



TERMS OF PURCHASE OF GOODS AND SERVICES

THESE STANDARD TERMS AND CONDITIONS OF PURCHASE ARE PART OF EVERY PURCHASE ORDER FOR THE PURCHASE OF GOODS BETWEEN ATRON AND SUPPLIER AND IS MADE AND GIVEN ON THE EXPRESS UNDERSTANDING THAT THE FOLLOWING TERMS AND CONDITIONS APPLY TO THE PURCHASE OF SUPPLIER'S GOODS. ATRON'S REQUEST FOR PRICING, REQUEST FOR PROPOSAL, PURCHASE ORDER FOR ANY ORDER ARE EXPRESSLY MADE CONDITIONAL UPON SUPPLIER'S ACCEPTANCE OF ALL TERMS AND CONDITIONS CONTAINED HEREIN. ATRON OBJECTS TO ANY ADDITIONAL OR DIFFERENT TERMS AND CONDITIONS, WHETHER CONTAINED IN SUPPLIER'S FORMS OR OTHERWISE. ATRON WILL NOT BE DEEMED TO HAVE WAIVED THESE TERMS AND CONDITIONS OF PURCHASE IF IT FAILS TO OBJECT TO ANY PROVISION CONTAINED IN SUPPLIER'S FORMS OR OTHERWISE. SUPPLIER'S SILENCE OR ITS ACCEPTANCE OF ATRON'S ORDER FOR GOODS CONSTITUTES ITS ACCEPTANCE OF THESE TERMS AND CONDITIONS. NO CHANGE TO THE TERMS AND CONDITIONS SET FORTH BELOW SHALL BE EFFECTIVE UNLESS SET FORTH IN A SEPARATE WRITTEN AGREEMENT THAT IS SIGNED BY THE PRESIDENT OR CEO OF ATRON.

1. DEFINITIONS

1.1 For the purpose of any Order to which these terms and conditions ("Terms") apply, the following words and expressions shall mean:

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| “Acceptance Date” | the date by which the Deliverables are to be available for Acceptance Testing, either as specified on the front of the Order or, if not specified, within a reasonable period following Delivery of the Deliverables; |
| “Acceptance Testing” | the procedure (whether formal or informal) that Purchaser, in Purchaser’s sole discretion, uses to determine by inspection, testing, or otherwise whether the Deliverables comply with the Order.; |
| “Affiliate” | any entity that controls, is controlled by, or is under common control with a party; |
| “Delivered” and/or “Delivery” | unless otherwise specified on the front of the Order, that Goods shall be delivered F.O.B. to the location specified on the front of the Order and unloaded by Supplier or its agents, and with respect to Services, to the location at which the Services are to be performed or presented.; |
| “Delivery Date” | the date or dates by which the Deliverables must be Delivered as specified on the front of the Order; |
| “Deliverables” | all Goods, materials, components, equipment, software, documentation, and/or Services to be supplied by Supplier under the Order; |
| “Goods” | any tangible product or other equipment, software or firmware; |
| “Installation Date” | the date (if applicable) by which Deliverables shall be installed or if the Deliverables are being commissioned the date by which they shall be commissioned and available for use by the Purchaser as specified on the front of the Order; |
| “Nonconformance” | any deviation, deficiency, defect, omission, failure, or variation that causes the Deliverables or any portion thereof to fail to meet the Order, the Specifications, the performance or functional requirements, applicable laws or standards, or Purchaser’s written instructions, whether such requirements are stated expressly, incorporated by reference, or reasonably inferable from the nature of the Deliverables; |

