

STANDARD PURCHASING TERMS & CONDITIONS

1) Definitions

- a) In these conditions 'Buyer' means Mid Atlantic Computer Services. 'Seller' means the person or entity with whom this order is placed. 'Goods' shall mean all deliverable goods, items, parts, products, materials or services described in the order. 'Order' means the purchase order issued by Buyer for the supply of Goods.
- b) These terms and conditions, together with the Order, constitute an offer by Buyer to purchase the Goods from Seller pursuant to the terms and conditions described herein. This offer shall become an "Agreement" upon acceptance by Seller. Seller shall be deemed to have accepted this offer by commencement of performance called for in the Order, by delivery of the Materials to Buyer, by written acceptance or confirmation of this Agreement, or by any other act or communication constituting legal acceptance, whether or not any such acceptance or confirmation purports to state terms additional to or different from those stated herein. Buyer hereby expressly objects to and rejects any such additional or different provisions, and none of such provisions shall be deemed to be a part of this Agreement unless specifically agreed to in writing by Buyer.

2) Specifications and Markings

- a) The Goods must be supplied exactly in accordance with this order and any specification, drawing, process instruction or procedure defined therein. No variation from the requirements shall be permitted without the Buyer's written authority.
- b) No marking not authorized by the Buyer shall appear on any part of the Goods, except, for standard products of the Seller, the manufacturer's name, address and reference number, the date of manufacture, safety information and any other information relating to the function of the Goods usually incorporated by the manufacturer.

3) Price

- a) The Price payable for the Goods will be the price set out in the order. Unless otherwise expressly agreed, the contract price will be a fixed price and will include the cost and risk of delivery to the Buyer's premises.

4) Payment Terms

- a) Unless otherwise agreed payment of the price will be made 30 days following the date of issue of the invoice. The invoice in duplicate must be forwarded to the Buyer at the postal address on the order, unless otherwise stated.
- b) The Buyer may withhold payment of any amount due to Seller if Buyer asserts any credit, set-off, or counterclaim against Seller.

5) Buyer Property

- a) All materials, patterns, dies, jigs, fixtures, and tooling together with any specifications, drawings, process sheets and the like or any other property or intellectual property whatsoever supplied to the Seller by the Buyer or to the Buyer's order, or procured or developed by the Seller specifically for the supply of goods to the Buyer, shall be and remain the property of the Buyer and must not, without the Buyer's written consent, be used for or in connection with the production of any Goods whatsoever other than the Goods ordered by the Buyer. The Seller shall ensure that such items are always identified as the property of the Buyer and must be returned by the Buyer immediately on demand.
- b) All the Buyer's property including that mentioned in condition 5(a) hereof together with materials and components provided free of charge by the Buyer in connection with this order must be insured by the Seller to its full replacement value against all risks until it has been received back by the Buyer or used or forwarded in accordance with its instructions.

6) Development Work

- a) If any work or the production of any Goods involves development which is funded in whole or in part by the Buyer then all rights in the development and in the results thereof will vest in the Buyer. The Seller shall execute or procure the execution of all documents as the Buyer may reasonably require in order to transfer the full benefit of any such rights.

STANDARD PURCHASING TERMS & CONDITIONS

7) Publicity

- a) All orders placed by the Buyer are strictly confidential. The Seller must not publish or cause to be published by any means whatsoever any details concerning the Goods which are the subject of this order without the Buyer's previous consent in writing.

8) Confidentiality

- a) All information of the Buyer or its customers which is or may be disclosed to the Seller in the course of carrying out this order shall be treated by the Seller as strictly confidential and shall not without the prior written consent of the Buyer be disclosed to any third party or parties nor be used or copied for any purpose(s) other than for the execution of this order. The provisions of this condition do not apply to information which is or comes into the public domain otherwise than through a breach of this condition.
- b) If this order requires or permits the entry by the Seller or its permitted or approved sub-contractor onto the Buyer's premises it is a condition of this order that the Seller and any sub-contractor and their employees shall treat as strictly confidential any technical or commercial know-how processes, specifications or other information which shall come into its knowledge in the course of such entry and any such technical or manufacturing know-how processes, specifications and other information shall not be disclosed to any third party without the Buyer's previous consent in writing. The Seller shall obtain from any such sub-contractor an undertaking in the terms of this condition.

9) Sub-Contracting, etc.

