



OPTICAL FILTER SOURCE, LLC

TERMS & CONDITIONS PURCHASING

Optical Filter Source, LLC
16920 Joe Barbee Dr., Bldg. 2
Round Rock, TX 78664
(512)248-0605 (P)
www.opticalfiltersource.com
ISO 9001:2015 Registered
ITAR Registered
Member SPIE



Introduction

We are delighted to have you as part of our valued business relationship! At Optical Filter Source, LLC, we believe that clear and fair purchasing terms are the cornerstone of a successful partnership. These Purchasing Terms & Conditions are designed with your best interests in mind, as well as ours.

As we embark on this journey together, it's essential that we establish a common understanding of how our transactions will be conducted. These terms serve as a roadmap, ensuring that both parties benefit from a transparent, efficient, and harmonious partnership.

By setting out these guidelines, we aim to:

- **Ensure Fairness:** Our Purchasing Terms & Conditions promote fairness, equity, and ethical conduct in all our dealings. They create a level playing field where both parties can thrive.
- **Minimize Misunderstandings:** Clear and comprehensive terms help prevent misunderstandings and disputes. We want every interaction to be smooth and straightforward.
- **Protect Your Interests:** These terms aren't just about us – they're about safeguarding your interests as well. You can rest assured that your rights and concerns are addressed here.
- **Foster Trust:** Trust is the bedrock of any successful partnership. By adhering to these terms, we demonstrate our commitment to integrity and reliability.

We encourage you to take the time to familiarize yourself with our Purchasing Terms & Conditions. They are a valuable resource that will guide our collaboration and ensure that it's mutually beneficial.

Thank you for choosing to partner with us. We look forward to a prosperous and fulfilling journey together. Should you have any questions or require further clarification, please don't hesitate to reach out. Our doors are always open.

Let's embark on this journey together and build a lasting, rewarding partnership!

Warm regards,

OPTICAL FILTER SOURCE, LLC.

OFS Purchasing Terms & Conditions

Definitions

1. "Company" refers to Optical Filter Source, LLC, hereinafter referred to as OFS or the Company.
2. "Supplier" refers to the party from whom OFS is purchasing goods or services.
3. "Goods" refer to the PVD thin film coatings, optical components, and related products or materials being purchased.
4. "Services" refer to any services related to coating, fabrication, or production of optical components.
5. "CFM" refers to customer-furnished optics and windows.
6. "Turnkey" refers to complete solutions provided by the supplier, encompassing both products and services.
7. "Build to print" refers to the supplier's capability to manufacture goods according to specific customer-provided specifications.

General. Acceptance

Unless stated otherwise, all purchasing transactions are explicitly subject to these Terms and Conditions. Modifications or additions will be considered valid only if accepted in writing by an officer of OFS or an officially designated representative.

1. These Purchasing Terms and Conditions govern the relationship between OFS and the Supplier.
2. By accepting a purchase order from OFS, the supplier agrees to these terms and conditions.
3. Any additional terms or conditions proposed by the Supplier shall not be binding unless OFS agrees to them in writing.

Orders & Specifications

1. Purchase orders issued by OFS are binding and cannot be modified or canceled without OFS's written consent.
2. The Supplier shall acknowledge the receipt of each purchase order within a reasonable time frame.
3. The Goods and Services shall conform to the specifications, drawings, samples, or other descriptions provided by OFS or as agreed upon in writing.
4. The Supplier shall promptly inform OFS if any changes in specifications or requirements are necessary and obtain written approval from OFS before implementing such changes.

Delivery. Packing & Shipment

1. The supplier shall deliver the goods and perform the services in accordance with the delivery schedule specified in the purchase order.
2. Any delays or anticipated delays in delivery must be immediately communicated to OFS, along with the proposed resolution.
3. OFS reserves the right to reject any late deliveries or deliveries that do not meet the specified requirements.
4. The risk of loss or damage to the goods shall remain with the supplier until the goods are delivered and accepted by OFS.
5. Package all goods in suitable containers to permit safe transportation and handling, insure against damage from weather or transportation, and secure the competitive market transportation costs. Such containers must be appropriately labeled and contain packing sheets listing each item and its associated order line-item number.

Inspection & Acceptance

This outlines the process for inspecting the goods upon delivery and accepting or rejecting them.