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| “Order” | the order or purchase order issued by Purchaser for the supply of Deliverables, together with all specifications, drawings, statements of work, schedules, attachments, and other documents expressly incorporated by reference, all of which incorporate these Terms and Conditions; |
| “Price” | the total price payable by Purchaser for the Deliverables, as specified on the front of the Order, including the net price for the Deliverables and any separately itemized charges for delivery, packaging, taxes, or other applicable amounts; |
| “Purchaser” | ATRON Group LLC, including any parent company, subsidiary, division, or other affiliated entity, now existing or hereafter formed, that issues or is identified in the Order as the purchasing entity. Each such entity shall be deemed a Purchaser under these Terms and Conditions of Purchase.; |
| “Services” | all labor, work, installation, design, engineering, consulting, or other services performed by Supplier under the Order; |
| “Specifications” | all drawings, technical data, quality requirements, performance standards, statements of work, descriptions, samples, and other requirements that define the composition, functionality, or performance of the Deliverables, whether provided by Purchaser or referenced in the Order. “Specifications” includes requirements provided or referenced before, during, or after issuance of the Order, including those contained in prior correspondence between Purchaser and Supplier, even if not restated on the face of the Order. “Specifications” further includes any documents, drawings, data, certifications, or other materials supplied by Supplier in response to the Order, but only to the extent approved or accepted by Purchaser in writing; |
| “Supplier” | the person or entity that accepts, fulfills or is deemed to have accepted the Order, together with its owners, officers, employees, agents, subcontractors, and permitted assigns; |
| “Terms” and/or “Terms and Conditions” | These Terms of Purchase of Goods and Services, including all documents, exhibits, and schedules incorporated by reference, as amended from time to time; and |
| “Tools “ | dies, cylinders, gauges, ties, films, slims, dandy rolls, molds, drawings, origination materials and similar items, samples owned or supplied by the Purchaser to the Supplier or produced by the Supplier in order to produce the Deliverables (whether or not charged to the Purchaser). |

2. ORDERING PROCEDURE

Each Order is subject to acceptance by the Supplier who will acknowledge all Orders within five (5) days of receipt. An Order is accepted by the Supplier when the Supplier accepts the Order in writing or delivers the Deliverables requested in the Order. Any printed or written terms and conditions on any form or letter of acceptance from the Supplier which conflict with these Terms shall be void and without effect.

3. PRICE

Unless otherwise agreed the Price shall remain fixed for the duration of the Order. No variation in the Price nor extra charges shall be accepted by or binding upon the Purchaser. The Supplier warrants that the price charged for the Deliverables is the lowest price charged by the Supplier to date to other buyers purchasing similar quantities of the relevant Deliverables. Any lower prices offered to other buyers prior to or within one (1) year after fulfillment of the Order shall supersede and substitute the Price on a "most favored customer" basis. The Purchaser shall also get the benefit of any price reduction to Deliverables before they are invoiced. Supplier shall upon demand refund such amounts to Purchaser as are required for Supplier to comply with this Section 3.

4. INVOICING AND PAYMENT

4.1 Save where different payment terms are specified on the front of the Order, the Purchaser shall pay all invoices by the end of the second month following the month of invoice provided the Supplier has fully complied with

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its obligations under the Order. Each invoice shall clearly state the applicable Order number and shall be sent by the Supplier to the Purchaser at the address specified on the front of the Order referencing the applicable advice note number and date.

4.2 The Purchaser may offset against payment any sum that is or may become due to the Purchaser from the Supplier under the Order or otherwise.

5. DELIVERY

5.1 The Supplier shall deliver the Deliverables on the Delivery Date to the address specified on the front of the Order or if the Supplier is installing and/or commissioning the Deliverables the Supplier shall install and/or commission the Deliverables by or before the Installation Date. Each delivery of the Deliverables shall be accompanied by relevant supporting documentation such as user manuals and an advice note which identifies the items by part number (if any) and description and identifies the applicable Order number. The Purchaser may request the Supplier for any reason to postpone delivery of any Deliverables and the Supplier shall store and/or delay the delivery of such Deliverables at its risk and expense for up to a maximum period of two months from the Delivery Date.

5.2 Unless otherwise stated on the front of the Order, and provided the Purchaser has not stipulated that time of Delivery or the time of installation or commissioning (where applicable) shall be of the essence, the Purchaser reserves the right to claim liquidated damages if the Supplier does not deliver or install the Deliverables by the Delivery Date or the Installation Date as the case may be. Supplier acknowledges that Supplier's failure to deliver and install the Deliverables by the Delivery Date will result in interference with Purchaser's business and resulting damages to Purchaser, the amount of which may not be susceptible of precise calculation. At Purchaser's option, the Supplier shall pay to the Purchaser on demand a sum equal to 1% (one percent) of the Price of the relevant item delayed for each week or part thereof of delay up to a maximum of 10% (ten percent) of the Price. The Supplier shall notify the Purchaser immediately if it anticipates any delay in meeting the Delivery Date or Installation Date or Acceptance Date. The rights of the Purchaser under this Section 5.2 are in addition to, and not in lieu of, any other rights or remedies available to the Purchaser under these Terms or otherwise.

5.3 Where requested by the Supplier prior to its acceptance of the Order, the Purchaser will return packing materials and cases to the Supplier or its agent at the Supplier's expense and risk, failing which the Purchaser shall be free to dispose of packing materials and cases as it sees fit. Alternatively the Supplier shall, if requested by the Purchaser, remove packing materials and cases in which the Deliverables are Delivered. Shipments must be packaged as specified in the Specifications or, if not so specified, provide adequate protection for safe carriage.

