



SENSOR CONCEPTS, LLC (A RAPTOR SCIENTIFIC® COMPANY) TERMS, CONDITIONS, AND QUALITY REQUIREMENTS (Ts, Cs, & Qs)

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SENSOR CONCEPTS, LLC TERMS AND CONDITIONS

Sensor Concepts, LLC, a Raptor Scientific Company, herein Sensor is a certified AS9100 company and expects its Suppliers to maintain a high level of quality when providing their material, equipment and services of any kind (referred to as "Products").

1. TERMS OF AGREEMENT

1.1 The Terms, Conditions, and Quality Requirements (Ts, Cs, & Qs) herein shall apply to all Purchase Orders (PO) issued by Raptor Scientific (referred to as "Buyer"). The PO, together with these T, C, & Qs, and any attachments and exhibits, specifications, drawings, notes, instructions and other information, whether physically attached or incorporated by reference (collectively the "Purchase Order"), constitutes the entire and exclusive agreement between Buyer and Supplier (referred to as "Supplier") identified in the PO. Supplier's electronic acceptance, acknowledgement of this PO, or commencement of performance constitutes Supplier's acceptance of these terms and conditions.

1.2 Changes, modifications, waivers, additions or amendments to the terms and conditions of this PO shall be binding only if such changes, modifications, waivers, additions, or amendments are in writing and signed by a duly authorized representative of Buyer and Supplier.

1.3 Sensor expects our Suppliers to meet 100% on time delivery and 100% conforming product. Sensor periodically evaluates Supplier's performance and provides scorecards. If performance falls below these expectations, Sensor may issue an additional corrective action request.

2. PRICING, INVOICING, AND PAYMENT

2.1 The Supplier shall be required to furnish Product (s) at the price(s) quoted in the PO. All item(s) shall be delivered within the time period(s) specified in the PO. The Supplier shall be compensated only for item(s) which are delivered and accepted by the Buyer.

2.2 The Supplier shall send or, if approved, e-mail an *invoice itemized by PO line item* to the address referenced on the PO promptly after the Product(s) are delivered. The invoice should include only amounts due under the PO. A properly prepared invoice must include the PO number and when applicable, sales tax and shipping costs. Supplier will include cost on their invoice. Buyer shall make payment within terms established with Supplier. Payment may be delayed if the payment amount on an invoice is not based on the price(s) as stated in the PO.

3. TRACEABILITY, PACKAGING, AND DELIVERY

3.1 The Supplier is required to mark each packaged part with the part number, revision, and PO number. If raw material traceability is required by the PO, the Supplier must submit a Materials Certificate or a Certificate of Conformance (COC) with each delivery. If no certificate or COC is received with the shipment, the shipment will be rejected which may affect the Supplier's status on Buyer's Approved Supplier List.

3.2 The Supplier at all times shall comply with the Buyer's written shipping instructions. Supplier shall be responsible for ensuring the proper packaging and shipping of Product hereunder in accordance with best commercial practice adequate to ensure safe arrival of the Products to the named destination. Packing lists shall accompany each shipment, showing the PO number and material description, at a minimum. Supplier shall mark all packages and containers with all necessary lifting, handling, and shipping instructions, clearly identifying and marking items that require special care or special storage and/or transportation conditions, indicating the precautions to be taken.

3.2.1 For electronic components, the Supplier shall package the electronic components from exposure to moisture per IPC/JEDC J-STD-033B.1. In addition, Supplier shall package and protect materials for ESD sensitive items per ANSI/ESD 5541-2008.

3.2.2 If required in the PO, Supplier's Certificate of Conformance of the work to the requirements, Safety Data Sheets (SDS), Technical Data Sheet (TDS), and/or any other documents must be included with shipment of Product.



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3.3 Supplier shall label each package and container with shipping information, PO number, and date of shipment. Damage resulting from improper Product packaging will be charged to Supplier. No charges will be allowed for packing, crafting, freight, and any other services unless so specified on the PO.

