

These terms and conditions (the "Agreement") govern all orders placed by Buyer for goods and services from you, (the "Seller"). The order to which these terms and conditions apply is Buyer offer to Seller and becomes a binding contract, subject to these terms and conditions, when accepted by acknowledgement or commencement of performance by Seller. Buyer objects to all additions, exceptions, or changes to these terms, whether contained in any printed form of Seller or elsewhere, unless expressly approved by Buyer in writing. To the extent there are any inconsistencies between these terms and those written in the purchase order, the order will control. Notwithstanding the foregoing, any separate warranty or promise set forth in any instrument provided by Seller that provides greater warranty protection than contained in these terms shall be binding on Seller. If this order cannot be fulfilled as agreed it shall become void automatically unless this period is extended by Buyer, in writing.

- 1. CONTROLLING LAW.** The purchase order is to be construed and interpreted according to the laws of the State of Florida, excluding its conflict of law provisions. The federal and state courts within Florida and the City of Tampa and County of Hillsborough and immediately surrounding counties shall have exclusive jurisdiction into adjudicate any dispute arising out of this agreement. The provisions of the United Nations Convention on Contracts for the International Sale of Goods shall not apply to any order. The prevailing party in any legal action or arbitration brought to enforce the purchase order or any of its terms shall be entitled to reasonable attorney's fees, court costs, fees, and expenses.
- 2. PRICE & INVOICING.** Unless otherwise specified, the prices stated on this order include all charges for packing, handling, storage. Sales and use taxes not subject to exemption shall be stated separately on Seller's invoice. **INVOICES FOR GOODS OR SERVICES PURCHASED HEREUNDER SHALL CONTAIN THE FOLLOWING INFORMATION (A) BUYER'S PURCHASE ORDER NUMBER; (B) ITEM NUMBERS, (C) DESCRIPTION OF GOODS OR SERVICE, (D) QUANTITIES, (E) UNIT PRICES (USD), (F) SHIPPING DATES, (G) TRACKING NUMBER, AND (H) TIME AND MATERIAL CHARGES AND SUBCONTRACT CHARGES, IF APPLICABLE. ALL INVOICES SHALL BE SENT TO AP@DIRECTICS.COM.**
- 3. DELIVERY.** All orders shall be acknowledged promptly with a confirmation of the Due date/Dock Date on the Purchase Order. **Due date on the PO will align with the lead time quoted.** Shipments shall be made to arrive no later than the dock date confirmed. If any goods are not delivered by the designated delivery date, Buyer, in addition to other remedies provided by law, may either (i) refuse to accept such goods and cancel this order without penalty or cost or (ii) cause Seller to ship the goods by the most expeditious means of transportation with transportation charged to Seller's account. However, Seller shall not be liable for delays in delivery or failure to manufacture or deliver due to acts of God, acts of civil or military authorities, Governmental priorities, fires, strikes, floods, epidemics, war, or riot, provided that the cause for such delay is reported in writing to Buyer within seven (7) days from the time commencement of such delay. Seller shall not deliver goods more than (5) days prior to the scheduled delivery date unless authorized in writing by Buyer. **Late Deliveries without written notification and PO revision can affect your approval status on our AVL.** Seller shall bear the risk of loss or damage to the goods covered by this order until they are delivered to and accepted by Buyer.
- 4. PACKAGING AND SHIPPING INSTRUCTIONS.** All goods shall be suitably packed and properly marked per industry standards as appropriate to the product. All moisture sensitive goods shall be dry packed, and vacuum sealed using moisture barrier bags with desiccants and humidity indicator cards (HIC) as appropriate to their MSL level. All goods must be packaged & labeled using ESD compliant packaging standards.

Materials that are Age Sensitive: Seller shall provide original manufacturing/cure date, and lot number(s), and the shelf-life expiration date (if indefinite or unlimited, so state). Seller shall physically identify the shelf-life expiration date on the deliverable product or the unit packaging according to the applicable standard. In addition, Seller shall forward any special storage/handling instructions to Buyer. Seller is responsible to determine if acceptance test report submittal is required in accordance with applicable material specification. Date sensitive materials must have at least 85% of their active life remaining at the time of shipping to Buyer.

Shipments shall be shipped via courier listed on the purchase order and reference Buyers purchase order on the bill of lading. **Do not insure shipment unless specifically authorized in writing.** Seller shall ensure that all items are correctly classified. Unauthorized charges and/or additional fees due to incorrect classification or country of origin will incur a charge back.

