

PURCHASE ORDER- TERMS AND CONDITIONS



TERMS:

AGREEMENT AND ACCEPTANCE. These terms and conditions, together with the purchase order, statement of work, and any other documents specifically adopted by reference in any such documents, constitute the entire Agreement between the parties (the "Agreement"). This Agreement constitutes the parties' entire contractual Agreement and supersedes any previous oral or written representations, including but not limited to provisions in Seller's quotations, proposals, acknowledgments, or other documents. No course of dealing or usage of trade shall be applicable unless expressly incorporated in this Agreement. The terms of this Agreement may not be varied or modified in any manner unless in subsequent writing signed by an authorized representative of Buyer. Seller's written acknowledgment, the commencement of work on the goods, or shipment of such goods, whichever occurs first, shall be deemed an effective mode of acceptance of this Agreement.

WARRANTIES. With respect to the goods or services purchased under this Agreement – Purchase Order, and all other goods or services purchased from Seller, Seller expressly warrants for the Warranty Period as follows: (a) the goods shall strictly conform to all manufacturer specifications, drawings, instructions, advertisements, statements on containers or labels, descriptions and samples; (b) the goods shall be free from defects in workmanship and material and shall be new, unused and of the highest quality; (c) Buyer shall receive title to the goods that is free and clear of any liens, encumbrances and any actual or claimed patent, copyright or trademark infringement; (d) the goods shall be merchantable, safe and fit for the Buyer's intended purposes; (e) the goods shall be adequately contained, ESD packaged to their standards, marked and labeled; and (f) the goods shall be manufactured in compliance with all applicable federal, state and local laws, regulations or orders, and agency or association standards or other standards applicable to the manufacture, labeling, transporting, licensing, approval or certification, including by way of illustration and not by way of limitation, the Occupational Health and Safety Act, the Fair Labor Standards Act, and any law or order pertaining to discrimination. These warranties shall be in addition to all other warranties, whether express, implied, or statutory. In the event that services are provided in connection with the supply of goods, Seller expressly warrants that the services will be performed: (a) with due professional care; (b) in a workmanlike, professional, timely, and diligent manner; (c) in accordance with all applicable industry standards and industry best practices; (d) by qualified workers experienced in performing the work specified; (e) in strict conformance with applicable specifications and industry accepted performance criteria; and (f) in strict conformance with this Agreement – Purchase Order, including but limited to any statement of work issued by Buyer. These warranties shall survive inspection, test, delivery, acceptance, use, and payment by Buyer and shall inure to the benefit of Buyer, its successors, assigns, customers, and the users of Buyer's products. These warranties may not be limited or disclaimed by Seller. Buyer's approval of Seller's design, material, process, drawing, specifications, or the like shall not be construed to relieve Seller of the warranties set forth herein, nor shall a waiver by Buyer of any drawing or specification request for one or more articles constitute a waiver of any such requirements for the remaining articles to be delivered hereunder unless so stated by Buyer in writing. If Buyer experiences any defect, failure, or non-conformity during the Warranty Period, Buyer shall have the right to take the following actions, at Buyer's option: (1) retain the defective goods in whole or in part with an appropriate adjustment in the price for the goods; (2) require Seller to cure defects in the goods within a reasonable period of time, determined by Buyer in its sole discretion given the urgency of the given situation; (3) require Seller to repair or replace the defective goods in whole or in part at Seller's sole expense, including all shipping, transportation and installation costs; (4) correct or replace the defective items with similar items from a third party and recover the total cost from Seller, including the cost of product recalls; and (5) exercise all other rights under the Uniform Commercial Code and any other applicable statutes. For purposes of this Agreement, "Warranty Period" shall mean 12 months from the date of first use of the goods by Buyer or 12 months from the date of acceptance by Buyer, whichever occurs later. Notwithstanding the foregoing, Seller agrees to waive the expiration of the Warranty Period in the event there are failures or defects discovered after the Warranty Period of a material nature or in a significant portion of the goods, or a defect is discovered which, in Buyer's opinion, constitutes a threat of damage to property or to the health and safety of any person.

