



Purchasing Terms & Conditions

As a supplier to Valcorp Enterprises, it is understood when accepting a Valcorp Enterprises Purchase Order, the Supplier's organization agrees to:

1. Implement and adhere to a quality management system, "QMS" (e.g., AS9100, ISO9001, IATF16949, etc.),
2. Use of customer-designated or approved external providers, including process sources (e.g.: Special processes)
3. Notify Valcorp Enterprises of nonconforming processes, products, or services and obtain Valcorp Enterprises approval for nonconforming product disposition:
 - 3.1. Supplier agrees to receive returned products/services for review and disposition if found nonconforming to stated requirements. Pending returns will result in a HOLD on payment of invoices until resolution is determined and processed.
 - 3.1.1. Payment for any goods under this purchase order shall not constitute acceptance thereof and Buyer reserves the right to inspect all goods purchased hereunder at Buyer's discretion and at Buyer's option and to reject nonconforming goods or services or revoke acceptance of non-conforming goods or services. At Buyer's option and at the Seller's risk and expense, the Buyer may return nonconforming goods to the Seller, require the Seller to grant a full refund or credit to the Buyer for nonconforming goods, hold nonconforming goods for disposition by the Seller or rework nonconforming goods to detect and correct non-conformities. In the event of multiple nonconforming goods or services, Seller shall, within twenty (20) days from notice thereof by Buyer, submit a written corrective action report to Buyer.
 - 3.1.2. Such report shall identify the root cause of the nonconformance, the identity of affected goods and services, and a corrective action plan, for the Buyer's review and approval. Buyer shall not be liable for failure to accept any part of the goods or services purchased hereunder if such failure is the result of any cause beyond the control of Buyer including without limitation, fires, floods, acts of God, strikes, differences with employees, casualties, delays in transportation, inability to obtain necessary materials, utility

services for machinery, or total or partial shutdown of Buyer's facilities for any cause. Acceptance of any part of the goods ordered hereunder shall not bind Buyer to accept future shipments or waive its right to revoke acceptance of goods previously delivered.

4. Ensure that the product, when applicable, has at least 75% remaining shelf-life.
5. Supplier shall submit a separate invoice for each shipment and shall send the original invoice and bill of lading to the issuer's address noted on the purchase order. The invoice and all supporting documents must reference the Valcorp Enterprises, LLC purchase order number.
6. Notify Valcorp Enterprises of changes in product and/or process, changes of suppliers, changes of manufacturing facility location, and, where required, obtain Valcorp Enterprises' approval.
7. Flow down to the supply chain the applicable requirements including customer requirements.
8. Upon receipt of a Purchase Order, Seller shall return the PO signed or email Valcorp Buyer of Record as a confirmation within 48 hours of written confirmation of such receipt and shall confirm the delivery date for such Products.
9. Performance of suppliers is monitored using specific metrics data that includes but is not limited to:
 - 9.1. Quality performance of parts and services and On-time delivery performance.
 - 9.2. If Valcorp's annual supplier evaluation identifies a supplier with an on-time delivery rate of less than 50% and rejections exceeding 50% of their work orders with an overall rating of less than 60%, deemed Unacceptable. A corrective action request can be issued for supplier response.
 - 9.3. If delivery cannot be met, the appropriate Valcorp Buyer of Record must be notified in advance. For any PO not completed by the supplier within (14) days of the agreed delivery date, Valcorp reserves the right to claim indemnification for any damages caused as a result of the Supplier's delivery delays. The foregoing is in addition to any other rights or recourse that Valcorp may have against the Supplier.
10. Provide a right of access by Valcorp Enterprises, their customer, and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

11. Apply the appropriate controls to their direct and sub-tier external providers and if requested provide evidence of these applied controls.
12. Have a defined counterfeit product control process and apply appropriate controls to prevent the entry of counterfeit products into the supply chain in accordance with AS9100/AS9110/AS9120 clause 8.1.4 (Prevention of Counterfeit Parts).
13. Ensure that all employees are aware of their contributions in terms of product or service conformity, product safety, and ethical behavior.
14. Provide SDS sheets on all hazardous materials.
15. Provide test specimens for design approval, inspection/verification investigation, or auditing as required.
16. Retain documented information/records for a minimum of 7 years unless specified otherwise by contract requirements,
17. Ensure all Inspection Measurement, and Test Equipment is calibrated against measurement standards traceable to international or national measurement standards.
18. Provide a Certificate of Conformance (CoC) and/or Material Test Reports are required with each shipment.
19. Provide adequate product packaging that will protect it during all phases of transportation and shipment.
20. All materials must meet the requirements of the Federal Acquisition Regulations unless noted on the PO.