PACKING LIST DELIVERED WITH THE ORDERED PRODUCT SHALL HAVE: SELLER NAME AND ADDRESS, BUYER SHIP TO ADDRESS, BUYER PURCHASE ORDER NUMBER, BUYER PURCHASE ORDER LINE NUMBER, PART NUMBER ORDERED, ITEM DESCRIPTION, QUANTITY BEING SHIPPED, SERIAL NUMBER IF APPLICABLE, MANUFACTURE BATCH OR LOT NUMBER, COUNTRY OF ORIGIN, HTS CODE, NO PRICING OR COST INFORMATION, AND HAZARDOUS UN NUMBER IF APPLICABLE.

- 5. COUNTRY OF ORIGIN REQUIREMENT:** All items must list the Country of Origin, (where the parts were manufactured), and if requested the seller will provide a Certificate of Origin which meet the requirements of the various Free Trade Agreements which the US are signatories to, The FTA are Australia, Bahrain, CAFTA-DR, Chile, Colombia, Israel, Jordan, South Korea, Morocco, NAFTA, Oman, Panama, Peru, and Singapore. Please ensure if exporting product to the United States the correct Country of Origin, (country of manufacture), is identified on the shipping paperwork. **If Country of Origin is China, Buyer must be notified on confirmation of your PO, or any customs tariff fees will incur a chargeback.**
- 6. PART REQUIREMENTS**
Part Conditions are defined as follows:
NOTE: All parts shall be original and have original part markings.
 - Factory New:** Unused material purchased from the Original Component Manufacturer (OCM), an authorized distributor, franchise, or other qualified source. This material will include supply chain traceability to the original manufacturer and shall be free of any functional or cosmetic defects. This material will be in the original unaltered factory packaging with original unaltered factory labels.
 - New:** Unused material that is free of any functional and cosmetic defects. This material shall not show evidence of alteration, prior assembly, or use. Material may or may not have supply chain traceability or be packaged in original factory packaging with original labels.
 - New Surplus:** Unused purchased excess material that may or may not possess traceability or original factory package. This material shall not show evidence of alteration, prior assembly, or use, but may exhibit signs of handling and storage, and age deterioration.
 - Used (pulled):** Product that has been electrically charged and subsequently pulled or removed from a socket or other electronic application, excluding electrical testing for acceptance.

PARTS WITH A PURPOSE

- **Refurbished:** Used parts or material restored to a "like new" appearance (e.g., cleaned, polished, plated, tinned, renovated, and/or reworked to ensure functionality).

7. **MANUFACTURER'S CERTIFICATION OF CONFORMANCE** – If available and/or required on purchase order it must be provided. In no case shall the manufacturer's certificate be altered or show signs of alteration. This information will certify that the product was manufactured in accordance with the drawings & specifications approved by the manufacturer. It shall contain batch identification and signature or stamp of the authorized personnel. If the product being purchased is FAA approved the certificate should state that the part was manufactured in accordance with applicable FAR's (FAR 21.1 – Commercial, FAR 21.121 – PC, FAR 21.303 – PMA, FAR 21.601 – TSOA). If the product being purchased is a MIL Spec item, the MIL Spec should be referenced. If it is a commercial type item, the certification will state that the product being furnished is being supplied in accordance with the manufacturers defined process, design, test, and specification requirements.
8. **CERTIFICATE OF CONFORMANCE MUST BE PROVIDED.** This certifying statement shall attest to product conformity; conformance to defined process, design, and specification requirements with the Buyers purchase order. It should include part number and date code/lot/serial# information, as applicable. Certification statement must be signed and dated and may be at the bottom of the packing list. A standard certification can be on a separate page that is referenced back to the packing list. All handwritten data must be initialed and dated by the person doing the writing.
9. **ACCEPTANCE / INSPECTION.** All goods shall be received subject to Buyer inspection, testing, approval, and acceptance, notwithstanding any prior payment for such goods. **Product will be subjected to Buyer Counterfeit Mitigation Testing** which includes as applicable/or required: External Visual Inspection • Dimensional • Device Surface Test • Mechanical Scrape Test • Electrical Testing • Radiological (X-Ray) Inspection • Programming Testing • Delid/Decapsulation Internal Analysis (destructive) • Solderability Testing (destructive). Goods rejected by Buyer as non-conforming to the purchase order or goods specifications, whether provided by Seller or the manufacturer, may be returned to Seller at Seller's risk and expense and, at Buyer's request, shall immediately be replaced, purchase price refunded, or credit given, at the option of Buyer.

Buyer or its customer reserve the right to designate requirements for test, inspection, and verification (including production process verification), including the use of statistical techniques for product acceptance and related instructions for acceptance by the organization. Seller should be prepared to provide inspection/verification, investigation, or auditing documents.

