

**TERMS & CONDITIONS OF PURCHASE**

The purchase of products or services ("Products") by Astute Electronics Ltd ("Astute") and its divisions, subsidiaries, and affiliates are subject to these terms and conditions ("Agreement") regardless of other or additional terms or conditions that conflict with or contradict this Agreement in any purchase order, non-negotiated document, quote, acknowledgement, or other communication. Pre-printed terms and conditions on any document of supplier ("Supplier") and/or Astute's failure to object to conflicting or additional terms will not change or add to the terms of this Agreement. If the parties have a negotiated agreement for the relevant Products, such terms will govern and supersede these terms and conditions.

- 1 **ORDERS.** Any order placed by Astute will be made with Astute's standard purchase order form and submitted in writing by fax, or electronic means acceptable to Astute ("Order"). The Supplier shall acknowledge Astute's Orders in writing or via EDI within one business day of receipt. Order acknowledgments shall contain the Supplier's promised ship date. All Orders will be deemed accepted by the Supplier, as per Astute requested ship date, if the Supplier does not provide a written notice of rejection within three (3) business days of the receipt of the Order. Any partial fulfilment of an Order will also be deemed accepted by the Supplier. Astute may cancel any Order having a clerical error within five (5) business days of placing such an Order. Astute may change or cancel Orders or reschedule shipment dates for any Products ordered, provided that it notifies the Supplier at least ten business days prior to the latest confirmed ship date. Where applicable, all Products must be shipped in ESD-compliant packaging. Where any government or other regulatory authority prescribes safety or quality regulations with which any Products must comply, the supplier shall ensure compliance with such regulations.
- 2 **APPOINTMENT.** The Supplier authorises Astute to distribute or resell Products purchased under this Agreement worldwide through its Affiliates or through third party representatives appointed by Astute. "Affiliate" shall mean any person, partnership, joint venture, company, corporation or other form of enterprise, domestic or foreign, that directly or indirectly controls or owns, is controlled or owned by, or is under common control or ownership with Astute.
- 3 **PRICES.** The price for any Products will be set forth in Astute's Order. Astute shall not be liable for taxes with respect to any order other than any sales tax which the Supplier is required by law to collect from Astute.
  - a. In the event that the Supplier decreases the price of any Product, Astute will be entitled to a credit equal to the difference between the net price paid by Astute, less any prior credits granted by the Supplier, and the new decreased price for the Product multiplied by the quantity of such Product in Astute's inventory or in transit on the effective date of the reduction.
    - i. Astute shall submit to Supplier, not later than sixty business days after receiving notice of such price decrease, a Product inventory report as of the effective date, together with a debit memo reflecting the credit described above.
    - ii. Supplier shall be deemed to have verified the Product inventory report and debit memo unless Supplier contests the same in writing within sixty (60) business days after receiving such report and memo.
    - iii. Uncontested debit memos shall be credited to Astute's account as of the effective date of such price decrease.
  - b. Products shipped on or after the effective date of any price decrease will be shipped and invoiced at the price in effect at the time of shipment.
  - c. Products shipped after the effective date of any price increase will be shipped & invoiced at the price in effect at the time of order placement.

# ASTUTE

- 4 **TERMS OF PAYMENT.** Payment terms for Products purchased in Astute's Order shall be sixty days from the end of the month in which the Products were delivered to Astute. has the right of offset against the Supplier for programs, promotions, special pricing, rebates, and for any Astute returns as described herein.
- 5 **DELIVERY AND TITLE.** Time is of the essence for delivery of Products. The Supplier agrees to deliver Products ordered by Astute to the location and within the time specified in Astute's Order pursuant to the terms of this Agreement. The Supplier may not ship before the promised ship date without Astute's prior written approval. Supplier agrees to pay premium freight when its delivery will miss the acknowledged ship date. Astute may designate the carrier to be used, and, in absence of such specification by Astute, the Supplier shall select a carrier in its reasonable discretion. The Supplier warrants the title to all Products sold to Astute and warrants that such Products are not subject to security interests, liens, or other encumbrances. Title and risk of loss shall pass at Astute's destination. For the avoidance of any doubt, under no circumstance shall Astute be the importer of record for this engagement.
6. **ACCEPTANCE AND PRODUCT RETURN.** All Products are subject to inspection and testing before acceptance. Astute will use reasonable efforts to give the Supplier notice of any obvious defects, damage, or discrepancy within thirty business days of delivery. Acceptance will not be deemed a waiver of any warranty hereunder or otherwise provided by law. If Astute finds that the Products or any part thereof do not conform to the requirements of the Order, the Supplier will, at Astute's election either: replace such nonconforming Products, accept return for credit at the invoice price, or refund Astute's purchase price for such nonconforming Products. Return of Products that are not in conformance with the Order (including DOA), over- shipments, recalled products, and shipments rejected due to early or late delivery will be returned freight collect at the Supplier's risk and expense.
7. **DEFECTIVE PRODUCT.** Notwithstanding any other provision of this Agreement, Astute may return for full credit of Astute's cost of the Product (including, without limitation, cost of assembling, disassembling, transportation, and labour), less any prior credits issued by the Supplier, any and all Products found to be defective upon delivery, or within a reasonable time thereafter; provided, however, that any such defective Products are returned to the Supplier, freight collect, within thirty business days of Astute's discovery of the defect.
8. **QUALITY.** The 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, FOD compliance to AS9146 applicable to business and other programmes as are necessary to ensure the Products, as manufactured and sold to Astute are of the highest quality and reliability. Products shall comply with Manufacturers published and technical Product specifications and be manufactured/inspected by competent personnel. For all deliveries only one date code or batch number per part is acceptable – unless agreed on the Order. We reserve the right to charge a fee if we receive more than one date code, if not agreed prior to shipping. 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. Astute measures the delivery and quality performances of its suppliers.