3.4 All item(s) shall be delivered FOB destination unless otherwise agreed within the PO. The Supplier agrees to bear the risk of loss, damage or destruction of the item(s) ordered prior to receipt of the items by the Buyer.

3.5 Delivery schedule is of the essence. All item(s) must be delivered within the time period specified on the PO. Supplier will immediately notify Buyer if Supplier's timely performance under the PO is delayed or is likely to be delayed. Buyer's acceptance of Supplier's notice will not constitute Buyer's waiver of any of Supplier's obligations. As soon as such notification is received, the Buyer is entitled to terminate the PO without any cost to the Buyer.

3.6 Partial deliveries of a PO are only permitted upon express written agreement and are reflected in the PO, including delivery dates of future partial deliveries. If partial deliveries are invoiced with an overall bill, the due date or the period allowed for payment begins with the invoice date, but no earlier than after receipt of the final partial delivery.

4. INSPECTION AND ACCEPTANCE

4.1 The Supplier is responsible for ensuring all requirements are met for delivered goods and/or service. All deliveries are subject to inspection and final acceptance by the Buyer. Rejections determined for a nonconformance shall be made promptly, as practical, after delivery. The Buyer shall provide the Supplier notice of the rejection of the nonconformity and the reason why it has been rejected.

4.2 If calibrated equipment is being used to verify acceptance to requirements, the equipment shall be calibrated to the manufacturer's specification. All calibrations on tools and equipment must be traceable to National Institute of Standards Technology or an acceptable value of a natural physical constant or ratio Calibration technique per MIL-STD-45662A, or current versions of ANSI-Z-540, or ISO/IEC 17025. The calibration certificate shall be available upon request.

5. NONCONFORMING GOODS

5.1 Supplier must notify the Buyer of delivered nonconforming product, process and services and obtain Buyer's approval for nonconforming product disposition.

5.2 If the Buyer discovers nonconformity and the Supplier is responsible for the root cause, a Supplier Corrective Action Request (SCAR) shall be sent to the Supplier to complete and address the nonconformance. The SCAR must identify the root cause and corrective action taken by the Supplier to prevent recurrence. If the SCAR is not completed and returned within the timeframe identified, Buyer may withhold acceptance of all future shipments and/or remove the Supplier from the Buyer's Approved Supplier List.

6. WARRANTY

6.1 The Supplier warrants that all Products delivered and all services performed by the Supplier, its agents, and subcontractors under this PO shall be free and clear of any defects in workmanship, design, materials, and manufacturing processes and conform to all PO requirements. Unless otherwise stated in the PO, all item(s) are warranted for a period of one year following delivery by the Supplier and acceptance by the Buyer. All warranties shall extend to Buyer and its customers.

6.2 If Supplier fails to comply in any respect to the warranty set forth above and delivers defective or nonconforming products, Buyer will notify Supplier and may:

6.2.1 Accept all or part of the defective or nonconforming products at an equitable price reduction; or

6.2.2 Reject all or any part of a delivery of defective or nonconforming products, notify the Supplier of such rejection, ask for authorization to return and require delivery of conforming products. All rejected Products shall be shipped to Supplier at Supplier's expense. Replacement Products shall be sent freight prepaid from Supplier, who will absorb the burden of premium transportation when defective or replacement Product places critical time or delivery schedule constraints on Buyer; or

6.2.3 If Supplier does not resolve the nonconforming product within a reasonable timeframe, Buyer has the right to make, or have a third party make, all repairs, modifications, or replacements necessary to enable such Product to comply in all respects with PO requirements and charge the expense incurred to Supplier; or

6.2.4 Terminate the PO for default in whole or in part without any cost to Buyer.

6.3 When an item is replaced, it shall be replaced with an item of equivalent or superior quality without any additional cost to the Buyer. Transportation of replacement Product and return of nonconforming product shall be at Supplier's expense.