6. INSPECTION AND ACCEPTANCE

Before delivering the Deliverables, the Supplier shall inspect and test them for compliance with the Order and the Specifications and shall provide the Purchaser with such of the Supplier's test sheets and test certificates as the Purchaser may require. The Purchaser or its authorized representative shall be entitled to inspect or test the Deliverables at any time. The Purchaser shall be entitled to reject any Deliverables which during Acceptance Testing do not conform to the Terms of the Order (including, without limitation, the Specifications).

7. RISK AND TITLE

Risk of loss of the Goods shall pass to the Purchaser upon Delivery. Unless otherwise agreed title to the Goods (excluding any software) shall pass to the Purchaser upon receipt by the Supplier of the Price or any installment thereof from the Purchaser.

8. WARRANTIES

8.1 The Supplier warrants that:

a. Supplier has full right, power, and authority to supply the Deliverables and to accept the Order;

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- b. The Deliverables shall comply fully with the Specifications, and where no Specifications exist, the Deliverables shall meet Purchaser's stated and/or reasonably expected requirements;
- c. The Goods shall be free from defects in design, materials, and workmanship, and any software or firmware included in the Goods shall contain no viruses, trojan horses, malicious code, spyware, cookies used for tracking, or other harmful code;
- d. All Goods shall be new unless the Order expressly specifies that refurbished, repaired, reconditioned, remanufactured, or used Goods are acceptable. For any such non-new Goods, Supplier warrants that:
- They shall be fully functional, free of defects in materials and workmanship, and free of cosmetic or structural damage that affects performance;
 - They shall meet or exceed all performance, reliability, durability, safety, and compliance standards applicable to new Goods;
 - All replaced or repaired components shall be new unless otherwise expressly approved by Purchaser in writing;
 - The warranty period for such non-new Goods shall be the same as for new Goods, unless a longer period is specified in the Order;
 - Supplier shall provide full traceability and documentation of any refurbishment, repair, reconditioning, or remanufacturing performed;
- e. The Deliverables shall be supplied in full compliance with all applicable U.S., ISO, industry, regulatory, and Purchaser quality assurance requirements. If Supplier maintains accreditation under ISO 9001 or any comparable standard, Supplier shall maintain and comply with such quality system;;
- f. it shall use reasonable skill, care and diligence in carrying out the Services;
- g. The Goods shall conform strictly to any descriptions stated in the Order and to any sample previously supplied or approved by Supplier;
- h. Supplier shall comply with all applicable laws, rules, regulations, and governmental requirements relating to the Deliverables, including without limitation those relating to health and safety, the environment, labor, and consumer protection;; and
- i. Supplier shall convey good and marketable title to all Deliverables, free and clear of all liens, claims, encumbrances, and rights of third parties.
- 8.2 If any Deliverable is Nonconforming, or if Supplier fails to comply with any of the Terms of the Order, Purchaser shall be entitled, at Purchaser's discretion, to exercise any one or more of the following remedies, whether or not any portion of the Deliverables has been previously accepted::
- a. Rescind the Order in whole or in part;;
- b. Reject the Deliverables (in whole or in part) and/or revoke prior acceptance and return Nonconforming Deliverables at Supplier's risk and cost, with a full and immediate refund;
- c. At Purchaser's option, require Supplier—at Supplier's sole expense—to remedy, reperform, or replace any Nonconforming Deliverables and perform all work required to achieve full compliance with the Order;
- d. Refuse further deliveries and source replacements without liability to Supplier;
- e. to impose liquidated damages pursuant to Section 5.2;
- f. Perform, or have a third party perform, at Supplier's expense, any work necessary to correct the Nonconformance;

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- g. Claim damages for losses caused by the Nonconformance or Supplier's breach; and
- h. exercise such other rights and remedies as may be available to the Purchaser under these Terms, at law, equity or otherwise.

9. TOOLS

9.1 All Tools are or will on creation become the Purchaser's property and the Purchaser shall retain and acquire, free of any lien claims or right of any third party, all intellectual property rights and title in the Tools which shall be held, serviced and maintained by the Supplier at the Supplier's risk and expense to be suitable for production at all times. The Supplier shall affix notices on the Tools identifying them as the Purchaser's property.

