

Supplier Terms and Conditions

By accepting a purchase order (“PO”) from Rosenberger North America, LLC (“Rosenberger”), it is understood that a supplier of goods and/or services (“Vendor”) agrees to the following Terms and Conditions (T&C’s).

1. General Requirements

- 1.1. Any disputes arising out of any Contract or PO issued pursuant to these Terms and Conditions shall be interpreted in accordance with and governed by the laws of the State of PA, USA.
- 1.2. Vendor is required to implement and maintain a quality management system for production of its products and services. Rosenberger reserves the right to review and approve the Vendor’s quality management system(s).
- 1.3. All third-party providers and sources used by Vendor, including customer designated providers and sources must operate in accordance with approved specifications and standards dictated and controlled by the customer in question.
- 1.4. Vendor will ensure, when required by any Contract or PO, that customer-designated or approved third-party providers and sources are used.
- 1.5. If initially approved for use via industry certification (ISO, AS9100, ISO 17025, AS9120, etc.), the Vendor must notify Rosenberger of any changes to that certification.
- 1.6. All special processes required by the PO must be performed by qualified personnel.
- 1.7. The Vendor is required to notify Rosenberger of changes in product or process, changes of suppliers, and/or changes of manufacturing facility locations.
- 1.8. The Vendor Rosenberger, Rosenberger’s customer(s) and regulatory authorities a right of access to inspect and audit all areas of the Vendor’s facilities and any level of the supply chain involved in manufacturing and providing products and services set forth in all POs. Vendor further grants Rosenberger, Rosenberger’s customers, and regulatory authorities a right to access, inspect, and audit all records related to the products and services provided pursuant to all POs.
- 1.9. The Vendor is required to retain all records associated with each PO for 7 (seven) years following the date of delivery, unless a different retention period is set forth in the applicable contract with Rosenberger.
- 1.10. If providing special processing, the Vendor must maintain a system for validating processes.
 - 1.10.1. All special processes required by the PO must be performed by qualified personnel.

2. Design

The Vendor shall maintain records identifying the revision status of specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.

- 2.1. Rosenberger reserves the right to approve or specify any designs, tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items including key characteristics.
- 2.2. Rosenberger reserves the right to designate requirements for test specimens for design approval, inspection/verification, investigation or auditing.

3. Non-Conforming Product

- 3.1. The Vendor is required to notify Rosenberger of non-conforming product identified prior to shipment and obtain Rosenberger's approval for disposition.
- 3.2. If the Vendor delivers non-conforming product to Rosenberger, Rosenberger may choose to terminate the PO under the terms of the Termination for Default section of these Terms and Conditions.
 - 3.2.1. As an alternative to cancellation, Rosenberger may require the Vendor to correct any goods or services that are defective in material and workmanship or otherwise not in conformity with Rosenberger's PO.
 - 3.2.2. Such correction shall be at the Vendor's sole expenses, including shipment from and to Rosenberger and damages incurred because of the Vendor's failure to perform in conformity with the PO.

4. Flow Down Requirements & Standards

- 4.1. The Vendor is required to ensure that Vendor's direct and sub-tier providers adhere to any applicable requirements, including but not limited to industry standards, military specifications, and customer requirements.
- 4.2. If providing calibration services, the Vendor's facility must be compliant to ISO 17025, ISO 10012 or ANSI/NCSL Z540.
 - 4.2.1. All Certificates of Calibration must identify standards used and must be traceable to NIST (National Institute of Standards Technology).
- 4.3. Soldering flux procured must be produced in accordance with IPC J-STD-004 and a Certificate of Conformance must be submitted as evidence of compliance.
- 4.4. Solder paste procured must be produced in accordance with IPC J-STD-005 and a Certificate of Conformance must be submitted as evidence of compliance.
- 4.5. Solid form solder (bars, wire, etc.) procured must be produced in accordance with IPC J-STD-006 and a Certificate of Conformance must be submitted as evidence of compliance.
- 4.6. The Vendor is required to supply product that has a remaining shelf life of at least 80% of original life as of the date of shipment unless otherwise agreed upon by Rosenberger.

