

ALKER OPTICAL EQUIPMENT LTD.
TERMS & CONDITIONS OF PURCHASE

1. FLOW DOWN

The SUPPLIER shall flow down to the supply chain the applicable requirements.

2. RIGHT OF ACCESS

Upon the PURCHASER providing reasonable notice, the SUPPLIER shall: -

a. Allow the PURCHASER and persons authorised by the PURCHASER (which may include the customer of the PURCHASER) access to the SUPPLIER's premises (and those of its sub-contractors) as are being used to carry out work on the GOODS and SERVICES in order to inspect and audit the facilities, processes and procedures used in manufacturing the GOODS or providing the SERVICES.

b. Provide adequate data to the PURCHASER relating to progress of work on the GOODS and their quality.

3. QUALITY

3.1 CONTROL OF RECORDS/DOCUMENTATION

The SUPPLIER shall generate and maintain records and data for all inspections and tests performed. The records and data generated shall be appropriate to the inspection and test operations performed and in sufficient detail to provide for complete verification and evaluation of operations. On request the records will be supplied to the PURCHASER and no records will be destroyed without prior permission of the PURCHASER. These records may include, but are not limited to:

- Product Release certification; and/or

- Records of testing or inspection such as test certificates, route cards, or batch records that detail product serial numbers and are required for traceability purposes.

The SUPPLIER shall retain records of all inspections and tests for a minimum of 6 (six) years from completion of the CONTRACT unless otherwise agreed in writing by the PURCHASER.

3.2 NON-CONFORMING PRODUCT

Nonconforming product is to be notified to the PURCHASER's Procurement Department and to obtain the PURCHASER's approval for nonconforming product disposition.

The SUPPLIER shall notify the PURCHASER of any changes in product and/or process changes of suppliers, changes of manufacturing facility location and where required obtain the PURCHASER's approval.