



SAN JOSE (BESTRONICS) PO Terms and Conditions

Acceptance of this PO indicates your agreement with flow down requirements and/or proper end item user process specification requirements. The following clauses are numbered for ease of reference only and should not be construed as an indicator of importance.

1. **PURCHASE ORDER (PO) REQUIREMENTS.** The identification of relevant processes, products, and services to be provided including the identification of relevant technical data (e.g., specifications, drawings, process requirements, and / or work instructions) shall be provided on the **Emerald Technologies - San Jose** Purchase Order. The seller warrants that in the performance of this PO, seller shall comply with all applicable statutes, rules, regulations, and orders of the Government and any of the state or political subdivision thereof and agrees to indemnify **Emerald Technologies - San Jose** against any loss, damage, cost, or liability by seller's violation of this warranty.
2. **ITAR.** Documents and data supplied by **Emerald Technologies - San Jose** may contain technical data within the definition of the International Traffic and Arms Regulations (ITAR) and is subject to the Export Control Laws of the U.S. Government. Transfer of this data by any means to a foreign person or foreign entity, whether in the United States or abroad, without an export license, ITAR exemption or other approval from the U.S. Department of State is prohibited.
3. **PAYMENT TERMS.** Unless otherwise indicated on the face hereof, **Emerald Technologies - San Jose** shall pay in full the net amount of each invoice submitted to Seller within 60 days of the date thereof.
4. **FORCE MAJEURE.** The obligations of both Seller and **Emerald Technologies - San Jose** under this agreement are subject to any delays or cancellations caused by any condition or occurrence beyond the control of the performing party, including but not limited to strikes, fires, riots, wars, acts of God, inability to obtain materials or intervening government regulation.
5. **ENFORCEMENT OF CONTRACT.** Suit to enforce or set aside this agreement or suit over any of the rights and obligations arising from the work to be performed hereunder must be brought in a court having jurisdiction in the State in which **Emerald Technologies - San Jose** resides. In the event any party sues to construe or enforce the terms of this agreement or raises this agreement as a defense in a suit brought by another party, the prevailing party as determined by the court is entitled to recover its reasonable attorneys', consultants' and experts' fees and expenses.
6. **NO WAIVER.** No failure on the part of either part to exercise, and no delay in exercising, any right Granted hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise of any other right.
7. **AMENDMENT.** No amendment of this agreement shall be effective unless it is in writing and signed by **Emerald Technologies - San Jose** and Seller.
8. **ASSIGNMENT.** Neither party shall assign its rights and obligations under this contract without the written approval of the other party, which consent will not be unreasonably withheld.
9. **DESIGN & DEVELOPMENT CONTROL.** Supplier shall ensure that the drawings and specifications are the relevant revision status specified on the **Emerald Technologies - San Jose** PO. The Supplier shall comply with any special requirements requested by **Emerald Technologies - San Jose** regarding the control of drawings and specifications as well as any identified critical items, or key characteristics.
10. **CHANGES TO PURCHASE ORDER (PO) SPECIFICATIONS.** After its receipt of the order, Seller will notify **Emerald Technologies - San Jose** of any changes to product or process specifications, and **Emerald Technologies - San Jose** will have the right to approve any such change or, alternatively, cancel



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or modify the order. **Emerald Technologies - San Jose** shall notify its Customer immediately if there is any discrepancy between the requested revision level or specification and the current or provided revision level or specifications. Seller shall notify **Emerald Technologies - San Jose** of any changes in product and / or process definition or configuration and obtain prior approval from **Emerald Technologies - San Jose** prior to shipping the product.

11. INCOMING INSPECTION. **Emerald Technologies - San Jose** reserves the right of final approval of Product and services; methods, processes, and equipment; the release of final product and / or services by performing inspection upon receipt of the order. Key, critical, and special characteristics are to be identified and controlled as noted on the Purchase Order or specification. **Emerald Technologies - San Jose** performs an incoming inspection to ensure the purchased product or service meets purchasing requirements. These requirements may include verification of the certificate of conformity, or other certifications as required. Products are inspected to ensure they meet requirements (dimensions, etc.) and the results are recorded when appropriate.

12. CERTIFICATIONS. Supplier's acceptance of **Emerald Technologies - San Jose** PO certifies that the materials and processes supplied under the PO shall be or have been controlled and inspected in accordance with the **Emerald Technologies - San Jose** PO and they meet the specified order requirements and referenced specifications and drawings. Supplier must provide a Certificate of Conformance for all orders and lots, verifying that all products and lots meet those requirements. All products and lots must be clearly identified and labeled and must be traceable to and linked to the Certificate of Conformance. All special processes where the compliance cannot be verified by **Emerald Technologies - San Jose**, inspection will require Certificate of Conformity or applicable certification documents. When it is indicated that the PO can affect end item quality, Certificates must accompany product delivery. **Emerald Technologies - San Jose** reserves the right to refuse delivery of any shipment without applicable certifications. Delivery will not be complete until appropriate certification is received. Seller shall ensure that all tools used for final acceptance are calibrated to NIST standards and equipment calibrations are current. Sellers supplying chemicals or other hazardous material are to provide MSDS with shipment.