7. COUNTERFEIT PARTS

7.1 Per AS6174 and AS5553, The Supplier shall ensure only new and authentic materials are used in products delivered to the Buyer. Parts shall not be used or reclaimed and misrepresented as new. The Supplier may only purchase parts directly from Original Component Manufacturers (OCMs) or Original Equipment Manufacturers (OEM), franchised or authorized distributors. If the Supplier cannot procure directly from these sources, then purchase from independent distributors may be made, but the evidence of supply chain traceability back to the OCM/OEM shall



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be provided and the Buyer notified. Traceability documentation can be delivered in the form of a Certificate of Conformance and Traceability (COCT).

7.2 If counterfeit parts are delivered under this purchase agreement, the Supplier shall promptly replace such items with authentic items which conform to the requirements of the Purchase Order. The Supplier may be liable for all costs relating to impoundment, removal, and replacement. The Buyer may turn such items over to US Governmental authorities for investigation and reserves the right to withhold payment for the items pending the results of the investigation.

8. CONFLICT MINERALS/DODD FRANK COMPLIANCE

The Supplier should support the goals and objectives of Section 1502 of the Dodd-Frank Act, which aims to prevent the use of conflict minerals that directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo (DRC) or an adjoining country as defined in the Act (Conflict Region). The Supplier should not knowingly procure specified metals that originate from facilities in DRC or adjoining countries known as the conflict region. The Supplier is expected to ensure their supply chain uses only conflict free material and components in Products the Supplier procures.

9. SOURCE OF SUPPLY FOR MATERIALS

A Certificate of Conformance is required for each item delivered. A statement identifying the material or item by lot, manufacturer and location, date of manufacturer, and/or serial number, revision, and/or grade shall be included.

10. NOTIFICATION / DISCLOSURES

10.1 Relocation/Process Change: Suppliers shall notify the Buyer in writing of any changes in Product and/or process, changes of sub-tier Suppliers, changes of manufacturing facility location and, where required, obtain the Buyer's approval.

10.2 Obsolescence: Supplier shall notify Buyer of any knowledge of supply issues for current or future orders or part obsolescence of any components historically purchased from Supplier. Notification should be in the form of an official notification but no less than an email from the Supplier. The Supplier will maintain, during the performance of this order, sufficient components and material necessary to perform this order including obtaining commitments from its Suppliers required to meet all requirements.

10.3 Supplier shall immediately notify Buyer in writing when discrepancies or nonconformities in Supplier's process or materials are discovered or suspected which may affect the Services/Products delivered or to be delivered under the PO. Notification to the Buyer shall be submitted on company letterhead and include a clear description of the discrepancy, and identification of all suspect parts (to include PO Numbers, Item Numbers, serial numbers, manufacturing dates, quantities, etc.) and material affected by the deficiency, and date(s) delivered. Notification should include any information relating to the Root Cause / Corrective Action steps initiated to address the defective condition, and preventive measures taken to preclude recurrence of the process failure. Modifications of a disclosure (additions or deletions of data) requiring subsequent issuances shall be revision controlled to provide definitive sequencing (i.e. Rev 'A', 'B' etc.).

11. RECORD RETENTION

11.1 The Supplier shall retain records for a period of not less than 7 years from completion of Purchase Order and disposition for hard copies should be shredded and discarded and electronic copies shall be securely deleted. Optionally, records may be sent to the Buyer upon completion of Purchase Order.

12. PROPRIETARY INFORMATION AND CONFIDENTIALITY

12.1 Any data, drawing design, equipment or other proprietary material or information which is (i) provided by the Buyer or (ii) provided by Supplier but paid by the Buyer as a part of the Products' purchase price, shall be solely owned by the Buyer and shall be considered the Buyer's Proprietary and Confidential information. Supplier agrees to hold all Proprietary Information in confidence and restrict the disclosure thereof to only its employees, contract labor and agents who have a need to know and are under obligations to hold such information in confidence under terms and conditions at least as restrictive as the terms and conditions of any other existing agreement.