5. Shipping

- 5.1. The Vendor must follow all delivery instructions, freight information and shipping terms set forth in the governing PO.
- 5.2. The Vendor must provide Rosenberger with a notice of dispatch or advanced shipping notice.
- 5.3. Each delivery must include an itemized delivery notice or packing slip.
 - 5.3.1. If the delivery papers are missing, the delivery will be stored at the cost and risk of the Vendor until documentation is provided.
- 5.4. All products shipped by the Vendor must be packed appropriately and properly in accordance with industry standards to ensure their safe arrival.
 - 5.4.1. All cost incurred due to improper packing will be paid by Vendor.

- 5.5. The Vendor will be liable for any damage occurring due to non-compliance of these Terms and Conditions.
- 5.6. The Vendor shall provide a proper Bill of Lading signed by the carrier, or any other legally applicable documents providing title to the goods, to Rosenberger upon delivery, as defined by the agreed upon shipping terms, fully protecting all parties in case of damages in transit.
- 5.7. All shipments of inventory and all production related material must be accompanied by a Certificate of Conformance.
 - 5.7.1. The Certificate of Conformance must contain a statement that the parts/material conform to all applicable drawings, specifications and/or purchase order requirements.
- 5.8. First Article Inspection Data must be included with initial shipments or when requested in the PO.

6. Counterfeit Material

- 6.1. Rosenberger expects and requires that all Vendors identify and eliminate all risk of procuring, manufacturing and/or delivering counterfeit material.
 - 6.1.1. Rosenberger defines “Counterfeit Material” as an unlawful or unauthorized reproductions, imitations, substitutions, or alterations that have been knowingly mismarked, misidentified or otherwise misrepresented to be an authentic, unmodified part from the original or authorized manufacturer.
 - 6.1.1.1. Unlawful or unauthorized substitution includes used items represented as new or false identification of grade, serial number, and lot number and date code or performance characteristics.
- 6.2. If counterfeit parts appear in Rosenberger’s supply chain, Rosenberger will immediately impound them and notify the Vendor to immediately replace such product with acceptable product.
 - 6.2.1. The Vendor shall also be liable for all costs relating to such impoundment, removal and replacement.

7. Conflict Minerals

- 7.1. Vendors must develop policies toward preventing the use of conflict minerals or derivative metals sourced from mines controlled by armed groups in all items to be supplied to RNA.
 - 7.1.1. The United States Congress has associated the extraction and trade of tin, tungsten, tantalum and gold (“Conflict Minerals”) with human rights violations in the Democratic Republic of the Congo and adjoining countries (collectively the “DRC”).
 - 7.1.2. The Dodd-Frank Wall Street Reform and Consumer Protection Act, passed into law July 2010, contains requirements that U. S. Companies report to the Securities and Exchange Commission (SEC) on the origin of conflict minerals or their derivatives and show due diligence if conflict minerals are sourced from the DRC or an adjoining country.
 - 7.1.3. Rosenberger will endeavor in good faith to have its suppliers exercise reasonable due diligence to evaluate their respective supply chains for the information called for by the Conflict Minerals Rule.
 - 7.1.4. Rosenberger will continue to evaluate policies to ensure compliance with the SEC’s Conflict Minerals Rule and adjust when necessary.
- 7.2. Vendors must document their efforts to determine the source of any conflict minerals or derivatives and provide evidence of the origin of the metals, tantalum, tin, tungsten, and gold in products to be supplied to RNA.

7.3. Any smelters producing tantalum, tin, tungsten, or gold metals subsequently used in Rosenberger products are required to seek and obtain certification through the EICC/GeSI Conflict Free Smelter (CFS) program.