10. **NON-CONFORMING PRODUCT, PROCESSES, OR SERVICES.** Seller shall notify Buyer of non-conforming processes, products, or services that it discovers during and after the fulfillment of this purchase order. If during fulfillment Buyer's express approval of disposition is required before any such items are shipped to Buyer. If found after the fulfillment you must provide notification immediately upon discovery.
11. **COUNTERFEIT/FRAUDULENT/SUSPECT PARTS.** Seller shall not deliver and shall prevent the use of suspect, fraudulent, or counterfeit parts to buyer under this purchase order.
 - **Inspection requirements** – Seller shall establish and implement inspection activities necessary to meet PO requirements and assure the verification of purchased product, including:
 - **Visual Examination:** The Seller shall prepare and have records evidencing inspections performed and conformance of the product to specified acceptance criteria and that personnel performing the inspections have been trained in the detection of fraudulent/counterfeit parts.
 - **Supply Chain Traceability** – In the case of an investigation Seller should be capable of providing full traceability for the parts being purchased back to the manufacturer of electronic parts. This traceability method shall clearly identify the name and location of all of the supply chain intermediaries from the manufacturer to the direct source of the product for the seller and shall include the manufacturer's batch identification for the items.

If suspect or counterfeit parts (blacktopped, remarked, sanded, not original die, or any other counterfeiting method) are furnished under this order or are found in any of the goods delivered hereunder, such items shall be impounded by Buyer. Buyer reserves the right to confiscate the parts, destroy them, or turn them over to the US Government or local authorities. Buyer reserves the right to withhold payment for the items pending the results of the investigation. Seller shall, at its own expense, promptly refund and/or replace such counterfeit parts with parts acceptable to the Buyer and Seller shall be liable for all costs related to the removal and replacement of said parts, including but not limited, to shipping fees, testing fees, rework costs, & legal costs.

12. **CHANGES OR SUBSTITUTIONS** Seller must notify the organization of changes to products, services, or processes including changes of their external providers or location of manufacture. No substitutions or changes in goods ordered shall be permitted without written authorization. Seller has the right to reject product that does not meet purchase order requirements.
13. **QMS REQUIREMENT:** Seller shall implement a Quality Management System that ensures applicable requirements are adhered to and to prevent the shipment of suspected unapproved, unapproved, fraudulent, and counterfeit parts. Suppliers that obtain certification/registration and subsequently change certification bodies (CBs), lose registration status, or are put on notice of losing registration status, shall notify Buyer within three (3) days of receiving such notice from its CB.
14. **CUSTOMER DESIGNATED OR APPROVED EXTERNAL PROVIDERS** – Seller shall use buyer designated or approved external providers that have the capabilities to meet requirements including flow down requirements.
15. **SUPPLIER PERFORMANCE.** Buyer will evaluate Sellers overall performance (On Time Delivery, Product Quality, Requirements not met (wrong part, qty, mfg etc.), at minimum annually. It is recommended that sellers' continuous improvement plans should target zero defects and 100% on-time delivery. Supplier Performance is monitored and reviewed. To maintain Approved "Preferred" status performance targets are as follows: 80% Product Quality (defective product) and 80% Overall Performance (Average of On Time Delivery, Ability to meet PO Requirements, and Product Quality). When performance requirements are not met the following actions may be taken: A warning issued, A Supplier Corrective Action, (SCAR) issued, movement from Approved Preferred Status to a "PROBATIONARY" Status, Removal from AVL. Sellers that deliver product that is suspect, or confirmed counterfeit may be removed immediately or will require a completed SCAR. Performance will be monitored to verify effectiveness. AVL status and performance results are available upon request.

