

## QUALITY TERMS & CONDITIONS of PURCHASE

**Eurotronics' corporate policy is to provide its Customers with high quality technology products meeting or exceeding agreed-upon customer specifications.**

This document governs PRODUCT QUALITY TERMS & CONDITIONS of PURCHASE of **EUROTRONICS B.V., Grote Hondstraat 32, B-2018 Antwerpen, Belgium.**

### 1. Introduction

Eurotronics is a specialized intermediate for the production of very complex printed circuit board technologies for the (micro) electronics industry. Eurotronics supports its customers throughout the entire value chain from the initial design towards thoroughly tested, certified and extremely durable end products.

This quality assurance agreement is used as an instrument, which supports Eurotronics and the Supplier technically and organizationally to create failure free printed circuit boards within the set delivery schedules. These agreed measures should help to recognize and prevent possible (hidden) failures in an early stage of the production process and keep consequential damages to a minimum. It describes corrective actions in case of complaints and recommendations to improve the performance of both contracting partners.

This quality assurance agreement is an essential document for a long-term oriented partnership.

### 2. Scope of application

This agreement shall apply exclusively to all products, which are delivered by the Supplier on the basis of the orders he receives and accepts from Eurotronics during the term of this agreement.

The products shall be in compliance with the agreed quality (e.g. description, specifications, data sheets, drawings, product samples). Unless otherwise agreed, such a description and product samples do not rank as guaranteed product features. In each and every case, the Supplier shall check without delay whether a description provided by Eurotronics is in any way obviously incorrect, unclear, and incomplete or not in compliance with the product sample. If the Supplier realizes that this is the case, he shall forthwith give notice in writing to Eurotronics.

### 3. Quality assurance

The Supplier shall maintain a quality management system, which meets at least the requirements of latest versions of ISO 9001 and shall manufacture and test its products in accordance with the stipulations of such quality management system. The Supplier shall make sure without delay that these requirements are in conformity with his quality management system.

The Supplier shall perform a thorough design for manufacturability check after the receipt of all necessary technical data such as production files, technical specifications, applicable IPC standards, CAD data etc. and inform Eurotronics without delay in writing about the identified inaccuracies and risks. Proposed improvements are requested to be informed, and applied after Eurotronics written acceptance.

The Supplier shall make sure that voided product data will be retrieved from his organization and designated as invalid, in such a manner that accidental application has become impossible and that these voided documents are kept separately.

If the Supplier receives production or test equipment, software, services, materials or other supplies from third parties for the manufacture or quality assurance of his products, the Supplier shall ensure that these are in compliance with his quality management system, whether it be by contract with these parties or through carrying out himself such tests as are necessary to assure compliance with his quality management system.

The Supplier shall keep records of the aforementioned quality assurance procedures and especially those relating to measured values and test results. He shall keep these records as well as product samples in an appropriate manner for minimum 10 years. To the extent required, he shall allow Eurotronics to inspect the records and product samples and shall provide him with copies of such records and product samples.

If a non-conformance of the delivery items is discovered before delivery and it cannot be brought into specified condition by suitable rework, the delivery of these items is only acceptable with Eurotronics prior written approval (special release). If the Supplier discovers a significant accumulation of quality deviations during the examination of the delivery items, Eurotronics shall be informed in writing without delay.

The Supplier's quality strategy is, from an economic point of view, focused on a continuous improvement of its processes and performances. Target is zero defects, 100% delivery and cost-optimization.

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### **4. Procurement**

The Supplier shall ensure that only new and authentic materials are used in products delivered to Eurotronics. The Supplier may only purchase parts directly from original component manufacturers (OCMs), OCM authorized (franchised) distributors, or authorized (franchised) aftermarket manufacturers. Use of product that was not provided by these sources is not authorized unless first approved in writing by Eurotronics.

The Supplier must present compelling support for its request (e.g. OCM documentation that authenticates supply chain traceability of the delivery items to the OCM), and include in its request all actions to ensure the parts thus procured are authentic / conforming parts.