8. Confidential Information

8.1. As used in these Terms and Conditions, “Confidential Information” means all confidential and other proprietary information, including, without limitation, any information pertaining to the technology, know-how, products, formulae, specifications, designs, processes, personnel, work conditions, regulatory affairs, inventories, discoveries, inventions, trademarks, patents, trade secrets, contracts, manufacturing, packaging, distribution, sales methods, sales, marketing efforts or strategies, proprietary information, operating data and cost structures, expenses, profit figures, customer and supplier lists, pricing information, and costs of goods of Rosenberger or its customers or relationships between Rosenberger and any of its customers, suppliers, ultimate consumers or affiliates.

8.2. The Vendor will:

8.2.1. hold the Rosenberger’s Confidential Information in strict confidence,

8.2.2. not disclose Rosenberger’s Confidential Information to any third parties and will take all reasonable steps to prevent such disclosure, which steps will include at least those taken the Vendor to protect its own confidential information of like kind, and

8.2.3. not use any of Rosenberger’s Confidential Information for any purpose except for the discussions between Rosenberger and the Vendor.

8.3. The Vendor may disclose Rosenberger’s Confidential Information to the Vendor’s responsible employees and consultants who have bona fide need to know, but only to the extent necessary to carry out the contract or PO.

8.4. The Vendor agrees to instruct all such employees and consultants not to disclose such Confidential Information to third parties, including other consultants, without the prior written permission of Rosenberger.

8.5. Upon Rosenberger’s request, the Vendor will promptly return to Rosenberger all tangible items containing or consisting of Rosenberger’s Confidential Information and all copies thereof.

8.6. The Vendor recognizes and agrees that nothing contained in these Terms & Conditions will be construed as granting any rights to the Vendor, by license or otherwise, to any of the disclosing party’s Confidential Information except as specified in this section.

8.7. The Vendor acknowledges that all of Rosenberger’s Confidential Information is owned solely by the Rosenberger (or its licensors or customers) and that the unauthorized disclosure or use of such Confidential Information would cause irreparable harm and significant injury, the degree of which may be difficult to ascertain.

8.7.1. Accordingly, the Vendor agrees that Rosenberger will have the right to seek an immediate injunction enjoining any breach of this section, as well as the right to pursue any and all other rights and remedies available at law or in equity for such a breach.

8.8. Such Confidential Information may be controlled by the U.S. Department of Commerce Export Administration Regulations (EAR), U.S. Department of State International Traffic in Arms Regulations (ITAR) or other requirements of the U.S. Government.

8.8.1. The Vendor must not export or re-export, directly or indirectly, to any country or a foreign national of a country any of the Confidential Information (or any product, process or service resulting directly therefrom) without first having obtained all necessary approvals thereof.

8.9. The terms of this section will be effective the date of acceptance of the PO and will continue for a period of three (3) years thereafter unless otherwise modified at the time of acceptance.

9. Termination for Convenience

- 9.1. Rosenberger, in addition to all other rights and remedies it may have under a PO or otherwise, will have the right to terminate any PO in whole or in part, without cause, upon notice in writing to the Vendor, and the Vendor agrees to stop work immediately as to the terminated portion, and to protect and preserve property in its possession in which Buyer has, or may acquire, an interest as hereinafter set forth.
- 9.2. In the event of termination under this Section, Rosenberger will pay the Vendor the following, which in no event will exceed the total price provided for in the PO:
 - 9.2.1. the price provided in the PO for all goods which have been completed prior to termination and which are accepted by Rosenberger and
 - 9.2.2. to the extent that such completed items, or the work in process, including materials, are unusable in connection with the Vendor's other business, the actual expenditures on the uncompleted portion of the order, including cancellation charges paid by the Vendor on account of commitments made under a PO.
- 9.3. In no event shall the aggregate of all payments made under a PO, plus all other payments made for the items included in said PO, exceed the total sum due under the PO if performed.
- 9.4. In order to entitle the Vendor to any PO termination payment, the Vendor shall within 30 days after delivery of Rosenberger's notice, advise the Rosenberger in writing whether or not any termination charges will be submitted in connection therewith, and to furnish a detailed claim within 45 days from the date of the termination notice for consideration by Rosenberger.
 - 9.4.1. If such claim is not submitted within said period, Rosenberger shall determine based on information available to it the amount of such charges, if any, owing to the Vendor in respect to the termination.
 - 9.4.2. The Vendor agrees that such determination by Rosenberger shall be binding upon the Vendor.
- 9.5. The Vendor further agrees, if requested by Rosenberger, and whether or not the amount of the termination payments above set forth have been determined or paid, to transfer title and deliver to Rosenberger in the manner and to the extent and at times directed by Rosenberger, all or any part of the fabricated or unfabricated parts, work in process, completed work and other material produced as a part of or acquired in connection with the performance of the order terminated, together with the plans, drawings, jigs, fixtures, equipment, patterns, designs, information or other property used or acquired in connection with this order that the Vendor has specifically produced or specifically acquired for the performance of such part of this order that has been terminated.
- 9.6. Subject only to its obligations to make any payments due as provided in this section, Rosenberger is not liable for and the Vendor will make no claims for liability hereunder, including but not limited to payments for unrealized profits, or to carry out other undertakings.
 - 9.6.1. Additionally, in such case, the terminated portion of such PO shall cease and terminate forever.

