

# Purchasing Terms & Conditions



The terms and conditions detailed here form part of all Merlin Circuit Ltd purchase orders and service orders. Acceptance of a purchase/service order implies acceptance of these terms and conditions.

## 1.0 Definitions

"Contract" shall mean any contract resulting from this order.  
"Order" shall mean this purchase order.  
"Buyer" shall mean Merlin Circuit Ltd.  
"Seller" and/or "Supplier" shall mean the person on whom this order is placed.  
"Goods" shall mean the supplies to be delivered under the contract and shall be deemed to include any service(s).

## 2.0 Acceptance

This purchase order constitutes buyer's offer to seller, and is a binding contract on the terms and conditions set forth herein when it is accepted by seller either by the acknowledgement or the commencement of performance hereunder. No condition stated by the seller in accepting or acknowledging this order shall be binding upon buyer if in conflict with, inconsistent with, or in addition to the terms and conditions contained herein unless accepted by buyers written approval.

## 3.0 Revisions

No revision of this order or any of the terms and conditions hereof shall be valid unless in writing and signed by an authorised representative of buyer's purchasing department.

## 4.0 Delivery

Delivery shall be strictly in accordance with the delivery schedule set out in this order. Notwithstanding this provision, the seller shall not be liable for delays or defaults due to causes beyond their control and without their fault or negligence, provided however, that if the seller has reason to believe that deliveries will not be made as required, due to such cases, written notice setting forth the cause of any anticipated delays shall be given immediately to buyer.

The supplier shall complete and deliver the goods at the time or times specified in the order and in this respect, time shall be of the essence.

The buyer may at any time or times by notice in writing to the seller postpone the date(s) of delivery of any goods without thereby incurring any liability and the seller shall deliver such goods on the revised date(s) so notified and shall not make any claim for adjustment in price or otherwise in respect of any such postponement unless otherwise agreed in writing by the buyer.

## 5.0 Deliveries Made

If the supplier delivers quantities in excess of the quantity due the purchaser shall have the right to accept or reject the quantity in excess of that due. The buyer shall not be obliged to accept delivery of any goods prior to the delivery date and if the seller shall do so, the buyer shall be entitled to charge storage to the supplier and the date for payment shall be calculated according to the due delivery date.

## 6.0 Termination

Failure to comply with the specification, terms and conditions of this order, or to deliver material in accordance with sellers' promise shall be grounds for cancellation without penalty to buyer.

## 7.0 Acceptance and Rejection

All articles will be subject to final inspection and acceptance by buyer within a reasonable time after receipt at the designated destination, irrespective of prior payment. Buyer may reject any article which contains defective material or workmanship or does not conform to specifications, samples or warranties. Any article so rejected may be returned to seller at seller's risk and expense, and at full invoice price plus applicable transportation charges both ways. No defective article or material shall be replaced unless requested by buyer.

## 8.0 Certificate of Conformance

The certificate of conformance is a quality record that shall include the Merlin Circuit Ltd part number, purchase order number, quantity shipped, date shipped, manufacturer's part number, and details of certified quality system as stated within the order. It should be signed to indicate compliance with the requirements of this document. These are to be submitted for all parts delivered to Merlin Circuit Ltd.

## 9.0 First Article Inspection

Merlin Circuit Ltd requires all first deliveries of parts to include a full first article inspection report be filled out by the manufacturer. The sample, on which the FAI was performed shall be clearly marked, both on the sample and the FAI report. Where the drawing has been updated and there is a change in the form, fit or function of the part, then an FAI must be submitted for the change/update only.

The FAI should confirm that all processes, materials and dimensions are met. In the case of raw material or process i.e. paint, chromate, proof of acceptability shall be made available either through records or attached certificates. Drawing notes should be referenced and their acceptance confirmed.

Any discrepancies detected by the manufacturer during the FAI shall be notified to Merlin Circuit Ltd and a deviation should be sought in advance of any parts being shipped to Merlin Circuit Ltd. Under no circumstances shall a nonconforming part be sent to Merlin Circuit Ltd without Merlin Circuit Ltd approved deviation. Failure to comply with the above requirements will result in Merlin Circuit Ltd rejecting the product.

## 10.0 Record Retention

In addition to contractual requirements the supplier shall retain verifiable objective evidence of inspection and tests performed. Quality records shall be made available for evaluation for a contractually agreed upon period. Unless otherwise specified, this period shall be a minimum of 30 Years.

## 11.0 Notification of Non-Conforming Product and Process Change

The supplier must notify the Buyer of any changes in product and/or processes within 24 hours and MUST inform the buyer in writing. If there is any doubt regarding what constitutes a process or product change, obtain guidance from the Buyer. Product not conforming to the purchased specification shall not be delivered unless the seller is in possession of an approved concession/permit signed by the buyer. Reference shall be made to the concession/permit on any certification accompanying the goods.

## 12.0 Right of Access by Merlin Circuit Ltd, Their Customers and Regulatory Authorities

In accordance with contractual agreements, right of access by Merlin Circuit Ltd, their customers, and regulatory authorities shall be afforded to all facilities involved in the order and to all applicable records.

