

## TERMS AND CONDITIONS OF PURCHASE

The purchase of products and services by Astute Electronics Ltd., and its divisions, subsidiaries, affiliates, branches and offices – (hereafter referred to as Astute) are expressly subject to these Terms and Conditions regardless of any supplier terms or conditions that conflict or contradict these in any quotation, order acknowledgement, supplier document or other communication and/or Astute, failure to object to any conflicting or additional terms, will not change or pass the terms of these Terms and Conditions. Conflicting terms and conditions of the supplier will only apply if confirmed in writing by Astute.

**ORDERS.** Astute will place an approved written Order with the Supplier (hereafter referred to as Order), which will be considered accepted by the Supplier, once the Supplier order acknowledgement is received by Astute. If no order acknowledgement is received the Order will be considered accepted as issued.

**APPOINTMENT.** The Supplier authorises Astute to distribute and/or otherwise resell the Products purchased against these Terms and Conditions in all regions covered by Astute, unless prior agreement has been reached.

**PRICES.** The price detailed in the Order for the Products will apply until all deliveries against the order have been received by Astute.

**TAXES.** Astute shall not be liable for any taxes with respect to any Order provided that Astute provides Supplier with the applicable exemptions and/or resale certificates.

**TERMS OF PAYMENT.** Astute will make payment of invoices received from the Supplier, 60 days from end of the month in which the invoice was raised.

**ORDER CHANGES.** Astute may change or cancel orders, or reschedule shipment dates for any Products ordered, provided Astute notifies the Supplier at least ten (10) days prior to the latest acknowledged delivery date. If delivery of an Order is delayed more than ten (10) business days after the initial acknowledged delivery date, Astute reserves the right to cancel the Order without penalty.

**DELIVERY AND TITLE.** All Products purchased should be shipped DDP (Incoterms 2017 or latest edition) and title will pass when risk of loss for goods passes.

**ACCEPTANCE OF PRODUCTS.** Astute will have thirty (30) days to notify Supplier of any defects in relation to the delivery, including but not limited to shortages or other discrepancy of the Product, and the Supplier will rectify the issue in a timely manner including if necessary accepting return of any Product.

**WARRANTY.** While Supplier sells Product to Astute for further resale, Astute is not obliged to examine the Product itself. For sales made by Supplier to Astute the Supplier guarantees Astute the design, construction and quality of the Products comply in all respects with the requirements of any statutory regulation, order, contract or any other instrument having the force of law, which may be in operation at the time when the Products are supplied. Should a customer of Astute lodge any claim against Astute or hold Astute in other respect responsible for a breach of warranty, contract or guarantee in connection with the sale of the Product, except where the claim against Astute is based on wilful misconduct or fraudulent misrepresentation of Astute, then the Supplier following Astute request in writing, shall hold Astute harmless from all claims, costs, expenses and damages, including legal fees, incurred. The warranty period will be twelve (12) months and will start on delivery of the Product to the end user. Any Product returned under the terms of warranty may be shipped to Supplier either by Astute or directly from a re-seller customer or end user.

**DISCONTINUED PRODUCTS/PRODUCT OBSOLESCENCE.** Supplier may discontinue or make obsolete the manufacture or sale of any Product. In the event any Product is discontinued or made obsolete, the Supplier will give Astute at least ninety (90) days written notice. Astute may, within sixty (60) days of receipt of such notice, notify the Supplier in writing of Astute's intention to return any or all Products in Astute inventory. Astute will receive full credit for any Products returned. Any credit for the Products will be at the original net invoice price paid by Astute, less any prior credits. Supplier will pay all freight charges for the return of the Products. In addition the Supplier will offer Astute the right of a last time buy (LTB), for quantity and delivery dates to be mutually agreed.

**PATENT/COPYRIGHT/TRADEMARK INDEMNIFICATION.** Supplier warrants all Products purchased, including the manufacture and sale, do not and will not violate or infringe any patent, copyright, trademark, trade secret or other intellectual property right of any third party. The Supplier will, at its own cost and expense, defend any suit that may arise in respect of the Products or combination of any Product with any equipment, data or programming, to the extent that the claim alleges that the Product standing alone infringes such rights, and provided the Supplier is notified. The Supplier will indemnify and hold harmless Astute, and its customers from all loss, damages, costs and expenses (including reasonable legal fees and costs of establishing rights to indemnification) that may be incurred on account of the assertion of any such property rights by any person.

