APTEK LABORATORIES, INC.

ISO 9001 / AS9100 Certified

TERMS AND CONDITIONS FOR SUPPLIERS

1. **DEFINITIONS:**
   - **Aptek** refers to Aptek Laboratories, Inc.
   - **Supplier** refers to the entity which is receiving the Purchase Order and fulfilling the actual Purchase Order. The Supplier may be a Distributor, Manufacturer, Producer, Retailer, Provider of a Service or Information, or any other entity empowered to sell the goods or services contracted by the Purchase Order.
   - **Authorized Purchasing Agent** refers to the Aptek representative whose name appears on the Purchase Order.

2. **ACCEPTANCE OF CONTRACT/TERMS AND CONDITIONS:** Supplier's acknowledgement, acceptance of payment, or commencement of performance shall constitute Supplier's acceptance of Aptek's Terms and Conditions without reservations or limitations. Failure to meet terms and conditions of Purchase Order may result in delayed payment of invoice, cancellation of order, return of merchandise at Supplier's expense, or reduction in future orders. Supplier is required to flow down to sub-tier Suppliers all applicable requirements of this Purchase Order, including key characteristics where required.

3. **RIGHT OF ACCESS:** Acceptance of this Purchase Order by the Supplier grants representatives from Aptek, Aptek's customers (only if needed or authorized by Aptek), and regulatory agencies the right of entry to all applicable areas of all facilities, at any level of the supply chain, involved in the order. It also grants them access to all applicable documented information for the purpose of verifying that purchased materials or processes conform to specified requirements.

4. **COMPLIANCE WITH LAWS AND REGULATIONS:** Supplier warrants that he has been duly authorized to do business in the jurisdiction in which the work is to be performed; that he has obtained at no cost to Aptek or Aptek's customer(s) all necessary and required licenses and permits required in connection this Purchase Order, and that he will comply fully with all pertinent laws, decrees, regulations, and labor standards of such country or countries during the performance of this Purchase Order.

5. **QUALITY MANAGEMENT SYSTEM:** Supplier shall establish a quality management system compliant to an applicable international quality standard such as ISO 9001, AS9100, AS9120, or equivalent. Aptek reserves the right to request evidence of a quality management system from the Supplier.

6. **AWARENESS AND CONTRIBUTION:** Suppliers shall ensure that their employees are aware of: (a) their contribution to product or service conformity; (b) their contribution to product safety; (c) the importance of ethical behavior.

7. **SHELF LIFE:** In cases of materials with expiration dates, at least **85%** of shelf life is required upon delivery unless otherwise agreed upon or specified.

8. **REVISION CONTROL –** Drawings, technical data, specifications and standards (including government and industry related specifications and standards), and reference document revisions in effect at time of order placement apply, unless otherwise specified on the purchase order.

9. **SUBSTITUTIONS:** No substitutions allowed whatsoever. The product shipped to Aptek must exactly match those shown on the Aptek Purchase Order. To ship an alternate or "better than" product, a Supplier must receive prior written authorization from Aptek Authorized Purchasing Agent (formal change order to the Purchase Order). Product deviations from the Purchase Order may be rejected at the dock and returned to the Supplier freight collect.

10. **NONCONFORMANCE OF PRODUCT/PROCESS/ SERVICE:** If at any time Supplier becomes aware nonconforming product, process or service, Supplier must immediately notify buyer to negotiate arrangements for disposition. Aptek does not accept nonconforming material, and no oral agreement or action of any kind may alter this provision without specific written agreement by Aptek.

11. **CHANGE IN PRODUCT/PROCESS/SERVICE:** Any change in the product, process or service, including process, changes of sub tier suppliers, and changes of manufacturing facility location must be made known in advance of shipment to Aptek for authorization/approval, as applicable.

12. **OBSOLESCENCE:** Suppliers shall be aware and proactively monitor all items and material used in the manufacture of Aptek orders for impending obsolescence issues. If obsolescence issues are identified, the supplier shall provide immediate notification to Aptek Authorized Purchasing Agent and impacted personnel, describing the obsolete item, reason for obsolescence, estimated date the product will no longer be available, and any proposed alternatives. Timely notification is imperative to allow sufficient time to identify alternates for the affected parts, and perform any necessary certifications, which may involve regulatory agencies.