## 13.0 Key Characteristics

Where Identified within the specification, drawing and/or purchase order the supplier shall flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required.

## 14.0 Obsolescence

For any parts, components or material that become obsolete, or are declared obsolete by the supplier, the supplier must inform Merlin Circuit Ltd in writing, 6 months prior to the discontinuation. Where possible, the supplier must offer the opportunity for a 'Last Time Buy'.

## 15.0 Material Specifications

Unless specified on the purchase order, all materials designated as shown below must satisfy the requirements of the specification shown, at the latest revision level.

Rigid PCB's	IPC-6012
Flexible and flex-rigid PCB's	IPC-6013
Rigid PCB laminates and prepregs	IPC-4101
PCB laminates	IPC-4202/4203/4204/4562A
Soldermask Inks	IPC-SM-840D
Legend/ident marking inks	IPC-4781

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## 16.0 Service Specifications

Unless specified on the purchase order, all services provided must satisfy the requirements of the relevant IPC specification at the latest revision level. In addition, all materials consumed must satisfy the requirements as listed under the Material Specifications section above.

## 17.0 Anti-Counterfeit Policy

Merlin Circuit Ltd recognises that the counterfeiting of electronic components is a serious global problem which affects companies worldwide. All products and components **MUST** be supplied with the original manufacturers Certificate of Conformance, unless agreed in writing by a Director of Merlin Circuit. Merlin Circuit Anti-Counterfeit Policy is available upon request.

## 18.0 Anti-Bribery Policy

Merlin Circuit Ltd is committed to conduct all of its business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our dealings wherever we operate. We are also committed to implementing and enforcing effective systems to counter bribery. Merlin circuit requires all of its suppliers and service providers to conduct their business in the same way. Merlin Circuit Anti-Counterfeit Policy is available upon request.

## 19.0 Awareness

It is required that the supplier is aware of their contribution to product service conformity, product safety, and the importance of their ethical behaviour and as such must meet the quality & delivery requirements of Merlin Circuit Technology Ltd.

## 20.0 Purchase Orders placed in support of a U.S. Government (DFAR/FAR)

For Purchase Orders placed in support of a U.S. Government ("Government") Prime Contract or subcontract, the clauses listed in the Federal Acquisition Regulation (FAR) or the Defence Federal Acquisition Regulation Supplement (DFARS) as of the date of the prime contract or higher-tier subcontract are incorporated into this agreement. These clauses apply unless specifically made inapplicable by a corresponding note.

In all the clauses mentioned here, the terms will be revised to appropriately identify the parties involved and establish the Seller's obligations to both the Buyer and the Government. This is necessary for the Buyer to fulfil its obligations under the prime contract. For clarity, unless stated otherwise below, the term "Government" and similar phrases will refer to the "Buyer," the term "Contracting Officer" will refer to the "Buyer's Purchasing Representative," the term "Contractor" or "Offeror" will refer to the "Seller," and "Subcontractor" will refer to the "Seller's Subcontractor" under this Purchase Order. The term "Contract" will mean this "Purchase Order."

It is important to note that the terms "Government" and "Contracting Officer" will not change when a right, action, authorisation, or obligation can only be granted or performed by the Government or the prime contract Contracting Officer or their authorised representative. Additionally, when property title is to be transferred directly to the Government, the terms "Government" and "Contracting Officer" remain unchanged.

If any of the FAR or DFARS clauses listed here do not apply to this Purchase Order, those clauses will be considered self-deleting.

52.204-25	Prohibition on Contracting for Certain Telecommunications and Video Surveillance Services or Equipment
52.204-23	Prohibition on Contracting for Hardware, Software, and Services Developed or Provided by Kaspersky Lab and Other Covered Entities (Jul 2018)
252.246-7008	Sources of Electronic Parts
252.246-7007	Contractor Counterfeit Electronic Parts Detection and Avoidance System
252.246-7003	Notification of Potential Safety Issues
252.225-7009	Restriction on Acquisition of Certain Articles Containing Specialty Metals
252.225-7007	Prohibition on Acquisition of United States Munitions List Items From Communist Chinese Military Companies
252.211-7003	Item Identification and Valuation
252.204-7018	Prohibition on the Acquisition of Covered Defence Telecommunications Equipment or Services

All FAR and DFARS terms and conditions required by the federal government will flow down to a lower-tier subcontractor who is in a contractual relationship with Buyer acting as the prime contractor.

## 21.0 FOD (Foreign Object Debris) Requirement

1. FOD Prevention: Parties involved are required to implement measures and procedures to prevent FOD incidents. This can involve regular inspections, training programs, proper tool control, and maintaining clean workspaces.
2. Reporting: Individuals who encounter or discover any FOD are obligated to report it immediately to the relevant authorities or personnel responsible for FOD prevention.
3. Compliance: The parties agree to comply with applicable regulations, industry standards, or guidelines related to FOD prevention, such as those issued by aviation regulatory bodies like the Federal Aviation Administration (FAA) or International Aerospace Quality Group (IAQG).
4. Liability: The terms and conditions may specify the liability of the parties in case of FOD incidents. This can include financial responsibility for damages caused by FOD or any related expenses, such as aircraft repairs or investigations.