



8060 Belvedere Rd. Unit 3 | West Palm Beach, FL 33411 USA |  
Tel: 561-537-5678 | Fax: 561-273-7376

### **AEGIS COMPONENTS INC. TERMS OF PURCHASE**

These terms and conditions exclusively govern all purchases made by Aegis Components Inc. ("Buyer") and apply notwithstanding any conflicting, contrary, or additional terms and conditions contained in any document or other communication from seller (the "Seller"). By delivering the products (the "Products") described in the purchase order provided by Buyer referencing these terms and conditions, Seller shall be deemed to have accepted these terms and conditions without modification by any prior or later communication from seller. The buyer's failure to object to any conflicting, contrary, or additional terms and conditions in another document or communication shall not be deemed an acceptance of such terms and conditions or a waiver of objection thereto.

#### **1. Product Condition and Packaging**

- a.) Unless expressly provided otherwise in this contract, all products furnished by the Seller to the Buyer pursuant to this contract are guaranteed by the Seller to be authentic, new, in good condition, and in original manufacturer's packaging. Products not meeting these requirements will be rejected by the Buyer.
- b.) Unless expressly provided otherwise in this contract, all products furnished by the Seller to the Buyer pursuant to this contract are guaranteed by the Seller to meet all specifications and requirements detailed on the Buyer's purchase order. Products not meeting those specifications or requirements will be rejected by the Buyer.
- c.) Unless expressly provided otherwise in this contract; programmed products, packages containing mixed date codes, products on cut-tape, products not packaged in accordance with ANSI/ESD S20.20, and products with bent leads, formed leads, oxidized leads, or test markings will be rejected by the Buyer.
- d.) Unless expressly provided otherwise in this contract, all products supplied by the Supplier are to be packaged in accordance with the manufacturer's specifications for Moisture Sensitivity Level per J-STD-033.
- e.) Products that do not meet IDEA-STD-1010 or AS6081 inspection criteria will be rejected by the Buyer.
- f.) All products supplied by the Supplier must meet manufacturer's specifications for form, fit, and function for a minimum of one year after delivery to the Buyer. There is no warranty time limit for products found to be counterfeit. If the products do not meet the manufacturer's specifications for form, fit, and function, the Seller shall allow the Buyer to return the products, at Seller's expense, and the Seller further agrees it will issue a full refund to the Buyer and will be liable for all costs relating to impoundment, removal, and replacement of the faulty product.



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- g.) The Buyer reserves the right to inspect and test all products from Seller to ensure it meets Buyer's requirements. The Buyer therefore reserves the right to open all packaging to inspect or test the product and the Seller agrees that opened packaging is not a reason to deny the return of non-conformant product.

## **2. Suspected Counterfeit Products**

- a.) IF THE SELLER FURNISHES THE BUYER WITH SUSPECTED COUNTERFEIT PRODUCTS UNDER THIS PURCHASE AGREEMENT, SUCH ITEMS WILL BE IMPOUNDED BY THE BUYER.
- b.) The Seller must promptly replace suspected counterfeit product with product acceptable to the Buyer and the Seller will be liable for all costs relating to impoundment, removal, and replacement of the suspected counterfeit product. The Buyer may turn such product over to the U.S. Governmental authorities for investigation and reserves the right to withhold payment for the product pending the results of the investigation.
- c.) For these Terms and Conditions, suspected counterfeit product is defined as product that has an indication (per IDEA-STD-1010 or AS6081) of having been copied or substituted without legal right or authority to do so, of which the material, performance, or characteristics are misrepresented, or being product that is produced or distributed in violation of intellectual property rights, copyrights, or trademark laws.

## **3. Limitation of Liability**

SELLER'S EXCLUSIVE REMEDY SHALL BE FOR DAMAGES, AND BUYER'S AGGREGATE LIABILITY FOR ANY AND ALL LOSSES AND DAMAGES ARISING OUT OF ANY CLAIM, WHETHER BASED ON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER THEORY, SHALL, NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN AND TO THE FULLEST EXTENT PERMITTED BY LAW, NOT EXCEED THE PURCHASE PRICE OF THE PRODUCTS. IN NO EVENT SHALL BUYER BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES RELATED TO ANY CLAIM (INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, BUSINESS LOSSES, DAMAGES TO PROPERTY, OR ANY LIABILITY OF SELLER TO THIRD PARTIES), REGARDLESS OF WHETHER THE BUYER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IF SUCH DAMAGES ARE FORESEEABLE. SELLER ASSUMES SOLE AND FULL LIABILITY FOR PERSONAL INJURY AND PROPERTY DAMAGE CONNECTED WITH THE HANDLING, TRANSPORTATION, POSSESSION, PROCESSING, REPACKAGING OF THE PRODUCTS, WHETHER THE PRODUCTS ARE USED ALONE OR IN COMBINATION WITH ANY OTHER MATERIAL.