**USE OF TRADEMARKS/TRADE NAMES.** Astute is authorised to use any Supplier trademarks, trade names and logos in connection with Astute sale, advertisement and promotion of Products.

**QUALITY.** Supplier will establish and maintain quality control procedures in accordance with ISO 9001 for product manufacturing, handling and testing, including but not limited to electrostatic discharge sensitivity procedures and other programmes as are necessary to ensure the Products, as manufactured and sold to Astute are of the highest quality and reliability. Products need to comply with Supplier published and technical Product specifications. For all deliveries only one date code or batch number per part is acceptable – unless agreed on the Order. In case of reported product quality issues advised to the Supplier, the Supplier will provide necessary returns authorisation and acknowledge receipt of the returned goods together with the timeframe for providing the necessary root cause analysis and permanent corrective actions report. Timeframe for the report should be advised in writing to Astute no later than 3 working days following receipt of the returned goods.

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Supplier agrees to Astute or their end customers conducting system, process or product audits at the Supplier or the Supplier's subcontractor's premises. The full scope of these audits will be mutually agreed.

The Supplier may be required to submit a quality plan and/or initial sample inspection report for approval by Astute prior to delivery of the Product. The Supplier and manufacturer will comply with packaging quality norms.

Astute reserves the right to quarantine suspect counterfeit, fraudulent and counterfeit Products. (Suspect counterfeit – evidence exists that the Product may be Fraudulent or Counterfeit. Fraudulent – Product was misrepresented as meeting Astute requirements; includes used Products represented as new Products. Counterfeit – Fraudulent Product that has been confirmed as being a copy, imitation or substitute that has been represented, identified, or marked as genuine, and/or altered by a source without legal right with intent to mislead, deceive or defraud.)

Payment for such Product will be withheld until the original component manufacturer or appropriate body confirms the results, which may result in the Product being destroyed and Supplier details reported to the appropriate authorities. Disclosure of the source and location of the supply chain will be provided by the Supplier when requested. Where payment is made in advance, full reimbursement will be required including any 3rd party testing charges incurred by Astute.

Supplier must implement processes within their supply chain to control Counterfeit and/or Suspect Work and ensure that Counterfeit and/or Suspect Work is not delivered to or incorporated in any of the Suppliers Product or Work. If the Supplier changes the route of supply between quoting and receiving the order from Astute and must purchase materials from a new and unauthorised source, then the Supplier must provide Astute with a new quotation and a risk assessment in relation to the new supply chain.

Authorised distributors may only provide Product from suppliers who are they contractually authorised to. All Product supplied must be new and unused.

**DFARS.** If applicable and the Order is for the supply of electronic parts, the supply of end items, components, parts of assemblies containing electronics parts or the provisioning of services where the Supplier will supply electronics parts or component parts, or assemblies containing electronic parts as part of the service then the provisions of paragraphs (a)-(e) of DFARS 252.246-7007, "Contractor Counterfeit Electronic Part Detection and Avoidance System" in effect on the date of the Order, including its definition of "electronics parts" are incorporated in this clause by reference. Where necessary to make these provisions of DFARS 252.246-7007 applicable to this Order the "Contracting Officer" shall mean both "Contracting Officer" and "Buyer". The substance of this clause must be incorporated in any subcontract or any purchase order entered into by the Suppliers for the performance of any part of the work under the Order.

**RIGHT OF ACCESS AND VERIFICATION.** Astute and its customers and any regulatory bodies have the right to access the Suppliers' premises and records, and any company in the supply chain in order to verify compliance to Orders and their related requirements. Where specified in the Order, Astute have the right to verify at the Suppliers premise or any company in the supply chain that the Product conforms to specified requirements. Any verification carried out by Astute will not remove the Supplier's responsibility to provide acceptable Product, nor will it stop the rejection of Product by Astute.

**PACKAGING.** Where applicable, all Product must be shipped in ESD compliant packaging. Where any government, EU or other regulatory authority prescribes safety or quality regulations with which any Products must comply, the Supplier shall ensure compliance with such regulations.

