



## **PURCHASE ORDER TERMS AND CONDITIONS**

**PURCHASE ORDER:** The parties and their respective successors and assigns are bound by the terms of the purchase order form, including any exhibits thereto (the "Form"), these Purchase Order Terms and Conditions, the Specifications (as defined below) (collectively, the "Purchase Order") and any amendments thereto. Supplier shall be deemed to have accepted the Purchase Order upon Supplier's written notice of acceptance to Purchaser. Purchaser may rescind the Purchase Order prior to Supplier's acceptance thereof.

**DEFINITIONS:** A. "Goods" includes the goods, materials, chattels, equipment, machinery, manufactured articles, merchandise, fixtures, products, appliances, plant and any other items to be supplied pursuant to the Purchase Order. B. "Warranty" includes warranties, guarantees, representations and promises.

**CONFLICT MATERIALS:** The Dodd-Frank Reform and Consumer Protection Act of 2010 and the United States Securities and Exchange Commission (SEC) now require U.S. public companies to report on the origin of minerals commonly used in the electronics industry, specifically tin (Sn), tantalum (Ta), tungsten (W) and gold (Au).

These minerals are called conflict minerals because they are found in regions where forced labor and other human rights abuses are used to mine these minerals and finance armed conflict, specifically in the Democratic Republic of the Congo (DRC) and its adjoining countries. The goal of the rule is to motivate manufacturers to ensure that these minerals come from conflict free sources and to prevent armed groups from benefiting from the use of force and human rights abuses.

Zentech is committed to sourcing responsibly and considers mining activities that fuel conflicts as unacceptable. Although Zentech does not directly purchase these minerals, we are directed by our customers to purchase and use materials on their behalf which may contain these minerals as alloy components.

Seller agrees to timely respond, to the best of its knowledge and belief following an appropriate due diligence inquiry, to any request by, or on behalf of, Buyer, for information on the source and chain of custody of conflict minerals necessary to the functionality or production of a product manufactured by you or supplied by you to Buyer. In addition, you understand and acknowledge that any information you provide in this regard may be used by Buyer to comply with its reporting obligations and our ends customer reporting obligations under the Dodd-Frank Wall Street Reform and Consumer Protection Act, including filing a Form SD and Conflict Minerals Report with the U.S. Securities and Exchange Commission.

**PURCHASE PRICE:** The total price specified on the Form shall be the "Purchase Price." Supplier represents that the Purchase Price shall not exceed current prices charged to any other customer of Supplier for goods which are the same or substantially similar to, and in the same or substantially similar quantities to the Goods. Supplier shall refund or Purchaser may set off against subsequent invoices any amounts paid by Purchaser in excess of such price(s). If the Purchase Price is omitted and is not contained in a blanket order or agreement, the Purchase Price shall be the lesser of the price last quoted or charged to Purchaser by Supplier, or the current market price for goods which are the same, or substantially similar, to the Goods.

**IDENTIFICATION/RISK OF LOSS/TITLE:** Identification of the Goods shall occur as soon as the Purchase Offer is received by Supplier. Risk of loss of, and clear title to, the Goods shall pass to Purchaser as of the time that the Goods are accepted by Purchaser.

**DELIVERY:** The Goods shall be delivered FOB to Purchaser at the time and place specified on the Form. Supplier is responsible for maintaining and providing proof of delivery. Packing lists shall accompany each delivery, and shall contain the purchase order number, the number of parcels in the delivery and a complete description of their contents. Collect shipments will be returned at Supplier's expense. If delivery of the Goods is provided by an entity other than Supplier, Supplier shall indemnify Purchaser for all claims against such entity for damage to the Goods, shortages, or other such occurrences. The supplier is expected to schedule shipments so parts arrive to the purchaser on the purchase order due date or up to 5-7 days prior to this date. The purchaser must be notified in the event the supplier becomes aware of changes in quantities to be shipped or if parts will not be delivered by the due date. Time is of the essence of this Purchase Order. Should Supplier fail to comply with Purchaser's delivery schedule or otherwise fail to comply with its obligations hereunder, Purchaser may terminate the Purchase Order without liability.

**INSPECTION:** Purchaser shall, for a reasonable time after delivery, have the right to inspect the Goods to determine whether the Goods conform to the Specifications. The parties hereby agree that thirty (30) days from the date of delivery is deemed to be a reasonable time for Purchaser to inspect the Goods. If all, or any part of, the Goods are found to be non-conforming, Purchaser may reject such non-conforming goods, whereupon such rejected good shall promptly be removed by Supplier. Upon request, Supplier shall promptly replace such non-conforming goods with Goods which conform to the Specifications. All direct and incidental expenses relating to non-conforming goods shall be borne by Supplier.