    The Supplier agrees to maintain an obsolescence policy/procedure adequate to ensure that the Supplier and its suppliers can provide Aptek adequate notice that products and materials necessary to supply additional new-order quantities can be purchased through the Supplier by placing on order within 90 days of receiving said notice. Further, the Supplier agrees to supply Aptek with such additional products or components of which are due to be discontinued subject to Aptek agreeing to compensate the Supplier for its reasonable cost plus profit for such additional orders.

13. **CONTROL OF FOREIGN OBJECT DEBRIS (FOD):** Suppliers shall establish a program for the prevention, detection, and removal of foreign objects.

14. **OVER SHIPMENTS:** No over shipments will be accepted without prior written authorization from Aptek (formal change order to the Purchase Order). The quantity set forth in the Purchase Order is the contract quantity. Without authorization, the overage portion of your shipment may be returned to you freight collect, which will require you to re-deliver/re-invoice consistent with the quantity or pricing specified in the Purchase Order.

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15. **UNDER SHIPMENTS**: Exact quantity on Purchase Order is required. No under shipments allowed. If quantity cannot be met, then Aptek must be notified in writing prior to order fulfillment. This notification must include the cause for the quantity discrepancy. Aptek will choose at that time whether to allow the Purchase Order to be amended to reflect the new approved quantity or whether the Purchase Order needs to be cancelled.

16. **PARTIAL SHIPMENTS:** Partial shipments may be authorized if Aptek is contacted by the Supplier prior to shipment and subject to Aptek's agreement that a partial order will be allowed. Partial shipments are only authorized in cases where a verified Purchase Order fulfillment date is given to Aptek by the Supplier. If the Partial Shipment is not fulfilled by the verified Purchase Order fulfillment date, Aptek reserves the right to return the already delivered product at the Supplier's expense for a full refund. Partial shipments are never allowed in cases where the Purchase Order states that "Partial shipments will not be accepted".

17. **COUNTERFEIT PARTS:** Suppliers shall establish a program to eliminate the risk of introducing both counterfeit parts and materials. This includes: (a) identification, mitigation, detection, and avoidance techniques, and reporting of suspect or confirmed counterfeit parts, assemblies, and/or materials; (b) training for the detection and prevention of counterfeit parts.

    For guidance, suppliers may refer to AS6174 – Counterfeit Materiel; Assuring Acquisition of Authentic and Conforming Material.

18. **TEST SPECIMENS:** Suppliers agree to provide test specimens prior to shipment if requested by Aptek Purchasing Agent. In such cases where a test specimen is requested, delivery of order shall be pending upon acceptance of the test specimen by Aptek.

19. **IDENTIFICATION AND TRACEABILITY:** Aptek requires that all purchased products – including raw materials and packaging – are clearly identified by part number, trade name, or chemical name – and that lot numbers and/or batch numbers are clearly designated on the delivery paperwork. Lot numbers and/or batch numbers must also be clearly labeled on all products, as well as on corresponding paperwork.

20. **USE OF CUSTOMER-DESIGNATED OR APPROVED SUPPLIERS:** When specified in the Purchase Order, Suppliers are required to use customer-designated or approved suppliers.

21. **DELIVERY PAPERWORK:** Delivery paperwork at a minimum must include a packing slip and any other paperwork designated on the Purchase Order. All raw materials must be accompanied by a written Certificate of Analysis (CoA) and Safety Data Sheet (SDS). CoA's must include batch number, DOM and shelf life if possible. All written paperwork must be received in order for a Purchase Order to be considered fulfilled. Failure to submit required paperwork – i.e. SDS, CoA – to Aptek may result in payment being held. If such paperwork does not exist, a written statement must be supplied to that effect with each order by e-mail to Aptek or attached with the packaging paperwork. Aptek may return products at the Supplier's cost if acceptable required documentation is not received. Failure to provide the required paperwork will jeopardize the Supplier's performance rating.