13. PERSONNEL QUALIFICATION. Seller shall ensure that personnel performing work on this PO have the appropriate competence, including any required qualification of persons such as internal or external certifications for workmanship requirements. All special processes required by this Purchase Order must be performed by qualified personnel. Seller shall ensure that all products are manufactured, inspected and validated by qualified personnel and using acceptable monitoring and measuring equipment prior to shipment.

14. INTERACTIONS. Communication to **Emerald Technologies - San Jose** should be made to the Buyer of Record on the Purchase Order. If communication is handled in a non-written/electronic format, for example telecom, it should be provided in a written/electronic format as requested. All notices to be made under this agreement shall be addressed to the recipient at the address specified by the recipient. Discrepancies, omissions, and the need for clarifications or interpretations of any nature encountered by Supplier in respect of furnished drawings or engineering data will be brought to the attention of **Emerald Technologies - San Jose** for resolution. Seller shall notify **Emerald Technologies - San Jose** of any serious failures, malfunctions or defects found in the product within 24 hours of discovery via written communication.



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15. SUPPLIER PERFORMANCE. Performance of suppliers is monitored using specific metrics data that includes but is not limited to Quality performance of parts and services and On-time delivery performance. If **Emerald Technologies - San Jose** identifies a supplier with unsatisfactory performance, a corrective action request can be issued for supplier response.

16. NON-CONFORMING MATERIAL. Seller will notify **Emerald Technologies - San Jose** of any non-conformity found in the purchased product or service within 24 hours of discovery of such non-conformity, regardless of whether it is prior, during, or after receipt of the product. The seller must obtain approval for nonconforming product disposition. **Emerald Technologies - San Jose** or its Customer shall have the right to approve or disapprove of any suspect or non-conforming product. No known non-conforming product shall be supplied to **Emerald Technologies - San Jose** without written authorization from **Emerald Technologies - San Jose** or its Customer.

17. CORRECTIVE ACTIONS. When it is determined that the seller is responsible for non-conforming products a corrective action may be issued. Failure to respond within the specified time, seller may result in Supplier being removed as a **Emerald Technologies - San Jose** approved supplier. Corrective Actions flowed to the Supplier shall be completed and returned in a timely manner. Supplier is required to flow down corrective action requirements to sub-tier providers when it is determined the sub-tier provider is responsible for the non-conformity.

18. VERIFICATION & VALIDATION ACTIVITIES. Supplier shall maintain a quality / inspection system that will ensure all goods and services conform to contract requirements whether manufactured or processed by Supplier or procured from Sub-Tier Suppliers. **Emerald Technologies - San Jose** reserves the right to approve or specify any designs, tests, inspection plans, verifications, use of statistical techniques for product acceptance, and any applicable critical items including key characteristics. **Emerald Technologies - San Jose** reserves the right to designate requirements for test specimens for design approval, inspection/verification, investigation, or auditing (where applicable). Any statistical techniques used for inspection sampling must be pre-approved, such as sample inspection plans. **Emerald Technologies - San Jose** reserves the right to perform verification or validation activities at the Supplier's location that **Emerald Technologies - San Jose** or its customer deems necessary. Activities may include but not be limited to product or process inspections, and system audits. Supplier shall maintain the proper identification and revision status of specifications, drawings, process requirements, inspection/verification instructions and all other relevant technical data to support these activities.

19. QUALITY SYSTEM REQUIREMENTS. Seller shall follow the current version of ISO 9001 Quality Management System Requirements. Compliance to the requirements above shall be validated by any one of the following: Seller shall submit a current 3rd party certification to AS9100, AS9110, AS9120, ISO 9001, ISO 13485 or ISO 16949 issued by a registrar that is accredited by an International Aerospace Quality Group (IAQG) or International Accreditation Forum (IAF) member, signatory or accreditation body or **Emerald Technologies - San Jose** may accept industry equivalent certifications issued from an IAQG or IAF accredited registrar to show compliance to this requirement unless otherwise authorized by customer-designation or approval.

20. CALIBRATION SUPPLIERS. Calibration of tools is to be based on an optimized interval and equipment are calibrated to manufacturing specifications unless otherwise stated. Calibration must be



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traceable to National Institute of Standards and Technology (N.I.S.T). Calibration house must be certified to ISO 17025.

21. COUNTERFEIT PARTS PREVENTION. The Supplier shall certify that only new and authentic materials are used in products or goods delivered to **Emerald Technologies - San Jose** and that the products/goods delivered contain no Counterfeit Parts. Supplier shall plan, implement, and control their process for the prevention of counterfeit or suspect counterfeit parts from use or inclusion into the product in accordance with AS9100 clause 8.1.4 (Prevention of Counterfeit Parts). All electrical, electronic and electro-mechanical parts delivered and/or used in the manufacture of products shall be from the Original Component Manufacturer (OCM) / Original Equipment Manufacturer (OEM) or their franchised dealer or an authorized distributor. Parts shall not be acquired from independent distributors or brokers unless specifically authorized in writing by the Buyer. The Supplier shall verify the procurement source and associated certifying paperwork. Appropriate inspection and/or test methods shall be used to detect potential counterfeit parts and materials. The Supplier shall flow this requirement down to all sub-tier suppliers to prevent the inadvertent use of counterfeit parts and materials.