9.2 All Tools are to be adequately insured by the Supplier while on Supplier's premises or within Supplier's control in an amount equal to the replacement cost thereof with payments from insurers to be remitted to the Purchaser. All Tools must be Delivered to the Purchaser in good order and condition, reasonable wear and tear excepted, on request and unless otherwise advised by the Purchaser, on completion of the Order. No Tools shall be copied or used for any purpose other than for completion of the Order.

10. SPARE PARTS AND SUPPORT

Unless otherwise agreed in writing, the Supplier shall provide spare parts for the Goods at a reasonable price for a period of 7 years (or such other period as may be agreed) from the date of last delivery of such Goods under the Order. If requested by the Purchaser, the Supplier shall provide maintenance support for the Goods on terms and conditions to be agreed between the parties at the relevant time. If the Supplier intends to cease manufacturing the Goods the Supplier shall give the Purchaser at least 6 months' notice of such intention and the opportunity for a last-time buy.

11. ETHICAL BEHAVIOR

The Supplier acknowledges that Purchaser requires adherence to the highest standards of integrity in all business interactions. All business dealings should be transparently performed and accurately reflected in disclosed documented information. The Supplier must uphold standards of fair business, advertising, and competition. The Supplier must demonstrate responsible sourcing and must not incorporate materials, parts, or services that would violate any law or regulation because of the origin of the material, part, or service. The Supplier must reasonably assure that the tantalum, tin, tungsten and gold in the products manufacture do not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the Democratic Republic of the Congo or an adjoining country.

12. INTELLECTUAL PROPERTY RIGHTS INDEMNITY

12.1 The Supplier shall defend, indemnify and hold harmless the Purchaser against all Losses (as defined below) which the Purchaser or any of the Purchaser's employees, contractors or customers may incur or for which the Purchaser may be liable by reason of the use or sale by the Purchaser of the Deliverables supplied which infringes the rights (including, without limitation, the intellectual property rights) of any third party. "Losses" means any loss, claim, liability, damage (including without limitation, incidental, statutory and consequential damages), expense (including, without limitation, costs of investigation and defense and reasonable attorneys' fees) and all attorneys' fees and expenses incurred in enforcing this indemnity against the Supplier. This indemnity shall not apply if any infringement arises solely from the Supplier's use of Tools.

12.2 Without limiting the Supplier's obligations under clause 11.1 if a court judgment is entered that the Deliverables infringe the rights, including the intellectual property rights, of any third party or if any interim order is made which prevents the Purchaser from using the Deliverables or if in the Purchaser's reasonable opinion a claim of such infringement is likely to arise, the Supplier shall at its expense but at the Purchaser's option:

- a. obtain for the Purchaser and/or its customers the right to continue to use and sell the Deliverables; or
- b. replace or modify the Deliverables so that they become non-infringing; or



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- c. accept the return of any Goods and rejection of any undelivered Deliverables and reimburse the Purchaser with the Price and any out-of-pocket expenses incurred by the Purchaser.

13. CONFIDENTIALITY & PUBLICITY

13.1 The parties recognize that they may each receive trade secrets and confidential or proprietary information of the other party. All such information which is either marked "confidential" or with words of similar effect or stated at the time of disclosure and subsequently confirmed in writing to be confidential together with Tools and documentation constitute "Confidential Information".

13.2 Each party agrees not to divulge Confidential Information received from the other to any of its employees or advisers who do not need to know it, and to prevent its disclosure to or access by any third party without the prior written consent of the other party. Each party agrees not to use Confidential Information except for the fulfillment of the Order. This obligation will survive the expiration or termination of the Order for a period of five (5) years or until such earlier time as the Confidential Information concerned reaches the public domain other than through the fault of receiving party.

13.3 The Supplier may not refer to the Order or the Purchaser or use the Purchaser's name, trademarks or trade names for advertisement, reference or publicity purposes without the Purchaser's prior written consent.

14. SUPPLIER'S OBLIGATIONS

14.1 The Supplier will carry public liability and product liability insurance for at least \$5 million and/or such other insurance coverage and limits as the Purchaser may from time to time require with insurers acceptable to the Purchaser for all liabilities that may arise out of the Supplier's performance or nonperformance of its obligations under the Order. The Supplier will upon request by the Purchaser, from time to time, produce a certificate from its insurance broker evidencing satisfactory policies of insurance including information on limits, anniversary dates, coverage extensions and exclusions. The Supplier, if the Purchaser so directs, will add the Purchaser as "Additional Insured" under the Supplier's insurance policies.

