

## TES Purchase Terms & Conditions

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### 1. Acceptance of Purchase Order

Agreement by Seller to furnish the products, or services hereby ordered, or its commencement of such performance, or acceptance of any payment, shall constitute acceptance by Seller of this Purchase Order subject to these terms and conditions. In the event that this Purchase Order does not state price or delivery, Buyer (Tucson Embedded Systems) will not be bound to any process or delivery to which it has not specifically agreed in writing. Any terms or conditions proposed by Seller inconsistent with or in addition to the terms and conditions of purchase herein contained shall be void and of no effect unless specifically agreed to by Buyer in writing.

Modifications hereof or additions hereto, to be effective, must be made in writing and be signed by Buyer's purchasing representative.

These terms and conditions, together with any referenced exhibits, attachments or other documents, including the Purchase Order (PO), Statement of Work (SOW), or Request for Quote (RFQ) constitute the entire agreement between the parties with respect to the subject matter of this Purchase Order; and supersede any prior or contemporaneous written or oral agreement pertaining thereto.

### 2. Shipping Instructions

Seller shall be responsible for ensuring the proper packaging of products hereunder. Seller shall always comply with Buyer's written shipping instructions.

### 3. Notice of Delay

Seller shall notify Buyer in writing immediately of any actual or potential delay to the delivery or performance of this Purchase Order. Such notice shall include a proposed revised schedule; however, such notice and proposal or Buyer's receipt or acceptance thereof shall not constitute a waiver to Buyer's rights and remedies hereunder.

### 4. Warranty

Seller warrants the products delivered pursuant to this Purchase Order shall be new, free from defects in workmanship, materials, and design and to be in accordance with all the requirements of this Purchase Order. Seller further warrants that the performance of work and services pursuant to the requirements of this Purchase Order shall survive final acceptance and payment.

(a) Notification of Nonconforming Product:

Seller agrees to notify Buyer of any nonconforming product following delivery of the product. The Seller agrees to obtain approval from the Buyer for disposition of the nonconforming product when the disposition includes re-work or use-as-is, as this may have a potential effect on Buyer requirements.

### 5. Inspection

All products and workmanship shall be subject to inspection and test at all reasonable times and places by Buyer or Buyer's customer before, during and after performance and delivery. The Buyer may require Seller to repair, replace or reimburse the purchase price of rejected products or Buyer may accept any products and upon discovery of nonconformance, may reject or keep and rework any such products not conforming. Cost of repair, rework, replacement, inspection, transportation, repackaging, and/or reinspection by Buyer shall be at Seller's expense.

If inspection and test are performed on the premises of Seller or Seller's lower-tier subcontractors, Seller shall furnish without additional charge all reasonable facilities, information and assistance necessary for the safe and convenient inspection and tests required by the inspectors in the performance of their duty.

### 6. Notification of Changes

The Seller agrees to notify the Buyer of and obtain approval for changes in product, process and services, which include changes in suppliers and/or changes of manufacturing facility location that affect the Buyer product.

### 7. Indemnity

The Seller shall, without limitation, indemnify and save Buyer and its customer(s) and their respective officers, directors, employees and agents harmless from and against (i) all claims and resulting costs, expenses (including counsel fees and costs) and liability which arise from persona injury, death, or property loss or damage attributed to, or cause by, the goods supplied, or the services performed by Seller pursuant to this Purchase Order, except to the extent that such injury, death, loss or damage is caused solely and directly by the negligence of Buyer, and (ii) all claims (including resulting costs, expenses and liability) by the employees of Seller or any of its subcontractors.



## **8. Ethics and Compliance Program**

The Seller shall ensure, by the acceptance of this Purchase Order, it represents its employees and other persons performing work directly under Seller's control has not participated in any conduct in connection with this Purchase Order that violates Buyer's business ethics and conduct standards of Seller. Additionally, Seller shall be aware of their contribution to product or service conformity and product safety.

