

Veris Manufacturing

VENDOR Terms and Conditions

Acceptance of this PO indicates your agreement with flow down requirements and/or proper end item user process specification requirements.

1. **RIGHT OF ENTRY.** During the course of this contract, Vendor and their sub-tier vendors will allow **Veris Manufacturing (VM)** personnel, VM customers and regulatory authorities to enter and inspect its facilities and records involved with this order upon request, at any level of the supply chain. Vendor shall retain all quality records relating to this order, including material test reports and processing records, for a minimum of 7 years.
2. **NON-CONFORMING MATERIAL.** Vendor will notify VM of any non-conformity found in the purchased product within 24 hours of discovery of such non-conformity, regardless of whether it is prior, during, or after receipt of the product. Vendor must obtain approval for nonconforming product disposition. VM or its customer shall have the right to approve or disapprove of any suspect or non-conforming product. No known non-conforming product shall be supplied to VM without written authorization from VM.
3. **CHANGES TO PURCHASE ORDER SPECIFICATIONS.** After its receipt of the order, Vendor will notify VM of any changes to product or process specifications, and VM will have the right to approve any such change or, alternatively, cancel or modify the order. VM shall notify its customer immediately if there is any discrepancy between the requested revision level or specification and the current or provided revision level or specifications. Vendor shall notify VM of any changes in product and/ or process definition or configuration and obtain prior approval from VM prior to shipping product.
4. **CERTIFICATIONS.** When it is indicated that the Purchase Order can affect end item quality, certifications must accompany product delivery. VM reserves the right to refuse delivery of any shipment without applicable certifications. Delivery will not be complete until appropriate certification is received. Vendor shall ensure that all products are inspected and validated using acceptable monitoring and measuring equipment prior to shipment.

Vendor shall ensure that all tools used for final acceptance are calibrated to NIST standards and equipment calibrations are current. Vendors supplying chemicals or other hazardous material are to provide MSDS with shipment.
5. **FLOW DOWN.** Vendor will flow down to the supply chain information and requirements specified on this Purchase Order to sub-tier vendors, sub-contractors, etc. paying particular attention to key characteristics or requirements. When it is determined that the vendor is responsible for non-conforming product a corrective action may be issued. Failure to respond within the specified time, vendor may be removed as a VM approved supplier.
6. **ITAR (MILITARY STATEMENT).** Documents and data supplied by VM may contain technical data within the definition of the International Traffic and Arms Regulations (ITAR) and is subject to the Export Control Laws of the U.S. Government. Transfer of this data by any means to a foreign person or foreign entity, whether in the United States or abroad, without an export license, ITAR exemption or other approval from the U.S. Department of State is prohibited.
7. **PAYMENT TERMS.** Unless otherwise indicated on the face hereof, VM shall pay in full the net amount of each invoice submitted to Vendor within 60 days of the date thereof.
8. **FORCE MAJEURE.** The obligations of both Vendor and VM under this agreement are subject to any delays or cancellations caused by any condition or occurrence beyond the control of the performing party, including but not limited to strikes, fires, riots, wars, acts of God, inability to obtain materials or intervening government regulation.
9. **ENFORCEMENT OF CONTRACT.** Suit to enforce or set aside this agreement or suit over any of the rights and obligations arising from the work to be performed hereunder must be brought in a court having jurisdiction in the State in which VM resides. In the event any party brings suit to construe or enforce the terms of this agreement or raises this

agreement as a defense in a suit brought by another party, the prevailing party as determined by the court is entitled to recover its reasonable attorneys', consultants' and experts' fees and expenses.

10. **NOTICES.** All notices to be made under this agreement shall be addressed to the recipient at the address specified by the recipient.
11. **NO WAIVER.** No failure on the part of either part to exercise, and no delay in exercising, any right granted hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise of any other right.
12. **AMENDMENT.** No amendment of this agreement shall be effective unless it is in writing and signed by VM and Vendor.
13. **ASSIGNMENT.** Neither party shall assign its rights and obligations under this contract without the written approval of the other party, which consent will not be unreasonably withheld.
14. **QUALITY SYSTEM REQUIREMENTS.** Vendor is to maintain a ISO9000 or equivalent compliant quality management system unless otherwise authorized.
15. **CALIBRATION VENDORS.** Calibration interval is to be according to tool manufacturer's recommended interval and to manufacturing specification unless otherwise stated. Calibration must be NIST traceable.
16. **Revision Control:** Where specification, drawings, etc. are identified use latest revision unless otherwise specified.
17. **Records:** Vendor shall maintain records for a minimum of 5 years unless otherwise required by contract.
18. **Counterfeit Material:** All electrical, electronic and electro-mechanical parts delivered and/or used in the manufacture of products shall be from the Original Component Manufacturer (OCM)/ Original Equipment Manufacturer (OEM) or their franchised dealer or an authorized distributor. Parts shall not be acquired from independent distributors or brokers unless specifically authorized in writing by the Buyer. The Vendor shall verify the procurement source and associated certifying paperwork. Appropriate inspection and/or test methods shall be used to detect potential counterfeit parts and materials. The Vendor shall flow this requirement down to all sub-tier suppliers to prevent the inadvertent use of counterfeit parts and materials.
19. **Conflict Minerals:** If Vendor is providing goods to Buyer under this purchase order, Vendor agrees to use reasonable efforts to:
 - Identify whether such goods contain Tantalum, Tin, Tungsten or Gold;
 - Conduct a reasonable country of origin inquiry regarding the origin of such minerals in such goods to determine whether such minerals originated in covered countries, as defined in section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act; and
 - If such minerals originated in covered countries, conduct due diligence on the chain of custody of the source of such minerals for the purpose of identifying the smelter of said minerals; and
 - Assist Buyer in conducting reasonable due diligence concerning the smelters of such minerals. Vendor shall provide Buyer with reasonable documentation of Vendor's and its lower tier suppliers' due diligence efforts, in a format prescribed by Buyer, when requested by Buyer.