

# Purchasing Terms & Conditions

The terms and conditions detailed here form part of all Merlin Flex 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 Flex 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, 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, at full invoice price plus all 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 Flex 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 Flex Ltd.

**9.0 First Article Inspection**

Merlin Flex 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 Flex Ltd and a deviation should be sought in advance of any parts being shipped to Merlin Flex Ltd. Under no circumstances shall a nonconforming part be sent to Merlin Flex Ltd without Merlin Flex Ltd approved deviation. Failure to comply with the above will result in Merlin Flex 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 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 Flex Ltd, Their Customers and Regulatory Authorities**

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

**13.0 Special 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 of the processes, products or services to be provided including key and/or special 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 Flex 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 preregs	IPC-4101	Flexible PCB laminates	IPC-4202/4203/4204
Solder mask Inks	IPC-SM-840	Legend/ident marking inks	IPC-4781
Electronic components	RoHS compliant UOS		

## 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 Awareness

It is required that all suppliers to Merlin Flex are aware that they contribute to product service conformity, product safety and the importance of ethical behaviour and as such meet the expected quality and delivery requirements.

## 18.0 GQA Contractual Awareness

All requirements of this contract may be subject to GQA. You will be notified of any GQA activity to be performed.

## Company Policies

Merlin Flex requires its whole supply chain to read, accept and adhere to the following policies which are available on our website or upon direct request. Merlin Flex requires all of its suppliers and service providers to conduct their business in the same way in relation to each of the policies listed.

### Anti-Bribery Policy

Merlin Flex 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 ethically, 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.

### Anti-Counterfeit Policy

Merlin Flex Ltd recognises that the counterfeiting of electronic components is a serious global problem which affects companies worldwide. To continue to provide quality products and to protect our customers, Merlin Flex have implemented a comprehensive procedure & system for all component and material purchases and expects its whole supply chain to have similar systems. All products and components **MUST** be supplied with the original manufacturers Certificate of Conformance, unless agreed in writing by a Director of Merlin Flex.

### Anti-Slavery & Human Trafficking Policy

Merlin Flex strictly prohibits the use of modern slavery and human trafficking in our operations and supply chain. We have, and will continue to be committed to implementing systems and controls aimed at ensuring that modern slavery is not taking place anywhere within our organisation or in any of our supply chains. We expect that our suppliers will hold their suppliers to the same high standards.

### Collaborative Working Policy

Merlin Flex Ltd is committed to identifying, encouraging, and creating collaborative working relationships within its full supply chain to achieve any potential benefits to all stakeholders.

### Conflict Minerals Policy

Merlin Flex Ltd is committed to and complying with the Regulation (EU) 2017/821 of the European Parliament and of the Council, and The Dodd-Frank Wall Street Reform and Consumer Protection Act., Section 1502 (Jointly "Conflict Minerals") and requires all of its suppliers and stakeholders to comply with the same act.

### Corporate Social Responsibility

Merlin Flex Ltd is committed to conducting business in a socially responsible and ethical manner, protecting the environment and the safety of people, supporting human rights, and engaging, learning from, respecting and supporting the communities and cultures with which we work. It asks all of its suppliers to agree and follow its Corporate Social Responsibility policy, available on our website.

### Cyber Security & Data Transfer

Any data and/or information provide by Merlin Flex is strictly confidential and must not be passed on to a 3<sup>rd</sup> part without written permission from a Merlin Flex company director. All suppliers must comply with Merlin Flex's Cyber Security systems and procedures.

### Environmental Policy

Merlin Flex Ltd is committed to continuous improvement in environmental management

**Equality, Diversity & Inclusion Policy**

Merlin Flex is committed to encouraging equality, diversity and inclusion within the business and to eliminating unlawful discrimination.

### Ethics Policy

This policy has been created to provide a framework and guidance on the company's approach to achieving and maintaining good business behaviour by means of sound ethical conduct. It serves to ensure that all employees are aware of their individual and collective responsibilities with regards to the company's ethics, and to emphasise our employees' and customers' expectations to be treated fairly and in accordance with good business practises.

### Export Compliance

Merlin Flex Ltd requires the Supplier to warrant that all export classification information provided by the Supplier to the buyer in respect of the Goods and Services are complete, true and accurate and that performance of the Supplier's obligations under this Contract and the use of the Goods or Services by the buyer or its customers will not contravene any applicable import or export control regulations.

### Quality Policy

It is the policy of Merlin Flex Ltd to meet customer requirements and enhance their satisfaction with our products and overall service by operating all of our processes under controlled conditions.