22. **RECORDS RETENTION:** All records, including certification as required under the terms of this purchase order and which document the quality of the items provided, shall be stored, protected, and controlled to ensure that they remain identifiable, legible and useful. Records shall be retained for a minimum of 15 years after the final shipment unless otherwise specified in the purchase order or contract.

    The supplier shall also ensure such records of the Supplier's subcontractor(s) shall remain on file by the supplier's Subcontractor(s) or the Supplier for the same retention period.

    The Supplier shall make such records available to Aptek and its authorized representatives, its customers, and regulatory authorities.

    When requested by Aptek, the Supplier shall make specified records available in the English language. At any time during the identified retention period, at Aptek's request, the supplier will deliver such records or any part thereof in an acceptable format / media and within a timeframe as agreed to by both parties, to Aptek, at no additional cost to Aptek.

    At expiration of the retention period, if there is intent to dispose of such records, then prior to disposal, the supplier shall notify Aptek in writing. Aptek reserves the right to request delivery of such records. In the event Aptek chooses to exercise this right, the Supplier shall promptly deliver such records to Aptek at no additional cost on media agreed to by both parties.

23. **FLOW DOWN REQUIREMENTS:** Suppliers shall flow down to the supply chain the terms and conditions contained in this document, and the applicable Aptek requirements as defined in the Purchase Order, including customer requirements.

24. **PROTECTION OF CONTROLLED UNCLASSIFIED INFORMATION/CONTROLLED TECHNICAL INFORMATION:** All contractors that provide goods and/or services in connection with U.S. Department of Defense programs are required by law to comply with DFAR 252.204-7012 which mandates the protection of Controlled Unclassified Information/Controlled Technical Information that are collected, developed, received, transmitted, used or stored by or on behalf of the contractor in support of the performance of a DoD contract.

    The deadline for compliance is December 31, 2017. The obligation to comply is required to be flowed down to all subcontractors (including commercial items suppliers) of every tier.

25. **CODE OF CONDUCT:** Supplier shall establish a Code of Conduct compliant with the requirements set forth in this section.

    Commensurate with the size and nature of its business, Supplier shall establish management systems, tools and processes in place that (a) ensure compliance with applicable laws, regulations and the requirements set

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forth in its Code of Conduct; (b) promote an awareness of and commitment to ethical business practices, including, without limitation, the expectations set forth in its Code of Conduct; (c) facilitate the timely discovery, investigation, disclosure (to customers, suppliers, and others, as appropriate) and implementation of corrective actions for violations of law, regulations or the expectations set forth in its Code of Conduct; and (d) provide training to its employees on compliance requirements, including the expectations set forth in its Code of Conduct.

Supplier shall flow down its Code of Conduct to its suppliers and business partners.

Supplier shall permit Aptek Laboratories and/or its representatives to assess the supplier's compliance in performing work for Aptek Laboratories, including on-site inspection of facilities and review of associated books, records, and other documentation. Supplier shall also provide Aptek Laboratories upon request with additional information and certifications evidencing compliance. Supplier shall ensure that Aptek Laboratories has the right to assess its business partners' compliance with the expectations set forth in Aptek Laboratories' contractual requirements and its Code of Conduct in performing work for Aptek Laboratories, including on-site inspection of facilities and review of associated books, records and other documentation. Supplier shall ensure that its business partners will provide Aptek Laboratories upon request with additional information and certifications evidencing compliance.

In the event of any wrongdoing, supplier shall fully cooperate with any related investigation conducted by Aptek Laboratories. Supplier shall ensure that its business partners also fully cooperate if such investigation involves its performance. Supplier (and its business partners) shall correct any nonconformances identified during assessments.

Aptek Laboratories does not assume any duty to monitor or ensure compliance with its Code of Conduct, and suppliers shall acknowledge and agree that they are solely responsible for full compliance with their Code of Conduct by their directors, officers, employees, representatives, and business partners.