1. OFS shall have a reasonable period to inspect the goods and services upon receipt.
2. OFS may reject any goods or services that do not conform to the specifications or requirements, and the supplier shall promptly replace or rectify such non-conforming items at its own expense.
3. If the supplier fails to replace or rectify non-conforming goods or services within a reasonable time, OFS may, at its option, return such goods at the supplier's expense or seek alternative remedies.
4. Optical components and PVD thin film coatings are subject to the quality provisions included in the Quality Addendum of this Terms and Conditions document..

Pricing & Payment

1. The prices for goods and services shall be as stated in the purchase order and shall remain firm throughout the duration of the agreement unless otherwise agreed in writing by OFS.
2. The supplier shall submit accurate and detailed invoices to OFS Accounting within seven business days of shipping. Failure to send invoices within seven days could result in a delay of payment by the due date of the invoice.
3. Payment is due within 30 days from the service date, product receipt by OFS, or invoice issuance, whichever is later, unless otherwise agreed upon in writing.
4. OFS reserves the right to withhold payment for defective or non-conforming goods or services until the supplier rectifies the issue.

Taxes

OFS is responsible for all taxes associated with the purchase of goods.

Intellectual Property

1. The supplier acknowledges that any intellectual property rights associated with the goods or services shall remain the property of OFS unless otherwise agreed upon in writing.
2. The supplier shall not use or disclose any confidential information or proprietary data provided by OFS, except as required for the performance of the agreement or as instructed by law. Confidential information includes, but is not limited to, technical specifications, designs, processes, or any other information shared by OFS as part of the business transaction.
3. The supplier shall indemnify and hold OFS harmless from any claims, damages, or liabilities arising from the infringement of intellectual property rights associated with the goods or services provided by the supplier.

Warranty & Liability

This specifies any warranties that OFS provides for the goods.

1. The supplier represents and warrants that all goods and services provided shall be free from defects in materials or workmanship and shall conform to specifications.
 1. The supplier shall provide a warranty period for the goods and services, which shall be specified in the purchase order or agreed upon separately in writing.
 2. In the event of a breach of warranty, OFS may, at its option, require the supplier to repair, replace, or refund the cost of the non-conforming goods or services.
 3. The supplier shall be liable for any damages, losses, or expenses incurred by OFS due to the supplier's negligence, breach of contract, or non-compliance with applicable laws or regulations.
 4. In no event shall OFS be liable for any indirect, special, incidental, or consequential damages arising out of or related to this agreement or the goods sold hereunder (including, without limitation, loss of use, loss of profits, and loss of data), whether in an action in contract, tort (including, without limitation, negligence), strict liability, or otherwise, even if Optical Filter Source, LLC has been advised of the possibility of such damages.

Risk of Loss. Destruction of Goods

Supplier assumes all risk of loss with respect to goods covered by this order until receipt of goods by OFS at the designated destination. If the goods covered by this order are destroyed before OFS receives them, OFS can cancel the order without any additional liability.

Supplier Changes

Supplier shall not make any changes in the specifications, physical composition of, or processes used to manufacture the goods hereunder without OFS's prior written consent.

Force Majeure Clause

1. In the event that the vendor becomes unable to fulfill an order due to circumstances beyond its control, including but not limited to labor disputes, acts of God, pandemics, and other unforeseen events, the vendor shall promptly notify the company in advance of such circumstances. The company acknowledges that under such circumstances, the vendor will not be held liable for any losses incurred by the vendor, and the company shall not have any obligation to reimburse the vendor for any losses, costs, or damages resulting from the aforementioned events.
2. The supplier shall promptly notify OFS of the force majeure event and make reasonable efforts to mitigate the impact and resume performance of its obligations.

Termination

1. Either party may terminate the agreement upon providing written notice to the other party in the event of a material breach of these terms and conditions.
2. OFS may terminate the agreement for convenience by providing reasonable notice to the Supplier, in which case OFS shall pay for the goods and services delivered and accepted up to the date of termination.
3. Termination shall not affect any rights or obligations accrued prior to the termination.

Governing Law & Dispute Resolution

1. These terms and conditions shall be governed by and construed in accordance with the laws of Texas, United States.
2. Any disputes arising out of or in connection with these terms and conditions shall be resolved amicably through good-faith negotiations between the parties.
3. If the parties fail to reach a mutually satisfactory resolution, the dispute shall be submitted to binding arbitration.
4. The language of arbitration shall be English, and the arbitral award shall be final and binding on both parties.