10. Termination for Default

- 10.1. Rosenberger may, subject to the provisions below, by written notice of default to the Vendor, cancel the whole or any part of a PO in any one of the following circumstances:
 - 10.1.1. if the Vendor fails to make delivery of goods or to perform the services within the time specified herein or any extension thereof agreed to by the parties;

- 10.1.2. if the Vendor fails to deliver the goods or services in compliance with the drawing, provisions, specifications and/or other requirements of a PO;
 - 10.1.3. if the Vendor fails to perform any of the other provisions of the PO or so fails to make progress as to endanger performance of the order in accordance with its terms and conditions; or
 - 10.1.4. if the Vendor becomes insolvent or makes a general assignment for creditors, or files or has filed against it a petition of bankruptcy or reorganization or pursues any other remedy under any law relating to the relief for debtors, or in the event a receiver is appointed for the Vendor's property or business.
- 10.2. In the event of cancellation under this Termination for Default section of these Terms and Conditions, then Rosenberg shall have no further obligation to the Vendor under the cancelled portion of this order and may procure on such terms and in such manner as Rosenberg may deem appropriate, goods or services similar to those so cancelled and the Vendor shall be liable to Rosenberg for any excess costs for such similar deliverable items or services and damages incurred by Rosenberg as a consequence of the Vendor's failure. The Vendor shall continue the performance of this order to the extent not cancelled under the provisions of this section.

11. Rights and Remedies

- 11.1. The rights and remedies of Rosenberg provided in these Terms and Conditions shall not be exclusive and are in addition to any other rights and remedies provided by law or under any PO, and any termination or cancellation hereunder will not relieve the Vendor of any obligations and liabilities which may have arisen prior to such termination or cancellation, including, without limitation, those provisions of a separate NDA for Rosenberg's confidential or proprietary information.

12. Rosenberg's Quality Management Systems

12.1 Rosenberg has implemented and maintains a quality management system that is certified to meet the requirements of AS9100D Quality Management Systems – Requirements for Aviation, Space, and Defense Organizations. Vendor agrees and understands that, by accepting Rosenberg's PO, Vendor agrees to meet the following stipulations that support Rosenberg's AS9100 standards and business requirements.

12.2 Vendor shall commit to ensuring product and service conformity, product safety, and the importance of ethical behavior. Vendor agrees to educate and inform its employees and subcontractors of Vendor's commitments under this Section. Upon request from Rosenberg, Vendor agrees to provide documentation or other evidence of its compliance with the requirements of this Section.

- 12.3 Vendor shall comply with the *Aerospace Industries Association of America (AIA) Global Principles of Ethics in the Aerospace & Defense Industry*, available for review here:
https://www.asd-europe.org/sites/default/files/atoms/files/Ethics_Global_Principles.pdf