First Article Inspection (FAI): Unless otherwise detailed within the purchase order all FAI's shall be completed in accordance to AS9102 latest revision. It is the responsibility of the supplier to inform Astute of any changes, as defined within AS9102 that may result in a FAI is being required”.

# ASTUTE

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.

Authorised distributors may only provide Product from suppliers who they are contractually authorised to. All Product supplied must be new and unused. Astute will not accept previously returned product.

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. Records of conformity / inspection /test to be retained for a minimum of 7 years.

- (a) **SHelf LIFE.** Where the Product shipped has a Shelf Life, this information must be detailed on delivery documentation.
  - (b) **SERIAL NUMBER.** Where the Product supplied has a serial number this must be detailed on the delivery documentation.
  - (c) **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.
9. **COUNTERFEIT MITIGATION.** 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. the Supplier shall be liable for all costs relating to the removal and replacement of Counterfeit Goods, including without limitation, the Purchaser's costs of removing Counterfeit Goods, of reinserting replacement Goods and of any testing necessitated by the reinstallation of Goods after Counterfeit Goods have been exchanged.

The 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.

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

# ASTUTE

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.

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

10. **END OF LIFE.** If the Supplier discontinues any Products or makes any Products obsolete, the Supplier will notify Astute at least ninety business days prior to the effective date of such change. Astute will then notify the Supplier of the affected Products in its inventory for Supplier's repurchase. All end of life Products will be subject to the return policy in Section 6. Furthermore, the Supplier will grant Astute the right of a lifetime buy upon request.
11. **WARRANTY.** (i) The Supplier guarantees Astute that the design, construction and quality of the Products shall comply in all respects with all 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. (ii) The Supplier warrants the Products in accordance with the greater of the following: (i) the manufacturer's standard warranty, (ii) the warranty that is publicly posted on manufacturer's website, (iii) the warranty that is required by local law, or (iv) 24 months for those purchases originating from Asia or the European Union. Astute is authorised to pass this warranty through to Astute's customers and to its end users. The warranty period as set forth in this Section 9 shall begin to run with respect to Astute's customers and any end user upon delivery of the Product to the end user. Any Product to be returned under the terms of the warranty may be shipped to the Supplier from Astute. The Supplier shall indemnify Astute for any liability related to a breach of warranty. (iii) The Supplier warrants that the Products provided to Astute by the Supplier are new and unused, unless agreed in writing on Astute's official purchase order. (iv) Delivery of any Product by the Supplier to Astute shall constitute a warranty by the Supplier that the Product conforms to the manufacturer's specifications.
12. **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.
13. **CONFLICT MINERALS.** The Supplier represents and warrants that any gold, tantalum, tin or tungsten included in the Products provided to Astute by the Supplier either (i) came from recycled or scrap sources or (ii) did not originate in the Democratic Republic of the Congo or an adjoining country. Supplier will provide information and supporting documents to this effect and any other international ethical related information as reasonably requested by Astute.
14. **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.
15. **ORIGINAL MANUFACTURE PARTS.** Supplier represents and warrants that it is either the original equipment manufacturer ("OEM"), original component manufacturer ("OCM"), or a franchised or authorised distributor of the OEM/OCM for the Products; or if Supplier is not the OEM/OCM or a franchised or authorised distributor of the OEM/OCM, then Supplier confirms by acceptance of orders hereunder that the Products have been procured from the OEM/OCM or a franchised or authorized distributor of the OEM/OCM. All unless Astute specifies otherwise in writing on their official purchase order.