12.2 Unless the Buyer provides a prior written consent otherwise, Proprietary Information, or any part or derivative thereof, shall be used by the Seller solely for the execution of the purchase order.

12.3 All Proprietary Information not furnished in person shall be transmitted through Sensor's Secure Server unless otherwise agreed upon.

13. EQUAL EMPLOYMENT OPPORTUNITY/AFFIRMATIVE ACTION COMPLIANCE

13.1 Sensor is an Equal Employment Opportunity (EEO) employer and does not illegally discriminate in our employment decisions based on race, color, national origin, religion, sex, physical or mental disability, veteran status or pregnancy. (CFR 60-41-1.4(a))



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13.2. Sensor is a federal contractor obligated to take affirmative action to employ women, minorities, disabled individuals, and veterans. Sensor has developed and has on file an affirmative action program required by the rules and regulations of the Secretary of Labor (41 CFR 60-1, 60-2, 60-20, 60-741, 60-250, and 60-300).

13.3 Sensor is also required to inform those with whom it conducts business that they, too, may have such obligations as a result of doing business with Sensor. If you meet certain qualification thresholds, you may also have to comply by and abide by any and all of the EEO and affirmative action requirements.

QUALITY REQUIREMENTS

THE FOLLOWING QUALITY REQUIREMENTS ARE APPLICABLE FOR SUPPLIERS PERFORMING WORK PER SENSOR'S DIRECTION VIA A DRAWING, SOW, OR OTHER CONTRACTUAL DIRECTION AND ARE NOT APPLICABLE TO COMMERCIALY SUPPLIED ITEMS.

Q01. QUALITY MANAGEMENT SYSTEM

As a certified AS9100/ISO 9001 Supplier, Sensor expects their Suppliers to maintain a Quality Management System (QMS). The QMS should state the Supplier's processes to effectively provide quality Products. Their QMS should have a Corrective Action process in place that allows for effective response when problems occur. If the quality management system is certified to an industry recognized standard, the Supplier shall provide a current copy of the third party certification as required. Sensor shall be notified of any change in certification status.

Sensor may issue a Supplier Corrective Action Request (SCAR) for rejected parts during receiving inspection, defective parts in stock, or defective parts found during manufacturing. The Supplier must provide a response by the due date indicated on the SCAR report.

Q02. STANDARDS OF BUSINESS ETHICS AND CONDUCT

By acceptance of this Purchase Order, Supplier represents that it has not participated in any conduct in connection with this Purchase Order that violates the Defense Industry Initiative's Model Supplier Code of Conduct or, alternatively, equivalent Business Ethics and Conduct Standards of the Supplier. Supplier shall ensure its employees are aware of their contribution to product and service conformity, their contribution to product safety and the importance of ethical behavior. If, at any time, Sensor determines the Supplier is in violation of the Defense Industry Initiative's Model Supplier Code of Conduct or the Supplier's equivalent, Sensor may cancel this Purchase Order upon written notice to Supplier and Sensor shall have no further obligation to Supplier.

Q03. WORKMANSHIP

The Supplier shall be responsible for maintaining qualified (certified) personnel and, facilities, and approval for Product, processes, procedures and equipment in accordance with industry standards.

Q04. SUBCONTRACTOR CONTROL AND FLOW DOWN REQUIREMENTS

When the Supplier uses subcontractors to perform work on deliverables for Sensor, the Supplier must notify and obtain Sensor's approval. Supplier shall flow down the applicable requirements in the PO to sub-tier Suppliers, where required. The Supplier takes full responsibility for any subcontracted (outsourced or alternate) process and will have final approvals or inspection in place to assure all subcontracted components conform to all specifications dictated by the purchasing documents including key characteristics, where required.

Q05. PROCESS CONTROL

Supplier agrees they will not make process and design changes in Products which adversely affect form, fit, or function without prior approval or notification to Sensor. Supplier may request changes in process or design of Products only if Sensor agrees to accept such changes in delivery and price that are, in Supplier's judgment, reasonably necessary. Supplier shall have no obligation to make any changes that are, in Supplier's judgment, beyond the ability of Supplier to perform within the schedule or for the price originally proposed.