PARTS WITH A PURPOSE

16. **QUALIFIED PERSONNEL** – Personnel shall be competent and be aware of:
- their contribution to product or service conformity.
 - their contribution to product safety.
 - the importance of ethical behavior.
17. **RIGHT OF ACCESS.** Seller and its subcontractors shall provide right of access to Buyer, its customers and regulatory authorities to all facilities involved in the performance of the manufacture or supply of the goods or services ordered hereunder and to all records of Seller or its subcontractors applicable thereto, including on -site audits if required.
18. **RECORD RETENTION REQUIREMENTS-** Seller is to retain all records for a period of 10 years from the date of order. This includes but not limited to COC's, test reports, incoming inspection, supplier traceability, airworthiness certificates, authorized release certificates, supply chain traceability, manufacturer certs, etc. as applicable. Notify Buyer prior to the destruction of any records pertaining to the quality of product supplied including but not limited to: test reports, calibration records, production records, sub-tier supplier certificates of conformance.
19. **FLOW DOWN** Seller shall flow down to external providers applicable requirements including customer flow down requirements which are listed in the order. If this order is an Aerospace order Clauses 8 – 19 must flow down to sub-tier suppliers.
20. **TOOLS, DRAWINGS, MATERIALS, ETC.** Seller shall use all designs, tools, jigs, patterns, drawings, information, equipment, and other items ("items") furnished by Buyer only in the production of the goods or performance of services called for herein. The organization shall exercise care with property belonging to customers or external providers while it is under the organization's control or being used by the organization. The organization shall identify, verify, protect, and buyers' property provided for use or incorporation into the products and services. Buyer makes no warranty, express or implied, concerning the accuracy of any of the items it furnishes. All work must be in strict accordance with specifications, regardless of any deficiency in items supplied by Buyer. Title to all items furnished shall remain in Buyer, and upon completion or termination of this order all items shall be returned to Buyer or disposed of in accordance with Buyer's directions. When the property of a buyer is lost, damaged, or otherwise found to be unsuitable for use, the organization shall report this to the buyer and retain documented information on what has occurred. Seller shall assume all risk of loss of the items or damage to persons or property (including to the items) resulting in any way from Seller's possession or use of the terms, and Seller agrees to hold Buyer harmless from all Claims due to injury or damage to any person or property resulting directly or indirectly from the Items or use thereof.
21. **FOREIGN OBJECT DEBRIS (FOD):** The Seller shall develop and maintain a Foreign Object Debris (FOD) prevention program to identify and eliminate foreign object entrapment areas and paths through which foreign objects may migrate and cause product failure. The FOD program will include design, manufacturing, and process controls to prevent FOD in deliverable items. The Seller shall include periodic self-assessment of internal FOD prevention practices to measure effectiveness. Delivered material must be clean and free from any material/debris, such as machined chips, burrs, grinding dust, forming materials, corrosion, oil and other foreign material on surfaces to prevent FOD entrapment. The Seller shall be responsible for all product cleanliness which includes all packaging materials (including internal packaging and returnable dunnage if applicable) for such components. The Seller should have special emphasis controls in place appropriate for the manufacturing environments.
22. **WARRANTY.** Seller provides the following warranties to Buyer, its affiliates and customers regarding goods or services furnished to Buyer, which warranties shall survive any delivery, inspection, acceptance, payment, or resale of the goods or service: Goods do not and will not infringe any party's intellectual property rights; Seller has the necessary right, title, and interest to provide the goods and services to Buyer, and the goods and services will be free of liens and encumbrances; Goods are genuine, new, original, un-pulled, un-programmed, solderable, without bent or formed leads, test dot or other 3rd party markings, marked with all original part number markings and codes, and of the condition, grade and quality specified in accordance with all manufacturer or other specifications; date codes shall be as quoted and/or on purchase order; All programmable devices are free of all pre-programming; For any goods that have a shelf life, such goods will have the greater of (i) 85% of its shelf life or (ii) two (2) years of shelf life remaining at the time of shipment.; Seller expressly warrants that the goods or services ordered (i) shall be merchantable; (ii) shall conform to the order, to specifications, drawings, and other descriptions referenced in the order, and to any accepted samples; (iii) shall be free from defects in materials and workmanship; (iv) shall be free from defects in design unless the design was supplied by Buyer; and shall be fit and safe for the intended purposes. Except for the warranties set forth in compliance with environmental and other regulations, all of which shall have the maximum warranty period allowed by law, the warranties herein shall extend for the longer of (i) one (1) year from Buyer's receipt of the goods, or (ii) the warranty period provided by the manufacturer.
23. **INSURANCE:** Seller shall, at its own expense, maintain in full force and effect during the term of this Agreement, insurance coverage to include **Comprehensive General Liability** and **Product Liability** with minimum coverage of \$1,000,000 per occurrence and \$2,000,000 aggregate. Seller shall furnish Buyer certificates of such insurance, which shall be with companies and in form satisfactory to Buyer. The insurance policies shall name the Buyer as an additional insured and shall provide that the coverage shall not be canceled or materially altered without at least thirty (30) days' prior written notice to the Buyer. Seller shall also carry at its sole expense automobile liability insurance, including automobile, no ownership liability insurance for all liabilities arising out of injury and death as well as destruction of property for all automobiles owned or hired by Seller.
24. **INDEMNIFICATION.** Except as otherwise expressly limited herein, Seller agrees to indemnify, defend and hold Buyer, its officers, directors, employees, representatives, affiliates, and its customers harmless from and against any and all claims, actions, losses, costs, damage environmental compliance attorney's fees), penalties and fines they may suffer or incur arising from or as a result of (a) infringement of the intellectual property or proprietary rights of others; (b) personal injury or property damage caused by the goods; (c) breach of Seller's warranties and representations herein as relating to the goods, including, without limitation, defects, conformance or environmental compliance.
25. **ASSIGNMENT.** No assignment of an order or of any moneys due or to become due there under shall be binding upon Buyer until its written consent to the assignment is obtained. Payment to any assignee of any claim under an order shall be subject to set-off or recoupment for any present or future claim or claims which Buyer may have against Seller.
26. **SETOFF.** Any counterclaim against Seller or any of its related entities by Buyer or any of its related entities which arise out of this, or any other transaction may be set off against any money due Seller under an order.