22. CONFLICT MINERALS. If Supplier is providing goods to Buyer under this PO, the Supplier hereby agrees to use reasonable efforts to:

- Identify whether such goods contain Tantalum, Tin, Tungsten or Gold;
- Conduct a reasonable country of origin inquiry regarding the origin of such minerals in such goods to determine whether such minerals originated in covered countries, as defined in section 1502 of the Dodd- Frank Wall Street Reform and Consumer Protection Act; and
- If such minerals originated in covered countries, conduct due diligence on the chain of custody of the source of such minerals for the purpose of identifying the smelter of said minerals; and
- Assist Buyer in conducting reasonable due diligence concerning the smelters of such minerals.

Supplier shall provide Buyer with reasonable documentation of Supplier's and its lower-tier suppliers' due diligence efforts, in a format prescribed by Buyer, when requested by Buyer.

23. FOREIGN OBJECT DEBRIS (FOD). Supplier shall establish procedures to control and eliminate Foreign Object Debris and contamination in a manner to lower risk potential throughout the entire process. Procedures or policies developed by Supplier shall be subject to review and audit by **Emerald Technologies - San Jose** or their customers as required.

24. ELECTROSTATIC DISCHARGE PROTECTION (ESD). For the contractual requirements of parts that are ESD sensitive, Supplier shall have an Electrostatic Sensitive Discharge (ESD) control program subject to review and approval by **Emerald Technologies - San Jose** upon request.

25. CHANGES IN PROCESS, PRODUCT, OR LOCATION. Supplier shall notify **Emerald Technologies - San Jose** within 24 hours of changes in processes, products, or services, including changes of their Sub-Tier Suppliers including location of manufacture and obtain approval from **Emerald Technologies - San Jose** to proceed with any open orders that may be impacted. This includes Changes to the Quality Management System, the Manufacturing Line, Facility Location, Processes, or Natural Disasters.



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26. **FLOW DOWN.** Seller shall flow down to Seller's supply chain all applicable site-specific supplemental terms and quality requirements as referenced in the PO. This PO or any interest hereunder shall not be assigned or transferred by Seller without the prior written consent of Buyer. Seller shall not subcontract the furnishing of any of the complete or substantially complete items required by this PO without the prior written approval of Buyer. In the event that Buyer approves of Seller's subcontractor(s), Seller shall flow down to its approved subcontractor(s) all applicable quality and supplemental terms requirements referenced in the PO. Seller will flow down to the supply chain information and requirements specified in this PO to sub-tier suppliers, subcontractors, etc. paying particular attention to key characteristics or requirements. All requirements listed in section 8.4.3 of ISO9001:2015 & AS9100:2016, and in section 7.4.2 of ISO13485:2016 are hereby imposed. Seller is required to comply with all requirements from **Emerald Technologies - San Jose** and its Customer as identified on the PO. It is the Seller's responsibility to confirm these requirements, and if there are any discrepancies will contact the Buyer.

27. **RECORDS.** The supplier shall retain all quality records relating to this order, including material test reports and processing records, for a minimum of 20 years unless otherwise required by Customer contract flow downs. Records shall remain legible, readily identifiable, and retrievable. The Seller shall retain all records needed to show conformance to PO requirements for each shipment. Distributors of Commercial-Off-The Shelf (COTS) items or Military Standard part numbers are only required to retain records of traceability to manufacturer, manufacturer part number, and date code. If the Seller is a distributor of the item(s) in this Purchase Order, the Seller shall require the same documentation from the original manufacturer of the item(s). Seller shall flow this requirement to the manufacturer. Seller shall allow **Emerald Technologies - San Jose** to acquire or inspect all records needed to show conformance to Purchase Order requirements. The Seller shall receive **Emerald Technologies - San Jose** approval prior to destroying / disposing of any record throughout the retention period.

28. **RIGHT OF ACCESS.** During the course of this contract, the Supplier (Seller) and their sub-tier suppliers will allow **Emerald Technologies - San Jose** personnel, Customers and Regulatory Authorities to enter and inspect its facilities and records involved with this order upon request, at any level of the supply chain.

29. **EMPLOYEE CONTRIBUTION.** Vendors must ensure that employees are aware of their contribution to product or service conformity, their contribution to product safety and the importance of ethical behavior.

30. **PRIORITY RATING.** If the PO is so identified as a "rated order" certified for national defense use, the Seller shall follow all the requirements of the Defense Priorities and Allocation System Regulation (15 C.F.R. Part 700).