**EXPORT.** For all Goods and/or Services which may contain material subject to any export restrictions or regulations the Supplier shall:

- 1 Ensure that a statement to this effect is recorded on any advice note, certificate of conformance and/or despatch documentation; and
- 2 Include the Country of Origin of the Goods or Services being supplied on the advice note/Certificate of Conformance/despatch documentation accompanying the Goods or Services, and what, if any, regulatory controls apply to the items/goods. For Goods or Services supplied which contain material which is subject to United States Export Administration Regulations (EAR), the relevant Export Control Classification Numbers (ECCNs) shall be documented on accompanying documentation. For Goods or Services supplied which contain material subject to US ITAR control the Supplier shall ensure that a statement to this effect is recorded on the advice note/Certificate of Conformance/despatch documentation. The Supplier must also ensure that this statement is supported by a copy of the relevant US Export licensing documentation an example of which might be a DSP-5 or its reference number recorded on the accompanying documentation.

The Supplier shall immediately notify the Purchaser procurement representative if the Supplier is or becomes aware of any of the following:-

- 1 That Supplier has been or becomes listed in any denied parties list or if their export privileges are otherwise denied, suspended or revoked in whole or in part by any government entity or agency; The Supplier's obligations under this clause shall survive the expiration or termination of any order placed
- 2 Any of the Export related information the Supplier has provided to the Purchaser on any Goods or Services supplied have changed. Notice of this change in circumstances must be made to the Purchaser immediately it becomes known to the Supplier. Supplier will provide the Purchaser with revised and updated information and appropriate documentation to support this change.

**SOCIAL RESPONSIBILITY.** The Supplier assures Astute they will comply with international ethical standards, so Product must have been produced lawfully, through fair and honest dealing; without exploiting the people who made them; in decent working conditions and without damaging the environment. If the Supplier is sourcing products from third party companies it is incumbent on the Supplier to ensure the third party supplier complies with these standards.

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**CONFLICT MATERIALS.** All products supplied to Astute must comply with the essential requirements of the Conflict Minerals - Dodd-Frank Act (US) Section 1502.

**UK BRIBERY ACT 2010.** Astute will not tolerate any form of bribery by, or of, its employees, agents and consultants or any person or body acting on its behalf. The Supplier shall neither induce an employee of Astute to make any concession to the Supplier, issue the Order or alter any of the requirements of the Order in return for any gift, money or other inducement; nor pay money or give any other benefit to any third party (either directly or indirectly) in connection with the negotiation and/or issue of the Order; nor encourage an employee of Astute to commit any act of dishonesty against the purchase which may benefit the employee or be a detriment to Astute or both.

**TEST FACILITIES.** A Supplier providing test facilities will issue a test report covering requirements detailed on the Astute order. If it is not possible to carry out the testing required on the Order this should be confirmed on the order acknowledgement and Astute may accept the reduced testing, which will result in an amended Order being issued.

The test report will include details of any suspect/fraudulent/counterfeit Products found in connection with the ordered inspections and/or tests. The reporting of any suspect/fraudulent/counterfeit Products that were not requested on the order will be supplied as information only.

Astute may provide results from any tests previously carried out on the Products prior to issuing to the Supplier test facility, and will provide a summary of any completed inspections and tests if applicable.

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Any testing should be carried out by the Supplier on traceable calibrated equipment by personnel trained and competent as defined in AS6081.

**CERTIFICATE OF CONFORMITY/CONFORMANCE.** The Supplier will approve, retain and provide copies of Manufacturer Certificates of Conformity and Conformance when requested. When a Manufacturer's CofC is not available, the Supplier is required to provide a Supplier CofC. The Supplier CofC shall state that the Goods supplied have been sourced, procured and processed in accordance with the terms of the Order.

**SHELF LIFE.** Where the Product shipped has a Shelf Life, this information must be detailed on delivery documentation.

**SERIAL NUMBER.** Where the Product supplied has a serial number this must be detailed on the delivery documentation.

**FLOW DOWN OF APPLICABLE REQUIREMENTS.** Where Astute specific Order requirements exist these should be flowed down the supply chain, as applicable, including any special and/or specific Customer requirements.