Entire Agreement

These Terms and Conditions, together with any mutually agreed-upon amendments or attachments, constitute the entire agreement between OFS and the supplier and supersede any prior understandings or agreements, whether written or oral. ■

Purchasing T&C - Quality Addendum

Subject

This Quality Addendum outlines quality expectations for optical components and PVD thin film coatings. Both parties commit to meeting the highest quality standards and complying with laws.

Purpose

This Quality Addendum document defines the quality standards, responsibilities, and requirements for outsourced PVD thin-film coating services and optical components.

Scope

This Quality Addendum covers all aspects of provided products/services, including manufacturing, testing, and inspection.

Definitions

1. "Deviation" refers to a departure from established quality standards.
2. "Functional Requirements" refers to those requirements that influence performance or functionality of a product.
3. "Non-Conformity" refers to a state where a product or service does not meet established requirements.
4. "Non-Functional Requirements" refer to requirements related to product quality that do not impact the functionality of the product.
5. "Quality Record" refers to documentation that serves as evidence of compliance with specified requirements.
6. "Quality" refers to the extent of conformance to established requirements.

Quality Requirements

Quality Management System

Our expectation is that vendors maintain a Quality Management System aligned with ISO 9001 standards. In the absence of such a system, routine audits may be performed to ensure compliance with the specified norms.

Personnel Qualification and Training

We require that all personnel involved possess the necessary qualifications and undergo essential training. Thorough records of qualifications and training must be maintained for references.

Documented Procedures and Work Instructions

The implementation of current documented procedures and work instructions is crucial for maintaining consistent operations.

Approved Raw Materials and Components

Strict adherence to the use of specified materials and components is mandatory. Additionally, compliance with conflict mineral reporting is expected.

Equipment Calibration and Maintenance

Regular calibration and meticulous equipment maintenance, as outlined in established procedures, are mandatory for sustaining accuracy and dependability.

Inspections and Tests

Thorough inspections and tests are essential for ensuring compliance with stated requirements and maintaining high quality.

Critical Quality Attributes (CQAs) For Coated Articles

The supplier must meet the CQAs specified in OFS purchase orders and drawings, encompassing both functional and non-functional requirements, including:

- Functional requirements:
 - Film Thickness
 - Adhesion Strength
 - Optical Transmittance or Reflectance
 - Coating Uniformity
 - Absorption (If specified)
 - Hardness and Scratch Resistance (if specified)
 - Environmental Stability (if specified)
- Non-functional requirements are specified in relevant purchase orders or drawings.

Critical quality attributes will be assessed using industry-accepted methods, adhering to acceptance criteria outlined in customer documentation. The supplier will conduct measurements and inspections with each production lot to ensure compliance with all quality attributes.

In the event of non-conformance regarding critical quality attributes, the supplier will promptly report it to OFS. Both parties will collaborate on investigations and implement corrective actions to prevent recurrence.

Critical Quality Attributes (CQAs) For Fabricated Items

The supplier must adhere to the Contracting Company's specified critical quality attributes, as detailed in relevant purchase orders and drawings. These attributes encompass both functional and non-functional requirements, including:

- Material conformance (melt certificate or C of C as specified)
- Product dimensions and tolerance
- Surface figure (Irr. Pwr.)
- Surface roughness
- Scratch / Dig
- Edge chips / edge bevel
- Striae and bubbles (material irregularities)

Quality Records Retention

As a standard practice, maintain a record of quality-related information for a duration of three years,

The supplier will retain records related to production and quality attributes for 3 years unless otherwise instructed. OFS reserves the right to audit production documentation, the supplier's facility, and quality management system for compliance unless specific alternate directives are provided.

Right of Access for Audits and Inspections

The supplier will provide the necessary access for scheduled audits and inspections to ensure the continued compliance with quality standards.



Responsibilities

Supplier Responsibilities

The supplier is responsible for meticulously overseeing all quality-related processes and promptly reporting any deviations or changes within two business days.

Contracting Company Responsibilities

The supplier is tasked with verifying adherence to quality standards, providing necessary technical support, and facilitating access to records and facilities to ensure smooth collaboration. ■