PARTS WITH A PURPOSE

27. **MODIFICATION** No modification or amendment shall be effective unless made in writing, dated and signed by duly authorized representatives of both parties. Usage of trade, course of performance, and course of dealing cannot supplement or modify the written terms of this order. Buyer reserves the right and Seller agrees to accept reasonable changes to this order, including changes as to packing, testing destinations, specifications, designs, and delivery schedules, but changes shall be authorized only by Buyer's written release order. Buyer's (a) failure to insist on strict performance of any term or condition hereof or (b) failure or delay to exercise any right or remedy provided herein or by law or properly to notify Seller in the event of breach or (c) acceptance of or payment for goods hereunder or (d) approval of any design shall not release Seller from any of the warranties or obligations of this order and shall not be deemed a waiver of any right of Buyer to insist upon strict performance hereof or of any of its rights or remedies as to any prior or subsequent default hereunder nor shall any purported oral modification or rescission of this purchase order by Buyer operate as a waiver of any term or condition here expressly to apply to the goods or services ordered herein, in the event of a conflict the provisions of the agreement shall control only for those goods and services contemplated both by this order and the agreement. In the performance of work hereunder, Seller and its sub contractors shall comply with all applicable federal, state and local laws and rules and regulations and shall furnish evidence of such compliance as required by Buyer. Nothing in this order or any acceptance hereof shall constitute Seller or any of its officers, directors, or employees as Buyer's agent, legal representative or employee.
28. **CONFIDENTIAL.** The Seller shall not disclose any detail connected with any order, (except for the benefit of Buyer), to any third party without first obtaining the written consent of Buyer.
29. **CANCELLATION.** Buyer reserves the right to cancel any purchase order, in whole or in part, at any time prior to delivery, by providing written notice to the Seller. In the event of such cancellation, the Buyer shall be liable to the Seller only for the cost of goods and materials already delivered and accepted by the Buyer. The Seller may cancel the purchase order if the Buyer fails to make payment in accordance with the agreed terms, or if the Buyer becomes insolvent or is subject to bankruptcy proceedings. The Seller must provide written notice of such cancellation to the Buyer. In such cases, the Seller shall be entitled to compensation for goods delivered and accepted by the Buyer up to the date of cancellation.
30. **FORCE MAJEURE.** Neither party shall be liable for cancellation or delay in performance due to causes beyond their reasonable control, including but not limited to acts of God, war, terrorism, or natural disasters. In such events, the affected party shall notify the other party as soon as possible and make reasonable efforts to mitigate the impact of the force majeure event unless otherwise agreed in writing.
31. **CODE OF CONDUCT:** Seller shall be dedicated to identifying and reducing the environmental impact of its operations, activities and products and committed to comply with all applicable laws and other regulatory requirements concerning the environment. Seller shall promote a sustainable development and strive to prevent undesirable impacts on the environment and their employees. Seller shall comply with certain business and ethical standards, as well as the laws of their countries and all other applicable laws, rules and regulations. See Direct Components [Code of Business Ethics, Conduct, and Sustainability](#).
32. **DATA PROTECTION:** Implement and maintain administrative, physical, and technical safeguards ("Safeguards") that meet or exceed relevant industry standards and that protect the security and privacy of Personal Information. Seller will not permit access to Personal Information except to those who need to know it in order to perform under this agreement, and will ensure that any third party accessing Personal Information protect it with Safeguards at least as strong as Seller's Safeguards
33. **ENVIRONMENTAL LAWS:** Seller expressly warrants that the goods conform to all manufacturer or other agreed to specifications, including, without limitation, compliance with substance prohibitions and restrictions set out in EU Directive 2002/95/EC, 2011/65/EU, 2015/863, Restriction on Hazardous Substances (RoHS), REACH(SVHC), TSCA, and any other related or similar, implementing laws, rules, regulations, standards and restrictions within the United States, the European Community, China or other countries unless otherwise authorized.
34. **CONFLICT MINERALS POLICY.** On August 22, 2012, the Securities and Exchange Commission adopted Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Conflict Minerals Law"). The Conflict Minerals Law requires all publicly traded companies to report annually to the SEC whether they use Conflict Minerals including gold, wolframite, cassiterite, columbite-tantalite and their derivative metals, which include tin, tungsten, tantalum and any other compounds designated by the U.S. Secretary of State. Suppliers are expected to provide all necessary due diligence information to confirm that all material supplied to Direct are Conflict-free. Sellers are expected to pass this requirement onto their supply chain.
35. **EQUAL EMPLOYMENT OPPORTUNITY.** This contractor and subcontractor shall abide by the requirements of 41 CFR 60-1.4(a), 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, disability, or veteran status.
36. **EXPORT COMPLIANCE.** Seller acknowledges Seller's obligation to control access to technical data and equipment under applicable worldwide export laws and regulations and agrees to adhere to such laws and regulations and conditions of any licenses issued in connection with any technical data or equipment received under the Buyer's Purchase Order. Seller is responsible for obtaining required export licenses or other approvals from the government of the country of origin. Seller will inform Buyer in advance if any product is or contains any technical data or parts that is controlled or restricted for export by any government agency. Seller represents and warrants that Seller is not designated on, or associated with, any party designated on any government restricted parties list, including without limitation, the U.S. Commerce Department Bureau of Industry and Security ("BIS") Denied Persons List and Entity List or Unverified List, the U.S. Treasury Department Office of Foreign Assets Control ("OFAC") Specially Designated Nationals and Blocked Persons List, the U.S. State Department Directorate of Defense Trade Controls ("DDTC") Debarred Parties List and Nonproliferation Sanctions list, the United Nations Security Council Sanctions list, the Australia Consolidated list, the Canadian Restricted Entities list, the EU Financial Sanctions and UN Sanctioned Countries lists, and the World Bank List of Debarred Firms. The Seller shall indemnify the Buyer for all liabilities, penalties, losses, damages, costs and/or expenses that may be imposed on, or incurred by, the Buyer in connection with any violations of these export control laws and regulations by the Seller.