**PAYMENT:** Unless different payment terms are expressly stated on the Form or as otherwise set forth herein, payment terms shall be thirty (30) days from Purchaser's receipt of Supplier's invoice. No invoice will be paid until all of the Goods have been delivered and accepted by Purchaser. Alternatively, Purchaser may in its sole discretion reduce the Purchase Price by the price of any Goods rejected pursuant to Section 6 hereof. Purchaser shall be entitled at all times to set off any amount owing at any time from Supplier to Purchaser (or any of Purchaser's affiliates and subsidiaries) against any amount payable at any time by Purchaser (or any of its affiliates and subsidiaries) to Supplier. Purchaser shall have no responsibility for payment of over deliveries, Goods not delivered due to shortages, theft, etc., or which otherwise do not conform to the Purchase Order. Purchaser's count shall be accepted as final and conclusive for all deliveries.

**WARRANTIES:** A. Supplier expressly warrants that all of the Goods conform to the specifications, drawings, general conditions, plans or other descriptions upon which the Purchase Order is based (collectively, the "Specifications"), shall be fit and sufficient for the purpose intended, merchantable, of good material and workmanship, free from defects, free and clear of all liens or encumbrances and do not infringe on the patent, invention, design, trademark or copyright of another. Inspection, testing, acceptance or use of the Goods by Purchaser shall not affect Supplier's obligations under this warranty, and such warranty shall survive inspection, testing, acceptance and use. Supplier agrees to promptly replace or correct defects of any goods not conforming to the foregoing warranty without expense to Purchaser, when notified of such non-conformity. If Supplier fails to promptly correct defects in or replace non-conforming goods, Purchaser may, after reasonable notice to Supplier, make such corrections or effect cover at Supplier's expense. B. Supplier agrees that Purchaser, and any representative designated by Purchaser, for itself and on its behalf (the "Purchaser's Representative"), shall have the benefit of all manufacturers' warranties, express or implied, applicable to the Goods, and Supplier authorizes Purchaser or Purchaser's Representative to obtain the customary services furnished in connection with such warranties. Supplier hereby assigns such warranties to Purchaser. C. This Purchase Order incorporates by reference any and all warranties (express, implied, oral or written) made to Purchaser by Supplier before the Purchase Order was accepted or thereafter, including those warranties contained in any brochures, catalogues, advertisements, owner's manuals, etc., provided that in the event of a conflict, the warranty providing the most protection to Purchaser shall prevail.

**REMEDIES:** Purchaser's remedies shall be cumulative and shall include any remedies allowed by law.

**INDEMNIFICATION:** Supplier shall, at Supplier's sole cost and expense, release, defend, indemnify and hold Purchaser, any of Purchaser's Representatives and all of their respective trustees, directors, officers, employees agents and shareholders (collectively, the "Indemnified Parties") harmless from and against all claims, demands, disputes, complaints, causes of action, suits, losses and damages (including actual attorneys' fees) of any kind (collectively, the "Claims") arising from, or relating to, the Purchase Order or any defect(s) in the Goods, provided that such Claims are the result, whether in whole or in part, of any negligent act, omission, recklessness or willful misconduct of Supplier or its trustees, directors, officers, employees, agents or other party for whose acts Supplier may be liable; or provided that Supplier may be held responsible for the same under any products liability law or under other applicable legal or equitable principles. Supplier further agrees to assume the defense of any suit brought against the Indemnified Parties and to protect the Indemnified Parties from all Claims arising out of any claims for infringement of any patent, invention, design, trademark or copyright in connection with the Goods.

**FORCE MAJEURE:** Neither party shall be liable for a delay in performance of its obligations and responsibilities under the Purchase Order due to causes beyond its control, and without its fault or negligence, such as, but not limited to, war, embargo, national emergency, insurrection or riot, strike, acts of the public enemy, fire, flood or other natural disaster, provided that said party has taken reasonable measures to notify the other promptly in writing, of delay (but in any event, within 72 hours of the force majeure event). Failure or inability to obtain materials shall not be considered as a force majeure delay.

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**WAIVER:** No term or provision of the Purchase Order may be waived in any manner other than an instrument in writing signed by the party against whom the enforcement of the waiver is sought. Waiver of any breach by Purchaser shall not constitute Purchaser's waiver of any other breach of the same or any other provision. Acceptance of any items or payments therefore shall not waive any breach

**CANCELLATION:** Purchaser reserves the right to cancel the entire Purchase Order, or any portion thereof, if Supplier fails to make delivery as specified, or if the Goods do not conform to the Specifications, with no further obligations or liability hereunder.

**ASSIGNMENT:** Supplier shall not assign any right or interest in the Purchase Order without the written consent of Purchaser. Any such assignment in is void.