14.2 The Supplier undertakes not to reward in any way or offer to reward, whether directly or indirectly, any employee (or person connected with such employee) of the Purchaser for the Purchaser placing the Order with the Supplier or otherwise.

14.3 The Supplier agrees at any time upon reasonable prior notice to allow the Purchaser or its representatives to have access to the Supplier's premises or records to recover the Supplier's property or enable the Purchaser to satisfy itself that the Supplier has complied/is complying with its obligations under this Agreement.

15. PRODUCT SAFETY

The Supplier is expected to develop, implement, and maintain effective policies and training programs to ensure their employees are aware of their relevant contribution to the quality, safety, and conformity of their products and/or services.

16. TERMINATION

16.1 The Purchaser reserves the right to terminate the whole or part of the Order at any time upon the Purchaser's written notification to the Supplier:

- a. for any reason at the Purchaser's convenience and in such case the extent of the Purchaser's liability shall be limited to:
 - (i) for custom Deliverables which are not re-saleable only, to pay the portion of the Price as the work completed bears to the rest of the work anticipated for the whole Order, or

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(ii) for standard equipment to pay the cost of the existing finished goods inventory, but no more than required to fulfill the next delivery schedule within the thirty (30) days following the date of termination, plus the existing work-in-progress inventories required to fulfill an additional thirty (30) days of deliveries, except that there shall be no liability for inventories in either category which is a stock item or which is otherwise readily usable or re-saleable.

b. if the Supplier

(i) is in material or continuing breach of any of its obligations under the Order and fails to remedy the breach for a period of thirty (30) days after written notice by the Purchaser requesting remedy or forthwith if the breach is not capable of remedy;

(ii) is involved in any legal proceedings concerning its solvency, or ceases trading, or commits an act of bankruptcy or is adjudicated bankrupt, or enters into liquidation whether compulsory or voluntary (other than for the purposes of an amalgamation or reconstruction) or makes an arrangement with its creditors or the Supplier is placed into administration or has an administrator, receiver or manager appointed over all or any part of its assets or generally becomes insolvent or unable to pay its debts; or

(iii) is acquired by or merged with any third party.

16.2 Termination will not affect any rights or liabilities of either party accrued as of the date of termination.

16.3 If the Purchaser terminates the Order pursuant to Clause 14.1(b), the Purchaser shall have no liability to the Supplier as a result of such termination. Upon termination of the Agreement for whatever reason, the Purchaser may notify the Supplier or its representatives of its wish to acquire all right, title and interest in any materials acquired by the Supplier for the performance of the Order, work-in-progress, and/or finished Deliverables. Such items shall pass immediately to the Purchaser upon making payment therefore.

17. RIGHTS IN DEVELOPMENT

This Section 17 shall apply if any part of the Deliverables are to be designed or developed by the Supplier at the Purchaser's request and expense whether separately itemized or included in the Price. The Supplier hereby assigns to the Purchaser all right and title to any and all new intellectual property rights arising from the development including inventions, trade secrets, results and data and in the case of bespoke software both the object and source code versions (and all supporting documentation) which it may make or assist in making in the course of such development. The Supplier shall do all acts and execute all documents necessary to legally vest in the Purchaser ownership in such intellectual property rights. The Supplier shall cause every appropriate person employed or engaged by it assign to the Purchaser all inventions and execute all papers and do all acts deemed necessary by the Purchaser, to give full effect to the Purchaser's rights contained in this Section 17.

18. ASSIGNMENT AND SUB-CONTRACTING

18.1 The Supplier shall not assign the Order (or any benefits or obligations herein) without the Purchaser's prior written consent. The Purchaser shall be entitled to assign any part of its benefits or obligations under the Order to any Purchaser group company without having to seek the Supplier's prior consent.

18.2 The Supplier shall not sub-contract any of its obligations under the Order without the Purchaser's prior written consent unless such sub-contracting is in accordance with normal trade practice and does not in any event exceed by value ten per cent (10%) of the Price. Supplier shall remain fully obligated notwithstanding any such subcontracting. The Supplier shall ensure that the provisions of the Order are as a minimum reflected in the Supplier's contractual arrangements with any sub-contractors.

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19. FORCE MAJEURE

Neither party will be liable to the other party for any delay in or failure to perform its obligations as a result of natural disaster, act of god, act of terrorism or war ("Force Majeure") provided the affected party notifies the other party as soon as reasonably practicable and uses all reasonable efforts to fulfill its obligations under the Order. If any Force Majeure continues for at least fifteen (15) days and prevents performance, the party whose obligations have not been affected, will be entitled to terminate the Order by notice in writing to the other party.