Seller represents and warrants that it is not and will not be at any time during the performance of this purchase order, listed or named on, or affiliated with a party listed or named on, the "Excluded Parties List System" or "EPLS," as described in the Federal Acquisition Regulations (currently Section

PARTS WITH A PURPOSE

9.404). In the event of a violation of this representation, without limiting its other rights and remedies, Buyer reserves the right to terminate this purchase order without penalty. As of the date of sale to Buyer, Seller shall immediately advise Buyer's purchasing representative in writing if Seller is unable to make any warranty or representative set forth above for any item covered by this order. Do not ship such to Buyer unless instructed to do so in writing by Buyer's purchasing representative

37. **BREACH.** If Seller fails to perform or comply with any provisions of any order, Buyer may cancel the order in whole or in part and may consider such failure or non-compliance as a breach of this contract. Buyer expressly retains all its rights and remedies provided by law in the case of such breach, and no action by Buyer shall constitute a waiver of any such right or remedy.
38. **INSOLVENCY.** In the event of the institution of any proceedings by or against either party in bankruptcy or insolvency or under any provisions of the Bankruptcy Act or for the appointment of a receiver or trustee or an assignment for the benefit of creditors of either party, the other party may terminate this order without further cost or liability.
39. **ENTIRE AGREEMENT.** The purchase order and these terms and conditions contain the entire understanding between Buyer and Seller with respect to the subject matter of the order and supersede all prior agreements. No waiver of any breach of these terms shall be held to be a waiver of any other or subsequent breach. Buyer's rights and remedies herein are in addition to any other rights and remedies provided by law or in equity
40. **CONDITIONS APPLICABLE ONLY IF THIS ORDER IS PLACED UNDER GOVERNMENT CONTRACTS OR SUBCONTRACTS.** If this order is placed pursuant to a government prime contract or subcontract referenced by a number, DPAS rating, or otherwise noted in the purchase order, the applicable clauses set forth in the FAR and DFARS apply as in effect on the date hereof and are incorporated herein.
41. **APPENDIX A & B APPLICABLE ONLY FOR AS6081 ORDERS:** If this order is placed under a contractually specified AS6081-certified supplier requirement, the additional terms in Appendix A (for Part Suppliers) or Appendix B (for Test Facilities) apply and are incorporated herein.