PRICE TERMS. The goods will be furnished at a price set forth in the purchase order or such other document that Seller may use to set forth the price. Prices shall be inclusive of all delivery costs. Seller warrants that the price for the goods is no less favorable than those currently extended to any other customer for the same or similar goods in similar quantities. Seller will not be paid for any goods delivered or services performed that have not been authorized by an approved purchase order. Buyer shall also receive the full benefit of all discounts, premiums, and other favorable terms of payment customarily offered by Seller to its customers for the same or similar goods in similar quantities. In the event Seller reduces its price for the goods, Seller agrees to reduce the prices to Buyer correspondingly. Seller warrants that all prices in this Agreement shall be completed, and no additional charges of any type shall be added without Buyer's express written consent, including but not limited to shipping, packaging, labeling, custom duties, taxes, storage, insurance, boxing, and crating. Standard terms are net 30 days unless otherwise specifically indicated in the purchase order.

DELIVERY, TRANSPORTATION, AND PAYMENT. Delivery must be effected within the time specified in this Agreement. If delivery is not made in a timely manner, Buyer may, in addition to its other rights and remedies, direct Seller to make expedited routing at Seller's expense. The goods shall be properly packed, marked, loaded, and shipped as required by this Agreement – Purchase Order and by the transporting carrier. Unless the Buyer instructs otherwise, the goods shall be shipped in a manner that will permit the lowest transportation rates to apply. Seller shall reimburse Buyer for all expenses incurred due to improper packing, marking, loading, or routing. The risk of loss or damage in transit shall be upon Seller, except where the shipment is by Buyer's vehicle, in which case the risk of loss or damage shall pass to Buyer upon completion of loading. Seller shall not procure, produce, or ship any goods unless authorized in writing by Buyer or as necessary to meet specific delivery dates. Shipments in excess of those authorized by Buyer or shipments received by Buyer in advance of the scheduled delivery date may be returned to Seller at Seller's expense, and such determination shall be at the sole discretion of Buyer. Buyers may change shipping schedules or directly temporarily suspend such scheduled shipments. Upon submission of proper invoices, the Buyer shall process for payment. Seller shall present all invoices for goods and services on a timely basis. All invoices must be received by the Buyer no later than ninety (90) days after the delivery of goods or completion of

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work. Time is of the essence in this regard. Any invoice received by the Buyer after ninety (90) days shall be payable at Buyer's sole discretion. In addition to any right of setoff provided by law, all amounts due Seller shall be considered net of indebtedness of Seller to Buyer and its related companies. Buyer may deduct any amounts due or to become due from Seller to Buyer and its related companies from any sums due or to become due from Buyer to Seller, whether such amounts are attributable to this Agreement.

TERMINATION & CHANGES. A. Buyer may terminate this Agreement or any order under this Agreement for cause in the event of any default by Seller. The following are causes, among others, allowing Buyer to terminate this order: (i) late delivery, (ii) delivery of goods that are defective or that do not conform to this Agreement – Purchase Order, or (iii) failure upon request to provide Buyer with reasonable assurances of future performance. Additionally, Buyer may forthwith cancel this Agreement in the event of any of the following: (i) insolvency of Seller; (ii) the filing of an involuntary or voluntary petition of bankruptcy against Seller; (iii) the execution by Seller of an assignment for the benefit of creditors; or (iv) the appointment of a receiver over Seller's assets. B. Buyer reserves the right to terminate this Agreement or any order under this Agreement for its sole convenience, without reason or cause. In the event of such termination, Seller immediately shall stop all work and shall forthwith cause all its suppliers and subcontractors to cease work. In no event shall Buyer be liable for loss of profits or other cancellation charges. C. Buyer shall have the right to make any changes, additions, or alterations in the items, quantities, destination, specifications, drawings, designs, or delivery schedules. The parties will undertake to negotiate an appropriate adjustment in price and terms where the Seller's direct costs are materially affected by such changes. Any request by the Seller for an adjustment in price or terms must be made within two days of any such change. All changes and adjustments, if any, must be in writing and signed by a duly authorized representative of the Buyer.