**MISCELLANEOUS:** A. The Purchase Order shall constitute the entire agreement between the parties with respect to the subject matter hereof and may not be amended except by a subsequent writing signed by both parties. B. Supplier shall comply with all applicable federal, state and local laws in its fulfillment of the Purchase Order. C. If any provision or part of any provision of the Purchase Order shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions or the remaining part of any effective provisions of the Purchase Order, and the Purchase Order shall be construed as if such invalid, illegal or unenforceable provision or part thereof had never been contained herein. D. The Purchase Order shall be governed by and construed in accordance with the laws of the State of Maryland, without regard to principles of conflicts of laws. Supplier consents to the jurisdiction and venue of the courts of any county in the State of Maryland or of Baltimore City, Maryland or to the jurisdiction and venue of the United States District Court for the District of Maryland (Northern Division), if diversity of citizenship exists, in any action or judicial proceeding brought to enforce, construe or interpret the Purchase Order. E. All indemnification, payment, warranty, lien waiver, title and remedies provisions shall survive the termination or expiration of the Purchase Order.

**COMMUNICATIONS:** The buyer's part number(s), and purchase order number must be referenced on all correspondence.

**LABELING OF PARTS/PACKAGES:** All parts/packages must be marked by a label which includes buyer's internal Part Number and Revision for the part.

**PART SUBSTITUTIONS:** No part substitutions will be accepted unless authorized in writing by the buyer and clearly communicated in the order document.

**AVAILABILITY AND READINESS:** All components shall be made available in a timely manner and suitable for processing on automated assembly equipment. Surface mount components shall be taped and reeled per EIA 481 using plastic tape/carrier. When Cut Tape is requested or required, it must come with a minimum 6-inch leader (both embossed and cover tape). Parts supplied on Cut Tape are to be supplied on one continuous length of tape. Any variances to the above must be authorized by the buyer per line item affected on the order document.

**NONCONFORMING PRODUCT:** The Seller shall notify the buyer of nonconforming and/or suspect material that may have been previously delivered. In addition, any known deviations from the purchase order, OEM/OCM specifications or technical data package provided by the buyer.

**RECORDS RETENTION:** The seller must retain any and all records related to the sourcing and sale of the material, for a period not less than 10 years from the date of shipment or as otherwise specified as part of any flow down requirements included in this order.

**NOTIFICATION OF CHANGES IN PRODUCT AND/OR PROCESSES:** The seller must notify the buyer in writing (E-Mail is acceptable) of any changes in product and/or process, changes in suppliers, changes of manufacturing facility location and where required by supplemental terms and conditions, obtain organizational approval. This requirement applies to Distribution, OEM/OCM and Brokers alike, to the extent they have access to or are notified of these conditions.

**RIGHT of ACCESS:** The seller must provide right of access to the buyer, the buyer's customer and any regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records.

**SOLDERABILITY:** All electrical components which are intended for use in soldering processes must be accompanied by Certificates of Conformance to the J-STD-002 - Solderability Tests for Component Leads, Terminations, Lugs, Terminals and Wires.

**MOISTURE SENSITIVITY:** Moisture sensitive components and materials must be appropriately packaged and identified in accordance with IPC/JEDEC J-STD-020C Moisture/Reflow Sensitivity Classification for Non-hermetic Solid State Surface Mount Devices.

**HANDLING AND PACKAGING:** Parts must be handled and packaged to meet MIL-STD-1686C and MIL-HDBK-263.

**DATE CODE:** The date of a components manufacture, intended for delivery, is not to exceed 5 years prior to date of receipt unless otherwise authorized in writing by the buyer. This date is to be determined by manufacturers date/ lot code labeling on the component and/ or packaging. Any variances to the above must be authorized by buyer in writing on the order document.

**CERTIFICATE OF CONFORMANCE/OCM TRACEABILITY IS REQUIRED FOR ALL PRODUCT**

**COUNTERFEIT COMPONENT MITIGATION:** All requirements in the following clause are self-deleting if any one or more of the following conditions exist:

1. The material provided under this order is NOT electrical, electronic or electro-mechanical component.
2. The seller is the original component manufacturer (OCM)
3. The seller is an OCM-authorized distributor that has obtained the material to be delivered under this contract directly from the OCM and is authorized by the OCM to distribute this material.

In addition, all requirements in the following clause are in addition to any requirements

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flowed down as part of this order. In the event of conflict, the flow down requirement takes precedence. In the event of duplication, both requirements apply in their respective entirety. The seller is required to provide supply chain traceability to the OCM or aftermarket manufacturer that identifies the name and location of all of the supply chain intermediaries from the part manufacturer to the direct source of the product for the seller. Acquisition history that includes distribution sources outside of the United States shall be authorized by the customer prior to delivery.