APPENDIX A – AS6081 FLOWDOWN REQUIREMENTS FOR PART SUPPLIERS

Purchasing controls for fraudulent/counterfeit part avoidance.

A.1. SOURCE AUTHORIZED CHANNELS PREFERRED

- It is preferred parts are purchased directly from Original Component Manufacturers (OCMs) or their authorized distributors.
- If available, source parts through authorized channels and include these options with lead times.
- If not available, notify in quotes
- If authorized channels, proof of authorization must be provided.
- Unauthorized sources make the Seller an Independent Distributor.

A.2. MITIGATE RISK WHEN PURCHASING FROM UNAUTHORIZED SUPPLIERS:

- Implement controls to prevent the purchase of fraudulent/counterfeit parts
- Prevent purchases from sources that have failed to detect and avoid counterfeit parts.
- Provide notification if there is a high risk of source providing fraudulent/counterfeit parts
- Establish inspection activities to prevent shipping fraudulent/counterfeit parts

A.3. SUPPLIER CHANGE NOTIFICATION REQUIRED:

- Notify and issue a revised quotation if suppliers change.

A.4. CERTIFICATE OF CONFORMANCE REQUIRED

- When available, retain and provide copies of Manufacturer CoCs in the shipment. Manufacturer's certificates must not be altered.
- Provide a company COC in the shipment. Reference Clause #8

A.5. PRODUCT IMPOUNDMENT AND FINANCIAL RESPONSIBILITY:

- Fraudulent/counterfeit parts have no value. Any warranty limitations in the Seller's Terms and Conditions are null & void if such parts are received.
- If the OCM deems the parts authentic, the decision is final.
- If the parts are found to be suspect, the Seller can either agree or verify through a Buyer approved test facility.
- If Seller is requiring a return, Buyer and Seller will agree on a sample of the suspect parts or the default sample size, the lesser of 10 parts or 50% of each suspect lot/date code, to be sent to one or more agreed independent 3rd Party Buyer-approved test facility(ies) for further evaluation. Seller pays testing fees.
- Suspect parts are not returned unless an accredited 3rd Party independent test facility confirms they are not fraudulent.
- In the event Buyer paid for the parts Seller shall refund the purchase price and be liable for all damages caused by its delivery of fraudulent /counterfeit parts
- Buyer reserves the right to confiscate the fraudulent/counterfeit parts, destroy them, or turn them over to the US Government or local authorities. Buyer reserves the right to withhold payment for the items pending the results of the investigation.

A.6. DEFINITIONS

- **Suspect Part** - A part in which there is an indication by visual inspection, testing, or other information that it may have been misrepresented by the supplier or manufacturer and may meet the definition of fraudulent part or counterfeit part provided below.
- **Fraudulent Part** - Any suspect part misrepresented to the Customer as meeting the Customer's requirements including used or refurbished parts falsely represented as new.
- **Counterfeit Part** - A fraudulent part confirmed by the manufacturer to be a copy, imitation, or substitute misrepresented as genuine. This includes unlawful or unauthorized reproductions, substitutions, or alterations knowingly misidentified to appear as authentic parts from the original manufacturer or an authorized source. It also covers parts with falsified identification details such as grade, serial number, lot number, date code, or performance characteristics, intended to mislead, deceive, or defraud.

APPENDIX B – AS6081 FLOWDOWN REQUIREMENTS FOR TEST FACILITIES

- B.1. REQUIREMENTS FOR TESTING** - All testing shall be conducted per the exact requirements listed in AS6081:2012 clauses 4.2.6.4. – 4.2.6.5. and Table 1, for each homogeneous lot, as applicable to the part type.
- Active Parts or assemblies that contain active elements shall include the AS6081 all Level A requirements of Table 1.
 - Passive parts, the minimum level of inspection/testing shall include the following for the characteristics applicable to the type of passive part:
 - Documentation and Packaging Inspection (Level A1 of Table 1)
 - External Visual Inspection (Level A2 of Table 1)
 - Solvent Test for Remarking (Level A3 of Table 1 – Solvent Test for Remarking only)
 - Lead Finish Evaluation (Level A5 of Table 1).

Additional fraudulent/counterfeit part detection tests will be made available to the customer on request. Proper parts risk mitigation by the Customer may include the full suite of both required and additional tests of Table 1 of the AS6081 standard resulting in contracted test scope increase.