The Supplier shall disclose in writing at the time of each individual quotation, the source of supply (by company name and location), whether or not the organization is authorized (franchised) for the part(s) being quoted, and whether or not providing full manufacturer's warranty on the quoted material. If the Supplier considers that the name of the source of supply is proprietary to the organization, the Supplier and the Eurotronics shall negotiate an appropriate non-disclosure agreement (NDA).

### **5. Test specifications and Test reports**

By means of a suitable test sequence, the Supplier ensures that each product delivered to Eurotronics complies with the applicable IPC specifications guaranteed by the Supplier. The supplier shall document the performance of the test in an inspection report attached to the Certificate of Compliance. The documentation contains at least the set points specified in the test instructions mentioned in IPC-TM-650 including the tolerances.

The Supplier shall safeguard that the test and measurement equipment deployed is suitable for testing the characteristics stipulated in the specifications. The Supplier shall implement a suitable control mechanism for the test and measurement equipment deployed and subject the test and measurement equipment to regular inspections and / or calibrations.

The test and measurement equipment shall be labeled, and the expiration date of the calibration cycle shall be visibly stated.

### **6. Environmental Protection, Industrial Health & Safety Standards**

The Supplier shall meet the valid and applicable legal regulations regarding environment, health and safety protection and keep the impact on human health and environment as low as possible by means of suitable operational environmental protection.

The requirements of the European Chemicals Regulation No 1907/2006 (REACH), the CLP Regulation (EG No 1272-2008) of the Montreal Protocol, the Convention on the Contract for the International Carriage of Goods by Road ("CMR" = Convention relative au contrat de transport international de marchandises par route), the RoHS Directive 2011/ 65/EU (formerly 2002/95/EC), shall be complied with by the Supplier, its suppliers and all upstream suppliers, if so required by the type of delivery item.

Substances subject to declaration shall be listed in a fully completed Material Safety Data Sheet according to EC regulation No 1907/2006 and submitted in writing to Eurotronics.

The Supplier agrees to act in compliance with the principals of the „Dodd-Frank Wall Street Reform and Consumer Protection Act“, Section 1502, in its up-to-date version, and to support Eurotronics accordingly. The compliance with these principles comprises in particular that the Supplier reviews its complete supply chain regarding possible usage of so-called conflict minerals. In case Eurotronics decides to undertake the usage of conflict minerals, the Supplier commits to support Eurotronics in conjunction with possible due diligence actions, which Eurotronics might decide to take in order to review if the products delivered by the Supplier contain conflict minerals.

### **7. Audit**

The Supplier shall, at reasonable intervals, be able to demonstrate to Eurotronics, as well as its customers, of the quality assurance measures referred to in Chapter 3. For this purpose, the Supplier shall provide Eurotronics or its customer, to an appropriate extent and with prior agreement of an appointment, access to his workplaces and, during such access, provide a technically qualified employee for assistance. Insights into production processes and other business secrets that are subject to secrecy can be refused.

Eurotronics shall inform the Supplier about the results of any audits performed. If corrective actions are required from Eurotronics perspective, the Supplier shall be obliged to immediately set up and implement a suitable corrective action plan and to inform Eurotronics accordingly in writing.

### **8. First Article Inspection**

The initial sampling shall be carried out according to Eurotronics specifications. This is necessary before each start of serial production if it is explicitly ordered by Eurotronics. This may be the case when a new part is ordered, a technical change has been made etc. The initial samples must have been produced in accordance with serial conditions. All deviations in the manufacturing process from the planned condition during serial production must be documented and agreed in advance with Eurotronics.

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### **9. Quality & Delivery**

Should the Supplier note an increase in deviations in the real quality of the products from that specified (i.e. a reduction in quality), or the supplier cannot deliver on schedule or the correct quantity, he shall immediately notify Eurotronics thereof and of the measures he plans to take to remedy such a problem. The Supplier should take appropriate actions to avoid partial deliveries at any time.