## **9. Notices**

Any and all notices, communications or other deliveries required or permitted to be provided hereunder shall be directed to [Purchase@TucsonEmbedded.com](mailto:Purchase@TucsonEmbedded.com)

## **10. Record Retention**

The Seller agrees to retain all applicable records for the Buyer product for either 2 years or the life of the product, whichever is greater. The Seller agrees to allow access by the Buyer, Buyer's customer, and regulatory authorities to all applicable records.

The Seller agrees to maintain the proper identification and revision status specifications, drawings, process requirements, inspection/verification instructions and other relevant technical data.

## **11. Right of Access**

The Seller agrees to right of access by the Buyer, Buyer's customer, and regulatory authorities to the applicable areas of all facilities and records (see 10), at any level in the supply chain involved in the order, with notice, within a reasonable time.

## **12. Counterfeit Parts Prevention and Control Program**

The Seller is expected to plan, implement, and control processes, appropriate to the organization and the product, for the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to the Buyer. Sellers are required to notify the Buyer immediately in the event that a counterfeit or suspect counterfeit part has or may be an issue with this order. Counterfeit parts are defined as: An unauthorized copy, imitation, substitute, or modified part (e.g., material, part, component), which is knowingly misrepresented as a specified genuine part of an original or authorized manufacturer. NOTE: Examples of a counterfeit part can include, but are not limited to, the false identification of marking or labeling, grade, serial number, date code, documentation, or performance characteristics.

## **13. Conflict Minerals**

The Seller represents and warrants that it and its supply chain are currently in compliance, and it covenants that it and its supply chain shall continue to comply, with existing and future law relating to "conflict minerals rule" as defined by the Dodd-Frank Wall Street Reform Act. Seller shall be responsible for and shall release, defend, Indemnify and hold harmless buyer from and against any liability resulting from the breach of the aforementioned representation and warranty and covenant.

## **14. Buyer-designated or approved external providers**

When specified on the purchase order, Sellers shall use only the sub-tiers designated by the Buyer. Sellers are prohibited from using any other supplier without written authorization from the Buyer.

## **15. Flow Down**

Seller agrees to use commercially reasonable efforts to include in its Purchase Order provisions which impose obligations on Buyer that are consistent with the obligations imposed on Seller in the provisions herein as those terms are applicable to the scope of work being performed by the Seller subject to the limitations set forth in any such provision.

## **16. Special Requirements**

Seller's special requirements, critical items or key characteristics will be identified within the Purchase Order.

## **17. Quality System**

Sellers are required to implement and maintain a quality management system capable of meeting the requirements of an internationally recognized standard (i.e. ISO 9001, AS9100, ISO 17025, etc.)

## **18. Design and Development Control**

Those Sellers performing design and development activities on finished items supplied to the Buyer, shall maintain a design and development control system that complies with the requirements detailed in AS9100 design control clause.



### **19. Test, Inspection, and Verification**

Seller requirements for any test, inspection, and verification activities, including production process verification (i.e. FAI) requirements will be identified on the purchase order. Buyer reserves the right to perform verification or validation activities at the Seller's premises.

#### **(a) Test Specimens:**

When specified on the purchase order, Sellers shall provide test specimens for design approval, inspection/verification, investigation, or auditing.

#### **(b) Use of Statistical Techniques:**

Statistical techniques used as means of product acceptance are permitted and shall be justified on the basis of recognized statistical principles and appropriate for use (i.e., matching the sampling plan to the criticality of the product and to the process capability).

### **20. Special Processes**

The Seller will ensure that all special processes required by this purchase order will be performed by competent qualified personnel.

### **21. Seller's Performance**

Seller's performance shall be monitored and evaluated based on delivery and product conformance to ensure compliance and to meet expectations of required conditions.

### **22. Competence of Personnel**

The Seller shall ensure all persons completing work under the Seller's control have the necessary competence and certifications required to meet applicable PO requirements.