



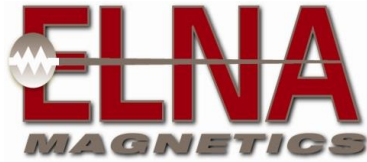
Elna Magnetics

Supplier Terms & Conditions Agreement:

General: As a supplier to Elna Magnetics, it is understood that when accepting our purchase orders, your organization agrees to meet the following stipulations / AS9100 requirements. (Please note that these supplier terms and conditions can be found on our website at www.elnamagnetics.com)

These requirements are, therefore, to be considered as terms and conditions to all purchases:

1. Where required on the Elna Magnetic's Purchase Orders, its suppliers must use Elna Magnetic's customer-approved special process sources.
2. Elna Magnetics Purchase Orders may include reference to applicable catalog part numbers and material requirements and may include reference to applicable drawings, inspection instructions, relevant technical data and quality system standards including current revision status where applicable.
3. Elna Magnetics is to be contacted (by the supplier) in the event of nonconforming product/material. Arrangements for the approval of supplier nonconforming product/material must be as directed by the Elna Magnetics Managing Partner in charge of Purchasing
4. Furthermore, the supplier is required to notify Elna Magnetics of any changes to a product (including obsolescence), process, suppliers, and manufacturing facility location and to obtain approval from Elna Magnetics Managing Partner in charge of Purchasing when applicable.
5. Elna Magnetics retains the right of access, by our customer and regulatory authorities to all facilities involved in the order and all applicable records.
6. The AS9100 standard requires that all applicable customer/regulatory/AS9100 requirements for the supplier to flow-down to sub-tier suppliers (includes requirements in the purchasing documents and key characteristics where required). However, Elna Magnetics does not allow its suppliers to subcontract any product or process to a sub-tier supplier without Elna Magnetics expressed written consent. (Since no ferrite manufacturer that Elna deals with manufactures their own accessories it is understood that these are manufactured by various third parties as contractors working for many of Elna's suppliers.)
7. Elna Magnetics performs inspection activities to ensure that purchased product meets purchase requirements. They may include:
 - a. Receiving inspections (of supplier products / services / documents) may be / are performed by designated employees. Elna Magnetics verifies the authenticity of the appropriate certificate of conformity, material certificates, etc. and other accompanying documentation by review and comparison (as is appropriate) to the drawing and/or industry specifications or by other means. When necessary, Elna Magnetics may inspect or perform an audit at the supplier's facility.
 - b. Furthermore, products are inspected to ensure they meet requirements (dimensions, etc.) and the results are recorded (as appropriate). All special processes (anodizing, heat treat, coating, etc.) where the compliance cannot be verified by inspections will require a Certificate of Conformity. Elna may elect to identify certain products as dock-to-stock which do not require incoming inspection.
8. When required, Elna Magnetics will communicate requirements for product approval, processes, equipment and personnel. Elna Magnetics Quality personnel are approved to carry out such inspections.
9. When Elna Magnetics intends to perform verification at the supplier's premises; Elna Magnetics will first state the intended verification arrangements and the method of product release. This information will be communicated on the Elna Magnetics Purchase Order or via another acceptable purchasing arrangement.



Elna Magnetics

Supplier Terms & Conditions Agreement:

10. Where specified in Elna's Customer Purchase Order, Elna Magnetics' customer or customer's representative will be afforded the right to verify at Elna Magnetics that subcontracted product conforms to specified requirements (Source Inspection). Verification by the customer is not used by Elna Magnetics as evidence of effective control of quality by the supplier and shall not absolve Elna Magnetics or its supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the customer.
11. To prevent the purchase of counterfeit or suspect/unapproved products and to ensure product identification and traceability (and for other reasons), Elna Magnetics will institute controls that include the requirement of Material Certificates, Certificates of Conformity, and/or other supporting documentation from its suppliers as is appropriate. These requirements may be specified on Elna Magnetics Purchase Orders or may otherwise be communicated to the supplier.
12. Quality records are available for review by Elna Magnetics, our customers and regulatory authorities for a minimum of 10 years.
13. Elna Magnetics expects 100% on time delivery. If the agreed upon delivery cannot be met, the appropriate Elna Magnetics Purchasing agent must be notified in advance. If Elna Magnetics supplier evaluation identifies a supplier with an on time delivery rate less than Elna's expected and established on-time delivery rate a corrective action may be issued.
14. Elna Magnetics requires that products provided by its Approved Suppliers be correct and free of defects per the supplied Purchase Order. Corrective actions, due to non-conforming material, will be requested on an order by order basis.
15. Elna Magnetics may demand on its Purchase Order a requirement for the Supplier to submit a sample piece for design approval, inspection/verification, investigation or auditing.
16. Elna Magnetics may require custom design characteristics per customer request. The following must be taken into consideration:
 - Design and Development Control
 - Special Requirements, critical items, or key characteristics
 - Test, inspection and verification (including process verification)
17. Elna Magnetics may also require specific actions where timely and/or effective corrective actions to a supplier issue(s) are not achieved. These actions may include but are not limited to any or all of the following: withholding payment until the issue is resolved, removal of the supplier from Elna Magnetics Approved Supplier List, and/or legal action.
18. Elna Magnetics' suppliers will maintain a quality management system sufficient to provide Elna Magnetics with defect free products.
19. Elna Magnetics may specify on its Purchase Order or other acceptable media, requirements for test, examination, inspection, verification, use of statistical techniques, for product acceptance and related instructions for acceptance and as applicable, critical items including key characteristics.
20. Elna Magnetics requires that persons are aware of: Their contribution to product or service conformity, their contribution to product safety and the importance of ethical behavior.
21. Suppliers must maintain the highest standards of ethics and integrity and comply with laws, regulations and its contractual obligations with Elna Magnetics.