INSPECTION, ACCEPTANCE, REJECTION. Buyer may inspect the goods during any stage of their manufacture, construction, preparation, delivery, or completion. Buyer shall have the right to enter onto Seller's premises at reasonable times to verify that the materials covered by this order conform to all specified requirements, and Seller agrees to provide all supporting documentation required by Buyer or Buyer's customers in the course of such investigation. At Buyer's request, the Seller shall submit production and quality test reports and related data. Notwithstanding payment or prior inspection, if any of the goods and/or services are found to be defective in material or workmanship or otherwise not in conformity with the requirements of this Agreement, in addition to any other remedies that it may have, Buyer may correct or have corrected the non-conformity at Seller's expense or reject and return the goods and discontinue the services at Seller's expense, at Buyer's sole discretion. Goods rejected promptly shall be removed by the Seller at its expense and at its risk. Final acceptance shall not be conclusive with respect to latent defects or misrepresentations. Nothing in this Agreement shall relieve Seller from the obligation of testing, inspection, and quality control. Goods may be rejected for defects or defaults revealed by inspection, analysis, or subsequent manufacturing operations, even though such items previously may have been accepted at Buyer's sole discretion.

INDEMNIFICATION AND INSURANCE. A. To the fullest extent permitted by law, Seller agrees to indemnify, save harmless and defend Buyer and its affiliated companies, their directors, officers, employees, agents and customers ("Indemnitees") from and against any loss, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings, including without limitation all judgments rendered against, and all fines and penalties imposed upon, Indemnitees and all attorney's fees and any other cost of litigation ("Liabilities") arising out of a breach hereof, warranty claims, product recall claims, product liability claims, injuries to persons, including death, or damage to property caused by Seller, its employees, agents, subcontractors, or in any way attributable to the performance of Seller, including without limitation, breach of contract, breach of warranty or product liability; provided, however, that Seller's obligation to indemnify Buyer shall not apply to any liabilities solely arising from Buyer's negligence. Seller agrees to indemnify, save harmless, and defend Indemnitees from and against all Liabilities arising out of the actual or alleged infringement, including infringement of any patent, trademark, or copyright relative to the goods. B. At Seller's own cost, Seller shall procure and maintain policies of insurance with reputable insurers which have a financial rating of not less than "A-" or "Excellent" or the equivalent from a reputable rating agency (such as Standard and Poor's). The policies of insurance shall be written on an occurrence basis or on a claims-made basis, in which event insurance shall be maintained during the term of this Agreement- Purchase Order. The Seller shall maintain insurance coverage in amounts not less than the following: (a) Worker's Compensation – Statutory Limits for the state or states in which this Agreement is to be performed (or evidence of authority to self-insure); (b) Employer's Liability – \$1,000,000; (c) Comprehensive General Liability (including Products/Completed Operations and Blanket Contractual Liability) – \$1,000,000 per person, \$1,000,000 per occurrence (personal injury) and \$1,000,000 per occurrence (property damage), and (d) Automobile Liability (including owned, non-owned and hired vehicles) – \$1,000,000 per person, \$1,000,000 per occurrence (personal injury) and \$1,000,000 per occurrence (property damage), and a products liability insurance \$5,000,000 per occurrence. All insurance shall apply separately to each insured and additional insured against whom a claim is made, or suit is brought, except with respect to the limits of the insurer's liability. The Seller's insurance coverage is primary and noncontributory to that of the Buyer. The Seller must cover Buyer, its parent, subsidiaries, and affiliates and their respective officers, directors, and employees as additional insureds and listed on the executed Certificate of Insurance. All insurance coverages shall include a waiver of subrogation in favor of Buyer, its parents, subsidiaries, and affiliates, and their respective officers, directors, and employees. Upon the execution and Agreement of this document, Seller shall furnish certificates of insurance setting forth the amounts of coverage, policy numbers, and dates of expiration for insurance maintained by Seller. Such certificates shall provide that the Buyer will receive 30 days prior written notification from the insurer of any termination or reduction in the amount or scope of coverages. Renewal certificates, as required, shall be forwarded to the Buyer until the Seller completes the work as specified in this Agreement. Seller's purchase of insurance coverage and the furnishing of certificates of insurance shall not release Seller of its obligations or liabilities under this Agreement. In the event of Seller's breach of this provision, Buyer shall have the right to cancel the undelivered portion of any goods or services covered by this Agreement and shall not be required to make further payments except for conforming goods delivered or services rendered prior to cancellation.

