# Memkor Purchasing Terms and Conditions

Acceptance of a Purchase Order from Memkor binds the Supplier to the Terms and Conditions listed in the Purchase Order and the requirements listed in this document. The Supplier is not authorized to outsource any portion of the Purchase Order requirements unless specifically authorized by Memkor and must flow down these requirements to any sub-tier Suppliers.

**1.0 GENERAL REQUIREMENTS:** applicable to all Memkor purchase orders.

**1.1 QUALITY MANAGEMENT SYSTEM:** Memkor encourages all suppliers to maintain an effective quality management system that meets the requirements of ISO9001, AS9100, and/or ISO 13485 to ensure product and process integrity as well as to effectively meet the requirements stated on Memkor's purchase order, engineering drawings, and this document.

**1.2 REVISION CONTROL:** The supplier shall assure the drawing revision on file at their facility corresponds with the revision noted on Memkor purchase orders. The supplier is responsible to contact Memkor's purchasing agent with any discrepancies in drawing revisions.

**1.3 CERTIFICATE OF CONFORMANCE:** Each shipment must be accompanied by a Certification of Compliance (CoC) stating Part Number, Lot Number and Serial Number if applicable, stating conformance with all applicable specifications, drawings and/or standards, and Memkor's purchase order requirements, and signature of a authorized supplier representative.

**1.4 NONCONFORMING MATERIAL**: The supplier shall maintain a fully documented nonconforming material control system. Nonconforming or suspect material shall be identified and segregated to prevent unintended use or delivery. The supplier shall not ship any product which deviates from drawings, specifications, or other procurement requirements without the express written approval of Memkor. In instances where nonconforming product may have been shipped, the supplier shall promptly notify Memkor.

**1.5 CORRECTIVE ACTION:** The supplier shall have a corrective action system in place. All requests for corrective action shall be answered by the due date identified in Memkor's request for corrective action form. If this date cannot be met, a formal request for extension shall be requested through Memkor's purchasing agent. Late responses may affect the supplier's rating and result in potential loss of business. Corrective action responses shall be documented and include containment, identification, and segregation of material. The response shall describe the root cause of the problem, corrective action taken to prevent reoccurrence, and include objective evidence of actions taken. When a sub-tier is responsible for the nonconformance the prime supplier shall flow down a request for corrective action to the sub-tier supplier.

**1.6 FOREIGN OBJECT DEBRIS (FOD):** The supplier shall ensure that products delivered to Memkor are free of FOD. Memkor encourages all suppliers to incorporate a FOD prevention program to identify and eliminate foreign object entrapment areas and paths through which foreign objects may migrate into deliverable products (see NAS-412 or AS9146 for guidance). Delivered products to Memkor must be clean and free from any material/debris, such as machined chips, burrs, grinding dust, forming materials, corrosion, oil, and other foreign material on surfaces to prevent FOD entrapment.

**1.7 PACKAGING & HANDLING:** Suppliers shall ensure that required documentation is included with shipments and that the correct material is provided and properly marked, identified, and packaged. Packaging shall be in accordance with best commercial practices. Packaging must be done in a manner that protects against potential damage from shipping, FOD, corrosion, moisture, deterioration, contamination or damage by processing, handling, and storage at supplier's facility or in transit to Memkor or any sub-tier supplier.

**1.8 RIGHT OF ACCESS TO FACILITIES:** Supplier acknowledges the right of access to the applicable areas of all facilities, product, and/or related quality records at any time and at any level in the supply chain by Memkor, its customers and regulatory authorities to verify quality of products or work. Right of access may be limited to those records, facilities, and records applicable to Memkor's order or contract.

**1.9 RECORD RETENTION:** All records pertaining to the manufacture and test of Memkor products shall be retain for at least 7 years.

**1.10 SUSPECT COUNTERFEIT ELECTRONIC PARTS – REQUIRED FOR EEE PARTS**: Supplier and its sub-tiers contractors and their sub-contractors shall comply with the requirements of AS5553. Supplier shall not deliver to Memkor any work, components or material purchased either directly or indirectly through Brokers, Independent Distributors, or 3rd Party Distributors per AS5553 definitions, without prior Memkor written approval. Supplier shall assure Supply Chain Traceability as defined in AS5553 to the Original Component Manufacture. As applicable, mitigation inspections and/or tests may be required if components are procured from sources other than OEMs or authorized suppliers. Authorized distributors shall disclose to Memkor if not authorized to supply the EEE parts required by the purchase order. Exclusive suppliers shall disclose to Memkor if they cannot supply EEE parts they acquire directly from Authorized Sources.

