

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 QUALITY MANAGEMENT SYSTEM

The SUPPLIER shall hold as a minimum, UKAS Accredited (or overseas equivalent) ISO 9001 Certification. This ORDER shall be carried out in accordance with the scope of the SUPPLIERS current registration (e.g. ISO 9001, AS9100). On request evidence of Certification (Certificate and Scope of Approval) will be supplied to the PURCHASER.

3.2 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.

3.3 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.

3.4 PRODUCT OR SERVICE CONFORMITY AND PRODUCT SAFETY

The SUPPLIER shall ensure that persons fulfilling the requirements of the ORDER are made aware of their contribution to product or service conformity and product safety.

4.0 COUNTERFEIT GOODS

For the purposes of this Condition 4.0:

“COUNTERFEIT GOODS” means SUSPECT COUNTERFEIT GOODS that is a copy or substitute made without legal right or authority or one whose material, performance, IDENTITY (as defined below) or characteristics are misrepresented by a supplier in the SUPPLIER’s supply chain; and

“IDENTITY” means information including but not limited to the original manufacturer, trademark or other intellectual property, part number, date code, lot number, applied testing methods and the results, inspection performed, documentation, warranty, origin, alterations, tampering, salvage, recycling, ownership history, packaging, physical condition and previous use or rejection.

The SUPPLIER warrants that COUNTERFEIT GOODS shall not be supplied to the PURCHASER or installed in the PURCHASER’s products by the SUPPLIER.

The SUPPLIER warrants that only new, unused and authentic ITEMS shall form part of the GOODS and shall be supplied to the PURCHASER.

The SUPPLIER may only purchase ITEMS directly from Original Component Manufacturers (OCMs), OCM authorised distributors, or authorised aftermarket manufacturers. Use of ITEMS that were not provided by these sources is not authorised unless first approved in writing by the PURCHASER. The SUPPLIER must present a documented risk analysis in support of its request for the PURCHASER’s approval (e.g., OCM documentation that authenticates supply chain traceability of the parts to the OCM).

If COUNTERFEIT GOODS or SUSPECT COUNTERFEIT GOODS are furnished under the CONTRACT such GOODS shall be impounded. The SUPPLIER shall promptly replace such GOODS with GOODS acceptable to the PURCHASER and the SUPPLIER shall be liable for all costs relating to impoundment, removal and replacement. The PURCHASER may notify and turn COUNTERFEIT GOODS over to Government authorities for investigation and the PURCHASER reserves the right to withhold payment pending the results of the investigation.

This Condition 4.0 applies in addition to any quality provision, specification, and statement of work or other provision included in the CONTRACT addressing the authenticity of GOODS. To the extent that such provisions conflict with this Condition, this Condition shall prevail.

The SUPPLIER shall include all provisions of this Condition 4.0 including this sentence, in all lower tier contracts under this ORDER. Any inability or unwillingness of a lower-tier supplier to comply with this provision shall be documented in writing and submitted immediately to the PURCHASER.

5.0 INDUCEMENT AND ETHICS

The SUPPLIER is fully aware of the provisions of the UK Bribery Act 2010 (“the ACT”) and has committed to comply fully with the ACT and will not enter into any contract or arrangement which involves any act or omission anywhere in the world which breaches the ACT. Whether acting alone or with others the SUPPLIER undertakes that it will not do or omit to do anything which constitutes an offence (whether or not the SUPPLIER can be prosecuted) under the ACT.

The SUPPLIER shall maintain an ethics program which includes a written code of conduct, training and awareness for all employees. The SUPPLIER shall, upon written request, make available for inspection records relating to its adequate procedures and anti-bribery programme, but any inspection or non-exercise of the right to inspect, shall not relieve the SUPPLIER of its obligations nor, by doing so, shall the PURCHASER be considered to condone the SUPPLIER’s activities.