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#### 4. Audit

- a.) Upon at least five days written notice, the Seller shall grant access to the Buyer, the Buyer's customer, and regulatory authorities to all facilities involved in the purchase order and to all books and records relevant to the Products.
- b.) Seller shall retain books and records of the sourcing, manufacture, servicing, shipping, and disposition of the Products, at the Seller's location for a minimum of fifteen years unless otherwise specified on the Buyer's purchase order.

#### 5. **Integration and Assignment.** This Agreement memorializes the final, complete, and exclusive agreement between parties regarding the sale of the Products and supersedes all prior or contemporaneous oral or written agreements between them regarding the same.

- a.) No course of prior dealings between the parties and no usage of the trade is relevant to supplement or explain any term used in this Agreement. Acceptance of, or acquiescence in, a course of performance rendered under this Agreement is not relevant to determining the meaning of this Agreement even though the accepting or acquiescing party had knowledge of the nature of performance and opportunity for objection.
- b.) Any amendment, interpretation, or waiver of any of the provisions of this Agreement shall only be effective in a writing which makes specific reference to this Agreement and is signed (electronic signature shall suffice) by both parties.
- c.) The Buyer must approve in writing beforehand if Seller intends to outsource any testing or services to another party.
- d.) Performance or fulfillment of some or all of Seller's obligations under this Agreement may not be transferred or assigned to a third party without the prior written approval of Buyer, which approval may be withheld or conditioned in Buyer's sole reasonable discretion. Any attempted transfer or assignment in violation of this provision shall be null and void.
- e.) If the Seller is an authorized distributor, it shall notify the Buyer beforehand, in writing, if the Product either: Was not procured by the Seller directly from the original manufacturer or has not been in the Seller's possession and control since being delivered from the original manufacturer.

#### 6. **Compliance.** The parties represent, warrant and covenant compliance with applicable law, including all U.S. export control law and the regulations promulgated pursuant thereto. The parties are expressly prohibited from importing from, or exporting or re-exporting Products to, countries embargoed by the U.S. Treasury Office of Foreign Asset Control (OFAC).

- a.) Unless it is exempt, Seller shall abide by the requirements of US Code of Federal regulations 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, protected veteran status, or disability. In addition, the Supplier



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will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. To the extent that is not exempt, the Supplier shall also abide by the requirements of 29 CFR Part 471, Appendix A. Seller shall promptly tender, upon Buyer's written request, evidence of Seller's exemption from and compliance with the regulations referenced in this sub-section.

7. **Breach and Remedies.** In the event of a breach by the Seller of this Agreement, the Buyer shall have all the remedies provided under the laws of the United States and the laws of the State of Florida, which shall be cumulative with one another and with any other remedies that the Buyer may have at law, in equity, under any other applicable agreement, or otherwise, without limitation. The waiver by the Buyer of any breach or default hereof shall not constitute a waiver of any succeeding breach or default. The exercise or failure to exercise any remedy shall not preclude the exercise of the remedy at another time or any other remedy at any other time. The Seller shall reimburse the Buyer, on demand, all reasonable costs incurred by the Buyer in enforcing the terms of this Agreement. Such costs shall include fees, court costs, expenses of experts, attorneys, witnesses, arbitrators, collection agencies, supersedes bonds, shipment and freight fees, and refunds, whether incurred before or after demand or commencement of legal proceeding, and whether incurred to trial, appellate, mediation, bankruptcy, arbitration, administrative, or judgement execution proceedings.
8. **Legal Proceedings.** The validity, enforcement, instruction, and interpretation of this Agreement are governed by the laws of the United States and the laws of the State of Florida, as applied to agreements performed wholly within the State of Florida. The parties expressly exclude the applicability of the United Nations Convention on Contracts for the International Sale of Goods. Where Buyer is a legal entity organized under the laws of a state of the United States, or the District of Columbia, Hawaii or Puerto Rico, Seller and Buyer: (a) consent to the personal jurisdiction of the state and federal courts located in Palm Beach County, Florida, (b) stipulate that the proper, exclusive, and convenient venues for all legal proceedings arising out of this Agreement are in Palm Beach County, FL (c) waive any defense, whether asserted by motion or pleading, that Palm Beach County, Florida is an improper or inconvenient venue; and (d) waive formal requirements for service of process and agree not raise as a defense any claim of ineffective service of process where records reasonably demonstrate that, via email or other means, a party or the party's legal counsel was served a legible copy of any contested notice, motion, pleading or other paperwork. For a Buyer organized under any other law, Seller and Buyer agree to submit any dispute or claim between them to the American Arbitration Association ("AAA") for final settlement and resolution through binding arbitration held in the English language, before a sole arbitrator, in Palm Beach County, Florida. The arbitration shall be conducted under the AAA's rules of commercial arbitration then in effect. The arbitrator shall be a retired judge or attorney with no less than ten (10) years of experience resolving disputes in the international procurement