20. NOTICES

Notices shall be delivered personally, or by prepaid first class mail, or by a nationally recognized courier service providing evidence of delivery, or transmitted by email or facsimile (and in the case of transmission by email or facsimile followed within three (3) days by a copy thereof being delivered by prepaid first class mail) to a party's last known business address or number. Notices shall be deemed to be given a) upon receipt in the case of personal delivery or delivery by courier, or b) three (3) business days after posting in the case of delivery by prepaid first class mail or c) at 10.00 am local time, country of receipt, on the next business day following confirmation on the sending party's machine that the transmission has been successfully received in the case of transmission by email or facsimile, whichever occurs first.

21. WAIVER

No forbearance or delay by either party in enforcing its rights will prejudice or restrict the rights of that party, and no waiver of any such rights or of any breach of any contractual Terms will be deemed to be a waiver of any other right or of any later breach.

22. RIGHTS AND REMEDIES NOT EXCLUSIVE

The rights and remedies afforded Purchaser under these Terms and the Order are in addition to, and not in lieu of, the rights and remedies available to Purchaser under statutory and common law and at equity.

23. ENTIRE AGREEMENT AND MODIFICATION

These Terms together with all documents attached or referred to herein constitute the entire agreement between the parties relating to the purchase of the Deliverables. Any modification will not be valid unless it is confirmed in writing by authorized signatories of both parties.

24. NO THIRD-PARTY BENEFICIARIES

These Terms are not intended to benefit any third party, and no third party shall have the right to enforce any provision of these Terms.

25. GOVERNING LAW

These Terms and the Order shall be governed by and interpreted under the laws of the State of Texas without regard to principles of conflict of laws. The United Nations Convention on Contracts for the International Sale of Goods shall not be applicable to these Terms.

26. JURISDICTION

Any action or proceeding seeking to enforce any provision of, or arising out of, these Terms or the Order must be brought in the courts of the State of Texas located in Dallas County, or, if federal jurisdiction exists, in the United States District Court for the Northern District of Texas, Dallas Division. Purchaser and Supplier each irrevocably consent to the jurisdiction of such courts (and the appropriate appellate courts) and waive any objection to venue. Service of process may be made on either party anywhere in the world.

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27. GENERAL QUALITY PROVISIONS: APPLICABLE TO ALL PURCHASE ORDERS (Required)

A. Conformance to Order Requirements

Supplier shall provide only the exact item(s) specified in the Order ("PO"). All Deliverables are subject to Purchaser's receiving inspection and testing. Any Deliverables not meeting all PO requirements shall be rejected and will reflect negatively in Supplier's quality performance rating.

Use of superseded material—as defined by its controlling specification—is permissible **only if the material can be fully traced to the original drawing requirements**. Supplier shall not fabricate parts from substitute materials without **prior written authorization** from Purchaser.

Previous Purchaser acceptance of nonconforming product does **not** relieve Supplier from delivering fully conforming product in future shipments.

B. Applicable Revision Levels

When applicable, the PO shall state the revision of the drawing or specification that applies. If no revision is stated, the current revision of the drawing or specification shall apply.

C. Right of Access

Supplier's quality system, inspection system, and manufacturing processes are subject to review, verification, audit, and analysis by Purchaser, Purchaser's customers, and regulatory authorities. Customer inspection or release of product prior to shipment is not required unless otherwise stated. Supplier shall furnish a copy of the PO to Purchaser or its authorized representative upon request.

D. Nonconformance, MRB Authority, and Change Notification

Unless otherwise specified in the PO, **no Material Review Board (MRB) authority** is granted to Supplier or its sub-tier suppliers.

Supplier shall:

1. **Notify Purchaser immediately** of any detected or suspected nonconforming Deliverables and obtain Purchaser's **written approval** for disposition;
2. **Notify Purchaser in writing** of any proposed or actual changes to product, processes, materials, sub-tier suppliers, or manufacturing facility location, and obtain Purchaser's written approval **before implementation**.

Unauthorized changes may void all prior approvals, qualifications, and certifications.

E. Packing Slip Requirements

A packing slip shall accompany each shipment and must include at minimum: Supplier name and address, PO number, item name, description or part number, quantity, and number of packages.

F. Return of Previously Rejected Items

Reworked and/or replacement items shall be segregated and clearly identified. The packing slip must itemize quantities and reference the Purchaser MRB number. All certifications originally required on the PO also apply to reworked/replacement items.