**ALERT, RECALL AND NOTIFICATION.** The Supplier will formally inform Astute, of any circumstances that might affect the integrity of Products previously supplied. Identification of the incident which requires an Alert or Recall being notified to Astute should be sent within 24 hours of the potential or confirmed incident being highlighted along with full supporting evidence. The Alert shall document the description of the non-conformance, i.e. part number, description, serial numbers, quantity, delivery date, CofC, reference, details of non-conformance, possible limitations to use and suggested schedule and actions to be taken. Astute must provide Supplier with details of non-conforming product disposition.

**Governing Law.** These Terms and Conditions shall be construed and interpreted in accordance with UK substantive law. The UN Convention of Contracts for the International Sale of Goods (CISG) shall not apply. All disputes, claims or controversies between the parties arising out of or in connection with the Terms and Conditions (including disputes, concerning the validity, interpretation or application thereof or of any implementing agreement) which cannot be settled amicably shall be finally settled at the competent court in the United Kingdom.

- (a) **Independent Contractors.** Astute and the Supplier are independent contractors and each is engaged in the operation of its own business and neither will be considered the agent, joint venture partner or partner of the other for any purpose whatsoever.
- (b) **Assignment.** Supplier may not assign Orders placed under these Terms and Conditions without the prior written permission of Astute.
- (c) **Severability.** Any provision of these Terms and Conditions which is prohibited or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or unenforceability of such provision in other jurisdiction.
- (d) **Adherence to Laws.** Supplier and Astute agree to comply with applicable laws and regulations.
- (e) **Entire Agreement.** These Terms and Conditions contain the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior Terms and Conditions, written or oral, between the parties. Amendments to the Terms and Condition must be in writing, signed by the duly authorised officers of the parties, specifically stating that such amendments are made in relation to this subparagraph.

**(f) Statutory Conformance.** With respect to the Products ordered the Supplier warrants and agrees it has complied with all applicable federal, state and local laws, codes and requirements in the Territory. Supplier especially warrants that all Products supplied to Astute comply with all applicable law in the EU and the local laws based on the directives - Directive 2002/95/EC on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) and Supplier shall undertake to comply and bear all costs all for the compliance with Directive 2002/96/EC on waste electrical and electronic equipment (WEEE) in the different member states of the EU. Supplier agrees to indemnify and hold harmless Astute, and its customers from all loss, damages, costs and expenses (including reasonable attorneys' fees and costs of establishing rights to indemnification) which may be incurred by non-compliance of Supplier with this paragraph. Furthermore Astute reserves the right to return any non-compliant product at the expense of Supplier.

**(g) Ozone depleting Substances.** Astute reserves the right to reject any Product containing or manufactured with substances identified as a Class I or Class II ozone depleting substances by the U.S. Environmental Protection Agency pursuant to Title VI of the Clean Air Act Amendments of 1990, and any amendments thereto, whether or not such Products shall be required to bear labelling.

**(h) Survival.** All obligations and duties that shall by their nature extend beyond the expiration or termination of these Terms and Conditions, shall survive and remain in effect beyond any expiration or termination.

**(i) Force Majeure.** In the event of any act of God, government order, rule or decision, fire, war or armed conflict or the serious threat of the same, or any other case beyond the reasonable control of the parties hereto, preventing such party from discharging its obligation under this Agreement, neither party shall be in default or liable to the other party to the extent that performance is prevented, hindered or delays by such an event. The party invoking Force Majeure shall promptly inform the other party and keep the other party reasonably apprised of the development. The party having declared Force Majeure shall be held to co-operate in any reasonable manner in order to mitigate the consequences of such Force Majeure. In case of Force Majeure affecting Suppliers production, Astute shall not be less favourable treated than Suppliers other customers, agents, etc. Should Force Majeure circumstances continue to prevent the servicing of the present Agreement for more than three consecutive months, either party shall have the right to terminate the Agreement with immediate effect. Should supplier enforce Force Majeure with respect to material for which Astute has already engaged transport or storage capacity, Supplier shall reimburse for the reasonable costs incurred, such as dead freight or cancelling charges. Upon termination of such circumstances of Force Majeure, Astute may demand delivery of the affected non-delivered quantities by Supplier at the terms of contract within a reasonable period of time. The time for performance of any such obligation shall be extended for the time period lost by reason of the delay.