If evidence of acquisition traceability to the OCM is not available, the seller shall submit all material to verification testing for material authenticity prior to delivery per SAE AS6081 section 4.2.6

#### VERIFICATION TESTING REQUIREMENTS:

For all devices, verify procured product per SAE AS6081 section 4.2.6.

For passive components, verification shall include: 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); and lead finish evaluation (Level A5 of Table 1).

For all other components, verification shall include all Table 1 Minimum Required Level A Tests, except perform x-ray inspection of 100% of components. Note that samples shall be randomly selected. The same samples may be used for multiple tests.

Note: Seller shall verify any mixed construction and/or construction anomalies within a single date code identified by the Delid/Decapsulation or X-Ray Inspection to be authentic by the OCM/OEM/AAM or validated against a known authentic component prior to shipment.

For bare die products, inspect for consistent markings on the die and the wafer packaging and verify die size and geometry (visual inspection per Mil-Std-883, Method 2010, 2017 or 2032 as applicable). The seller shall verify die topology and markings are authentic with the OCM/OEM/AAM or by comparison to other authentic components or images. Mixed construction shall be cause for rejection.

For all components, 100% of the components shall be tested to all specified limits of all Group A static DC parameters at ambient temperature specified per the applicable drawing or in accordance with the applicable industry/military requirements or manufacturer's data sheet.

The Seller shall hold the lot for buyer review if 100% (Group A) test failures exceed 10% of the lot quantity, unless authorized in writing by the Buyer. Product containing these components may not be shipped unless authorized in writing by the Buyer.

For programmable components containing non-volatile memory, perform checksum verification on 100% of the components to confirm they are not programmed.

For component lots that pass the inspections and tests above, the Seller shall submit verification records and results, including electrical test parametric data for 100% of the components and a copy of X-ray and digital photographs with the delivery subject to acceptance by Zentech Manufacturing Inc.

The Seller shall not ship components from lots which fail these tests/inspections under this purchase order. The Seller shall maintain a separate copy of verification records and results for a period not less than 10 years from the date of shipment or as otherwise specified as part of any flow down requirements included in this order. A copy shall be provided to the Buyer upon Buyer request.

Purchased product with a shelf life, defined from date of manufacture to expiration date, will be returned to distribution if received with less than 70% of the shelf life remaining.

**ADDITIONAL REQUIREMENTS:**

**THE SUPPLIER IS TO FLOW DOWN TO SUBTIER SUPPLIERS THE APPLICABLE REQUIREMENTS IN THE PURCHASING DOCUMENTS, INCLUDING KEY CHARACTERISTICS WHERE SPECIFIED.**

Late deliveries and quality non-conformances are monitored via the Zentech "Vendor Performance Report"; a low rating may jeopardize your "Approved Supplier" status. Please contact the Buyer immediately regarding any shipment delays or quality non-conformances. Supplier acknowledges and agrees to advise Zentech Manufacturing promptly in writing should there be any change in their status with respect thereto. Failure to notify buyer of such changes in a timely and reasonable manner may result in supplier's suspension or termination.

Supplier shall establish and have an ongoing business ethics awareness and compliance program.

Supplier shall have a written code of business ethics and conduct; and Make a copy of the code available to each employee engaged in performance of the contract, Exercise due diligence to prevent and detect criminal conduct; and otherwise promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law. This program shall include reasonable steps to communicate periodically and in a practical manner the supplier's standards and procedures and other aspects of the suppliers' business ethics awareness and compliance program and internal control system, by conducting effective training programs and otherwise disseminating information appropriate to an individual's respective roles and responsibilities.

This transmittal may contain company confidential, proprietary and/or information regulated by the International Traffic in Arms Regulation (ITAR), and may be subject to U.S. Government Export Control Laws. This information is intended for use only by the recipient.

Transfer of this information to any foreign party, whether in the U.S. or abroad, without Department of State approval and/or licensing, is prohibited.

Cyber Security Controls - Due to the possibility of Federal Contract Information (FCI) and/or Covered Defense Information (CDI) being transmitted to the supplier or generated by the supplier, by accepting and performing under this Purchase Order unless the Purchase Order is solely for COTS items, the supplier affirms, for all U.S. Government procurements, that it complies with the following Federal Regulations, in effect on the date of this procurement award: FAR 52.204-21 and DFARS 252.204-7012.

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The supplier agrees to provide Zentech, its customers and regulatory authorities right of access to all facilities involved in the order and all applicable records.

The implementation of a quality management system. A third-party certification to ISO 9001, AS9100, AS9120, ISO 13485 or ISO 16949 from an International Aerospace Quality Group (IAQG) or International Accreditation Forum (IAF) affiliated registrar shall be provided to Zentech. Alternatively, the quality management system may be approved by Zentech.

All suppliers shall use customer-designated or approved external providers, including process sources (e.g., special processes) when specified.