16. **SERVICES PERFORMED ON SITE.** Where applicable, any Supplier's equipment located on Astute's site remains at all times the risk of the Supplier, which shall insure such equipment against all risk of loss or damage. Astute accepts no liability for any loss of or damage to the Supplier's equipment, however caused, including through Astute's negligence.
17. **INTELLECTUAL PROPERTY.** (i) The Supplier warrants that any and all Product purchased hereunder, and the manufacture, sale, or use thereof, do not and will not violate or infringe upon any patent, copyright, trademark, trade secret, or other intellectual property right of any third party. (ii) The Supplier will indemnify, defend, and hold Astute, its successors, assigns, customers and end-users harmless against all losses, damages, costs and expenses (including reasonable legal fees and costs of establishing rights to indemnification and any settlement) based on any claims, demands, suits, proceedings and actions ("Claim") in connection with any alleged infringement of any patent, copyright, trademark, trade secret or other intellectual property right of a third party, including any Claims that the Product, or the process, design, or methodology used to manufacture the Product, infringes any third party patent, copyright, trademark, trade secret or other intellectual property rights. (iii) Astute will provide the Supplier with written notice of any such Claims, grant full authority to the Supplier to defend and settle such Claims, and upon the Supplier's request, provide reasonable assistance and information, at Supplier's cost and expense. (iv) If a Product becomes the subject of a Claim or Astute is enjoined from selling or using a Product, Supplier will:
- (a) procure for Astute the right to sell and use the Product;
  - (b) provide Astute with replacement or modified Product that is non-infringing; or
  - (c) If the Supplier is unable to provide the remedies above, refund the full purchase price for such Product.
  - (d) Intellectual Property Rights (IPR) of either party or any third party used in performance of this Agreement shall remain the property of such party, and except as set forth in this section, nothing in this Agreement shall transfer or be deemed to transfer the intellectual property rights of either party or any third party.
  - (e) All documents, drawings, specifications, information, patents, patent applications, inventions, developments or processes or any copyrightable material originated and developed by Supplier specifically for Astute under this Agreement ("Work Product"), except for any Supplier IPR contained within such Work Product, shall be owned by Astute. Supplier hereby grants Astute a worldwide, non-exclusive, royalty-free, perpetual, without the right of sublicense, license to use Supplier's IPR, which is used in performing under this Agreement.
  - (f) All specifications provided by Astute, and all IPR in or arising out of them and from the Work Product, shall vest in and remain at all times the property of Astute. Such specifications may only be used by the Supplier as necessary to perform under this Agreement.
  - (g) At the request of and at no additional cost to Astute, the Supplier shall promptly do all such things and sign all documents necessary in the opinion of Astute (a) to vest all IPR in or arising out of any Work Product in Astute, absolutely and (b) to enable Astute to defend and enforce its IPR.
18. **GENERAL INDEMNIFICATION.** The Supplier will indemnify, defend and hold Astute harmless of and from any and all liabilities, losses and damages (including costs, expenses and legal fees, and costs of establishing rights to indemnification) resulting from any claim of any Astute's customers or any third party (including employees of Astute or the Supplier), for any claim including: (a) death or personal injury; (b) breach by Supplier of any warranty, representation, or covenant under this Agreement; (c) breach of contract; (d) non-compliance with requirements hereunder or applicable laws, regulations, directives, or ordinances; or (e) damage to property arising out of, or in any way connected with, the Products or the sales, distribution, use or operation thereof.