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and sale of electronic components. The arbitrator shall issue an opinion containing findings of fact and conclusions of law which shall not exceed 10 pages. The arbitrator's decision shall be final and binding on the parties, and judgment upon any award thus obtained may be entered in any court having jurisdiction thereof. No action at law or in equity based upon any controversy or dispute arising out of or related to this Agreement shall be instituted in any court by either party except (a) an action to compel arbitration pursuant to this section or



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(b) an action to enforce an award obtained in an arbitration proceeding in accordance with this section.

**9. Non-conforming Products or Services Prohibited.**

- a. If selling services to the Buyer, the Seller must also utilize qualified personnel to perform the services in a professional and workmanlike manner and in accordance with testing or service specifications indicated on Buyer's purchase order.
- b. The Seller shall notify the Buyer if the Seller becomes aware of nonconforming processes, product, or services related to this contract and obtain the Buyer's approval regarding disposition.
- c. Seller shall not make substitutions or changes for this order without prior written approval from the Buyer.
- d. The Seller shall notify the Buyer of changes to the Seller's processes, products, the Products, or services arising after the purchase order has been approved by the parties, which impact the Products.
- e. The Seller shall notify the Buyer if the Seller becomes aware of changes in product definition.
- f. The Seller must flow down all applicable requirements specified on the Buyer's purchase order to its supply chain.
- g. The Seller must ensure its employees are aware of their contribution to product and service conformity, their contribution to product safety, and the importance of ethical behavior.

**10. Other Terms and Conditions**

- a. The Buyer will monitor the Seller's performance and base future purchasing decisions on that performance.
- b. It is the Seller's sole responsibility to ensure the accuracy of all pro forma invoice and customs documentation including declared values. The Buyer will not accept under-valued invoices.
- c. Time is of the essence. Seller understands that time is of the essence in the performance of the agreement between the parties and that the Products should be received by the Buyer on or before the due date listed on the Buyer's purchase order.



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- d. The Seller must not supply Buyer with product that contains conflict minerals (tantalum, tin, gold, or tungsten that originated in the Democratic Republic of the Congo or surrounding countries).
- e. All static sensitive material must be handled, marked, and packaged in accordance with ANSI/ESD S20.20.
- f. Confidentiality. The Seller shall keep confidential all information obtained or created during the performance of the inspection activities, except as required by law.
- g. The Seller agrees to comply with the Responsible Business Alliance Code of Conduct.
- h. Seller must maintain an effective business continuity plan that prevents events from negatively impacting its ability to supply product to the Buyer.

**GENERAL:** All agreements, covenants, conditions, and provisions contained herein shall apply to and bind the assignees and successors in the interest of the Buyer. If any provisions of this Agreement are held to be invalid, illegal, unconscionable, or unenforceable, that provision of this Agreement will be reformed and enforced to the extent that is it valid and lawful, and will not affect the validity, legality, or enforceability of any other provisions of this Agreement. The captions used herein are for the convenience of the parties only and shall not affect the constructions of interpretation hereof. Nothing in this Agreement, whether expressed or implied, is intended or should be construed to confer upon, or grant to, any person, except the Buyer and the Seller, any claim, right, or remedy under it. This Agreement supersedes the terms and conditions negotiated under any preceding Order for the Products.

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