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REMEDIES. Buyer's rights and remedies shall be cumulative and in addition to any other rights or remedies provided by law or equity. A waiver by Buyer of any right or remedy shall not affect any rights or remedies subsequently arising under the same or similar clause. Any attempt by Seller to limit Buyer's warranties, remedies, or the amount and types of damages that Buyer may seek shall be null and void.

Shipping. International or Domestic Shipments: Do not declare a value, and we are self-insured. Any charges that have not been approved prior by the Buyer will be denied and billed back. If each shipment is over 20LBS, please notify us before shipping. A change of shipping method demands approval from the Buyer. Please refer to the shipping instructions on our purchase order, and if you are not sure, please reach out to us to prevent any delays or costs.

MISCELLANEOUS. Before shipping, the Seller needs to provide the ECCN (Export Control Classification Number), including the country of origin. Failure to comply might result in the cancellation of this purchase order and rejection of the shipment, and all incurred fees, duties, taxes, or penalties will be charged to the Seller. Please provide the country of origin (COO) before shipping. Country of origin is requested with your quote/offer; otherwise, the buyers reserve the right to charge the Seller all import taxes and duties related to this purchase order - parts. The Seller must inform the Buyer about the condition of the parts. Partials or multi-lot codes need approval before shipping. The Seller is responsible for any and all costs associated with the transaction for not complying with the information requested and approval process.

Retain documented information, including retention periods and disposition according to the Buyer's requirements, or min of 7 years. Please notify us at the end of the retention period to discuss the disposition. The right of access by the Buyer, our customers, and regulatory authorities to the applicable areas of your facilities and your applicable documented information at any level of the supply chain. Please ensure that all employees are aware of their contribution to product or service conformity, their contribution to product safety, and the importance of ethical behavior. Counterfeit, Suspect, and Unapproved parts will be marked before returning to the Seller. Counterfeit, Suspect, or Unapproved parts: Every part that is not bought by an official source will be tested if the Seller cannot supply manufacturer certs., and the Seller shall pay in full for complete AS6081 testing. We request to be informed about obsolescence, PCNs, or any other kind of information related to products listed on this purchase before shipping. Prevention and detection of foreign objects is a must and can result in rejecting the material, and the Seller will reimburse the Buyer for all expenses to prevent/protect personnel and product safety. Liability: The Seller shall be held liable for any counterfeit parts entering the Seller's supply chain up to and including all costs incurred by the Buyer, resulting from the Counterfeit, Suspect Unapproved parts. The Seller consents to jurisdiction and venue in Massachusetts. Parts may not be undervalued. No exception. If the Buyer receives a Counterfeit, Suspect Unapproved, the Buyer will comply with the US standards and file a report to the US authorities. Shall this order be an "Escrow" payment and the parts fail the visual inspection and be deemed "suspect," the Buyer reserves the right to an instant refund in total for this order, and the Seller agrees hereby. This will supersede any escrow agreement.

IMPORTANT: This purchase order is only valid if all parts herein pass all testing, in-house or with a third party. No exceptions unless the Buyer writes a detailed note to the Seller. Run times for testing run between 7-21 days. All invoices need to be submitted in PDF format to accounting-usa@com-sit.com for payment. Noncomplying may jeopardize payment. The original manufacturer label is mandatory and not altered, and any additional costs by not complying with these requirements will be charged back to the Seller.

Thank you for doing business with us.