- a) The Seller shall not without the Buyer's consent assign or sub-contract this order or any part thereof other than for materials or for any part of the Goods of which the makers are named in the order or specification. Any such consent shall not relieve the Seller of any of his obligations under the contract.
- b) No third party shall have the right to enforce any provision of this contract.

10) Time for Delivery and Extensions

- a) Time shall be of the essence of this contract. The Goods shall be delivered at the time specified in the order. If as a result of any event outside the Seller's control the Seller is unable to deliver the Goods within the specified time then provided that the Seller shall have given notice in writing without delay of such event and his intention to claim an extension of time, the Buyer may grant the Seller such extension as the Buyer may consider reasonable. In the event of significant delay the Buyer reserves the right to terminate this order, in whole or in part, without incurring any liability to the Seller.

11) Delivery

- a) The Goods are to be delivered to the destination stated in the order. They must be delivered in good order and condition. Quantities must not exceed those ordered or specified.
- b) A packing slip shall accompany every delivery, which shall state: the number of the order, quantity of the delivery, and part numbers of goods delivered.
- c) Items supplied on this purchase Order shall be suitably packaged to prevent damage from contamination, corrosion, handling and extended storage.

12) Quality Assurance

- a) The quality assurance requirements of Goods shall comply with the Seller's quality procedures as authorized by Buyer.
- b) The Seller shall submit with each shipment a certification of conformance, signed (this may be an electronic signature) by an authorized supplier representative. The certification of conformance shall provide the purchase order number, applicable drawing (s) and or/specifications, including revision levels., amount of material or quantity of items in the shipment, manufacturer's name, lot, batch and serial number(s) as applicable.

13) Inspection

- a) Authorized Buyer representatives, customers of the Buyer and other authorities shall be allowed access to the Seller's premises at mutually agreed times to carry out inspection of the Seller's quality system and Goods verification when necessary.

STANDARD PURCHASING TERMS & CONDITIONS

14) Defects

- a) It is a condition that the Seller must replace promptly free of charge or pay the cost of local replacement of any Goods or parts thereof which may prove defective through faulty design (other than a design made or furnished by the Buyer) material or workmanship within 36 months from the date of delivery.

15) Termination for Cause

- a) The Buyer shall be entitled without liability to the Seller to terminate the contract immediately:
 - i) If the Seller fails to perform any condition or requirement of this contract and, if capable of remedy, fails to remedy such breach within 14 days of written notice; or
 - ii) The Seller makes any arrangement with its creditors or enters into administration or goes into liquidation; or
 - iii) A receiver or manager is appointed of any of the property or assets of the Seller; or
 - iv) The Seller ceases or threatens to cease to carry on business; or
 - v) Any distress, execution or other process is levied on any of the assets of the Seller; or
 - vi) Any similar event occurs in another jurisdiction

16) Documentation

- a) Where appropriate the Seller shall provide documentation including operating instructions, parts lists and comprehensive spares listings. All documentation supplied shall be in English language.

17) Compliance with Laws

- a) The Seller shall comply in all respects with all applicable laws and regulations affecting the Goods and shall indemnify the Buyer against all damages, costs, losses, charges, expenses or liabilities whatsoever caused by or arising out of any breach by the Seller of such legislation or regulation.
- b) The Seller shall comply with all of the Buyer's mandatory customer terms that it is required to flow down to its suppliers.

18) Pure Tin Prohibition

- a) The uses of Pure Tin Plated finishes are strictly PROHIBITED. Any Tin Plating or Tin Solder processes shall contain NO LESS than 3 percent LEAD composition

19) Counterfeit Goods

- a) All Goods provided by the Seller to the Buyer, including any that are provided by the Seller's subcontractors, must be original and genuine, and in full compliance with all of the Buyer's contract requirements, specifications, certifications, and any supporting data representing contract performance. The Seller warrants that it has received from all of its subcontractors and suppliers all data necessary to comply with this obligation and the Seller has validated all such data. The Seller will ensure that none of the Goods are counterfeit, inaccurately marked, or in any manner misrepresented.
- b) The Seller shall operate a counterfeit control process for the Goods consistent with these provisions and reasonable commercial terms, to include AS5553A, and the Buyer shall have the right to audit, inspect and/or approve the process at any time before or after delivery of the Goods.
- c) If any of the Goods delivered or to be delivered under this order is discovered to be a counterfeit item or suspected to be a counterfeit item, then the Buyer shall have the right to impound the item for further investigation of its authenticity. The Buyer's investigation may include the participation of third parties or governmental investigative agencies as required by law or regulations or by the Buyer's customer, or by the Buyer, in its sole discretion. The Seller shall cooperate in good faith with any investigation conducted by the Buyer, including, but not limited to, cooperation by the Seller with respect to the disclosure of all design, development, manufacturing and traceability records in respect of the item. Upon the Buyer's request, the Seller shall provide the Buyer certificates of conformance with respect to the item under investigation. The Buyer shall not be required to return the item to the Seller during the investigation process or thereafter. The Buyer shall not be liable for payment to the Seller of the price of any suspected counterfeit items under investigation.

