Buyer accepting the change, written approval will be sent to the Supplier.

21. TERMINATION

- 21.1. Without Cause: Qualitetch may terminate, for its convenience, all or any part of the Order at any time by written notice to the Supplier. The Supplier shall comply with all directions given by Qualitetch with regard to the Products. The Supplier shall submit an account to Qualitetch within one (1) month of the date of notice of termination with written evidence of costs incurred. Qualitetch will agree a fair and reasonable price for all work performed at the time of the termination and may undertake a third-party audit of the Supplier account at Qualitetch's option. The Supplier will mitigate all costs incurred. In no event will Qualitetch be liable for more than the price of the order or part order terminated and shall not be required to compensate the supplier for loss of anticipated profits or any consequential loss.
- 21.2. With Cause: If the Supplier breaches the Order or these terms and conditions in any way and does not rectify such breach within ten (10) days after notice from Qualitetch, Qualitetch may (in addition to any other right or remedy provided by the Order or by law) terminate all or any part of the Order by written notice to the Supplier. Such termination shall be without liability to Qualitetch and Qualitetch may purchase substitute Products elsewhere and the Supplier shall be liable to Qualitetch for any excess cost occasioned thereby. In case of termination by Qualitetch of a development, the Supplier shall grant Qualitetch or the company designated by Qualitetch all the documentations and intellectual property rights necessary to complete the development.
- 21.3. Insolvency: If the Supplier becomes insolvent, has a receiver or administrator appointed, is compulsorily or voluntarily wound up or Qualitetch has reason to believe that any such events may occur then Qualitetch may, without prejudice to any other right, suspend the performance of or terminate the Order without liability other than for Products accepted prior to the suspension or termination.
- 21.4. Continuing Obligations: The Supplier shall continue performance of the Order to the extent not terminated.

22. FORCE MAJEURE

Qualitetch reserves the right to defer the date of delivery or payment or to cancel the Order or reduce the volume of the Products ordered if it is prevented from or delayed in the carrying on of its business due to circumstances beyond the reasonable control of Qualitetch including, without limitation, acts of God, governmental actions, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials.

23. WAIVER AND SEVERANCE

- 23.1. The failure or delay of Qualitetch to insist upon the performance of any provision of the Order, or to exercise any right or privilege granted to Qualitetch under the Order, shall not be construed as waiving such provision or any other provision of the Order, and the same shall continue in full force and effect.
- 23.2. Any waiver by Qualitetch of any breach of, or any default under, any provision of the Order by the Supplier shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of the Order.
- 23.3. If any provision of the Order is found to be illegal or otherwise unenforceable by any court or other judicial or administrative body, the other provisions of the Order shall not be affected thereby and shall remain in full force and effect.

24. LAW

The Contract shall in all respects be governed and construed in accordance with the laws of England and Wales and subject to the exclusive jurisdiction of the English courts unless it is otherwise agreed between the parties that any unresolved disputes between them shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce. The seat of arbitration shall be London, England.

25. ENTIRE AGREEMENT

The Order, and any supplemental sheets and riders annexed thereto by Qualitetch, contains the complete and entire agreement between the parties as to the subject matter thereof and replaces and supersedes any prior or contemporaneous communications, representations or agreements, whether oral or written, with respect to such subject matter.