G. Quality System and Record Retention

Supplier shall maintain a quality management system acceptable to Purchaser and is subject to audit by Purchaser. Supplier shall retain all quotations, certifications, contractual documents, test results, and technical documents related to the PO for a minimum of **7 years**, unless otherwise specified.

H. Hazardous Materials

For hazardous material shipments, Supplier shall provide a current Safety Data Sheet (SDS) at the time of first delivery and upon any SDS revision.

I. Document Corrections

Corrections to documentation shall be made by drawing a single line through the incorrect information and writing the correct information nearby. White-out or correction fluid shall not be used. Corrections must be initialed and dated.

J. Traceability

Each page of Supplier's certification package must be traceable to the PO. Supplier shall maintain commodity- and item-level traceability back to the original manufacturer. Traceability shall identify all supply-chain intermediaries and include manufacturer identifiers (e.g., date codes, lot codes, heat numbers, serial numbers, batch IDs).

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K. Flowdown Requirements

Supplier shall flow down all PO requirements to sub-tier suppliers. Conflicting requirements shall be resolved using the following order of precedence:

1. PO text;
2. Special Quality Clauses listed on the PO;
3. Requirements of the applicable drawings or specifications.

L. New Equipment / Gaging

New equipment and gaging shall be accompanied by manufacturer certification. Items may be subject to Purchaser's calibration upon receipt and may be rejected if nonconforming.

M. Workmanship Requirements

Each item delivered shall reflect a high standard of workmanship consistent with Purchaser and Supplier commitments to quality. Unless otherwise specified, items shall:

1. Be free from foreign material (e.g., oils, chips, dirt);
2. Have consistent surface treatments within a lot;
3. Meet drawing and specification requirements for dimensions, surface finish, and edge quality;
4. Not contain unacceptable dents, scratches, gouges, or cosmetic defects that violate the drawing or specification.

N. Obsolescence

Supplier shall not furnish parts known to be obsolete. Supplier shall notify Purchaser of any pending obsolescence affecting items on order.

O. Corrective Action

Supplier and its sub-tier suppliers shall respond to Purchaser corrective action requests within the required timeframe and implement timely and effective corrective actions to eliminate root causes.

P. Change Control

Supplier shall not implement any changes in design, materials, processes, controls, sub-tier suppliers, inspection/test methods, or manufacturing location without **prior written approval** from Purchaser. Such changes may invalidate prior approvals and require re-qualification or First Article re-submission.

Q. Handling, Packaging, and Preservation

Supplier shall protect all items from ESD, FOD, corrosion, moisture, contamination, and handling or transit damage. Packaging must be appropriate to ensure items reach Purchaser in acceptable condition.

R. Counterfeit Material Avoidance

- Supplier shall maintain an effective counterfeit risk-mitigation process and shall ensure no counterfeit, suspect, or unverified items are delivered to Purchaser.
- If Supplier becomes aware of or suspects counterfeit items relating to this PO, Supplier shall **immediately notify Purchaser** and prevent further delivery of the affected items. Upon request, Supplier shall provide documentation verifying authenticity and traceability. Supplier shall provide evidence of its counterfeit-mitigation process upon demand.
- **Product Impoundment and Financial Responsibility**
If suspect or counterfeit items are delivered, Purchaser may impound them and Supplier must promptly replace them with acceptable items. Supplier shall be liable for all costs associated with impoundment, removal, investigation, and replacement. Purchaser may involve law enforcement or appropriate authorities and may withhold payment pending investigation.
- **Definition — "Counterfeit Item"**
A "Counterfeit Item" includes, but is not limited to:
 - (i) any unauthorized copy or substitute of an OEM/OCM item;
 - (ii) any item not containing proper internal or external materials but represented as such;
 - (iii) used, refurbished, or reclaimed items misrepresented as new;
 - (iv) items that have not passed OEM/OCM testing but are represented as having passed; or
 - (v) items with markings or labeling intended to mislead a reasonable person into believing a non-OEM/OCM item is genuine.

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28. PURCHASER SUPPLEMENTAL QUALITY CLAUSES (Only if referenced explicitly on PO Form)

The following additional Quality Requirements may be required on Purchasers Orders. Only those clauses specifically listed on the Purchase Order Form shall apply. Nothing in these clauses releases the Supplier from any obligations established in paragraphs 1 through 27 of these Terms, drawings, specifications, or other contractual documents.