### **10. Traceability**

The supplier shall, by means of other suitable measures, ensure that, if a defect is found, he can immediately identify which other products could be affected.

The expectation from Eurotronics is that the Supplier specifies the production lot Date Code on each delivery note and on each packaging unit, so that traceability is possible at any time by the end customer.

### **11. Packaging**

The delivery must take place in the area defined by the order package. Excluded are items for which no package is specified. For this purpose, the delivery must be carried out in appropriate, preferably through environmentally conscious packaging materials, so that damage to the goods is to be excluded. The outer packaging must be designed in such a way that transport storage and ESD damage according to the state-of-the-art are excluded.

### **12. Eurotronics' receiving inspection**

Upon delivery of the products, Eurotronics shall check without delay whether they correspond to the ordered quantity and type and whether there is any apparent damage resulting from their transport or any other visible defect. If both Parties consider that at the time of delivery further tests are advisable, these must be recorded in writing in advance.

The Supplier acknowledges and accepts that it carries out a goods issue inspection and that the goods issue inspection replaces the goods receipt inspection. The Supplier shall carry out a review of the products supplied by sub-suppliers for their lack of conformity.

If, during such inspection, Eurotronics notes any apparent damage or defect, the Supplier shall be notified thereof without delay. If Eurotronics notes some damage or defect at a later date, the Supplier shall also be notified thereof without delay.

### **13. Complaints / Measures**

The Supplier shall make a written statement within 5 days after receipt of the complaint, irrespective of whether the complaint was determined at the time of the goods receipt, the production process or the phase of the use.

The causes of failure shall be identified as clearly as possible, and the scope of the parts affected shall be estimated. If it turns out that defective delivery items were already delivered, Eurotronics shall be informed in detail immediately and in writing.

The supplier creates an 8D report regardless of where the faulty parts were found. The applicable 8D systematics shall ensure that failures that are discovered are traced back to their origin and can be permanently eliminated. The drafting of this report should take place no later than 20 working days.

Eurotronics reserves the right to demand improvements of these measures should they not be regarded as promising.

Consequential costs (operating periods, lost items, scrapping, rework and logistics costs, etc.), which are caused, for example, by poor quality or late delivery, will be invoiced to the Supplier.

### **14. Warranty and Liability**

The Liability is determined by the agreements the delivery is based upon. The supplier confirms the production according to customer specification and the function at the time of delivery by means of Certificate of Compliance. Liability for function and consequential damages, through conceptual and constructive weaknesses, is excluded.

### **15. Quality Assurance Representative**

Each party shall notify to the other in writing the name of his quality assurance representative who shall represent him for the performance of this Agreement. This representative shall take any decisions relating to the subject matter hereof. Should any Party replace his quality assurance representative, he shall immediately notify the other party of such replacement in writing.

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### **16. Confidentiality**

Each Party shall use all documents and information that he receives in connection with this Agreement, solely for the purposes of this Agreement. He shall treat these with the same degree of confidentiality, as he would apply to his own confidential documents or information. These obligations begin when the Party concerned first receives such confidential documents or information and shall end 36 months after the expiry of the Agreement.

The aforementioned obligations shall, however, not apply to such information or data as the receiving Party can show:

- was at the time of disclosure in the public domain, or
- was at the time of receipt already known to him provided that it was not previously obtained from the other Party under binder of secrecy, or
- was obtained by a third party entitled to do so, or
- was developed by him without using the other Party's confidential documents or information.

If a separate non-disclosure agreement (NDA) had been concluded between the two parties, this should be regarded as a priority.

### **17. Agreement Term**

Unless Eurotronics and the Supplier have a special agreement that governs the quality terms and conditions of purchase, this document will be leading.

### **18. Law**

The Contract shall in all respects be governed and construed in accordance with Belgium Law. The place of jurisdiction for any possible dispute is exclusively reserved for the competent courts of Eurotronics' registered statutory seat.