# ASTUTE

19. **LIMITATION OF LIABILITY.** Astute will not be liable for indirect, special, incidental or consequential damages of any nature arising out of or related to the orders or any termination or rejection, or revocation of acceptance of the orders, including without limitation or business interruption costs, re-procurement costs, loss of profit or revenue, promotional or manufacturing, overhead, injury to the reputation of the supplier or loss of customers, even if Astute has been advised of the possibility of such damages. In no event will Astute's liability exceed the price set forth in the order.
20. **USE OF TRADEMARKS/TRADENAMES.** Astute is authorised to use the Supplier's trademarks, trade names and logos in connection with Astute's sale of Products. Astute will have the right to pass on this right of usage to its reseller customers.
21. **CONFIDENTIALITY.** If either party receives from the other party written information marked "Confidential" and/or "Proprietary", the receiving party agrees not to use such information except in the performance of this Agreement, and to treat such information in the same manner as it treats its own confidential information. The obligation to keep information confidential shall not apply to any such information that has been disclosed in publicly available sources; is, through no fault of the party receiving the confidential information, disclosed in a publicly available source; is in the rightful possession of the party receiving the confidential information without an obligation of confidentiality; or is required to be disclosed by operation of law. Except as otherwise provided herein, the obligation not to disclose shall be for a period of one year after the disclosure of the Confidential Information.
22. **EXPORT.** Supplier acknowledges and agrees that Astute may export Products as allowed by the export control laws, regulations and orders of the United Kingdom and other countries to which it may ship Products. The parties shall observe and comply with all applicable laws, rules and regulations applicable to the performance of their respective obligations under this Agreement.
23. **GOVERNMENT CONTRACTS.** If Astute's customers elect to sell the Supplier's Products (including supplies, software, documentations or services) to the UK Government or to a prime contractor selling to the UK Government, the Products are "commercial items" as that term is defined at 48 C.F.R. 2.101. Supplier will comply with provisions of FAR 52.244-6, Subcontracts for Commercial Items and Commercial Components. Should U.S. Government end users acquire Products that consist of "commercial computer software" and "commercial computer software documentation" as such terms are used in 48 C.F.R. 12.212, their rights will be consistent with those rights set forth in 48 C.F.R. 12.212 which generally limits their rights to the licenses customarily provided by Supplier to the public. Supplier will also comply with the provisions of DFARS 252.211.7003. Supplier will also provide the information necessary to assist Astute with analysis of DFARS 252.225-7014 (Alt 1), Preference for Domestic Specialty Metals (Berry Amendment) and other applicable federal statutes. Supplier will make a good faith effort to determine whether forced or indentured child labour was used to mine, produce or manufacture any Products furnished under this Agreement. Supplier may be required to certify that it is not aware of any such use of child labour.
24. **STATUTORY CONFORMANCE.** With respect to the Products ordered under this Agreement, the Supplier warrants and agrees that it has complied with all applicable national and local laws, codes and requirements. The Supplier especially warrants that all Products supplied to Astute comply with all applicable laws in the EU and transposed directives into national laws in the member states, e.g. environmental legislation such as substance regulation RoHS / REACH, technical conformity CE and waste management. The Supplier shall undertake to comply and bear all costs for the compliance with the current and applicable EU legislation. Supplier agrees to indemnify and hold harmless Astute, its successors and assigns, and the customers of any of them, from all loss, damages, costs and expenses (including reasonable legal fees and costs of establishing rights to indemnification) which may be incurred by non-compliance of the Supplier with this paragraph. Astute reserves the right to return any non-compliant Product at the expense of Supplier.

# ASTUTE

25. **OZONE DEPLETING SUBSTANCES.** Astute reserves the right to reject any Products containing or manufactured with substances identified as a Class I or Class II ozone depleting substances by the UK government, whether or not such Products shall be required to bear labelling.
26. **RIGHT OF ACCESS & VERIFICATION.** Astute & its customers & any regulatory bodies have the right to access the supplier's premises & records & any company in the supply chain in order to verify compliance to orders & heir related requirements. Where specified in the order Astute have the right to verify at the supplier's 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.

## 27. GENERAL

1. This Agreement shall be governed, construed, and enforced in accordance with the laws of the country where the Astute entity that placed the Order ("Governing Country") is located. The courts of the Governing Country shall have jurisdiction and venue over all controversies arising out of, or relating to, this Agreement. If the Governing Country is the United States of America, the laws and courts of the State of Arizona will apply without reference to Arizona's conflict of laws principles; and the state or federal courts of Arizona shall have jurisdiction and venue over all controversies arising out of, or relating to, this Agreement. The United Nations Convention for the International Sale of Goods shall not apply.
2. Supplier may not assign this Agreement without the prior written consent of Astute, and Astute's affiliates may perform Astute's obligations under this Agreement. This Agreement is binding on successors and assigns.
3. This Agreement can only be modified in writing signed by authorised representatives of both Astute and Supplier.
4. Astute and Supplier are independent contractors and agree that this Agreement does not establish a joint venture, agency relationship, or partnership.
5. Astute's failure to object to any document, communication, or act of Supplier will not be deemed a waiver of any of these terms and conditions. Notwithstanding any other remedies provided in this Agreement, Astute retains all rights existing at law or equity, and Astute's failure to affect cover does not bar it from any other remedy.
6. The unenforceability of any of these terms or conditions will not affect the remainder of the terms or conditions.
7. Astute is not liable for failure to fulfil its obligations under this Agreement due to causes beyond its reasonable control (for example: acts of nature, acts or omissions of the Supplier, operational disruptions, man-made or natural disasters, epidemic medical crises, strikes, criminal acts, delays in delivery or transportation, or inability to obtain labour or materials through its regular sources).
8. Products, including software or other intellectual property, are subject to any applicable rights of third parties, such as patents, copyrights and/or user licenses, and Supplier will comply with such rights.
9. Supplier and Astute will comply with applicable laws and regulations. Supplier shall collect, process, and transfer all personal data in connection with this Agreement in accordance with the applicable privacy laws and regulations.

# ASTUTE

10. 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.
11. 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.