(Clause No.) — Requirement

(01) Source Inspection

Items delivered under this PO may be subject to Purchaser Source Inspection at the Supplier's facility.

- Supplier shall notify the Purchaser contact identified on the PO to schedule inspection.
- Purchaser reserves the right to waive Source Inspection; a written waiver is required and must accompany the shipment.
- Waiver for one shipment does **not** eliminate the Supplier's obligation to request Source Inspection for subsequent shipments.
- Supplier shall provide adequate facilities and access for Purchaser inspection personnel.

(02) Contract Manufacturer Inspection

Component parts may be drop-shipped to Supplier by a Purchaser-designated third party. Supplier shall, at minimum:

- Perform receiving inspection and packing-slip verification against the Purchaser's parts list.
- Perform any additional inspection required by the PO and provide all required data sheets with shipment.
- Notify Purchaser of any nonconformance **within one (1) business day** via email.

(03) Calibration

Calibration activities shall comply with **ANSI/NCSL Z540.3** and **ISO 10012**, and be traceable to **NIST**. Supplier shall:

- Provide calibration certificates including **before/after** data and details of adjustments made.
- Include Manufacturer's specification limits or Purchaser-provided acceptance limits.
- Notify Purchaser of any out-of-tolerance condition **within 24 hours**.

(04) PO Certification (Certificate of Conformance)

Supplier shall approve, retain, and provide a Certificate of Conformance including at minimum:

- Manufacturer name and address
- Purchaser PO number
- Part number
- Drawing number and revision
- Item-level identification (date/lot/heat codes, serial numbers, batch ID, etc.)
- Authorized signature (electronic signature permitted)
- Date

Distributors are exempt from signature and drawing-revision requirements.

(05) Raw Material Certification

Supplier shall provide mill/plant/sub-tier certifications for all raw materials. Certifications shall:

- Be traceable to the Purchaser PO
- Reference the correct specification or standard as required by drawing or PO

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(06) Special Process Certification

For any required special processes (e.g., welding, heat treatment, plating, NDT, anodizing, passivation, etc.), Supplier shall provide certification that:

- Processes were performed to applicable requirements
- Certifications are traceable to the Purchaser PO

(07) Product Acceptance Inspection Data

Each delivered lot shall include inspection/test data providing objective evidence of conformance, including:

- Purchaser and Supplier part number
- Lot/batch number
- Characteristics inspected
- Tolerance
- Sample size
- Actual measured results
- Authorized signature or stamp (electronic permitted)

Each page must be traceable to the Purchaser PO.

(08) First Article Inspection (FAI)

A First Article Inspection Report (FAIR) per **AS9102**, latest revision, is required.

(09) Additional Contract Flow-Down Requirements

Any supplemental flow-down requirements will be attached or referenced on the Purchase Order and shall be considered mandatory.

(10) Circuit Board Assembly Requirements

For circuit board assemblies:

- Soldering and solder-inspection shall comply with **J-STD-001, Class 3**
- Solder must be **leaded**, in accordance with **J-STD-006**
- Any deviations require **Purchaser Quality approval** prior to use

(11) ESD Sensitivity Requirements

Products sensitive to Electrostatic Discharge shall be handled, packaged, and labeled per applicable ESD industry standards.

(12) Single Lot Requirement

All material and parts supplied under this PO shall:

- Be from one homogeneous lot (e.g., same raw-material heat lot)
- Have no change in material constituents, manufacturing location, process, or design during production

(13) Single Manufacturing Lot Requirement

In addition to Clause 012:

- All parts must be produced in one continuous manufacturing lot without change to process or manufacturing location
- Once setup is verified, tooling shall not be altered or reset until the entire lot is completed
 - Normal replacement of wear tooling (e.g., drill bits) is permitted
- These requirements extend to all special processes, whether performed internally or by sub-tier suppliers



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(14) Foreign Object Damage (FOD) Prevention

Supplier shall establish and maintain an effective FOD Prevention Program aligned to **NAS412** and appropriate for the product.

Procedures are subject to Purchaser review and disapproval if ineffective. Supplier must ensure:

- FOD controls proportional to product sensitivity
- FOD-minimizing manufacturing practices
- Proper housekeeping and handling controls

(15) Supplier Quality System Requirement — AS9100

The Supplier's Quality Management System must meet **AS9100** requirements at a minimum.

(16) Supplier Quality System Requirement — ISO 9001

The Supplier's Quality Management System must meet **ISO 9001 (latest revision)** or equivalent at a minimum.

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