Q06. SPECIAL PROCESS

Supplier shall provide and have on file and available for review, applicable certifications such as CoC and Process Certifications to validate special processes performed by them or sub-tier Suppliers such as plating, painting, etc. Special processes are defined as an operation performed on an item where the operation is not readily conducive to being inspected subsequent to its conclusion. Special processes will require approval by Sensor to verify special process compliance and Supplier is expected to maintain objective evidence for review when required.



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Q07. FOREIGN OBJECT DEBRIS

The Supplier shall maintain good housekeeping practices and where applicable, a Foreign Object Debris (FOD) Prevention Program to ensure work is accomplished in a manner preventing foreign objects or material from entering or remaining in deliverable items and to ensure timely removal of debris generated during manufacturing operations or tasks.

Q08. RIGHT OF ENTRY

The Supplier agrees to permit Sensor, authorized representatives of Sensor's customers and regulatory authorities to have access to Supplier's facilities and Supplier's sub-tier's facilities where work under the PO is being performed, to review progress, perform in process inspections, witness testing of the Products to be delivered under the PO and access to applicable records. Supplier shall include this clause in all of Supplier's subcontracts under the PO.

Q09. FIRST ARTICLE INSPECTION (FAI)

If an FAI Report is required on a line item in the purchase order, the Supplier is to perform an FAI and submit the FAI Report with the delivery. Sensor must approve all FAI report formats that are not AS9102 compliant prior to submittal. When there is a change to the manufacturing location, source, material, process, or inspection method, the Supplier shall notify Sensor as a new FAI will be required on subsequent orders. Supplier shall flow down a FAI requirement to sub-tier Suppliers, when any of the following are applicable: New Part, First Production Run, Lapse in Production of 2 years, Revision Change, or Change in Form, Fit, and Function. Suppliers and their sub tier Suppliers are required to maintain records of their first article inspections for items that they have outsourced. The First Article Inspection Report shall be accompanied with the relevant test results as required.

Q010. RAW MATERIAL CERTIFICATION

If required by the Purchase Order, the Supplier shall submit a legible Materials Certificate/Report from the producing Mill, listing (as applicable):

- 1) Material Specifications and revisions (AMS6532 & MIL-STD-2154, Type 1, Class AA)
- 2) Material Trade Name or common name within the Industry
- 3) Heat Lot # Number
- 4) Laboratory test specifications and results
- 5) Chemical and physical properties
- 6) Name of Company providing material and country of origin

The Supplier shall have a process in place to verify traceability of the Materials Certificate/Report and the evidence of verification shall be supplied to Sensor upon request.

Q11. NADCAP

If required by the Purchase Order, the Supplier and all members of their supply chain that provides special processes must be Nadcap accredited. This includes Chemical Processing, Coatings, Heat Treating, and Welding.

Q12. ITAR REQUIREMENTS

If any line item on the purchase order states export controlled, the Supplier agrees to comply with all applicable U.S. export control laws and regulations, specifically to the International Traffic in Arms Regulation (ITAR) or Export Administration Regulation (EAR). Any export controlled item, data, or services will be clearly marked and identified and may not be exported, released, or disclosed to foreign persons inside or outside the United States without first obtaining the proper export authority. Violators of ITAR or EAR are subject to civil and criminal fines and penalties under Title 22 U.S.C. Section 2778, and Title 50, U.S.C. 2410.

Q13. PRIORITY RATING/DPAS

If this Purchase Order is DPAS rated, it contains rated order quantities certified for national defense use and the Supplier is required to follow all the provisions of the Defense Priorities and Allocations System regulation (15 CFR Part 700) only as it pertains to the rated quantities.

NOTE: *If this Purchase Order* falls under the Federal Acquisition Guidelines, any, additional DFAR/FAR requirements will be attached as an addendum to the PO.