**1.11 CONFLICT MINERALS**: All materials purchased must be in compliance with Section 1502 Dodd-Frank Wall Street Reform and Consumer Protection Act.

**1.12 ELECTROSTATIC DISCHARGE (ESD) PROTECTION**: Components and assemblies that are susceptible to electrostatic discharge damage shall be handled and packaged to prevent ESD damage. All units which contain ESD-sensitive devices shall be wrapped in a static shielding barrier in direct contact with and fully surrounding the unit. Containers shall be marked as containing ESD devices.

**1.13 CHANGE IN LOCATION, NAME, OR OWNERSHIP**: The supplier shall provide notice to Memkor of a change in manufacturing location, name, or ownership.

**1.14 AWARNESS**: The Supplier shall ensure that employees and people working on its behalf are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior.

**1.15 FLOW-DOWNS:** All purchasing requirements shall be flowed down to sub-tier suppliers or subcontractors.

**2.0 DFAR:** For Purchase Orders specified as DFAR or DFARS (Defense Regulations Acquisition Regulations Systems), the following clauses are incorporated in their entirety. The latest version of these can be found at: http://www.acq.osd.mil/dpap/dars/dfars/html/current/252225.htm:

**2.1** DFARS 252.225-7008

**2.2** DFARS 252.225-7009
**2.3** DFARS 252.225-7010
**2.4** DFARS 252.225-7012

**3.0 DPAS RATING**: If the DPAS rating is shown on the face or any line of this purchase order, then: this is a "DPAS RATED" Order Certified for National Defense use, and you are required to follow all the provisions of the Defense Priorities and Allocations System Regulation (15 CFR 700 ET SEQ.). All "DPAS RATED" Orders must be accepted or rejected as follows:

**3.1** "DO" Rated Pos must be accepted or rejected in writing (Hardcopy), or in electronic format within 15 working days after order receipt.
**3.2** "DX" Rated Pos must be accepted or rejected in writing (Hardcopy), or in electronic format within 10 working days after order receipt.
**3.3** Rejection of "DO" or "DX" orders must be in writing (Hardcopy), or in electronic format, giving the specific reason for the rejection.

**4.0 MATERIAL AND PROCESS CERTIFICATIONS REQUIRED:** When indicated in Memkor's purchase order raw material (aluminum, steel, peak, etc.) and special processes (paint, plating, chemical conversions, etc.) shall conform to specifications and standards specified on the drawing and/or Memkor purchase order. The supplier shall provide documented evidence of this conformity including a listing of each material element or test result in the test report. The applicable material/special process conformance certificate shall contain the following information:

**4.1** Supplier's name and address
**4.2** Purchase order number
**4.3** Part number including revision
**4.4** Quantity
**4.5** Material/Special Process type and specification including revision (type / grade / class / physical and chemical properties, etc.)
**4.6** Lot number (manufacture/heat/batch number)
**4.7** Country of origin
**4.8** Signature and date by authorized representative

**5.0 TEST AND INSPECTION REPORTS:** When indicated in Memkor's purchase order the supplier shall provide acceptance test and/or inspection data with shipment of product, as further evidence of conformance to purchase order requirements.

**6.0 SOLDERED ELECTRICAL AND ELECTRONIC COMPONENTS AND ASSEMBLIES:** When indicated in Memkor's purchase order and/or drawings, soldering and solder processes shall be in accordance with J-STD-001 Class 3. Workmanship for soldered electrical and electronic assemblies shall be in accordance with the latest revision of IPC-A-610, Class 3.

**7.0 CALIBRATION SERVICE PROVIDERS:** When Memkor's purchase order is for calibration services, the calibration service provider shall have a calibration system in accordance ISO 17025:2005, 10012:2003, or other accredited calibration laboratory. Memkor will request evidence of accreditation as needed.