Minimum test/inspection sample size shall be in accordance with Level A, Table 1. Test samples shall be selected at random; however, for lots with mixed date codes, the devices must be separated into separate sublots (minimum sample size applies to each individual subplot). When selecting the sample, ensure that the parts are randomly selected from the total population. Parts exhibiting potential anomalies shall be included in the sampling group. If the parts are received in tape and reel and/or multiple packages, parts shall be randomly pulled from the entire length of the reel and from multiple reels and/or packages. The same samples can be used for multiple test steps. For example, the samples used for External Visual Inspection can be used for X-ray, followed by Lead Finish Evaluation (X-ray Spectroscopy-XRF or Energy Dispersive Spectroscopy-EDS/EDX) testing. The same sample population can be used for additional testing. Larger sample sizes may be used for improved test confidence or to support an improved test flow sequence.

NOTES:

For very small lot sizes, less than ten (10) devices, this “destruct” test sample size may be reduced to one (1) device at the discretion of the Cognizant Engineer with Quality Assurance concurrence and Customer approval.

Devices for the Remarking & Resurfacing Inspection shall be selected from the Detailed External Visual Inspection lot.

Devices with possible lead finish anomalies shall be selected from the Detailed External Visual Inspection lot.

Devices for the Delid/Decapsulation Internal Analysis shall be selected from the Remarking & Resurfacing Inspection lot.

- B.2. RECORDS OF INSPECTION AND TEST RESULTS** - Results of each inspection and test performed shall be documented, retained, and traceable to product identification information (e.g., date/lot codes, applicable serial number), purchase order, invoice, and inspection and testing personnel. Retention of test data shall be five (5) years minimum. **Report shall include the following information, as a minimum:**
- The manufacturer and part number
 - The lot size
 - The manufacturer date code(s) or lot code
 - The sample size (or 100%) used for each inspection and test
 - The date the inspections and tests were performed
 - An indication of whether each individual inspection and test passed, failed or was inconclusive (or questionable).
 - The specific inspections and tests that were performed and the test conditions (e.g., General Visual, Detailed Visual,
 - Marking/Surface Exam, X-ray, etc.)
 - The accept/reject criteria that applies for each of the inspections and tests (e.g., Documentation and Packaging
 - Inspection per 4.2.6.4.1, Detailed Visual Inspection per 4.2.6.4.2.2, etc.)
 - The signature and/or stamp of the individuals that performed the inspections and tests, and the authorized individual that accepted the inspection and test results. These signatures/stamps shall represent that the individual understands the penalties associated with fraud under Authority Having Jurisdiction.
 - The level of magnification used for the Detailed Visual Inspection.
 - The name and address of subcontracted test facility.
 - Description of whether testing: used a known authentic part as a comparison or used absolute measurements and compared the results to a Customer-supplied Source Control Drawing or OCM data or a combination of the two methods was employed or used a comparison against average lot data when OCM-data or a known authentic part was not available.
 - Unless otherwise specified by the customer, include detailed results/records of inspections and tests (e.g., X-ray film/digital images, XRF results (e.g., copy of the XRF plot), delid/DPA photographs, etc.).
- B.3. REPORT SUSPECT/FRAUDULENT/COUNTERFEIT PRODUCT** – If there is any discovery of a suspect/fraudulent/counterfeit part discovered in conjunction with the contracted inspections and/or tests or by other means, notification is required. OCM-input may be required to draw full conclusion of the test results. In these cases, OCM should be contacted to assist in authenticating products. OCM may provide insight into the authenticity of a device when provided documentation, photographs and other artifacts without providing the proprietary data serving as the basis for this insight. OCM cooperation or “OCM-supplied data” may be limited or unavailable. In cases where the OCM does not furnish data but provides feedback questioning the authenticity of the device the product should be considered a “Suspect Part”. On request Buyer will provide a copy of any previously completed inspections and tests.
- B.4. PERSONNEL TRAINING** – Personnel shall be trained as appropriate to their function.
- Direct Handling: Inspectors and test technicians must be trained to detect suspect, fraudulent, or counterfeit parts.
 - Specialized Technologies: Personnel using technologies like Acoustic Microscopy must be trained by equipment manufacturers, technology specialists, or equivalent.
 - Radiographic Inspection: Personnel using X-ray and XRF must be trained and certified to NAS-410 or an equivalent standard.
 - Outside Agencies: Organizations must ensure that external agencies meet the required training and certification standards.
- B.5. FLOW DOWN** – If any of the testing will be outsourced to another test facility please notify Buyer at the time of quote. The facility must be accredited to ISO/IEC 17025 and the requirements in this document for AS6081 Test Facilities shall flow down and apply.

PARTS WITH A PURPOSE