20) Failure Analysis

- a) In the event hardware is returned by Mid Atlantic Computer Services to the Supplier due to a failure, the supplier shall provide the following failure analysis:

STANDARD PURCHASING TERMS & CONDITIONS

- i) Purchase Order/Line number
- ii) Part number
- iii) Serial Number
- iv) Root Cause of Failure
- v) Results of any additional tests performed by supplier

21) Change of Product/Process Notification

- a) The Supplier shall notify Mid Atlantic Computer services in writing of all Process, Design, Fabrication, Testing, Facilities and Material changes affecting the form, fit, function, reliability or interchangeability of end item specification or drawing requirements. These changes, Class 1, must be evaluated by Mid Atlantic Computer Services prior to implementation by the supplier. Class II changes will be provided to Mid Atlantic Computer Services, upon request.

22) Data Retention

- a) Supplier will retain all quality records including inspection, test and Certificates of Conformance for at least 5 years after completion of purchase order. Supplier will furnish copies of quality records to Mid Atlantic Computer Services, upon request.

23) Facility & Documentation Access

- a) MACS' commercial customers, Federal Government Contractors and/or regulatory authority representatives shall have right of access to quality management system documentation, lot traceability, quality records and all facilities involved in the execution of the Purchase Order. This also applies to the supplier's subcontractors. The seller shall, at no additional cost, supply inspection records, and, when requested, perform or repeat selected inspections and/or tests which are required by purchase order, drawing, specification, statement of work, or inspection instruction.

24) Packaging: FOD, ESD, Packaging

- a) Whenever and/or wherever FOD entrapment or foreign objects can migrate, Seller shall maintain a FOD prevention program in conformance with NAS412. Seller's FOD prevention program shall include the review of design and manufacturing processes to identify and eliminate foreign object entrapment areas and paths through which foreign objects can migrate. Seller shall ensure work is accomplished in a manner preventing foreign objects or material in deliverable items. Seller shall maintain works areas and control tools, parts and material in a manner sufficient to preclude the risk of FOD incidents. Seller shall document and investigate each FOD incident and ensure elimination of the root cause of each such incident. Prior to closing inaccessible or obscured areas and compartments during assembly, Seller shall inspect for foreign objects/materials and ensure no FOD barriers remain embedded, e.g. embedded protective plugs. Seller shall ensure tooling, jigs, fixtures, and test or handling equipment are maintained in a state of cleanliness and repair sufficient to prevent FOD. By delivering items to Buyer, Seller shall be deemed to have certified to Buyer that such items are free from any foreign materials that could result in FOD

ESD

Supplier shall assure that product is handled in accordance with ESD policies in conformance with MIL-STD-1686 and ANSI/ESD S20.20-2014 (if applicable) prior to packaging. Electronic/optical devices are required to be packaged in ESD protective material only.

25) Governing Law

- a) The contract shall in all respects be construed according to and governed by the laws of the jurisdiction in which the Buyer's company is located.

26) Notifications

- a) Unless otherwise provided by law, any notice to be given under this contract shall be sufficient if it is in writing, to the attention of the President, and via registered or certified mail (postage prepaid with return receipt requested). Notice shall be deemed sent and received on the date of actual receipt at the other party's principal place of business.

REVISION HISTORY

REV	DESCRIPTION	DATE	AUTHORIZED BY
1.0	Initial Release	10/28/2015	R. Hunt
1.1	Updated form template. Included flow-down references to specifications.	3/31/17	O. Hashemi
1.2	Section 22, updated Facility & Documentation Access. Included prohibition of pure tin, #18	5/17/2017	O. Hashemi